

Town of Chatham, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Fiscal Year Ended June 30, 2021

Prepared By:
Alexandra Heilala, Finance Director

On the Cover: Chatham Harbor



October 3, 2020, Special Town Meeting held at Veteran's Field

The Town of Chatham, Massachusetts

Annual Comprehensive Financial Report



**For the Year
July 1, 2020 through June 30, 2021**

Prepared by the Finance Department

TOWN OF CHATHAM, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021

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Introductory Section



Coffee with Cops

Introductory Section

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TOWN OF



CHATHAM

*Chatham, Massachusetts
02633*

February 28, 2022

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

Subsequent to the close of each year, state law requires the Town of Chatham to publish a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Town of Chatham, Massachusetts, for the year ending June 30, 2021, for your review.

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and credit raters. Just as important, the design and format of this report is aimed at providing the residents and taxpayers of Chatham a more easily readable and, therefore, a more easily understandable financial report.

This report consists of management's representations concerning the finances of the Town of Chatham. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In order to provide a reasonable basis for making these financial representations, management continues to review and improve its established comprehensive internal controls. The framework for these controls is designed to protect, to the extent possible, the government's assets from loss, theft or misuse.

The cost of internal controls should not outweigh their benefits. As a result, the Town of Chatham's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements for the year ended June 30, 2021, are fairly presented in conformity with GAAP.

The Town of Chatham's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Chatham for the year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town of Chatham's financial statements for the year ended June 30, 2021, and that they are, in fact, fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Chatham was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Chatham's separately issued Single Audit Report.

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

Profile of the Town

Chatham was incorporated as a Town on June 11, 1712. With a population of 6,621, Chatham is located on the elbow of Cape Cod surrounded on three sides by the Atlantic Ocean. Chatham extends out to sea as the most easterly point in Massachusetts, with a land area of about 16 square miles.

Chatham is a seaside Town known for its maritime heritage, beaches, wildlife, and natural beauty. Chatham has six major beaches with views of Nantucket Sound and the Atlantic Ocean. The largest being Chatham Lighthouse Beach which is only half a mile from downtown. Chatham is also home to the Atlantic White Shark Conservancy, which leads research, tagging and tracking efforts for great white sharks on the Cape.

The Monomoy Wildlife Refuge was established in 1944 to provide habitat for migratory birds. The total size of the refuge is 7,604 acres with varied habitats of oceans, salt and freshwater marshes, dunes, and freshwater ponds, of which 3,244 acres are designated Wilderness. The refuge protects numerous avian species, including endangered piping plovers and roseate terns and is the only nationally designated wilderness area in southern New England.

Veterans Field in Chatham is the home park of the Chatham Anglers (Chatham A's), one of 10 teams in the widely known Cape Cod Baseball League.

The Town offers a full range of services including police and fire protection, education, maintenance of streets and infrastructure, water, parks, beaches and other recreational facilities.

The Town operates under a Select Board/Open Town Meeting/Town Manager form of government. The elected five-member Select Board makes policy decisions. The Town Manager is responsible for carrying out the policies and direction of the Select Board and for managing the day-to-day operation of the Town.

The Eldredge Public Library provides library services to the Town residents. The Library is governed by an independent board of trustees and a Director. The land and building are owned by the Town. Operating funds come from the Library's endowment, individual contributions, and an annual appropriation from the Town, which provides over 50% of the funds needed for they year's operations. The Library is reported as a component unit as part of these financials.

Budgetary Controls

The Finance Director is responsible for preparing the budget and reviewing it with the various departments, boards and committees. This budget is then presented to the Town Manager who, in turn, after review, presents the budget to the Select Board. The Select Board review all requests and Town-wide issues and present a budget

to Town Meeting for approval. A nine-member Finance Committee made up of citizen volunteers reviews the budget and makes recommendations to Town Meeting.

The level of budgetary control is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department salary and expense level. The Finance Director is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. The Finance Committee, upon request of the Town Manager, may approve during the year a transfer from a reserve fund established at Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

Factors Affecting Economic Condition

Local Economy

The Town of Chatham continues to reflect a strong economic condition. The per capita income is significantly higher than state averages, and the unemployment rate has always been extremely low. Chatham has a primarily residential tax base which has grown through rapidly rising home values.

In 2021, the average price of a home in Chatham was \$899,000 (based upon market trends and statistical data). The current economic environment indicates that property values and new growth are expected to increase 23% in the next valuation. The community has preserved large amounts of open space and is 94% residential. Chatham is an ocean front community with a pristine coastline, as well as having an excellent reputation for academics, athletics, and many cultural and natural amenities. All of this has made the Town of Chatham a highly desirable location.

The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden by a majority vote at a Town election. While tax revenue increases have been limited in recent years, other revenue sources, such as State aid and local receipts, including the meals and hotel taxes, have expanded and stabilized.

Fortunately, the Town has long enjoyed a cooperative approach to problem solving among its many boards and committees, departments, unions and citizens. This cooperation has led to solid fund balances. During the 2021 budget cycle, departments continued to work together to create a budget that did not rely at all on long-term reserves.

Long-Term Financial Planning

The Town's long-term financial planning is focused on addressing the numerous needs of the community, particularly in view of the revenue constraints of Proposition 2½. Discussions are ongoing concerning issues regarding how to provide the community with the level of services it has come to expect under difficult financial conditions. Town departments and the Finance Committee have all provided input.

The Town, through managing its financial affairs in a prudent manner, primarily through considerable long-term planning and strong financial policies, maintained their credit rating of AAA by Standard & Poor's.

In 2021, the Town continued to demonstrate its commitment to build its reserve accounts. The Town continued to build the Stabilization and Other Postemployment Benefit Funds (OPEB). In 2021, the Town appropriated \$702,902 to the OPEB fund.

The Town continues to review and modify its sustainable long-term financial plan. Management recognizes that in order to continue to provide services to the community, while at the same time maintaining its existing infrastructure, a formalized plan is necessary. Issues being discussed include long range capital planning, appropriate reserve levels and new revenue sources.

Awards and Acknowledgements

This is the first year that the Town of Chatham will submit an annual comprehensive financial report (ACFR) to the Government Finance Officers Association (GFOA) with hopes of being awarded a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a prestigious national award recognized conformance with the highest standards for preparation of a state and local government financial report.

In order to receive this prestigious award, a government had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for the certificate.

Preparing a document of this magnitude requires a significant investment of time and resources. I am grateful to the Finance Department for achieving and maintaining this prestigious honor. This document reflects well upon the professionalism of our organization and provides a wealth of information to the community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alexandra Heilala". The signature is written in a cursive, flowing style.

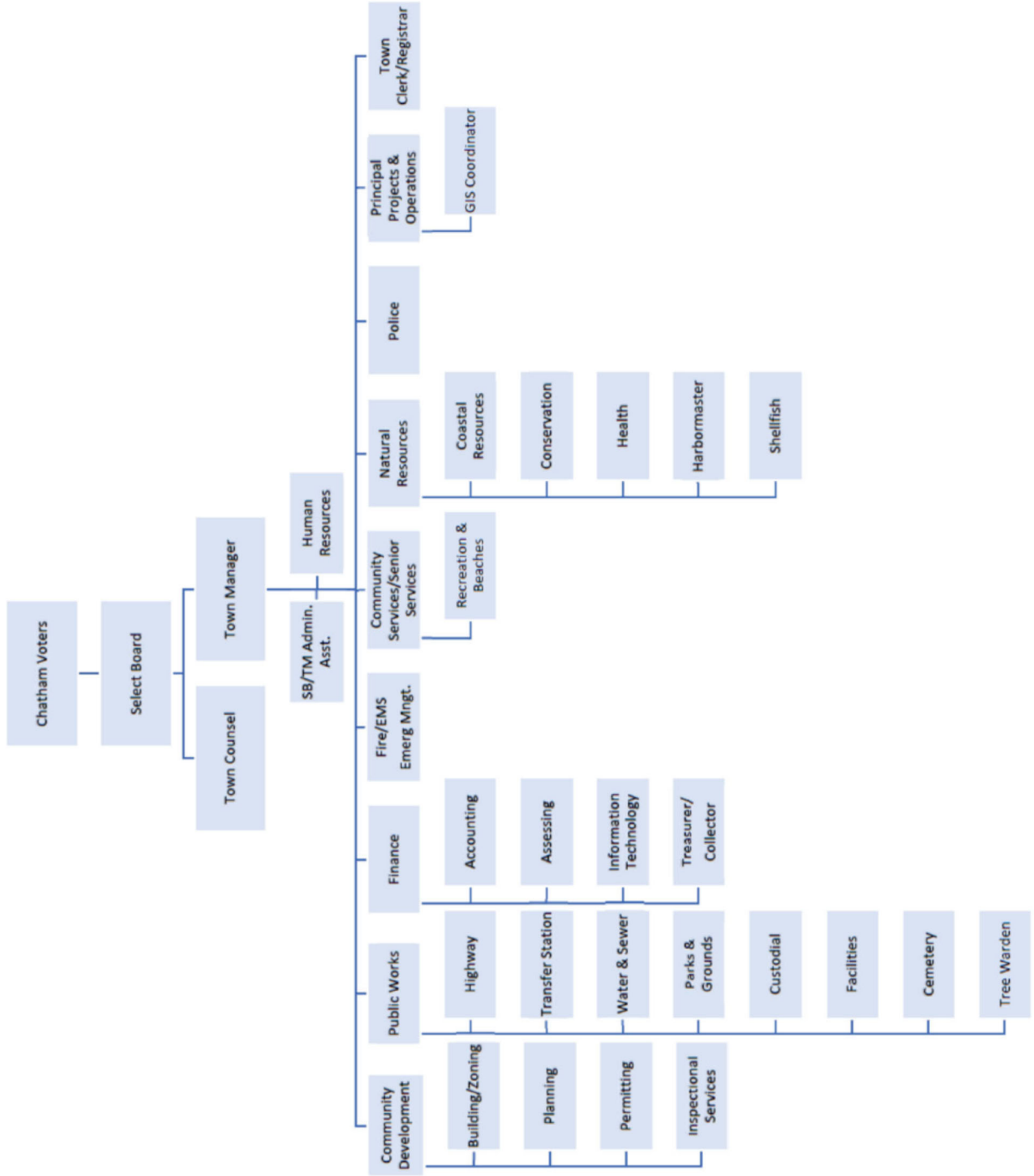
Alexandra Heilala
Finance Director

Town of Chatham, Massachusetts

Principal Executive Officers as of June 30, 2021

<u>Title</u>	<u>Name</u>	<u>Selection</u>	<u>Term Expires</u>
Select Board, Chair	Pater Cocolis	Elected	2022
Select Board, Vice Chair	Shareen Davis	Elected	2023
Select Board, Clerk	Cory J. Metters	Elected	2024
Select Board	Jeffrey S. Dykens	Elected	2022
Select Board	Dean P. Nicastro	Elected	2024
Town Manager	Jill R. Goldsmith	Appointed	2023
Director of Finance/Town Accountant	Alexandra Heilala	Appointed	Indefinite
Treasurer/Tax Collector	Sharon Drown	Appointed	Indefinite
Assessing Director	Ardelle Kelley	Appointed	Indefinite
Town Clerk	Julie S. Smith	Appointed	Indefinite
Town Moderator	William G. Litchfield	Elected	2024

Town of Chatham, Massachusetts
Organizational Chart



Financial Section



U.S. Coast Guard Station

Financial Section

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Independent Auditor's Report

To the Honorable Select Board
Town of Chatham, Massachusetts

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Chatham, Massachusetts, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Chatham,

Massachusetts, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Chatham, Massachusetts' basic financial statements. The introductory section, combining statements and statistical section, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining statements, as listed in the table of contents, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 statements are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, on our consideration of the Town of Chatham, 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 Chatham, Massachusetts' internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Bowers & Sullivan LLC". The signature is written in a cursive, flowing style.

February 28, 2022

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Chatham, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2021. The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis are part of these requirements.

Financial Highlights

- The government-wide assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$114.4 million (net position).
- As required by GASB Standards, the Town recognized their total net pension liability of \$21.8 million along with a deferred outflow related to pension of \$2.2 million and a deferred inflow related to pension of \$3.5 million on the statement of net position.
- As required by GASB standards, the Town recognized their total net other postemployment benefit (OPEB) liability of \$17.0 million along with a deferred outflow related to OPEB of \$815,000 and a deferred inflow related to OPEB of \$2.3 million on the statement of net position.
- The government's total net position increased by \$9.6 million. Of this increase, \$8.5 million is related to governmental activities and \$1.1 million is related to business-type activities.
- As of the close of the current year, the Town's governmental funds reported a combined ending fund balance of \$18.6 million, a decrease of \$979,000 in comparison with the prior year.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$21.7 million, an increase of \$3.2 million over the prior year. Total fund balances represents 49.0% of total general fund expenditures. Approximately \$12.6 million of this total amount is available for appropriation at the Town's discretion.
- In January 2019, the Commonwealth of Massachusetts passed special legislation that allowed the Town to apply a 1.5% surtax based on assessed real estate and personal property taxes. The Town contributed \$703,000 to its other postemployment benefits (OPEB) trust fund of which \$553,000 was from the surtax and \$150,000 was from free cash. The trust fund had a balance of \$3.2 million at the end of the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Chatham's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the Towns' operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements.

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

The *statement of net position* presents information on all of the Town of Chatham's assets and liabilities, and deferred inflows/outflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position 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 year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements include not only the Town itself (known as the primary government), but also the Eldredge Public Library for which the Town contributes a majority of funding for their annual operations. Although it is legally separate, the library receives a significant portion of its annual operating budget from the Town of Chatham and, therefore, the financial information of this component unit is reported separately from the financial information presented for the primary government itself.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, natural resources, community development, health and human services, culture and recreation, community preservation, and interest.

The business-type activities include the water operations and the Wood Waste Reclamation Facility.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

In accordance with accounting standards, the Town reports fund balance components as nonspendable, restricted, committed, assigned and unassigned. Additionally, the Town's stabilization fund is reported within the general fund as unassigned. The Town of Chatham adopts an annual appropriated budget for its general fund. A budgetary comparison schedule is included as required supplementary information for the general fund to demonstrate compliance with this budget.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and wood waste reclamation facility operations, each of which are considered major funds 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* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town maintains two different types of fiduciary funds. The other postemployment benefit trust fund is used to account for assets accumulated to provide funding for future other postemployment benefits (OPEB) liabilities. The private purpose trust fund is used to report the Town's scholarship funds.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Chatham's government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$114.4 million at the end of 2021. The Town's total net position increased by \$9.6 million during 2021.

A significant portion of the Town's net position, \$123.9 million, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$5.5 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a deficit of \$15.0 million. The deficit is primarily the result of the recognition of net pension liability of \$21.8 million along with the net other postemployment benefits liability of \$17.0 million and the corresponding deferred outflows and inflows of resources related to the pension and OPEB liabilities. These are long-term unfunded liabilities that will not require significant short-term resources.

Governmental Activities

For the Town's governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$93.7 million at the close of 2021.

The governmental activities net position increased by \$8.5 million during the current year. The main reasons for the increase are positive budgetary results totaling \$3.4 million, capital grants received totaling \$1.2 million, a decrease in the Town's net pension liability totaling \$271,000, net of deferred outflows/inflows, and a decrease in the Town's net other postemployment benefit liability totaling \$390,000, net of deferred outflows/inflows.

	2021	2020 (As Revised)
Assets:		
Current assets.....	\$ 30,320,293	\$ 34,362,042
Capital assets, non depreciable.....	53,062,693	58,953,538
Capital assets, net of accumulated depreciation....	137,156,081	122,748,462
Total assets.....	220,539,067	216,064,042
Deferred outflows of resources.....	2,962,809	4,423,282
Liabilities:		
Current liabilities (excluding debt).....	2,976,929	2,065,426
Noncurrent liabilities (excluding debt).....	38,385,212	43,467,755
Current debt.....	10,066,506	13,375,527
Noncurrent debt.....	72,674,418	73,599,296
Total liabilities.....	124,103,065	132,508,004
Deferred inflows of resources.....	5,694,463	2,772,208
Net position:		
Net investment in capital assets.....	108,120,756	94,727,177
Restricted.....	5,478,652	6,083,586
Unrestricted.....	(19,895,060)	(15,603,651)
Total net position.....	\$ 93,704,348	\$ 85,207,112

The increase of \$8.5 million in capital assets is mainly due to the Town's wastewater infrastructure project. Other major capital asset additions included the Goose Pond land acquisition, roadway projects, airport improvements, Eldredge Public Library renovations and the purchase of an ambulance.

The decrease of \$5.1 million in noncurrent liabilities (excluding debt) is related to the decrease of net pension liability by \$2.9 million and the decrease of net other postemployment benefit liability by \$2.1 million.

The decrease in current debt and noncurrent debt of \$4.2 million relates to the drawdowns from the Massachusetts Clean Water Trust of \$3.2 million, \$5.5 million in debt service payments and the current amortization of premiums, offset with the issuance of \$4.2 million in governmental activities general obligation bonds and \$334,000 in related premiums.

Beginning net position of the governmental activities has been revised by \$64,688 to reflect the implementation of GASB Statement #84, *Fiduciary Activities*.

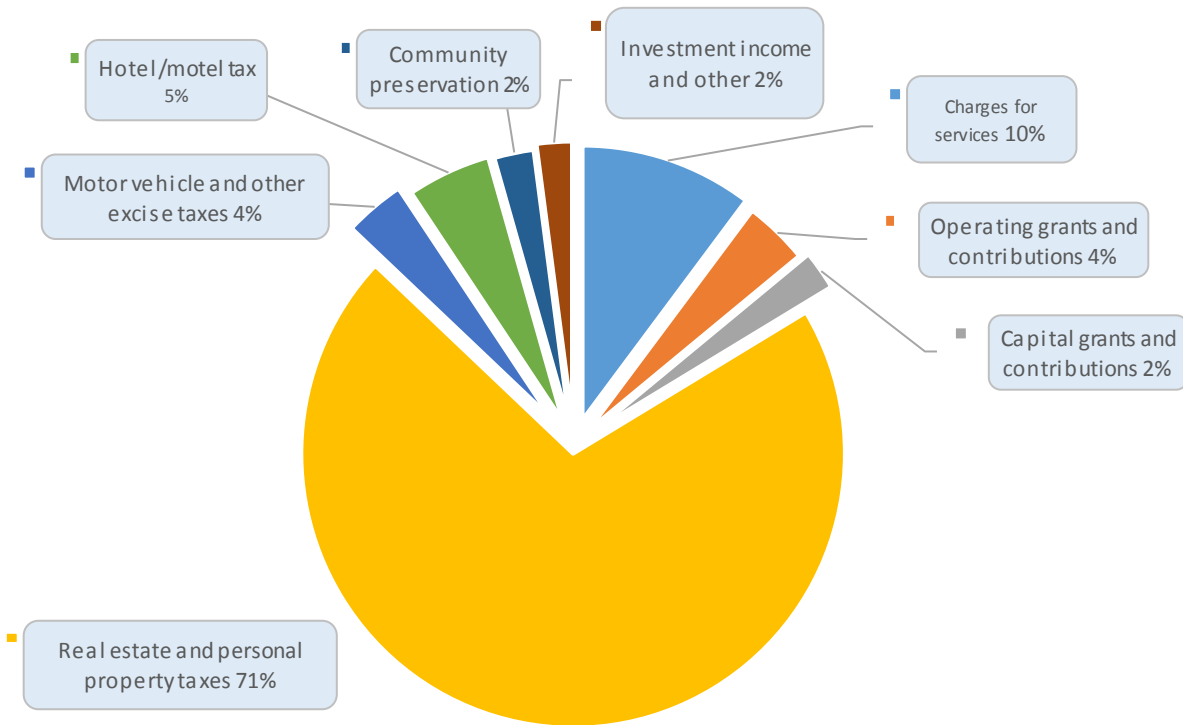
	2021	2020
Program Revenues:		
Charges for services..... \$	5,380,173	\$ 4,666,047
Operating grants and contributions.....	1,997,699	2,543,759
Capital grants and contributions.....	1,214,144	3,214,675
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	37,077,338	36,582,233
Tax and other liens.....	67,522	68,321
Motor vehicle and other excise taxes.....	1,880,350	1,710,053
Hotel/motel tax.....	2,599,682	1,898,640
Meals tax.....	349,978	450,046
Community preservation tax.....	1,226,071	1,238,491
Penalties and interest on taxes.....	143,099	128,257
Payments in lieu of taxes.....	29,670	34,043
Grants and contributions not restricted to specific programs.....	247,428	192,579
Unrestricted investment income.....	226,567	353,395
Gain on sale of capital assets.....	30,650	27,100
Total revenues.....	52,470,371	53,107,639
Expenses:		
General government.....	4,253,703	4,534,966
Public safety.....	10,217,954	10,864,231
Education.....	9,748,169	9,855,087
Public works.....	9,686,032	12,063,867
Community development.....	1,179,740	1,229,923
Health and human services.....	1,558,319	1,724,307
Culture and recreation.....	989,702	1,034,384
Natural resources.....	4,249,592	4,618,658
Community preservation.....	201,990	271,957
Claims and judgments.....	-	300,000
Interest.....	1,387,934	1,152,502
Total expenses.....	43,473,135	47,649,882
Excess (Deficiency) before transfers.....	8,997,236	5,457,757
Transfers.....	(500,000)	(544,840)
Change in net position.....	8,497,236	4,912,917
Net position, beginning of year, as revised.....	85,207,112	80,294,195
Net position, end of year..... \$	93,704,348	\$ 85,207,112

Charges for services represented 10% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in the category. Most of these resources apply to public safety, public works and culture and recreation.

Operating grants and contributions accounted for 4% of the governmental activities resources. Most of these resources apply to public works, natural resources and health and human services.

Capital grants and contributions accounted for 2% of the governmental activities resources. The Town receives state funding for highway projects and a state match for community preservation.

FY21 Governmental Revenues



Property taxes are by far the most significant revenue source for the Town’s governmental activities. They comprised 71% of current resources.

All other taxes and other revenue comprised a total of 13% of the governmental activities’ resources. These primarily include motor vehicle and other excise taxes, hotel/motel tax, community presevation taxes, nonrestricted grants and contributions and investment income.

Public safety had the largest amount of governmental expenses totaling \$10.2 million or 24%.

Education had the second largest amount of governmental expenses totaling \$9.7 million or 22%. Education needed \$9.7 million in taxes and other revenue to cover its 2021 operating expenses. Education expenses represent the Town’s assessments paid to the Monomoy Regional School District and the Cape Cod Regional Technical High School.

Public works had the third largest amount of governmental expenses totaling \$9.7 million or 22%..

Business-type Activities

Business-type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$20.7 million at the close of 2021. Of this amount, \$15.8 million (76%) is the net investment in capital assets, and the remaining balance of \$4.9 million (24%) is unrestricted net position.

	2021	2020 (As Revised)
Assets:		
Current assets.....	\$ 6,519,907	\$ 5,844,708
Noncurrent assets (excluding capital).....	1,805,326	2,274,198
Capital assets, non depreciable.....	3,200,438	3,163,433
Capital assets, net of accumulated depreciation....	23,402,555	23,650,088
Total assets.....	34,928,226	34,932,427
Deferred outflows of resources.....	89,102	118,814
Liabilities:		
Current liabilities (excluding debt).....	197,782	154,160
Noncurrent liabilities (excluding debt).....	869,744	893,554
Current debt.....	890,627	939,393
Noncurrent debt.....	10,196,270	11,086,897
Total liabilities.....	12,154,423	13,074,004
Deferred inflows of resources.....	2,210,258	2,396,536
Net position:		
Net investment in capital assets.....	15,784,154	15,191,632
Unrestricted.....	4,868,493	4,389,069
Total net position.....	\$ 20,652,647	\$ 19,580,701
Program Revenues:		
Charges for services.....	\$ 4,117,957	\$ 4,459,060
Expenses:		
Water.....	3,534,011	3,278,330
Wood waste reclamation facility.....	12,000	10,172
Total expenses.....	3,546,011	3,288,502
Excess (Deficiency) before transfers.....	571,946	1,170,558
Transfers.....	500,000	544,840
Change in net position.....	1,071,946	1,715,398
Net position, beginning of year, as revised.....	19,580,701	17,865,303
Net position, end of year.....	\$ 20,652,647	\$ 19,580,701

Beginning net position of the business-type activities has been revised by \$2,331,828 to reflect the implementation of GASB Statement #87, *Leases*.

There was an increase of \$1.0 million in net position related to the Water Department's operations during the current year. Program revenues decreased due to a new apportioned loan recognized in the prior year offset with an increase in user charges. Expenses increased which was partly due to the recognition of an additional \$86,000 for the net pension liability, net of deferred outflows/inflows.

There was an increase of \$24,000 in net position related to the Wood Waste Reclamation Facility's operations. The fund is used for groundwater monitoring.

Financial Analysis of the Government's Funds

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

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

As of the end of the current year, governmental funds reported combined ending fund balances of \$18.6 million, a decrease of \$979,000 from the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund totaled \$12.6 million, while total fund balance is \$21.7 million. 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 28.4% of total general fund expenditures, while total fund balance represents 49.0% of that same amount. The fund balance of the general fund increased \$3.2 million during 2021. This change is mainly the result of stronger than expected budgetary results.

The Town also maintains a stabilization fund, which has been classified within the unassigned general fund balance in the governmental funds financial statements to remain compliant with GASB Statement #54. The stabilization fund has a year-end balance of \$2.2 million. These funds can be used for general or capital purposes upon Town meeting approval.

The community preservation fund had a fund balance at June 30, 2021, of \$3.8 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose a 3% surcharge on property taxes and to receive matching state funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The community preservation fund balance increased by \$427,000 in 2021. This was the net result of \$1.4 million in taxes, state matching funds and interest collected offset by \$276,000 in expenditures on community preservation projects and \$706,000 in transfers out.

The highway improvements fund accounts for roadway projects that are submitted for to the state for reimbursement. The fund reported \$1.6 million in state revenue along with \$1.3 million in expenditures.

The wastewater facility fund reported a year end deficit of \$14.5 million, a decrease of \$4.4 million from the prior year. The fund had expenditures totaling \$7.9 million, bond proceeds totaling \$3.2 million, and premiums from issuance of bonds totaling \$210,000. The deficit will be funded with additional bond and grant proceeds in subsequent years.

General Fund Budgetary Highlights

The original general fund budget included \$43.6 million in estimated revenues and transfers in and \$51.9 million in expenditures and transfers out with the difference consisting of prior year encumbrances included in the current year original budget and the use of free cash to fund the current year budget.

General fund revenues were approximately \$4.6 million more than budgeted. The largest areas of the surplus were in hotel/motel taxes, charges for services and motor vehicle and other excise taxes. These were mainly due to the Town taking a conservative approach when budgeting revenue.

General fund expenditures and encumbrances were approximately \$1.7 million less than budgeted. Key components of this surplus include \$313,000 in fire, \$125,000 in education and \$223,000 in employee benefits.

Capital Asset and Debt Administration

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming year and a five-year Capital Improvement Plan (CIP). During the current year, the Town acquired \$13.8 million in governmental activities capital assets which include \$7.6 million for the Town's wastewater infrastructure project, \$1.3 million for the Goose Pond land acquisition and \$1.3 million in infrastructure projects.

The water enterprise fund reported additions totaling \$904,000 mainly for infrastructure projects.

Depreciation expense for governmental and business-type activities totaled \$5.3 million and \$1.1 million, respectively.

The Town of Chatham's governmental funds had total bonded debt outstanding of \$77.7 million at the end of the current year. Of this amount, \$48.2 million is for wastewater costs; \$2.8 million is for land acquisition; \$20.5 million is for building projects; \$385,000 is for the public way; \$720,000 is for departmental equipment; \$160,000 is for roads; \$4.2 million is for the fish pier and waterfront facilities, and \$792,000 in unamortized premium on bonds.

The water enterprise fund has \$11.1 million in water debt that is fully supported by the rates and does not rely on a general fund subsidy.

Please refer to footnotes 5, 8, and 9 for further discussion of the major capital assets and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Town of Chatham's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town Hall, 549 Main Street, Chatham, Massachusetts 02633.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Eldredge Public Library, Inc.
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 17,253,759	\$ 5,310,974	\$ 22,564,733	\$ 280,708
Investments.....	4,694,344	-	4,694,344	8,042,438
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	491,464	-	491,464	-
Tax liens.....	255,895	-	255,895	-
Community preservation fund surtax.....	19,832	-	19,832	-
Motor vehicle and other excise taxes.....	403,704	-	403,704	-
User charges.....	86,238	943,078	1,029,316	-
Departmental and other.....	127,917	-	127,917	-
Intergovernmental - other.....	6,136,357	-	6,136,357	-
Community preservation state share.....	508,463	-	508,463	-
Special assessments.....	305,777	-	305,777	-
Apportioned leases.....	-	265,855	265,855	-
Tax foreclosures.....	36,543	-	36,543	-
Total current assets.....	30,320,293	6,519,907	36,840,200	8,323,146
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Apportioned leases.....	-	1,805,326	1,805,326	-
Capital assets, nondepreciable.....	53,062,693	3,200,438	56,263,131	-
Capital assets, net of accumulated depreciation.....	137,156,081	23,402,555	160,558,636	15,628
Total noncurrent assets.....	190,218,774	28,408,319	218,627,093	15,628
TOTAL ASSETS.....	220,539,067	34,928,226	255,467,293	8,338,774
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions.....	2,147,608	89,102	2,236,710	-
Deferred outflows related to other postemployment benefits.....	815,201	-	815,201	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	2,962,809	89,102	3,051,911	-
LIABILITIES				
CURRENT:				
Warrants payable.....	1,086,880	90,380	1,177,260	6,908
Accrued payroll.....	454,303	7,096	461,399	-
Accrued interest.....	226,313	96,471	322,784	-
Other liabilities.....	784,612	-	784,612	-
Landfill closure.....	25,000	-	25,000	-
Compensated absences.....	399,821	3,835	403,656	27,752
Notes payable.....	4,991,630	-	4,991,630	-
Bonds payable.....	5,074,876	890,627	5,965,503	-
Total current liabilities.....	13,043,435	1,088,409	14,131,844	34,660
NONCURRENT:				
Landfill closure.....	50,000	-	50,000	-
Compensated absences.....	427,002	2,062	429,064	-
Net pension liability.....	20,913,691	867,682	21,781,373	-
Net other postemployment benefits liability.....	16,994,519	-	16,994,519	-
Bonds payable.....	72,674,418	10,196,270	82,870,688	-
Total noncurrent liabilities.....	111,059,630	11,066,014	122,125,644	-
TOTAL LIABILITIES.....	124,103,065	12,154,423	136,257,488	34,660
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions.....	3,352,169	139,077	3,491,246	-
Deferred inflows related to other postemployment benefits.....	2,342,294	-	2,342,294	-
Deferred inflows related to leases.....	-	2,071,181	2,071,181	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	5,694,463	2,210,258	7,904,721	-
NET POSITION				
Net investment in capital assets.....	108,120,756	15,784,154	123,904,910	15,628
Restricted for:				
Permanent funds:				
Expendable.....	8,446	-	8,446	-
Nonexpendable.....	956,419	-	956,419	-
Gifts and grants.....	142,790	-	142,790	-
Community preservation.....	4,370,997	-	4,370,997	-
Without donor restrictions.....	-	-	-	7,054,656
With donor restrictions.....	-	-	-	1,233,830
Unrestricted.....	(19,895,060)	4,868,493	(15,026,567)	-
TOTAL NET POSITION.....	\$ 93,704,348	\$ 20,652,647	\$ 114,356,995	\$ 8,304,114

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 4,253,703	\$ 665,611	\$ 183,067	\$ -	\$ (3,405,025)
Public safety.....	10,217,954	1,011,400	22,937	-	(9,183,617)
Education.....	9,748,169	-	72,608	-	(9,675,561)
Public works.....	9,686,032	2,740,008	92,515	860,567	(5,992,942)
Natural resources.....	4,249,592	97,297	671,921	-	(3,480,374)
Community development.....	1,179,740	-	-	-	(1,179,740)
Health and human services.....	1,558,319	67,235	547,943	-	(943,141)
Culture and recreation.....	989,702	798,622	17,008	-	(174,072)
Community preservation.....	201,990	-	-	353,577	151,587
Interest.....	1,387,934	-	389,700	-	(998,234)
Total Governmental Activities.....	43,473,135	5,380,173	1,997,699	1,214,144	(34,881,119)
<i>Business-Type Activities:</i>					
Water.....	3,534,011	4,082,281	-	-	548,270
Wood waste reclamation facility.....	12,000	35,676	-	-	23,676
Total Business-Type Activities.....	3,546,011	4,117,957	-	-	571,946
Total Primary Government.....	\$ 47,019,146	\$ 9,498,130	\$ 1,997,699	\$ 1,214,144	\$ (34,309,173)
Component Unit:					
Eldredge Public Library, Inc.....	\$ 1,011,026	\$ -	\$ 877,616	\$ -	\$ (133,410)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Eldredge Public Library, Inc
Changes in net position:				
Net (expense) revenue from previous page.....	\$ (34,881,119)	\$ 571,946	\$ (34,309,173)	\$ (133,410)
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	37,077,338	-	37,077,338	-
Tax and other liens.....	67,522	-	67,522	-
Motor vehicle and other excise taxes.....	1,880,350	-	1,880,350	-
Hotel/motel tax.....	2,599,682	-	2,599,682	-
Meals tax.....	349,978	-	349,978	-
Community preservation tax.....	1,226,071	-	1,226,071	-
Penalties and interest on taxes.....	143,099	-	143,099	-
Payments in lieu of taxes.....	29,670	-	29,670	-
Grants and contributions not restricted to specific programs.....	247,428	-	247,428	-
Unrestricted investment income.....	226,567	-	226,567	1,577,736
Gain (loss) on sale of capital assets.....	30,650	-	30,650	-
<i>Transfers, net</i>	(500,000)	500,000	-	-
Total general revenues and transfers.....	43,378,355	500,000	43,878,355	1,577,736
Change in net position.....	8,497,236	1,071,946	9,569,182	1,444,326
<i>Net position:</i>				
Beginning of year, as revised.....	85,207,112	19,580,701	104,787,813	6,859,788
End of year.....	\$ 93,704,348	\$ 20,652,647	\$ 114,356,995	\$ 8,304,114

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2021

	General	Community Preservation	Highway Improvements	Wastewater Facility	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents.....	\$ 7,911,144	\$ 2,737,849	\$ -	\$ -	\$ 6,604,766	\$ 17,253,759
Investments.....	1,967,055	1,109,015	-	-	1,618,274	4,694,344
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	491,464	-	-	-	-	491,464
Tax liens.....	255,895	-	-	-	-	255,895
Community preservation fund surtax.....	4,162	15,670	-	-	-	19,832
Motor vehicle and other excise taxes.....	403,704	-	-	-	-	403,704
User charges.....	86,238	-	-	-	-	86,238
Departmental and other.....	125,833	-	-	-	2,084	127,917
Intergovernmental - other.....	-	-	3,651,623	2,229,976	254,758	6,136,357
Community preservation state share.....	-	508,463	-	-	-	508,463
Special assessments.....	305,777	-	-	-	-	305,777
Tax foreclosures.....	36,543	-	-	-	-	36,543
Due from other funds.....	12,678,110	-	-	-	-	12,678,110
TOTAL ASSETS.....	\$ 24,265,925	\$ 4,370,997	\$ 3,651,623	\$ 2,229,976	\$ 8,479,882	\$ 42,998,403
LIABILITIES						
Warrants payable.....	\$ 473,671	\$ -	\$ 22,921	\$ 252,115	\$ 338,173	\$ 1,086,880
Accrued payroll.....	432,543	-	-	-	21,760	454,303
Due to other funds.....	-	-	1,240,754	11,437,356	-	12,678,110
Other liabilities.....	178,341	-	-	-	606,271	784,612
Notes payable.....	-	-	-	4,991,630	-	4,991,630
TOTAL LIABILITIES.....	1,084,555	-	1,263,675	16,681,101	966,204	19,995,535
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	1,489,611	524,133	2,387,948	-	2,084	4,403,776
FUND BALANCES						
Nonspendable.....	-	-	-	-	956,419	956,419
Restricted.....	-	3,846,864	-	-	6,555,175	10,402,039
Committed.....	5,365,683	-	-	-	-	5,365,683
Assigned.....	3,738,796	-	-	-	-	3,738,796
Unassigned.....	12,587,280	-	-	(14,451,125)	-	(1,863,845)
TOTAL FUND BALANCES.....	21,691,759	3,846,864	-	(14,451,125)	7,511,594	18,599,092
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 24,265,925	\$ 4,370,997	\$ 3,651,623	\$ 2,229,976	\$ 8,479,882	\$ 42,998,403

See notes to basic financial statements.

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

JUNE 30, 2021

Total governmental fund balances.....		\$ 18,599,092
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		190,218,774
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		4,403,776
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....		(2,731,654)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(226,313)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(77,749,294)	
Net pension liability.....	(20,913,691)	
Net other postemployment benefits liability.....	(16,994,519)	
Landfill closure.....	(75,000)	
Compensated absences.....	<u>(826,823)</u>	
Net effect of reporting long-term liabilities.....		<u>(116,559,327)</u>
Net position of governmental activities.....		<u>\$ 93,704,348</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	General	Community Preservation	Highway Improvements	Wastewater Facility	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 37,092,294	\$ -	\$ -	\$ -	\$ 20,826	\$ 37,113,120
Tax liens.....	46,704	-	-	-	-	46,704
Motor vehicle and other excise taxes.....	1,494,610	-	-	-	277,704	1,772,314
Hotel/motel tax.....	2,599,682	-	-	-	-	2,599,682
Meals tax.....	349,978	-	-	-	-	349,978
Charges for services.....	2,790,957	-	-	-	232,689	3,023,646
Penalties and interest on taxes.....	142,949	-	-	-	150	143,099
Payments in lieu of taxes.....	29,670	-	-	-	-	29,670
Licenses and permits.....	815,971	-	-	-	236,345	1,052,316
Fines and forfeitures.....	18,569	-	-	-	-	18,569
Intergovernmental - state aid.....	180,380	-	-	-	-	180,380
Intergovernmental - other.....	389,700	-	1,568,297	-	1,744,614	3,702,611
Departmental and other.....	857,761	-	-	5,025	400,793	1,263,579
Community preservation taxes.....	-	1,006,962	-	-	-	1,006,962
Community preservation state match.....	-	353,577	-	-	-	353,577
Special assessments.....	41,387	-	-	-	-	41,387
Contributions and donations.....	-	-	-	-	443,238	443,238
Investment income.....	130,835	49,123	-	-	46,609	226,567
TOTAL REVENUES.....	46,981,447	1,409,662	1,568,297	5,025	3,402,968	53,367,399
EXPENDITURES:						
Current:						
General government.....	2,866,514	-	-	-	1,603,765	4,470,279
Public safety.....	7,065,010	-	-	-	330,385	7,395,395
Education.....	9,198,814	-	-	-	119,308	9,318,122
Public works.....	6,732,672	-	1,263,714	7,857,971	694,766	16,549,123
Natural resources.....	2,638,956	-	-	-	1,448,029	4,086,985
Community development.....	906,184	-	-	-	-	906,184
Health and human services.....	698,909	-	-	-	488,706	1,187,615
Culture and recreation.....	1,016,295	-	-	-	13,408	1,029,703
Community preservation.....	-	276,306	-	-	-	276,306
Pension benefits.....	2,193,239	-	-	-	-	2,193,239
Employee benefits.....	3,158,660	-	-	-	-	3,158,660
State and county charges.....	860,278	-	-	-	-	860,278
Debt service:						
Principal.....	4,843,440	-	-	-	-	4,843,440
Interest.....	2,090,320	-	-	-	-	2,090,320
TOTAL EXPENDITURES.....	44,269,291	276,306	1,263,714	7,857,971	4,698,367	58,365,649
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	2,712,156	1,133,356	304,583	(7,852,946)	(1,295,399)	(4,998,250)
OTHER FINANCING SOURCES (USES):						
Issuance of bonds.....	-	-	-	3,215,000	940,000	4,155,000
Premium from issuance of bonds.....	-	-	-	210,000	123,639	333,639
Proceeds from the sale of capital assets.....	-	-	-	-	30,650	30,650
Transfers in.....	1,025,400	-	-	-	546,860	1,572,260
Transfers out.....	(546,860)	(706,200)	-	-	(819,200)	(2,072,260)
TOTAL OTHER FINANCING SOURCES (USES).....	478,540	(706,200)	-	3,425,000	821,949	4,019,289
NET CHANGE IN FUND BALANCES.....	3,190,696	427,156	304,583	(4,427,946)	(473,450)	(978,961)
FUND BALANCES AT BEGINNING OF YEAR, AS REVISED.....	18,501,063	3,419,708	(304,583)	(10,023,179)	7,985,044	19,578,053
FUND BALANCES AT END OF YEAR.....	\$ 21,691,759	\$ 3,846,864	\$ -	\$ (14,451,125)	\$ 7,511,594	\$ 18,599,092

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds.....		\$ (978,961)
<p>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.</p>		
Capital outlay.....	13,787,870	
Depreciation expense.....	<u>(5,271,096)</u>	
Net effect of reporting capital assets.....		8,516,774
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(927,678)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Issuance of bonds.....	(4,155,000)	
Premium from issuance of bonds.....	(333,639)	
Net amortization of premium from issuance of bonds.....	695,870	
Debt service principal payments.....	<u>4,843,440</u>	
Net effect of reporting long-term debt.....		1,050,671
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	144,254	
Net change in accrued interest on long-term debt.....	6,516	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(2,660,594)	
Net change in net pension liability.....	2,931,708	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	(1,722,134)	
Net change in net other postemployment benefits liability.....	2,111,680	
Net change in landfill closure.....	<u>25,000</u>	
Net effect of recording long-term liabilities.....		<u>836,430</u>
Change in net position of governmental activities.....		<u>\$ 8,497,236</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2021

	Business-type Activities - Enterprise Funds		
	Water	Wood Waste Reclamation Facility	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 4,956,142	\$ 354,832	\$ 5,310,974
Receivables, net of allowance for uncollectibles:			
User charges.....	943,078	-	943,078
Apportioned leases.....	265,855	-	265,855
Total current assets.....	<u>6,165,075</u>	<u>354,832</u>	<u>6,519,907</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Apportioned leases.....	1,805,326	-	1,805,326
Capital assets, non depreciable.....	975,438	2,225,000	3,200,438
Capital assets, net of accumulated depreciation.....	23,402,555	-	23,402,555
Total noncurrent assets.....	<u>26,183,319</u>	<u>2,225,000</u>	<u>28,408,319</u>
TOTAL ASSETS.....	<u>32,348,394</u>	<u>2,579,832</u>	<u>34,928,226</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	89,102	-	89,102
LIABILITIES			
CURRENT:			
Warrants payable.....	88,580	1,800	90,380
Accrued payroll.....	7,096	-	7,096
Accrued interest.....	96,471	-	96,471
Compensated absences.....	3,835	-	3,835
Bonds payable.....	890,627	-	890,627
Total current liabilities.....	<u>1,086,609</u>	<u>1,800</u>	<u>1,088,409</u>
NONCURRENT:			
Compensated absences.....	2,062	-	2,062
Net pension liability.....	867,682	-	867,682
Bonds payable.....	10,196,270	-	10,196,270
Total noncurrent liabilities.....	<u>11,066,014</u>	<u>-</u>	<u>11,066,014</u>
TOTAL LIABILITIES.....	<u>12,152,623</u>	<u>1,800</u>	<u>12,154,423</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	139,077	-	139,077
Deferred inflows related to leases.....	2,071,181	-	2,071,181
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>2,210,258</u>	<u>-</u>	<u>2,210,258</u>
NET POSITION			
Net investment in capital assets.....	13,559,154	2,225,000	15,784,154
Unrestricted.....	4,515,461	353,032	4,868,493
TOTAL NET POSITION.....	<u>\$ 18,074,615</u>	<u>\$ 2,578,032</u>	<u>\$ 20,652,647</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds		
	Water	Wood Waste Reclamation Facility	Total
<u>OPERATING REVENUES:</u>			
Charges for services.....	\$ 3,821,634	\$ 35,676	\$ 3,857,310
<u>OPERATING EXPENSES:</u>			
Cost of services and administration.....	1,586,682	12,000	1,598,682
Salaries and wages.....	606,840	-	606,840
Depreciation.....	1,114,507	-	1,114,507
TOTAL OPERATING EXPENSES.....	3,308,029	12,000	3,320,029
OPERATING INCOME (LOSS).....	513,605	23,676	537,281
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Interest expense.....	(225,982)	-	(225,982)
Water tower lease revenues.....	260,647	-	260,647
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	34,665	-	34,665
INCOME (LOSS) BEFORE TRANSFERS.....	548,270	23,676	571,946
<u>TRANSFERS:</u>			
Transfers in.....	500,000	-	500,000
CHANGE IN NET POSITION.....	1,048,270	23,676	1,071,946
NET POSITION AT BEGINNING OF YEAR, AS REVISED.....	17,026,345	2,554,356	19,580,701
NET POSITION AT END OF YEAR.....	\$ 18,074,615	\$ 2,578,032	\$ 20,652,647

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds		
	Water	Wood Waste Reclamation Facility	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users.....	\$ 3,612,782	\$ 35,676	\$ 3,648,458
Payments to vendors.....	(1,440,234)	(10,200)	(1,450,434)
Payments to employees.....	(607,375)	-	(607,375)
NET CASH FROM OPERATING ACTIVITIES.....	1,565,173	25,476	1,590,649
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Water tower lease revenues.....	260,647	-	260,647
Transfers in.....	500,000	-	500,000
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	760,647	-	760,647
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets.....	(903,979)	-	(903,979)
Principal payments on bonds and notes.....	(872,829)	-	(872,829)
Interest expense.....	(316,365)	-	(316,365)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(2,093,173)	-	(2,093,173)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	232,647	25,476	258,123
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	4,723,495	329,356	5,052,851
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 4,956,142	\$ 354,832	\$ 5,310,974
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH			
FROM OPERATING ACTIVITIES:			
Operating income (loss).....	\$ 513,605	\$ 23,676	\$ 537,281
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation.....	1,114,507	-	1,114,507
Deferred (outflows)/inflows related to pensions.....	104,081	-	104,081
Changes in assets and liabilities:			
User charges.....	(208,852)	-	(208,852)
Warrants payable.....	60,766	1,800	62,566
Accrued payroll.....	1,041	-	1,041
Compensated absences.....	(1,576)	-	(1,576)
Net pension liability.....	(18,399)	-	(18,399)
Total adjustments.....	1,051,568	1,800	1,053,368
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,565,173	\$ 25,476	\$ 1,590,649

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ASSETS		
Cash and cash equivalents.....	\$ 17,633	\$ 655
Investments:		
U.S. treasury notes.....	-	3,232
Equity mutual funds.....	3,137,399	-
Receivables, net of allowance for uncollectibles:		
Other postemployment benefit fund surtax.....	6,476	-
TOTAL ASSETS.....	3,161,508	3,887
NET POSITION		
Restricted for other postemployment benefits.....	3,161,508	-
Held in trust for other purposes.....	-	3,887
TOTAL NET POSITION.....	\$ 3,161,508	\$ 3,887

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2021

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 150,000	\$ -
Employer contributions for other postemployment benefit payments....	1,094,241	-
Other postemployment benefit fund tax.....	552,902	-
Total contributions.....	1,797,143	-
Net investment income:		
Investment income.....	693,101	307
TOTAL ADDITIONS.....	2,490,244	307
DEDUCTIONS:		
Other postemployment benefit payments.....	1,094,241	-
NET INCREASE (DECREASE) IN NET POSITION.....	1,396,003	307
NET POSITION AT BEGINNING OF YEAR.....	1,765,505	3,580
NET POSITION AT END OF YEAR.....	\$ 3,161,508	\$ 3,887

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town of Chatham, Massachusetts is a municipal corporation governed by an elected five-member Select Board.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (Primary Government) and its component units. One entity has been included as a component unit in the reporting entity, because of the significance of their operational and/or financial relationship with the Town.

Discretely Presented Component Units

Discretely presented component units are entities that are legally separate from the Town, but are financially accountable to the Town, or whose relationships with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town has included the Eldredge Public Library, Inc. as a Discretely Presented Component Unit because they are fiscally dependent on the Town and because of the nature and significance of their relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. Accordingly, the Component Units column of the combined financial statements includes the financial data of the Eldredge Public Library, Inc.

Complete financial statements of the individual component unit can be obtained directly from their respective administrative office located at 564 Main Street, Chatham, Massachusetts 02633.

Joint Ventures

The Town has entered into joint ventures with other municipalities to pool resources and share the costs, risk, and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specified recipients. The Town has no equity interest in the joint ventures. The following identifies where the joint venture financial statements are available, their purpose, and the annual assessments paid by the Town during 2021.

Joint Venture and Address	Purpose	2021 Payments
Cape Cod Municipal Health Group c/o Group Benefit Strategies 27 Midstate Office Park Auburn, MA 01501	To provide employee insurance benefits	\$ 2,430,194
Cape Cod Regional Technical High School 351 Pleasant Lake Avenue Harwich, MA 02645	To provide secondary vocational education for member Towns	\$ 299,619
Monomoy Regional School District 425 Crowell Road Chatham, MA 02633	To provide education for grades K-12 for the Towns of Harwich and Chatham	\$ 8,899,195
Cape Cod Regional Transit Authority 585 Main Street Dennis, MA 02638	To provide public transportation	\$ 18,278
Department of Veteran Services PO Box 429 Hyannis, MA 02601	To provide veterans' services	\$ 55,504
Pleasant Bay Resource Management Alliance 220 Sandwich Road Bourne, MA 02532	To protect the vast natural resources of Pleasant Bay	\$ 45,700

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

Major Fund Criteria

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

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

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

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

Government-Wide Financial Statements

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

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

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

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when the fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

The following major governmental funds are reported:

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

The *community preservation fund* is used to account for funds held for uses restricted by law for community preservation purposes. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose up to a 3% surcharge on property taxes and to receive matching state grant funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing.

The *highway improvements fund* is used to account for the funds received from the State Highway Department, which are used for the construction, reconstruction and improvement of roadways.

The *wastewater facility fund* is used to account for and report construction of the Town's wastewater facility and related infrastructure.

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

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

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

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

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

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

The following major proprietary funds are reported:

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

The *wood waste reclamation fund* is used to account for the Town's recycling activities.

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

The following fiduciary fund types are reported:

The *other postemployment benefit trust fund* is used to accumulate resources to provide funding for future other postemployment benefits (OPEB) liabilities.

The *private purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings. The Town's private purpose trust fund is primarily comprised of scholarships.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

Investments are carried at fair value. The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Fair Value Measurements

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

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

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

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

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

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

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

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

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

Real estate tax liens are processed yearly after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

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

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

Motor Vehicle and Other Excise Taxes

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

Boat excise taxes are assessed annually for each boat registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of boats registered and the fair value of those boats. The tax calculation is the fair value of the boat multiplied by \$10 per \$1,000 of value; with a maximum taxable value of \$50,000.

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

User Charges

User charges are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user charges are estimated at year-end and are recorded as revenue in the current period. Water liens are processed annually and are included as a lien on the property owner's tax bill. Water charges and liens are recorded as receivables in the year of the levy.

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

Departmental and Other

Departmental and other receivables consist of mainly of ambulance receivables and are recorded as receivables in the year accrued.

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

Special Assessments

Special assessments consist of apportioned and unapportioned road improvement and septic system betterments assessed to homeowners whose properties were improved through Town-run construction projects.

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

Intergovernmental

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

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

Other Postemployment Benefit Fund Surtax

Other postemployment benefit fund surtaxes consist of a 1.5% excise tax of the real estate appraised value which is levied by the Town and is recorded as a receivable in the year of the levy.

Other postemployment benefit fund surtaxes are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

G. Inventories***Government-Wide and Fund Financial Statements***

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

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings, machinery and equipment, and infrastructure (e.g., roads, water mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value. 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.

All purchases and construction costs in excess of \$20,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings and improvements.....	25 - 50
Improvements.....	10 - 50
Machinery and equipment.....	3 - 20
Infrastructure.....	20 - 50

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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 has reported deferred outflows of resources related to pensions and deferred outflows of resources related to other postemployment benefits in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net 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 has reported deferred inflows of resources related to pensions and deferred inflows of resources related to other postemployment benefits in this category.

Governmental Fund Financial Statements

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

J. 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 and internal service 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.

K. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. Unavailable Revenue

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

M. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets.

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

Net position has been “restricted for” the following:

“Permanent funds - expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts.

“Gifts and grants” represents restrictions placed on assets from outside parties.

“Community preservation” represents amounts held for uses restricted by law for community preservation purposes.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision-making authority that can, by majority vote of a warrant article at a Town Meeting, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose, the purpose no longer exists, or a vote is taken to modify the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Town’s by-laws authorize the Town Accountant to assign fund balance which generally only exists temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount.

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

N. Pensions

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

O. Long-term Debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

P. Investment Income

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

Q. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

R. Use of Estimates*Government-Wide and Fund Financial Statements*

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

S. Individual Fund Deficits

A fund deficit exist within the wastewater facility fund. The deficit will be funded by grant funds and bond proceeds in future years.

T. Total Column*Government-Wide Financial Statements*

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

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

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

The library component unit reported \$280,708 in cash and \$8,042,438 in investments which are not included in the Town's cash and investment disclosures below.

Custodial Credit Risk – Deposits

In the case of deposits, the custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be recovered. At year-end, the carrying amount of deposits totaled \$20,518,093 and the bank balance totaled \$21,955,589. Of the bank balance, \$2,027,671 was covered by Federal Depository Insurance, \$18,997,478 was covered by Depositors Insurance Fund, and \$930,440 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town's investment policy limits its custodial credit risk by 1) pre-qualifying banks, 2) diversifying its investments across several banks and 3) collateralizing deposits where practical.

Investments

As of June 30, 2021, the Town of Chatham had the following investments:

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>		
		<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 602,396	\$ 497,393	\$ 105,003	\$ -
Government sponsored enterprises.....	497,185	-	397,839	99,346
Corporate bonds.....	<u>1,982,184</u>	<u>478,249</u>	<u>1,503,935</u>	<u>-</u>
Total debt securities.....	3,081,765	<u>\$ 975,642</u>	<u>\$ 2,006,777</u>	<u>\$ 99,346</u>
<u>Other investments:</u>				
Equity securities.....	935,634			
Equity mutual funds.....	3,508,856			
Fixed income mutual funds.....	308,720			
Money market mutual funds.....	199,424			
MMDT - cash portfolio.....	<u>1,865,504</u>			
Total investments.....	<u>\$ 9,899,903</u>			

MMDT maintains a cash portfolio with combined average maturities of approximately 49 days. The Town's investment in MMDT is unrated.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town has custodial credit risk exposure equal to \$3,081,765 in debt securities and \$935,634 in equity securities because the realted securities are uninsured, unregistered and held by the counterparty. As of June 30, 2021, the Town's investments in MMDT which totaled \$1,865,504 are not subject to custodial credit risk exposure because they are not evidenced by securities that exist in physical or book-entry form.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect the fair value of the Town's investments. The Town's investment policy limits investment maturities as a means of

managing exposure to fair value losses arising from increasing interest rates and to match investment maturities with anticipated cash flow requirements.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. At June 30, 2021, the Town’s investments were rated as follows:

<u>Quality Rating</u>	<u>Government Sponsored Enterprises</u>	<u>Corporate Bonds</u>
AAA.....	\$ 497,185	\$ -
A+.....	-	110,300
A-.....	-	744,244
BBB+.....	-	621,833
BBB.....	-	505,807
Total.....	<u>\$ 497,185</u>	<u>\$ 1,982,184</u>

Additionally, the Town has \$199,424 in money market mutual funds, all of which are unrated.

The Town’s investment policy allows for unlimited investments in U.S. treasury notes and U.S. government agency obligations. Other investments should include investment grade securities with a high concentration in securities rates A or better.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town’s investment in a single issuer. The Town places no limit on the amount the government may invest in any one issuer. As of June 30, 2021, the Town’s had no investments with a single issuer that represented 5 percent or more of the Town’s total investments.

Fair Value of Investments

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

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

The Town has the following recurring fair value measurements as of June 30, 2021:

Investment Type	June 30, 2021	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)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 602,396	\$ 602,396	\$ -	\$ -
Government sponsored enterprises.....	497,185	497,185	-	-
Corporate bonds.....	1,982,184	-	1,982,184	-
Total debt securities.....	3,081,765	1,099,581	1,982,184	-
<u>Other investments:</u>				
Equity securities.....	935,634	935,634	-	-
Equity mutual funds.....	3,508,856	3,508,856	-	-
Fixed income mutual funds.....	308,720	308,720	-	-
Money market mutual funds.....	199,424	199,424	-	-
Total other investments.....	4,952,634	4,952,634	-	-
Total investments measured at fair value.....	8,034,399	\$ 6,052,215	\$ 1,982,184	\$ -
Investments measured at amortized cost:				
MMDT - cash portfolio.....	1,865,504			
Total investments.....	\$ 9,899,903			

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

MMDT cash portfolio 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 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.

NOTE 3 – RECEIVABLES

At June 30, 2021, receivables for the individual major and nonmajor governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 608,688	\$ (117,224)	\$ 491,464
Tax liens.....	255,895	-	255,895
Community preservation fund surtax.....	19,832	-	19,832
Motor vehicle and other excise taxes.....	634,853	(231,149)	403,704
User charges.....	86,238	-	86,238
Departmental and other.....	142,617	(14,700)	127,917
Intergovernmental - other.....	6,136,357	-	6,136,357
Community preservation state share.....	508,463	-	508,463
Special assessments.....	305,777	-	305,777
Total.....	\$ 8,698,720	\$ (363,073)	\$ 8,335,647

At June 30, 2021, receivables for the water enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user charges.....	\$ 943,078	\$ -	\$ 943,078
Water apportioned leases.....	2,071,181	-	2,071,181
Total.....	\$ 3,014,259	\$ -	\$ 3,014,259

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

	General Fund	Other Governmental Funds	Total
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 271,459	\$ -	\$ 271,459
Tax liens.....	255,895	-	255,895
Community preservation.....	4,162	15,670	19,832
Motor vehicle and other excise taxes.....	403,704	-	403,704
User charges.....	86,238	-	86,238
Departmental and other.....	125,833	2,084	127,917
Intergovernmental - highway improvements.....	-	2,387,948	2,387,948
Community preservation state share.....	-	508,463	508,463
Special assessments.....	305,777	-	305,777
Tax foreclosures.....	36,543	-	36,543
Total.....	\$ 1,489,611	\$ 2,914,165	\$ 4,403,776

NOTE 4 – APPORTIONED LEASES

The Town has lease agreements with several wireless carriers. The carriers lease space for their antennas on the Town’s water towers. The final lease payment is scheduled to be received in 2029. In 2021, the Town received \$260,647 of water tower lease revenues.

The future scheduled lease revenues as of June 30, 2021, are as follows:

<u>Year ended June 30:</u>	
2022.....	\$ 265,855
2023.....	275,571
2024.....	285,396
2025.....	296,155
2026.....	307,056
2027.....	318,384
2028.....	253,904
2029.....	<u>68,860</u>
 Total future lease revenues.....	 \$ <u>2,071,181</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 36,077,535	\$ 1,275,000	\$ -	\$ 37,352,535
Construction in progress.....	<u>22,876,003</u>	<u>9,757,852</u>	<u>(16,923,697)</u>	<u>15,710,158</u>
Total capital assets not being depreciated....	<u>58,953,538</u>	<u>11,032,852</u>	<u>(16,923,697)</u>	<u>53,062,693</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	143,380,500	-	-	143,380,500
Improvements.....	21,434,459	17,150,212	-	38,584,671
Machinery and equipment.....	11,039,893	1,242,189	(932,673)	11,349,409
Infrastructure.....	<u>22,274,988</u>	<u>1,286,314</u>	<u>-</u>	<u>23,561,302</u>
Total capital assets being depreciated.....	<u>198,129,840</u>	<u>19,678,715</u>	<u>(932,673)</u>	<u>216,875,882</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(41,021,496)	(3,264,433)	-	(44,285,929)
Improvements.....	(13,756,712)	(826,609)	-	(14,583,321)
Machinery and equipment.....	(6,762,728)	(736,399)	932,673	(6,566,454)
Infrastructure.....	<u>(13,840,442)</u>	<u>(443,655)</u>	<u>-</u>	<u>(14,284,097)</u>
Total accumulated depreciation.....	<u>(75,381,378)</u>	<u>(5,271,096)</u>	<u>932,673</u>	<u>(79,719,801)</u>
Total capital assets being depreciated, net.....	<u>122,748,462</u>	<u>14,407,619</u>	<u>-</u>	<u>137,156,081</u>
Total governmental activities capital assets, net.....	<u>\$ 181,702,000</u>	<u>\$ 25,440,471</u>	<u>\$ (16,923,697)</u>	<u>\$ 190,218,774</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental Activities:

General government.....	\$ 187,117
Public safety.....	1,040,191
Education.....	430,047
Public works.....	2,897,805
Natural resources.....	279,818
Health and human services.....	16,563
Culture and recreation.....	419,555

Total depreciation expense - governmental activities..... \$ 5,271,096

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Water:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 938,433	\$ -	\$ -	\$ 938,433
Construction in progress.....	-	37,005	-	37,005
Total capital assets not being depreciated....	<u>938,433</u>	<u>37,005</u>	<u>-</u>	<u>975,438</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	1,557,637	-	-	1,557,637
Buildings and improvements.....	10,744,458	-	-	10,744,458
Machinery, equipment, and vehicles.....	900,418	-	-	900,418
Infrastructure.....	35,631,981	866,974	-	36,498,955
Total capital assets being depreciated.....	<u>48,834,494</u>	<u>866,974</u>	<u>-</u>	<u>49,701,468</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(646,953)	(34,669)	-	(681,622)
Buildings and improvements.....	(567,307)	(257,969)	-	(825,276)
Machinery, equipment, and vehicles.....	(196,828)	(40,857)	-	(237,685)
Infrastructure.....	(23,773,318)	(781,012)	-	(24,554,330)
Total accumulated depreciation.....	<u>(25,184,406)</u>	<u>(1,114,507)</u>	<u>-</u>	<u>(26,298,913)</u>
Total capital assets being depreciated, net.....	<u>23,650,088</u>	<u>(247,533)</u>	<u>-</u>	<u>23,402,555</u>
Total water activities capital assets, net.....	<u>\$ 24,588,521</u>	<u>\$ (210,528)</u>	<u>\$ -</u>	<u>\$ 24,377,993</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Wood Waste Reclamation Facility:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,225,000	\$ -	\$ -	\$ 2,225,000

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-Type Activities:

Water..... \$ 1,114,507

Capital assets activity of the discretely presented component unit for the year end June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Discretely Presented Component Unit:				
<u>Capital assets being depreciated:</u>				
Equipment and furniture.....	\$ 89,311	\$ 2,383	\$ -	\$ 91,694
<u>Less accumulated depreciation for:</u>				
Equipment and furniture.....	(66,339)	(9,727)	-	(76,066)
Total discretely presented component unit capital assets, net..	<u>\$ 22,972</u>	<u>\$ (7,344)</u>	<u>\$ -</u>	<u>\$ 15,628</u>

Depreciation expense was charged to functions/program of the discretely presented component unit as follows:

Discretely Presented Component Unit:	
Eldredge Public Library, Inc.....	<u>\$ 9,727</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2021, the Town had an interfund receivable/payable between the general fund, highway improvement fund and the wastewater facility fund totaling \$12,678,110. The purpose of this balance is to cover short-term cash needs that will be funded by future bond proceeds and grants.

Interfund transfers for the year ended June 30, 2021, are summarized as follows:

Transfers Out:	Transfers In:			Total
	General fund	Nonmajor governmental funds	Water enterprise fund	
General fund.....	\$ -	\$ 46,860	\$ 500,000	\$ 546,860 (1)
Community preservation.....	206,200	500,000	-	706,200 (2)
Nonmajor governmental funds.....	819,200	-	-	819,200 (3)
Total.....	<u>\$ 1,025,400</u>	<u>\$ 546,860</u>	<u>\$ 500,000</u>	<u>\$ 2,072,260</u>

- (1) Represents budgeted transfers from the general fund to the Town special revenue fund for the Pleasant Bay Alliance and to the water enterprise fund to fund operations.
- (2) Represents a budgeted transfer from the community preservation fund to the general fund for capital articles. Represents a transfer from the community preservation fund to the affordable housing trust fund.
- (3) Represents budgeted transfers out of the Town special revenue nonmajor governmental fund and into the general fund for the operating and capital budget.

NOTE 7 – LANDFILL

State and Federal laws and regulations require the Town to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site for thirty years thereafter. The landfill has stopped accepting solid waste and pursuant to a Massachusetts Department of Environmental Protection consent order, the Town has placed a final cover on its landfill. Based upon experience, the Town estimates annual monitoring costs are \$25,000 per year, which is included within the annual appropriations. As of June 30, 2021, \$75,000 has been reported on the Town’s statement of net position as an estimated remaining liability for post-closure monitoring costs of the landfill. Actual costs may change due to changes in regulations, technology, and inflation.

NOTE 8 – SHORT-TERM FINANCING

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

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

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

Details related to the short-term debt activity for the year ended June 30, 2021, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2020	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2021
Governmental Funds:							
	* MCWT Interim Loan.....	2.00%	N/A	\$ 8,174,858	\$ -	\$ (3,183,228)	\$ 4,991,630

*The Town entered into a short-term loan agreement through the Massachusetts Clean Water Trust (MCWT) interim loan program which provides funding to allow projects to proceed during the time prior to permanent financing by the Trust.

NOTE 9 – LONG-TERM DEBT

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

Details related to the outstanding general obligation indebtedness at June 30, 2021, and the debt service requirements are shown on the following page.

Bonds and Notes Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2021
General Obligation Bonds Payable:				
Municipal Purpose Loan of 2012.....	2037	\$ 21,149,681	2.00-5.00	\$ 12,640,000
Municipal Purpose Refunding Loan of 2015.....	2040	10,300,000	3.00-5.00	7,700,000
Municipal Purpose Refunding Loan of 2017.....	2029	5,495,400	2.00-4.00	3,151,900
Municipal Purpose Loan of 2019.....	2039	3,972,500	2.00-5.00	3,535,000
Municipal Purpose Loan of 2020.....	2040	3,450,000	2.00-4.00	3,275,000
Municipal Purpose Loan of 2021.....	2041	4,155,000	2.00-5.00	4,155,000
Subtotal Governmental General Obligation Bonds Payable.....				34,456,900
Direct Borrowings Payable:				
Massachusetts Clean Water Trust 2006.....	2026	50,000	0.00	12,500
Massachusetts Clean Water Trust 2011.....	2031	3,289,537	2.00	1,808,705
Massachusetts Clean Water Trust 2012.....	2033	7,518,952	2.00	4,892,404
USDA Rural Development Sewer 2012.....	2049	23,349,000	2.75	17,669,505
Massachusetts Clean Water Trust 2015.....	2035	3,847,853	0.00	2,705,593
Massachusetts Clean Water Trust 2015.....	2033	1,967,772	0.00	1,315,175
Massachusetts Clean Water Trust 2019.....	2036	2,387,009	0.00	2,109,334
Massachusetts Clean Water Trust 2020.....	2039	12,608,416	0.00	11,986,938
Subtotal Governmental Direct Borrowings Payable.....				42,500,154
Total Bonds Payable.....				76,957,054
Add: Unamortized Premium.....				792,240
Total Bonds Payable, net.....				\$ 77,749,294

Debt service requirements for principal and interest for governmental general obligation bonds and direct borrowings payable in future years are as follows:

Year	General Obligation Bonds Payable			Direct Borrowings Payable		
	Principal	Interest	Total	Principal	Interest	Total
2022.....	\$ 2,573,000	\$ 1,155,905	\$ 3,728,905	\$ 2,221,866	\$ 614,672	\$ 2,836,538
2023.....	2,479,200	1,043,580	3,522,780	2,234,574	586,680	2,821,254
2024.....	2,479,200	935,812	3,415,012	2,247,522	558,462	2,805,984
2025.....	2,364,900	846,604	3,211,504	2,260,716	530,015	2,790,731
2026.....	2,248,600	758,801	3,007,401	2,274,156	501,330	2,775,486
2027.....	2,135,000	685,897	2,820,897	2,285,351	472,405	2,757,756
2028.....	1,818,000	619,487	2,437,487	2,299,305	443,236	2,742,541
2029.....	1,809,000	559,322	2,368,322	2,313,525	413,813	2,727,338
2030.....	1,735,000	497,682	2,232,682	2,328,017	384,135	2,712,152
2031.....	1,720,000	445,920	2,165,920	2,342,780	354,195	2,696,975
2032.....	1,715,000	395,220	2,110,220	2,156,261	326,003	2,482,264
2033.....	1,715,000	344,570	2,059,570	2,167,528	299,593	2,467,121
2034.....	1,710,000	292,470	2,002,470	1,601,302	277,663	1,878,965
2035.....	1,705,000	240,690	1,945,690	1,602,760	260,310	1,863,070
2036.....	1,705,000	187,462	1,892,462	1,408,777	242,955	1,651,732
2037.....	1,705,000	134,240	1,839,240	1,267,629	225,601	1,493,230
2038.....	940,000	80,526	1,020,526	1,268,584	208,248	1,476,832
2039.....	940,000	53,100	993,100	1,269,541	190,893	1,460,434
2040.....	760,000	25,000	785,000	1,270,500	173,539	1,444,039
2041.....	200,000	2,000	202,000	631,055	156,185	787,240
2042.....	-	-	-	631,055	138,831	769,886
2043.....	-	-	-	631,055	121,477	752,532
2044.....	-	-	-	631,055	104,124	735,179
2045.....	-	-	-	631,055	86,770	717,825
2046.....	-	-	-	631,055	69,415	700,470
2047.....	-	-	-	631,055	52,061	683,116
2048.....	-	-	-	631,055	34,707	665,762
2049.....	-	-	-	631,020	17,353	648,373
Total.....	\$ 34,456,900	\$ 9,304,288	\$ 43,761,188	\$ 42,500,154	\$ 7,844,671	\$ 50,344,825

Bonds Payable Schedule – Water Enterprise Fund

Details related to the outstanding indebtedness at June 30, 2021, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2021
General Obligation Bonds Payable:				
Municipal Purpose Loan of 2002.....	2022	\$ 592,300	3.50-5.00	\$ 25,000
Municipal Purpose Loan of 2012.....	2032	1,509,722	2.00-5.00	785,000
Municipal Purpose Refunding Loan of 2015.....	2025	930,000	3.00-5.00	360,000
Municipal Purpose Refunding Loan of 2017.....	2029	1,541,600	2.00-4.00	913,100
Municipal Purpose Loan of 2019.....	2029	1,052,500	2.00-5.00	<u>840,000</u>
Subtotal Water Enterprise General Obligation Bonds Payable.....				<u>2,923,100</u>
Direct Borrowings Payable:				
USDA Water Main Bonds 2009.....	2049	500,000	4.25	350,000
Massachusetts Clean Water Trust 2019.....	2039	9,274,815	2.00	<u>7,663,264</u>
Subtotal Water Enterprise Direct Borrowings Payable.....				<u>8,013,264</u>
Total Bonds Payable.....				10,936,364
Add: Unamortized premium on bonds.....				<u>150,533</u>
Total Bonds Payable, net.....				<u>\$ 11,086,897</u>

Debt service requirements for principal and interest for water enterprise fund general obligation bonds and direct borrowings payable in future years are as follows:

Year	General Obligation Bonds Payable			Direct Borrowings Payable		
	Principal	Interest	Total	Principal	Interest	Total
2022.....	\$ 472,000	\$ 111,564	\$ 583,564	\$ 364,930	\$ 164,616	\$ 529,546
2023.....	440,800	91,264	532,064	372,589	156,959	529,548
2024.....	440,800	71,682	512,482	380,415	149,148	529,563
2025.....	440,100	56,864	496,964	388,411	141,178	529,589
2026.....	346,400	39,815	386,215	396,581	133,047	529,628
2027.....	200,000	29,443	229,443	404,928	124,751	529,679
2028.....	197,000	21,498	218,498	413,458	116,287	529,745
2029.....	191,000	13,768	204,768	422,172	107,649	529,821
2030.....	65,000	4,658	69,658	431,076	98,835	529,911
2031.....	65,000	4,226	69,226	440,173	89,841	530,014
2032.....	65,000	2,112	67,112	449,467	80,664	530,131
2033.....	-	-	-	458,964	71,298	530,262
2034.....	-	-	-	468,668	61,740	530,408
2035.....	-	-	-	478,581	51,987	530,568
2036.....	-	-	-	488,712	42,033	530,745
2037.....	-	-	-	499,062	31,873	530,935
2038.....	-	-	-	509,636	21,505	531,141
2039.....	-	-	-	520,441	10,923	531,364
2040.....	-	-	-	12,500	5,313	17,813
2041.....	-	-	-	12,500	4,781	17,281
2042.....	-	-	-	12,500	4,250	16,750
2043.....	-	-	-	12,500	3,719	16,219
2044.....	-	-	-	12,500	3,188	15,688
2045.....	-	-	-	12,500	2,656	15,156
2046.....	-	-	-	12,500	2,125	14,625
2047.....	-	-	-	12,500	1,594	14,094
2048.....	-	-	-	12,500	1,063	13,563
2049.....	-	-	-	12,500	531	13,031
Total.....	\$ <u>2,923,100</u>	\$ <u>446,894</u>	\$ <u>3,369,994</u>	\$ <u>8,013,264</u>	\$ <u>1,683,554</u>	\$ <u>9,696,818</u>

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2021, the Town had the following authorized and unissued debt:

Purpose	Amount
Well and pump station.....	\$ 560,000
Road betterments.....	25,000
Mill pond pump and pump houses.....	650,000
Water mains.....	478,185
Wastewater treatment facility.....	12,032,662
Fire station design and construction.....	16,635
Wastewater (phase 1D).....	20,480,142
Waterfront infrastructure.....	6,655,000
Wastewater expansion.....	6,900,000
Transfer station redesign.....	470,000
Wastewater project expansion.....	7,000,000
Stormwater project.....	4,500,000
Total.....	\$ 59,767,624

Changes in Long-term Liabilities

During the year ended June 30, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term general obligation bonds payable... \$	32,924,900	\$ 4,155,000	\$ (2,623,000)	\$ -	\$ -	\$ 34,456,900	\$ 2,573,000
Long-term direct borrowings payable.....	44,720,594	-	(2,220,440)	-	-	42,500,154	2,221,866
Add: Unamortized premium on bonds.....	1,154,471	333,639	(695,870)	-	-	792,240	280,010
Total bonds payable.....	78,799,965	4,488,639	(5,539,310)	-	-	77,749,294	5,074,876
Landfill closure.....	100,000	-	-	-	(25,000)	75,000	25,000
Compensated absences.....	971,077	-	-	385,666	(529,920)	826,823	399,821
Net pension liability.....	23,845,399	-	-	2,105,869	(5,037,577)	20,913,691	-
Net other postemployment benefits liability.....	19,106,199	-	-	1,797,142	(3,908,822)	16,994,519	-
Total governmental activity long-term liabilities.....	\$ 122,822,640	\$ 4,488,639	\$ (5,539,310)	\$ 4,288,677	\$ (9,501,319)	\$ 116,559,327	\$ 5,499,697
Business-Type Activities:							
Long-term general obligation bonds payable... \$	3,400,100	\$ -	\$ (477,000)	\$ -	\$ -	\$ 2,923,100	\$ 472,000
Long-term direct borrowings payable.....	8,409,093	-	(395,829)	-	-	8,013,264	364,930
Add: Unamortized premium on bonds.....	217,097	-	(66,564)	-	-	150,533	53,697
Total bonds payable.....	12,026,290	-	(939,393)	-	-	11,086,897	890,627
Compensated absences.....	7,473	-	-	3,488	(5,064)	5,897	3,835
Net pension liability.....	886,081	-	-	87,370	(105,769)	867,682	-
Total business-type activity long-term liabilities.....	\$ 12,919,844	\$ -	\$ (939,393)	\$ 90,858	\$ (110,833)	\$ 11,960,476	\$ 894,462

Long-term liabilities related to both governmental and business-type activities are normally paid from the general fund and enterprise funds, respectively.

NOTE 10 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town classifies fund balance according to constraints imposed on the uses of those resources.

There are two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds, and inventory as nonspendable.

In addition to the nonspendable fund balance, spendable fund balances are classified based on a hierarchy of spending constraints.

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

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes on an as needed basis. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. The stabilization fund balance can be used for general and/or capital purposes upon approval of Town Meeting. Additions to and withdrawals from the funds can only be made upon Town Meeting approval.

In accordance with Massachusetts General Law, the Town has established a general stabilization fund. At year end, the balance of the Town's stabilization fund was \$2.2 million and was reported as unassigned fund balance within the general fund.

The committed balances in the general fund consist of articles carried forward to next year. Assigned balances in the general fund are encumbrances carried forward to next year. The detail of each article and encumbrance is included in the budgetary comparison schedule presented as required supplementary information.

As of June 30, 2021, the governmental fund balances consisted of the following:

	General	Community Preservation	Wastewater Facility	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 956,419	\$ 956,419
Restricted for:					
Community preservation.....	-	3,846,864	-	-	3,846,864
School special revenue.....	-	-	-	450,089	450,089
Town revolving funds.....	-	-	-	1,567,371	1,567,371
Affordable housing.....	-	-	-	1,708,275	1,708,275
Town special revenue.....	-	-	-	2,314,848	2,314,848
Town capital projects.....	-	-	-	506,146	506,146
Permanent trust funds.....	-	-	-	8,446	8,446
Committed to:					
Town Manager.....	507,592	-	-	-	507,592
Human resources.....	303,862	-	-	-	303,862
Information technologies.....	264,024	-	-	-	264,024
Elections.....	8,500	-	-	-	8,500
Engineering.....	233,370	-	-	-	233,370
Police.....	50,994	-	-	-	50,994
Emergency management.....	25,852	-	-	-	25,852
Fire.....	37,261	-	-	-	37,261
Health and natural resources.....	1,015	-	-	-	1,015
Conservation.....	31,233	-	-	-	31,233
Harbormaster.....	102,336	-	-	-	102,336
Coastal resources.....	780,469	-	-	-	780,469
Shellfish.....	37,177	-	-	-	37,177
Laboratory.....	8,356	-	-	-	8,356
Stormwater management.....	167,423	-	-	-	167,423
Parks and recreation.....	116,150	-	-	-	116,150
Highway.....	890,803	-	-	-	890,803
Transfer station.....	378,683	-	-	-	378,683
Project operations and facilities.....	397,800	-	-	-	397,800
Sewer.....	457,868	-	-	-	457,868
Airport commission.....	75	-	-	-	75
Cemetery.....	30,060	-	-	-	30,060
Lighthouse beach.....	9,857	-	-	-	9,857
Community development.....	135,954	-	-	-	135,954
Council on aging.....	74,557	-	-	-	74,557
Human services.....	26,048	-	-	-	26,048
Libraries.....	288,364	-	-	-	288,364
Assigned to:					
Town Manager.....	323	-	-	-	323
Human resources.....	162	-	-	-	162
Elections.....	300	-	-	-	300
Police.....	8,003	-	-	-	8,003
Fire.....	3,692	-	-	-	3,692
Oil pollution control.....	457	-	-	-	457
Health and natural resources.....	14,699	-	-	-	14,699
Harbormaster.....	5,929	-	-	-	5,929
Parks and recreation.....	136	-	-	-	136
Highway.....	809	-	-	-	809
Project operations and facilities.....	1,137	-	-	-	1,137
Sewer.....	3,690	-	-	-	3,690
Cemetery.....	16,300	-	-	-	16,300
Veterans services.....	600	-	-	-	600
Human services.....	28,535	-	-	-	28,535
Public ceremonies.....	1,414	-	-	-	1,414
Employee benefits.....	5,886	-	-	-	5,886
Free cash used for subsequent year budget...	3,646,724	-	-	-	3,646,724
Unassigned.....	12,587,280	-	(14,451,125)	-	(1,863,845)
Total Fund Balances.....	\$ 21,691,759	\$ 3,846,864	\$ (14,451,125)	\$ 7,511,594	\$ 18,599,092

NOTE 11 – COMMUNITY PRESERVATION FUNDS

The Town has approved the Community Preservation Act (CPA) which allows the Town to impose a surcharge on property taxes and to receive matching state funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The CPA requires that the Town spend or set aside for later spending a minimum of 10% of annual revenues for open space, a minimum of 10% of annual revenues for historic resources and a minimum of 10% of annual revenues for community housing.

In accordance with the CPA, the Town has approved a bylaw establishing a Community Preservation Committee (CPC) to study the needs, possibilities and resources of the Town regarding community preservation and to make recommendations for Town Meeting approval to fund eligible projects using CPA funds.

As of June 30, 2021, the CPA fund has a balance of \$3,846,864 and is reported as a major fund in the governmental funds financial statements.

NOTE 12 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town participates in a premium-based health care plan for its active and retired employees. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town provides health insurance through the Cape Cod Municipal Health Group (Group), a nonprofit shared risk health group comprised of 52 governmental units. The Town and its employees contribute to the Group based upon a 65% (Town) and 35% (employee) primary care premium formula. In the event the Group is terminated, the Town is obligated to pay its prorated share of a deficit, should one exist.

NOTE 13 – PENSION PLAN*Plan Descriptions*

The Town is a member of the Barnstable County Retirement Association (BCRA), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 50 member units. The BCRA is administered by five board members (Board) on behalf of all current employees and retirees. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://www.barnstablecounty.org/retirement-association/>.

Benefits Provided

BCRA provides retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for 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. Members become vested after ten years of creditable service.

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

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth’s state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee’s membership commences. The member units are required to pay into the BCRA 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 equaled its actual contribution for the year ended December 31, 2020, was \$2,193,239, 22.28% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2021, the Town reported a liability of \$21,781,373 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. Accordingly, 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, 2020, the Town’s proportion was 3.15%, which is 0.14% less than its proportion measured at December 31, 2019.

Pension Expense

For the year ended June 30, 2021, the Town recognized pension expense of \$2,007,807. At June 30, 2021, the Town reported net deferred outflows of resources and deferred inflows of resources related to pensions of \$2,236,710 and \$3,491,246, respectively.

The balances of deferred outflows and inflows at June 30, 2021, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (119,252)	\$ (119,252)
Difference between projected and actual earnings, net.....	-	(2,541,594)	(2,541,594)
Changes in assumptions.....	1,915,634	-	1,915,634
Changes in proportion and proportionate share of contributions...	321,076	(830,400)	(509,324)
Total deferred outflows/(inflows) of resources.....	\$ 2,236,710	\$ (3,491,246)	\$ (1,254,536)

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

<u>Year ended June 30:</u>	
2022.....	\$ (166,306)
2023.....	155,362
2024.....	(826,461)
2025.....	(252,713)
2026.....	<u>(164,418)</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>(1,254,536)</u>

Actuarial Assumptions

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

Valuation date.....	January 1, 2020
Actuarial cost method.....	Entry Age Actuarial Cost Method.
Projected salary increases.....	3.25%.
Cost of living adjustments.....	3.00% of the first \$18,000.
Investment rate of return/Discount rate.....	7.15%.
Mortality Rates:	
Pre- Retirement.....	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017.
Healthy Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017.
Disable Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2017.

Investment Policy

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin.

The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	22.00%	6.28%
International developed markets equity.....	12.00%	7.00%
International emerging markets equity.....	5.00%	8.82%
Core fixed income.....	15.00%	3.80%
Value added fixed income.....	8.00%	2.97%
Real estate.....	10.00%	3.50%
Timberland.....	4.00%	3.45%
Hedge fund, PCS.....	10.00%	2.35%
Private equity.....	14.00%	10.11%
Total.....	100.00%	

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount (7.15%)	1% Increase (8.15%)
The Town's proportionate share of the net pension liability.....	\$ 29,460,021	\$ 21,781,373	\$ 15,329,116

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Barnstable County Retirement Association's financial report.

Changes in Assumptions

None.

Changes in Plan Provisions

None.

NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS*Plan Description*

The Town of Chatham administers a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through a single-employer defined Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial report.

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 50% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50% of their premium costs. For 2021, the Town's age-adjusted contribution to the plan totaled \$1,797,143, which includes \$150,000 in pre-funding and \$552,902 in surtax revenue as described below.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to raise taxes necessary to begin pre-funding its OPEB liabilities. In January 2019, the Commonwealth of Massachusetts passed additional special legislation that allowed the Town to apply a 1.5% surtax based on assessed real estate and personal property taxes.

During 2021, the Town pre-funded future OPEB liabilities totaling \$702,902 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2021, the balance of this fund totaled \$3,161,508.

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments

and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Employees Covered by Benefit Terms

The following table represents the Plan’s membership at June 30, 2021:

Active members.....	106
Inactive members currently receiving benefits.....	<u>198</u>
Total.....	<u><u>304</u></u>

Components of OPEB Liability

The following table represents the components of the Plan’s OPEB liability as of June 30, 2021:

Total OPEB liability.....	\$ 20,156,027
Less: OPEB plan’s fiduciary net position.....	<u>(3,161,508)</u>
Net OPEB liability.....	<u><u>\$ 16,994,519</u></u>
The OPEB plan’s fiduciary net position	
as a percentage of the total OPEB liability.....	15.69%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2020, actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement that was updated to June 30, 2021, as follows:

Valuation date.....	June 30, 2020
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Asset valuation method.....	Market value of assets as of the measurement date.
Investment rate of return.....	7.00%
Inflation rate.....	3.25%
Salary increases.....	Service-related increases for Group 1 (excluding Teachers) and Group 2 employees: 6.0% decreasing over 11 years to an ultimate level of 4.0%. Service-related increases for Group 4 employees: 7.0% decreasing over 8 years to an ultimate level of 4.5%. Service-related increases for Teachers: 7.5% decreasing over 20 years to an ultimate level of 4.0%.

Health care trends:

Cape Cod Municipal Health Group.....	Non-Medicare: 2.5% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year. Medicare: 2.5% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year.
Group Insurance Commission Medical.....	Non-Medicare: 6.6%, 6.5%, 6.4%, 6.2%, then 6.0% decreasing by 0.25% each year to an ultimate level of 4.5% per year. Non-Medicare: 4.8%, 4.7%, 4.6%, 4.7%, then 6.0% decreasing by 0.25% each year to an ultimate level of 4.5% per year.
Dental.....	3.00%
Contributions.....	Retiree contributions are expected to increase with respective trend shown above.

Mortality rates:

Preretirement mortality rates:

Healthy Non-Teachers.....	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017.
Healthy Teachers.....	Pub-2010 Teachers Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2020.

Postretirement mortality rates:

Healthy Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017.
Healthy Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2020.
Disabled Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2017.
Disabled Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2020.

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 29.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2021, are summarized on the following page.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	22.00%	6.28%
International developed markets equity..	12.00%	7.00%
International emerging markets equity...	5.00%	8.82%
Core fixed income.....	15.00%	0.38%
High-yield fixed income.....	8.00%	2.97%
Real estate.....	10.00%	3.50%
Commodities.....	4.00%	3.45%
Hedge fund, GTAA, risk parity.....	10.00%	2.35%
Private equity.....	14.00%	10.11%
Total.....	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2021 and June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan’s funding policy. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the discount rate is a blend of the long-term expected rate of return on OPEB Trust Fund assets and a yield or index rate using the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (2.16% as of June 30, 2021, and 2.21% as of June 30, 2020).

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2020.....	\$ 20,871,704	\$ 1,765,505	\$ 19,106,199
Changes for the year:			
Service cost.....	411,945	-	411,945
Interest.....	1,452,205	-	1,452,205
Differences between expected and actual experience....	355,679	-	355,679
Changes in assumptions.....	(1,841,265)	-	(1,841,265)
Benefit payments.....	(1,094,241)	(1,094,241)	-
Contributions - employer.....	-	1,797,143	(1,797,143)
Net investment income.....	-	693,101	(693,101)
Net change.....	(715,677)	1,396,003	(2,111,680)
Balances at June 30, 2021.....	\$ 20,156,027	\$ 3,161,508	\$ 16,994,519

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

The following table presents the net other postemployment benefit liability, calculated using the discount rate of 7.00%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability.....	\$ 19,226,682	\$ 16,994,519	\$ 14,891,258

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

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

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 14,603,549	\$ 16,994,519	\$ 19,609,306

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$1,407,596. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 815,201	\$ -	\$ 815,201
Difference between projected and actual earnings, net.....	-	(301,331)	(301,331)
Changes in assumptions.....	-	(2,040,963)	(2,040,963)
Total deferred outflows/(inflows) of resources.....	\$ 815,201	\$ (2,342,294)	\$ (1,527,093)

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

<u>Year ended June 30:</u>	
2022.....	\$ (152,567)
2023.....	(457,803)
2024.....	(516,815)
2025.....	<u>(399,908)</u>
 Total deferred outflows/(inflows) of resources.....	 \$ <u>(1,527,093)</u>

Changes of Assumptions

- Per capita health costs, contributions and trends for Cape Cod Municipal Health Group retirees were updated to reflect current experience and future expectations.
- Per capita health costs, contributions and trends for Group Insurance Commission retirees were updated based on June 30, 2020, Commonwealth of Massachusetts Postemployment Benefit Other than Pensions GASB Statement No. 74 Valuation Report, dated January 2021, completed by Deloitte Consulting.
- The mortality assumption for Teachers was updated to be consistent with the companion pension fund.
- The life insurance enrollment for future retirees was updated, if applicable.

Changes in Plan Provisions

None.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

The Town has entered into, or is planning to enter into, contracts totaling \$67.9 million, in relation to various capital projects, including \$54.7 million related to the wastewater treatment facility, \$6.8 million for waterfront infrastructure, \$4.5 million related to stormwater projects, \$650,000 for the Mill Pond pump and pump house, \$560,000 for the well and pump station, \$470,000 for the transfer station redesign, and \$520,000 for various other capital projects.

The general fund has various pending transactions for goods and services related to articles and encumbrances totaling \$5,365,683 and \$92,072, respectively.

NOTE 16 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state’s Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The Town is considered an essential business and although it was

closed to the public for a period of time, departments remained operational and most employees continued to perform their daily duties.

A number of businesses have been forced to stop or significantly reduce operations decreasing the Town’s portion of certain revenue. The Town has also incurred unanticipated costs specifically related to the pandemic.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 30, 2021. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding. In addition to funding from the CARES Act, there are several other federal and state grants available.

On March 11, 2021, the United States Federal Government established the American Rescue Plan Act (ARPA) to enhance the United States’ recovery from the economic and health effects of the COVID-19 pandemic. This Act requires that the payment from these funds be used to cover costs related to; public health; negative economic impacts; services to disproportionately impacted communities; premium pay; infrastructure; revenue replacement; or administration. These funds can only be used to cover costs incurred between March 3, 2021, and December 31, 2024. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding.

In addition to funding from the CARES Act and ARPA, there are several other federal and state grants available. The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 17 – REVISION OF NET POSITION AND FUND BALANCE PREVIOUSLY REPORTED

Beginning net position of the governmental activities has been revised to reflect the implementation of GASB Statement #84, *Fiduciary Activities*. To reflect this change, certain funds which had previously been reported as agency funds within the Statement of Fiduciary Net Position have been reclassified to nonmajor governmental funds. Beginning net position has also been revised to reflect the implementation of GASB Statement #87, *Leases*. These adjustments have resulted in the revision of the June 30, 2020, balances as follows:

	6/30/2020 Previously Reported Balances	Implementation of GASB Statement #84 Fiduciary Funds	Implementation of GASB Statement #87 Leases	6/30/2020 Revised Balances
Government-Wide Financial Statements				
Governmental activities.....	\$ 85,271,800	\$ (64,688)	\$ -	\$ 85,207,112
Business-type activities.....	21,912,529	-	(2,331,828)	19,580,701
	<u>107,184,329</u>	<u>(64,688)</u>	<u>(2,331,828)</u>	<u>104,787,813</u>
Governmental funds				
Nonmajor governmental funds.....	\$ 8,049,732	\$ (64,688)	\$ -	\$ 7,985,044
Proprietary funds				
Water.....	\$ 19,358,173	\$ -	\$ (2,331,828)	\$ 17,026,345

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 28, 2022, which is the date the financial statements were available to be issued.

NOTE 19 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2021, the following GASB pronouncements were implemented:

- GASB Statement #84, *Fiduciary Activities*. The annual comprehensive financial report and related notes were updated to be in compliance with this pronouncement.
- GASB Statement #87, *Leases*. The annual comprehensive financial report and related notes were updated to be in compliance with this pronouncement.
- GASB Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #98, *The Annual Comprehensive Financial Report*. The annual comprehensive financial report and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.
- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which is required to be implemented in 2022.

Management is currently assessing the impact the implementation of these pronouncements will have on the annual comprehensive financial report.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 37,028,373	\$ 37,028,373	\$ 37,403,682	\$ -	\$ 375,309
Tax liens.....	-	-	46,704	-	46,704
Motor vehicle and other excise taxes.....	925,000	925,000	1,494,610	-	569,610
Hotel/motel tax.....	450,000	450,000	2,599,682	-	2,149,682
Meals tax.....	200,000	200,000	349,978	-	149,978
Charges for services.....	2,110,000	2,110,000	2,790,957	-	680,957
Penalties and interest on taxes.....	53,000	53,000	142,949	-	89,949
Payments in lieu of taxes.....	25,000	25,000	29,670	-	4,670
Licenses and permits.....	600,000	600,000	815,971	-	215,971
Fines and forfeitures.....	40,000	40,000	18,569	-	(21,431)
Intergovernmental - state aid.....	206,855	206,855	180,380	-	(26,475)
Departmental and other.....	515,827	515,827	857,761	-	341,934
Special assessments.....	33,000	33,000	41,387	-	8,387
Investment income.....	50,000	50,000	47,667	-	(2,333)
TOTAL REVENUES.....	42,237,055	42,237,055	46,819,967	-	4,582,912
EXPENDITURES:					
General Government					
Town Moderator					
Personnel Services.....	1,200	1,200	1,200	-	-
Expenditures.....	50	50	20	-	30
Total.....	1,250	1,250	1,220	-	30
Finance Committee					
Personnel Services.....	2,000	2,000	1,933	-	67
Expenditures.....	600	600	180	-	420
Total.....	2,600	2,600	2,113	-	487
Select Board					
Personnel Services.....	21,000	21,000	21,000	-	-
Expenditures.....	1,300	1,300	814	-	486
Total.....	22,300	22,300	21,814	-	486
Town Manager					
Personnel Services.....	276,871	276,871	275,178	-	1,693
Expenditures.....	169,700	169,700	165,700	323	3,677
Capital.....	794,351	794,351	286,759	507,592	-
Total.....	1,240,922	1,240,922	727,637	507,915	5,370
Human Resources					
Personnel Services.....	129,569	104,017	71,856	-	32,161
Expenditures.....	19,050	22,349	22,037	162	150
Capital.....	303,862	303,862	-	303,862	-
Total.....	452,481	430,228	93,893	304,024	32,311
Legal					
Expenditures.....	180,000	180,000	171,083	-	8,917
Audit					
Expenditures.....	38,000	39,100	39,100	-	-
Accounting					
Personnel Services.....	277,790	280,252	280,252	-	-
Expenditures.....	5,700	5,700	3,221	-	2,479
Total.....	283,490	285,952	283,473	-	2,479
Assessing					
Personnel Services.....	213,702	211,981	211,981	-	-
Expenditures.....	68,876	56,157	46,759	-	9,398
Total.....	282,578	268,138	258,740	-	9,398
Treasurer/Collector					
Personnel Services.....	206,238	189,492	189,492	-	-
Expenditures.....	33,142	33,142	31,824	-	1,318
Total.....	239,380	222,634	221,316	-	1,318
Information Technologies					
Personnel Services.....	337,060	294,705	294,705	-	-
Expenditures.....	266,650	366,949	366,949	-	-
Capital.....	395,292	385,029	121,005	264,024	-
Total.....	999,002	1,046,683	782,659	264,024	-
Town Clerk					
Personnel Services.....	148,578	158,776	158,776	-	-
Expenditures.....	14,550	6,412	5,873	-	539
Total.....	163,128	165,188	164,649	-	539
Elections					
Personnel Services.....	1,275	175	175	-	-
Expenditures.....	98,660	89,562	23,790	300	65,472
Capital.....	8,500	8,500	-	8,500	-
Total.....	108,435	98,237	23,965	8,800	65,472
(Continued)					
Summer Residents Advisory Committee					
Expenditures.....	2,900	2,900	1,205	-	1,695

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Parking Clerk					
Personnel Services.....	6,000	6,000	6,000	-	-
Expenditures.....	500	2,697	2,697	-	-
Total.....	6,500	8,697	8,697	-	-
Sticker (Permit) Office					
Personnel Services.....	38,000	33,224	33,224	-	-
Expenditures.....	3,150	16,063	16,063	-	-
Total.....	41,150	49,287	49,287	-	-
Engineering					
Capital.....	249,033	249,033	15,663	233,370	-
Total General Government.....	4,313,149	4,313,149	2,866,514	1,318,133	128,502
Public Safety					
Police					
Personnel Services.....	2,723,968	2,718,798	2,697,116	-	21,682
Expenditures.....	211,500	211,500	143,365	8,003	60,132
Capital.....	170,385	170,385	119,391	50,994	-
Total.....	3,105,853	3,100,683	2,959,872	58,997	81,814
Emergency Management					
Personnel Services.....	39,150	39,150	39,000	-	150
Expenditures.....	13,700	13,700	8,151	-	5,549
Capital.....	143,530	143,530	117,678	25,852	-
Total.....	196,380	196,380	164,829	25,852	5,699
Animal Control					
Personnel Services.....	61,041	67,354	67,354	-	-
Expenditures.....	1,400	257	257	-	-
Total.....	62,441	67,611	67,611	-	-
Fire					
Personnel Services.....	3,284,296	3,284,296	3,226,340	-	57,956
Expenditures.....	472,900	472,900	214,301	3,692	254,907
Capital.....	464,416	464,416	427,155	37,261	-
Total.....	4,221,612	4,221,612	3,867,796	40,953	312,863
Cape and Islands EMS					
Expenditures.....	5,990	5,990	4,859	-	1,131
Oil Pollution Control					
Expenditures.....	500	500	43	457	-
Total Public Safety.....	7,592,776	7,592,776	7,065,010	126,259	401,507
Education					
Chatham Public Schools/Monomoy Regional School District					
Salary & Expenditures.....	9,019,089	9,019,089	8,899,195	-	119,894
C.C. Tech. Regional High School					
Expenditures.....	304,877	304,877	299,619	-	5,258
Total Education.....	9,323,966	9,323,966	9,198,814	-	125,152
Natural Resources					
Health and Natural Resources					
Personnel Services.....	356,758	356,758	309,305	-	47,453
Expenditures.....	92,594	92,594	72,315	14,699	5,580
Capital.....	1,015	1,015	-	1,015	-
Total.....	450,367	450,367	381,620	15,714	53,033
Conservation					
Personnel Services.....	302,898	302,898	241,619	-	61,279
Expenditures.....	36,050	36,050	23,705	-	12,345
Capital.....	34,813	34,813	3,580	31,233	-
Total.....	373,761	373,761	268,904	31,233	73,624
Harbormaster					
Personnel Services.....	489,270	501,496	501,496	-	-
Expenditures.....	135,840	123,614	113,623	5,929	4,062
Capital.....	363,661	363,661	261,304	102,336	21
Total.....	988,771	988,771	876,423	108,265	4,083
Coastal Resources					
Personnel Services.....	103,017	103,017	99,640	-	3,377
Expenditures.....	22,550	22,550	20,478	-	2,072
Capital.....	1,495,615	1,495,615	715,146	780,469	-
Total.....	1,621,182	1,621,182	835,264	780,469	5,449

(Continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Shellfish					
Personnel Services.....	187,945	187,945	187,070	-	875
Expenditures.....	12,840	12,840	11,424	-	1,416
Capital.....	63,102	63,102	25,925	37,177	-
Total.....	<u>263,887</u>	<u>263,887</u>	<u>224,419</u>	<u>37,177</u>	<u>2,291</u>
South Coast Harbor Plan Committee					
Personnel Services.....	500	500	327	-	173
Expenditures.....	500	500	-	-	500
Total.....	<u>1,000</u>	<u>1,000</u>	<u>327</u>	<u>-</u>	<u>673</u>
Shellfish Advisory Committee					
Personnel Services.....	800	800	529	-	271
Expenditures.....	200	200	-	-	200
Total.....	<u>1,000</u>	<u>1,000</u>	<u>529</u>	<u>-</u>	<u>471</u>
Waterways Advisory Committee					
Personnel Services.....	200	200	-	-	200
Expenditures.....	800	800	265	-	535
Total.....	<u>1,000</u>	<u>1,000</u>	<u>265</u>	<u>-</u>	<u>735</u>
Laboratory					
Capital.....	12,356	12,356	4,000	8,356	-
Stormwater Management					
Capital.....	214,628	214,628	47,205	167,423	-
Total Natural Resources.....	<u>3,927,952</u>	<u>3,927,952</u>	<u>2,638,956</u>	<u>1,148,637</u>	<u>140,359</u>
Public Works					
Parks and Recreation					
Personnel Services.....	1,056,592	926,481	874,085	-	52,396
Expenditures.....	193,570	255,708	255,572	136	-
Capital.....	123,639	123,639	7,489	116,150	-
Total.....	<u>1,373,801</u>	<u>1,305,828</u>	<u>1,137,146</u>	<u>116,286</u>	<u>52,396</u>
Highway					
Personnel Services.....	563,666	512,705	512,705	-	-
Expenditures.....	96,925	96,925	67,029	809	29,087
Capital.....	1,178,394	1,178,394	287,591	890,803	-
Total.....	<u>1,838,985</u>	<u>1,788,024</u>	<u>867,325</u>	<u>891,612</u>	<u>29,087</u>
Snow and Ice					
Personnel Services.....	16,000	40,139	40,139	-	-
Expenditures.....	75,000	70,996	70,996	-	-
Total.....	<u>91,000</u>	<u>111,135</u>	<u>111,135</u>	<u>-</u>	<u>-</u>
Street Lighting					
Expenditures.....	17,561	17,561	12,052	-	5,509
Transfer Station					
Personnel Services.....	528,387	464,502	464,502	-	-
Expenditures.....	911,100	1,056,817	1,056,817	-	-
Capital.....	513,280	513,280	134,597	378,683	-
Total.....	<u>1,952,767</u>	<u>2,034,599</u>	<u>1,655,916</u>	<u>378,683</u>	<u>-</u>
Fuel Depot					
Expenditures.....	172,000	141,128	112,500	-	28,628
Project Operations and Facilities					
Personnel Services.....	375,059	354,363	354,363	-	-
Expenditures.....	646,524	736,331	734,587	1,137	607
Capital.....	541,004	541,004	143,204	397,800	-
Total.....	<u>1,562,587</u>	<u>1,631,698</u>	<u>1,232,154</u>	<u>398,937</u>	<u>607</u>
Sewer					
Personnel Services.....	28,788	28,944	28,944	-	-
Expenditures.....	1,175,510	1,171,527	1,099,420	3,690	68,417
Capital.....	788,628	791,468	333,600	457,868	-
Total.....	<u>1,992,926</u>	<u>1,991,939</u>	<u>1,461,964</u>	<u>461,558</u>	<u>68,417</u>
Airport Commission					
Capital.....	18,421	18,421	18,346	75	-
Cemetery					
Personnel Services.....	18,391	18,241	17,939	-	302
Expenditures.....	114,405	114,405	49,028	16,300	49,077
Capital.....	30,279	30,279	219	30,060	-
Total.....	<u>163,075</u>	<u>162,925</u>	<u>67,186</u>	<u>46,360</u>	<u>49,379</u>

(Continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Lighthouse Beach					
Personnel Services.....	54,100	54,100	50,655	-	3,445
Expenditures.....	9,900	9,900	6,293	-	3,607
Capital.....	9,857	9,857	-	9,857	-
Total.....	73,857	73,857	56,948	9,857	7,052
Total Public Works.....	9,256,980	9,277,115	6,732,672	2,303,368	241,075
Community Development					
Community Development					
Personnel Services.....	751,545	751,545	736,847	-	14,698
Expenditures.....	112,002	112,002	84,337	-	27,665
Capital.....	135,954	135,954	-	135,954	-
Total.....	999,501	999,501	821,184	135,954	42,363
Economic Development - Chamber Of Commerce					
Expenditures.....	85,000	85,000	85,000	-	-
Total Community Development.....	1,084,501	1,084,501	906,184	135,954	42,363
Health and Human Services					
Council On Aging					
Personnel Services.....	321,366	321,366	251,058	-	70,308
Expenditures.....	38,090	38,090	23,918	-	14,172
Capital.....	74,557	74,557	-	74,557	-
Total.....	434,013	434,013	274,976	74,557	84,480
Veterans Services					
Expenditures.....	75,120	85,120	82,700	600	1,820
Human Services					
Expenditures.....	341,436	331,436	295,810	28,535	7,091
Capital.....	75,000	75,000	45,423	26,048	3,529
Total.....	416,436	406,436	341,233	54,583	10,620
Libraries					
Expenditures.....	596,100	596,100	596,100	-	-
Capital.....	706,798	706,798	418,434	288,364	-
Total.....	1,302,898	1,302,898	1,014,534	288,364	-
Public Ceremonies					
Expenditures.....	19,660	19,660	1,421	1,414	16,825
Other Public Events/Chatham Band					
Expenditures.....	7,500	7,500	-	-	7,500
Railroad Museum					
Expenditures.....	340	340	340	-	-
Total Health and Human Services.....	2,255,967	2,255,967	1,715,204	419,518	121,245
Pension Benefits.....	2,232,604	2,232,604	2,193,239	-	39,365
Employee Benefits.....	3,116,000	3,095,865	2,866,908	5,886	223,071
State and County Charges.....	860,278	860,278	860,278	-	-
Insurance.....	627,833	627,833	582,072	-	45,761
Debt Service: Principal.....	4,998,558	4,998,558	4,843,440	-	155,118
Debt Service: Interest.....	1,718,250	1,718,250	1,700,620	-	17,630
TOTAL EXPENDITURES.....	51,308,814	51,308,814	44,169,911	5,457,755	1,681,148
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(9,071,759)	(9,071,759)	2,650,056	(5,457,755)	6,264,060
OTHER FINANCING SOURCES (USES):					
Transfers in.....	1,315,720	1,315,720	1,315,720	-	-
Transfers out.....	(546,860)	(546,860)	(546,860)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	768,860	768,860	768,860	-	-
NET CHANGE IN FUND BALANCE.....	(8,302,899)	(8,302,899)	3,418,916	(5,457,755)	6,264,060
BUDGETARY FUND BALANCE, Beginning of year.....	15,888,278	15,888,278	15,888,278	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 7,585,379	\$ 7,585,379	\$ 19,307,194	\$ (5,457,755)	\$ 6,264,060

See notes to required supplementary information.

(Concluded)

Pension Plan Schedules

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

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

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

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
BARNSTABLE COUNTY RETIREMENT ASSOCIATION**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2020.....	3.15%	\$ 21,781,373	\$ 9,651,694	225.67%	66.82%
December 31, 2019.....	3.29%	24,731,480	9,664,258	255.91%	62.34%
December 31, 2018.....	3.24%	25,597,503	9,145,611	279.89%	57.60%
December 31, 2017.....	3.23%	21,967,203	8,715,482	252.05%	61.90%
December 31, 2016.....	3.24%	22,730,936	8,656,497	262.59%	57.30%
December 31, 2015.....	3.20%	20,169,345	8,371,238	240.94%	58.10%
December 31, 2014.....	3.31%	18,671,253	8,674,713	215.24%	60.40%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
BARNSTABLE COUNTY RETIREMENT ASSOCIATION

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2021.....	\$ 2,193,239	\$ (2,193,239)	-	\$ 9,844,728	22.28%
June 30, 2020.....	2,167,376	(2,176,410)	(9,034)	9,857,543	22.08%
June 30, 2019.....	2,035,784	(2,035,784)	-	9,328,523	21.82%
June 30, 2018.....	1,933,226	(1,933,226)	-	8,889,792	21.75%
June 30, 2017.....	1,833,890	(1,833,890)	-	8,829,627	20.77%
June 30, 2016.....	1,729,864	(1,729,864)	-	8,538,663	20.26%
June 30, 2015.....	1,734,970	(1,734,970)	-	8,848,207	19.61%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on the Town's net other postemployment benefit liability and related ratios.

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

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on other postemployment assets, net of investment expense.

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

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Total OPEB liability					
Service cost.....	\$ 480,254	\$ 463,573	\$ 486,382	\$ 424,479	\$ 411,945
Interest.....	987,774	1,037,929	1,079,094	1,960,235	1,452,205
Differences between expected and actual experience.....	-	-	2,125,742	-	355,679
Changes of assumptions.....	(637,477)	(251,533)	(696,530)	(581,401)	(1,841,265)
Benefit payments.....	(857,575)	(896,166)	(985,545)	(1,137,251)	(1,094,241)
Net change in total OPEB liability.....	(27,024)	353,803	2,009,143	666,062	(715,677)
Total OPEB liability - beginning.....	17,869,720	17,842,696	18,196,499	20,205,642	20,871,704
Total OPEB liability - ending (a).....	<u>\$ 17,842,696</u>	<u>\$ 18,196,499</u>	<u>\$ 20,205,642</u>	<u>\$ 20,871,704</u>	<u>\$ 20,156,027</u>
Plan fiduciary net position					
Employer contributions.....	\$ 150,000	\$ 150,000	\$ 150,000	\$ 300,000	\$ 150,000
Employer contributions for OPEB payments.....	857,575	896,166	1,259,125	1,137,251	1,094,241
Other postemployment benefit fund tax.....	-	-	-	-	552,902
Net investment income.....	21,506	78,380	51,076	168,726	693,101
Benefit payments.....	(857,575)	(896,166)	(985,545)	(1,137,251)	(1,094,241)
Net change in plan fiduciary net position.....	171,506	228,380	474,656	468,726	1,396,003
Plan fiduciary net position - beginning of year.....	422,237	593,743	822,123	1,296,779	1,765,505
Plan fiduciary net position - end of year (b).....	<u>\$ 593,743</u>	<u>\$ 822,123</u>	<u>\$ 1,296,779</u>	<u>\$ 1,765,505</u>	<u>\$ 3,161,508</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 17,248,953</u>	<u>\$ 17,374,376</u>	<u>\$ 18,908,863</u>	<u>\$ 19,106,199</u>	<u>\$ 16,994,519</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	3.33%	4.52%	6.42%	8.46%	15.69%
Covered-employee payroll.....	\$ 8,656,497	\$ 8,715,482	\$ 8,889,792	\$ 9,067,587	\$ 12,499,141
Net OPEB liability as a percentage of covered-employee payroll.....	199.26%	199.35%	212.70%	210.71%	135.97%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2021.....	\$ 1,441,022	\$ (1,797,143)	\$ (356,121)	\$ 12,499,141	14.38%
June 30, 2020.....	1,575,757	(1,437,251)	138,506	9,067,587	15.85%
June 30, 2019.....	1,526,157	(1,409,125)	117,032	8,889,792	15.85%
June 30, 2018.....	1,196,492	(1,046,166)	150,326	8,715,482	12.00%
June 30, 2017.....	1,156,031	(1,007,575)	148,456	8,656,497	11.64%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2021.....	29.20%
June 30, 2020.....	10.74%
June 30, 2019.....	15.94%
June 30, 2018.....	10.73%
June 30, 2017.....	3.84%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

NOTE A – BUDGETARY BASIS OF ACCOUNTINGA. Budgetary Information

Municipal Law requires the Town to adopt a balanced budget that is approved at the Annual Town Meeting. The Town Manager presents an annual budget to the Select Board and Finance Committee, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Expenditures are budgeted by categories that are broken down by personal services, expenses, debt service and capital outlay and are mandated by Municipal Law.

Supplementary appropriations are voted at special town meetings.

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

Generally, expenditures may not exceed the legal level of spending (personnel services, expenditures and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized.

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. The original 2021 approved budget authorized approximately \$46.0 million in current year appropriations and other amounts to be raised and approximately \$5.9 million in encumbrances and appropriations carried over from previous years.

The Accounting office has the responsibility to ensure that budgetary control is maintained on an individual line-item appropriation account basis. Budgetary control is exercised through the Town's accounting system.

B. Budgetary – GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. The reconciliations of budgetary-basis to GAAP-basis results for the General Fund for the year ended June 30, 2021, is presented below:

Net change in fund balance - budgetary basis.....	\$	3,418,916
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		83,168
<u>Basis of accounting differences:</u>		
Net change in recording 60 day receipts.....		<u>(311,388)</u>
Net change in fund balance - GAAP basis.....	\$	<u>3,190,696</u>

NOTE B – PENSION PLANA. Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability, 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.

B. Schedule of the Town's Contributions

Governmental employers are required to pay an annual appropriation as established by the Public Employee Retirement Administration Commission (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.

C. Changes in Assumptions

None.

D. Changes in Plan Provisions

None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS PLAN

The Town administers a single-employer defined benefit healthcare plan ("Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members.

The Other Postemployment Benefit PlanA. Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios

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

B. Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll. Actuarial determined contribution rates are calculated as of June 30, two years prior to the end of

the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	June 30, 2020
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Asset valuation method.....	Market value of assets as of the measurement date.
Investment rate of return.....	7.00%
Inflation rate.....	3.25%
Salary increases.....	<p>Service-related increases for Group 1 (excluding Teachers) and Group 2 employees: 6.0% decreasing over 11 years to an ultimate level of 4.0%.</p> <p>Service-related increases for Group 4 employees: 7.0% decreasing over 8 years to an ultimate level of 4.5%.</p> <p>Service-related increases for Teachers: 7.5% decreasing over 20 years to an ultimate level of 4.0%.</p>

Health care trends:

Cape Cod Municipal Health Group.....	<p>Non-Medicare: 2.5% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year.</p> <p>Medicare: 2.5% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year.</p>
Group Insurance Commission Medical.....	<p>Non-Medicare: 6.6%, 6.5%, 6.4%, 6.2%, then 6.0% decreasing by 0.25% each year to an ultimate level of 4.5% per year.</p> <p>Non-Medicare: 4.8%, 4.7%, 4.6%, 4.7%, then 6.0% decreasing by 0.25% each year to an ultimate level of 4.5% per year.</p>
Dental.....	3.00%
Contributions.....	Retiree contributions are expected to increase with respective trend shown above.

Mortality rates:

Preretirement mortality rates:

Healthy Non-Teachers.....	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017.
Healthy Teachers.....	Pub-2010 Teachers Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2020.

Postretirement mortality rates:

Healthy Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017.
Healthy Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2020.
Disabled Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2017.
Disabled Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2020.

C. Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan’s other postemployment assets, net of investment expense.

D. Changes of Assumptions

- Per capita health costs, contributions and trends for Cape Cod Municipal Health Group retirees were updated to reflect current experience and future expectations.
- Per capita health costs, contributions and trends for Group Insurance Commission retirees were updated based on June 30, 2020, Commonwealth of Massachusetts Postemployment Benefit Other than Pensions GASB Statement No. 74 Valuation Report, dated January 2021, completed by Deloitte Consulting.
- The mortality assumption for Teachers was updated to be consistent with the companion pension fund.
- The life insurance enrollment for future retirees was updated, if applicable.

E. Changes in Plan Provisions

None.

Other Supplementary Information

Combining Statements

The combining financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type.

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than permanent funds or capital project funds) that are restricted by law or administrative action to expenditures for specific purposes. The Town's nonmajor special revenue funds are grouped into the following categories:

School Special Revenue – accounts for funds designated for school specific programs and consists primarily of donations.

Town Revolving Funds – accounts for the activity of the revolving funds established in accordance with MGL Chapter 44, Section 53E ½.

Affordable Housing – accounts for the activity related to the creation and preservation of affordable housing.

Town Special Revenue – accounts for other special revenue funds designated for specific programs.

Capital Project Funds

Capital project funds are used to account for financial resources used in the acquisition or construction of major capital facilities (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The Town's nonmajor capital project funds are grouped into the following category:

Town Capital Projects – accounts for the construction and renovation of various Town projects.

Permanent Funds

Permanent Funds are 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 governmental programs.

Permanent Trust Funds – accounts for all gifts, bequests and contributions held for which only earnings may be expended for purposes specific by the donor in relation to other Town activities.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2021

	Special Revenue Funds				
	School Special Revenue	Town Revolving Funds	Affordable Housing	Town Special Revenue	Subtotal
ASSETS					
Cash and cash equivalents.....	\$ 450,089	\$ 1,567,371	\$ 1,708,275	\$ 2,061,338	\$ 5,787,073
Investments.....	-	-	-	943,977	943,977
Receivables, net of uncollectibles:					
Departmental and other.....	-	-	-	2,084	2,084
Intergovernmental - other.....	-	-	-	254,758	254,758
TOTAL ASSETS.....	\$ 450,089	\$ 1,567,371	\$ 1,708,275	\$ 3,262,157	\$ 6,987,892
LIABILITIES					
Warrants payable.....	\$ -	\$ -	\$ -	\$ 317,194	\$ 317,194
Accrued payroll.....	-	-	-	21,760	21,760
Other liabilities.....	-	-	-	606,271	606,271
TOTAL LIABILITIES.....	-	-	-	945,225	945,225
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	-	-	-	2,084	2,084
FUND BALANCES					
Nonspendable.....	-	-	-	-	-
Restricted.....	450,089	1,567,371	1,708,275	2,314,848	6,040,583
TOTAL FUND BALANCES.....	450,089	1,567,371	1,708,275	2,314,848	6,040,583
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 450,089	\$ 1,567,371	\$ 1,708,275	\$ 3,262,157	\$ 6,987,892

(Continued)

	Town Capital Projects	Permanent Trust Funds	Total Nonmajor Governmental Funds
\$	527,125	\$ 290,568	\$ 6,604,766
	-	674,297	1,618,274
	-	-	2,084
	-	-	254,758
\$	<u>527,125</u>	<u>\$ 964,865</u>	<u>\$ 8,479,882</u>
\$	20,979	-	\$ 338,173
	-	-	21,760
	-	-	606,271
	<u>20,979</u>	-	<u>966,204</u>
	-	-	2,084
	-	956,419	956,419
	506,146	8,446	6,555,175
	<u>506,146</u>	<u>964,865</u>	<u>7,511,594</u>
\$	<u>527,125</u>	<u>\$ 964,865</u>	<u>\$ 8,479,882</u>

(Concluded)

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

YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				
	School Special Revenue	Town Revolving Funds	Affordable Housing	Town Special Revenue	Subtotal
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ -	\$ -	\$ 20,826	\$ 20,826
Motor vehicle and other excise taxes.....	-	-	-	277,704	277,704
Charges for services.....	-	232,689	-	-	232,689
Penalties and interest on taxes.....	-	150	-	-	150
Licenses and permits.....	-	169,232	-	67,113	236,345
Intergovernmental - other.....	-	-	-	1,744,614	1,744,614
Departmental and other.....	-	201,846	-	198,947	400,793
Contributions and donations.....	72,608	3,500	61,200	278,330	415,638
Investment income.....	-	60	-	24,152	24,212
TOTAL REVENUES.....	72,608	607,477	61,200	2,611,686	3,352,971
EXPENDITURES:					
Current:					
General government.....	-	51,192	500	1,334,386	1,386,078
Public safety.....	-	79,055	-	249,965	329,020
Education.....	119,308	-	-	-	119,308
Public works.....	-	69,812	-	624,137	693,949
Natural resources.....	-	53,978	-	1,096,957	1,150,935
Health and human services.....	-	-	-	488,706	488,706
Culture and recreation.....	-	-	-	13,408	13,408
TOTAL EXPENDITURES.....	119,308	254,037	500	3,807,559	4,181,404
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(46,700)	353,440	60,700	(1,195,873)	(828,433)
OTHER FINANCING SOURCES (USES):					
Issuance of bonds.....	-	-	-	-	-
Premium from issuance of bonds.....	-	-	-	63,639	63,639
Proceeds from the sale of capital assets.....	-	-	-	30,650	30,650
Transfers in.....	-	-	500,000	46,860	546,860
Transfers out.....	-	-	-	(819,200)	(819,200)
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	500,000	(678,051)	(178,051)
NET CHANGE IN FUND BALANCES.....	(46,700)	353,440	560,700	(1,873,924)	(1,006,484)
FUND BALANCES AT BEGINNING OF YEAR, AS REVISED....	496,789	1,213,931	1,147,575	4,188,772	7,047,067
FUND BALANCES AT END OF YEAR.....	\$ 450,089	\$ 1,567,371	\$ 1,708,275	\$ 2,314,848	\$ 6,040,583

(Continued)

	Town Capital Projects	Permanent Trust Funds	Total Nonmajor Governmental Funds
\$	-	\$ -	\$ 20,826
	-	-	277,704
	-	-	232,689
	-	-	150
	-	-	236,345
	-	-	1,744,614
	-	-	400,793
	-	27,600	443,238
	-	22,397	46,609
	-	49,997	3,402,968
	-	217,687	1,603,765
	1,365	-	330,385
	-	-	119,308
	17	800	694,766
	297,094	-	1,448,029
	-	-	488,706
	-	-	13,408
	298,476	218,487	4,698,367
	(298,476)	(168,490)	(1,295,399)
	940,000	-	940,000
	60,000	-	123,639
	-	-	30,650
	-	-	546,860
	-	-	(819,200)
	1,000,000	-	821,949
	701,524	(168,490)	(473,450)
	(195,378)	1,133,355	7,985,044
\$	\$ 506,146	\$ 964,865	\$ 7,511,594

(Concluded)

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Statistical Section



Sunset views from Chatham Harbor

Statistical Section

Statistical tables differ from financial statements since they usually cover more than one year and may present nonaccounting data. The following tables reflect social and economic data, financial trends, and fiscal capacity.

Financial Trends

- These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the Town's financial statements for the relevant year.

Net Position By Component

Last Ten Years

	2012	2013	2014 (1)	2015	2016	2017 (2)	2018	2019	2020 (3)	2021
Governmental activities										
Net investment in capital assets.....	\$ 60,953,308	\$ 67,418,549	\$ 75,300,803	\$ 69,750,905	\$ 81,307,726	\$ 81,307,726	\$ 98,428,623	\$ 102,422,506	\$ 94,727,177	\$ 108,120,756
Restricted.....	3,905,710	4,264,097	4,361,478	4,553,641	7,463,137	8,206,382	9,400,809	10,567,197	6,083,586	5,478,652
Unrestricted.....	4,699,572	3,552,481	(348,136)	(7,378,652)	(17,651,464)	(13,264,295)	(31,277,854)	(32,630,820)	(15,603,651)	(19,895,060)
Total governmental activities net position.....	\$ 69,558,590	\$ 75,235,127	\$ 79,314,145	\$ 66,925,894	\$ 71,119,399	\$ 76,249,813	\$ 76,551,578	\$ 80,358,883	\$ 85,207,112	\$ 93,704,348
Business-type activities										
Net investment in capital assets.....	\$ 12,430,213	\$ 12,966,203	\$ 13,171,858	\$ 12,188,429	\$ 12,381,561	\$ 14,079,141	\$ 20,486,016	\$ 13,353,470	\$ 15,191,632	\$ 15,784,154
Unrestricted.....	2,645,666	2,843,674	2,896,682	2,157,338	2,797,373	1,530,326	(4,728,176)	6,843,661	4,389,069	4,868,493
Total business-type activities net position.....	\$ 15,075,879	\$ 15,809,877	\$ 16,068,540	\$ 14,345,767	\$ 15,178,934	\$ 15,609,467	\$ 15,757,840	\$ 20,197,131	\$ 19,580,701	\$ 20,652,647
Primary government										
Net investment in capital assets.....	\$ 73,383,521	\$ 80,384,752	\$ 88,472,661	\$ 81,939,334	\$ 93,689,287	\$ 95,386,867	\$ 118,914,639	\$ 115,775,976	\$ 109,918,809	\$ 123,904,910
Restricted.....	3,905,710	4,264,097	4,361,478	4,553,641	7,463,137	8,206,382	9,400,809	10,567,197	6,083,586	5,478,652
Unrestricted.....	7,345,238	6,396,155	2,548,546	(5,221,314)	(14,854,091)	(11,733,969)	(36,006,030)	(25,787,159)	(11,214,582)	(15,026,567)
Total primary government net position.....	\$ 84,634,469	\$ 91,045,004	\$ 95,382,685	\$ 81,271,661	\$ 86,298,333	\$ 91,859,280	\$ 92,309,418	\$ 100,556,014	\$ 104,787,813	\$ 114,356,995

(1) = Unrestricted net position has been revised to reflect the implementation of GASB Statement #68.

(2) = Unrestricted net position has been revised to reflect the implementation of GASB Statement #75.

(3) = Unrestricted net position has been revised to reflect the implementation of GASB Statement #84 and GASB Statement #87.

Changes in Net Position

Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government.....	\$ 4,108,863	\$ 4,236,895	\$ 4,115,432	\$ 3,834,486	\$ 4,003,698	\$ 4,612,650	\$ 4,431,719	\$ 5,453,321	\$ 4,549,318	\$ 4,253,703
Public safety.....	9,861,088	9,180,529	9,794,649	9,700,868	9,461,393	9,995,415	10,017,932	11,448,724	10,795,696	10,217,954
Education.....	13,255,136	9,075,496	8,624,789	8,768,388	8,981,068	9,449,939	9,651,510	9,864,629	9,560,087	9,748,169
Public works.....	7,347,475	8,446,682	8,026,440	8,284,834	7,701,625	7,817,927	9,341,759	9,882,412	12,049,515	9,686,032
Natural resources.....	2,242,176	2,205,052	2,084,497	1,992,732	1,871,949	2,123,745	2,186,540	2,609,700	4,988,683	4,249,592
Community development.....	1,194,567	1,087,062	1,037,125	950,317	1,196,319	1,198,044	1,115,337	1,277,913	1,298,458	1,179,740
Health and human services.....	843,883	830,036	779,295	809,832	816,681	752,999	847,685	1,062,273	1,354,282	1,558,319
Culture and recreation.....	1,011,245	1,121,256	1,089,602	1,128,300	1,176,239	1,270,869	1,200,168	1,226,942	1,034,384	989,702
Community preservation.....	252,811	280,314	272,401	282,075	294,060	317,717	300,042	306,736	566,957	201,990
Claims and judgments.....	-	-	-	-	-	-	-	-	300,000	-
Interest.....	1,835,825	2,115,773	1,757,085	1,831,475	2,008,015	1,996,426	1,772,322	1,130,131	1,152,502	1,387,934
Total government activities expenses.....	41,953,069	38,579,095	37,581,315	37,583,307	37,511,047	39,535,731	40,865,014	44,262,781	47,649,882	43,473,135
								\$44,262,781		
Business-type activities:										
Water.....	2,996,076	2,695,050	3,072,871	2,709,004	2,811,396	3,483,918	3,439,405	3,000,736	3,278,330	3,534,011
Wood waste reclamation facility.....	61,441	57,166	51,690	51,542	40,453	40,220	34,461	21,259	10,172	12,000
Total business-type activities expenses.....	3,057,517	2,752,216	3,124,561	2,760,546	2,851,849	3,524,138	3,473,866	3,021,995	3,288,502	3,546,011
Total primary government expenses.....	\$ 45,010,586	\$ 41,331,311	\$ 40,705,876	\$ 40,343,853	\$ 40,362,896	\$ 43,059,869	\$ 44,338,880	\$ 47,284,776	\$ 50,938,384	\$ 47,019,146
Program Revenues										
Governmental activities:										
Public safety charges for services.....	\$ 968,169	\$ 1,176,468	\$ 1,206,524	\$ 1,110,041	\$ 664,306	\$ 595,583	\$ 748,400	\$ 765,092	\$ 769,996	\$ 1,011,400
Public works charges for services.....	1,229,285	1,348,685	1,809,909	2,317,440	1,596,452	1,683,903	1,636,771	1,792,846	2,334,495	2,740,008
Culture and recreation charges for services.....	172,654	170,106	172,167	189,298	205,256	206,741	195,417	202,024	574,328	798,622
Other charges for services.....	1,566,884	1,471,740	1,420,277	1,632,288	2,003,102	2,282,015	2,062,556	2,389,998	987,228	830,143
Operating grants and contributions.....	5,750,381	3,266,154	3,330,030	913,269	992,260	965,952	1,517,512	1,685,912	2,543,759	1,997,699
Capital grant and contributions.....	13,275,116	3,992,171	-	339,561	532,938	1,349,708	1,691,119	329,134	3,214,675	1,214,144
Total government activities program revenues.....	22,962,489	11,425,324	7,938,907	6,501,897	5,994,314	7,083,902	7,851,775	7,165,006	10,424,481	8,592,016
Business-type activities:										
Charges for services - water.....	2,718,648	2,854,473	2,750,109	3,003,797	3,074,978	3,349,517	3,027,254	3,189,395	3,442,510	4,082,281
Charges for services - Wood waste reclamation center.....	34,786	36,566	42,815	35,676	35,675	35,675	28,536	42,815	35,676	35,676
Total business-type activities program revenues.....	2,753,434	2,891,039	2,792,924	3,039,473	3,110,653	3,385,192	3,055,790	3,232,210	3,478,186	4,117,957
Total primary government program revenues.....	\$ 25,715,923	\$ 14,316,363	\$ 10,731,831	\$ 9,541,370	\$ 9,104,967	\$ 10,469,094	\$ 10,907,565	\$ 10,397,216	\$ 13,902,667	\$ 12,709,973
Net (Expense)/Revenue										
Governmental activities.....	\$ (18,990,580)	\$ (27,153,771)	\$ (29,642,408)	\$ (31,081,410)	\$ (31,516,733)	\$ (32,451,829)	\$ (33,013,239)	\$ (37,097,775)	\$ (37,225,401)	\$ (34,881,119)
Business-type activities.....	(304,083)	138,823	(331,637)	278,927	258,804	(138,946)	(418,076)	210,215	189,684	571,946
Total primary government net expense.....	\$ (19,294,663)	\$ (27,014,948)	\$ (29,974,045)	\$ (30,802,483)	\$ (31,257,929)	\$ (32,590,775)	\$ (33,431,315)	\$ (36,887,560)	\$ (37,035,717)	\$ (34,309,173)

(Continued)

Changes in Net Position

Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes,										
net of tax refunds payable.....	\$ 27,431,990	\$ 30,333,385	\$ 30,762,728	\$ 31,164,899	\$ 32,805,596	\$ 33,992,870	\$ 34,764,176	\$ 34,757,846	\$ 36,582,233	\$ 37,077,338
Tax and other liens.....	-	-	-	-	-	-	-	345,039	68,321	67,522
Motor vehicle and other excise taxes.....	942,922	961,074	1,059,437	1,152,923	1,159,998	1,313,991	1,362,812	1,770,741	1,710,053	1,880,350
Hotel/motel tax.....	1,422,121	1,191,234	1,233,096	1,287,868	1,363,774	1,412,045	1,375,609	1,470,224	1,898,640	2,599,682
Meals tax.....	-	333,517	348,933	375,463	412,661	447,281	441,541	473,860	450,046	349,978
Community preservation tax.....	211,354	227,704	476,583	287,525	286,060	209,522	183,162	917,062	1,238,491	1,226,071
Penalties and interest on taxes.....	189,911	228,494	261,054	178,476	300,547	211,715	237,369	224,433	128,257	143,099
Payments in lieu of taxes.....	3,590	24,485	25,996	51,884	30,178	5,926	61,415	37,458	34,043	29,670
Grants and contributions not restricted to										
specific programs.....	129,241	95,471	124,662	133,917	138,739	117,126	293,077	167,518	192,579	247,428
Unrestricted investment income.....	112,100	83,534	19,237	72,163	39,668	108,989	125,018	556,185	353,395	226,567
Gain on sale of capital assets.....	-	-	-	-	-	-	-	49,400	27,100	30,650
Miscellaneous.....	45,504	78,256	-	650,912	47,380	332,257	2,000,886	-	-	-
Transfers.....	(600,050)	(726,846)	(590,300)	(740,300)	(874,363)	(569,479)	(716,449)	(560,105)	(544,840)	(500,000)
Total governmental activities.....	29,888,683	32,830,308	33,721,426	34,615,730	35,710,238	37,582,243	40,128,616	40,209,661	42,138,318	43,378,355
Business-type activities:										
Transfers.....	600,050	595,175	590,300	590,300	574,363	569,479	566,449	560,105	544,840	500,000
Total primary government.....	\$ 30,488,733	\$ 33,425,483	\$ 34,311,726	\$ 35,206,030	\$ 36,284,601	\$ 38,151,722	\$ 40,695,065	\$ 40,769,766	\$ 42,683,158	\$ 43,878,355
Changes in Net Position										
Governmental activities.....	\$ 10,898,103	\$ 5,676,537	\$ 4,079,018	\$ 3,534,320	\$ 4,193,505	\$ 5,130,414	\$ 7,115,377	\$ 3,111,886	\$ 4,912,917	\$ 8,497,236
Business-type activities.....	295,967	733,998	258,663	869,227	833,167	430,533	148,373	770,320	734,524	1,071,946
Total primary government.....	\$ 11,194,070	\$ 6,410,535	\$ 4,337,681	\$ 4,403,547	\$ 5,026,672	\$ 5,560,947	\$ 7,263,750	\$ 3,882,206	\$ 5,647,441	\$ 9,569,182

(Concluded)

Fund Balances, Governmental Funds

Last Ten Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Committed.....	\$ 1,754,380	\$ 1,920,835	\$ 2,910,017	\$ 3,175,830	\$ 3,094,498	\$ 2,409,442	\$ 2,227,527	\$ 4,219,048	\$ 4,566,985	\$ 5,365,683
Assigned.....	108,152	771,123	1,114,140	988,285	3,530,554	4,522,260	4,470,609	2,974,880	2,690,199	3,738,796
Unassigned.....	5,349,583	5,678,000	6,215,021	7,133,141	7,454,034	6,975,614	10,027,408	10,343,991	11,243,879	12,587,280
Total general fund.....	\$ <u>7,212,115</u>	\$ <u>8,369,958</u>	\$ <u>10,239,178</u>	\$ <u>11,297,256</u>	\$ <u>14,079,086</u>	\$ <u>13,907,316</u>	\$ <u>16,725,544</u>	\$ <u>17,537,919</u>	\$ <u>18,501,063</u>	\$ <u>21,691,759</u>
All Other Governmental Funds										
Nonspendable.....	\$ 660,991	\$ 732,705	\$ 732,705	\$ 772,049	\$ 841,917	\$ 839,742	\$ 815,302	\$ 907,819	\$ 990,419	\$ 956,419
Restricted.....	4,732,877	5,085,569	5,684,228	13,923,229	7,132,543	7,324,307	8,562,098	9,667,294	10,369,816	10,402,039
Unassigned.....	<u>(3,730,886)</u>	<u>(1,327,075)</u>	<u>(5,968,639)</u>	<u>(5,111,241)</u>	<u>(4,645,570)</u>	<u>(5,244,564)</u>	<u>(9,608,802)</u>	<u>(1,636,995)</u>	<u>(10,283,245)</u>	<u>(14,451,125)</u>
Total all other governmental funds.....	\$ <u>1,662,982</u>	\$ <u>4,491,199</u>	\$ <u>448,294</u>	\$ <u>9,584,037</u>	\$ <u>3,328,890</u>	\$ <u>2,919,485</u>	\$ <u>(231,402)</u>	\$ <u>8,938,118</u>	\$ <u>1,076,990</u>	\$ <u>(3,092,667)</u>

Changes in Fund Balances, Governmental Funds

Last Ten Years

	2012	2013	2014	2015 (1)	2016	2017	2018 (2)	2019	2020	2021
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 27,248,802	\$ 30,235,789	\$ 31,239,205	\$ 31,048,575	\$ 33,535,949	\$ 33,969,264	\$ 35,034,863	\$ 35,098,765	\$ 36,471,309	\$ 37,113,120
Tax liens.....	-	-	-	-	-	-	-	209,074	116,898	46,704
Motor vehicle and other excise taxes.....	942,922	961,074	1,090,585	1,152,923	1,213,339	1,313,991	1,362,812	1,663,083	1,615,834	1,772,314
Hotel/motel tax.....	1,422,121	1,191,234	1,233,096	1,287,868	1,363,774	1,412,045	1,375,609	1,470,224	1,898,640	2,599,682
Meals tax.....	-	333,517	348,933	375,463	412,661	447,284	441,541	473,860	450,046	349,978
Charges for services.....	2,523,664	1,973,621	2,272,645	2,380,274	2,149,671	2,297,626	2,472,381	3,688,760	2,582,899	3,023,646
Penalties and interest on taxes.....	189,911	228,494	261,053	178,476	300,547	212,137	237,369	224,433	138,057	143,099
Payments in lieu of taxes.....	3,590	24,485	25,996	51,884	30,178	5,926	61,415	37,458	34,043	29,670
Licenses and permits.....	1,063,740	1,328,906	763,509	1,437,443	919,188	799,813	829,113	1,036,191	915,128	1,052,316
Fines and forfeitures.....	61,104	53,369	64,567	59,324	61,663	42,579	47,404	58,507	66,285	18,569
Intergovernmental - state aid.....	174,147	192,027	183,290	188,886	184,944	185,707	196,005	205,395	184,462	180,380
Intergovernmental - other.....	19,375,846	7,692,806	4,059,614	2,379,089	1,997,039	2,583,899	3,487,056	1,122,574	5,253,819	3,702,611
Departmental and other.....	596,232	553,206	581,785	1,325,991	1,452,374	1,825,674	3,518,180	1,521,264	1,202,290	1,263,579
Community preservation taxes.....	-	-	-	-	-	-	-	698,544	665,077	1,006,962
Community preservation state match.....	211,354	227,704	476,583	287,525	286,060	209,522	183,162	216,932	281,914	353,577
Special assessments.....	140,005	383,735	492,559	106,538	49,139	82,212	59,171	39,358	33,315	41,387
Contributions and donations.....	259,260	123,500	132,997	243,383	131,059	358,684	293,077	569,508	408,763	443,238
Investment income.....	22,035	83,535	190,285	24,017	39,668	108,753	125,017	556,187	353,394	226,567
Total revenues.....	54,234,733	45,587,002	43,416,702	42,527,659	44,127,253	45,855,116	49,724,175	48,890,117	52,672,173	53,367,399
Expenditures:										
General government.....	2,740,551	3,093,835	2,914,669	3,002,515	3,088,544	3,583,900	3,531,706	4,382,802	2,799,523	2,908,148
Public safety.....	5,512,339	5,111,045	5,235,426	6,747,726	5,906,628	6,040,145	6,252,506	7,391,195	6,808,548	6,952,279
Education.....	12,827,205	8,460,110	8,066,117	8,163,343	8,384,664	8,853,300	9,143,462	9,355,580	9,125,406	9,318,122
Public works.....	4,293,078	4,642,772	4,687,573	4,989,718	4,190,022	4,110,286	9,290,956	10,792,770	7,904,947	5,971,913
Natural resources.....	981,351	1,133,466	1,008,158	1,229,676	1,055,728	1,134,161	1,331,059	1,574,008	3,966,010	3,460,965
Community development.....	655,879	677,043	604,580	654,996	813,345	745,841	722,211	793,578	916,845	906,184
Health and human services.....	587,826	627,817	558,735	659,280	683,672	553,982	702,141	894,827	956,473	1,187,615
Culture and recreation.....	768,104	922,990	935,876	967,510	1,071,640	1,194,591	1,244,857	1,339,657	622,317	524,626
Community preservation.....	78,107	68,376	58,804	72,617	62,478	69,815	69,345	72,255	566,957	201,990
Pension benefits.....	-	-	-	1,734,970	1,729,864	1,833,890	1,933,226	2,035,784	2,176,410	2,193,239
Employee benefits.....	5,647,786	6,197,366	6,153,969	2,170,174	2,199,399	2,286,678	2,518,126	2,576,845	3,400,826	3,158,660
Claims and judgments.....	-	-	-	-	-	-	-	-	300,000	-
State and county charges.....	1,222,810	620,223	626,980	669,675	694,402	714,974	751,526	772,652	827,520	860,278
Capital outlay.....	16,211,053	4,379,480	6,867,332	7,733,817	12,409,973	7,179,358	4,683,073	2,438,905	19,070,444	13,787,870
Debt service:										
Principal.....	3,060,404	4,866,009	5,332,383	4,959,887	5,489,370	5,646,021	5,229,829	4,189,355	4,255,428	4,843,440
Interest.....	1,932,935	2,363,664	1,949,485	2,005,487	2,282,597	1,989,014	1,936,362	2,801,120	1,861,421	2,090,320
Total expenditures.....	56,519,428	43,164,196	45,000,087	45,761,391	50,062,326	45,935,956	49,340,385	51,411,333	65,559,075	58,365,649
Excess (deficiency) of revenues over (under) expenditures.....	(2,284,695)	2,422,806	(1,583,385)	(3,233,732)	(5,935,073)	(80,840)	383,790	(2,521,216)	(12,886,902)	(4,998,250)
Other Financing Sources (Uses):										
Issuance of bonds.....	52,293,633	2,256,265	-	14,167,853	3,336,119	-	-	3,994,800	16,058,416	4,155,000
Issuance of refunding bonds.....	-	-	-	-	-	5,706,400	-	-	-	-
Premium from issuance of bonds.....	1,282,245	-	-	-	-	728,412	-	381,356	301,688	333,639
Payments to refunded bond escrow agent.....	-	-	-	-	-	(6,365,668)	-	-	-	-
Proceeds from the sale of capital assets.....	-	-	-	-	-	-	-	-	27,100	30,650
Transfers in.....	1,792,498	1,201,318	1,268,768	2,478,938	1,071,580	1,207,580	1,388,219	1,212,340	1,286,110	1,572,260
Transfers out.....	(2,392,548)	(1,796,493)	(1,859,068)	(3,219,238)	(1,945,943)	(1,777,059)	(2,104,668)	(1,772,445)	(1,830,950)	(2,072,260)
Total other financing sources (uses).....	52,975,828	1,661,090	(590,300)	13,427,553	2,461,756	(500,335)	(716,449)	3,816,051	15,842,364	4,019,289
Net change in fund balance.....	\$ 50,691,133	\$ 4,083,896	\$ (2,173,685)	\$ 10,193,821	\$ (3,473,317)	\$ (581,175)	\$ (332,659)	\$ 1,294,835	\$ 2,955,462	\$ (978,961)
Debt service as a percentage of noncapital expenditures.....	12.39%	18.64%	19.10%	18.32%	20.64%	19.70%	16.05%	14.27%	13.16%	15.55%

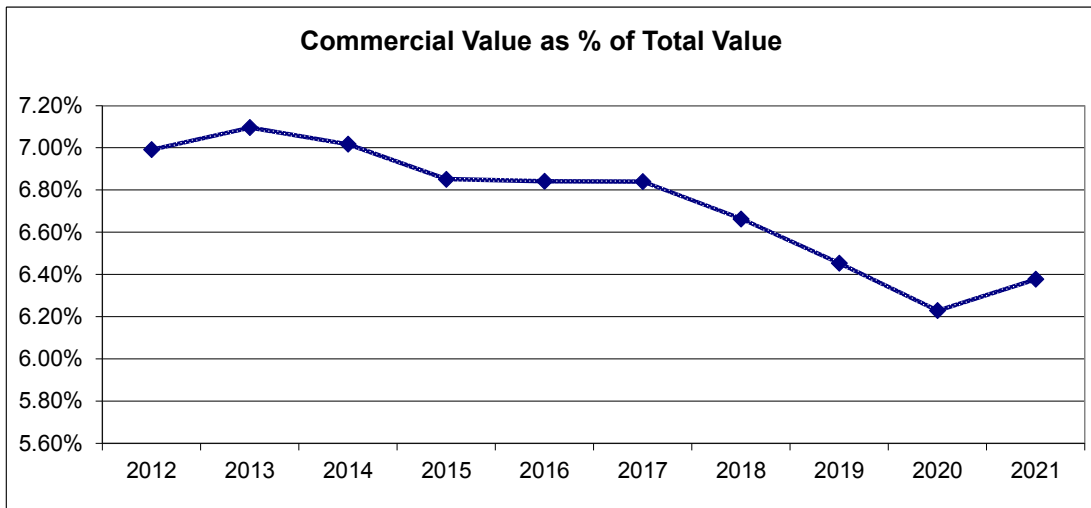
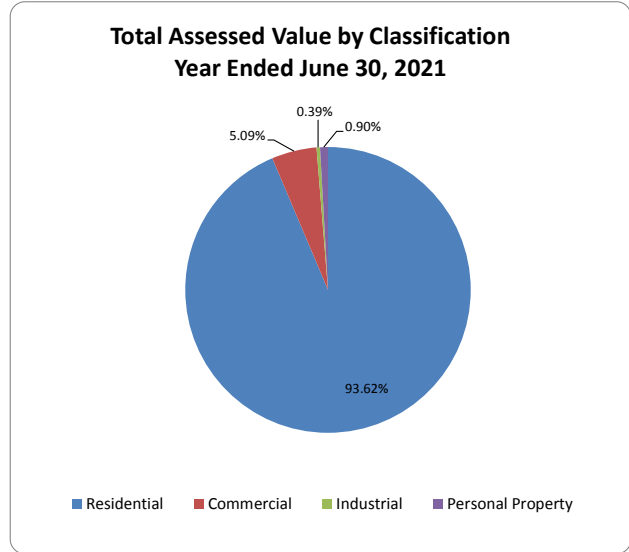
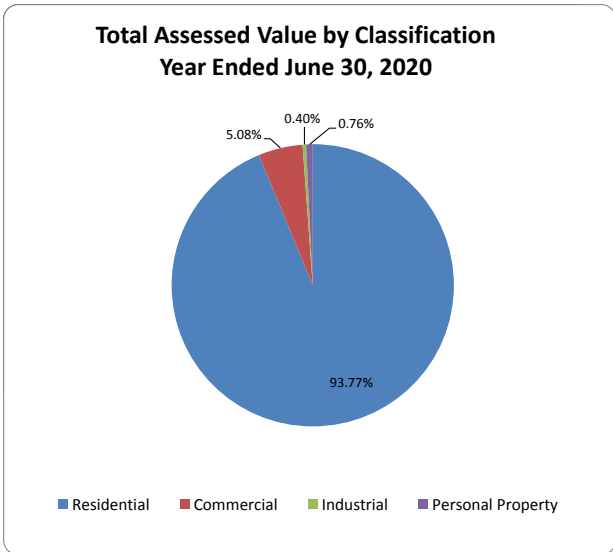
(1) = Prior to 2015, pension and employee benefits were reported together as employee benefits.

(2) = Prior to 2018, community preservation taxes were reported in Intergovernmental - other.

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Years

Year	Assessed and Actual Values and Tax Rates								Total Town Value
	Residential Value	Residential & Personal Property Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate (1)	
2012	\$5,459,707,886	\$4.45	\$339,064,694	\$36,444,220	\$34,877,010	\$410,385,924	\$4.45	\$4.45	\$5,870,093,810
2013	\$5,380,886,064	\$5.03	\$355,685,721	\$20,640,735	\$34,676,510	\$411,002,966	\$5.03	\$5.03	\$5,791,889,030
2014	\$5,372,769,946	\$5.08	\$349,059,609	\$20,766,215	\$35,667,540	\$405,493,364	\$5.08	\$5.08	\$5,778,263,310
2015	\$5,541,766,223	\$4.99	\$348,162,632	\$20,852,715	\$38,615,420	\$407,630,767	\$4.99	\$4.99	\$5,949,396,990
2016	\$5,778,932,039	\$5.02	\$359,039,486	\$25,188,055	\$40,156,880	\$424,384,421	\$5.02	\$5.02	\$6,203,316,460
2017	\$5,998,136,930	\$5.03	\$370,959,845	\$25,807,625	\$43,681,800	\$440,449,270	\$5.03	\$5.03	\$6,438,586,200
2018	\$6,316,190,918	\$4.87	\$379,128,807	\$25,370,345	\$46,438,980	\$450,938,132	\$4.87	\$4.87	\$6,767,129,050
2019	\$6,620,256,970	\$4.85	\$378,774,385	\$25,352,215	\$52,606,140	\$456,732,740	\$4.85	\$4.85	\$7,076,989,710
2020	\$6,945,088,530	\$4.82	\$376,043,380	\$29,320,050	\$56,003,560	\$461,366,990	\$4.82	\$4.82	\$7,406,455,520
2021	\$7,002,554,885	\$4.98	\$380,654,940	\$29,102,895	\$67,294,760	\$477,052,595	\$4.98	\$4.98	\$7,479,607,480



(1) Weighted average direct tax rate, calculated as weighted average of residential, commercial and personal property tax rates.

Source: Department of Revenue, Division of Local Services

All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Principal Taxpayers

Current Year and Nine Years Ago

Name	Nature of Business	2021			2012		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
CBI Owner, LLC	Resort Inn	\$ 92,075,600	1	1.23%	\$ 77,558,800	1	1.32%
Eastward Ho! Country Club	Country Club	25,388,570	2	0.34%	24,834,800	2	0.42%
Jones, Robert W. & Debra N.	Residential	12,500,800	3	0.17%	7,548,300	6	0.13%
TR 97 Nominee Trust	Residential	12,497,800	4	0.17%			
Paul & Pamela Julian 2002 Trust	Residential	12,260,900	5	0.16%			
Wilkey Way 67 Nominee Trust	Residential	12,097,700	6	0.16%			
Riptide, LLC	Residential	11,273,500	7	0.15%			
Briggs Way, LLC	Residential	11,166,600	8	0.15%			
Liberty Commons LTD Liability Corp.	Nursing Home	11,022,800	9	0.15%	12,166,500	3	0.21%
Thirty-Eight Briggs Way Nominee Trust	Residential	10,346,900	10	0.14%			
Anselmo, Mary Trustee	Residential				10,076,300	4	0.17%
NSTAR Electric Co.	Utility				8,786,400	5	0.15%
Davin Family Nominee Trust	Residential				6,908,600	7	0.12%
512 W, LLC	Residential				6,435,100	8	0.11%
Wilson, Grant M Trustee	Residential				6,434,300	9	0.11%
Mason, Nicholas B. Trustee	Residential				6,359,600	10	0.11%
		Totals \$ <u>210,631,170</u>		<u>2.82%</u>	\$ <u>167,108,700</u>		<u>2.85%</u>

Source: Assessor's Department

Property Tax Levies and Collections

Last Ten Years

Year	(1) Total Tax Levy	Less Reserve for Abatements & Exemptions	(1) Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy (2)
2012	\$26,121,917	\$245,374	\$25,876,543	99.06%	\$25,335,639	97.91%	\$479,603	\$25,815,242	99.76%
2013	\$29,133,202	\$448,518	\$28,684,683	98.46%	\$28,304,268	98.67%	\$585,667	\$28,889,935	100.72%
2014	\$29,353,578	\$336,575	\$29,017,003	98.85%	\$28,789,720	99.22%	\$695,764	\$29,485,485	101.61%
2015	\$29,687,491	\$376,928	\$29,310,563	98.73%	\$29,011,372	98.98%	\$364,860	\$29,376,232	100.22%
2016	\$31,140,649	\$374,107	\$30,766,542	98.80%	\$30,424,256	98.89%	\$463,287	\$30,887,543	100.39%
2017	\$32,386,089	\$295,629	\$32,090,459	99.09%	\$31,564,098	98.36%	\$674,102	\$32,238,199	100.46%
2018	\$32,955,918	\$267,129	\$32,688,789	99.19%	\$32,395,281	99.10%	\$687,180	\$33,082,462	101.20%
2019	\$34,323,400	\$261,613	\$34,061,787	99.24%	\$33,729,005	99.02%	\$550,326	\$34,279,331	100.64%
2020	\$35,699,116	\$264,609	\$35,434,507	99.26%	\$34,786,634	98.17%	\$455,728	\$35,242,362	99.46%
2021	\$37,248,445	\$220,072	\$37,028,373	99.41%	\$36,654,849	98.99%	\$0	\$36,654,849	98.99%



(1) Includes tax liens.

(2) If the actual abatements and exemptions are lower than the estimate, the actual collections can exceed the net levy.

Source: Official Statements, Town of Chatham

Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities			Business-type Activities			Total Debt Outstanding	Percentage of Personal Income (2)	U. S. Census Population	Debt Per Capita
	General Obligation Bonds (1)	Direct Borrowing	Capital Leases	General Obligation Bonds (1)	Direct Borrowing					
2012	\$ 47,254,242	\$ 34,120,055	\$ -	\$ 7,345,187	\$ -	\$ -	88,719,484	N/A	6,194	\$ 14,323
2013	42,919,841	35,596,592	-	6,529,511	-	-	85,045,944	N/A	6,231	13,649
2014	38,620,899	34,398,718	-	5,773,779	-	-	78,793,396	23.55%	5,978	13,181
2015	45,024,071	37,039,079	-	6,705,933	-	-	88,769,083	29.17%	5,970	14,869
2016	40,777,243	38,905,353	204,365	5,893,087	-	-	85,780,048	25.69%	6,176	13,889
2017	36,965,116	37,326,726	575,000	5,133,149	-	-	79,999,991	22.30%	6,185	12,935
2018	33,102,824	35,737,398	385,636	4,385,020	-	-	73,610,878	18.86%	6,301	11,682
2019	33,756,717	33,699,606	195,128	4,467,132	9,649,815	-	81,768,398	17.89%	6,257	13,068
2020	34,079,371	44,720,594	-	3,617,197	8,409,093	-	90,826,255	16.51%	6,561	13,843
2021	35,249,142	42,500,154	-	3,073,633	8,013,264	-	88,836,193	14.37%	6,621	13,417

(1) Presented net of original issuance discounts and premiums.

(2) Personal income is disclosed on the Schedule of Demographic and Economic Statistics.

N/A - Not available

Source: Audited Financial Statements, U.S. Census

Ratios of General Bonded Debt Outstanding

Last Ten Years

Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
------	--------------------------------	---	-------------------

2012	\$ 88,719,484	1.51%	14,323
2013	85,045,944	1.47%	13,649
2014	78,793,396	1.36%	13,181
2015	88,769,083	1.49%	14,869
2016	85,780,048	1.38%	13,889
2017	79,999,991	1.24%	12,935
2018	73,610,878	1.09%	11,682
2019	81,768,398	1.16%	13,068
2020	90,826,255	1.23%	13,843
2021	88,836,193	1.19%	13,417

(1) Property value data is disclosed on the Schedule of Assessed Value of Taxable Property by Classification and Tax Rates.

(2) Population data is disclosed on the Schedule of Demographic and Economic Statistics.

Source: Audited Financial Statements, U.S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2021

<u>Overlapping Entities</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>	<u>Current Year Assessment for Operations and Debt Service</u>
Debt repaid with property taxes				
Barnstable County.....	\$ 19,117,890	7.97%	\$ 1,523,696	\$ 599,925
Cape Cod Regional Technical High School District.....	62,730,000	2.60%	1,630,980	101,635
Monomoy Regional School District.....	20,900,000	26.60%	<u>5,559,400</u>	5,471,450
Subtotal, overlapping debt.....			8,714,076	
Town direct debt.....			<u>82,740,924</u>	
Total direct and overlapping debt.....			<u>\$ 91,455,000</u>	

Source: Official Statements

Note: The Town obtains the debt outstanding and percentages directly from Barnstable County.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule calculates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of Town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Computation of Legal Debt Margin

Last Ten Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Equalized Valuation.....	\$ <u>6,302,927,200</u>	\$ <u>6,302,927,200</u>	\$ <u>6,196,588,000</u>	\$ <u>6,196,588,000</u>	\$ <u>6,588,014,300</u>	\$ <u>6,588,014,300</u>	\$ <u>7,374,670,100</u>	\$ <u>7,374,670,100</u>	\$ <u>7,904,158,600</u>	\$ <u>7,904,158,600</u>
Debt Limit -5% of Equalized Valuation.....	\$ 315,146,360	\$ 315,146,360	\$ 309,829,400	\$ 309,829,400	\$ 329,400,715	\$ 329,400,715	\$ 368,733,505	\$ 368,733,505	\$ 395,207,930	\$ 395,207,930
Less:										
Outstanding debt applicable to limit.....	79,204,212	77,806,583	72,916,072	82,296,484	80,235,680	72,567,624	67,252,795	75,259,319	86,545,134	84,620,318
Authorized and unissued debt applicable to limit.....	<u>23,819,900</u>	<u>19,175,000</u>	<u>20,840,868</u>	<u>12,370,868</u>	<u>15,860,868</u>	<u>61,010,868</u>	<u>48,936,053</u>	<u>54,429,870</u>	<u>52,692,624</u>	<u>59,767,624</u>
Legal debt margin.....	\$ <u>212,122,248</u>	\$ <u>218,164,777</u>	\$ <u>216,072,460</u>	\$ <u>215,162,048</u>	\$ <u>233,304,167</u>	\$ <u>195,822,223</u>	\$ <u>252,544,657</u>	\$ <u>239,044,316</u>	\$ <u>255,970,172</u>	\$ <u>250,819,988</u>
Total debt applicable to the limit as a percentage of debt limit.....	32.69%	30.77%	30.26%	30.55%	29.17%	40.55%	31.51%	35.17%	35.23%	36.53%

Source: Assessor's Office

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2012	6,194	\$ 331,579,273	* \$ 53,532	N/A	617	7.0%
2013	6,231	334,386,615	* 53,665	N/A	462	7.2%
2014	5,978	334,564,748	55,966	54	465	6.3%
2015	5,970	304,267,020	50,966	53	486	6.3%
2016	6,176	333,893,088	54,063	58	502	4.4%
2017	6,185	358,822,775	58,015	60	492	4.4%
2018	6,301	390,365,853	61,953	64	464	3.9%
2019	6,257	456,961,224	73,032	67	415	3.5%
2020	6,561	550,067,679	83,839	68	393	9.2%
2021	6,621	618,308,706	93,386	68	346	4.7%

Source: U.S. Census, Division of Local Services, and Annual Town Reports.

Median age and personal income is estimated based on most recent census data.

N/A: Information not available.

* Estimated

Principal Employers (excluding Town)

Current Year and Nine Years Ago

Employer	Nature of Business	2021			2012		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Liberty Commons Rehabilitation & Skilled Care Center	Nursing Home/ Rehab	330	1	13.16%	198	1	7.36%
Chatham Bars Inn	Resort Inn	230	2	9.17%	170	2	6.32%
Chatham Squire Restaurant & Tavern	Restaurant/Tavern	75	3	2.99%	70	3	2.60%
Chatham Wayside Inn	Inn & Restaurant	35	4	1.40%	35	5	1.30%
The Impudent Oyster	Restaurant/Lounge	28	5	1.12%	28	6	1.04%
Del Mar	Restaurant/Lounge	24	6	0.96%			
Ocean State Job Lot	Retail				40	4	1.49%
	Totals	<u>722</u>		<u>28.80%</u>	<u>541</u>		<u>20.11%</u>

The Town is reporting for all employers with more than 20 employees.

Source: Massachusetts Department of Employment and Training and Official Statements

Full-time Equivalent Town Employees by Function

Last Ten Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function										
General government.....	21	21	21	20	21	21	21	21	22	22
Public safety.....	54	53	54	53	53	53	54	54	57	58
Public works.....	37	34	29	33	34	34	34	36	36	37
Natural resources.....	20	23	22	23	22	22	22	15	15	15
Community development.....	13	13	13	13	12	12	12	12	12	12
Health and human services.....	<u>6</u>	<u>6</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Total	<u>151</u>	<u>150</u>	<u>144</u>	<u>148</u>	<u>148</u>	<u>148</u>	<u>149</u>	<u>144</u>	<u>148</u>	<u>150</u>

Source: Various Town Departments
 Amounts shown include part-time and seasonal employees.

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Animal Control										
Total calls for service.....	447	419	502	433	540	499	517	584	637	594
Eldredge Public Library										
Total circulation.....	169,192	152,613	135,693	120,544	129,895	124,465	119,023	116,850	93,706	88,494
Harbormaster										
Private mooring permits issued.....	2,414	2,432	2,345	2,299	2,199	2,144	2,197	2,135	2,072	2,104
Police Department										
Motor vehicle enforcement actions.....	2,089	1,798	1,614	1,406	1,602	1,204	3,386	3,551	3,452	3,553
Community policing interactions.....	9,115	8,430	8,330	7,816	8,374	8,428	7,093	6,361	6,185	6,546
Total calls for service.....	15,138	28,438	29,612	21,988	26,405	24,138	19,080	20,631	18,608	19,440
Water										
Number of gallons pumped.....	460,589,500	425,185,300	456,139,100	534,579,200	539,032,100	457,038,000	511,922,600	491,116,200	536,821,700	464,659,300
MSW tons transported to SEMASS.....	5,461	5,345	5,236	5,554	5,675	5,870	5,246	5,193	5,529	N/A
Number of hydrants painted.....	N/A	N/A	N/A	N/A	N/A	N/A	245	245	246	N/A
Town Clerk										
Birth certificates.....	20	29	27	25	25	25	16	14	23	20
Marriage certificates.....	74	72	92	71	80	78	85	65	11	66
Death certificates.....	158	182	138	191	154	175	178	180	153	151
Zoning										
Number of hearings scheduled.....	88	83	101	97	106	120	115	111	88	84
Number of special permit requests.....	101	64	78	76	83	93	85	89	67	66
Fire Department										
Total incidents.....	3,573	3,669	2,792	2,728	2,713	2,787	3,149	3,092	3,121	2,874
Rescue/EMS.....	1,736	1,870	1,072	1,064	1,045	1,055	1,152	1,102	1,127	963
Inspectional Services Department										
Number of building permits (quick and zoning)...	616	688	819	838	882	909	1,060	918	945	942
Number of plumbing/gas permits.....	998	1,004	1,038	1,110	980	979	1,046	1,118	1,141	1,075
Number of electrical permits.....	567	759	755	789	829	742	868	834	813	844
Cemetery										
Burials.....	52	61	66	62	46	52	56	70	36	N/A
Parking Sticker Sales										
Non resident over sand.....	N/A	399	449	462	529	526	493	488	555	724
Over sand.....	N/A	3,502	3,828	N/A	3,997	4,069	4,187	4,287	4,216	5,521
Parking lot.....	1,896	1,961	2,159	N/A	2,297	2,397	2,408	2,329	2,090	2,477
Transfer station.....	1,454	1,439	1,379	N/A	1,329	1,287	1,402	1,372	1,407	1,320

Source: Various Town Departments

N/A - Information not available.

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Number of buildings.....	2	2	2	2	2	2	2	2	2	2
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Harbors										
Number of buildings.....	2	2	2	2	2	2	2	2	2	2
Public beaches.....	9	9	9	9	9	9	9	9	9	9
Public landings.....	18	18	18	18	18	18	18	18	18	18
Education										
Number of elementary schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Highway department building.....	1	1	1	1	1	1	1	1	1	1
Water pumping stations.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9	9
Water corrosion facilities.....	1	1	1	1	1	1	1	1	1	1
Water storage tanks.....	2	2	2	2	2	2	2	2	2	2
Fire hydrants.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,227	1,227
Service connections.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7,479	7,479
Cemeteries.....	4	4	4	4	4	4	4	4	4	4
Human Services										
Community Center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Parks.....	5	5	5	5	5	5	5	5	5	5
Athletic fields.....	4	4	4	4	4	4	4	4	4	4
Golf courses.....	1	1	1	1	1	1	1	1	1	1
Golf course buildings.....	1	1	1	1	1	1	1	1	1	1
Town owned libraries.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

N/A - Information not available



Chatham Fish Pier