

# Town of Chatham, MASSACHUSETTS

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



**For the Fiscal Year Ended June 30, 2023**

**Jill R. Goldsmith, Town Manager**



Prepared By:  
Carrie Mazerolle, Finance Director

On the Cover: Chatham Town offices



Chatham Town offices annex

# **The Town of Chatham, Massachusetts**

## **Annual Comprehensive Financial Report**



**For the Year  
July 1, 2022 through June 30, 2023**

Prepared by the Finance Department

# TOWN OF CHATHAM, MASSACHUSETTS

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

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# ***Introductory Section***



Aerial photograph of Chatham

# ***Introductory Section***

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*Town of Chatham*  
*Office of the Select Board*  
*Town Manager*  
*549 Main Street*  
*Chatham, MA 02633*



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March 19, 2024

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, 2023, 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, 2023, 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, 2023, 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, 2023, 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 6,604, 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 2023, the average price of a home in Chatham was \$1,354,123 (based upon market trends and statistical data). The current economic environment indicates that property values and new growth are expected to increase 17.06% in the next valuation. The community has preserved large amounts of open space and is 94.3% 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 2023 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 2023, 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 2023, the Town appropriated \$720,066 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**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its ACFR for the year ended June 30, 2022. This was the second year that the Town has achieved this prestigious award. 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,



Jill R. Goldsmith  
Town Manager



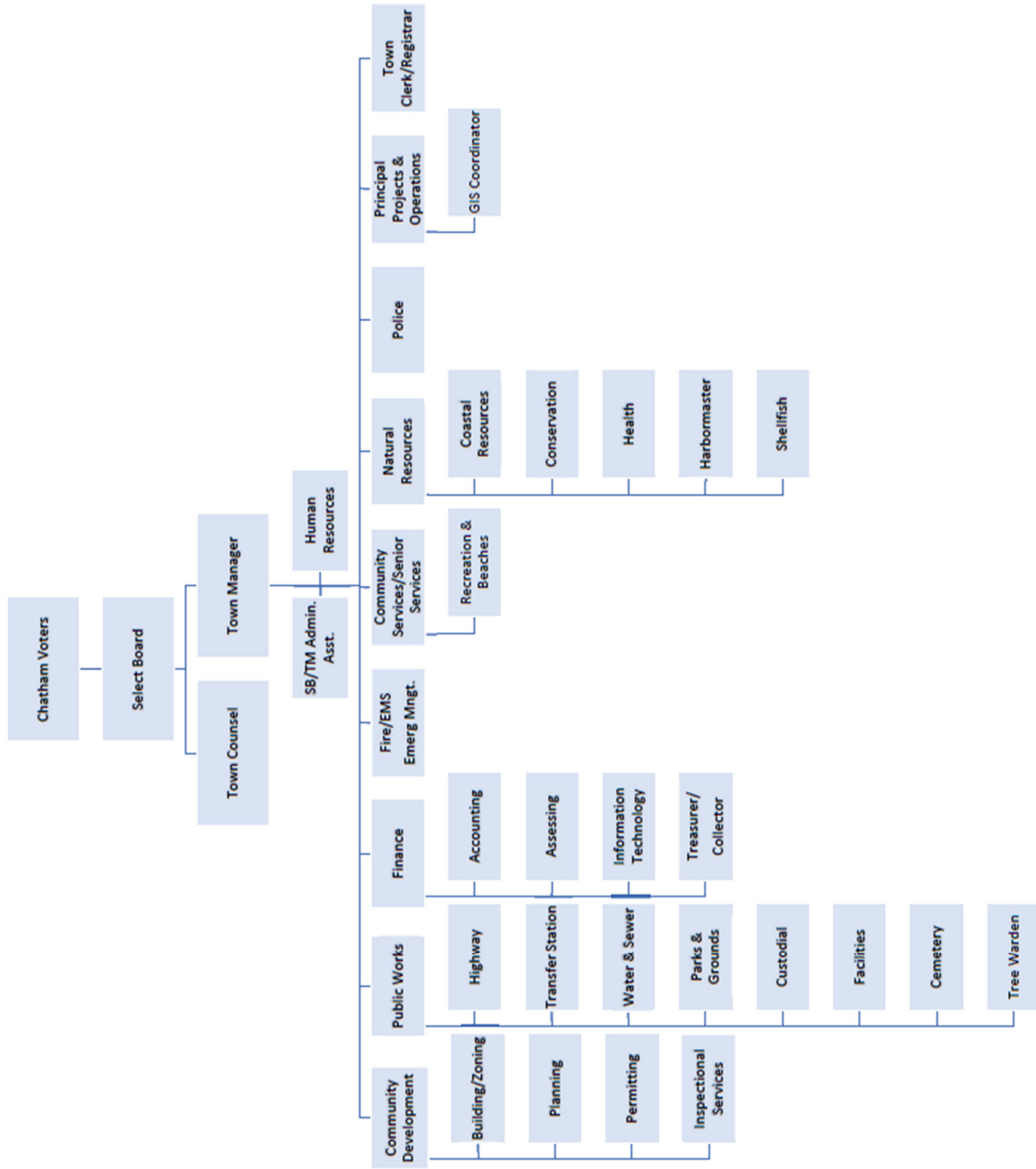
Carrie Mazerolle  
Finance Director

# Town of Chatham, Massachusetts

## Principal Executive Officers as of June 30, 2023

<u>Title</u>	<u>Name</u>	<u>Selection</u>	<u>Term Expires</u>
Select Board, Chair	Cory J. Metters	Elected	2024
Select Board, Vice Chair	Michael Schell	Elected	2025
Select Board, Clerk	Jeffrey S. Dykens	Elected	2025
Select Board	Shareen Davis	Elected	2026
Select Board	Dean P. Nicastro	Elected	2024
Town Manager	Jill R. Goldsmith	Appointed	2027
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





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Chatham  
Massachusetts**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

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# ***Financial Section***



Team Chatham flags

# ***Financial Section***

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## **Independent Auditor's Report**

To the Honorable Select Board  
Town of Chatham, Massachusetts

## **Report of the Financial Statements**

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Chatham, Massachusetts, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Chatham, Massachusetts' basic financial statements as listed in the table of contents.

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

### **Basis for Opinions**

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

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

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

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

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

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

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

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

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

## **Required Supplementary Information**

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

express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary 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 accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Chatham, Massachusetts’ internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Chatham, Massachusetts’ internal control over financial reporting and compliance.



March 19, 2024

# ***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, 2023. 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 \$139.9 million (net position).
- As required by GASB Standards, the Town recognized their total net pension liability of \$26.2 million along with a deferred outflow of resources related to pension of \$5.3 million and a deferred inflow of resources related to pension of \$1.6 million on the statement of net position.
- As required by GASB standards, the Town recognized their total net other postemployment benefit (OPEB) liability of \$14.4 million along with a deferred outflow of resources related to OPEB of \$381,000 and a deferred inflow of resources related to OPEB of \$2.4 million on the statement of net position.
- The government's total net position increased by \$14.3 million. Governmental activities increased by \$14.4 million which was offset by a decrease in business-type activities of \$85,000.
- As of the close of the current year, the Town's governmental funds reported a combined ending fund balance of \$39.2 million, an increase of \$14.1 million in comparison with the prior year.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$32.5 million, an increase of \$5.9 million over the prior year. Total fund balances represents 65.6% of total general fund expenditures. Approximately \$15.3 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 \$720,000 to its other postemployment benefits (OPEB) trust fund of which \$570,000 was from the surtax and \$150,000 was from free cash. The trust fund had a balance of \$4.3 million at the end of the current year.
- In May 2022, Town Meeting voted to increase the Town's room occupancy tax from 4% to 6% effective January 1, 2023. Of this increase, the Town plans on using 1% to support attainable housing and 1% to support the Chatham elementary school.

### 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 \$139.9 million at the end of 2023. The Town's total net position increased by \$14.3 million during 2023.

A significant portion of the Town's net position, \$131.2 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, \$7.4 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is \$1.3 million.

### ***Governmental Activities***

For the Town's governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$118.7 million at the close of 2023.

The governmental activities net position increased by \$14.4 million during the current year. The main reasons for the increase are positive budgetary results totaling \$1.8 million, capital grants and contributions received totaling \$7.0 million, and a decrease in the Town's net other postemployment benefit liability totaling \$1.6 million, net of deferred outflows/inflows of resources.

	<u>2023</u>	<u>2022</u>
<b>Assets:</b>		
Current assets.....	\$ 47,774,047	\$ 39,738,551
Capital assets, non depreciable.....	50,798,241	40,930,164
Capital assets, net of accumulated depreciation....	143,809,936	148,852,907
<b>Total assets.....</b>	<b><u>242,382,224</u></b>	<b><u>229,521,622</u></b>
<b>Deferred outflows of resources.....</b>	<b><u>5,484,105</u></b>	<b><u>4,131,527</u></b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	3,296,194	3,244,353
Noncurrent liabilities (excluding debt).....	40,052,317	35,388,474
Current debt.....	9,404,961	14,799,143
Noncurrent debt.....	72,428,263	67,639,661
<b>Total liabilities.....</b>	<b><u>125,181,735</u></b>	<b><u>121,071,631</u></b>
<b>Deferred inflows of resources.....</b>	<b><u>3,957,335</u></b>	<b><u>8,264,178</u></b>
<b>Net position:</b>		
Net investment in capital assets.....	112,774,953	107,569,851
Restricted.....	7,442,716	5,372,866
Unrestricted.....	(1,490,410)	(8,625,377)
<b>Total net position.....</b>	<b><u>\$ 118,727,259</u></b>	<b><u>\$ 104,317,340</u></b>

The increase of \$4.8 million in capital assets is mainly due to various ongoing infrastructure projects.

The increase of \$4.7 million in noncurrent liabilities (excluding debt) is related to the increase of net pension liability by \$7.7 million offset by the decrease of net other postemployment benefit liability by \$3.0 million.

The main reasons for the \$14.4 million increase in net position are a \$1.8 million surplus in the general fund budgetary results, a \$1.6 million decrease in net other postemployment benefits liability net of deferred inflows/outflows of resources related to other postemployment benefits, and capital grants and contributions of \$7.0 million.

	2023	2022
<b>Program Revenues:</b>		
Charges for services.....	\$ 6,375,962	\$ 5,593,219
Operating grants and contributions.....	4,422,428	2,077,213
Capital grants and contributions.....	7,018,206	1,931,861
<b>General Revenues:</b>		
Real estate and personal property taxes, net of tax refunds payable.....	38,345,741	37,916,431
Tax and other liens.....	54,618	50,178
Motor vehicle and other excise taxes.....	1,921,048	1,540,920
Hotel/motel tax.....	4,133,919	3,817,795
Meals tax.....	665,858	561,538
Community preservation tax.....	942,362	927,472
Penalties and interest on taxes.....	130,906	149,552
Payments in lieu of taxes.....	35,318	35,923
Grants and contributions not restricted to specific programs.....	198,942	283,958
Unrestricted investment income (loss).....	941,555	(163,624)
Gain on sale of capital assets.....	31,440	24,860
<b>Total revenues.....</b>	<b>65,218,303</b>	<b>54,747,296</b>
<b>Expenses:</b>		
General government.....	4,673,011	4,286,517
Public safety.....	11,426,931	10,441,104
Education.....	10,266,198	9,410,618
Public works.....	13,319,175	10,146,188
Community development.....	1,214,364	1,085,389
Health and human services.....	1,317,888	1,124,758
Culture and recreation.....	1,673,169	1,113,462
Natural resources.....	4,486,837	3,888,854
Community preservation.....	456,918	382,194
Interest.....	1,573,893	1,855,220
<b>Total expenses.....</b>	<b>50,408,384</b>	<b>43,734,304</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>14,809,919</b>	<b>11,012,992</b>
<b>Transfers.....</b>	<b>(400,000)</b>	<b>(400,000)</b>
<b>Change in net position.....</b>	<b>14,409,919</b>	<b>10,612,992</b>
<b>Net position, beginning of year.....</b>	<b>104,317,340</b>	<b>93,704,348</b>
<b>Net position, end of year.....</b>	<b>\$ 118,727,259</b>	<b>\$ 104,317,340</b>

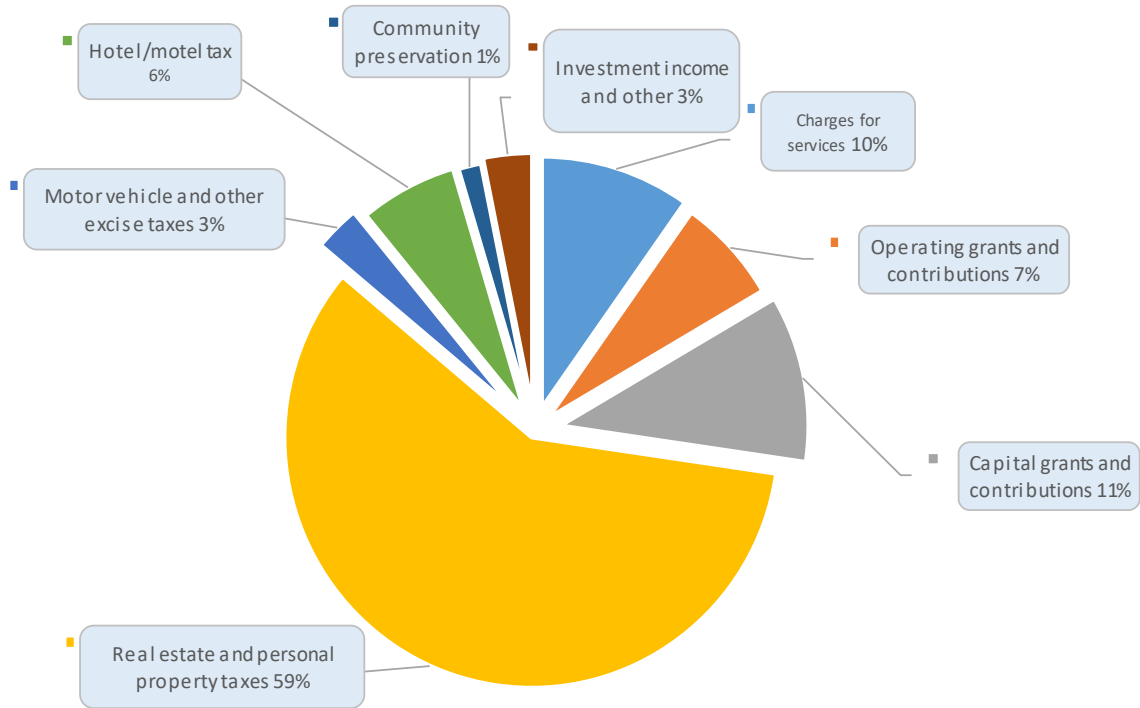
Charges for services represented 10% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in the category. Most of these resources apply to public safety, public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

Operating grants and contributions accounted for 7% 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 11% of the governmental activities resources. The Town receives state funding for highway projects and a state match for community preservation. In 2023, the Town also received

a \$3.8 million contribution from the Town of Harwich to maintain the wastewater system shared by both Towns. These funds were used to establish the Town's wastewater capital stabilization fund.

### FY23 Governmental Revenues



Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 59% of current resources.

Communities in Massachusetts are allowed to increase real estate and personal property taxes up to 2.5% each year, plus new growth, each year. The Community is required to pass a tax override or debt exclusion in order to raise the taxes over the 2.5% limit.

All other taxes and other revenue comprised a total of 14% of the governmental activities' resources. These primarily include motor vehicle and other excise taxes, hotel/motel tax, community preservation taxes, nonrestricted grants and contributions and investment income.

Public works had the largest amount of governmental expenses totaling \$13.3 million or 26%.

Public safety had the second largest amount of governmental expenses totaling \$11.4 million or 23%.

Education had the third largest amount of governmental expenses totaling \$10.3 million or 20%. Education needed \$10.1 million in taxes and other revenue to cover its 2023 operating expenses. Education expenses represent the Town's assessments paid to the Monomoy Regional School District and the Cape Cod Regional Technical High School.

**Business-type Activities**

Business-type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$21.2 million at the close of 2023. Of this amount, \$18.4 million (87%) is the net investment in capital assets, and the remaining balance of \$2.8 million (13%) is unrestricted net position.

	2023	2022
<b>Assets:</b>		
Current assets.....	\$ 4,529,614	\$ 6,380,966
Noncurrent assets (excluding capital).....	1,273,453	1,507,380
Capital assets, non depreciable.....	8,591,255	5,077,776
Capital assets, net of accumulated depreciation....	22,678,789	22,422,812
<b>Total assets.....</b>	<b>37,073,111</b>	<b>35,388,934</b>
<b>Deferred outflows of resources.....</b>	<b>189,330</b>	<b>143,460</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	683,519	139,269
Noncurrent liabilities (excluding debt).....	938,685	729,950
Current debt.....	1,217,313	2,091,664
Noncurrent debt.....	11,649,693	9,267,006
<b>Total liabilities.....</b>	<b>14,489,210</b>	<b>12,227,889</b>
<b>Deferred inflows of resources.....</b>	<b>1,563,513</b>	<b>2,010,213</b>
<b>Net position:</b>		
Net investment in capital assets.....	18,403,038	16,727,868
Unrestricted.....	2,806,680	4,566,424
<b>Total net position.....</b>	<b>\$ 21,209,718</b>	<b>\$ 21,294,292</b>
<b>Program Revenues:</b>		
Charges for services.....	\$ 3,345,785	\$ 3,572,952
<b>Expenses:</b>		
Water.....	3,818,359	3,319,307
Wood waste reclamation facility.....	12,000	12,000
<b>Total expenses.....</b>	<b>3,830,359</b>	<b>3,331,307</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>(484,574)</b>	<b>241,645</b>
<b>Transfers.....</b>	<b>400,000</b>	<b>400,000</b>
<b>Change in net position.....</b>	<b>(84,574)</b>	<b>641,645</b>
<b>Net position, beginning of year.....</b>	<b>21,294,292</b>	<b>20,652,647</b>
<b>Net position, end of year.....</b>	<b>\$ 21,209,718</b>	<b>\$ 21,294,292</b>

There was a decrease of \$108,000 in net position related to the Water Department's operations during the current year. Operating expenses increased by \$441,000 during 2023 and the fund received a transfer in from the general fund of \$400,000.

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

### ***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 \$39.2 million, an increase of \$14.1 million 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 \$15.3 million, while total fund balance is \$34.6 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 30.9% of total general fund expenditures, while total fund balance represents 65.6% of that same amount. The fund balance of the general fund increased \$5.9 million during 2023. The change is partly the result of stronger than expected budgetary results totaling \$1.8 million. Revenues increased by \$5.2 million mainly from a payment received from the Town of Harwich to establish the wastewater capital stabilization fund. Expenditures increased by \$4.8 million which was mainly from an increase in the operating budget along with expenditures related to Town Meeting articles and capital.

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 \$2.3 million. These funds can be used for general or capital purposes upon Town meeting approval. Additionally, in 2023, the Town established a wastewater capital stabilization fund which had a year-end balance of \$3.9 million. This fund is to be used for projects and repairs related to the wastewater facility.

The community preservation fund had a fund balance at June 30, 2023, of \$4.6 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 \$547,000 in 2023. This was the net result of \$1.6 million in taxes, state matching funds and interest collected offset by \$556,000 in expenditures on community preservation projects and \$500,000 in transfers out.

The Town capital projects fund accounts for construction and renovation of various Town projects. The fund reported \$5.1 million in expenditures and ended the year with a deficit balance of \$4.9 million. The deficit will be funded with bond proceeds in subsequent years. Expenditures increased by \$4.7 million related to the ongoing waterfront infrastructure project.

The wastewater facility fund reported a year end deficit of \$2.7 million, an increase of \$11.6 million from the prior year. The fund had expenditures totaling \$870,000 and bond proceeds and premiums totaling \$10.2 million. The deficit will be funded with bond and grant proceeds in subsequent years.

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

The original general fund budget included \$46.8 million in estimated revenues and transfers in and \$60.8 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 \$5.0 million more than budgeted. The largest areas of the surplus were in hotel/motel taxes, charges for services and departmental and other revenue. These were mainly due to the Town taking a conservative approach when budgeting revenue.

General fund expenditures and encumbrances were approximately \$1.1 million less than budgeted. Key components of this surplus include \$125,000 in information technologies, \$126,000 in fire and \$157,000 in parks and recreation.

## ***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 \$11.9 million in governmental activities capital assets which include \$1.9 million for purchase of land, \$1.2 million for machinery and equipment and \$8.1 million for other ongoing projects.

The water enterprise fund reported additions totaling \$5.1 million mainly for ongoing infrastructure projects.

Depreciation expense for governmental and business-type activities totaled \$7.1 million and \$1.3 million, respectively.

The Town of Chatham's governmental funds had total bonded debt outstanding of \$77.8 million at the end of the current year. Of this amount, \$52.8 million is for wastewater costs; \$2.0 million is for land acquisition; \$17.3 million is for building projects; \$180,000 is for the public way; \$120,000 is for roads; \$3.8 million is for the fish pier and waterfront facilities, and \$1.7 million in unamortized premium on bonds.

The water enterprise fund has \$12.9 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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Eldredge Public Library, Inc.
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and cash equivalents.....	\$ 27,663,466	\$ 3,571,506	\$ 31,234,972	\$ 269,471
Investments.....	7,215,099	-	7,215,099	8,167,118
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	458,249	-	458,249	-
Tax liens.....	307,743	-	307,743	-
Community preservation fund surtax.....	20,750	-	20,750	-
Motor vehicle and other excise taxes.....	155,911	-	155,911	-
User charges.....	73,776	724,181	797,957	-
Departmental and other.....	122,210	-	122,210	-
Intergovernmental - other.....	11,380,993	-	11,380,993	-
Community preservation state share.....	289,460	-	289,460	-
Special assessments.....	49,847	-	49,847	-
Lease receivables.....	-	233,927	233,927	-
Tax foreclosures.....	36,543	-	36,543	-
Total current assets.....	<u>47,774,047</u>	<u>4,529,614</u>	<u>52,303,661</u>	<u>8,436,589</u>
<b>NONCURRENT:</b>				
Receivables, net of allowance for uncollectibles:				
Lease receivables.....	-	1,273,453	1,273,453	-
Capital assets, nondepreciable.....	50,798,241	8,591,255	59,389,496	-
Capital assets, net of accumulated depreciation.....	<u>143,809,936</u>	<u>22,678,789</u>	<u>166,488,725</u>	<u>41,747</u>
Total noncurrent assets.....	<u>194,608,177</u>	<u>32,543,497</u>	<u>227,151,674</u>	<u>41,747</u>
<b>TOTAL ASSETS.....</b>	<b><u>242,382,224</u></b>	<b><u>37,073,111</u></b>	<b><u>279,455,335</u></b>	<b><u>8,478,336</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions.....	5,102,646	189,330	5,291,976	-
Deferred outflows related to other postemployment benefits.....	<u>381,459</u>	<u>-</u>	<u>381,459</u>	<u>-</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b><u>5,484,105</u></b>	<b><u>189,330</u></b>	<b><u>5,673,435</u></b>	<b><u>-</u></b>
<b>LIABILITIES</b>				
<b>CURRENT:</b>				
Warrants payable.....	897,201	577,506	1,474,707	3,634
Accrued payroll.....	619,042	8,295	627,337	3,024
Accrued interest.....	299,106	94,208	393,314	-
Other liabilities.....	693,827	-	693,827	-
Unearned revenue.....	386,438	-	386,438	-
Landfill closure.....	25,000	-	25,000	-
Compensated absences.....	375,580	3,510	379,090	19,839
Notes payable.....	3,993,305	-	3,993,305	-
Bonds payable.....	5,411,656	1,217,313	6,628,969	-
Total current liabilities.....	<u>12,701,155</u>	<u>1,900,832</u>	<u>14,601,987</u>	<u>26,497</u>
<b>NONCURRENT:</b>				
Compensated absences.....	385,264	965	386,229	-
Net pension liability.....	25,272,553	937,720	26,210,273	-
Net other postemployment benefits liability.....	14,394,500	-	14,394,500	-
Bonds payable.....	<u>72,428,263</u>	<u>11,649,693</u>	<u>84,077,956</u>	<u>-</u>
Total noncurrent liabilities.....	<u>112,480,580</u>	<u>12,588,378</u>	<u>125,068,958</u>	<u>-</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>125,181,735</u></b>	<b><u>14,489,210</u></b>	<b><u>139,670,945</u></b>	<b><u>26,497</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to lease receivables.....	-	1,507,380	1,507,380	-
Deferred inflows related to pensions.....	1,512,857	56,133	1,568,990	-
Deferred inflows related to other postemployment benefits.....	<u>2,444,478</u>	<u>-</u>	<u>2,444,478</u>	<u>-</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b><u>3,957,335</u></b>	<b><u>1,563,513</u></b>	<b><u>5,520,848</u></b>	<b><u>-</u></b>
<b>NET POSITION</b>				
Net investment in capital assets.....	112,774,953	18,403,038	131,177,991	41,747
Restricted for:				
Permanent funds:				
Expendable.....	356,926	-	356,926	-
Nonexpendable.....	748,012	-	748,012	-
Gifts and grants.....	1,482,070	-	1,482,070	-
Community preservation.....	4,855,708	-	4,855,708	-
Without donor restrictions.....	-	-	-	7,206,861
With donor restrictions.....	-	-	-	1,203,231
Unrestricted.....	<u>(1,490,410)</u>	<u>2,806,680</u>	<u>1,316,270</u>	<u>-</u>
<b>TOTAL NET POSITION.....</b>	<b><u>\$ 118,727,259</u></b>	<b><u>\$ 21,209,718</u></b>	<b><u>\$ 139,936,977</u></b>	<b><u>\$ 8,451,839</u></b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 4,673,011	\$ 1,308,373	\$ 850,861	\$ -	\$ (2,513,777)
Public safety.....	11,426,931	1,168,722	450,831	-	(9,807,378)
Education.....	10,266,198	-	156,968	-	(10,109,230)
Public works.....	13,319,175	2,840,146	387,104	6,503,490	(3,588,435)
Natural resources.....	4,486,837	118,789	1,865,809	-	(2,502,239)
Community development.....	1,214,364	-	-	-	(1,214,364)
Health and human services.....	1,317,888	62,025	355,639	-	(900,224)
Culture and recreation.....	1,673,169	877,907	28,716	-	(766,546)
Community preservation.....	456,918	-	-	514,716	57,798
Interest.....	1,573,893	-	326,500	-	(1,247,393)
<b>Total Governmental Activities.....</b>	<b>50,408,384</b>	<b>6,375,962</b>	<b>4,422,428</b>	<b>7,018,206</b>	<b>(32,591,788)</b>
<i>Business-Type Activities:</i>					
Water.....	3,818,359	3,310,109	-	-	(508,250)
Wood waste reclamation facility.....	12,000	35,676	-	-	23,676
<b>Total Business-Type Activities.....</b>	<b>3,830,359</b>	<b>3,345,785</b>	<b>-</b>	<b>-</b>	<b>(484,574)</b>
<b>Total Primary Government.....</b>	<b>\$ 54,238,743</b>	<b>\$ 9,721,747</b>	<b>\$ 4,422,428</b>	<b>\$ 7,018,206</b>	<b>\$ (33,076,362)</b>
<b>Component Unit:</b>					
Eldredge Public Library, Inc.....	\$ 1,136,481	\$ -	\$ 1,374,542	\$ -	\$ 238,061

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Eldredge Public Library, Inc
<b>Changes in net position:</b>				
Net (expense) revenue from previous page.....	\$ (32,591,788)	\$ (484,574)	\$ (33,076,362)	\$ 238,061
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	38,345,741	-	38,345,741	-
Tax and other liens.....	54,618	-	54,618	-
Motor vehicle and other excise taxes.....	1,921,048	-	1,921,048	-
Hotel/motel tax.....	4,133,919	-	4,133,919	-
Meals tax.....	665,858	-	665,858	-
Community preservation tax.....	942,362	-	942,362	-
Penalties and interest on taxes.....	130,906	-	130,906	-
Payments in lieu of taxes.....	35,318	-	35,318	-
Grants and contributions not restricted to specific programs.....	198,942	-	198,942	-
Unrestricted investment income.....	941,555	-	941,555	731,641
Gain on sale of capital assets.....	31,440	-	31,440	-
<i>Transfers, net</i> .....	(400,000)	400,000	-	-
Total general revenues and transfers.....	47,001,707	400,000	47,401,707	731,641
Change in net position.....	14,409,919	(84,574)	14,325,345	969,702
<i>Net position:</i>				
Beginning of year.....	104,317,340	21,294,292	125,611,632	7,482,137
End of year.....	\$ 118,727,259	\$ 21,209,718	\$ 139,936,977	\$ 8,451,839

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2023

	General	Community Preservation	Town Capital Projects	Wastewater Facility	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents.....	\$ 15,117,645	\$ 3,627,113	\$ -	\$ -	\$ 8,918,708	\$ 27,663,466
Investments.....	4,647,352	951,873	-	-	1,615,874	7,215,099
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	458,249	-	-	-	-	458,249
Tax liens.....	307,743	-	-	-	-	307,743
Community preservation fund surtax.....	5,517	15,233	-	-	-	20,750
Motor vehicle and other excise taxes.....	155,911	-	-	-	-	155,911
User charges.....	73,776	-	-	-	-	73,776
Departmental and other.....	120,507	-	-	-	1,703	122,210
Intergovernmental - other.....	-	-	-	9,399,183	1,981,810	11,380,993
Community preservation state share.....	-	289,460	-	-	-	289,460
Special assessments.....	49,847	-	-	-	-	49,847
Tax foreclosures.....	36,543	-	-	-	-	36,543
Due from other funds.....	13,585,053	-	-	-	-	13,585,053
<b>TOTAL ASSETS.....</b>	<b>\$ 34,558,143</b>	<b>\$ 4,883,679</b>	<b>\$ -</b>	<b>\$ 9,399,183</b>	<b>\$ 12,518,095</b>	<b>\$ 61,359,100</b>
<b>LIABILITIES</b>						
Warrants payable.....	\$ 439,747	\$ 27,971	\$ -	\$ 386,160	\$ 43,323	\$ 897,201
Accrued payroll.....	588,690	-	-	-	30,352	619,042
Due to other funds.....	-	-	4,948,619	7,698,114	938,320	13,585,053
Other liabilities.....	119,894	-	-	-	573,933	693,827
Unearned revenue.....	-	-	-	-	386,438	386,438
Notes payable.....	-	-	-	3,993,305	-	3,993,305
<b>TOTAL LIABILITIES.....</b>	<b>1,148,331</b>	<b>27,971</b>	<b>4,948,619</b>	<b>12,077,579</b>	<b>1,972,366</b>	<b>20,174,866</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue.....	911,744	304,694	-	-	759,028	1,975,466
<b>FUND BALANCES</b>						
Nonspendable.....	-	-	-	-	748,012	748,012
Restricted.....	-	4,551,014	-	-	9,038,689	13,589,703
Committed.....	9,228,015	-	-	-	-	9,228,015
Assigned.....	7,969,471	-	-	-	-	7,969,471
Unassigned.....	15,300,582	-	(4,948,619)	(2,678,396)	-	7,673,567
<b>TOTAL FUND BALANCES.....</b>	<b>32,498,068</b>	<b>4,551,014</b>	<b>(4,948,619)</b>	<b>(2,678,396)</b>	<b>9,786,701</b>	<b>39,208,768</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 34,558,143</b>	<b>\$ 4,883,679</b>	<b>\$ -</b>	<b>\$ 9,399,183</b>	<b>\$ 12,518,095</b>	<b>\$ 61,359,100</b>

See notes to basic financial statements.

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

JUNE 30, 2023

Total governmental fund balances.....		\$ 39,208,768
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		194,608,177
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		1,975,466
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.....		1,526,770
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(299,106)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(77,839,919)	
Net pension liability.....	(25,272,553)	
Net other postemployment benefits liability.....	(14,394,500)	
Landfill closure.....	(25,000)	
Compensated absences.....	(760,844)	
Net effect of reporting long-term liabilities.....		<u>(118,292,816)</u>
Net position of governmental activities.....		<u>\$ 118,727,259</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	General	Community Preservation	Town Capital Projects	Wastewater Facility	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Real estate and personal property taxes, net of tax refunds.....	\$ 38,334,740	\$ -	\$ -	\$ -	\$ -	\$ 38,334,740
Tax liens.....	17,045	-	-	-	-	17,045
Motor vehicle and other excise taxes.....	1,603,016	-	-	-	297,776	1,900,792
Hotel/motel tax.....	4,133,919	-	-	-	-	4,133,919
Meals tax.....	665,858	-	-	-	-	665,858
Charges for services.....	2,872,876	-	-	-	229,725	3,102,601
Penalties and interest on taxes.....	130,848	-	-	-	58	130,906
Payments in lieu of taxes.....	35,318	-	-	-	-	35,318
Licenses and permits.....	815,028	-	-	-	421,122	1,236,150
Fines and forfeitures.....	29,814	-	-	-	-	29,814
Intergovernmental - state aid.....	198,942	-	-	-	-	198,942
Intergovernmental - other.....	326,500	-	-	2,285,597	4,107,743	6,719,840
Departmental and other.....	1,674,912	-	-	-	365,702	2,040,614
Community preservation taxes.....	-	1,055,546	-	-	-	1,055,546
Community preservation state match.....	-	514,716	-	-	-	514,716
Special assessments.....	23,055	-	-	-	-	23,055
Contributions and donations.....	3,871,000	-	-	-	536,158	4,407,158
Investment income.....	668,367	33,065	-	-	240,123	941,555
<b>TOTAL REVENUES.....</b>	<b>55,401,238</b>	<b>1,603,327</b>	<b>-</b>	<b>2,285,597</b>	<b>6,198,407</b>	<b>65,488,569</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	4,073,718	-	-	-	1,334,572	5,408,290
Public safety.....	7,968,394	-	13,538	-	374,988	8,356,920
Education.....	9,837,826	-	-	-	1,500	9,839,326
Public works.....	8,686,425	-	-	870,429	1,153,025	10,709,879
Natural resources.....	2,477,959	-	5,086,021	-	2,313,745	9,877,725
Community development.....	927,855	-	-	-	-	927,855
Health and human services.....	872,297	-	-	-	59,024	931,321
Culture and recreation.....	1,200,903	-	-	-	28,948	1,229,851
Community preservation.....	-	555,832	-	-	-	555,832
Pension benefits.....	2,461,075	-	-	-	-	2,461,075
Employee benefits.....	3,459,286	-	-	-	-	3,459,286
State and county charges.....	889,458	-	-	-	-	889,458
Debt service:						
Principal.....	4,594,357	-	-	-	-	4,594,357
Interest.....	2,067,640	-	-	-	-	2,067,640
<b>TOTAL EXPENDITURES.....</b>	<b>49,517,193</b>	<b>555,832</b>	<b>5,099,559</b>	<b>870,429</b>	<b>5,265,802</b>	<b>61,308,815</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>5,884,045</b>	<b>1,047,495</b>	<b>(5,099,559)</b>	<b>1,415,168</b>	<b>932,605</b>	<b>4,179,754</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of bonds.....	-	-	-	9,875,258	-	9,875,258
Premium from issuance of bonds.....	-	-	-	325,000	89,315	414,315
Proceeds from the sale of capital assets.....	-	-	-	-	31,440	31,440
Transfers in.....	529,951	-	-	-	653,646	1,183,597
Transfers out.....	(544,061)	(500,000)	-	(9,585)	(529,951)	(1,583,597)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(14,110)</b>	<b>(500,000)</b>	<b>-</b>	<b>10,190,673</b>	<b>244,450</b>	<b>9,921,013</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>5,869,935</b>	<b>547,495</b>	<b>(5,099,559)</b>	<b>11,605,841</b>	<b>1,177,055</b>	<b>14,100,767</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>26,628,133</b>	<b>4,003,519</b>	<b>150,940</b>	<b>(14,284,237)</b>	<b>8,609,646</b>	<b>25,108,001</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 32,498,068</b>	<b>\$ 4,551,014</b>	<b>\$ (4,948,619)</b>	<b>\$ (2,678,396)</b>	<b>\$ 9,786,701</b>	<b>\$ 39,208,768</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds.....	\$	14,100,767
<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.....		11,875,766
Depreciation expense.....		<u>(7,050,660)</u>
Net effect of reporting capital assets.....		4,825,106
<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>		
		(301,706)
<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.....		(9,875,258)
Premium from issuance of bonds.....		(414,315)
Net amortization of premium from issuance of bonds.....		475,847
Debt service principal payments.....		<u>4,594,357</u>
Net effect of reporting long-term debt.....		(5,219,369)
<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.....		2,749
Net change in accrued interest on long-term debt.....		17,900
Net change in deferred outflow/(inflow) of resources related to pensions.....		7,048,314
Net change in net pension liability.....		(7,657,911)
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...		(1,388,893)
Net change in net other postemployment benefits liability.....		2,957,962
Net change in landfill closure.....		<u>25,000</u>
Net effect of recording long-term liabilities.....		<u>1,005,121</u>
Change in net position of governmental activities.....	\$	<u><u>14,409,919</u></u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF NET POSITION

JUNE 30, 2023

	Business-type Activities - Enterprise Funds		
	Water	Wood Waste Reclamation Facility	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 3,178,262	\$ 393,244	\$ 3,571,506
Receivables, net of allowance for uncollectibles:			
User charges.....	724,181	-	724,181
Lease receivables.....	233,927	-	233,927
Total current assets.....	<u>4,136,370</u>	<u>393,244</u>	<u>4,529,614</u>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Lease receivables.....	1,273,453	-	1,273,453
Capital assets, non depreciable.....	6,366,255	2,225,000	8,591,255
Capital assets, net of accumulated depreciation.....	22,678,789	-	22,678,789
Total noncurrent assets.....	<u>30,318,497</u>	<u>2,225,000</u>	<u>32,543,497</u>
<b>TOTAL ASSETS.....</b>	<u><b>34,454,867</b></u>	<u><b>2,618,244</b></u>	<u><b>37,073,111</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions.....	189,330	-	189,330
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	577,506	-	577,506
Accrued payroll.....	8,295	-	8,295
Accrued interest.....	94,208	-	94,208
Compensated absences.....	3,510	-	3,510
Bonds payable.....	1,217,313	-	1,217,313
Total current liabilities.....	<u>1,900,832</u>	<u>-</u>	<u>1,900,832</u>
<b>NONCURRENT:</b>			
Compensated absences.....	965	-	965
Net pension liability.....	937,720	-	937,720
Bonds payable.....	11,649,693	-	11,649,693
Total noncurrent liabilities.....	<u>12,588,378</u>	<u>-</u>	<u>12,588,378</u>
<b>TOTAL LIABILITIES.....</b>	<u><b>14,489,210</b></u>	<u><b>-</b></u>	<u><b>14,489,210</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions.....	56,133	-	56,133
Deferred inflows related to leases.....	1,507,380	-	1,507,380
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<u><b>1,563,513</b></u>	<u><b>-</b></u>	<u><b>1,563,513</b></u>
<b>NET POSITION</b>			
Net investment in capital assets.....	16,178,038	2,225,000	18,403,038
Unrestricted.....	2,413,436	393,244	2,806,680
<b>TOTAL NET POSITION.....</b>	<u><b>\$ 18,591,474</b></u>	<u><b>\$ 2,618,244</b></u>	<u><b>\$ 21,209,718</b></u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds		
	Water	Wood Waste Reclamation Facility	Total
<u>OPERATING REVENUES:</u>			
Charges for services.....	\$ 3,029,968	\$ 35,676	\$ 3,065,644
<u>OPERATING EXPENSES:</u>			
Cost of services and administration.....	1,826,010	12,000	1,838,010
Salaries and wages.....	445,895	-	445,895
Depreciation.....	1,334,034	-	1,334,034
TOTAL OPERATING EXPENSES.....	3,605,939	12,000	3,617,939
OPERATING INCOME (LOSS).....	(575,971)	23,676	(552,295)
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Interest expense.....	(212,420)	-	(212,420)
Water tower lease revenues.....	280,141	-	280,141
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	67,721	-	67,721
INCOME (LOSS) BEFORE TRANSFERS.....	(508,250)	23,676	(484,574)
<u>TRANSFERS:</u>			
Transfers in.....	400,000	-	400,000
CHANGE IN NET POSITION.....	(108,250)	23,676	(84,574)
NET POSITION AT BEGINNING OF YEAR.....	18,699,724	2,594,568	21,294,292
NET POSITION AT END OF YEAR.....	\$ 18,591,474	\$ 2,618,244	\$ 21,209,718

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds		
	Water	Wood Waste Reclamation Facility	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users.....	\$ 3,184,906	\$ 35,676	\$ 3,220,582
Payments to vendors.....	(1,861,328)	(16,440)	(1,877,768)
Payments to employees.....	(446,258)	-	(446,258)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>877,320</b>	<b>19,236</b>	<b>896,556</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Water tower lease revenues.....	280,141	-	280,141
Transfers in.....	400,000	-	400,000
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>680,141</b>	<b>-</b>	<b>680,141</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from the issuance of bonds and notes.....	3,380,000	-	3,380,000
Premium from the issuance of bonds.....	220,000	-	220,000
Acquisition and construction of capital assets.....	(4,585,137)	-	(4,585,137)
Principal payments on bonds and notes.....	(2,050,789)	-	(2,050,789)
Interest expense.....	(254,793)	-	(254,793)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(3,290,719)</b>	<b>-</b>	<b>(3,290,719)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>(1,733,258)</b>	<b>19,236</b>	<b>(1,714,022)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>4,911,520</b>	<b>374,008</b>	<b>5,285,528</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 3,178,262</b>	<b>\$ 393,244</b>	<b>\$ 3,571,506</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</b>			
<b>FROM OPERATING ACTIVITIES:</b>			
Operating income (loss).....	\$ (575,971)	\$ 23,676	\$ (552,295)
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation.....	1,334,034	-	1,334,034
Deferred (outflows)/inflows related to pensions.....	(276,251)	-	(276,251)
Changes in assets and liabilities:			
User charges.....	154,938	-	154,938
Warrants payable.....	31,803	(4,440)	27,363
Accrued payroll.....	228	-	228
Compensated absences.....	(591)	-	(591)
Net pension liability.....	209,130	-	209,130
Total adjustments.....	1,453,291	(4,440)	1,448,851
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 877,320</b>	<b>\$ 19,236</b>	<b>\$ 896,556</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>			
Acquisition of capital assets on account.....	\$ (518,353)	-	\$ (518,353)

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 23,796	\$ 965
Investments:		
U.S. treasury notes.....	-	2,774
Equity mutual funds.....	4,271,709	-
TOTAL ASSETS.....	4,295,505	3,739
<b>NET POSITION</b>		
Restricted for other postemployment benefits.....	4,295,505	-
Held in trust for other purposes.....	-	3,739
TOTAL NET POSITION.....	\$ 4,295,505	\$ 3,739

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
<b>ADDITIONS:</b>		
Contributions:		
Employer contributions.....	\$ 150,000	\$ -
Employer contributions for other postemployment benefit payments....	1,136,606	-
Other postemployment benefit fund tax.....	570,066	-
	1,856,672	-
Net investment income:		
Investment income.....	177,658	76
Less: investment expense.....	(7,403)	-
	170,255	76
Net investment income (loss).....	170,255	76
	2,026,927	76
<b>TOTAL ADDITIONS.....</b>	<b>2,026,927</b>	<b>76</b>
<b>DEDUCTIONS:</b>		
Other postemployment benefit payments.....	1,136,606	-
	890,321	76
<b>NET INCREASE (DECREASE) IN NET POSITION.....</b>	<b>890,321</b>	<b>76</b>
NET POSITION AT BEGINNING OF YEAR.....	3,405,184	3,663
NET POSITION AT END OF YEAR.....	\$ 4,295,505	\$ 3,739

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 2023.

Joint Venture and Address	Purpose	2023 Payments
Cape Cod Municipal Health Group c/o Group Benefit Strategies 27 Midstate Office Park Auburn, MA 01501	To provide employee insurance benefits	\$ 2,578,737
Cape Cod Regional Technical High School 351 Pleasant Lake Avenue Harwich, MA 02645	To provide secondary vocational education for member Towns	\$ 324,239
Monomoy Regional School District 425 Crowell Road Chatham, MA 02633	To provide education for grades K-12 for the Towns of Harwich and Chatham	\$ 9,513,587
Cape Cod Regional Transit Authority 585 Main Street Dennis, MA 02638	To provide public transportation	\$ 19,203
Department of Veteran Services PO Box 429 Hyannis, MA 02601	To provide veterans' services	\$ 55,578
Pleasant Bay Resource Management Alliance 220 Sandwich Road Bourne, MA 02532	To protect the vast natural resources of Pleasant Bay	\$ 49,061

**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 *town capital projects fund* is used to account for the construction and renovation of various Town projects.

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

Real estate tax liens are processed 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 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.

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 assets that applies to future periods 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 assets that applies to future periods 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 lease receivables, 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. Unearned and Unavailable Revenue

Unearned revenue at the government-wide and fund financial statement level represents resources that have been received, but not yet earned.

#### *Fund Financial Statements*

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, 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

Individual fund deficits exist within the town capital project fund and the wastewater facility fund. These deficits 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 \$269,471 in cash and \$8,167,118 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 \$26,953,230 and the bank balance totaled \$29,383,302. Of the bank balance, \$1,256,362 was covered by Federal Depository Insurance, \$14,722,709 was covered by Depositors Insurance Fund, \$123,090 was collateralized, and \$13,281,141 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, 2023, the Town had the following investments:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 2,335,345	\$ 250,043	\$ 2,085,302	\$ -
Government sponsored enterprises.....	258,959	-	258,959	-
Corporate bonds.....	3,068,481	274,737	2,395,252	398,492
Total debt securities.....	5,662,785	\$ 524,780	\$ 4,739,513	\$ 398,492
<u>Other investments:</u>				
Equity securities.....	1,046,767			
Equity mutual funds.....	3,540,413			
Fixed income mutual funds.....	1,239,617			
Money market mutual funds.....	2,367,378			
MMDT - cash portfolio.....	1,939,125			
Total investments.....	\$ 15,796,085			

MMDT maintains a cash portfolio with combined average maturities of approximately 33 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 \$5,662,785 in debt securities and \$1,046,767 in equity securities because the realted securities are uninsured, unregistered and held by the counterparty. As of June 30, 2023, the Town’s investments in MMDT which totaled \$1,939,125 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, 2023, the Town's investments were rated as follows:

Quality Rating	Government Sponsored Enterprises	Corporate Bonds
AAA..... \$	-	\$ 402,137
AA+.....	258,959	-
A+.....	-	797,945
A.....	-	207,150
A-.....	-	990,597
BBB+.....	-	229,345
BBB.....	-	441,307
Total..... \$	\$ 258,959	\$ 3,068,481

Additionally, the Town has \$2,367,378 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, 2023, the Town 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, 2023:

Investment Type	June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments measured at fair value:</b>				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 2,335,345	\$ 2,335,345	\$ -	\$ -
Government sponsored enterprises.....	258,959	258,959	-	-
Corporate bonds.....	3,068,481	-	3,068,481	-
Total debt securities.....	5,662,785	2,594,304	3,068,481	-
<u>Other investments:</u>				
Equity securities.....	1,046,767	1,046,767	-	-
Equity mutual funds.....	3,540,413	3,540,413	-	-
Fixed income mutual funds.....	1,239,617	1,239,617	-	-
Money market mutual funds.....	2,367,378	2,367,378	-	-
Total other investments.....	8,194,175	8,194,175	-	-
Total investments measured at fair value.....	13,856,960	\$ 10,788,479	\$ 3,068,481	\$ -
<b>Investments measured at amortized cost:</b>				
MMDT - cash portfolio.....	1,939,125			
Total investments.....	\$ 15,796,085			

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. Investments classified in Level 3 are valued using significant unobservable inputs. The Town does not have any investments in this category.

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, 2023, 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.....	\$ 574,154	\$ (115,905)	\$ 458,249
Tax liens.....	307,743	-	307,743
Community preservation fund surtax.....	20,750	-	20,750
Motor vehicle and other excise taxes.....	399,833	(243,922)	155,911
User charges.....	73,776	-	73,776
Departmental and other.....	234,610	(112,400)	122,210
Intergovernmental.....	11,380,993	-	11,380,993
Community preservation state share.....	289,460	-	289,460
Special assessments.....	49,847	-	49,847
<b>Total.....</b>	<b>\$ 13,331,166</b>	<b>\$ (472,227)</b>	<b>\$ 12,858,939</b>

At June 30, 2023, receivables for the water enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user charges.....	\$ 724,181	\$ -	\$ 724,181
Water apportioned leases.....	1,507,380	-	1,507,380
<b>Total.....</b>	<b>\$ 2,231,561</b>	<b>\$ -</b>	<b>\$ 2,231,561</b>

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

	General Fund	Other Governmental Funds	Total
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 198,443	\$ -	\$ 198,443
Tax liens.....	307,743	-	307,743
Community preservation.....	5,516	15,234	20,750
Motor vehicle and other excise taxes.....	155,911	-	155,911
User charges.....	73,776	-	73,776
Departmental and other.....	120,508	1,702	122,210
Intergovernmental - highway improvements.....	-	757,326	757,326
Community preservation state share.....	-	289,460	289,460
Special assessments.....	49,847	-	49,847
<b>Total.....</b>	<b>\$ 911,744</b>	<b>\$ 1,063,722</b>	<b>\$ 1,975,466</b>

**NOTE 4 – 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 2030. In 2023, the Town received \$280,141 of water tower lease revenues.

The future scheduled lease revenues as of June 30, 2023, are as follows:

<u>Year ended June 30:</u>	<u>Business-Type Activities</u>		
	<u>Lease Revenues</u>	<u>Interest</u>	<u>Total</u>
2024.....	\$ 233,927	\$ 47,190	\$ 281,117
2025.....	252,587	39,539	292,126
2026.....	272,392	31,390	303,782
2027.....	293,389	22,735	316,124
2028.....	315,642	13,530	329,172
2029.....	67,624	3,260	70,884
2030.....	71,819	1,174	72,993
Total.....	<u>\$ 1,507,380</u>	<u>\$ 158,818</u>	<u>\$ 1,666,198</u>

**NOTE 5 – CAPITAL ASSETS**

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

**Governmental Activities**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 37,352,535	\$ 1,875,000	\$ -	\$ 39,227,535
Construction in progress.....	3,577,629	8,137,304	(144,227)	11,570,706
Total capital assets not being depreciated....	<u>40,930,164</u>	<u>10,012,304</u>	<u>(144,227)</u>	<u>50,798,241</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	143,783,933	-	-	143,783,933
Improvements.....	53,442,164	56,794	-	53,498,958
Machinery and equipment.....	12,018,250	1,176,688	(396,941)	12,797,997
Infrastructure.....	25,348,036	774,207	-	26,122,243
Total capital assets being depreciated.....	<u>234,592,383</u>	<u>2,007,689</u>	<u>(396,941)</u>	<u>236,203,131</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(47,583,428)	(3,340,429)	-	(50,923,857)
Improvements.....	(16,407,044)	(2,361,270)	-	(18,768,314)
Machinery and equipment.....	(6,990,213)	(866,508)	396,941	(7,459,780)
Infrastructure.....	(14,758,791)	(482,453)	-	(15,241,244)
Total accumulated depreciation.....	<u>(85,739,476)</u>	<u>(7,050,660)</u>	<u>396,941</u>	<u>(92,393,195)</u>
Total capital assets being depreciated, net.....	<u>148,852,907</u>	<u>(5,042,971)</u>	<u>-</u>	<u>143,809,936</u>
Total governmental activities capital assets, net.....	<u>\$ 189,783,071</u>	<u>\$ 4,969,333</u>	<u>\$ (144,227)</u>	<u>\$ 194,608,177</u>

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

<b>Governmental Activities:</b>	
General government.....	\$ 219,920
Public safety.....	1,086,173
Education.....	426,872
Public works.....	4,580,694
Natural resources.....	278,024
Health and human services.....	15,659
Culture and recreation.....	<u>443,318</u>
 Total depreciation expense - governmental activities.....	 \$ <u>7,050,660</u>

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Water:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 938,433	\$ -	\$ -	\$ 938,433
Construction in progress.....	<u>1,914,343</u>	<u>4,350,446</u>	<u>(836,967)</u>	<u>5,427,822</u>
 Total capital assets not being depreciated....	 <u>2,852,776</u>	 <u>4,350,446</u>	 <u>(836,967)</u>	 <u>6,366,255</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.....	<u>36,635,298</u>	<u>1,590,011</u>	<u>-</u>	<u>38,225,309</u>
 Total capital assets being depreciated.....	 <u>49,837,811</u>	 <u>1,590,011</u>	 <u>-</u>	 <u>51,427,822</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(716,291)	(34,669)	-	(750,960)
Buildings and improvements.....	(1,083,246)	(459,111)	-	(1,542,357)
Machinery, equipment, and vehicles.....	(278,543)	(40,857)	-	(319,400)
Infrastructure.....	<u>(25,336,919)</u>	<u>(799,397)</u>	<u>-</u>	<u>(26,136,316)</u>
 Total accumulated depreciation.....	 <u>(27,414,999)</u>	 <u>(1,334,034)</u>	 <u>-</u>	 <u>(28,749,033)</u>
 Total capital assets being depreciated, net.....	 <u>22,422,812</u>	 <u>255,977</u>	 <u>-</u>	 <u>22,678,789</u>
 Total water activities capital assets, net.....	 <u>\$ 25,275,588</u>	 <u>\$ 4,606,423</u>	 <u>\$ (836,967)</u>	 <u>\$ 29,045,044</u>
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Wood Waste Reclamation Facility:</b>				
<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:

<b>Business-Type Activities:</b>	
Water.....	\$ <u>1,334,034</u>

Capital assets activity of the discretely presented component unit for the year end June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Discretely Presented Component Unit:</b>				
<u>Capital assets being depreciated:</u>				
Equipment and furniture.....	\$ 119,012	\$ 17,614	\$ -	\$ 136,626
<u>Less accumulated depreciation for:</u>				
Equipment and furniture.....	(82,800)	(12,079)	-	(94,879)
Total discretely presented component unit capital assets, net..	<u>\$ 36,212</u>	<u>\$ 5,535</u>	<u>\$ -</u>	<u>\$ 41,747</u>

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

<b>Discretely Presented Component Unit:</b>	
Eldredge Public Library, Inc.....	<u>\$ 12,079</u>

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2023, the Town had interfund receivable/payables totaling \$13,585,053 of which \$4,948,619 was between the general fund and the town capital projects fund, \$7,698,114 was between the general fund and the wastewater facility fund and \$938,320 was between the general fund and the highway improvements fund. 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, 2023, are summarized as follows:

	Transfers In:			
	General fund	Nonmajor governmental funds	Water enterprise fund	Total
<u>Transfers Out:</u>				
General fund.....	\$ -	\$ 144,061	\$ 400,000	\$ 544,061 (1)
Community preservation.....	-	500,000	-	500,000 (2)
Wastewater facility.....	-	9,585	-	9,585 (3)
Nonmajor governmental funds.....	<u>529,951</u>	<u>-</u>	<u>-</u>	<u>529,951 (4)</u>
Total.....	<u>\$ 529,951</u>	<u>\$ 653,646</u>	<u>\$ 400,000</u>	<u>\$ 1,583,597</u>

- (1) Represents budgeted transfers from the general fund to the Town special revenue fund to fund grant deficits. Represents budgeted transfers from the general fund to the nonmajor trust funds to establish a retirement trust fund. Also represents a budgeted transfer from the general fund to the water enterprise fund to fund operations.
- (2) Represents a transfer from the community preservation fund to the affordable housing trust fund.
- (3) Represents a transfer from the wastewater facility fund to the Town special revenue fund.
- (4) Represents budgeted transfers from the Town special revenue fund to the general fund to fund the operating and capital budgets.

**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, 2023, \$25,000 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, 2023, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2022	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2023
<b>Governmental Funds:</b>							
	Municipal Purpose.....	2.50%	06/23/23	\$ 1,600,000	\$ -	\$ (1,600,000)	\$ -
	* MCWT Interim Loan.....	2.00%	N/A	8,218,254	-	(4,224,949)	3,993,305
	Total Governmental Funds.....			\$ 9,818,254	\$ -	\$ (5,824,949)	\$ 3,993,305
<b>Water Enterprise Fund:</b>							
	Municipal Purpose.....	2.50%	06/23/23	\$ 1,250,000	\$ -	\$ (1,250,000)	\$ -

\*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, 2023, and the debt service requirements are shown below:

**Bonds and Notes Payable Schedule – Governmental Funds**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
<b>General Obligation Bonds Payable:</b>				
Municipal Purpose Refunding Loan of 2015.....	2040	\$ 10,300,000	3.00-5.00	\$ 6,850,000
Municipal Purpose Refunding Loan of 2017.....	2029	5,495,400	2.00-4.00	1,949,700
Municipal Purpose Loan of 2019.....	2039	3,972,500	2.00-5.00	3,105,000
Municipal Purpose Loan of 2020.....	2040	3,450,000	2.00-4.00	2,925,000
Municipal Purpose Loan of 2021.....	2041	4,155,000	2.00-5.00	3,715,000
Municipal Purpose Refunding Loan of 2022.....	2037	10,241,900	3.00-4.00	9,540,000
Municipal Purpose Loan of 2022.....	2037	815,700	3.00-4.00	755,000
Municipal Purpose Loan of 2023.....	2043	4,075,000	3.50-5.00	4,075,000
Subtotal Governmental General Obligation Bonds Payable.....				32,914,700
<b>Direct Borrowings Payable:</b>				
Massachusetts Clean Water Trust 2006.....	2026	50,000	0.00	7,500
Massachusetts Clean Water Trust 2011.....	2031	3,289,537	2.00	1,475,311
Massachusetts Clean Water Trust 2012.....	2033	7,518,952	2.00	4,162,085
USDA Rural Development Sewer 2012.....	2049	23,349,000	2.75	16,407,395
Massachusetts Clean Water Trust 2015.....	2035	3,847,853	0.00	2,322,550
Massachusetts Clean Water Trust 2015.....	2033	1,967,772	0.00	1,096,867
Massachusetts Clean Water Trust 2019.....	2036	2,387,009	0.00	1,830,824
Massachusetts Clean Water Trust 2020.....	2039	12,608,416	0.00	10,103,330
Massachusetts Clean Water Trust 2023.....	2043	5,800,258	0.00	5,800,258
Subtotal Governmental Direct Borrowings Payable.....				43,206,120
Total Bonds Payable.....				76,120,820
Add: Unamortized Premium.....				1,719,099
Total Bonds Payable, net.....				\$ 77,839,919

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
2024.....	\$ 2,606,200	\$ 1,201,983	\$ 3,808,183	\$ 2,496,349	\$ 558,462	\$ 3,054,811
2025.....	2,500,900	1,093,260	3,594,160	2,509,916	530,015	3,039,931
2026.....	2,393,600	983,157	3,376,757	2,523,730	501,330	3,025,060
2027.....	2,284,000	894,603	3,178,603	2,535,300	472,405	3,007,705
2028.....	1,967,000	805,243	2,772,243	2,549,629	443,236	2,992,865
2029.....	1,971,000	722,128	2,693,128	2,564,225	413,813	2,978,038
2030.....	1,906,000	636,888	2,542,888	2,579,094	384,135	2,963,229
2031.....	1,901,000	562,138	2,463,138	2,594,234	354,195	2,948,429
2032.....	1,910,000	488,912	2,398,912	2,408,091	326,003	2,734,094
2033.....	1,910,000	422,638	2,332,638	2,419,737	299,593	2,719,330
2034.....	1,900,000	363,476	2,263,476	1,853,890	277,663	2,131,553
2035.....	1,890,000	304,762	2,194,762	1,855,726	260,310	2,116,036
2036.....	1,875,000	245,712	2,120,712	1,662,123	242,955	1,905,078
2037.....	1,870,000	187,212	2,057,212	1,521,356	225,601	1,746,957
2038.....	1,140,000	128,376	1,268,376	1,522,691	208,248	1,730,939
2039.....	1,140,000	90,950	1,230,950	1,524,029	190,893	1,714,922
2040.....	960,000	55,850	1,015,850	1,525,370	173,539	1,698,909
2041.....	400,000	25,600	425,600	924,338	156,185	1,080,523
2042.....	195,000	15,600	210,600	924,778	138,831	1,063,609
2043.....	195,000	7,800	202,800	925,219	121,477	1,046,696
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.....	\$ 32,914,700	\$ 9,236,288	\$ 42,150,988	\$ 43,206,120	\$ 6,643,319	\$ 49,849,439

The Town is a member of the Massachusetts Clean Water Trust (MCWT) which offers its members interest free loans for various purposes. The Town's governmental activities direct borrowings payable include some of these interest free loans issued through this program. The interest imputed on the remaining life of the 0% MCWT bonds totaled \$3.9 million of which \$326,500 related to the current year. The imputed interest has been recognized as intergovernmental revenue and interest expense.

**Bonds Payable Schedule – Water Enterprise Fund**

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

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
<b>General Obligation Bonds Payable:</b>				
Municipal Purpose Refunding Loan of 2015.....	2025	\$ 930,000	3.00-5.00	\$ 180,000
Municipal Purpose Refunding Loan of 2017.....	2029	1,541,600	2.00-4.00	570,300
Municipal Purpose Loan of 2019.....	2029	1,052,500	2.00-5.00	630,000
Municipal Purpose Refunding Loan of 2022.....	2032	617,400	4.00-5.00	555,000
Municipal Purpose Loan of 2023.....	2043	3,380,000	3.50-5.00	<u>3,380,000</u>
Subtotal Water Enterprise General Obligation Bonds Payable.....				<u>5,315,300</u>
<b>Direct Borrowings Payable:</b>				
USDA Water Main Bonds 2009.....	2049	500,000	4.25	325,000
Massachusetts Clean Water Trust 2019.....	2039	9,274,815	2.00	<u>6,950,745</u>
Subtotal Water Enterprise Direct Borrowings Payable.....				<u>7,275,745</u>
Total Bonds Payable.....				12,591,045
Add: Unamortized premium on bonds.....				<u>275,961</u>
Total Bonds Payable, net.....				<u>\$ 12,867,006</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
2024.....	\$ 808,800	\$ 237,963	\$ 1,046,763	\$ 380,415	\$ 149,148	\$ 529,563
2025.....	809,100	206,400	1,015,500	388,411	141,178	529,589
2026.....	711,400	170,401	881,801	396,581	133,047	529,628
2027.....	566,000	139,929	705,929	404,928	124,751	529,679
2028.....	308,000	112,284	420,284	413,458	116,287	529,745
2029.....	304,000	97,604	401,604	422,172	107,649	529,821
2030.....	179,000	83,044	262,044	431,076	98,835	529,911
2031.....	179,000	74,094	253,094	440,173	89,841	530,014
2032.....	180,000	65,144	245,144	449,467	80,664	530,131
2033.....	120,000	56,744	176,744	458,964	71,298	530,262
2034.....	115,000	50,744	165,744	468,668	61,740	530,408
2035.....	115,000	44,994	159,994	478,581	51,987	530,568
2036.....	115,000	39,244	154,244	488,712	42,033	530,745
2037.....	115,000	33,494	148,494	499,062	31,873	530,935
2038.....	115,000	27,744	142,744	509,636	21,505	531,141
2039.....	115,000	21,994	136,994	520,441	10,923	531,364
2040.....	115,000	17,968	132,968	12,500	5,313	17,813
2041.....	115,000	13,800	128,800	12,500	4,781	17,281
2042.....	115,000	9,200	124,200	12,500	4,250	16,750
2043.....	115,000	4,600	119,600	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.....	\$ 5,315,300	\$ 1,507,389	\$ 6,822,689	\$ 7,275,745	\$ 1,361,979	\$ 8,637,724

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

Purpose	Amount
Well and pump station.....	\$ 560,000
Wastewater treatment facility.....	11,577,505
Road betterments.....	25,000
Mill pond pump and pump houses.....	300,000
Water mains.....	478,185
Fire station design and construction.....	16,635
Wastewater (phase 1D).....	17,511,027
Waterfront infrastructure.....	6,655,000
Wastewater expansion.....	6,750,000
Transfer station redesign.....	5,290,000
Wastewater project expansion.....	5,900,000
Stormwater project.....	4,000,000
Wells #10 & #11.....	2,500,000
Wells #5 & #8.....	19,800,000
Transfer station - belt filter press.....	4,500,000
<b>Total.....</b>	<b>\$ 85,863,352</b>

Changes in Long-term Liabilities

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

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>							
Long-term general obligation bonds payable... \$	31,236,500	\$ 4,075,000	\$ (2,396,800)	\$ -	\$ -	\$ 32,914,700	\$ 2,606,200
Long-term direct borrowings payable.....	39,603,419	5,800,258	(2,197,557)	-	-	43,206,120	2,496,349
Add: Unamortized premium on bonds.....	1,780,631	325,000	(386,532)	-	-	1,719,099	309,107
Total bonds payable.....	72,620,550	10,200,258	(4,980,889)	-	-	77,839,919	5,411,656
Landfill closure.....	50,000	-	-	-	(25,000)	25,000	25,000
Compensated absences.....	763,593	-	-	364,474	(367,223)	760,844	375,580
Net pension liability.....	17,614,642	-	-	10,030,752	(2,372,841)	25,272,553	-
Net other postemployment benefits liability.....	17,352,462	-	-	921,621	(3,879,583)	14,394,500	-
Total governmental activity long-term liabilities.....	<u>\$ 108,401,247</u>	<u>\$ 10,200,258</u>	<u>\$ (4,980,889)</u>	<u>\$ 11,316,847</u>	<u>\$ (6,644,647)</u>	<u>\$ 118,292,816</u>	<u>\$ 5,812,236</u>
<b>Business-Type Activities:</b>							
Long-term general obligation bonds payable... \$	2,363,500	\$ 3,380,000	\$ (428,200)	\$ -	\$ -	\$ 5,315,300	\$ 808,800
Long-term direct borrowings payable.....	7,648,334	-	(372,589)	-	-	7,275,745	380,415
Add: Unamortized premium on bonds.....	96,836	220,000	(40,875)	-	-	275,961	28,098
Total bonds payable.....	10,108,670	3,600,000	(841,664)	-	-	12,867,006	1,217,313
Compensated absences.....	5,066	-	-	3,115	(3,706)	4,475	3,510
Net pension liability.....	728,590	-	-	297,173	(88,043)	937,720	-
Total business-type activity long-term liabilities.....	<u>\$ 10,842,326</u>	<u>\$ 3,600,000</u>	<u>\$ (841,664)</u>	<u>\$ 300,288</u>	<u>\$ (91,749)</u>	<u>\$ 13,809,201</u>	<u>\$ 1,220,823</u>

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 \$2.3 million and was reported as unassigned fund balance within the general fund.

Additionally, the wastewater capital stabilization fund has been established with a payment from the Town of Harwich. At year end, the balance was \$3.9 million and was reported as unassigned fund balance in 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, 2023, the governmental fund balances consisted of the following:

	General	Community Preservation	Town Capital Projects	Wastewater Facility	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:						
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ -	748,012	\$ 748,012
Restricted for:						
Community preservation.....	-	4,551,014	-	-	-	4,551,014
School gifts and grants.....	-	-	-	-	724,965	724,965
Town revolving funds.....	-	-	-	-	1,938,939	1,938,939
Affordable housing.....	-	-	-	-	2,011,966	2,011,966
Town gifts and grants.....	-	-	-	-	3,719,729	3,719,729
Highway improvements.....	-	-	-	-	286,164	286,164
Permanent trust funds.....	-	-	-	-	356,926	356,926
Committed to:						
Select board.....	302,169	-	-	-	-	302,169
Town manager.....	1,866,100	-	-	-	-	1,866,100
Human resources.....	260,162	-	-	-	-	260,162
Information technologies.....	329,554	-	-	-	-	329,554
Elections.....	14,000	-	-	-	-	14,000
Engineering.....	293,485	-	-	-	-	293,485
Police.....	71,293	-	-	-	-	71,293
Emergency management.....	196,127	-	-	-	-	196,127
Fire.....	95,317	-	-	-	-	95,317
Health and natural resources.....	35,691	-	-	-	-	35,691
Conservation.....	42,538	-	-	-	-	42,538
Harbormaster.....	285,955	-	-	-	-	285,955
Coastal resources.....	833,298	-	-	-	-	833,298
Shellfish.....	61,894	-	-	-	-	61,894
Laboratory.....	156,376	-	-	-	-	156,376
Stormwater management.....	1,071,104	-	-	-	-	1,071,104
Parks and recreation.....	97,343	-	-	-	-	97,343
Highway.....	1,391,449	-	-	-	-	1,391,449
Transfer station.....	87,094	-	-	-	-	87,094
Project operations and facilities.....	160,233	-	-	-	-	160,233
Sewer.....	687,377	-	-	-	-	687,377
Airport commission.....	75	-	-	-	-	75
Cemetery.....	92,717	-	-	-	-	92,717
Lighthouse beach.....	9,857	-	-	-	-	9,857
Community development.....	145,108	-	-	-	-	145,108
Council on aging.....	44,481	-	-	-	-	44,481
Libraries.....	597,218	-	-	-	-	597,218
Assigned to:						
Town manager.....	693	-	-	-	-	693
Human resources.....	150,588	-	-	-	-	150,588
Legal.....	8,151	-	-	-	-	8,151
Treasurer/collector.....	62	-	-	-	-	62
Information technologies.....	4,431	-	-	-	-	4,431
Town clerk.....	3,000	-	-	-	-	3,000
Police.....	3,945	-	-	-	-	3,945
Animal control.....	40,000	-	-	-	-	40,000
Fire.....	1,493	-	-	-	-	1,493
Natural resources.....	3,513	-	-	-	-	3,513
Harbormaster.....	10,541	-	-	-	-	10,541
Coastal resources.....	3,491	-	-	-	-	3,491
Parks and recreation.....	10,773	-	-	-	-	10,773
Highway.....	128	-	-	-	-	128
Transfer station.....	21,632	-	-	-	-	21,632
Fuel depot.....	21,931	-	-	-	-	21,931
Project operations and facilities.....	449	-	-	-	-	449
Sewer.....	100,705	-	-	-	-	100,705
Community development.....	23,370	-	-	-	-	23,370
Veterans services.....	200	-	-	-	-	200
Human services.....	33,654	-	-	-	-	33,654
Free cash used for subsequent year budget.....	7,526,721	-	-	-	-	7,526,721
Unassigned.....	15,300,582	-	(4,948,619)	(2,678,396)	-	7,673,567
<b>Total Fund Balances.....</b>	<b>\$ 32,498,068</b>	<b>\$ 4,551,014</b>	<b>\$ (4,948,619)</b>	<b>\$ (2,678,396)</b>	<b>\$ 9,786,701</b>	<b>\$ 39,208,768</b>

**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, 2023, the CPA fund has a balance of \$4,551,014 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, 2022, was \$2,460,884, 22.78% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

*Pension Liabilities*

At June 30, 2023, the Town reported a liability of \$26,210,273 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Accordingly, procedures were used to roll forward the total pension liability to the measurement date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2022, the Town’s proportion was 3.16%, which is 0.18% less than its proportion measured at December 31, 2021.

*Pension Expense*

For the year ended June 30, 2023, the Town recognized pension expense of \$3,003,360. At June 30, 2023, the Town reported net deferred outflows of resources and deferred inflows of resources related to pensions of \$5,291,976 and \$1,568,990, respectively.

The balances of deferred outflows/(inflows) of resources at June 30, 2023, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (81,581)	\$ (81,581)
Difference between projected and actual earnings, net.....	2,893,824	-	2,893,824
Changes in assumptions.....	1,381,651	-	1,381,651
Changes in proportion and proportionate share of contributions...	1,016,501	(1,487,409)	(470,908)
Total deferred outflows/(inflows) of resources.....	\$ 5,291,976	\$ (1,568,990)	\$ 3,722,986

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

<u>Year ended June 30:</u>	
2024.....	\$ 189,026
2025.....	763,755
2026.....	852,300
2027.....	2,116,736
2028.....	<u>(198,831)</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>3,722,986</u>

*Actuarial Assumptions*

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

Valuation date.....	January 1, 2022
Actuarial cost method.....	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.....	6.90%.
Mortality Rates:	
Pre- Retirement.....	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Healthy Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disable Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

*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.....	20.50%	6.59%
International developed markets equity.....	12.00%	6.87%
International emerging markets equity.....	4.50%	8.30%
Core fixed income.....	15.00%	1.53%
High-yield fixed income.....	8.00%	3.54%
Real estate.....	10.00%	3.44%
Timberland.....	4.00%	4.01%
Hedge fund, GTAA, risk parity.....	10.00%	3.06%
Private equity.....	16.00%	9.49%
Total.....	100.00%	

**Rate of Return**

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -11.28%. 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 6.90%. 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 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount (6.90%)	1% Increase (7.90%)
The Town's proportionate share of the net pension liability.....	\$ 34,593,699	\$ 26,210,273	\$ 19,157,797

**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 2023, the Town's age-weighted contribution to the plan totaled \$1,856,672, which includes \$150,000 in pre-funding and \$570,066 in surtax revenue as described below. For the year ended June 30, 2023, the Town's average contribution rate was 13.62% of covered-employee payroll.

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 2023, the Town pre-funded future OPEB liabilities totaling \$720,066 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, 2023, the balance of this fund totaled \$4,295,505.

*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, 2023:

Active members.....	108
Inactive members currently receiving benefits.....	<u>204</u>
Total.....	<u><u>312</u></u>

*Components of OPEB Liability*

The following table represents the components of the Plan’s OPEB liability as of June 30, 2023:

Total OPEB liability.....	\$ 18,690,005
Less: OPEB plan’s fiduciary net position.....	<u>(4,295,505)</u>
Net OPEB liability.....	<u><u>\$ 14,394,500</u></u>
The OPEB plan’s fiduciary net position as a percentage of the total OPEB liability.....	22.98%

*Significant Actuarial Methods and Assumptions*

The total OPEB liability in the June 30, 2022, actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement that was updated to June 30, 2023, as follows:

Valuation date.....	June 30, 2022
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Asset valuation method.....	Fair 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: 3.86% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year.  Medicare: 7.0% decreasing by 0.25% each year to an ultimate level of 4.5% per year.
Dental.....	0.00% for 1 year, then 3.00%
Part B.....	5.15% for 1 year, then 4.50%
Contributions.....	Retiree contributions are expected to increase with medical trend.

Mortality rates:

Preretirement mortality rates:

Healthy Non-Teachers.....	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Healthy Teachers.....	Pub-2010 Teachers Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2021.

Postretirement mortality rates:

Healthy Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Healthy Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2021.
Disabled Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021.
Disabled Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2021.

*Rate of Return*

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was -7.53%. 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, 2023, are summarized on the following page.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	42.86%	6.59%
International developed markets equity..	17.15%	6.87%
International emerging markets equity...	4.15%	8.30%
Core fixed income.....	25.20%	1.53%
High-yield fixed income.....	1.02%	3.54%
Hedge fund, GTAA, risk parity.....	9.62%	3.06%
Total.....	100.00%	

*Discount Rate*

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2023 and June 30, 2022. 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 available to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB Trust Fund investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*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, 2022.....	\$ 20,757,646	\$ 3,405,184	\$ 17,352,462
Changes for the year:			
Service cost.....	371,978	-	371,978
Interest.....	1,439,964	-	1,439,964
Differences between expected and actual experience....	(194,943)	-	(194,943)
Changes in assumptions.....	(2,548,034)	-	(2,548,034)
Benefit payments.....	(1,136,606)	(1,136,606)	-
Contributions - employer.....	-	1,856,672	(1,856,672)
Net investment income.....	-	170,255	(170,255)
Net change.....	(2,067,641)	890,321	(2,957,962)
Balances at June 30, 2023.....	\$ 18,690,005	\$ 4,295,505	\$ 14,394,500

*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.....	\$ 16,830,460	\$ 14,394,500	\$ 12,855,283

*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.....	\$ 12,580,882	\$ 14,394,500	\$ 17,193,227

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$830,960. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 142,272	\$ (155,956)	\$ (13,684)
Difference between projected and actual earnings, net.....	239,187	-	239,187
Changes in assumptions.....	-	(2,288,522)	(2,288,522)
Total deferred outflows/(inflows) of resources.....	\$ 381,459	\$ (2,444,478)	\$ (2,063,019)

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>	
2024.....	\$ (759,614)
2025.....	(642,707)
2026.....	(242,799)
2027.....	<u>(417,899)</u>
 Total deferred outflows/(inflows) of resources.....	 \$ <u>(2,063,019)</u>

*Changes of Assumptions*

Per capita health care costs, contributions and trends were updated.

The mortality projection scale assumption was updated for teachers and non-teachers.

*Changes in Plan Provisions*

None.

**NOTE 15 – COMMITMENTS AND CONTINGENCIES**

The Town has entered into, or is planning to enter into, contracts totaling \$85.9 million, in relation to various capital projects, including \$41.7 million related to the wastewater treatment facility and wastewater projects, \$22.3 million for well projects, \$6.7 million for waterfront infrastructure, \$5.3 million related to the transfer station redesign, \$4.5 million for the transfer station belt filter press, \$4.0 million related to stormwater projects, \$300,000 for the Mill Pond pump and pump house, \$560,000 for the well and pump station, and \$820,000 for various other capital projects.

The general fund has various pending transactions for goods and services related to articles and encumbrances totaling \$8,925,846 and \$744,919, respectively.

Additionally, the Town is in the process of conducting vigorous research regarding the extent and remediation of Per- and Polyfluoroalkyl Substance (PFAS) contamination in the Town’s water supply. The Town is currently in the process of designing a new wastewater treatment plant. It is possible that the Town may be responsible for additional costs associated with PFAS remediation, and these future costs may be significant. While the amounts may be substantial, the ultimate liability cannot be determined because of the considerable uncertainties that exist. Therefore, it is possible that there could be material negative outcomes affected by certain contingencies existing as of June 30, 2023. The full extent of the financial impact cannot be determined at the date of the financial statements.

**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 19, 2024, which is the date the financial statements were available to be issued.

**NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2023, the following GASB pronouncements were implemented:

- GASB Statement #91, *Conduit Debt Obligations*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #96, *Subscription-Based Information Technology Arrangements*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #99, *Omnibus 2022*. This pronouncement did not impact the annual comprehensive financial report.

The following GASB pronouncements will be implemented in the future:

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

Management is currently assessing the impact the implementation of these pronouncements will have on the 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, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 38,145,229	\$ 38,145,229	\$ 38,293,296	\$ -	\$ 148,067
Tax liens.....	-	-	17,045	-	17,045
Motor vehicle and other excise taxes.....	1,200,000	1,200,000	1,603,016	-	403,016
Hotel/motel tax.....	2,350,000	2,350,000	4,133,919	-	1,783,919
Meals tax.....	350,000	350,000	665,858	-	315,858
Charges for services.....	2,125,000	2,125,000	2,872,876	-	747,876
Penalties and interest on taxes.....	85,000	85,000	130,848	-	45,848
Payments in lieu of taxes.....	30,000	30,000	35,318	-	5,318
Licenses and permits.....	700,000	700,000	815,028	-	115,028
Fines and forfeitures.....	35,000	35,000	29,814	-	(5,186)
Intergovernmental - state aid.....	221,840	221,840	198,942	-	(22,898)
Departmental and other.....	721,898	721,898	1,674,912	-	953,014
Special assessments.....	15,000	15,000	23,055	-	8,055
Investment income.....	15,000	15,000	519,650	-	504,650
<b>TOTAL REVENUES.....</b>	<b>45,993,967</b>	<b>45,993,967</b>	<b>51,013,577</b>	<b>-</b>	<b>5,019,610</b>
<b>EXPENDITURES:</b>					
<b>General Government</b>					
<b>Town Moderator</b>					
Personnel Services.....	1,203	1,203	-	-	1,203
Expenditures.....	50	50	30	-	20
<b>Total.....</b>	<b>1,253</b>	<b>1,253</b>	<b>30</b>	<b>-</b>	<b>1,223</b>
<b>Finance Committee</b>					
Personnel Services.....	2,000	2,000	1,154	-	846
Expenditures.....	600	600	248	-	352
<b>Total.....</b>	<b>2,600</b>	<b>2,600</b>	<b>1,402</b>	<b>-</b>	<b>1,198</b>
<b>Select Board</b>					
Personnel Services.....	21,000	21,143	21,143	-	-
Expenditures.....	1,300	1,758	1,758	-	-
Capital.....	425,000	425,000	122,831	302,169	-
<b>Total.....</b>	<b>447,300</b>	<b>447,901</b>	<b>145,732</b>	<b>302,169</b>	<b>-</b>
<b>Town Manager</b>					
Personnel Services.....	293,672	299,490	299,490	-	-
Expenditures.....	188,500	198,078	197,385	693	-
Capital.....	2,662,872	2,662,872	796,772	1,866,100	-
<b>Total.....</b>	<b>3,145,044</b>	<b>3,160,440</b>	<b>1,293,647</b>	<b>1,866,793</b>	<b>-</b>
<b>Human Resources</b>					
Personnel Services.....	131,748	115,750	94,630	-	21,120
Expenditures.....	171,309	171,309	20,700	150,588	21
Capital.....	334,562	334,562	74,400	260,162	-
<b>Total.....</b>	<b>637,619</b>	<b>621,621</b>	<b>189,730</b>	<b>410,750</b>	<b>21,141</b>
<b>Legal</b>					
Expenditures.....	225,000	210,040	144,710	8,151	57,179
<b>Audit</b>					
Expenditures.....	45,000	59,960	59,960	-	-
<b>Accounting</b>					
Personnel Services.....	296,308	289,758	289,758	-	-
Expenditures.....	5,700	7,728	7,728	-	-
<b>Total.....</b>	<b>302,008</b>	<b>297,486</b>	<b>297,486</b>	<b>-</b>	<b>-</b>
<b>Assessing</b>					
Personnel Services.....	229,058	233,697	233,697	-	-
Expenditures.....	74,234	73,068	73,068	-	-
<b>Total.....</b>	<b>303,292</b>	<b>306,765</b>	<b>306,765</b>	<b>-</b>	<b>-</b>
<b>Treasurer/Collector</b>					
Personnel Services.....	200,549	205,567	205,567	-	-
Expenditures.....	25,400	21,431	18,421	62	2,948
<b>Total.....</b>	<b>225,949</b>	<b>226,998</b>	<b>223,988</b>	<b>62</b>	<b>2,948</b>
<b>Information Technologies</b>					
Personnel Services.....	379,363	378,136	325,788	-	52,348
Expenditures.....	427,950	412,224	407,793	4,431	-
Capital.....	671,100	688,053	286,288	329,554	72,211
<b>Total.....</b>	<b>1,478,413</b>	<b>1,478,413</b>	<b>1,019,869</b>	<b>333,985</b>	<b>124,559</b>
<b>Town Clerk</b>					
Personnel Services.....	146,846	156,923	156,923	-	-
Expenditures.....	12,616	12,616	7,844	3,000	1,772
<b>Total.....</b>	<b>159,462</b>	<b>169,539</b>	<b>164,767</b>	<b>3,000</b>	<b>1,772</b>
<b>Elections</b>					
Personnel Services.....	1,275	1,275	450	-	825
Expenditures.....	56,660	38,559	33,653	-	4,906
Capital.....	14,000	14,000	-	14,000	-
<b>Total.....</b>	<b>71,935</b>	<b>53,834</b>	<b>34,103</b>	<b>14,000</b>	<b>5,731</b>

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Summer Residents Advisory Committee					
Expenditures.....	2,000	2,000	1,352	-	648
Parking Clerk					
Personnel Services.....	6,000	6,000	4,000	-	2,000
Expenditures.....	20,500	20,500	374	-	20,126
Total.....	26,500	26,500	4,374	-	22,126
Sticker (Permit) Office					
Personnel Services.....	51,180	36,129	36,129	-	-
Expenditures.....	10,850	33,926	33,926	-	-
Total.....	62,030	70,055	70,055	-	-
Engineering					
Capital.....	409,233	409,233	115,748	293,485	-
Total General Government.....	7,544,638	7,544,638	4,073,718	3,232,395	238,525
Public Safety					
Police					
Personnel Services.....	2,989,113	2,979,190	2,902,245	3,945	73,000
Expenditures.....	235,651	245,574	245,574	-	-
Capital.....	245,206	245,206	173,913	71,293	-
Total.....	3,469,970	3,469,970	3,321,732	75,238	73,000
Emergency Management					
Personnel Services.....	42,750	45,300	45,300	-	-
Expenditures.....	10,100	7,550	5,147	-	2,403
Capital.....	197,442	197,442	1,315	196,127	-
Total.....	250,292	250,292	51,762	196,127	2,403
Animal Control					
Personnel Services.....	67,823	67,823	64,975	-	2,848
Expenditures.....	40,950	40,950	914	40,000	36
Total.....	108,773	108,773	65,889	40,000	2,884
Fire					
Personnel Services.....	3,697,280	3,771,173	3,771,173	-	-
Expenditures.....	517,148	443,255	381,133	1,493	60,629
Capital.....	532,588	532,588	372,272	95,317	64,999
Total.....	4,747,016	4,747,016	4,524,578	96,810	125,628
Cape and Islands EMS					
Expenditures.....	5,990	5,990	3,933	-	2,057
Oil Pollution Control					
Expenditures.....	500	500	500	-	-
Total Public Safety.....	8,582,541	8,582,541	7,968,394	408,175	205,972
Education					
Chatham Public Schools/Monomoy Regional School District					
Salary & Expenditures.....	9,513,587	9,513,587	9,513,587	-	-
C. C. Tech. Regional High School					
Expenditures.....	355,235	355,235	324,239	-	30,996
Total Education.....	9,868,822	9,868,822	9,837,826	-	30,996
Natural Resources					
Health and Natural Resources					
Personnel Services.....	409,815	397,591	371,778	-	25,813
Expenditures.....	112,685	124,414	108,842	3,513	12,059
Capital.....	35,691	35,691	-	35,691	-
Total.....	558,191	557,696	480,620	39,204	37,872
Conservation					
Personnel Services.....	359,950	356,781	246,364	-	110,417
Expenditures.....	41,550	41,550	33,150	-	8,400
Capital.....	44,864	44,864	2,326	42,538	-
Total.....	446,364	443,195	281,840	42,538	118,817
Harbormaster					
Personnel Services.....	562,055	530,346	528,721	1,625	-
Expenditures.....	147,240	182,374	173,458	8,916	-
Capital.....	317,970	317,970	32,015	285,955	-
Total.....	1,027,265	1,030,690	734,194	296,496	-
Coastal Resources					
Personnel Services.....	107,118	107,797	107,797	-	-
Expenditures.....	23,800	22,461	18,970	3,491	-
Capital.....	1,374,839	1,374,839	541,541	833,298	-
Total.....	1,505,757	1,505,097	668,308	836,789	-

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Shellfish					
Personnel Services.....	201,974	204,336	204,336	-	-
Expenditures.....	13,090	11,944	11,944	-	-
Capital.....	109,677	109,677	47,783	61,894	-
Total.....	324,741	325,957	264,063	61,894	-
South Coast Harbor Plan Committee					
Personnel Services.....	500	678	678	-	-
Expenditures.....	500	-	-	-	-
Total.....	1,000	678	678	-	-
Shellfish Advisory Committee					
Personnel Services.....	800	800	678	-	122
Expenditures.....	200	200	-	-	200
Total.....	1,000	1,000	678	-	322
Waterways Advisory Committee					
Personnel Services.....	200	791	791	-	-
Expenditures.....	800	216	216	-	-
Total.....	1,000	1,007	1,007	-	-
Laboratory					
Capital.....	158,356	158,356	1,980	156,376	-
Stormwater Management					
Capital.....	1,104,895	1,104,895	33,791	1,071,104	-
Total Natural Resources.....	5,128,569	5,128,571	2,477,959	2,504,401	146,211
Public Works					
Parks and Recreation					
Personnel Services.....	1,231,722	1,097,350	953,025	-	144,325
Expenditures.....	210,920	223,361	203,525	10,773	9,063
Capital.....	238,229	238,229	137,515	97,343	3,371
Total.....	1,680,871	1,558,940	1,294,065	108,116	156,759
Highway					
Personnel Services.....	598,528	527,528	527,087	-	441
Expenditures.....	92,050	80,666	69,057	128	11,481
Capital.....	1,829,389	1,829,389	437,940	1,391,449	-
Total.....	2,519,967	2,437,583	1,034,084	1,391,577	11,922
Snow and Ice					
Personnel Services.....	20,000	14,903	14,903	-	-
Expenditures.....	75,000	60,336	60,336	-	-
Total.....	95,000	75,239	75,239	-	-
Street Lighting					
Expenditures.....	17,500	9,770	9,770	-	-
Transfer Station					
Personnel Services.....	547,695	547,604	547,318	-	286
Expenditures.....	1,064,950	1,141,674	1,120,042	21,632	-
Capital.....	509,670	509,670	422,576	87,094	-
Total.....	2,122,315	2,198,948	2,089,936	108,726	286
Fuel Depot					
Expenditures.....	160,000	311,422	289,195	21,931	296
Project Operations and Facilities					
Personnel Services.....	421,754	463,513	463,513	-	-
Expenditures.....	986,628	1,586,711	1,585,232	449	1,030
Capital.....	482,465	415,576	255,343	160,233	-
Total.....	1,890,847	2,465,800	2,304,088	160,682	1,030
Sewer					
Personnel Services.....	31,421	22,792	22,792	-	-
Expenditures.....	1,432,972	1,441,601	1,339,893	100,705	1,003
Capital.....	716,110	716,110	28,733	687,377	-
Total.....	2,180,503	2,180,503	1,391,418	788,082	1,003
Airport Commission					
Capital.....	75	75	-	75	-
Cemetery					
Personnel Services.....	55,941	41,837	27,762	-	14,075
Expenditures.....	59,450	49,104	45,141	-	3,963
Capital.....	170,501	170,501	70,312	92,717	7,472
Total.....	285,892	261,442	143,215	92,717	25,510

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Lighthouse Beach					
Personnel Services.....	62,834	62,834	46,720	-	16,114
Expenditures.....	10,600	10,600	8,695	-	1,905
Capital.....	9,857	9,857	-	9,857	-
Total.....	83,291	83,291	55,415	9,857	18,019
Total Public Works.....	11,036,261	11,583,013	8,686,425	2,681,763	214,825
Community Development					
Community Development					
Personnel Services.....	790,292	790,292	747,618	-	42,674
Expenditures.....	124,274	124,274	75,005	23,370	25,899
Capital.....	161,340	161,340	16,232	145,108	-
Total.....	1,075,906	1,075,906	838,855	168,478	68,573
Economic Development - Chamber Of Commerce					
Expenditures.....	89,000	89,000	89,000	-	-
Total Community Development.....	1,164,906	1,164,906	927,855	168,478	68,573
Health and Human Services					
Council On Aging					
Personnel Services.....	369,507	355,409	289,203	-	66,206
Expenditures.....	37,240	37,386	37,386	-	-
Capital.....	67,156	78,381	33,900	44,481	-
Total.....	473,903	471,176	360,489	44,481	66,206
Veterans Services					
Expenditures.....	91,850	94,776	94,576	200	-
Human Services					
Expenditures.....	451,035	450,835	391,184	33,654	25,997
Capital.....	26,048	26,048	26,048	-	-
Total.....	477,083	476,883	417,232	33,654	25,997
Libraries					
Expenditures.....	630,920	630,920	630,920	-	-
Capital.....	1,139,168	1,139,168	541,950	597,218	-
Total.....	1,770,088	1,770,088	1,172,870	597,218	-
Public Ceremonies					
Expenditures.....	20,313	20,313	19,487	-	826
Other Public Events/Chatham Band					
Expenditures.....	7,500	7,500	7,500	-	-
Railroad Museum					
Expenditures.....	1,500	1,046	1,046	-	-
Total Health and Human Services.....	2,842,237	2,841,782	2,073,200	675,553	93,029
Pension Benefits.....	2,518,400	2,518,400	2,461,075	-	57,325
Employee Benefits.....	3,323,500	3,211,500	3,141,039	-	70,461
State and County Charges.....	890,331	890,331	889,458	-	873
Insurance.....	678,338	721,327	721,240	-	87
Reserve.....	100,000	8	-	-	8
Debt Service: Principal.....	4,972,118	4,594,368	4,594,357	-	11
Debt Service: Interest.....	1,744,537	1,744,537	1,741,140	-	3,397
TOTAL EXPENDITURES.....	60,395,198	60,394,744	49,593,686	9,670,765	1,130,293
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(14,401,231)	(14,400,777)	1,419,891	(9,670,765)	6,149,903
OTHER FINANCING SOURCES (USES):					
Transfers in.....	777,493	777,493	838,398	-	60,905
Transfers out.....	(449,061)	(449,515)	(449,515)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	328,432	327,978	388,883	-	60,905
NET CHANGE IN FUND BALANCE.....	(14,072,799)	(14,072,799)	1,808,774	(9,670,765)	6,210,808
BUDGETARY FUND BALANCE, Beginning of year.....	24,231,365	24,231,365	24,231,365	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 10,158,566	\$ 10,158,566	\$ 26,040,139	\$ (9,670,765)	\$ 6,210,808

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, 2022.....	3.16%	\$ 26,210,273	\$ 10,591,368	247.47%	63.77%
December 31, 2021.....	3.34%	18,343,232	10,341,403	177.38%	75.07%
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, 2023.....	\$ 2,460,884	\$ (2,460,884)	\$ -	\$ 10,803,195	22.78%
June 30, 2022.....	2,456,963	(2,456,963)	-	10,548,231	23.29%
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.

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# *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
<b>Total OPEB liability</b>				
Service cost.....	\$ 480,254	\$ 463,573	\$ 486,382	\$ 424,479
Interest.....	987,774	1,037,929	1,079,094	1,960,235
Differences between expected and actual experience.....	-	-	2,125,742	-
Changes of assumptions.....	(637,477)	(251,533)	(696,530)	(581,401)
Benefit payments.....	(857,575)	(896,166)	(985,545)	(1,137,251)
Net change in total OPEB liability.....	(27,024)	353,803	2,009,143	666,062
Total OPEB liability - beginning.....	17,869,720	17,842,696	18,196,499	20,205,642
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>
<b>Plan fiduciary net position</b>				
Employer contributions.....	\$ 150,000	\$ 150,000	\$ 150,000	\$ 300,000
Employer contributions for OPEB payments.....	857,575	896,166	1,259,125	1,137,251
Other postemployment benefit fund tax.....	-	-	-	-
Net investment income (loss).....	21,506	78,380	51,076	168,726
Benefit payments.....	(857,575)	(896,166)	(985,545)	(1,137,251)
Net change in plan fiduciary net position.....	171,506	228,380	474,656	468,726
Plan fiduciary net position - beginning of year.....	422,237	593,743	822,123	1,296,779
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>
<b>Net OPEB liability - ending (a)-(b).....</b>	<u>\$ 17,248,953</u>	<u>\$ 17,374,376</u>	<u>\$ 18,908,863</u>	<u>\$ 19,106,199</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	3.33%	4.52%	6.42%	8.46%
Covered-employee payroll.....	\$ 8,656,497	\$ 8,715,482	\$ 8,889,792	\$ 9,067,587
Net OPEB liability as a percentage of covered-employee payroll.....	199.26%	199.35%	212.70%	210.71%

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.

	June 30, 2021	June 30, 2022	June 30, 2023
\$	411,945	\$ 359,730	\$ 371,978
	1,452,205	1,396,379	1,439,964
	355,679	-	(194,943)
	(1,841,265)	-	(2,548,034)
	<u>(1,094,241)</u>	<u>(1,154,490)</u>	<u>(1,136,606)</u>
	(715,677)	601,619	(2,067,641)
	<u>20,871,704</u>	<u>20,156,027</u>	<u>20,757,646</u>
\$	<u>20,156,027</u>	<u>20,757,646</u>	<u>18,690,005</u>
\$	150,000	\$ 150,000	\$ 150,000
	1,094,241	1,154,490	1,136,606
	552,902	565,340	570,066
	693,101	(471,664)	170,255
	<u>(1,094,241)</u>	<u>(1,154,490)</u>	<u>(1,136,606)</u>
	1,396,003	243,676	890,321
	<u>1,765,505</u>	<u>3,161,508</u>	<u>3,405,184</u>
\$	<u>3,161,508</u>	<u>3,405,184</u>	<u>4,295,505</u>
\$	<u>16,994,519</u>	<u>17,352,462</u>	<u>14,394,500</u>
	15.69%	16.40%	22.98%
\$	12,499,141	\$ 12,749,124	\$ 13,957,000
	135.97%	136.11%	103.13%

**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, 2023.....	\$ 1,346,006	\$ (1,900,318)	\$ (554,312)	\$ 13,957,000	13.62%
June 30, 2022.....	1,441,022	(1,855,709)	(414,687)	12,749,124	14.56%
June 30, 2021.....	1,395,123	(1,642,563)	(247,440)	12,499,141	13.14%
June 30, 2020.....	1,575,757	(2,284,412)	(708,655)	9,067,587	25.19%
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**

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<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2023.....	-7.53%
June 30, 2022.....	-15.71%
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 ACCOUNTING**

A. 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 2023 approved budget authorized approximately \$52.8 million in current year appropriations and other amounts to be raised and approximately \$8.0 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, 2023, is presented below:

Net change in fund balance - budgetary basis.....	\$	1,808,774
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		4,019,717
<u>Basis of accounting differences:</u>		
Net change in recording 60 day receipts.....		<u>41,444</u>
Net change in fund balance - GAAP basis.....	\$	<u><u>5,869,935</u></u>

**NOTE B – PENSION PLAN**A. 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 Plan**A. 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, 2022
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Asset valuation method.....	Fair 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: 3.86% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year.  Medicare: 7.0% decreasing by 0.25% each year to an ultimate level of 4.5% per year.
Dental.....	0.00% for 1 year, then 3.00%
Part B.....	5.15% for 1 year, then 4.50%
Contributions.....	Retiree contributions are expected to increase with medical trend.
Mortality rates:	
Preretirement mortality rates:	
Healthy Non-Teachers.....	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Healthy Teachers.....	Pub-2010 Teachers Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2021.
Postretirement mortality rates:	
Healthy Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Healthy Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2021.
Disabled Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021.
Disabled Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2021.

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 in Assumptions

Per capita health care costs, contributions and trends were updated.

The mortality projection scale assumption was updated for teachers and non-teachers.

E. Changes in Plan Provisions

None.

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# ***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 is 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 Gifts and Grants* – accounts for the school department's grant and gift funds received from state and federal governments along with donations which are designated for specific programs.

*Town Revolving Fund* – accounts for the activity of the revolving fund 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 Gifts and Grants* – accounts for other non-school related fund designated for specific programs, this fund consists primarily of state and federal grants and gifts and other special revenue funds.

*Highway Improvements* – accounts for funds received from the State Highway Department, which are used for the construction, reconstruction and improvement of roadways.

## ***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 Fund* – 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, 2023

	Special Revenue Funds			
	School Gifts and Grants	Town Revolving Fund	Affordable Housing	Town Gifts and Grants
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 724,965	\$ 1,938,939	\$ 2,011,966	\$ 3,869,903
Investments.....	-	-	-	883,871
Receivables, net of uncollectibles:				
Departmental and other.....	-	-	-	1,703
Intergovernmental - other.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 724,965</b>	<b>\$ 1,938,939</b>	<b>\$ 2,011,966</b>	<b>\$ 4,755,477</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ -	\$ -	\$ -	\$ 43,323
Accrued payroll.....	-	-	-	30,352
Due to other funds.....	-	-	-	-
Other liabilities.....	-	-	-	573,933
Unearned revenue.....	-	-	-	386,438
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,034,046</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue.....	-	-	-	1,702
<b>FUND BALANCES</b>				
Nonspendable.....	-	-	-	-
Restricted.....	724,965	1,938,939	2,011,966	3,719,729
<b>TOTAL FUND BALANCES.....</b>	<b>724,965</b>	<b>1,938,939</b>	<b>2,011,966</b>	<b>3,719,729</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 724,965</b>	<b>\$ 1,938,939</b>	<b>\$ 2,011,966</b>	<b>\$ 4,755,477</b>

(Continued)

<u>Special Revenue Funds</u>			
<u>Highway Improvements</u>	<u>Subtotal</u>	<u>Permanent Trust Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 8,545,773	\$ 372,935	\$ 8,918,708
-	883,871	732,003	1,615,874
-	1,703	-	1,703
<u>1,981,810</u>	<u>1,981,810</u>	<u>-</u>	<u>1,981,810</u>
\$ <u>1,981,810</u>	\$ <u>11,413,157</u>	\$ <u>1,104,938</u>	\$ <u>12,518,095</u>
\$ -	\$ 43,323	\$ -	\$ 43,323
-	30,352	-	30,352
938,320	938,320	-	938,320
-	573,933	-	573,933
<u>-</u>	<u>386,438</u>	<u>-</u>	<u>386,438</u>
<u>938,320</u>	<u>1,972,366</u>	<u>-</u>	<u>1,972,366</u>
<u>757,326</u>	<u>759,028</u>	<u>-</u>	<u>759,028</u>
-	-	748,012	748,012
<u>286,164</u>	<u>8,681,763</u>	<u>356,926</u>	<u>9,038,689</u>
<u>286,164</u>	<u>8,681,763</u>	<u>1,104,938</u>	<u>9,786,701</u>
\$ <u>1,981,810</u>	\$ <u>11,413,157</u>	\$ <u>1,104,938</u>	\$ <u>12,518,095</u>

(Concluded)

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

YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	School Gifts and Grants	Town Revolving Fund	Affordable Housing	Town Gifts and Grants
<b>REVENUES:</b>				
Motor vehicle and other excise taxes.....	\$ -	\$ -	\$ -	\$ 297,776
Charges for services.....	-	229,725	-	-
Penalties and interest on taxes.....	-	-	-	-
Licenses and permits.....	-	176,485	-	244,637
Intergovernmental - other.....	-	-	-	3,568,050
Departmental and other.....	-	171,265	-	194,437
Contributions and donations.....	156,968	-	-	376,150
Investment income.....	-	1,046	-	29,416
<b>TOTAL REVENUES.....</b>	<b>156,968</b>	<b>578,521</b>	<b>-</b>	<b>4,710,466</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	-	44,701	1,196,309	93,562
Public safety.....	-	99,998	-	274,990
Education.....	-	-	-	-
Public works.....	-	294,164	-	605,332
Natural resources.....	-	46,763	-	2,266,982
Health and human services.....	-	-	-	59,024
Culture and recreation.....	-	-	-	28,948
<b>TOTAL EXPENDITURES.....</b>	<b>-</b>	<b>485,626</b>	<b>1,196,309</b>	<b>3,328,838</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>156,968</b>	<b>92,895</b>	<b>(1,196,309)</b>	<b>1,381,628</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Premium from issuance of bonds.....	-	-	-	89,315
Proceeds from the sale of capital assets.....	-	-	-	31,440
Transfers in.....	-	-	500,000	58,646
Transfers out.....	-	-	-	(519,951)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>(340,550)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>156,968</b>	<b>92,895</b>	<b>(696,309)</b>	<b>1,041,078</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>567,997</b>	<b>1,846,044</b>	<b>2,708,275</b>	<b>2,678,651</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 724,965</b>	<b>\$ 1,938,939</b>	<b>\$ 2,011,966</b>	<b>\$ 3,719,729</b>

(Continued)

Special Revenue Funds			
Highway Improvements	Subtotal	Permanent Trust Fund	Total Nonmajor Governmental Funds
\$ -	\$ 297,776	\$ -	\$ 297,776
-	229,725	-	229,725
-	-	58	58
-	421,122	-	421,122
539,693	4,107,743	-	4,107,743
-	365,702	-	365,702
-	533,118	3,040	536,158
-	30,462	209,661	240,123
<u>539,693</u>	<u>5,985,648</u>	<u>212,759</u>	<u>6,198,407</u>
-	1,334,572	-	1,334,572
-	374,988	-	374,988
-	-	1,500	1,500
253,529	1,153,025	-	1,153,025
-	2,313,745	-	2,313,745
-	59,024	-	59,024
-	28,948	-	28,948
<u>253,529</u>	<u>5,264,302</u>	<u>1,500</u>	<u>5,265,802</u>
<u>286,164</u>	<u>721,346</u>	<u>211,259</u>	<u>932,605</u>
-	89,315	-	89,315
-	31,440	-	31,440
-	558,646	95,000	653,646
-	(519,951)	(10,000)	(529,951)
-	159,450	85,000	244,450
286,164	880,796	296,259	1,177,055
-	7,800,967	808,679	8,609,646
<u>\$ 286,164</u>	<u>\$ 8,681,763</u>	<u>\$ 1,104,938</u>	<u>\$ 9,786,701</u>

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# ***Statistical Section***



Lighthouse Beach

# ***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**

	2014	2015	2016	2017 (1)	2018	2019	2020 (2)	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets.....	\$ 75,300,803	\$ 69,750,905	\$ 81,307,726	\$ 81,307,726	\$ 98,428,623	\$ 102,422,506	\$ 94,727,177	\$ 108,120,756	\$ 107,569,851	\$ 112,774,953
Restricted.....	4,361,478	4,553,641	7,463,137	8,206,382	9,400,809	10,567,197	6,083,586	5,478,652	5,372,866	7,442,716
Unrestricted.....	<u>(348,136)</u>	<u>(7,378,652)</u>	<u>(17,651,464)</u>	<u>(13,264,295)</u>	<u>(31,277,854)</u>	<u>(32,630,820)</u>	<u>(15,603,651)</u>	<u>(19,895,060)</u>	<u>(8,625,377)</u>	<u>(1,490,410)</u>
<b>Total governmental activities net position.....</b>	<b>\$ <u>79,314,145</u></b>	<b>\$ <u>66,925,894</u></b>	<b>\$ <u>71,119,399</u></b>	<b>\$ <u>76,249,813</u></b>	<b>\$ <u>76,551,578</u></b>	<b>\$ <u>80,358,883</u></b>	<b>\$ <u>85,207,112</u></b>	<b>\$ <u>93,704,348</u></b>	<b>\$ <u>104,317,340</u></b>	<b>\$ <u>118,727,259</u></b>
<b>Business-type activities</b>										
Net investment in capital assets.....	\$ 13,171,858	\$ 12,188,429	\$ 12,381,561	\$ 14,079,141	\$ 20,486,016	\$ 13,353,470	\$ 15,191,632	\$ 15,784,154	\$ 16,727,868	\$ 18,403,038
Unrestricted.....	<u>2,896,682</u>	<u>2,157,338</u>	<u>2,797,373</u>	<u>1,530,326</u>	<u>(4,728,176)</u>	<u>6,843,661</u>	<u>4,389,069</u>	<u>4,868,493</u>	<u>4,566,424</u>	<u>2,806,680</u>
<b>Total business-type activities net position.....</b>	<b>\$ <u>16,068,540</u></b>	<b>\$ <u>14,345,767</u></b>	<b>\$ <u>15,178,934</u></b>	<b>\$ <u>15,609,467</u></b>	<b>\$ <u>15,757,840</u></b>	<b>\$ <u>20,197,131</u></b>	<b>\$ <u>19,580,701</u></b>	<b>\$ <u>20,652,647</u></b>	<b>\$ <u>21,294,292</u></b>	<b>\$ <u>21,209,718</u></b>
<b>Primary government</b>										
Net investment in capital assets.....	\$ 88,472,661	\$ 81,939,334	\$ 93,689,287	\$ 95,386,867	\$ 118,914,639	\$ 115,775,976	\$ 109,918,809	\$ 123,904,910	\$ 124,297,719	\$ 131,177,991
Restricted.....	4,361,478	4,553,641	7,463,137	8,206,382	9,400,809	10,567,197	6,083,586	5,478,652	5,372,866	7,442,716
Unrestricted.....	<u>2,548,546</u>	<u>(5,221,314)</u>	<u>(14,854,091)</u>	<u>(11,733,969)</u>	<u>(36,006,030)</u>	<u>(25,787,159)</u>	<u>(11,214,582)</u>	<u>(15,026,567)</u>	<u>(4,058,953)</u>	<u>1,316,270</u>
<b>Total primary government net position.....</b>	<b>\$ <u>95,382,685</u></b>	<b>\$ <u>81,271,661</u></b>	<b>\$ <u>86,298,333</u></b>	<b>\$ <u>91,859,280</u></b>	<b>\$ <u>92,309,418</u></b>	<b>\$ <u>100,556,014</u></b>	<b>\$ <u>104,787,813</u></b>	<b>\$ <u>114,356,995</u></b>	<b>\$ <u>125,611,632</u></b>	<b>\$ <u>139,936,977</u></b>

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

(2) = 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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 4,115,432	\$ 3,834,486	\$ 4,003,698	\$ 4,612,650	\$ 4,431,719	\$ 5,453,321	\$ 4,549,318	\$ 4,253,703	\$ 4,286,517	\$ 4,673,011
Public safety.....	9,794,649	9,700,868	9,461,393	9,995,415	10,017,932	11,448,724	10,795,696	10,217,954	10,441,104	11,426,931
Education.....	8,624,789	8,768,388	8,981,068	9,449,939	9,651,810	9,864,629	9,560,087	9,748,169	9,410,618	10,266,198
Public works.....	8,026,440	8,284,834	7,701,625	7,817,927	9,341,759	9,882,412	12,049,515	9,686,032	10,146,188	13,319,175
Natural resources.....	2,084,497	1,992,732	1,871,949	2,123,745	2,186,540	2,609,700	4,988,683	4,249,592	3,888,854	4,486,837
Community development.....	1,037,125	950,317	1,196,319	1,198,044	1,115,337	1,277,913	1,298,458	1,179,740	1,085,389	1,214,364
Health and human services.....	779,295	809,832	816,681	752,999	847,685	1,062,273	1,354,282	1,558,319	1,124,758	1,317,888
Culture and recreation.....	1,089,602	1,128,300	1,176,239	1,270,869	1,200,168	1,226,942	1,034,384	989,702	1,113,462	1,673,169
Community preservation.....	272,401	282,075	294,060	317,717	300,042	306,736	566,957	201,990	382,194	456,918
Claims and judgments.....	-	-	-	-	-	-	300,000	-	-	-
Interest.....	1,757,085	1,831,475	2,008,015	1,996,426	1,772,322	1,130,131	1,152,502	1,387,934	1,855,220	1,573,893
Total government activities expenses.....	<u>37,581,315</u>	<u>37,583,307</u>	<u>37,511,047</u>	<u>39,535,731</u>	<u>40,865,314</u>	<u>44,262,781</u>	<u>47,649,882</u>	<u>43,473,135</u>	<u>43,734,304</u>	<u>50,408,384</u>
Business-type activities:										
Water.....	3,072,871	2,709,004	2,811,396	3,483,918	3,439,405	3,000,736	3,278,330	3,534,011	3,319,307	3,818,359
Wood waste reclamation facility.....	51,690	51,542	40,453	40,220	34,461	21,259	10,172	12,000	12,000	12,000
Total business-type activities expenses.....	<u>3,124,561</u>	<u>2,760,546</u>	<u>2,851,849</u>	<u>3,524,138</u>	<u>3,473,866</u>	<u>3,021,995</u>	<u>3,288,502</u>	<u>3,546,011</u>	<u>3,331,307</u>	<u>3,830,359</u>
Total primary government expenses.....	<u>\$ 40,705,876</u>	<u>\$ 40,343,853</u>	<u>\$ 40,362,896</u>	<u>\$ 43,059,869</u>	<u>\$ 44,339,180</u>	<u>\$ 47,284,776</u>	<u>\$ 50,938,384</u>	<u>\$ 47,019,146</u>	<u>\$ 47,065,611</u>	<u>\$ 54,238,743</u>
<b>Program Revenues</b>										
Governmental activities:										
Public safety charges for services.....	\$ 1,206,524	\$ 1,110,041	\$ 664,306	\$ 595,583	\$ 748,400	\$ 765,092	\$ 769,996	\$ 1,011,400	\$ 1,261,371	\$ 1,168,722
Public works charges for services.....	1,809,909	2,317,440	1,596,452	1,683,903	1,636,771	1,792,846	2,334,495	2,740,008	2,594,120	2,840,146
Culture and recreation charges for services.....	172,167	189,298	205,256	206,741	195,417	202,024	574,328	798,622	808,257	877,907
Other charges for services.....	1,420,277	1,632,288	2,003,102	2,282,015	2,062,556	2,389,998	987,228	830,143	929,471	1,489,187
Operating grants and contributions.....	3,330,030	913,269	992,260	965,952	1,517,512	1,685,912	2,543,759	1,997,699	2,077,213	4,422,428
Capital grant and contributions.....	-	339,561	532,938	1,349,708	1,691,119	329,134	3,214,675	1,214,144	1,931,861	7,018,206
Total government activities program revenues.....	<u>7,938,907</u>	<u>6,501,897</u>	<u>5,994,314</u>	<u>7,083,902</u>	<u>7,851,775</u>	<u>7,165,006</u>	<u>10,424,481</u>	<u>8,592,016</u>	<u>9,602,293</u>	<u>17,816,596</u>
Business-type activities:										
Charges for services - water.....	2,750,109	3,003,797	3,074,978	3,349,517	3,027,254	3,189,395	3,442,510	4,082,281	3,544,416	3,310,109
Charges for services - Wood waste reclamation center.....	42,815	35,676	35,675	35,675	28,536	42,815	35,676	35,676	28,536	35,676
Total business-type activities program revenues.....	<u>2,792,924</u>	<u>3,039,473</u>	<u>3,110,653</u>	<u>3,385,192</u>	<u>3,055,790</u>	<u>3,232,210</u>	<u>3,478,186</u>	<u>4,117,957</u>	<u>3,572,952</u>	<u>3,345,785</u>
Total primary government program revenues.....	<u>\$ 10,731,831</u>	<u>\$ 9,541,370</u>	<u>\$ 9,104,967</u>	<u>\$ 10,469,094</u>	<u>\$ 10,907,565</u>	<u>\$ 10,397,216</u>	<u>\$ 13,902,667</u>	<u>\$ 12,709,973</u>	<u>\$ 13,175,245</u>	<u>\$ 21,162,381</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (29,642,408)	\$ (31,081,410)	\$ (31,516,733)	\$ (32,451,829)	\$ (33,013,539)	\$ (37,097,775)	\$ (37,225,401)	\$ (34,881,119)	\$ (34,132,011)	\$ (32,591,788)
Business-type activities.....	<u>(331,637)</u>	<u>278,927</u>	<u>258,804</u>	<u>(138,946)</u>	<u>(418,076)</u>	<u>210,215</u>	<u>189,684</u>	<u>571,946</u>	<u>241,645</u>	<u>(484,574)</u>
Total primary government net expense.....	<u>\$ (29,974,045)</u>	<u>\$ (30,802,483)</u>	<u>\$ (31,257,929)</u>	<u>\$ (32,590,775)</u>	<u>\$ (33,431,615)</u>	<u>\$ (36,887,560)</u>	<u>\$ (37,035,717)</u>	<u>\$ (34,309,173)</u>	<u>\$ (33,890,366)</u>	<u>\$ (33,076,362)</u>

(Continued)

**Changes in Net Position**

**Last Ten Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 30,762,728	\$ 31,164,899	\$ 32,805,596	\$ 33,992,870	\$ 34,764,176	\$ 34,757,846	\$ 36,582,233	\$ 37,077,338	\$ 37,916,431	\$ 38,345,741
Tax and other liens.....	-	-	-	-	-	345,039	68,321	67,522	50,178	54,618
Motor vehicle and other excise taxes.....	1,059,437	1,152,923	1,159,998	1,313,991	1,362,812	1,770,741	1,710,053	1,880,350	1,540,920	1,921,048
Hotel/motel tax.....	1,233,096	1,287,868	1,363,774	1,412,045	1,375,609	1,470,224	1,898,640	2,599,682	3,817,795	4,133,919
Meals tax.....	348,933	375,463	412,661	447,281	441,541	473,860	450,046	349,978	561,538	665,858
Community preservation tax.....	476,583	287,525	286,060	209,522	183,162	917,062	1,238,491	1,226,071	927,472	942,362
Penalties and interest on taxes.....	261,054	178,476	300,547	211,715	237,369	224,433	128,257	143,099	149,552	130,906
Payments in lieu of taxes.....	25,996	51,884	30,178	5,926	61,415	37,458	34,043	29,670	35,923	35,318
Grants and contributions not restricted to specific programs.....	124,662	133,917	138,739	117,126	293,077	167,518	192,579	247,428	283,958	198,942
Unrestricted investment income (loss).....	19,237	72,163	39,668	108,989	125,018	556,185	353,395	226,567	(163,624)	941,555
Gain on sale of capital assets.....	-	-	-	-	-	49,400	27,100	30,650	24,860	31,440
Miscellaneous.....	-	650,912	47,380	332,257	2,000,886	-	-	-	-	-
Transfers.....	(590,300)	(740,300)	(874,363)	(569,479)	(716,449)	(560,105)	(544,840)	(500,000)	(400,000)	(400,000)
Total governmental activities.....	<u>33,721,426</u>	<u>34,615,730</u>	<u>35,710,238</u>	<u>37,582,243</u>	<u>40,128,616</u>	<u>40,209,661</u>	<u>42,138,318</u>	<u>43,378,355</u>	<u>44,745,003</u>	<u>47,001,707</u>
Business-type activities:										
Transfers.....	590,300	590,300	574,363	569,479	566,449	560,105	544,840	500,000	400,000	400,000
Total primary government.....	<u>\$ 34,311,726</u>	<u>\$ 35,206,030</u>	<u>\$ 36,284,601</u>	<u>\$ 38,151,722</u>	<u>\$ 40,695,065</u>	<u>\$ 40,769,766</u>	<u>\$ 42,683,158</u>	<u>\$ 43,878,355</u>	<u>\$ 45,145,003</u>	<u>\$ 47,401,707</u>
<b>Changes in Net Position</b>										
Governmental activities.....	\$ 4,079,018	\$ 3,534,320	\$ 4,193,505	\$ 5,130,414	\$ 7,115,077	\$ 3,111,886	\$ 4,912,917	\$ 8,497,236	\$ 10,612,992	\$ 14,409,919
Business-type activities.....	258,663	869,227	833,167	430,533	148,373	770,320	734,524	1,071,946	641,645	(84,574)
Total primary government.....	<u>\$ 4,337,681</u>	<u>\$ 4,403,547</u>	<u>\$ 5,026,672</u>	<u>\$ 5,560,947</u>	<u>\$ 7,263,450</u>	<u>\$ 3,882,206</u>	<u>\$ 5,647,441</u>	<u>\$ 9,569,182</u>	<u>\$ 11,254,637</u>	<u>\$ 14,325,345</u>

(Concluded)

**Fund Balances, Governmental Funds**

**Last Ten Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>General Fund</b>										
Committed.....	\$ 2,910,017	\$ 3,175,830	\$ 3,094,498	\$ 2,409,442	\$ 2,227,527	\$ 4,219,048	\$ 4,566,985	\$ 5,365,683	\$ 7,901,169	\$ 9,228,015
Assigned.....	1,114,140	988,285	3,530,554	4,522,260	4,470,609	2,974,880	2,690,199	3,738,796	5,783,803	7,969,471
Unassigned.....	6,215,021	7,133,141	7,454,034	6,975,614	10,027,408	10,343,991	11,243,879	12,587,280	12,943,161	15,300,582
<b>Total general fund.....</b>	<b>\$ 10,239,178</b>	<b>\$ 11,297,256</b>	<b>\$ 14,079,086</b>	<b>\$ 13,907,316</b>	<b>\$ 16,725,544</b>	<b>\$ 17,537,919</b>	<b>\$ 18,501,063</b>	<b>\$ 21,691,759</b>	<b>\$ 26,628,133</b>	<b>\$ 32,498,068</b>
<b>All Other Governmental Funds</b>										
Nonspendable.....	\$ 732,705	\$ 772,049	\$ 841,917	\$ 839,742	\$ 815,302	\$ 907,819	\$ 990,419	\$ 956,419	\$ 746,572	\$ 748,012
Restricted.....	5,684,228	13,923,229	7,132,543	7,324,307	8,562,098	9,667,294	10,369,816	10,402,039	12,017,533	13,589,703
Unassigned.....	(5,968,639)	(5,111,241)	(4,645,570)	(5,244,564)	(9,608,802)	(1,636,995)	(10,283,245)	(14,451,125)	(14,284,237)	(7,627,015)
<b>Total all other governmental funds.....</b>	<b>\$ 448,294</b>	<b>\$ 9,584,037</b>	<b>\$ 3,328,890</b>	<b>\$ 2,919,485</b>	<b>\$ (231,402)</b>	<b>\$ 8,938,118</b>	<b>\$ 1,076,990</b>	<b>\$ (3,092,667)</b>	<b>\$ (1,520,132)</b>	<b>\$ 6,710,700</b>

Changes in Fund Balances, Governmental Funds

Last Ten Years

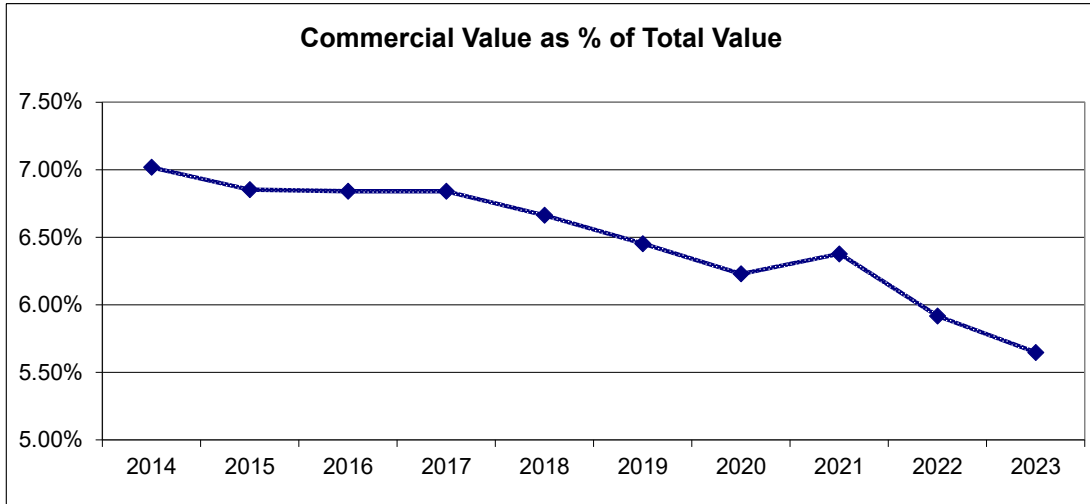
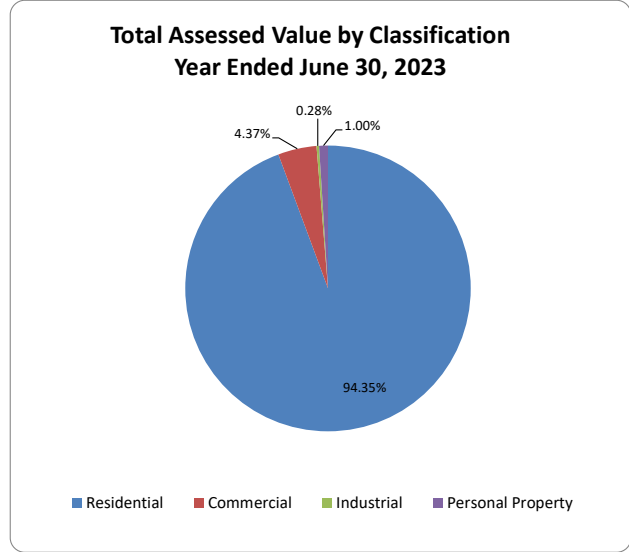
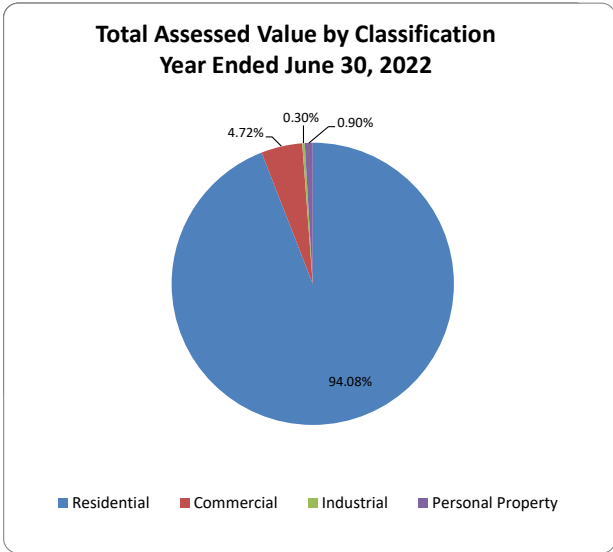
	2014	2015 (1)	2016	2017	2018 (2)	2019	2020	2021	2022	2023
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 31,239,205	\$ 31,048,575	\$ 33,535,949	\$ 33,969,264	\$ 35,034,863	\$ 35,098,765	\$ 36,471,309	\$ 37,113,120	\$ 38,033,311	\$ 38,334,740
Tax liens.....	-	-	-	-	-	209,074	116,898	46,704	34,549	17,045
Motor vehicle and other excise taxes.....	1,090,585	1,152,923	1,213,339	1,313,991	1,362,812	1,663,083	1,615,834	1,772,314	1,808,969	1,900,792
Hotel/motel tax.....	1,233,096	1,287,868	1,363,774	1,412,045	1,375,609	1,470,224	1,898,640	2,599,682	3,817,759	4,133,919
Meals tax.....	348,933	375,463	412,661	447,284	441,541	473,860	450,046	349,978	561,538	665,858
Charges for services.....	2,272,645	2,380,274	2,149,671	2,297,626	2,472,381	3,688,760	2,582,899	3,023,646	3,090,536	3,102,601
Penalties and interest on taxes.....	261,053	178,476	300,547	212,137	237,369	224,433	138,057	143,099	149,552	130,906
Payments in lieu of taxes.....	25,996	51,884	30,178	5,926	61,415	37,458	34,043	29,670	35,923	35,318
Licenses and permits.....	763,509	1,437,443	919,188	799,813	829,113	1,036,191	915,128	1,052,316	1,134,288	1,236,150
Fines and forfeitures.....	64,567	59,324	61,663	42,579	47,404	58,507	66,285	18,569	42,141	29,814
Intergovernmental - state aid.....	183,290	188,886	184,944	185,707	196,005	205,395	184,462	180,380	280,500	198,942
Intergovernmental - other.....	4,059,614	2,379,089	1,997,039	2,583,899	3,487,056	1,122,574	5,253,819	3,702,611	3,857,427	6,719,840
Departmental and other.....	581,785	1,325,991	1,452,374	1,825,674	3,518,180	1,521,264	1,202,290	1,263,579	2,150,872	2,040,614
Community preservation taxes.....	-	-	-	-	-	698,544	665,077	1,006,962	1,033,727	1,055,546
Community preservation state match.....	476,583	287,525	286,060	209,522	183,162	216,932	281,914	353,577	566,746	514,716
Special assessments.....	492,559	106,538	49,139	82,212	59,171	39,358	33,315	41,387	15,507	23,055
Contributions and donations.....	132,997	243,383	131,059	358,684	293,077	569,508	408,763	443,238	399,283	4,407,158
Investment income (loss).....	190,285	24,017	39,668	108,753	125,017	556,187	353,394	226,567	(163,624)	941,555
<b>Total revenues.....</b>	<b>43,416,702</b>	<b>42,527,659</b>	<b>44,127,253</b>	<b>45,855,116</b>	<b>49,724,175</b>	<b>48,890,117</b>	<b>52,672,173</b>	<b>53,367,399</b>	<b>56,849,040</b>	<b>65,488,569</b>
<b>Expenditures:</b>										
General government.....	2,914,669	3,002,515	3,088,544	3,583,900	3,531,706	4,382,802	2,799,523	2,908,148	2,925,719	3,167,413
Public safety.....	5,235,426	6,747,726	5,906,628	6,040,145	6,252,506	7,391,195	6,808,548	6,952,279	7,525,785	7,903,893
Education.....	8,066,117	8,163,343	8,384,664	8,853,300	9,143,462	9,355,580	9,125,406	9,318,122	8,982,159	9,839,326
Public works.....	4,687,573	4,989,718	4,190,022	4,110,286	9,290,956	10,792,770	7,904,947	5,971,913	5,496,286	7,875,273
Natural resources.....	1,008,158	1,229,676	1,055,728	1,134,161	1,331,059	1,574,008	3,966,010	3,460,965	3,158,276	3,629,383
Community development.....	604,580	654,996	813,345	745,841	722,211	793,578	916,845	906,184	874,530	927,855
Health and human services.....	558,735	659,280	683,672	553,982	702,141	894,827	956,473	1,187,615	778,036	931,321
Culture and recreation.....	935,876	967,510	1,071,640	1,194,591	1,244,857	1,339,657	622,317	524,626	655,725	1,229,851
Community preservation.....	58,804	72,617	62,478	69,815	69,345	72,255	566,957	201,990	382,194	456,918
Pension benefits.....	-	1,734,970	1,729,864	1,833,890	1,933,226	2,035,784	2,176,410	2,193,239	2,456,963	2,461,075
Employee benefits.....	6,153,969	2,170,174	2,199,399	2,286,678	2,518,126	2,576,845	3,400,826	3,158,660	3,076,708	3,459,286
Claims and judgments.....	-	-	-	-	-	-	300,000	-	-	-
State and county charges.....	626,980	669,675	694,402	714,974	751,526	772,652	827,520	860,278	868,600	889,458
Capital outlay.....	6,867,332	7,733,817	12,409,973	7,179,358	4,683,073	2,438,905	19,070,444	13,787,870	5,890,739	11,875,766
Debt service:										
Principal.....	5,332,383	4,959,887	5,489,370	5,646,021	5,229,829	4,189,355	4,255,428	4,843,440	5,469,735	4,594,357
Interest.....	1,949,485	2,005,487	2,282,597	1,989,014	1,936,362	2,801,120	1,861,421	2,090,320	2,251,855	2,067,640
<b>Total expenditures.....</b>	<b>45,000,087</b>	<b>45,761,391</b>	<b>50,062,326</b>	<b>45,935,956</b>	<b>49,340,385</b>	<b>51,411,333</b>	<b>65,559,075</b>	<b>58,365,649</b>	<b>50,793,310</b>	<b>61,308,815</b>
Excess (deficiency) of revenues over (under) expenditures.....	(1,583,385)	(3,233,732)	(5,935,073)	(80,840)	383,790	(2,521,216)	(12,886,902)	(4,998,250)	6,055,730	4,179,754
<b>Other Financing Sources (Uses):</b>										
Issuance of bonds.....	-	14,167,853	3,336,119	-	-	3,994,800	16,058,416	4,155,000	815,700	9,875,258
Issuance of refunding bonds.....	-	-	-	5,706,400	-	-	-	-	10,241,900	-
Premium from issuance of bonds.....	-	-	-	728,412	-	381,356	301,688	333,639	207,318	414,315
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	-	1,268,401	-
Payments to refunded bond escrow agent.....	-	-	-	(6,365,668)	-	-	-	-	(11,705,000)	-
Proceeds from the sale of capital assets.....	-	-	-	-	-	-	27,100	30,650	24,860	31,440
Transfers in.....	1,268,768	2,478,938	1,071,580	1,207,580	1,388,219	1,212,340	1,286,110	1,572,260	2,062,568	1,183,597
Transfers out.....	(1,859,068)	(3,219,238)	(1,945,943)	(1,777,059)	(2,104,668)	(1,772,445)	(1,830,950)	(2,072,260)	(2,462,568)	(1,583,597)
<b>Total other financing sources (uses).....</b>	<b>(590,300)</b>	<b>13,427,553</b>	<b>2,461,756</b>	<b>(500,335)</b>	<b>(716,449)</b>	<b>3,816,051</b>	<b>15,842,364</b>	<b>4,019,289</b>	<b>453,179</b>	<b>9,921,013</b>
<b>Net change in fund balance.....</b>	<b>\$ (2,173,685)</b>	<b>\$ 10,193,821</b>	<b>\$ (3,473,317)</b>	<b>\$ (581,175)</b>	<b>\$ (332,659)</b>	<b>\$ 1,294,835</b>	<b>\$ 2,955,462</b>	<b>\$ (978,961)</b>	<b>\$ 6,508,909</b>	<b>\$ 14,100,767</b>
Debt service as a percentage of noncapital expenditures.....	19.10%	18.32%	20.64%	19.70%	16.05%	14.27%	13.16%	15.55%	17.20%	13.48%

(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)	
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
2022	\$7,747,671,899	\$4.62	\$388,554,141	\$25,033,370	\$73,744,520	\$487,332,031	\$4.62	\$4.62	\$8,235,003,930
2023	\$9,357,421,975	\$3.88	\$433,268,290	\$27,788,775	\$99,132,850	\$560,189,915	\$3.88	\$3.88	\$9,917,611,890



(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	2023			2014		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
CBI Owner, LLC	Resort Inn	\$ 108,777,800	1	1.10%	\$ 83,999,700	1	1.45%
Eastward Ho! Country Club	Country Club	27,389,580	2	0.28%	23,826,770	2	0.41%
Brogan Patrick & Black Patricia J	Residential	22,362,100	3	0.23%			
Wilkey Way 67 Nominee Trust	Residential	18,460,600	4	0.19%			
TR 97 Nominee Trust	Residential	18,184,300	5	0.18%	7,845,420	7	0.14%
Jones, Robert W. & Debra N.	Residential	17,583,300	6	0.18%	10,040,050	5	0.17%
Paul & Pamela Julian 2002 Trust	Residential	16,638,400	7	0.17%			
Riptide, LLC	Residential	15,184,700	8	0.15%			
Briggs Way, LLC	Residential	15,003,500	9	0.15%			
Bedford Henry W II & Sara J	Residential	13,750,000	10	0.14%			
Liberty Commons LTD Liability Corp.	Nursing Home				11,878,000	3	0.21%
Eversource	Utility				10,196,350	4	0.18%
Anselmo Mary Trustee	Residential				9,245,420	6	0.16%
Chatham Conservation Foundation Inc.	Foundation				7,611,150	8	0.13%
LSM Realty Trust	Residential				7,120,500	9	0.12%
Camp Moonpenny Trust	Residential				6,657,250	10	0.12%
		Totals \$ <u>273,334,280</u>		<u>2.76%</u>	\$ <u>178,420,610</u>		<u>3.09%</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)
2014	\$29,353,578	\$336,575	\$29,017,003	98.85%	\$28,789,720	99.22%	\$696,404	\$29,486,124	101.62%
2015	\$29,687,491	\$376,928	\$29,310,563	98.73%	\$29,011,372	98.98%	\$365,416	\$29,376,788	100.23%
2016	\$31,140,649	\$374,107	\$30,766,542	98.80%	\$30,424,256	98.89%	\$463,745	\$30,888,001	100.39%
2017	\$32,386,089	\$295,629	\$32,090,459	99.09%	\$31,564,098	98.36%	\$674,745	\$32,238,843	100.46%
2018	\$32,955,918	\$267,129	\$32,688,789	99.19%	\$32,395,281	99.10%	\$687,777	\$33,083,058	101.21%
2019	\$34,323,400	\$261,613	\$34,061,787	99.24%	\$33,729,005	99.02%	\$551,170	\$34,280,175	100.64%
2020	\$35,699,116	\$264,609	\$35,434,507	99.26%	\$34,786,634	98.17%	\$460,573	\$35,247,207	99.47%
2021	\$37,248,445	\$220,072	\$37,028,373	99.41%	\$36,654,849	98.99%	\$262,837	\$36,917,686	99.70%
2022	\$38,045,718	\$334,282	\$37,711,436	99.12%	\$37,567,148	99.62%	\$332,403	\$37,899,551	100.50%
2023	\$38,480,334	\$335,105	\$38,145,229	99.13%	\$37,980,813	99.57%	\$0	\$37,980,813	99.57%



(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				
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
2022	33,017,131	39,603,419	-	2,460,336	7,648,334	82,729,220	14.12%	6,604	12,527
2023	34,633,799	43,206,120	-	5,591,261	7,275,745	90,706,925	21.15%	6,554	13,840

(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)
------	--------------------------------	---	-------------------

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
2022	82,729,220	1.00%	12,527
2023	90,706,925	0.91%	13,840

(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, 2023**

<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.....	\$ 26,057,367	7.91%	\$ 2,061,138	\$ 621,683
Cape Cod Regional Technical High School District.....	62,730,000	3.29%	2,063,817	111,755
Monomoy Regional School District.....	20,900,000	27.00%	<u>5,643,000</u>	7,739,657
Subtotal, overlapping debt.....			9,767,955	
Town direct debt.....			<u>77,839,919</u>	
Total direct and overlapping debt.....			<u>\$ 87,607,874</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 the 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Equalized Valuation.....	\$ <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>	\$ <u>8,663,945,100</u>	\$ <u>8,768,778,800</u>
Debt Limit - 5% of Equalized Valuation.....	\$ 309,829,400	\$ 309,829,400	\$ 329,400,715	\$ 329,400,715	\$ 368,733,505	\$ 368,733,505	\$ 395,207,930	\$ 395,207,930	\$ 433,197,255	\$ 438,438,940
Less:										
Outstanding debt applicable to limit.....	72,916,072	82,296,484	80,235,680	72,567,624	67,252,795	75,259,319	86,545,134	84,620,318	79,585,764	84,506,575
Authorized and unissued debt applicable to limit.....	<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>	<u>55,499,299</u>	<u>85,863,352</u>
Legal debt margin.....	\$ <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>	\$ <u>298,112,192</u>	\$ <u>268,069,013</u>
Total debt applicable to the limit as a percentage of debt limit.....	30.26%	30.55%	29.17%	40.55%	31.51%	35.17%	35.23%	36.53%	31.18%	38.86%

Source: Assessor's Office

**Demographic and Economic Statistics**

**Last Ten Years**

<b>Year</b>	<b>Population Estimates</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
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	389	4.7%
2022	6,604	586,105,000	88,750	68	389	5.2%
2023	6,554	428,913,422	65,443	68	390	3.0%

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.

**Principal Employers (excluding Town)**

**Current Year and Nine Years Ago**

Employer	Nature of Business	2023			2014		
		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	12.00%	198	1	7.26%
Chatham Bars Inn	Resort Inn	230	2	8.37%	170	2	6.24%
Chatham Squire Restaurant & Tavern	Restaurant/Tavern	75	3	2.73%	75	3	2.75%
J. Vernon Whitely	Plumbing & Heating	75	4	2.73%			
Chatham Wayside Inn	Inn & Restaurant	35	5	1.27%	35	5	1.28%
The Impudent Oyster	Restaurant/Lounge	28	6	1.02%	28	6	1.03%
Ocean State Job Lot	Retail				40	4	1.47%
	Totals	<u>773</u>		<u>28.12%</u>	<u>546</u>		<u>20.03%</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function										
General government.....	21	20	21	21	21	21	22	22	22	22
Public safety.....	54	53	53	53	54	54	57	58	58	60
Public works.....	29	33	34	34	34	36	36	37	37	32
Natural resources.....	22	23	22	22	22	15	15	15	15	15
Community development.....	13	13	12	12	12	12	12	12	12	12
Health and human services.....	<u>5</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>11</u>
Total .....	<u>144</u>	<u>148</u>	<u>148</u>	<u>148</u>	<u>149</u>	<u>144</u>	<u>148</u>	<u>150</u>	<u>150</u>	<u>152</u>

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

**Operating Indicators by Function/Program**

**Last Ten Years**

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Animal Control										
Total calls for service.....	502	433	540	499	517	584	637	594	725	563
Eldredge Public Library										
Total circulation.....	135,693	120,544	129,895	124,465	119,023	116,850	93,706	88,494	113,060	26,310
Harbormaster										
Private mooring permits issued.....	2,345	2,299	2,199	2,144	2,197	2,135	2,072	2,104	2,054	2,197
Police Department										
Motor vehicle enforcement actions.....	1,614	1,406	1,602	1,204	3,386	3,551	3,452	3,553	3,918	2,579
Community policing interactions.....	8,330	7,816	8,374	8,428	7,093	6,361	6,185	6,546	5,669	3,662
Total calls for service.....	29,612	21,988	26,405	24,138	19,080	20,631	18,608	19,440	13,202	19,817
Water										
Number of gallons pumped.....	456,139,100	534,579,200	539,032,100	457,038,000	511,922,600	491,116,200	536,821,700	464,659,300	381,755,300	460,405,300
MSW tons transported to SEMASS.....	5,236	5,554	5,675	5,870	5,246	5,193	5,529	6,008	5,365	5,209
Number of hydrants painted.....	N/A	N/A	N/A	N/A	245	245	246	299	299	245
Town Clerk										
Birth certificates.....	27	25	25	25	16	14	23	20	11	2
Marriage certificates.....	92	71	80	78	85	65	11	66	45	73
Death certificates.....	138	191	154	175	178	180	153	151	121	164
Zoning										
Number of hearings scheduled.....	101	97	106	120	115	111	88	84	104	151
Number of special permit requests.....	78	76	83	93	85	89	67	66	75	89
Fire Department										
Total incidents.....	2,792	2,728	2,713	2,787	3,149	3,092	3,121	2,874	2,562	3,275
Rescue/EMS.....	1,072	1,064	1,045	1,055	1,152	1,102	1,127	963	1,078	1,372
Inspectional Services Department										
Number of building permits (quick and zoning)...	819	838	882	909	1,060	918	945	942	792	1,077
Number of plumbing/gas permits.....	1,038	1,110	980	979	1,046	1,118	1,141	1,075	991	1,136
Number of electrical permits.....	755	789	829	742	868	834	813	844	792	984
Cemetery										
Burials.....	66	62	46	52	56	70	36	71	87	51
Parking Sticker Sales										
Non resident over sand.....	449	462	529	526	493	488	555	724	733	763
Over sand.....	3,828	N/A	3,997	4,069	4,187	4,287	4,216	5,521	4,376	4,672
Parking lot.....	2,159	N/A	2,297	2,397	2,408	2,329	2,090	2,477	2,583	2,538
Transfer station.....	1,379	N/A	1,329	1,287	1,402	1,372	1,407	1,320	1,661	1,704

Source: Various Town Departments

N/A - Information not available.

**Capital Asset Statistics by Function/Program**

**Last Ten Years**

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
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	9	9
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	9	9	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	1,227	1,227	1,229	1,229
Service connections.....	N/A	N/A	N/A	N/A	N/A	N/A	7,479	7,479	7,811	7,855
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



Fish Pier lobster boat