

**FINAL OFFICIAL STATEMENT DATED DECEMBER 14, 2022**

**TOWN OF SCITUATE, MASSACHUSETTS**

**\$770,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES  
(Subject to Federal and Massachusetts Income Taxation)**

Dated  
January 26, 2023

Due  
May 25, 2023

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<u>Number</u>	<u>Award</u>	<u>Coupon Rate</u>	<u>Yield</u>	<u>CUSIP</u>
1	\$ 770,000	6.25%	5.15%	809095 A77

**Piper Sandler & Co.**

*Purchaser*

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The provisions of the accompanying PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED DECEMBER 7, 2022 supplemented and modified hereby, are incorporated in and made part of this Final Official Statement.

**Hilltop Securities Inc.**

*Financial Advisor*

## PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED DECEMBER 7, 2022

In the opinion of Locke Lord, LLP, Bond Counsel, based upon an analysis of existing law, interest on the Notes is includable in gross income for federal tax purposes and is subject to Massachusetts personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "Tax Matters" herein.

### TOWN OF SCITUATE, MASSACHUSETTS \$770,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES (Subject to Federal and Massachusetts Income Taxation)

The Town of Scituate, Massachusetts (the "Town"), will receive telephone and electronic bids at Hilltop Securities Inc. (617-619-4400) in the case of telephone bids and via PARITY in the case of electronic bids until 11:00 a.m. eastern time, Wednesday, December 14, 2022 for the purchase of the following described General Obligation Bond Anticipation Notes (the "Notes").

\$770,000 General Obligation Bond Anticipation Notes (Subject to Federal and Massachusetts Income Taxation) (renewal) dated January 26, 2023 and payable on May 25, 2023. Interest on the Notes will be calculated on a 30 day-month/360 day-year basis (119/360). The Notes will not be subject to redemption prior to their stated maturity date.

Bids for the Notes may be submitted electronically via **PARITY** pursuant to this Notice of Sale until 11:00 a.m., eastern time, on Wednesday, December 14, 2022 but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Hilltop Securities Inc. or **PARITY** at (212) 404-8102.

Bids for the Notes must be for all of Notes at a single rate of interest in multiples of one-hundredth (1/100) or one-eighth (1/8) of one percent (1%). **No bid for less than par, plus accrued interest, if any, to the date of delivery, will be considered. The Notes will be awarded on the basis of the lowest net interest cost to the Town after deduction of premium, if any.** Such cost will be determined by computing the total amount of interest payable on the Notes, at the rate or rates stated, from January 26, 2023 until the maturity of the Notes and deducting therefrom the sum, if any, by which the amount bid for the Notes exceeds the aggregate principal amount of the Notes. In the event two or more bidders submit the same lowest net interest cost for the Notes, the Treasurer shall determine the winning bidders by lot from among all such bidders. The right is reserved to reject any and all bids not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any bid.

The Notes will be issued by means of a book-entry system, evidencing ownership of the Notes in principal amounts of \$1,000, or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company (DTC) and its participants pursuant to rules and procedures adopted by DTC (see "Book-Entry Transfer System"), unless the issuance of a fully registered note certificate is requested by a successful bidder and the issuance of such certificate is approved by the Town Treasurer and the Town Council. Principal and interest will be payable upon maturity in federal reserve funds at U.S. Bank Trust Company, National Association, Boston, Massachusetts. Bidders may elect to denominate the Notes as physical registered securities rather than "Book-Entry" securities to be held by DTC, subject to approval of the Town.

An electronic bid made in accordance with this Notice of Sale shall be deemed an offer to purchase the Notes in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the Town.

Any bidder who submits a successful bid by telephone in accordance with this Notice of Sale shall be required to provide written confirmation of the terms of the bid by faxing or e-mailing a completed, signed bid form to Hilltop Securities Inc., by not later than 12:00 noon, Eastern Time, on the date of sale.

The award of the Notes to the successful bidder will not be effective until the bid has been approved by the Treasurer and the Select Board of the Town.

A successful bidder for the Notes may request that all of the Notes be issued in the form of one fully registered physical certificate, rather than in book-entry form through the facilities of DTC. The successful bidder seeking the issuance of the Notes in this manner shall bear any and all costs of any re-registration or transfer of the Notes from time to time. Any bidder seeking to have the Notes issued in the form of a fully registered physical certificate or certificates, rather than in book-entry form, shall indicate this preference to the Town at the time of the submission of the winning bid. The Town reserves the

right to decline any request to issue the Notes in non-book entry form if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests.

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

Payment of the principal of and interest on the Notes is not limited to a particular fund or source of revenue nor is any lien or pledge for such payment created with respect to any such fund or source.

The initial purchaser(s) will be furnished an opinion of Locke Lord LLP, Boston, Massachusetts approving the legality of the Notes purchased by such purchaser (see "Tax Matters" and "Opinion of Bond Counsel" herein). The opinion the Notes will state that the Notes are valid and binding general obligations of the Town and, except to the extent they are paid from the proceeds of the bonds in anticipation of which they are issued or from any other available moneys, the principal of and interest on the Notes are payable from taxes which may be levied upon all taxable property in the Town, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

**Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.**

Bond Counsel is not passing upon and does not assume any responsibility for the accuracy or adequacy of the information contained herein other than matters set forth as the opinion of bond counsel, and makes no representation that they have independently verified the same.

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

It is anticipated that CUSIP identification numbers will be printed on the Notes. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

Additional information concerning the Town and the Notes is contained in the Preliminary Official Statement dated December 7, 2022 to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes and is not a part of this Notice of Sale. The Preliminary Official Statement has been deemed final by the Town except for the omission of the reoffering prices, interest rates, and other terms of the Notes depending on such matters, and the identity of the underwriters, but is subject to change without notice and to completion or amendment in a Final Official Statement. Copies of the Preliminary Official Statement may be obtained from Hilltop Securities Inc., 54 Canal Street, Boston, Massachusetts, 02114 telephone (617-619-4400). Within seven (7) business days following the award of the Notes and receipt of necessary information from the successful bidder(s), five (5) copies of the Final Official Statement will be made available to the successful bidder(s). Upon request, additional copies will be provided at the expense of the requester.

The Notes, in definitive form, will be delivered to DTC or the office of its custodial agent, or to the registered owner if a fully registered certificate or certificates is requested by a successful bidder and approved by the Town, on or about January 26, 2023 for credit to the Town in federal reserve funds.

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TOWN OF SCITUATE, MASSACHUSETTS  
5/25/23 /s/ Ms. Pamela J. Avitabile, Treasurer

December 7, 2022

**OFFICIAL STATEMENT  
TOWN OF SCITUATE, MASSACHUSETTS  
\$770,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

The purpose of this Official Statement is to furnish certain information regarding the Town of Scituate, Massachusetts (hereafter referred to as the "Town") and the \$770,000 principal amount of the Town's General Obligation Bond Anticipation Notes (Subject to Federal and Massachusetts Income Taxation) (the "Notes"). The information contained herein has been furnished by the Town, except information attributed to another source.

**The Notes**

The Notes will be dated January 26, 2023 and will mature on May 25, 2023 without option of prior redemption. The Notes will bear interest payable at maturity at the rate(s) determined in accordance with the Notice of Sale and Official Statement dated December 7, 2022. The Notes will be issued by means of a book-entry-transfer system, evidencing ownership of the Notes in principal amounts of \$1,000, or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company (DTC) and its participants pursuant to the rules and procedures adopted by DTC, unless the delivery of a fully registered note certificate or certificates is requested by the winning bidder(s) and the issuance of such certificate(s) is approved by the Town. (See "Book-Entry-Transfer System" herein.)

**Authorization of the Notes and Use of Proceeds**

The following tables sets forth the principal amount, purpose, original authorization amount, notes outstanding, statutory reference, date of approval, for the current issues of Notes. Proceeds of the Notes may be transferred or re-appropriated to other capital projects to the extent projects are completed or abandoned and such proceeds remain unspent.

<u>This Issue</u>	<u>Purpose</u>	<u>Original Bond Authorization</u>	<u>Anticipation Notes Outstanding</u>	<u>Statutory Reference</u>	<u>Date of Authorization</u>
\$ 770,000	Widows Walk Golf Course Improvements	770,000	770,000	Ch.44, s.7(1)	4/12/2021
<u>\$ 770,000</u>			<u>\$ 770,000 (1)</u>		

(1) This issue will retire bond anticipation notes maturing January 26, 2023.

**The Town anticipates that the Notes will be retired at maturity from proceeds from the sale of the long-term bonds in anticipation of which the Notes are issued, proceeds from the sale of renewal bond anticipation notes and other available funds of the Town, or a combination of such sources. The ability of the Town to retire the Notes from the proceeds of the sale of either renewal notes or long-term bonds will be dependent on the marketability of such notes or long-term bonds under market conditions prevailing at the time they are offered for sale, which are subject to change due to factors beyond the control of the Town, such as the current COVID-19 pandemic.**

**Tax Matters**

In the opinion of Locke Lord LLP, Bond Counsel ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, interest on the Notes is included in gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The following discussion summarizes certain U.S. federal income tax considerations relating to the acquisition, ownership, and disposition of the Notes and it may not contain all of information that may be important to a particular investor. It is based on provisions of the Code, Treasury Regulations promulgated thereunder, and administrative and judicial interpretations thereof, all in effect or proposed on the date hereof and all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service ("IRS") with respect to any of the U.S. federal income tax consequences discussed below. Accordingly,



no assurance can be given that the IRS will agree with the views expressed in this summary, or that a court will not sustain any challenge by the IRS in the event of litigation.

The following relates only to Notes that are acquired in the initial offering for an amount of cash equal to the initial offering price (i.e., the price at which a substantial amount of such Notes is first sold to the public) and that are held as “capital assets” within the meaning of Section 1221 of the Code (i.e., generally, property held for investment).

This discussion does not address all U.S. federal income tax consequences applicable to any given investor, nor does it address the U.S. federal income tax considerations applicable to investors who may be subject to special tax treatment (regardless of whether or not such persons constitute U.S. Holders (defined below)), such as banks and other financial institutions, retirement plans, employee stock ownership plans, certain U.S. expatriates, banks, real estate investment trusts, regulated investment companies, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships or other pass-through entities for U.S. federal income tax purposes (or investors in such entities), S corporations, estates and trusts, investors who hold their Notes as part of a hedge, straddle, or an integrated or conversion transaction, investors whose “functional currency” is not the U.S. dollar, or persons subject to the alternative minimum tax. In addition, this discussion does not include any description of the tax laws of any state, local, or non-U.S. jurisdiction that may be applicable to a particular investor and does not consider any aspects of U.S. federal tax law other than income taxation.

As used herein, “U.S. Holder” means a beneficial owner of a Note that is, for U.S. federal income tax purposes: (i) an individual citizen or resident, as defined in Section 7701(b) of the Code, of the United States, (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust or (B) the trust validly elected to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Note (other than a partnership) who is not a U.S. Holder.

The U.S. federal income tax treatment of an entity classified as a partnership for U.S. federal income tax purposes that holds the Notes generally will depend on such partner’s particular circumstances and on the activities of the partnership. Partners in such partnerships should consult their own tax advisors regarding the consequences of acquiring, owning and disposing of the Notes (including their status as U.S. Holders or Non-U.S. Holders).

### *U.S. Holders*

*Interest.* Stated interest on the Notes generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

“Original issue discount” will arise for U.S. federal income tax purposes in respect of any Notes if its stated redemption price at maturity exceeds its issue price by more than a de minimis amount (as determined for U.S. federal income tax purposes). For any Notes issued with original issue discount, the amount of original issue discount is equal to the excess of the stated redemption price at maturity of that Note over its issue price. The stated redemption price at maturity of a Note is the sum of all scheduled amounts payable on such Note other than qualified stated interest. U.S. Holders generally will be required to include any original issue discount in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders of Bonds issued with original issue discount generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

“Premium” generally will arise for U.S. federal income tax purposes in respect of any Note to the extent its issue price exceeds its stated principal amount. A U.S. Holder of a Note issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Note. Premium is amortized by offsetting qualified stated interest with the premium allocable to the accrual period.

*Market Discount.* A holder who acquires a Note in a secondary market transaction may be subject to U.S. federal income tax rules providing that accrued market discount will be subject to taxation as ordinary income on the sale or other disposition of a “market discount bond.” Dispositions subject to this rule include a redemption or retirement of a Note. The market discount rules may also limit a holder’s deduction for interest expense for debt that is incurred or continued to purchase or carry a Note. A market discount bond is defined generally as a debt obligation purchased subsequent to issuance, at a price

that is less than the principal amount of the obligation, subject to a de minimis rule. The Code allows a taxpayer to compute the accrual of market discount by using a ratable accrual method or a constant interest rate method. Also, a taxpayer may elect to include the accrued discount in gross income each year while holding the bond, as an alternative to including the total accrued discount in gross income at the time of a disposition, in which case the tax basis of the bond will be increased by the amount of discount included in gross income and the interest expense deduction limitation described above will not apply.

**Disposition of the Notes.** Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Town), reissuance or other disposition of a Note will be a taxable event for U.S. federal income tax purposes. In such event, a U.S. Holder of a Note generally will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Note which will be taxed in the manner described above under "Interest") and (ii) the U.S. Holder's adjusted tax basis in the Note at the time of disposition. A U.S. Holder's adjusted basis in a Note will generally equal the purchase price paid by the U.S. Holder for the Note, increased by the amount of any original issue discount previously included in income by such U.S. Holder with respect to such Note and decreased by any payments previously made on such Note, other than payments of qualified stated interest, or decreased by any amortized premium. Any such gain or loss generally will be capital gain or loss and will be long term capital gain or loss if such Note is held by the U.S. Holder for more than one year. Long-term capital gain of non-corporate U.S. Holders is generally subject to tax at preferential rates. The deductibility of capital losses is subject to limitations.

A material modification of the terms of any Note may result in a deemed reissuance thereof, in which event a beneficial owner of the modified Notes generally will recognize taxable gain or loss equal to the difference between the amount realized from the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the beneficial owner's adjusted tax basis in the Note.

**Net Investment Income Tax.** Section 1411 of the Code generally imposes a 3.8% Medicare contribution tax on the net investment income of certain individuals, trusts, and estates to the extent their income exceeds certain threshold amounts. For these purposes, "net investment income" may include, among other things, interest and gains from the sale or other disposition of the Notes. Prospective investors are advised to consult their tax advisors regarding the possible implications of this additional tax on their investment in the Notes.

**Information Reporting and Backup Withholding.** In general, a U.S. Holder will be subject to backup withholding with respect to interest on the Notes, and the proceeds of a sale or other disposition of the Notes (including a redemption or retirement), at the applicable tax rate of 28%, unless such holder (a) is an entity that is exempt from backup withholding (including corporations) and, when required, demonstrates this fact, or (b) provides the payor with its taxpayer identification number ("TIN"), certifies that the TIN provided to the payor is correct and that the holder has not been notified by the IRS that such holder is subject to backup withholding due to underreporting of interest or dividends, and otherwise complies with applicable requirements of the backup withholding rules. In addition, such payments to U.S. Holders that are not exempt entities will generally be subject to information reporting requirements. A U.S. Holder who does not provide the payor with its correct TIN may be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the IRS.

#### *Non-U.S. Holders*

The following discussion applies only to Non-U.S. Holders. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to Non-U.S. Holders in light of their particular circumstances. For example, special rules may apply to a Non-U.S. Holder that is a "controlled foreign corporation" or a "passive foreign investment company," and, accordingly, Non-U.S. Holders should consult their own tax advisors to determine the effect of U.S. federal, state, local and non U.S. tax laws, as well as tax treaties, with regard to an investment in the Notes.

**Interest.** Subject to the discussions below under the headings "FATCA Withholding" and "Information Reporting and Backup Withholding," a Non-U.S. Holder will not be subject to U.S. federal income or withholding taxes in respect of interest paid or accrued on a Note (including original interest discount income) if the interest qualifies for the "portfolio interest exemption." This generally will be the case if each of the following applicable requirements are satisfied:

- the interest is not effectively connected with a U.S. trade or business;
- the Non-U.S. Holder is not, and is not treated as, a bank receiving interest on an extension of credit pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in Section 881(c)(3)(A) of the Code;
- certain certification requirements are met. Under current law, the certification requirement will be satisfied in any of the following circumstances:

- If a Non-U.S. Holder provides to the payor a statement on an applicable IRS Form W-8 (or suitable successor form), together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder by name and address and stating, among other things, that the Non-U.S. Holder is not a United States person.
- If a Note is held through a securities clearing organization, bank, or another financial institution that holds customers' securities in the ordinary course of its trade or business, (i) the Non-U.S. Holder provides such a form to such organization or institution, and (ii) such organization or institution, under penalty of perjury, certifies to the payor that it has received such statement from the beneficial owner or another intermediary and furnishes the payor with a copy thereof.
- If a financial institution or other intermediary that holds the Note on behalf of the Non-U.S. Holder has entered into a withholding agreement with the IRS and submits an IRS Form W-8IMY (or suitable successor form) and certain other required documentation to the payor.

If the requirements of the portfolio interest exemption described above are not satisfied, a 30% withholding tax will apply to the gross amount of interest on the Notes that is paid to a Non-U.S. Holder, unless either: (a) an applicable income tax treaty reduces or eliminates such tax, and the Non-U.S. Holder claims the benefit of that treaty by providing a properly completed and duly executed IRS Form W-8BEN or Form W-8BEN-E, as applicable (or suitable successor or substitute form) establishing qualification for benefits under the treaty, or (b) the interest is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States and the Non-U.S. Holder provides an appropriate statement to that effect on a properly completed and duly executed IRS Form W-8ECI (or suitable successor form).

If a Non-U.S. Holder is engaged in a trade or business in the United States and its investment in a Note is effectively connected with the conduct of that trade or business, the Non-U.S. Holder generally will be required to pay U.S. federal income tax on that interest on a net income basis in the same manner as a U.S. Holder and the 30% withholding tax described above will not apply provided the duly executed IRS Form W-8ECI is provided to the Town's paying agent. If a Non-U.S. Holder is eligible for the benefits of an income tax treaty between the U.S. and its country of residence, and the Non-U.S. Holder claims the benefit of the treaty by properly submitting an IRS Form W-8BEN or Form W-8BEN-E, as applicable, any interest income that is effectively connected with a U.S. trade or business will be subject to U.S. federal income tax in the manner specified by the treaty and generally will only be subject to such tax if such income is attributable to a permanent establishment (or a fixed base in the case of an individual) maintained by the Non-U.S. Holder in the United States. In addition, a Non-U.S. Holder that is treated as a foreign corporation for U.S. federal income tax purposes may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable income tax treaty) of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with its conduct of a trade or business in the United States.

*Disposition of the Notes.* Subject to the discussions below under the headings "FATCA Withholding" and "Information Reporting and Backup Withholding," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement, reissuance or other disposition of a Note generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States (and, in the case of certain income tax treaties, is attributable to a permanent establishment or "fixed base" within the United States); or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement, reissuance or other disposition and certain other conditions are met. If the first exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax on the net gain derived from the sale, exchange, redemption, retirement at maturity, or other taxable disposition of the Notes in the same manner as a U.S. Holder unless an applicable income tax treaty provides otherwise. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (except as otherwise provided by an applicable income tax treaty) on the amount by which its U.S.-source capital gains exceed its U.S.-source capital losses. In addition, corporate Non-U.S. Holders may be subject to a 30% (or lower applicable treaty rate) branch profits tax on any such effectively connected earnings and profits attributable to such gain.

*U.S. Federal Estate Tax.* A Note that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that at the time of such individual's death, payments of interest with respect to such Note would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

*FATCA Withholding.* The Foreign Account Tax Compliance Act ("FATCA") together with administrative guidance and certain intergovernmental agreements entered into thereunder generally imposes a 30% U.S. withholding tax on certain U.S. source payments, including interest, and on gross proceeds from a disposition of property of a type which can produce U.S. source interest ("withholdable payments"), paid to (i) a "foreign financial institution" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) or to a "non-financial foreign entity" (as specifically defined in the Code)" which does not provide sufficient documentation, typically on IRS Form

W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial United States beneficial owners of such entity (if any). The 30% withholding tax under FATCA applies regardless of whether the foreign financial institution or non-financial foreign entity receives payments as a beneficial owner or intermediary and whether the applicable payment otherwise is exempt from U.S. withholding (e.g., as “portfolio interest” or as capital gain upon the sale, exchange, redemption or other disposition of a Note). Interest paid with respect to the Notes and gross proceeds from the sale or disposition of the Notes, may be subject to the 30% withholding tax if the holder fails to comply with FATCA. Non-U.S. holders are urged to consult their own tax advisors with respect to these information reporting rules and due diligence requirements and the potential application of FATCA to them.

*Information Reporting and Backup Withholding.* In general, the amount of any interest paid on the Notes in each calendar year, and the amount of U.S. federal income tax withheld, if any, with respect to these payments will be reported to the IRS and each Non-U.S. Holder. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which the Non-U.S. Holder resides under an applicable income tax treaty or other information exchange agreement.

Non-U.S. Holder who have provided certification as to their non-U.S. status or who have otherwise established an exemption will generally not be subject to backup withholding tax on payments of interest if the payor does not have actual knowledge or reason to know that such certification is unreliable or that the conditions of the exemption are in fact not satisfied.

Payments of the proceeds from the disposition of a Note (including a redemption or retirement) to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting, but generally not backup withholding, may apply to those payments if the broker is one of the following: (a) a United States person, (b) a “controlled foreign corporation” for U.S. federal income tax purposes, (c) a foreign person, 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a U.S. trade or business, or (d) a foreign partnership with specified connections to the United States, unless the Non-U.S. Holder certifies as to its non-U.S. status or otherwise establishes an exemption.

Payment of the proceeds from a disposition of a Note (including a redemption or retirement) to or through the United States office of a broker will be subject to information reporting and backup withholding unless the Non-U.S. Holder certifies as to its non-U.S. status or otherwise establishes an exemption from information reporting and backup withholding.

Backup withholding is not an additional tax, and amounts withheld as backup withholding are allowed as a refund or credit against a holder’s federal income tax liability, provided that the required information as to withholding is furnished to the IRS.

THE FOREGOING SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR BENEFICIAL OWNER OF NOTES IN LIGHT OF THE BENEFICIAL OWNER’S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO ANY TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL, FOREIGN TAX LAWS AS WELL AS OTHER FEDERAL TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN THESE TAX LAWS.

#### *Massachusetts Tax Matters*

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

#### **Book-Entry Transfer System**

This section shall apply to Notes issued in book-entry form through the facilities of The Depository Trust Company, New York, NY (“DTC”).

DTC will act as securities depository for the Notes. The Notes will be issued in fully-registered form registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of

DTC. One-fully registered Note certificate will be issued for each interest rate, each in the aggregate principal amount bearing such interest rate, and will be deposited with DTC.

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

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

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

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

## **Security and Remedies**

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

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

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

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

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

**Restricted Funds.** Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter, passenger ferry fee, community preservation and affordable housing receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing and related purposes, respectively; accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges for such activity. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately held property in the city or town for certain energy conservation and renewable energy projects and may borrow to establish such fund. The loan repayments and

interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant or system renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

**State Distributions.** State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on “qualified bonds” (See “*Serial Bonds and Notes*” under “TYPES OF OBLIGATIONS” below) and any other sums due and payable by the city or town to the Commonwealth or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority if the city or town is within the territory served by the Authority, for any debt service due on obligations issued to the Massachusetts School Building Authority, or for charges necessary to meet obligations under the Commonwealth’s Clean Water and Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water services to the city or town.

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

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

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

### **Opinion of Bond Counsel**

The unqualified approving opinion as to the validity of the Notes will be rendered by Locke Lord LLP, Boston, Massachusetts, Bond Counsel. The opinion will be dated the date of the original delivery of the Notes and will speak only as of such date.

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing upon and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

### **Municipal Advisory Services of Hilltop Securities Inc.**

Hilltop Securities Inc., Boston, Massachusetts, serves as municipal advisor to the Town.

## **Disclosure of Significant Events**

In order to assist underwriters in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (as amended, the “Rule”) applicable to municipal securities having a stated maturity of 18 months or less, the Town will covenant for the benefit of the owners of the Notes to file with the Municipal Securities Rulemaking Board (the “MSRB”), notices of the occurrence of any of the following events with respect to the Notes within ten business days of such occurrence: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (g) modifications to rights of owners of the Notes, if material; (h) bond calls, if material, and tender offers; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes, if material; (k) ratings changes on the Notes; (l) bankruptcy, insolvency, receivership or similar event of the Town; (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or the change of name of a trustee, if material; (o) incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a financial obligation of the Town, any of which affect the owners of the Notes, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

**In the past five years, the Town believes it has complied, in all material respects, with its previous undertakings to provide annual reports or notices of significant events in accordance with the Rule.**



## THE TOWN OF SCITUATE

### General

The Town of Scituate (the "Town") was incorporated in 1636 and is located in Plymouth County. It is approximately 25 miles southeast of Boston and 40 miles from Cape Cod. The Town is bordered by the Atlantic Ocean on the east and north, Marshfield on the south, Norwell on the southwest, Hingham on the west, and Cohasset on the northwest. It is approximately 17 square miles in area. The Town has a year-round population of 19,011, and 30,000 in summer months. Scituate is a residential community with a substantial summer population. It has 57 miles of tidal shoreline that includes five beaches and saltwater recreation areas for boating, fishing and other marine sports. Its harbor is home to approximately 1,700 boats in season and is one of the most sheltered/protected harbors on the East Coast.

### Local Government

Local legislative decisions are made by a town meeting open to all residents. Subject to legislative decisions made by town meeting, the affairs of the Town are generally administered by a five-member Select Board and a Town Administrator.

Local taxes are assessed by a three-member board of assessors elected for staggered three-year terms. Local school affairs are administered by a school committee of five persons also elected for staggered three-year terms.

### Principal Executive Officers

The principal executive officers of the Town are as follows:

<u>Office</u>	<u>Name</u>	<u>Term and Manner of Selection</u>	<u>Expiration of Term</u>
Select Board	Anthony V. Vegnani, Chair	Elected - 3-year term	2023
	Andrew W. Goodrich, Vice Chair	Elected - 3-year term	2023
	Karen E. Connolly	Elected - 3-year term	2025
	Karen B. Canfield	Elected - 3-year term	2025
	Maura C. Curran	Elected - 3-year term	2024
Town Administrator	James Boudreau	Appointed	2025
Treasurer/Collector	Pamela Avitabile	Appointed	2023
Finance Director/ Accountant	Nancy Holt	Appointed	2023
Town Clerk	Kathleen Gardner	Elected – 3-year term	2024
Town Counsel	Murphy, Hesse, Toomey & Lehane	Indefinite	Indefinite

### Coronavirus (COVID-19) Disclosure

COVID-19 is a respiratory disease caused by a novel coronavirus not previously been seen in humans. On March 10, 2020, the Governor of The Commonwealth of Massachusetts declared a state of emergency to support the Commonwealth's response to the outbreak of the virus. The state of emergency was rescinded on June 15, 2021.

As of December 31, 2021, the Town had incurred non-budgeted costs of \$3,288,746 in response to COVID-19. The Town has access to multiple funding sources for such costs, including Coronavirus Aid, Relief and Economic Security Act funds through Plymouth County. The Town has been reimbursed for all filed claims for such non-budgeted costs incurred as a direct result of the COVID-19 pandemic.

The Town maintained its fiscal year 2021 revenue reductions for local aid and local receipts for fiscal year 2022. FY 2022 closed positively with approximately \$5M in Free Cash due to these adjustments and a spending freeze.

The FY2023 local receipt estimate was kept at the reduced level adopted for FY2021 & FY2022 but the meals tax estimate was brought back to pre-pandemic levels due to the positive results in that revenue stream. The Town has not seen any material change in its tax collections during this period either.

The Town received its first and second distribution of American Rescue Plan Act (ARPA) funds through The Commonwealth of Massachusetts in the amount of \$1,980,748. Plymouth County claimed the ARPA funds for the municipalities in its jurisdiction and set up an allocation program. To date, 25% of the ARPA funds have been made available which is \$891,373. The Town expects to be able to access a total of \$3,565,492 ARPA funds through the program. The Select Board voted in February 2022 to use all but \$250,000 of the ARPA funds available from Plymouth County and The Commonwealth of Massachusetts for a new water treatment plant (\$5,296,240). At the April 11, 2022 special town meeting, voters at town

meeting approved a \$50M water treatment plant to be funded, in part, with the previously referenced \$5,296,240 of ARPA funds. The voters subsequently authorized the debt to be raised outside the limitations of Proposition 2 ½.

## **Municipal Services**

**Public Services** - The Town's Public Works Department is divided into five divisions: (1) Highways and Grounds; (2) Engineering; (3) Transfer Station; (4) Water; and (5) Sewer. The Transfer Station and Water and Sewer divisions operate as enterprise funds.

**Water** - The Department of Public Works Water Division is responsible for the construction, operation and maintenance of Scituate's municipal water system. The Water Division supervisor is responsible for the daily operations of the Water Division, which provides for the water service needs of nearly 100% of the population. Scituate's water supply is obtained from six gravel packed wells along with a reservoir. Since 2013, the Town has aggressively addressed its aging water infrastructure including \$30 million for water main replacement of which over 25 miles of pipe has been completed including all known cast iron pipes. The Town has also invested in seeking additional sources of water, adding a storage tank, a green sand filter facility and ongoing well rehabilitation. At the April 11, 2022 special town meeting, voters at town meeting approved a \$50M water treatment plant to be funded with \$5,296,240 of ARPA funds. The Water Department is self-supporting including debt service except for the recently authorized \$50 million water treatment plant.

**Sewer Facilities** - The Town's sewer system is comprised of the North River Water Pollution Treatment Facility and a sanitary sewer collection system with eight pump stations. Sewer service is available to 33 percent of all residential properties in Scituate and to the business districts of Scituate Harbor & Greenbush. The Town discharges its sewage into its own treatment facility. Commercial and residential users are charged, quarterly, a minimum and an excess meter reading. In the past two years, the Town has implemented an aggressive infrastructure upgrade, and expansion program for water and sewer funded by users. The Sewer operation is self-supporting including debt service. The Town is currently participating in a regional sewer feasibility study with the towns of Hull and Cohasset. The Town is aggressively pursuing inflow and infiltration into the system through a variety of methods including education, flow meter analysis, man-hole replacement, resiliency enhancement, SCADA and pipe replacement. The Town replaced a gravity sewer main which was identified as the largest contributor of inflow and infiltration in 2021 and approved funding for \$8 million to continue improvements on another major contributor. These improvements should allow the Town to extend sewer service to other areas that have been waiting for many years, including the north Scituate business district.

**Public Safety Services** - The Scituate Police Department carries out investigative, enforcement, support and educational functions in order to promote the safety and general welfare of the citizens of the Town. The Department consists of a chief, a deputy chief, two lieutenants, five sergeants, two detectives, one K9 officer, one traffic enforcement officer, twenty-two patrol officers, and eight communication specialists for both police and fire. Equipment consists of nine patrol cars, two unmarked cars, one animal control vehicle, and specialty vehicles. The Town was recently awarded a \$437,251 grant from the Department of Homeland Security Port Security to purchase a new marine patrol boat and voters approved the Town's 20% share of such purchase at the September 2022 town meeting.

The Town of Scituate has three fire stations. The department has a chief, deputy chief, four captains, four lieutenants and forty full-time fire fighters. The Fire Department is also responsible for the Town's advanced life support ambulance service and emergency medical and rescue operation.

A new public safety complex opened in March 2017, replacing the Town's prior fire station #3 and police station facility, which includes an emergency operations center. Over a multi-year period, the Town also replaced the second of its three fire stations which re-opened in December 2021 without loss of service to the residents.

**Library Services** - The municipal library was completed and occupied in 1978 and the construction cost was fully funded by the federal government. The library offers a variety of services and programs to Scituate residents in all age groups. Traditional library services are enhanced by modern technologies and innovative information systems. The library is centrally located and serves as a convenient meeting place for community groups. The Board of Library Trustees is responsible for establishing policies governing the operation of the library. On November 4, 2013, the Town approved a \$12,000,000 library renovation project which was offset with a \$4,985,480 public construction grant from the Massachusetts Board of Library Commissioners and \$1.4 million in private donations. The renovated building re-opened to the public in June 2017.

**Waterways** - The Town operates two public marinas comprised of 257 slips with permanent and transient docking facilities for commercial and pleasure boats. The Town received \$840,500 in a Seaport Economic Advisory Council grant to make improvements to its marinas and a \$27,000 Massachusetts Commission on Disabilities grant for accessibility improvements. The Town also received a \$58,000 grant for the purchase of a new pump-out boat in 2019. The marinas are accounted for as an enterprise fund. In FY2022, the Town was awarded a grant to replace \$1 million of docks and floats. The Town's

share of this project will be approximately \$250,000 which has already been appropriated for this purpose. An additional \$1.275 million of grant funding is being sought due to the cost escalations and design changes. An additional grant application will be filed for \$1 million in December 2022. The Town was also awarded a \$376,000 grant from the Commonwealth of Massachusetts Seaport Economic Advisory Council for a comprehensive dredge permit.

**Recreation** - The Recreation Department oversees, and maintains the Town's beaches and 17 athletic fields, and offers several fee-based programs. The Town finished a \$10 million improvement to its athletic fields including three turf fields, track and stadium at the high school/middle school campus. This project is predominately funded by CPA funds (\$8.3 million) and the remainder from donations and the tax levy. A new \$1 million baseball field was approved by voters at the September 2022 special town meeting and will be funded through CPA funds.

**Golf** - The Town also operates an 18-hole municipal golf course. Maintenance on the golf course is performed by International Golf Maintenance of Champions Gate, Florida. The course, which opened in June 1997, is also a self-supporting enterprise fund. The Town appropriated \$2.5 million for major renovations and expansion of the clubhouse, including restaurant and bar, and a parking area at the golf course which concluded in December 2021. The course has experienced record revenues in the past two years and has leased out the restaurant to a new lessee for a five year term.

## Education

The Town provides a comprehensive school system which offers education from grades Pre-K-12, as well as special needs programs. In addition, the Town has an Adult Evening School Center equipped with the latest facilities for computer-based studies located in the Senior High School. Vocational education is provided by the South Shore Regional Vocational-Technical School District, of which the Town is a member. The following table sets forth the trend in the Town's public school enrollments:

	Average Annual Enrollments (1)				
	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
Pre-K	77	72	70	51	69
Grades K-5	1,267	1,292	1,319	1,242	1,243
Grades 6-8	722	682	665	637	598
Grades 9-12	922	952	929	919	862
Ungraded	<u>0</u>	<u>7</u>	<u>7</u>	<u>2</u>	<u>0</u>
Total	<u>2,988</u>	<u>3,005</u>	<u>2,990</u>	<u>2,851</u>	<u>2,772</u>

(1) As of October 1 each school year.

The following table sets forth the projected enrollments for the next school year:

	<u>Projected Annual Enrollments</u>
	<u>2022/23</u>
Pre-K	72
Grades K/6	1,458
Grades 7/8	409
Grades 9/12	818
Ungraded	<u>0</u>
Total	<u>2,757</u>

Source: Superintendent of Schools.

**Public Schools** – Currently, the public school system of the Town consists of four elementary schools (K-6) with an enrollment of 1,670 students; one intermediate school (7-8) with an enrollment of 510 students; and one senior high school with an enrollment of 871 students. The Town also has a Pre-K program which is housed at the high school with an enrollment of 69 students. The new middle school, which includes Grades 6 through 8, opened in September 2017.

The school system has 290 teachers, 13 administrators, 7 nurses and 145 support personnel. The approximate student/teacher ratio is 14 to 1 at the elementary, 16 to 1 at the intermediate levels, and 16 to 1 at the high school level.

## Town of Scituate, MA - Population Trends

<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
18,266	19,317	18,002	17,316

Source: Town Clerk.

## Age, Income and Wealth Levels

	<u>Scituate</u>	<u>Massachusetts</u>	<u>United States</u>
Median Age:			
2010	45.1	39.1	37.2
2000	40.7	36.5	35.3
1990	36.9	33.6	32.9
Median Family Income:			
2010	\$ 86,723	\$ 81,165	\$ 51,144
2000	86,058	61,664	50,046
1990	59,168	44,367	35,225
Per Capita Income:			
2010	\$ 44,549	\$ 33,966	\$ 27,344
2000	33,940	25,952	21,587
1990	11,203	17,224	14,420

Source: U.S. Bureau of the Census.

## Largest Employers

The Town is primarily a residential community and, excluding the Town itself, there is only one employer that employs over 100 employees: Life Care Center, a nursing home employing 185 persons. No other employers within the Town have more than 100 employees, although several restaurants, numerous banks, another nursing home and a concrete pipe manufacturer employ between 50 and 99 people.

## Building Permits

The following table sets forth the number of building permits issued and the estimated dollar value of new construction and alterations for the following fiscal years:

<u>Fiscal Year</u>	<u>New Construction</u>		<u>Additions/Alterations</u>		<u>Total</u>	
	<u>Residential/Non-Residential</u>					
	<u>No.</u>	<u>Value</u>	<u>No.</u>	<u>Value</u>	<u>No.</u>	<u>Value</u>
2022	82	\$39,265,401	987	\$55,391,211	1,069	\$94,656,612
2021	66	30,819,461	1,095	45,930,323	1,161	76,749,784
2020	92	30,790,693	741	58,680,290	833	89,470,983
2019	25	10,673,875	933	38,868,676	958	49,542,551
2018	35	17,937,048	777	22,875,232	812	40,812,280

Source: Building Commissioner.

## Economic Development

The Town has a number of permitted development projects currently underway. The major developments include:

DEVELOPMENT	UNITS/COMMERCIAL SPACE APPROVED	CONSTRUCTION STATUS	% COMPLETE
<b>Aquinnah Path</b>	Lots were entitled to endorsement since pre-existing on Land Court Plan. Storm water permit issued.	Road upgraded. Needs SW Certificate of Completion (COC).	99% Complete.
<b>Laurelwood</b>	24 lots; 21 single family homes in Norwell and 3 vacant lots in Scituate. Plus 5 additional lots on east side.	1 single family pending on one of original lots.	10% Complete.
<b>37/39/41/43 Otis Place</b>	4 new homes in walking distance to Scituate Harbor; new development and redevelopment.	Homes completed and occupied. Need SW COC and As-Built 37 & 39 rec'd COC.	96% Complete.
<b>167 Driftway</b>	Town Dog Park	Phase I complete. Waiting for As-Built Phase II. Funding approved at April 2022 town meeting.	50% Complete.
<b>Seaside at Scituate (Toll Brothers)</b>	152 age restricted townhomes and 5 single family homes off of Hatherly Road.	Residential Cluster Development - Roads in Phase I and Phase II to binder. All building permits issued. 128 Townhomes (TH), 5 Single Family (SF) & clubhouse received occupancy.	85% Complete.
<b>Curtis Estates (90 Ann Vinal Road)</b>	16 single family homes under a Flexible Open Space Definitive Subdivision	Road Construction to binder. All lots released & have building permits issued. 15 CO's	80% Complete.
<b>Herring Brook Meadow 40B</b>	60 rental units	Expected completion fall 2022.	95% Complete.
<b>Humarock Fire Station</b>	Renovations	Completed	98% Complete.
<b>443-461 CJ Cushing Hwy</b>	Water Treatment Plant	In permitting	0% Complete.
<b>Roach Field – Parking Lot</b>	New 35 car gravel parking area & improvements to existing.	Site Plan review granted. Additional funding approved at Fall STM. Waiting for as-built surveys to be completed.	98% Complete.
<b>Stockbridge Landing 40B</b>	68 duplex units (40B development) 17 Affordable Units	37 certificates of occupancy issued. Utilities, road to binder & septic system in.	90% Complete.
<b>MBTA Property on Driftway-Drew Co.</b>	Mixed Use. 78 residential rental units with retail & commercial use - 2000 sf restaurant.	Under construction – expected completion April 2023.	50% Complete.
<b>48-52 New Driftway</b>	4,000 sf gas & convenience store & 1500 sf fast food restaurant.	Construction commenced.	25% Complete.
<b>18 Ford Place</b>	5 unit multi-family building	Construction commenced.	80% Complete.

<b>DEVELOPMENT</b>	<b>UNITS/COMMERCIAL SPACE APPROVED</b>	<b>CONSTRUCTION STATUS</b>	<b>% COMPLETE</b>
<b>0 Rear Country Way (477,479,481,483,485)</b>	5 lot residential compound development	Homes built and several occupied. Punch list items and electric pole to be removed and top coat of driveway installed	95% Complete.
<b>14-16 Old Country Way</b>	8-unit multi-family residential development.	Permitted. Construction to commence end of 2022	1% Complete.
<b>533/535 Country Way</b>	2 lots on common drive	Construction commenced September 2022	0%
<b>16 and 20 Mann Hill Rd</b>	2 residential dwelling units	1 under construction, 1 about to finish permitting	10% Complete.
<b>6 MacDonald Terrace</b>	Mixed use development for 5 residential condos and 1 office unit	Special permit recorded. Construction ongoing	50% Complete.
<b>48 New Driftway</b>	Commercial gas station and restaurant	No CO yet. Final sitework and building fit up near completion	95% Complete.
<b>131 Front Street</b>	3 residential units/2 restaurants	Residential units under construction. Restaurants are open	75% Complete.
<b>White Ash Farm</b>	3 Unit subdivision	1 CO, 1 BP	50% Complete.

## PROPERTY TAXATION

The principal revenue source of the Town is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see "Tax Limitations" below.

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

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

### Tax Levy Computation

The following table illustrates the manner in which the tax levy was determined for the following fiscal years:

	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018
Gross Amount to be Raised:					
Appropriations	\$ 110,116,380	\$ 103,153,242	\$ 102,392,793	\$ 97,873,160	\$ 94,195,308
Other Local Expenditures	1,014,352	262,830	22,911	412,617	190,872
State & County Charges	645,744	736,766	777,660	768,417	740,503
Overlay Reserve	276,609	261,477	231,767	250,000	249,617
Total Gross Amount to be Raised	<u>112,053,085</u>	<u>104,414,315</u>	<u>103,425,131</u>	<u>99,304,194</u>	<u>95,376,300</u>
Offsets:					
Estimated Receipts - State	8,526,303	8,436,170	8,219,992	7,835,793	7,681,321
Estimated Receipts - Local	26,844,081	23,418,215	26,316,119	21,347,823	22,417,121
Appropriated:					
Free Cash	3,076,239	2,462,333	1,833,257	3,876,451	2,068,103
Other Available Funds	1,349,776	1,497,031	1,242,565	2,343,457	1,219,888
Free Cash & Other Revenue					
Used to Reduce the Tax Rate	-	-	-	-	-
Total Offsets	<u>39,796,399</u>	<u>35,813,749</u>	<u>37,611,933</u>	<u>35,403,525</u>	<u>33,386,433</u>
Net Amount to be Raised (Tax Levy)	<u>\$ 72,256,686</u>	<u>\$ 68,600,566</u>	<u>\$ 65,813,198</u>	<u>\$ 63,900,669</u>	<u>\$ 61,989,867</u>
Assessed Valuation	\$ 5,725,569,460	\$ 5,146,329,020	\$ 4,875,051,680	\$ 4,650,703,740	\$ 4,443,718,080
Tax Rate per \$1,000 (1)	\$ 12.62	\$ 13.33	\$ 13.50	\$ 13.74	\$ 13.95

Source: Board of Assessors.

(1) The Town taxes all property at a single rate (residential, commercial, industrial, personal).

Note: Property tax rates may not be set by the local assessors until they have been approved by the Commissioner of Revenue.

## Valuations and Tax Levies

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

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

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a redetermination of the fair cash value of the taxable property in each municipality. This is known as the "equalized value".

Valuation of real and personal property in the Town of Scituate is established by the Board of Assessors. The Town generally takes real property into tax title for nonpayment of taxes within two years.

The following table sets forth the trend in the Town's assessed and equalized valuations:

Fiscal Year	Assessed Valuations (1)			Equalized Valuation (2)	Assessed Valuation as a Percent of Equalized
	Real Property	Personal Property	Total		
2022	\$ 5,663,173,020	\$ 62,396,440	\$ 5,725,569,460	\$ 5,194,149,500	110.2 %
2021	5,095,045,130	51,283,890	5,146,329,020	5,194,149,500	99.1
2020	4,824,430,040	50,621,640	4,875,051,680	4,819,519,000	101.2
2019	4,604,202,680	46,501,060	4,650,703,740	4,819,519,000	96.5
2018	4,399,264,860	44,453,220	4,443,718,080	4,433,619,600	100.2

(1) Source: Board of Assessors.

(2) Source: Massachusetts Department of Revenue - Equalized valuations are established as of January 1 of even-numbered years for the next two years.

## Classification of Property

Type	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Assessed Valuation	% of Total	Assessed Valuation	% of Total	Assessed Valuation	% of Total
Residential	\$ 5,498,185,864	96.0 %	\$ 4,937,276,419	95.9 %	\$ 4,667,591,742	95.7 %
Commercial	151,800,156	2.7	145,311,611	2.8	144,427,298	3.0
Industrial	13,187,000	0.2	12,457,100	0.2	12,411,000	0.3
Personal	62,396,440	1.1	51,283,890	1.0	50,621,640	1.0
Total	<u>\$ 5,725,569,460</u>	<u>100.0 %</u>	<u>\$ 5,146,329,020</u>	<u>100.0 %</u>	<u>\$ 4,875,051,680</u>	<u>100.0 %</u>

Source: Massachusetts Department of Revenue.



## Largest Taxpayers

The following is a list of the Town's ten largest taxpayers based upon assessed valuations for preliminary fiscal 2022, all of whom are current in their tax payments:

Name	Type of Business	Total Assessed Valuation for Fiscal 2022	Fiscal 2022 Tax Levy	% of Total Levy
Eversource	Utility	\$ 22,786,230	\$ 287,562	0.40 %
Massachusetts Electric Company	Utility	18,173,420	229,349	0.32
Greenbush Station LLC	Housing	10,980,500	138,574	0.19
Abbott P M/Chamberlain Mng Co.	Real Estate	10,560,400	133,272	0.18
Kent Village Associates	Housing	7,801,800	98,459	0.14
Scituate Solar LLC	Real Estate	5,197,000	65,586	0.09
Comcast Cable Communications	Utility	4,910,960	61,976	0.09
South Shore Real Estate	Real Estate	4,879,400	61,578	0.09
Kearns Kevin P & Lisa M. Trs.	Housing	4,337,200	54,735	0.08
Hatherly Country Club	Country Club	4,236,980	53,471	0.07
Total		<u>\$ 93,863,890</u>	<u>\$ 1,184,562</u>	<u>1.64 %</u>

## Abatements and Overlay

The Town is authorized to increase each tax levy by an amount approved by the Commissioner of Revenue as an "overlay" to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the excess is required to be added to the next tax levy. An abatement granted after a tax payment has been made is accounted for as a refund on the books of the Town.

Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue, but uncollected real property taxes are ordinarily not written off until they become municipal "tax titles" by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.

The following table sets forth the amount of overlay reserve for the last five fiscal years and abatements or exemptions granted during the fiscal year against each levy:

Fiscal Year	Gross Tax Levy	Overlay Allowance		Exemptions/ Abatements Granted thru Fiscal Year	Overlay Excess (Deficit)
		Dollar Amount	Percent of Levy		
2022	\$72,256,687	\$276,609	0.4%	\$231,540	\$45,069
2021	68,600,566	261,477	0.4	180,333	81,144
2020 (1)	65,813,198	231,767	0.4	201,673 (1)	30,094
2019 (2)	63,900,669	250,000	0.4	179,680	70,320
2018	61,989,867	249,617	0.4	142,793	106,824

Source: Board of Assessors.

(1) The Town increased the exemptions amounts on several type of exemptions in addition to raising asset and income limits in order to provide tax relief to more residents.

(2) Revaluation year.

## Tax Collections

The Town of Scituate has accepted a statute providing for quarterly tax payments. Under the statute, preliminary tax payments are due on August 1 and November 1, with payment of the actual tax bill (after credit is given for the preliminary payments) in installments on February 1 and May 1 if actual tax bills are mailed by December 31. Interest accrues on delinquent taxes at the rate of 14 percent per annum. The following table sets forth the trend in the Town's tax collections:

<u>Fiscal Year</u>	<u>Gross Tax Levy</u>	<u>Overlay Reserve for Abatements</u>	<u>Net Tax Levy (1)</u>	<u>% of Net Collected at June 30 (2,3,5)</u>
2022	\$72,256,687	\$276,609	\$71,980,078	99.4%
2021	68,600,566	261,477	68,339,089	98.9
2020	65,813,198	231,767	65,581,431	98.7 (4)
2019	63,900,669	250,000	63,650,669	99.0
2018	61,989,867	249,617	61,740,250	98.5

Source: Board of Assessors as to rates and levies; Town Accountant as to collections.

- (1) Net after deduction of overlay for abatements.
- (2) I.e., at the end of the fiscal year for which levied.
- (3) Actual collections less refunds, but excluding proceeds of tax titles and possessions attributable to that year's levy. Non-cash credits which may be abated later are not included in the amount allowed for refunds here.
- (4) The Town extended the fourth quarter due date by 30 days to assist residents affected by COVID-19.
- (5) Collections for the current fiscal year are comparable to previous fiscal years.

## Tax Titles and Possessions

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

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

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

## Taxes Outstanding

The following table presents the trend in aggregate taxes outstanding, tax titles and tax possessions:

<u>As of 6/30</u>	<u>Aggregate Overdue Property Taxes at FY-End (1)</u>	<u>Tax Titles</u>	<u>Tax Possessions</u>
2022	\$553,328	\$1,090,583	\$605,178
2021	532,928	1,175,438	605,179
2020	937,816	969,484	605,179
2019	675,748	809,582	605,179
2018	809,660	783,472	521,719

Source: Town Accountant.

- (1) For five prior fiscal years. Excludes abated taxes and tax deferrals. Includes taxes in litigation, if any.

## **Sale of Tax Receivables**

Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk. The Town does not expect to utilize this option at the present time.

## **Taxation to Meet Deficits**

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

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

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

## **Tax Limitations**

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

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

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

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

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

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

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue.

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

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

### Pledged Taxes

Taxes on certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes. (See "Tax Increment Financing for Development Districts" under "TOWN FINANCES" below).

### Unused Levy Capacity (1)

The following table sets forth the Town's tax levy limits and unused levy capacity for the following fiscal years:

	For Fiscal Year				
	2022	2021	2020	2019	2018
Primary Levy Ceiling (2)	\$ 143,139,237	\$ 128,658,226	\$ 121,876,292	\$ 116,267,594	\$ 111,092,952
Prior Fiscal Year Levy Limit	63,035,327	60,306,984	57,874,204	55,646,272	53,730,738
Amended Prior Fiscal Year Growth	-	(2,969)	-	-	-
2.5% Levy Growth	1,575,883	1,507,600	1,446,855	1,391,157	1,343,268
Current Fiscal Year New Growth (3)	1,603,298	1,223,712	985,925	836,775	572,266
Current Fiscal Year Override	-	-	-	-	-
Growth Levy Limit	66,214,508	63,035,327	60,306,984	57,874,204	55,646,272
Current Fiscal Year Debt Exclusion	6,380,564	5,814,883	5,838,486	6,327,833	6,691,107
Tax Levy Limit	72,595,072	68,850,210	66,145,470	64,202,037	62,337,379
Tax Levy	72,256,687	68,600,566	65,813,198	63,900,669	61,989,867
Unused Levy Capacity (4)	338,385 (6)	249,644 (6)	332,272 (6)	301,368 (6)	347,512 (6)
Unused Primary Levy Capacity (5)	\$ 76,924,729	\$ 65,622,899	\$ 61,569,308	\$ 58,393,390	\$ 55,446,680

(1) Source: Massachusetts Department of Revenue.

(2) 2.5% of assessed valuation.

(3) Allowed increase for new valuations - certified by the Department of Revenue.

(4) Tax Levy Limit less Tax Levy.

(5) Primary Levy Ceiling less Growth Levy Limit.

(6) \$300,000 not levied as an offset to debt exclusions for middle school and public safety complex; \$200,000 in FY2021.

## Initiative Petitions

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

## Community Preservation Act

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

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

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

The amounts raised by the surcharge on real property taxes, the amounts of other dedicated revenues and the amounts received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for community housing purposes.

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

The Town accepted the provisions of the Community Preservation Act and approved a surcharge of 3% in March of 2002, and has used the funds strategically to enhance the quality and character of the community. It has also created an Affordable Housing Trust to provide a variety in housing stock. The table below shows the amounts surcharged by the Town, amounts received in state matching funds and CPA fund balance for the past five fiscal years.

<u>Fiscal Year</u>	<u>Surcharge</u>	<u>State Matching Funds</u>	<u>CPA Fund Balance</u>
2022	\$ 1,836,299	\$ 827,106	\$ 5,494,170
2021	1,693,740	513,095	5,581,992
2020	1,576,496	417,101	4,224,350 (1)
2019	1,569,582	320,322	10,705,452
2018	1,494,185	273,119	9,475,549

(1) Decrease attributed to the \$8.3M athletic field project approved in April 2019 which represents \$5.22M of available funds and \$3.08M in initial borrowing.

As of December 31, 2019, the Massachusetts legislature increased the \$20 surcharge on filing of documents at the registries of deeds by \$30 to \$50 per document as well as increasing the \$10 surcharge to file a municipal lien certificate to \$25. The additional funds will be credited to the Massachusetts Community Preservation Trust Fund. This increase in fees will directly benefit communities that have accepted the Community Preservation Act statute by way of a material increase in state matching funds.

## TOWN FINANCES

### The Budget and Appropriation Process

The annual budget, and appropriation process is governed by the Town Charter, and General Bylaws. The Charter requires the Town Administrator to submit, and recommend a balanced operation, and capital budget plan. These budgets are submitted in accordance with established financial policies based on detailed revenue, and expenditure forecasting established by the Town Administrator, the Financial Team, and the Financial Forecasting Committee.

In 2010, the budget process was overhauled with the establishment of policies and reserves.

The annual appropriations of the Town are ordinarily made at the annual meeting which usually takes place in April. Appropriations may also be voted at special meetings. Every town must have an appropriation, advisory, or finance committee. The committee provides recommendations on proposed expenditures recommended by the Town Administrator, and the Select Board at the Annual Town meeting.

Water and sewer department expenditures are generally included in the budgets adopted by city councils and town meetings, but electric and gas department funds may be appropriated by the municipal light boards. Under certain legislation, any city or town which accepts the legislation may provide that the appropriation for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. The Town has no municipal gas or electric departments.

The school budget is limited to the total amount appropriated by the town meeting, but the school committee retains full power to allocate the funds appropriated.

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

### Operating Budget Trends

The following table sets forth the trend in the Town's operating budgets:

	Appropriated Fiscal 2023	Appropriated Fiscal 2022	Appropriated Fiscal 2021	Appropriated Fiscal 2020	Appropriated Fiscal 2019
General Government	\$ 5,296,441	\$ 4,803,541	\$ 4,514,123	\$ 4,387,798	\$ 3,910,905
Public Safety	10,638,129	10,138,053	9,952,587	9,728,084	9,394,394
Public Works	5,085,370	4,956,221	4,454,085	4,341,297	4,379,489
Human Services	820,444	803,058	702,833	713,994	771,854
Education	43,971,057	42,151,174	40,147,466	39,297,063	37,921,600
Culture & Recreation	1,340,042	1,320,136	1,294,481	1,259,448	1,235,469
Debt	8,111,167	8,417,125	7,513,308	7,562,027	7,492,749
Employee Benefits	14,294,648	13,801,807	12,825,734	12,114,850	11,857,269
Total	<u>\$ 89,557,298</u>	<u>\$ 86,391,115</u>	<u>\$ 81,404,617</u>	<u>\$ 79,404,561</u>	<u>\$ 76,963,729</u>

Source: Town Accountant.

## Education Reform

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs, and may affect the level of state aid to be received for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. Since its passage, the Town has complied with the Act and appropriations for education have equaled or exceeded the minimum required level.

## Revenues

**Property Taxes:** Property taxes are the major source of revenue for the Town. The total amount levied is subject to certain limits prescribed by law; for a description of those limits see "PROPERTY TAXATION - Tax Limitations," above.

**State Distributions:** In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use, and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. The formulas for determining a municipality's state aid entitlement are subject to amendment by the state legislature and, while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

In the fall of 1986, legislation was enacted that placed limits on the growth of state tax revenues. The legislation essentially limited the annual growth in state tax revenues to an average rate of growth in wages and salaries in the Commonwealth over the three previous calendar years. If not amended, the legislation could restrict the amount of state revenues available for state aid to local communities.

Following are state aid payments received by the Town for the following fiscal years:

<u>Fiscal Year</u>	<u>Aid to Education</u>	<u>Other</u>	<u>Total State Aid</u>
2022	\$6,114,553	\$2,401,617	\$8,516,170
2021	6,047,883	2,342,255	8,390,038
2020	5,873,903	2,321,040	8,194,943
2019	5,521,321	2,299,118	7,820,439
2018	5,437,381	2,217,846	7,655,227

Source: Town Accountant.

**State School Building Assistance Program:** Under its school building assistance program, the Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the "Authority") to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

The range of reimbursement rates for new project grant applications submitted to the Authority is between 40% and 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

On December 3, 2014, the Town approved a \$75,000,000 high school/middle school renovation project in which the Town received 44.06% reimbursement from the MSBA. The Town's local share of the project was \$54,248,947. \$50,000,000



bond proceeds and \$19,248,983 grants have been received to date. The new middle school opened to students in September 2017.

The Town filed two statements of interest in 2019 for renovation/replacement of the Hatherly and Cushing Elementary Schools. The Town was not accepted into the program and re-filed statements of interest for the two schools in 2020. The Hatherly Elementary School was accepted and \$1.1 million was appropriated at the October 2021 special town meeting for a feasibility study. An OPM has been retained and the designer selection process is underway.

In March 2022, the Town filed a Statement of Interest with the MSBA for the Accelerated Repair Program for replacement of the Scituate High School Roof. The roof replacement project was approved at the April 11, 2022 ATM, Article 3 for \$1,045,000.

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

<u>Fiscal Year</u>	<u>Receipts (1)</u>
2022	\$3,529,748
2021	3,468,427
2020	3,146,036
2019	3,377,751
2018	3,150,523

(1) Net after refunds. Includes receipts from prior years' levies.

**Water Rates and Services:** The Water Division of the Department of Public Works is responsible for the operation and maintenance of the water treatment plant, six water wells, two booster stations, two water storage tanks, three corrosion control stations, three surface water supplies, 300 acres of watershed, 105 miles of water distribution system, 275 fire hydrants, and 8,400 water meters.

The Water Division employs a staff of fifteen appropriately licensed professional individuals who are responsible for the maintenance and operation of over 50 million dollars of assets with an annual operating budget of \$6,664,027. A population of more than 19,000 - which increases to approximately 30,000 during the summer months - consumes an average of 1.25 million gallons of water each day.

On July 1, 1999, the Town placed water services, which are provided to nearly 100 percent of the Town, on an enterprise fund basis. The Town has a planned upgrade program in place for water system infrastructure improvements while keeping the fund self-supporting and has a policy of reviewing and adjusting rates each year. Charges for water usage are billed quarterly. Water rates increased 19% in fiscal 2015, 19% in fiscal 2016, 20% in fiscal 2019, 15.2% in fiscal 2020, 11% in fiscal 2021, 9% in fiscal 2022 and 10% in fiscal 2023 to finance the \$55,000,000 in improvements to the system including 25 miles of water pipes and other improvements and upgrades to the water system.

The Town has appropriated \$4 million for the design of a new water treatment plant. An owner's project manager and designer have both been retained and a \$50 million new water treatment was approved on April 11, 2022.

As of July 1, 2022, the rates per quarter for residential water consumption are \$2.13 per 100 cubic feet up to the first 1,200 cubic feet, with a minimum charge of \$113.64 for a 5/8 inch meter. The service charge is higher for larger sized meters. Usage between 1,201-3,000 cubic feet is billed at a rate of \$9.28 per 100 cubic feet. Usage between 3,000-5,000 cubic feet is billed at a rate of \$14.90 per 100 cubic feet and usage over 5,000 gallons is billed at a rate of \$20.86. All commercial usage is billed at a rate of \$9.90 per 100 cubic feet. The rate review process is done annually.

**Sewer Rates and Services:** The Sewer Division of the Department of Public Works is responsible for the operations and maintenance of the Scituate Wastewater Treatment Plant (WWTP) and 24 miles of sewers, which make up the Scituate Sewer Collection System. This serves 33% of the community. The WWTP was operational in November 1967 and was originally designated to treat an average daily flow of 1.0 million gallons per day (mgd). The WWTP was designated as a secondary treatment plant utilizing the extended aeration mode of the activated sludge (microorganisms) process.

The purpose of the WWTP is to remove and treat settleable and floating solids, to reduce suspended solids and dissolve organic material, and to disinfect the final effluent (treated water leaving the WWTP) to reduce the possibility of water-borne diseases.

A septage receiving station, aerobic sludge digesters and a sludge dewatering building were added during an upgrade in 1984. The additions allowed further treatment of the sludge (settled solids), which is dewatered by a belt filter press and disposed of by a contractor at a nearby landfill. The Sewer Division completed a \$1.2 million in upgrades to its facility.

A second upgrade was completed in 2000 increasing the design of the WWTP from 1.0 mgd to 1.6 mgd along with upgrading the secondary treatment to an advanced treatment capable of nitrogen removal (nitrification/denitrification). The use of ultraviolet light (UV) has replaced chlorination (residual chlorine can be toxic to aquatic life) as the means of disinfecting the final effluent.

The sewer rate is a minimum charge of \$82.70 per quarter plus \$6.62 per hundred cubic feet of water consumption. The Town has a comprehensive plan for sewer expansion funded by users, and sewer rates have been increased to fund upgrade expansions. The rate review process is conducted annually with the last renew resulting in a 16% increase in rates effective July 1, 2022.

The Town is currently discussing the option of a regional sewer agreement with the Towns of Hull and Cohasset.

**Transfer Station:** The Transfer Station Division of the Department of Public Works is responsible for the operation and maintenance of the Transfer Station and Recycling Center. The Transfer Station is operated as a Pay-As-You-Throw facility and will accept only household refuse contained in Pay-As-You-Throw trash bags. These trash bags can be purchased at the Transfer Station or at local retailers at a cost of \$20.00 for a package of ten 30-gallon bags or \$10.00 for a package of ten 15 gallon bags. The Town has a current recycling rate of 50%. The rate for construction debris was increased to +240/ton effective December 1, 2019. The Select Board voted effective December 1, 2021 to increase some fees in response to rising disposal costs. The sticker fees were increased by \$15 effective for calendar year 2023 which support the addition of one staff person and capital needs.

**Local Option Meals Tax:** Effective July 1, 2013, the Town adopted the local meals excise tax. The local meals excise tax is a 0.75% tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the municipality in which the meal was sold. This tax generated the following in prior fiscal years:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 230,000 <sup>(1)</sup>
2022	355,026
2021	257,358
2020	265,281
2019	261,318
2018	216,318

(1) Estimated. The Town returned its revenue projections to pre-pandemic levels.

**Local Rooms Occupancy Excise:** The Town accepted the local option room occupancy excise tax at 6% effective July 1, 2019. The DOR estimated receipts for the Town from \$24,000-\$60,000. The Town reduced the room occupancy excise tax from 6% to 4% at the annual town meeting in the spring of 2020 to address concerns raised regarding a negative impact as surrounding communities were at 4%. The Town does not utilize room occupancy excise as a revenue source for the operational budget at this time. The Town received \$135,953 in revenue in FY2021 and \$180,519 in FY2022.

## Annual Audits

The Town of Scituate is audited annually by Powers & Sullivan, Certified Public Accountants, of Wakefield, Massachusetts. A copy of the fiscal 2021 audit is attached hereto as Appendix A.

The attached report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

## Financial Statements

Set forth on the following pages is a Governmental Funds Balance Sheets for fiscal years ending June 30, 2021, June 30, 2020, and June 30, 2019 and a Statement of Revenues, Expenditures and changes in Fund Balance for fiscal years ended June 30, 2021 through June 30, 2017. Said statements were extracted from the Town's audited financials.

**TOWN OF SCITUATE, MASSACHUSETTS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2021 (1)

	General	Community Preservation	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 19,571,488	\$ 5,586,285	\$ 1,984,725	\$ 15,426,435	\$ 42,568,933
Receivables, net of uncollectibles					
Real estate and personal property taxes	916,896	-	-	-	916,896
Tax liens	1,000,164	27,459	-	-	1,027,623
Community preservation fund surtax	-	13,772	-	-	13,772
Motor vehicle and other excise taxes	254,660	-	-	-	254,660
Departmental and other	301,848	-	-	99,930	401,778
Intergovernmental	-	-	-	3,298,223	3,298,223
Community preservation state share	-	742,423	-	-	742,423
Special assessments	117,881	-	-	116,644	234,525
Tax foreclosures	605,179	-	-	-	605,179
Due from other funds	1,111,409	-	-	-	1,111,409
Total assets	<u>\$ 23,879,525</u>	<u>\$ 6,369,939</u>	<u>\$ 1,984,725</u>	<u>\$ 18,941,232</u>	<u>\$ 51,175,421</u>
<b>LIABILITIES</b>					
Warrants payable	933,228	388	141,145	922,998	1,997,759
Accrued payroll	1,165,702	-	-	36,163	1,201,865
Due to other funds	-	-	-	1,111,409	1,111,409
Other liabilities	75,392	-	-	1,260,528	1,335,920
Fees collected in advance	-	-	-	1,066,212	1,066,212
Notes payable	-	-	2,200,000	32,000	2,232,000
Total liabilities	<u>2,174,322</u>	<u>388</u>	<u>2,341,145</u>	<u>4,429,310</u>	<u>8,945,165</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes paid in advance	236,906	3,904	-	-	240,810
Unavailable revenue	2,936,195	41,231	-	1,011,826	3,989,252
Total Deferred Inflows of Resources	<u>3,173,101</u>	<u>45,135</u>	<u>-</u>	<u>1,011,826</u>	<u>4,230,062</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	27,051	27,051
Restricted	516,622	6,324,416	826,279	13,561,383	21,228,700
Committed	5,316,034	-	-	-	5,316,034
Assigned	617,081	-	-	-	617,081
Unassigned	12,082,365	-	(1,182,699)	(88,338)	10,811,328
Total fund balances	<u>18,532,102</u>	<u>6,324,416</u>	<u>(356,420)</u>	<u>13,500,096</u>	<u>38,000,194</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,879,525</u>	<u>\$ 6,369,939</u>	<u>\$ 1,984,725</u>	<u>\$ 18,941,232</u>	<u>\$ 51,175,421</u>

(1) Extracted from the audited financial statements of the Town.

**TOWN OF SCITUATE, MASSACHUSETTS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2020 (1)**

	General	Community Preservation	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 16,512,100	\$ 4,349,458	\$ 8,134,900	\$ 11,520,846	\$ 40,517,304
Receivables, net of uncollectibles					
Real estate and personal property taxes	1,280,903	-	-	-	1,280,903
Tax liens	849,548	22,469	-	-	872,017
Community preservation fund surtax	-	26,505	-	-	26,505
Motor vehicle and other excise taxes	242,420	-	-	-	242,420
Departmental and other	151,558	-	-	-	151,558
Intergovernmental	-	-		2,070,644	2,070,644
Community preservation state share	-	417,101		-	417,101
Special assessments	127,692	-		156,009	283,701
Tax foreclosures	605,179	-		-	605,179
Due from other funds	210,095	-		-	210,095
Total assets	<u>\$ 19,979,495</u>	<u>\$ 4,815,533</u>	<u>\$ 8,134,900</u>	<u>\$ 13,747,499</u>	<u>\$ 46,677,427</u>
<b>LIABILITIES</b>					
Warrants payable	805,864	120,948	2,210,473	1,191,467	4,328,752
Accrued payroll	1,017,277	-	-	67,585	1,084,862
Due to other funds	-	-	-	210,095	210,095
Other liabilities	66,371	-	-	-	66,371
Fees collected in advance	-	-	-	8,311	8,311
Notes payable	-	-	1,160,433	154,222	1,314,655
Total liabilities	<u>1,889,512</u>	<u>120,948</u>	<u>3,370,906</u>	<u>1,631,680</u>	<u>7,013,046</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes paid in advance	239,739	4,160	-	-	243,899
Unavailable revenue	<u>2,851,733</u>	<u>48,974</u>	<u>-</u>	<u>444,529</u>	<u>3,345,236</u>
Total Deferred Inflows of Resources	<u>3,091,472</u>	<u>53,134</u>	<u>-</u>	<u>444,529</u>	<u>3,589,135</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	27,051	27,051
Restricted	450,184	4,641,451	11,061,930	11,773,573	27,927,138
Committed	4,178,317	-	-	-	4,178,317
Assigned	958,348	-	-	-	958,348
Unassigned	<u>9,411,662</u>	<u>-</u>	<u>(6,297,936)</u>	<u>(129,334)</u>	<u>2,984,392</u>
Total fund balances	<u>14,998,511</u>	<u>4,641,451</u>	<u>4,763,994</u>	<u>11,671,290</u>	<u>36,075,246</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,979,495</u>	<u>\$ 4,815,533</u>	<u>\$ 8,134,900</u>	<u>\$ 13,747,499</u>	<u>\$ 46,677,427</u>

(1) Extracted from the audited financial statements of the Town.

**TOWN OF SCITUATE, MASSACHUSETTS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2019 (1)

	General	Community Preservation	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13,715,955	\$ 10,724,196	\$ 2,062,544	\$ 12,544,694	\$ 39,047,389
Receivables, net of uncollectibles					
Real estate and personal property taxes	1,005,035	-	-	-	1,005,035
Tax liens	701,461	18,998	-	-	720,459
Community preservation fund surtax	-	18,894	-	-	18,894
Motor vehicle and other excise taxes	167,791	-	-	-	167,791
Departmental and other	229,279	-	-	-	229,279
Intergovernmental	574,313	-	-	1,731,931	2,306,244
Community preservation state share	-	244,826	-	-	244,826
Special assessments	137,528	-	-	4,763	142,291
Tax foreclosures	605,179	-	-	-	605,179
Due from other funds	29,190	-	-	-	29,190
Total assets	<u>\$ 17,165,731</u>	<u>\$ 11,006,914</u>	<u>\$ 2,062,544</u>	<u>\$ 14,281,388</u>	<u>\$ 44,516,577</u>
<b>LIABILITIES</b>					
Warrants payable	683,815	241,205	2,244	1,173,620	2,100,884
Accrued payroll	717,726	285	-	67,722	785,733
Due to other funds	-	-	-	29,190	29,190
Other liabilities	61,267	-	-	-	61,267
Notes payable	-	-	291,000	386,000	677,000
Total liabilities	<u>1,462,808</u>	<u>241,490</u>	<u>293,244</u>	<u>1,656,532</u>	<u>3,654,074</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes paid in advance	50,363	987	-	-	51,350
Unavailable revenue	2,725,328	37,892	-	1,021,976	3,785,196
Total Deferred Inflows of Resources	<u>2,775,691</u>	<u>38,879</u>	<u>-</u>	<u>1,021,976</u>	<u>3,836,546</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	27,051	27,051
Restricted	456,219	10,726,545	1,769,300	11,787,973	24,740,037
Committed	4,180,351	-	-	-	4,180,351
Assigned	595,925	-	-	-	595,925
Unassigned	7,694,737	-	-	(212,144)	7,482,593
Total fund balances	<u>12,927,232</u>	<u>10,726,545</u>	<u>1,769,300</u>	<u>11,602,880</u>	<u>37,025,957</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,165,731</u>	<u>\$ 11,006,914</u>	<u>\$ 2,062,544</u>	<u>\$ 14,281,388</u>	<u>\$ 44,516,577</u>

(1) Extracted from the audited financial statements of the Town.

**TOWN OF SCITUATE, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2021 (1)**

	General	Community Preservation	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds	\$ 68,145,481	\$ -	\$ -	\$ -	\$ 68,145,481
Tax liens	378,650	6,948	-	-	385,598
Motor vehicle and other excise taxes	3,511,969	-	-	-	3,511,969
Hotel/motel tax	135,953	-	-	-	135,953
Meals tax	257,378	-	-	-	257,378
Penalties and interest on taxes	416,433	5,219	-	1,137	422,789
Fees and rentals	573,898	-	-	27,675	601,573
Payments in lieu of taxes	49,109	-	-	-	49,109
Licenses and permits	1,544,104	-	-	344,410	1,888,514
Fines and forfeitures	92,772	-	-	-	92,772
Intergovernmental - state aid	8,416,453	-	-	-	8,416,453
Intergovernmental - Teachers Retirement	13,159,250	-	-	-	13,159,250
Intergovernmental - other	193,855	838,417	-	8,709,177	9,741,449
Departmental and other	1,105,741	-	-	3,661,344	4,767,085
Community preservation taxes	-	1,676,751	-	-	1,676,751
Special assessments	19,773	-	-	85,821	105,594
Contributions and donations	-	-	242,500	144,815	387,315
Investment income	165,107	18,468	-	3,337	186,912
Total Revenues	<u>\$ 98,165,926</u>	<u>\$ 2,545,803</u>	<u>\$ 242,500</u>	<u>\$ 12,977,716</u>	<u>\$ 113,931,945</u>
<b>EXPENDITURES:</b>					
Current:					
General government	3,789,945	-	-	1,509,687	5,299,632
Public safety	10,505,080	-	179,735	1,359,924	12,044,739
Education	40,597,688	-	-	4,222,727	44,820,415
Public works	4,650,775	-	913,509	4,411,131	9,975,415
Human services	601,584	-	7,826,566	447,201	8,875,351
Culture and recreation	1,440,363	-	1,051,537	381,578	2,873,478
Community preservation	-	146,738	-	-	146,738
Pension benefits	4,891,451	-	-	-	4,891,451
Pension benefits - Teachers Retirement	13,159,250	-	-	-	13,159,250
Employee benefits	7,079,630	-	-	-	7,079,630
State and county charges	648,239	-	-	-	648,239
Debt service:					
Principal	4,399,092	-	-	-	4,399,092
Interest	2,904,933	25,667	-	-	2,930,600
Total Expenditures	<u>94,668,030</u>	<u>172,405</u>	<u>9,971,347</u>	<u>12,332,248</u>	<u>117,144,030</u>
Excess (Deficiency) of Revenues Over Expenditures	3,497,896	2,373,398	(9,728,847)	645,468	(3,212,085)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	1,718,833	1,084,222	2,803,055
Issuance of refunding bonds	1,214,100	-	-	-	-
Premium from issuance of bonds	-	-	2,141,167	106,531	2,247,698
Premium from issuance of refunding bonds	200,847	-	-	-	-
Payments to refunded bond escrow agent	(1,400,000)	-	-	-	-
Transfers in	591,688	-	748,433	446,070	1,786,191
Transfers out	(570,940)	(690,433)	-	(622,800)	(1,884,173)
Total Expenditures and Other Financing Uses	<u>35,695</u>	<u>(690,433)</u>	<u>4,608,433</u>	<u>1,014,023</u>	<u>4,952,771</u>
Net Change in Fund Balances	3,533,591	1,682,965	(5,120,414)	1,659,491	1,740,686
Fund Balances - Beginning of Year	14,998,511	4,641,451	4,763,994	11,840,605	36,244,561
Fund Balances - End of Year	<u>\$ 18,532,102</u>	<u>\$ 6,324,416</u>	<u>\$ (356,420)</u>	<u>\$ 13,500,096</u>	<u>\$ 38,000,194</u>

(1) Extracted from Town's audited Financial Statements.

**TOWN OF SCITUATE, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2020 (1)**

	General	Community Preservation	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds	\$ 65,246,226	\$ -	\$ -	\$ -	\$ 65,246,226
Tax liens	265,883	4,837	-	-	270,720
Motor vehicle and other excise taxes	3,188,551	-	-	-	3,188,551
Hotel/motel tax	104,145	-	-	-	104,145
Meals tax	265,281	-	-	-	265,281
Penalties and interest on taxes	306,651	4,438	-	-	311,089
Fees and rentals	539,478	-	-	-	539,478
Payments in lieu of taxes	17,437	-	-	-	17,437
Licenses and permits	1,157,659	-	-	299,766	1,457,425
Fines and forfeitures	57,496	-	-	-	57,496
Intergovernmental - state aid	8,194,943	-	-	-	8,194,943
Intergovernmental - Teachers Retirement	11,360,068	-	-	-	11,360,068
Intergovernmental - other	454,233	589,376	-	5,900,231	6,943,840
Intergovernmental - COVID-19 relief	-	-	-	540,096	540,096
Departmental and other	1,248,460	-	-	3,823,053	5,071,513
Community preservation taxes	-	1,576,496	-	-	1,576,496
Special assessments	25,303	-	-	7,842	33,145
Contributions and donations	-	-	-	684,841	684,841
Investment income	425,007	111,132	-	23,578	559,717
Total Revenues	<u>\$ 92,856,821</u>	<u>\$ 2,286,279</u>	<u>\$ -</u>	<u>\$ 11,279,407</u>	<u>\$ 106,422,507</u>
<b>EXPENDITURES:</b>					
Current:					
General government	3,548,820	-	20,925	2,012,400	5,582,145
Public safety	10,364,477	-	51,055	728,785	11,144,317
Education	39,767,095	-	-	4,861,489	44,628,584
Public works	4,514,498	-	527,797	1,910,463	6,952,758
Human services	689,773	-	3,598,633	567,649	4,856,055
Culture and recreation	1,417,046	-	3,328,463	785,327	5,530,836
Community preservation	-	8,271,373	-	-	8,271,373
COVID-19	-	-	-	540,096	540,096
Pension benefits	4,560,500	-	-	-	4,560,500
Pension benefits - Teachers Retirement	11,360,068	-	-	-	11,360,068
Employee benefits	6,860,929	-	-	-	6,860,929
State and county charges	652,629	-	-	-	652,629
Debt service:					
Principal	4,448,174	-	-	-	4,448,174
Interest	3,028,668	-	-	-	3,028,668
Total Expenditures	<u>91,212,677</u>	<u>8,271,373</u>	<u>7,526,873</u>	<u>11,406,209</u>	<u>118,417,132</u>
Excess (Deficiency) of Revenues Over Expenditures	1,644,144	(5,985,094)	(7,526,873)	(126,802)	(11,994,625)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	10,719,567	-	10,719,567
Premium from issuance of bonds	-	-	-	58,857	58,857
Capital lease financing	445,569	-	-	-	445,569
Transfers in	393,042	-	291,000	744,970	1,429,012
Transfers out	(411,476)	(100,000)	(489,000)	(608,615)	(1,609,091)
Total Expenditures and Other Financing Uses	<u>427,135</u>	<u>(100,000)</u>	<u>10,521,567</u>	<u>195,212</u>	<u>11,043,914</u>
Net Change in Fund Balances	2,071,279	(6,085,094)	2,994,694	68,410	(950,711)
Fund Balances - Beginning of Year	12,927,232	10,726,545	1,769,300	11,602,880	37,025,957
Fund Balances - End of Year	<u>\$ 14,998,511</u>	<u>\$ 4,641,451</u>	<u>\$ 4,763,994</u>	<u>\$ 11,671,290</u>	<u>\$ 36,075,246</u>

(1) Extracted from Town's audited Financial Statements.



**TOWN OF SCITUATE, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2019 (1)**

	General	Community Preservation	Tow n Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds	\$ 63,312,152	\$ -	\$ -	\$ -	\$ 63,312,152
Tax liens	301,896	6,570	-	-	308,466
Motor vehicle and other excise taxes	3,420,299	-	-	-	3,420,299
Meals tax	264,699	-	-	-	264,699
Penalties and interest on taxes	331,905	4,094	-	-	335,999
Fees and rentals	477,175	-	-	2,360	479,535
Payments in lieu of taxes	18,914	-	-	-	18,914
Licenses and permits	785,478	-	-	273,380	1,058,858
Fines and forfeitures	40,619	-	-	-	40,619
Intergovernmental - state aid	7,820,440	-	-	-	7,820,440
Intergovernmental - Teachers Retirement	9,163,885	-	-	-	9,163,885
Intergovernmental - other	72,853	244,826	-	3,887,669	4,205,348
Departmental and other	1,249,926	-	-	4,658,937	5,908,863
Community preservation taxes	-	1,543,895	-	-	1,543,895
Special assessments	20,581	-	-	575	21,156
Contributions and donations	-	-	-	1,182,551	1,182,551
Investment income	565,524	210,188	-	35,275	810,987
Total Revenues	<u>\$ 87,846,346</u>	<u>\$ 2,009,573</u>	<u>\$ -</u>	<u>\$ 10,040,747</u>	<u>\$ 99,896,666</u>
<b>EXPENDITURES:</b>					
Current:					
General government	3,579,882	-	32,167	850,051	4,462,100
Public safety	10,075,989	-	333,657	323,809	10,733,455
Education	39,887,121	-	-	5,068,569	44,955,690
Public works	4,814,497	-	189,866	2,122,886	7,127,249
Human services	1,453,842	-	-	459,799	1,913,641
Culture and recreation	1,247,253	-	-	606,970	1,854,223
Community preservation	-	1,078,901	-	-	1,078,901
Pension benefits	4,469,074	-	-	-	4,469,074
Pension benefits - Teachers Retirement	9,163,885	-	-	-	9,163,885
Employee benefits	6,760,949	-	-	-	6,760,949
State and county charges	746,604	-	-	-	746,604
Debt service:					
Principal	4,180,638	-	-	-	4,180,638
Interest	3,139,312	-	-	-	3,139,312
Total Expenditures	<u>89,519,046</u>	<u>1,078,901</u>	<u>555,690</u>	<u>9,432,084</u>	<u>100,585,721</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,672,700)	930,672	(555,690)	608,663	(689,055)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	6,133,000	-	6,133,000
Premium from issuance of bonds	-	-	516,000	74,268	590,268
Capital lease financing	1,148,100	-	-	-	1,148,100
Proceeds from the sale of capital assets	-	-	-	161,792	161,792
Transfers in	894,468	-	-	123,142	1,017,610
Transfers out	(795,753)	-	-	(1,020,646)	(1,816,399)
Total Expenditures and Other Financing Uses	<u>1,246,815</u>	<u>-</u>	<u>6,649,000</u>	<u>(661,444)</u>	<u>7,234,371</u>
Net Change in Fund Balances	(425,885)	930,672	6,093,310	(52,781)	6,545,316
Fund Balances - Beginning of Year	13,353,117	9,795,873	(4,324,010)	11,655,661	30,480,641
Fund Balances - End of Year	<u>\$ 12,927,232</u>	<u>\$ 10,726,545</u>	<u>\$ 1,769,300</u>	<u>\$ 11,602,880</u>	<u>\$ 37,025,957</u>

(1) Extracted from Town's audited Financial Statements.

**TOWN OF SCITUATE, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2018 (1)**

	General	Community Preservation	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds	\$ 61,421,377	\$ -	\$ -	\$ -	\$ 61,421,377
Tax liens	308,741	5,979	-	-	314,720
Motor vehicle and other excise taxes	3,190,904	-	-	-	3,190,904
Meals tax	261,318	-	-	-	261,318
Penalties and interest	431,904	4,449	-	584	436,937
Fees and rentals	350,894	-	-	2,158	353,052
Payment in lieu of taxes	16,798	-	-	-	16,798
Licenses and permits	712,051	-	-	270,229	982,280
Fines and forfeitures	44,011	-	-	-	44,011
Intergovernmental - Teachers Retirement	9,203,248	-	-	-	9,203,248
Intergovernmental - other	8,027,707	375,664	-	7,356,143	15,759,514
Departmental and other	1,270,710	-	-	4,834,399	6,105,109
Community preservation taxes	-	1,487,827	-	-	1,487,827
Contributions and donations	-	-	-	458,024	458,024
Investment income	387,529	117,884	-	20,617	526,030
Total Revenues	<u>\$ 85,627,192</u>	<u>\$ 1,991,803</u>	<u>\$ -</u>	<u>\$ 12,942,154</u>	<u>\$ 100,561,149</u>
<b>EXPENDITURES:</b>					
Current:					
General government	3,464,060	-	31,520	679,693	4,175,273
Public safety	9,329,853	-	213,524	530,721	10,074,098
Education	37,027,462	-	-	11,279,299	48,306,761
Public works	6,201,707	-	841,129	5,387,053	12,429,889
Human services	535,719	-	-	408,140	943,859
Culture and recreation	1,140,195	-	-	659,850	1,800,045
Community preservation	-	1,085,695	-	-	1,085,695
Pension benefits	4,557,735	-	-	-	4,557,735
Pension benefits - Teachers Retirement	9,203,248	-	-	-	9,203,248
Employee benefits	6,988,176	-	-	-	6,988,176
State and county charges	698,143	-	-	-	698,143
Debt service:	-	-	-	-	-
Principal	4,302,159	-	-	-	4,302,159
Interest	3,237,379	-	-	-	3,237,379
Total Expenditures	<u>86,685,836</u>	<u>1,085,695</u>	<u>1,086,173</u>	<u>18,944,756</u>	<u>107,802,460</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,058,644)	906,108	(1,086,173)	(6,002,602)	(7,241,311)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	500,000	500,000
Premium from issuance of bonds	-	-	-	202,153	202,153
Proceeds from the sale of capital assets	-	-	-	206,432	206,432
Transfer in	1,551,913	-	-	319,953	1,871,866
Transfer out	(753,483)	-	-	(879,988)	(1,633,471)
Total Expenditures and Other Financing Uses	<u>798,430</u>	<u>-</u>	<u>-</u>	<u>348,550</u>	<u>1,146,980</u>
Net Change in Fund Balances	(260,214)	906,108	(1,086,173)	(5,654,052)	(6,094,331)
Fund Balances - Beginning of Year	13,613,331	8,889,765	(3,237,837)	17,309,713	36,574,972
Fund Balances - End of Year	<u>\$ 13,353,117</u>	<u>\$ 9,795,873</u>	<u>\$ (4,324,010)</u>	<u>\$ 11,655,661</u>	<u>\$ 30,480,641</u>

(1) Extracted from Town's audited Financial Statements.

**TOWN OF SCITUATE, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2017 (1)**

	General	Community Preservation	Affordable Housing	Tow n Capital Projects	Middle School Construction	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>							
Real estate and personal property taxes, net of tax refunds	\$ 59,718,484	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,718,484
Tax liens	478,175	9,941	-	-	-	-	488,116
Motor vehicle and other excise taxes	3,350,152	-	-	-	-	-	3,350,152
Penalties and interest	478,705	4,927	-	-	-	-	483,632
Fees and rentals	526,908	-	-	-	-	-	526,908
Licenses and permits	659,832	-	-	-	-	277,563	937,395
Fines and forfeitures	99,438	-	-	-	-	1,425	100,863
Intergovernmental	16,548,339	217,777	-	-	11,353,976	12,071,701	40,191,793
Departmental and other	1,103,674	-	-	-	-	4,080,433	5,184,107
Community preservation surtax	-	1,431,186	-	-	-	-	1,431,186
Contributions	458,316	-	-	-	-	423,760	882,076
Investment income	-	71,075	6,885	-	-	5,777	83,737
<b>Total Revenues</b>	<b>\$ 83,422,023</b>	<b>\$ 1,734,906</b>	<b>\$ 6,885</b>	<b>\$ -</b>	<b>\$ 11,353,976</b>	<b>\$ 16,860,659</b>	<b>\$ 113,378,449</b>
<b>EXPENDITURES:</b>							
Current:							
General government	3,385,797	-	11,717	79,816	-	2,351,596	5,828,926
Public safety	9,566,984	-	-	10,568,328	-	243,668	20,378,980
Education	35,796,254	-	-	-	43,394,248	4,694,792	83,885,294
Public works	3,962,774	-	-	4,778,216	-	3,507,962	12,248,952
Human services	560,789	-	-	-	-	332,095	892,884
Culture and recreation	1,066,380	-	-	-	-	6,710,570	7,776,950
Community preservation	-	1,138,589	-	-	-	-	1,138,589
Pension benefits	13,067,450	-	-	-	-	-	13,067,450
Employee benefits	6,519,284	-	-	-	-	-	6,519,284
State and county charges	690,039	-	-	-	-	-	690,039
Debt service:							
Principal	4,423,512	-	-	-	-	-	4,423,512
Interest	3,285,814	-	-	-	-	-	3,285,814
<b>Total Expenditures</b>	<b>82,325,077</b>	<b>1,138,589</b>	<b>11,717</b>	<b>15,426,360</b>	<b>43,394,248</b>	<b>17,840,683</b>	<b>160,136,674</b>
Excess (Deficiency) of Revenues Over Expenditures	1,096,946	596,317	(4,832)	(15,426,360)	(32,040,272)	(980,024)	(46,758,225)
Other Financing Sources (Uses):							
Issuance of bonds and notes	-	-	-	3,500,000	-	-	3,500,000
Premium from issuance of refunding bonds	34,648	-	-	-	-	-	34,648
Transfer in	1,442,237	-	-	-	-	-	1,442,237
Transfer out	(660,771)	-	-	-	-	(645,070)	(1,305,841)
<b>Total Expenditures and Other Financing Uses</b>	<b>816,114</b>	<b>-</b>	<b>-</b>	<b>3,500,000</b>	<b>-</b>	<b>(645,070)</b>	<b>3,671,044</b>
<b>Net Change in Fund Balances</b>	<b>1,913,060</b>	<b>596,317</b>	<b>(4,832)</b>	<b>(11,926,360)</b>	<b>(32,040,272)</b>	<b>(1,625,094)</b>	<b>(43,087,181)</b>
Fund Balances - Beginning of Year	11,700,271	8,293,448	756,446	8,688,523	39,926,261	10,297,204	79,662,153
<b>Fund Balances - End of Year</b>	<b>\$ 13,613,331</b>	<b>\$ 8,889,765</b>	<b>\$ 751,614</b>	<b>\$ (3,237,837)</b>	<b>\$ 7,885,989</b>	<b>\$ 8,672,110</b>	<b>\$ 36,574,972</b>

(1) Extracted from Tow n's audited Financial Statements.

## Unassigned General Fund Balances and Free Cash

Under Massachusetts law an amount known as "free cash" is certified as of the beginning of each fiscal year by the state Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy. Subject to certain adjustments, free cash is surplus revenue less uncollected and overdue property taxes from prior years.

The following table presents the history of the Town's unassigned general fund balances and free cash:

<u>Year</u>	<u>Unassigned General Fund Balance As of June 30 (1)</u>	<u>Certified Free Cash for Fiscal Year Beginning July 1</u>
2022	N.A.	\$5,022,839
2021	\$12,082,365	5,044,671
2020	9,411,662	3,483,292
2019	7,694,737	2,501,361
2018	6,427,923	2,492,170
2017	8,486,498	3,252,678

(1) Source: Audited Financial Statements.

## Stabilization Fund

The Town maintains a stabilization fund, which is accounted for in the Trust Funds. The Stabilization Fund plus interest income may be appropriated by the Town Meeting for any municipal purpose. The following table sets forth the trend in the Town's Stabilization Fund for the following fiscal years:

<u>Year</u>	<u>Stabilization Fund as of June 30,</u>
2022	\$ 5,969,191
2021	5,339,325
2020	4,564,068
2019	4,290,899
2018	2,853,146 (1)

(1) Town appropriated \$1 million at April 2018 Annual Town Meeting to fund emergency storm costs. At the November 2018 special town meeting, the Town restored \$1 million to this fund.

The annual town meeting normally includes a warrant article to put any excess levy capacity into the stabilization fund.

### Capital Stabilization Fund

The Town established a capital stabilization fund at the November 2012 special town meeting. The following table sets forth the trend in the Town's Capital Stabilization Fund for the following fiscal years:

Year	Capital Stabilization Fund
2022	\$ 140,505
2021	491,195
2020	36,154
2019	221,586
2018	361,613

### Economic Development Stabilization Fund

The Town established an economic development stabilization fund at the April 2013 town meeting. The following table sets forth the trend in the Town's Economic Development Stabilization Fund for the following fiscal years:

Year	Economic Development Stabilization Fund
2022	\$ 34,437
2021	34,409
2020	34,311
2019	34,108
2018	33,888

### Additional Funds

At the April 2015 special town meeting the Town created two additional stabilization funds. The Sewer Enterprise Capital Stabilization Fund with an initial balance of \$350,000 and a Water Enterprise Capital Stabilization Fund. Both funds were used to support capital projects at the June 2020 annual town meeting.

The Golf Course Capital Stabilization Fund was established in April 2017.

The Town voted to establish a Waterways Enterprise Capital Stabilization Fund at the April 2019 Annual Town Meeting, which has not yet been funded.

The Town established a Transfer Station Capital Stabilization Fund in April 8, 2019 which was funded at the October 2021 special town meeting.

The Town established a SPED Reserve Fund at the November 2020 Special Town Meeting which has not yet been funded.

The following table sets forth the trend in the Town's additional fund balances for the following fiscal years.

Balance as of June 30,	Stabilization Fund	Capital Stabilization Fund	Economic Development Stabilization Fund	Sewer Enterprise Capital Stabilization Fund	Water Enterprise Capital Stabilization Fund	Transfer Station Capital Stabilization Fund	Waterways Capital Stabilization Fund	Widows Walk Capital Stabilization Fund	SPED Reserve Fund (1)
2022	\$ 5,969,191	\$ 140,505	\$ 34,437	\$ 251,100	\$ 150,962	\$ 25,053	\$ -	\$ 215,509	\$ 100,047
2021	5,339,325	491,195	34,409	250,898	150,841	25,033	-	115,369	-
2020	4,564,068	36,154	34,311	566	641	25,011	-	15,194	-
2019	4,290,899	221,586	34,108	117,962	54,318	-	-	15,104	-
2018	2,853,146	361,613	33,888	316,202	252,969	-	-	15,006	-
2017	3,595,163	738,094	33,722	352,746	251,591	-	-	-	-
2016	2,950,820	309,624	23,619	351,570	250,575	-	-	-	-
2015	2,374,384	924,071	13,540	350,446	-	-	-	-	-
2014	3,179,056	329,402	-	-	-	-	-	-	-
2013	2,061,481	100,004	-	-	-	-	-	-	-

- (1) The Town voted to appropriate an additional \$20,000 to the SPED Reserve Fund at the September 2022 town meeting.

### Tax Increment Financing for Development Districts

Under recent legislation, cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or towns' development program for the district. This includes pledging such "tax increments" for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2½ (see "Tax Limitations under "PROPERTY TAXATION" above). The Town is in the process of determining whether or not to develop such districts in the immediate future, and has re-established its Economic Development Industrial Commission (EDIC).

### Investment of Town Funds

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, or in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

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

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

## INDEBTEDNESS

### Authorization of General Obligation Bonds and Notes

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

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

### Debt Limits

General Debt Limit. The General Debt Limit of the Town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the Municipal Finance Oversight Board, consisting of the Attorney General, the State Treasurer, the State Auditor, and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit if such debt is authorized by a two-thirds vote of the city or town and such debt is payable within the periods so specified in Mass. Gen. Laws. c. 44, §8. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes; emergency loans; loans exempted by special laws; certain school bonds, certain sewer bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing, bonds for water, housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems. Revenue bonds are not subject to these debt limits. The General Debt Limit applies at the time the debt is authorized. The special debt limits generally apply at the time the debt is incurred.

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

### Types of Obligations

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

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the end of the fiscal year in which any of the bonds or notes being refunded thereby is payable, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as "qualified bonds" with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not

less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

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

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

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

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements for any purpose for which the city or town may incur debt that may be payable over a term of 5 years or longer. Generally, they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities, for projects financed under the Commonwealth’s Clean Water or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition, cities and towns which are members of the New England Power Pool may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Public Utilities. This paragraph is not intended to summarize laws relating to revenue bonds or to notes issued in anticipation of them. Industrial revenue bonds are also outside the scope of this paragraph.

### **Revenue Anticipation Note Borrowing**

The Town has not borrowed for operating purposes during the last five fiscal years.



**Direct Debt Summary  
As of June 30, 2022 (1)**

**Long-Term Indebtedness**

General Obligation Bonds:

Water (2)	\$ 23,937,000	
School (3)	36,295,100	
General (4)	35,259,099	
Sewers & Drains (5)	4,860,000	
MCWT (6)	5,668,532	
Golf	1,350,000	
Transfer Station	85,000	
Waterways	1,081,900	
CPA	1,775,000	
Total	<u>110,311,630</u>	\$ 110,311,630

Bonds dated November 17, 2022 8,240,000

**Short-Term Debt**

Bond Anticipation Notes Outstanding (7)	8,425,248	
To Be Retired with Bond Proceeds	(7,160,407)	
To Be Retired with Revenue Funds	<u>(494,841)</u>	
Total Bond Anticipation Notes Outstanding after This Issue (8)		<u>770,000</u>

**Total Direct Debt** \$ 119,321,630

- (1) Excludes overlapping debt, lease and installment purchase obligations, unfunded pension liability, and other post-employment benefits liability.
- (2) \$23,277,000 is outside the Town's general debt limit, subject to a separate debt limit equal to 10% of the Town's equalized valuation.
- (3) \$33,405,000 is outside the Town's general debt limit and \$35,471,500 is exempt from the limitations of Proposition 2 ½.
- (4) \$23,435,000 is exempt from the limitations of Proposition 2 ½.
- (5) \$625,200 is outside the Town's general debt limit.
- (6) \$3,438,754 is outside the Town's general debt limit and \$191,163 is exempt from the limitations of Proposition 2 ½.
- (7) Payable January 26, 2023.
- (8) This issue, payable May 25, 2023.

**Debt Ratios**

	As of June 30,				
	2022	2021	2020	2019	2018
Long Term Debt Outstanding (1)	\$110,311,630	\$119,333,787	\$95,576,510	\$102,888,286	\$102,742,241
Debt per Capita	\$5,697.91	\$6,163.94	\$4,936.80	\$5,314.48	\$5,306.93
Percent of Assessed Valuation (2)	1.93%	2.32%	1.96%	2.21%	2.31%
Percent of Equalized Valuation (3)	2.12%	2.30%	1.98%	2.13%	2.32%
Debt per Capita as a Percent of per Capita Income	16.79%	18.16%	14.55%	15.66%	15.64%

- (1) Excludes short-term debt, lease and installment purchase obligations, overlapping debt, unfunded pension liability, and other post-employment benefits liability.
- (2) Source: Massachusetts Department of Revenue - Assessed valuation as of the prior January 1.
- (3) Source: Massachusetts Department of Revenue - Equalized valuation in effect for that fiscal year (equalized valuations are established for January 1 of each even-numbered year).

## Principal Payments by Purpose

**Outstanding Bonded Debt (1)**  
**Principal Payment by Purpose**  
**As of June 30, 2022**

Fiscal Year	Water (2)	School (3)	General (4)	Sewers & Drains (5)	MCWT (6)	Golf	Transfer Station	Waterways	CPA	Total
2023	\$ 1,606,200	\$ 2,649,900	\$ 2,471,791	\$ 515,700	\$ 998,529	\$ 150,000	\$ 15,000	\$ 354,000	\$ 200,000	\$ 8,961,120
2024	1,543,100	2,619,800	2,410,561	501,600	1,020,191	150,000	15,000	306,200	200,000	8,766,453
2025	1,539,700	2,608,200	2,349,305	446,100	593,183	150,000	10,000	106,700	200,000	8,003,188
2026	1,486,300	2,067,700	2,258,224	311,600	605,629	150,000	10,000	70,000	200,000	7,159,453
2027	1,407,200	1,926,500	2,262,120	306,900	315,914	150,000	10,000	60,000	195,000	6,633,634
2028	1,383,100	1,929,900	2,256,094	302,600	322,780	150,000	10,000	60,000	195,000	6,609,474
2029	1,362,400	1,925,100	2,260,748	302,500	329,796	150,000	5,000	60,000	195,000	6,590,544
2030	1,354,900	1,928,400	2,184,884	266,700	336,963	150,000	5,000	55,000	195,000	6,476,847
2031	1,344,100	1,914,600	2,134,103	256,300	344,286	150,000	5,000	10,000	195,000	6,353,389
2032	1,175,000	1,870,000	1,883,406	210,000	351,769	-	-	-	-	5,490,175
2033	1,175,000	1,870,000	1,867,796	205,000	359,414	-	-	-	-	5,477,210
2034	1,160,000	1,855,000	1,707,274	190,000	10,431	-	-	-	-	4,922,705
2035	1,160,000	1,855,000	1,706,842	190,000	10,657	-	-	-	-	4,922,499
2036	1,140,000	1,855,000	1,711,502	190,000	10,889	-	-	-	-	4,907,391
2037	1,140,000	1,855,000	1,494,662	145,000	11,126	-	-	-	-	4,645,788
2038	1,140,000	1,855,000	1,339,785	145,000	11,368	-	-	-	-	4,491,153
2039	1,140,000	1,855,000	1,295,000	145,000	11,615	-	-	-	-	4,446,615
2040	1,120,000	1,855,000	1,225,000	115,000	11,867	-	-	-	-	4,326,867
2041	560,000	-	440,000	115,000	12,125	-	-	-	-	1,127,125
	<u>\$ 23,937,000</u>	<u>\$ 36,295,100</u>	<u>\$ 35,259,099</u>	<u>\$ 4,860,000</u>	<u>\$ 5,668,532</u>	<u>\$ 1,350,000</u>	<u>\$ 85,000</u>	<u>\$ 1,081,900</u>	<u>\$ 1,775,000</u>	<u>\$ 110,311,630</u>

- (1) Excludes overlapping debt, lease and installment purchase obligations, unfunded pension liability, and other post-employment benefits liability.
- (2) \$23,277,000 is outside the Town's general debt limit, subject to a separate debt limit equal to 10% of the Town's equalized valuation.
- (3) \$33,405,000 is outside the Town's general debt limit and \$35,471,500 is exempt from the limitations of Proposition 2 ½.
- (4) \$23,435,000 is exempt from the limitations of Proposition 2 ½.
- (5) \$625,200 is outside the Town's general debt limit.
- (6) \$3,438,754 is outside the Town's general debt limit and \$191,163 is exempt from the limitations of Proposition 2 ½.

## Debt Service Requirements (1)

### Annual Debt Service As of June 30, 2022

Fiscal Year	Outstanding (2)		MCWT Subsidy	Net Debt Service	Cumulative % Principal Retired
	Principal	Interest			
2023	\$ 8,961,120	\$ 4,203,633	\$ (35,680)	\$ 13,129,073	8.1 %
2024	8,766,453	3,795,604	(25,112)	12,536,945	16.1
2025	8,003,188	3,423,043	-	11,426,231	23.3
2026	7,159,453	3,074,447	-	10,233,900	29.8
2027	6,633,634	2,750,594	-	9,384,229	35.8
2028	6,609,474	2,457,499	-	9,066,973	41.8
2029	6,590,544	2,185,745	-	8,776,289	47.8
2030	6,476,847	1,919,087	-	8,395,934	53.7
2031	6,353,389	1,665,287	-	8,018,676	59.4
2032	5,490,175	1,438,906	-	6,929,081	64.4
2033	5,477,210	1,243,033	-	6,720,243	69.4
2034	4,922,705	1,061,860	-	5,984,565	73.8
2035	4,922,499	896,183	-	5,818,682	78.3
2036	4,907,391	730,491	-	5,637,882	82.7
2037	4,645,788	565,551	-	5,211,338	87.0
2038	4,491,153	407,738	-	4,898,891	91.0
2039	4,446,615	252,362	-	4,698,977	95.1
2040	4,326,867	97,880	-	4,424,747	99.0
2041	1,127,125	11,393	-	1,138,518	100.0
	<u>\$ 110,311,630</u>	<u>\$ 32,180,336</u>	<u>\$ (60,792)</u>	<u>\$ 142,431,175</u>	

- (1) Excludes short-term debt, lease and installment purchase obligations, overlapping debt, unfunded pension liability and other post-employment benefits liability.
- (2) Principal totaling \$59,097,663 and interest totaling \$20,203,622 is exempt from the provisions of Proposition 2 ½, subject to the provisions of Chapter 44, Section 20 of the General Laws.

## Authorized Unissued Debt and Prospective Financing

Currently, the Town has approximately \$99,974,704 of authorized unissued debt, as follows:

Purpose	Amount
Sewer Phase IV Planning	\$ 400,000
Oceanside Drive Seawall Replacement	2,000,000
Harbor/River Dredging	65,000
Widow's Walk Golf Course Irrigation System	2,200,000
Well Upgrade	810,510
Foreshore Protection	3,500,000
Humarock Water Mains Engineering	395,000
Green Sand Filter & SCADA Engineering/Construction	1,230,607
Senior Center Construction and Veterans Memorial Gym Renovation (1)	32,450
Cedar Point Sewer Project	846,205
Oceanside Sewer Infiltration/Inflow	4,900,000
Dolan Field Well Construction	3,255,000
New Water Tank	2,720,000
Widow's Walk Golf Course Improvement	770,000
Sewer Facilities Plan	660,000
Water Mains	3,000,000
Foreshore Repairs - Seawall Turner Road/Oceanside	4,000,000
Foreshore Repairs - FEMA 3rd Cliff	2,500,000
Foreshore Repairs - FEMA 2nd Cliff	715,000
Foreshore Repairs - FEMA 1st Cliff	635,000
Foreshore Repairs - FEMA - Minot	717,500
Foreshore Repairs - FEMA Glades	724,147
High School Roof Replacement	1,045,000
Inflow & Infiltration	4,043,285
Humarock Water Mains - Construction	6,300,000
Water Treatment Plant Design, Construction & SCADA Equipment (1)	50,000,000
Jenkins Roof	1,235,000
Additional Funds to replace CPM Docks	1,275,000
	<u>\$ 99,974,704</u>

- (1) The Town voted to exempt the debt service associated with this project from the limitations of Proposition 2 ½, subject to the provisions of Chapter 44, Section 20 of the General Laws.

## Overlapping Debt

The following are the principal entities whose indebtedness is chargeable to the Town or payable from taxation of property within the Town:

	Outstanding Bonded Debt as of 6/30/22	Scituate's Estimated Share %	Fiscal 2023 Dollar Assessment (1)
Plymouth County (2)	\$550,000	5.74%	\$99,791
South Shore Regional Vocational- Technical School District (3)	\$0	7.58%	\$552,944

- (1) Dollar assessment is based upon total net operating expenses, inclusive of debt service where applicable.
- (2) Source: Treasurer, Plymouth County. County expenses are assessed upon the cities and towns within the County in proportion to their valuations of taxable property as last equalized by the State Commissioner of Revenue. Assessment shown is based on the most recent equalized valuation.
- (3) Source: Treasurer, South Shore Regional Vocational-Technical School District. The operating expenses and debt service of regional school districts are apportioned among the member municipalities in accordance with the agreements establishing the districts, subject to the provisions of the Education Reform Act of 1993. The Town approved the District's authorization of \$18,960,537 in April 2021. The School District has not yet issued for this project.

## **Contracts**

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

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

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

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities.

The Town has entered in contract with International Golf Maintenance of Champions Gate, Florida, to maintain its golf course, for the following sums: \$524,896 January 1, 2019 – December 31, 2019, \$538,018 January 1, 2019 – December 31, 2020, \$551,469 January 1, 2021 – December 31, 2021 and \$562,498 January 1, 2022 – December 31, 2022. Performance reviews will take place each November 1 to determine satisfaction and subsequent release of annual retainage.

The Town also contracts annually with SEMASS Partnership for solid waste disposal at \$111.21 per ton. The cost of this contract for FY2022 was \$351,362. In FY2023, the Town budgeted \$880,000 for this contract.

Additionally, the Town has a number of lease agreements for school buses totaling \$244,301 in FY2020, \$244,301 in FY2021, \$232,710 in FY2022 and \$458,537 in FY2023.

## **RETIREMENT SYSTEM**

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

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

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

development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

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

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

### **Plymouth County Retirement System**

The Town participates in the contributory retirement system of Plymouth County (the "Plymouth County") that is partially funded by employee contributions. More information can currently be found at [www.pcr-ma.org](http://www.pcr-ma.org) including annual reports, annual statements, actuarial valuation reports and actuarial valuation statements. The Town meets its share of costs primarily on a pay-as-you-go basis by contributing annually the amount determined by the State Division of Insurance. This contribution is a legal obligation of the Town and is required to be included in its annual tax levy. The Town also maintains a noncontributory retirement plan for certain eligible veterans who were employed in public service before July 1, 1939.

As of January 1, 2020, the total unfunded pension benefit obligation of the Plymouth County System was \$693,317,164, assuming a 7.875% discount rate as follows:

Total pension benefit obligation	\$1,777,175,521
Assets at market value	1,083,858,357
Unfunded pension benefit obligation	<u>693,317,164</u>
The Town's estimated share at its participation rate of 6.45%	<u>\$ 40,673,575</u>

Effective July 1, 1991, the System elected to fully fund the accrued actuarial liability under Chapter 32, Section 22 of the Massachusetts General Laws. Under provisions of this law, participating employers are assessed their share of the retirement cost based on the entry age normal actuarial cost method.

The System assesses participating employers for their share of pension benefits (less certain interest credits) expected to be paid during the year ("pay-as-you-go" method). This amount is determined in advance by the Public Employee Retirement Administration Commission (PERAC) and is based in part on the previous year's benefit payout.

The Retirement System's current funding schedule amortizes its unfunded pension liability through fiscal 2029 as shown below.

# **Plymouth County Regional Retirement Funding Schedule (As of January 1, 2020)**

Fiscal Year	Employee Contribution	Employer Normal Cost with Interest	Amortization Payments with Interest	Employer Total Cost with Interest	Employer Total Cost % of Payroll	Unfunded Liability	Funded Ratio**
2021	\$ 26,181,441	\$ 6,579,987	\$ 74,572,227	\$ 81,152,214	27.5	\$ 693,317,164	61.0
2022	27,387,394	6,589,518	81,028,633	87,618,151	28.7	672,476,710	62.8
2023	28,646,976	6,590,511	88,037,355	94,627,866	29.8	643,380,454	65.8
2024	29,962,512	6,582,311	95,616,065	102,198,376	31.1	604,806,959	68.0
2025	31,336,430	6,564,228	103,810,318	110,374,546	32.3	555,421,249	71.2
2026	32,771,256	6,535,533	112,669,299	119,204,832	33.7	493,735,914	74.9
2027	34,269,627	6,495,455	122,246,107	128,741,562	35.0	418,095,318	79.2
2028	35,834,292	6,443,181	132,598,074	139,041,255	36.5	326,658,263	84.0
2029	37,468,115	6,377,851	225,348,045	231,725,896	58.6	217,378,961	89.6
2030	39,174,082	6,298,561	-	6,298,561	1.5	-	100.0
2031	40,955,308	6,204,356	-	6,204,356	1.5	-	100.0
2032	42,815,037	6,094,227	-	6,094,227	1.4	-	100.0
2033	44,756,652	5,967,115	-	5,967,115	1.3	-	100.0
2034	46,783,680	5,821,898	-	5,821,898	1.2	-	100.0
2035	48,899,795	5,657,400	-	5,657,400	1.1	-	100.0
2036	51,108,830	5,472,377	-	5,472,377	1.1	-	100.0
2037	53,414,778	5,265,521	-	5,265,521	1.0	-	100.0
2038	55,821,799	5,035,456	-	5,035,456	0.9	-	100.0
2039	58,334,232	4,780,731	-	4,780,731	0.8	-	100.0
2040	60,956,599	4,499,821	-	4,499,821	0.8	-	100.0
2041	63,693,611	4,191,119	-	4,191,119	0.7	-	100.0
2042	66,550,178	3,852,937	-	3,852,937	0.6	-	100.0
2043	69,531,419	3,483,498	-	3,483,498	0.5	-	100.0
2044	72,138,847	3,614,129	-	3,614,129	0.5	-	100.0
2045	74,844,053	3,749,659	-	3,749,659	0.5	-	100.0
2046	77,650,705	3,890,271	-	3,890,271	0.5	-	100.0
2047	80,562,607	4,036,156	-	4,036,156	0.5	-	100.0
2048	83,583,705	4,187,512	-	4,187,512	0.5	-	100.0
2049	86,718,094	4,344,544	-	4,344,544	0.5	-	100.0
2050	89,970,022	4,507,464	-	4,507,464	0.5	-	100.0
2051	93,343,898	4,676,494	-	4,676,494	0.5	-	100.0
2052	96,844,294	4,851,863	-	4,851,863	0.5	-	100.0

Source: Plymouth County Contributory Retirement System revised funding schedule, PERAC.  
For additional information see Appendix A.

The annual contributions of the Town to the Plymouth County System budgeted for fiscal year 2023 (proposed) and for the last five fiscal years are as follows:

<u>Fiscal Year</u>	<u>Contributory</u>
2023 (budgeted)	\$6,213,897
2022	5,759,996
2021	5,228,790
2020	4,875,453
2019	4,730,553
2018	4,530,275

The foregoing data do not include the retirement system costs or liabilities of any larger entity of which the Town is constituent part and for which it is assessed a share of expenses.

## Other Post-Employment Benefits

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities or towns is generally provided on a pay-as-you-go basis. The pay-as-you-go cost to the Town for such benefits in recent years has been as follows:

<u>Fiscal Year</u>	<u>Benefit Costs</u>
2022	\$ 2,735,317
2021	2,766,737
2020	2,493,739
2019	2,678,011
2018	2,785,095

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

The Town was required to implement the GASB reporting requirements for other post-employment benefits beginning in fiscal year 2009. As of June 30, 2021 the Town's estimated unfunded actuarial accrued liability was approximately \$112,989,389. As of July 1, 2021, the Town's actuarially determined contribution ('ADC') was approximately \$7,833,681 assuming a 2.09% discount rate. At the April 11, 2011 Annual Town Meeting the Town created an OPEB fund with an initial contribution of \$14,983. The Town's financial policies prescribe that a minimum 2% of the required Plymouth County Retirement Assessment be added to the OPEB Liability Trust Fund as part of the operating budget annually.

Below are balances for the OPEB Liability Trust Fund for the following fiscal years:

<u>Fiscal Year</u>	<u>Balance</u>
2022	\$ 1,907,393
2021	1,507,842
2020	1,161,484
2019	1,044,773
2018	924,837

The Town transferred an additional \$100,000 into the fund in fiscal 2021 and again at the October 2021 special town meeting in the amount of \$278,341.



## COLLECTIVE BARGAINING

City and town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment.

The Town has approximately 762 full and part-time employees, including those in the School Department. Approximately 86 percent belong to unions or other collective bargaining groups as shown below:

Employee by Category	Represented by	Number of Employees	Contract Expires (1)
General Government			
Police	MASS COP AFL-CIO	37	6/30/2023
Firefighters	International Association of Fire Fighters (IAFF)	44	6/30/2024
Clerical Workers	SEIU 888	35	6/30/2024
Public Works	Laborers District Council	40	6/30/2023
Administrators and Managers	SEIU 888	25	6/30/2024
Communication Specialists	SEIU	8	6/30/2022
Total General Government Professionals		189	
School			
Teachers	Scituate Teachers Assoc./Mass. Teachers Assoc.	299	8/31/2025
Custodians	AFSCME Local 1700	25	6/30/2025
Administrative Assistants	SEIU/Local 888	16	6/30/2025
Bus Workers	AFSCME Local 1700	23	8/31/2025
Paraprofessionals	SEIU/Local 888	84	8/31/2025
Cafeteria Workers	SEIU/Local 888	20	8/31/2022
Total School		467	
Total		656	

(1) In negotiations currently.

## LITIGATION

In the opinion of Town Counsel, no litigation is pending which is likely to result either individually or in the aggregate, in a final judgment against the Town which will materially affect its financial position.

TOWN OF SCITUATE, MASSACHUSETTS  
/s/ Ms. Pamela Avitabile, Town Treasurer

December 7, 2022

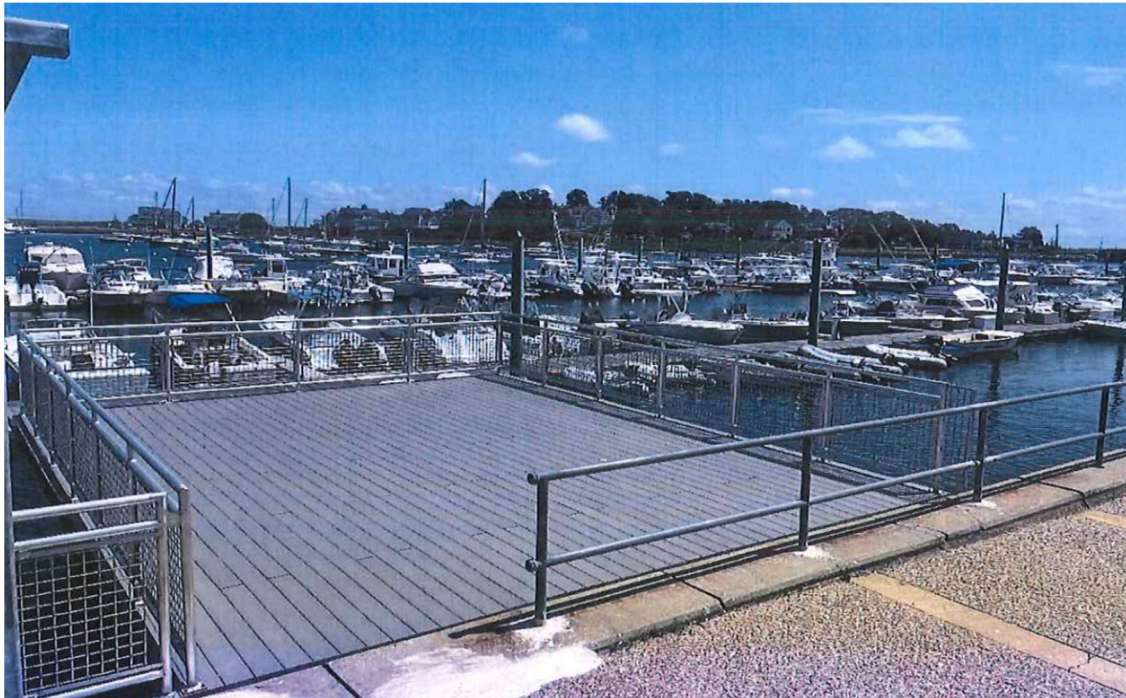
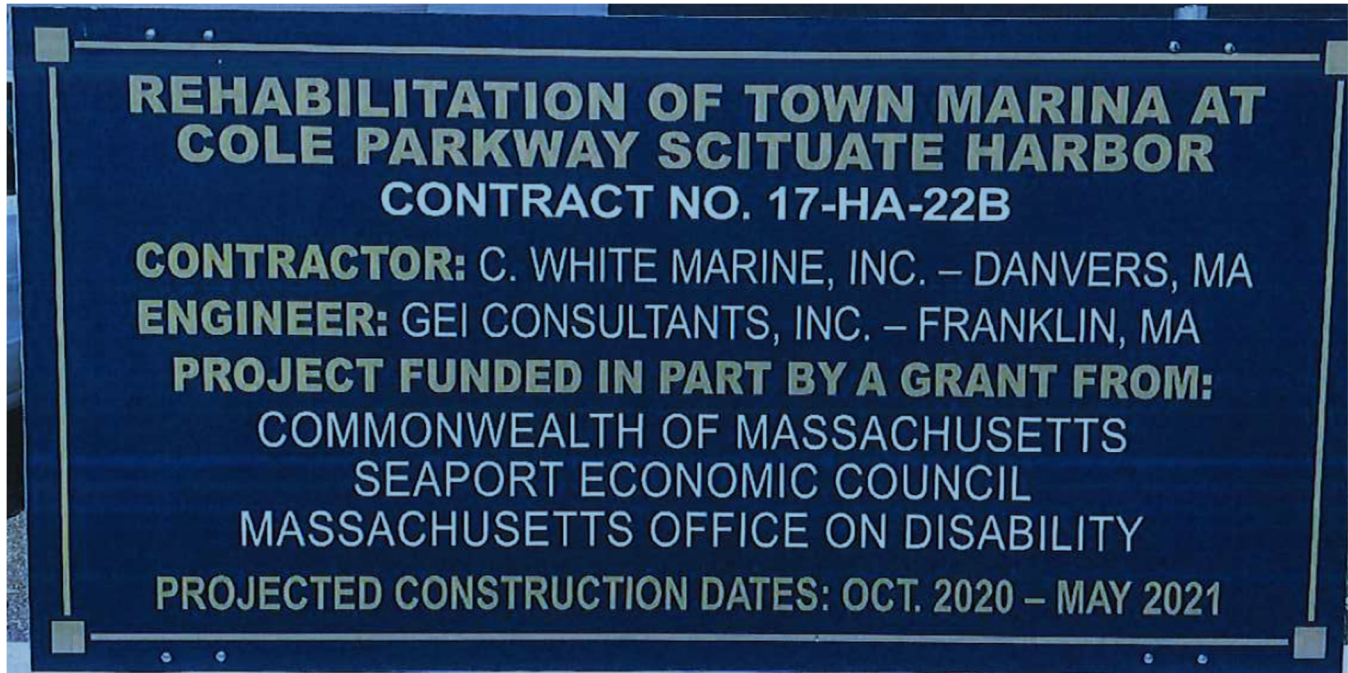
# **TOWN OF SCITUATE, MASSACHUSETTS**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**For the year ended  
June 30, 2021**

On the cover and this page: A \$1M rehabilitation project to replace granite moorings with piers in the Cole Parkway Marina funded 80% with a Seaport Economic Advisory Grant. The project provided greater resiliency to the marina, and the ability to leave docks in over the winter months rather than the costly and risky process of removing and re-installing annually. De-icers purchased through another capital project will keep water from freezing around the docks.



***The Town of  
Scituate, Massachusetts***



**Annual Comprehensive  
Financial Report**

**For the Year Ended  
June 30, 2021**

Prepared by the Finance Department

TOWN OF SCITUATE, MASSACHUSETTS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2021

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# Introductory Section



Spring 2021

After nearly a year in a hybrid learning environment due to the Coronavirus, students returned to class late in the 2021 school year with safety protocols of additional spacing and masks to ensure safety.

# ***Introductory Section***



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**TOWN OF SCITUATE**  
**600 CHIEF JUSTICE CUSHING HIGHWAY**  
SCITUATE, MA 02066  
Tel: (781) 545-8700, Fax: (781) 545-8704

Letter of Transmittal

December 20, 2021

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

State law requires the Town of Scituate to publish at the close of each year 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 this Annual Comprehensive Financial Report (ACFR) of the Town of Scituate, Massachusetts, for the year ending June 30, 2021, for your consideration.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to both protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. As management, we assert that this financial report is complete and reliable in all material respects.

The ACFR is designed to be used by the elected and appointed officials of Scituate in addition to those entities concerned with the Town's management and development including credit rating agencies, bond analysts, investors and financial institutions. The format of the report enables the Town to present complex financial data in a manner that is easier for citizens and taxpayers of the Town of Scituate to review and understand.

The Town of Scituate'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 Scituate for the year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town of Scituate's financial statements for the year ended June 30, 2021, and that they are 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 Scituate 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 Scituate'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 MD&A and should be read in conjunction with it. The Town of Scituate's MD&A can be found immediately following the report of the independent auditors.

## **Profile of Town**

The Town of Scituate was incorporated in 1636 and occupies a land area of approximately 31.79 square miles. The Town is bordered by the Atlantic Ocean on the east and north, Marshfield on the south, Norwell on the southwest, Hingham on the west and Cohasset on the northwest. Scituate is a coastal town located in east central Plymouth County approximately 23 miles southeast of Boston, 18 miles northeast of Brockton and 227 miles from New York City. State routes 3 and 3A are the principal highways and roads serving the Town. The commuter rail has two stations in Scituate, giving residents ready access into the City of Boston and other adjacent communities.

Local legislative decisions are made by an open town meeting consisting of all of the registered voters in the Town. Subject to the legislative decisions made by the town meeting, the affairs of the Town are administered by a five member Select Board who appoint a professional Town Administrator and Finance Director to manage day-to-day and financial matters. The annual town census for 2021 lists the Town's population as 18,865.

Local school affairs are administered by a school committee of five persons. Local taxes are assessed by a board of three assessors; all elected for staggered three-year terms on an at large basis.

The Town of Scituate provides general governmental services for the area within its boundaries, including police and fire protection, public education in grades kindergarten through twelve, water and sewer services, solid waste disposal, library, streets, golf course, waterways and parks and recreation.

The Town's commitment to open space, historical preservation and community housing is evidenced by its acceptance of the Community Preservation Act in 2002 at the maximum 3% surcharge. These funds have been authorized by town meeting for the purchase of hundreds of acres of open space preserving and protecting aquifers, habitats, woodlands, marshland and meadows. The Town has also dedicated funds for recreational purposes including tennis courts, athletic fields, playgrounds, basketball courts and walking/bike trails. Historic preservation projects include preservation of historical logbooks and journals, preservation of historic sites and the acquisition of historically significant property. Community housing support with rehabilitation funds for existing units as well as support for the creation of new units including the 30-unit Lawson Green Apartments.

## **Budgetary Controls**

Under the Town Charter, the Town Administrator sets budget guidelines and prepares and recommends a budget to the Select Board and Advisory Committee which is then reviewed, amended and voted. The nine member Advisory Committee holds public hearings to review all departmental budgets and normally makes recommendations on the budget to town meeting in April.

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/Town Accountant 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 Advisory Committee 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. The school budget is limited to the total amount appropriated by Town Meeting, but the School Committee retains full power to allocate the appropriated funds.

## **Factors Affecting Economic Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

The Town reestablished its Economic Development Commission in 2012 to examine ways to foster commercial development to strengthen the commercial tax base. This includes a multi-phase study by the Metropolitan Area Planning Council to examine existing commercial areas, perform traffic and parking studies and provide recommendations to encourage further commercial/industrial growth including tourism because of the Town's existing amenities. The Commission has worked on branding of the Town with the 'Sea Scituate' design and continues to examine and recommend amendments to the zoning bylaws to encourage and support economic growth. The Town continues to experience residential housing growth with an expected 200-300 units in various stages of development to be constructed in the next few years. To assist in coordinating these endeavors the Town added a Director of Planning & Community Development in 2017.

The Scituate Harbor Cultural District was designated by the Massachusetts Cultural Council in 2015. At the center of the district is the Town's harbor which includes a number of galleries, restaurants and specialty stores. There are a number of cultural offerings in the area including the annual Heritage Days Festival, Luminaria, St. Patrick's Day Parade, Santa Stroll, Farmer's Market and Harbor Art Walk. This designation supports the Town's economic development by encouraging tourism and highlighting the numerous cultural, historical and recreational activities.

The Town was the first municipality in the Commonwealth to provide 100% of its energy needs through renewable sources including a 1.5 megawatt wind turbine and a 3.0 megawatt solar array.

The Town continues to manage its financial affairs in a prudent manner. Standard & Poor's confirmed the Town's bond rating to AA+ with a stable outlook which is reflective of management's incorporation of long range planning tools such as a five year rolling capital plan; building of reserve balances including multiple special purpose stabilization funds for future capital needs; addressing long term liabilities, such as OPEB, within its financial policies; investing in technology to ensure efficient operations; and maintaining an aggressive debt management strategy for capital improvements and pursuing pay-as-you-go options whenever possible. The Town is consistently successful at attaining federal, state and local grants for operational services, new initiatives as well as capital improvements including the Massachusetts School Building Authority, Massachusetts Board of Library Commissioners, Commonwealth's Clean Water Trust, Executive of Energy & Environmental Affairs, Commonwealth's Seawall & Dam Repair Fund, Commonwealth's Coastal Zone Management, Green Communities, Massworks, Federal Emergency Management Agency Hazard Mitigation and Flood Mitigation, National Oceanic and Atmospheric Association and the Army Corps of Engineers.

The Town has also enhanced its revenue flexibility by establishing five enterprise funds. This has allowed the Town to shift 100% of the operating cost and capital improvements to the users of sewer, water, solid waste, golf course and waterways services so that no tax support goes towards providing operational support for these services. All related debt, except one sewer plant upgrade which matured in 2021, is funded through user fees. By doing so the Town is able to provide the maximum tax dollars available to all other services.

## **Major Initiatives**

The Select Board adopted a Master Facilities Plan in November of 2011 and created a Public Facilities Master Planning Committee in 2012 to assess the condition of the Town's aging facilities, assess the suitability of the buildings for current needs and provide recommendations for addressing the deficiencies. To date, the Town has completed a \$12M renovation to its public library which was partially offset by a \$5M Massachusetts Board of Library Commissioners grant and over \$1.2M in private donations. An \$18M public safety complex and emergency

operations center replaced a 1959 police station and fire station. A \$75M middle school project replaced a 100 year old school and was partially financed with \$20M in Massachusetts School Building Authority funding. All three of those facilities opened in calendar year 2017. The old police station was demolished and is now green space while the old fire station has been put to use as office space, storage and a bus repair area. In May 2019, the next phase of that plan was approved by voters when a \$12M new senior center including accessibility updates to the adjacent Veterans Memorial Gym on the site of the old middle school was approved. This new facility opened in spring 2021 serving congregate meals four days a week and offering enhanced programming.

In FY 2014, the Town approved a \$22M water infrastructure project to replace approximately 21 miles of cast iron pipe was completed in three phases involving nine construction contracts. The Town continues to invest heavily into its water infrastructure including an aggressive pipe replacement and flushing program to improve water quality. Two additional authorizations for water pipe replacement totaling \$5M have been authorized and that work started in early 2021 and was expected to be completed in fall of 2021 including replacing 2" galvanized pipes, adding additional valves and hydrants to eliminate dead ends in the system and support the flushing program. A \$5M new green sand filter facility was also completed in 2021 to assist in eliminating manganese to bring a dormant well back online. Permitting is ongoing for the Dolan Well Field to provide additional water sources and the 2021 annual town meeting authorized funding for a third water storage tank. The most anticipated project is the design of a new water treatment plant to replace the outdated 1960s plant that does not meet the treatment needs of the town or current standards for redundancy.

The Town continues to participate in a regional study with the Towns of Hull and Cohasset to expand the sewer system to the residents and businesses of North Scituate. Access to Town sewer is key to the economic sustainability and future development of that business district. The Town is also aggressively tackling its inflow and infiltration problem to ease the burden on the system as well as create additional capacity for expansion. The replacement of the gravity sewer line in the Cedar Point area was expected to be completed in the summer of 2021 and was one of the most egregious sources of inflow and infiltration. The 2021 annual town meeting approved \$4.9M to continue this work in the Oceanside area.

As a coastal community, the Town has dedicated significant resources to foreshore protection in supporting over \$25.5M in improvements since 2010. Funding for foreshore protection is included in the Town's operational budget as well as annually on its five-year rolling capital plan. The Town has been successful in obtaining matching grants and low interest loans from the Massachusetts Seawall and Dam Repair Fund for seawall construction totaling \$10M in the last few years. The Town is currently working with the Massachusetts Emergency Management Agency (MEMA), the Federal Emergency Management Agency (FEMA) and the Army Corps of Engineers to repair damages to foreshore structures damaged in the last four presidentially declared disasters as well as other significant storms. The repairs would be funded with public assistance funds, hazard mitigation grants, construction grants and Town funds. The first of these "legacy" projects to restore the Egypt Beach berm was completed in FY21 at a total cost of over \$1.44M of which \$1.07M was expected to be reimbursed by FEMA. The Town recognizes the complexity of foreshore protection and has successfully applied for several grants to study sea level rise, explore coastal resiliency options and priorities, elevate severe repetitive loss homes and utilities, obtain design and permitting funding for beach nourishment projects and study managed retreat. The Town has a dedicated full-time employee for the last six years focused on coastal resources that works with residents, government agencies and other Town departments on how to manage the Town's unique geographic challenges. The bulk of these endeavors are funded through local, state and federal grant programs

The Town dedicates operational budget and capital funds to roadway improvements. This includes creating trails with Community Preservation funding with matching funds from the state, coordinating sewer and water projects so as not to waste resources on paving the same area repeatedly and utilizing Massachusetts Department of Transportation Chapter 90 funds for major repairs and drainage improvements to roads throughout Town. In the last five years, the Town has invested \$5.38M in improving its roads, sidewalks and drainage. The Town's Fire and Police Departments are also consistently successful in obtaining state and federal grants for equipment such

as stretchers, safety equipment, dewatering pumps and emergency medical supplies, training as well as construction funds for improvements to existing facilities.

## **Reserves**

Management has adopted financial policies to address key areas of concern including funding the following reserves: Operational Budget Reserve Fund, Stabilization Fund, Capital Stabilization Fund, Economic Development Stabilization Fund, Water Enterprise Capital Stabilization Fund, Sewer Enterprise Capital Stabilization Fund, Widow's Walk Golf Course Capital Stabilization Fund, Waterways Enterprise Capital Stabilization Fund, Transfer Station Capital Stabilization Fund, Workers Compensation Reserve and Other Postemployment Liability Trust Fund.

The Other Post Employment Liability Trust was established in 2011 and is funded at 2% of the annual pension assessment pursuant to the Town's financial policies. The Town created a Capital Stabilization Fund in 2012 to complement the Town's five-year capital plan to address future capital needs and associated debt burden. This fund is a valuable tool for setting aside funds over several years to address costly projects identified on the five-year rolling capital plan. In 2013, the Town approved an Economic Development Stabilization Fund to support initiatives to develop and foster commercial growth. The Town has created capital stabilization funds for all of its five enterprise funds over the last few years as a planning tool for future capital projects related to that infrastructure. Annually, the Town approves the transfer of excess levy capacity to the Stabilization Fund and allocates additional funds to its reserves as available. In the last five years, \$2.35M has been added to the fund by this method.

## **Internal Controls**

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Town Administrator and the Finance Director/Town Accountant are responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements. Because the cost of internal controls should not outweigh their benefits, the Town of Scituate's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement.

## **Financial Management**

The Town adopted comprehensive financial policies in 2012 to address and document prudent strategies for the Town of Scituate to ensure stability during periods of economic downturn and that allocations to reserves are made to secure against future obligations. These policies provide an adequate level of services for the welfare of the citizens of the community in conjunction with its mission and statutory responsibilities. They afford balance and equity in providing services and have the flexibility to tolerate external economic and environmental events and other factors and variables over which the Town does not have control. The Select Board and financial team of the Town have been reviewing the financial policies to further improve financial management and support transparency.

## **Acknowledgements**

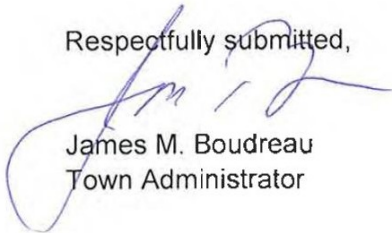
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its ACFR for the year ended June 30, 2020. This was the seventh year that the Town has achieved this prestigious award. In order to be awarded a Certificate

of Achievement, 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 continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of our Town Departments. We would like to also express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Select Board, and the Advisory Committee for their unfailing support for maintaining the highest standards of professionalism in the management of the Town, including its finances.

Respectfully submitted,



James M. Boudreau  
Town Administrator



Nancy Holt  
Finance Director/Town Accountant

# Town of Scituate, Massachusetts

## Principal Executive Officers as of June 30, 2021

<b><u>Elected Officials</u></b>		<b><u>Term Expires</u></b>
Select Board	Karen B. Canfield, Chair	2022
	Anthony V. Vegnani, Vice Chair	2023
	Maura C. Curran	2021
	Andrew W. Goodrich	2023
	Karen E. Connolly	2021
Moderator	James Toomey	2021
Town Clerk	Kathleen A. Gardner	2021
School Committee	Peter Gates, Chair	2023
	Michael Thomas Long, Vice Chair	2021
	Nicole Brandolini	2022
	Michael Hayes	2022
	Janice Lindblom	2023

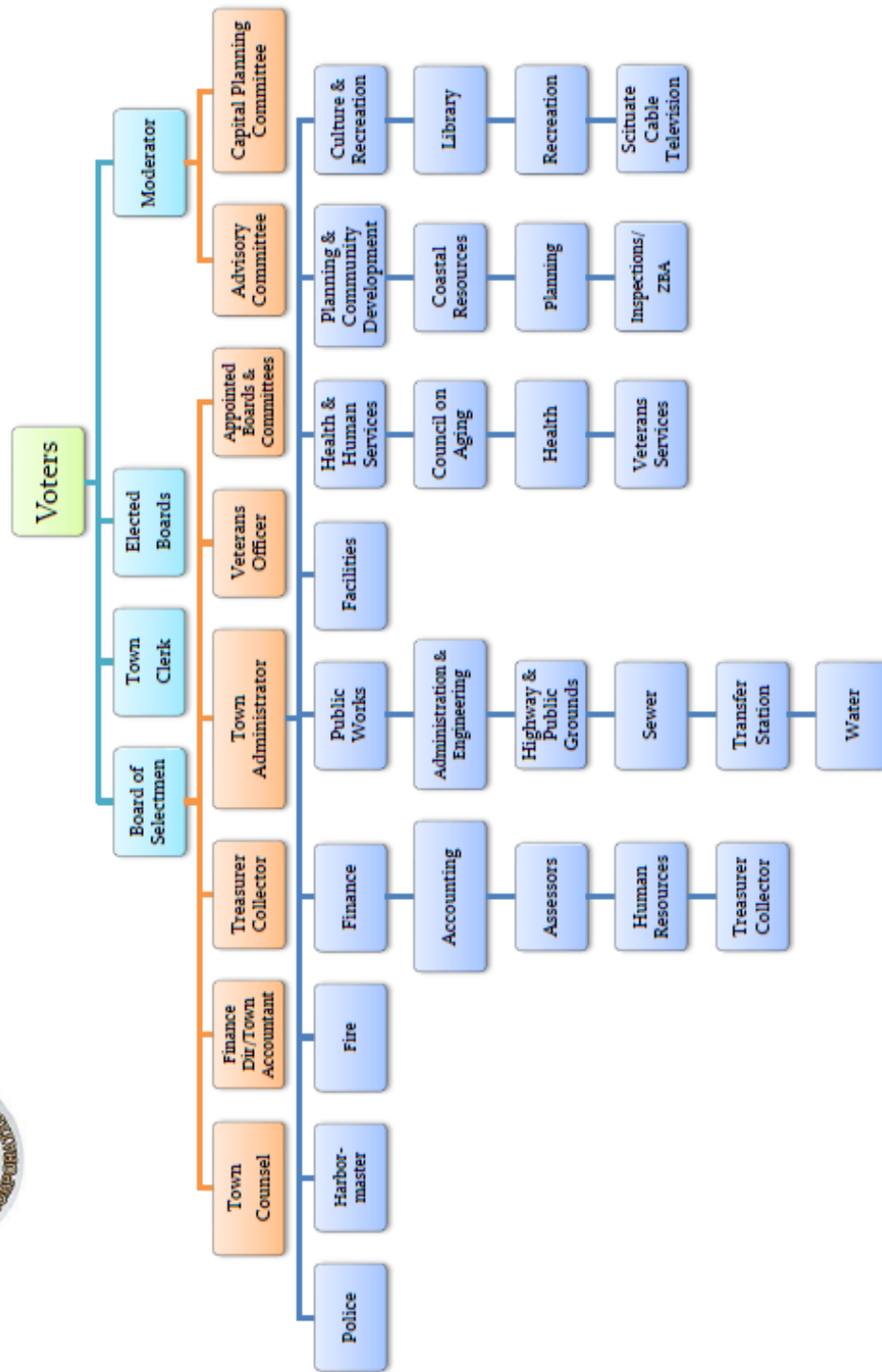
### **Appointed Officials**

Town Administrator	James M. Boudreau
Finance Director/Town Accountant	Nancy Holt
Treasurer/Collector	Pamela J. Avitabile
Director of Assessing	Joseph A. DiVito, Jr.
Fire Chief	John P. Murphy
Police Chief	Mark Thompson
Director of Public Works	Kevin Cafferty





# Town of Scituate





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Scituate  
Massachusetts**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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# Financial Section



Peggotty Beach Parking Lot Repair Work

Repair work on the Peggotty Beach parking lot, stemming from damage incurred in the 2018 Storm Riley, was supported 75% from FEMA public assistance disaster funding.

## ***Financial Section***

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## Independent Auditor's Report

To the Honorable Select Board  
Town of Scituate, Massachusetts

## Report on the Financial Statements

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

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Scituate, Massachusetts, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021, on our consideration of the Town of Scituate, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Scituate, Massachusetts' internal control over financial reporting and compliance.

*Powers & Sullivan LLC*

December 20, 2021



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

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

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

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

This discussion and analysis is intended to serve as an introduction to the Town of Scituate'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. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position 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 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, human services, culture and recreation, community preservation, and interest. The business-type activities include the water, sewer, transfer station, Widow's Walk golf course and waterways activities.

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

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

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

sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Scituate adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund as required supplementary information 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 presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water, sewer, transfer station, Widow's Walk golf course and waterways activities.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town uses fiduciary funds to account for the other postemployment benefits trust fund and private purpose trust 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**

Net position may serve over time as a useful indicator of a government's financial position. The Town of Scituate's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$73.2 million at the close of 2021, which was an increase in the overall financial position of \$11.1 million from the prior year.

Net position of \$163.8 million reflects its investment in capital assets (e.g., land, buildings, infrastructure, 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 net position, \$9.1 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a year-end deficit balance of \$99.7 million.

The governmental activity and business-type activity components are presented below.

### **Governmental Activities**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Governmental assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16.9 million at the close of 2021.

Governmental net position of \$118.7 million reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles and infrastructure), less any related debt used to acquire those assets that is 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, \$9.1 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a deficit of \$110.8 million. The deficit is the result of the Town recording its net pension liability of \$34.6 million along with the net other postemployment benefits (OPEB) liability of \$111.0 million. These are long term unfunded liabilities that will not require significant short-term resources. Unrestricted net position decreased by \$1.6 million. This decrease was mainly due to the change in the net pension and net OPEB liabilities and the related deferred inflows/outflows of resources.

Condensed financial data for 2021 and 2020 is presented below.

### Governmental Activities

	2021	2020 (As Revised)
<b>Assets:</b>		
Current assets.....	\$ 50,064,012	\$ 46,467,332
Capital assets, nondepreciable.....	22,039,167	23,158,009
Capital assets, net of accumulated depreciation....	179,258,373	171,311,118
<b>Total assets.....</b>	<b>251,361,552</b>	<b>240,936,459</b>
<b>Deferred outflows of resources.....</b>	<b>26,753,773</b>	<b>35,010,177</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	7,714,515	7,268,843
Noncurrent liabilities (excluding debt).....	146,093,343	166,596,408
Current debt.....	9,164,798	7,051,424
Noncurrent debt.....	78,563,757	80,301,722
<b>Total liabilities.....</b>	<b>241,536,413</b>	<b>261,218,397</b>
<b>Deferred inflows of resources.....</b>	<b>19,680,853</b>	<b>1,530,131</b>
<b>Net position:</b>		
Net investment in capital assets.....	118,651,814	115,163,737
Restricted.....	9,059,958	7,287,150
Unrestricted.....	(110,813,713)	(109,252,779)
<b>Total net position.....</b>	<b>\$ 16,898,059</b>	<b>\$ 13,198,108</b>

Noncurrent liabilities decreased \$20.5 million due to the net pension and net OPEB liabilities.

The deferred outflows of resources and deferred inflows of resources are primarily related to pension and OPEB.

	2021	2020 (As Revised)
<b>Program Revenues:</b>		
Charges for services.....	\$ 7,451,170	\$ 7,004,726
Operating grants and contributions.....	28,390,377	23,125,330
Capital grants and contributions.....	1,405,279	1,239,266
<b>General Revenues:</b>		
Real estate and personal property taxes, net of tax refunds payable.....	67,926,608	65,237,472
Tax and other liens.....	536,214	418,807
Motor vehicle and other excise taxes.....	3,524,209	3,263,180
Hotel/motel tax.....	135,953	104,145
Meals tax.....	257,378	265,281
Community preservation tax.....	1,669,008	1,587,578
Penalties and interest on taxes.....	422,789	311,089
Payments in lieu of taxes.....	49,109	17,437
Grants and contributions not restricted to specific programs.....	2,517,585	2,757,334
Unrestricted investment income.....	186,912	559,717
Miscellaneous.....	34,080	91,185
<b>Total revenues.....</b>	<b>114,506,671</b>	<b>105,982,547</b>
<b>Expenses:</b>		
General government.....	5,904,608	6,702,565
Public safety.....	15,270,479	15,051,075
Education.....	73,633,769	76,621,191
Public works.....	9,071,595	8,253,694
Human services.....	1,596,684	1,506,644
Culture and recreation.....	2,607,980	2,734,028
Community preservation.....	508,564	2,335,939
Interest.....	2,115,059	2,426,884
<b>Total expenses.....</b>	<b>110,708,738</b>	<b>115,632,020</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>3,797,933</b>	<b>(9,649,473)</b>
<b>Transfers.....</b>	<b>(97,982)</b>	<b>(180,079)</b>
<b>Change in net position.....</b>	<b>3,699,951</b>	<b>(9,829,552)</b>
<b>Net position, beginning of year (as revised).....</b>	<b>13,198,108</b>	<b>23,027,660</b>
<b>Net position, end of year.....</b>	<b>\$ 16,898,059</b>	<b>\$ 13,198,108</b>

Beginning net position of the Town's governmental activities was revised to reflect the implementation of GASB Statement #84, *Fiduciary Activities*. Previously reported net position which was \$12,959,503 was revised to \$13,198,108, an increase of \$238,605.

Operating grant revenue came in higher from the previous year due to increased state financing for the Massachusetts Teachers' Retirement System (MTRS), which increased revenue and the corresponding expense by \$1.8 million over the prior year. The Town also received additional grant funding from the state for ongoing projects and to reimburse costs related to the COVID-19 pandemic.

Property taxes are the most significant revenue source for the Town's governmental activities. They comprise 58% of all governmental revenues.

Expenses decreased \$4.9 million from the prior year which was mainly related to the \$5.9 million change in the net pension and net OPEB liabilities and the related deferred inflows/outflows of resources. This decrease was offset by a \$1.8 million increase in nonemployer contributions to the MTRS.

During FY2020, Plymouth County received federal funding that they allotted to each member community based on population. The communities could use these funds to offset the costs associated with the novel Coronavirus (COVID-19). The Town had expenses of \$2.4 million of which the full amount will be reimbursed with federal and state grants

### Business-type Activities

	2021	2020
<b>Assets:</b>		
Current assets.....	\$ 19,944,219	\$ 13,225,850
Noncurrent assets (excluding capital).....	4,329,013	5,199,203
Capital assets, nondepreciable.....	17,829,765	3,999,174
Capital assets, net of accumulated depreciation....	71,233,765	72,008,163
<b>Total assets.....</b>	<b>113,336,762</b>	<b>94,432,390</b>
<b>Deferred outflows of resources.....</b>	<b>777,122</b>	<b>1,626,598</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	3,240,826	1,368,366
Noncurrent liabilities (excluding debt).....	6,262,088	9,365,212
Current debt.....	8,103,329	4,596,034
Noncurrent debt.....	39,560,839	31,767,744
<b>Total liabilities.....</b>	<b>57,167,082</b>	<b>47,097,356</b>
<b>Deferred inflows of resources.....</b>	<b>677,196</b>	<b>129,282</b>
<b>Net position:</b>		
Net investment in capital assets.....	45,181,269	40,941,659
Unrestricted.....	11,088,337	7,890,691
<b>Total net position.....</b>	<b>\$ 56,269,606</b>	<b>\$ 48,832,350</b>

At the end of the current year, the Town reports \$56.3 million in net position for its combined business-type activities. Of this balance, \$45.2 million reflects the Town's investment in capital assets of the enterprise funds less debt outstanding related to the construction of those assets.

Noncurrent liabilities decreased by \$3.1 million due to the net pension and net OPEB liabilities.

	2021	2020
<b>Program Revenues:</b>		
Charges for services.....	\$ 14,149,103	\$ 12,719,220
Operating grants and contributions.....	-	209,490
Capital grants and contributions.....	3,575,144	255,653
<b>General Revenues:</b>		
Other excise taxes.....	43,691	42,535
Unrestricted investment income.....	50,993	120,953
<b>Total revenues.....</b>	<b>17,818,931</b>	<b>13,347,851</b>
<b>Expenses:</b>		
Water.....	4,069,886	4,930,684
Sewer.....	2,912,067	3,379,048
Transfer Station.....	1,344,058	1,449,897
Widow's Walk golf course.....	1,450,465	1,215,838
Waterways.....	703,181	1,338,580
<b>Total expenses.....</b>	<b>10,479,657</b>	<b>12,314,047</b>
<b>Excess before transfers.....</b>	<b>7,339,274</b>	<b>1,033,804</b>
<b>Transfers.....</b>	<b>97,982</b>	<b>180,079</b>
<b>Change in net position.....</b>	<b>7,437,256</b>	<b>1,213,883</b>
<b>Net position, beginning of year.....</b>	<b>48,832,350</b>	<b>47,618,467</b>
<b>Net position, end of year.....</b>	<b>\$ 56,269,606</b>	<b>\$ 48,832,350</b>

There was a net increase of \$7.4 million in net position reported in connection with the Town's business-type activities (enterprise funds). The changes by fund are listed in the following table:

	2021	2020	Change
<b>Net Position:</b>			
Water.....	\$ 16,217,518	\$ 12,626,959	\$ 3,590,559
Sewer.....	31,433,317	29,423,719	2,009,598
Transfer Station.....	571,378	212,941	358,437
Widow's Walk golf course....	1,463,260	1,172,415	290,845
Waterways.....	6,584,133	5,396,316	1,187,817
<b>Total Net Position.....</b>	<b>\$ 56,269,606</b>	<b>\$ 48,832,350</b>	<b>\$ 7,437,256</b>

All of the enterprise funds set their user rates to recover the expected cash basis expenses in the current year. Therefore, changes in the long-term assets and liabilities compared to the cash received or paid will explain the change in net position. One example is that the Town sets user rates to recover debt service principal expense and not depreciation. Therefore, a consistent factor that explains why net position changed is the difference between long-term debt principal payments compared to depreciation expense. If the principal payment exceeds depreciation, then net position will increase.

The water enterprise fund reported an increase in net position of \$3.6 million compared to a \$1.1 million increase in fiscal year 2020. The increase is a result of the water rates increasing and an increase of state grant revenue of \$897,000.

The sewer enterprise fund reported an increase in net position of \$2.0 million compared to a \$238,000 decrease in fiscal year 2020. The increase is the result of capital contributions from MassWorks for infrastructure projects.

The transfer station fund reported an increase of \$358,000 in net position compared to a \$19,000 increase in fiscal year 2020. The Town had an increase in operating revenue due to an increase in the construction and demolition bulky waste rate. Also, due to the COVID-19 pandemic, sticker renewal for stickers expiring during the second half of fiscal year 2020 were not enforced until fiscal year 2021 causing an increase in revenue.

The Widow's Walk golf course fund reported a \$291,000 increase in net position compared to a decrease of \$4,300 in fiscal year 2020. The golf course operations resumed and were not interrupted due to the COVID-19 pandemic as they were in 2020.

The waterways enterprise fund reported a \$1.2 million increase in net position compared to an increase of \$306,000 in fiscal year 2020. The increase is primarily attributable to capital contributions for land improvements, and a decrease in net pension and OPEB expenses.

### ***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 the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing 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 \$38.0 million, which is comprised of \$18.5 million in the general fund, \$6.3 million in the community preservation fund, a deficit of \$356,000 in Town capital projects, and \$13.5 million in the nonmajor governmental funds. Cumulatively there was an increase of \$1.8 million in fund balances from the prior year, which is due to the activities of the Town's general fund, and Town capital projects fund. Previously reported fund balance was revised to reflect the implementation of GASB Statement #84, *Fiduciary Funds* (See Note 17).

The *general fund* is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$12.1 million, restricted fund balance was \$517,000, committed fund balance was \$5.3 million, and assigned fund balance was \$617,000 while total fund balance was \$18.5 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 12.8% of total general fund budgetary expenditures, while total fund balance represents 19.6% of that same amount.

The fund balance of the general fund increased by \$3.5 million. This increase was due to positive budgetary results where actual revenues exceeded the budget and actual expenditures were less than budgeted, which was offset by the use of free cash. The Stabilization Funds and Workers' Compensation Fund; which are reported as components of the general fund for GAAP basis reporting totaled \$5.9 million and \$517,000, respectively.

The Town reports the Worker's Compensation Fund as restricted fund balance in the general fund.



The *Community Preservation Fund* had a fund balance at year-end of \$6.3 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, 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 Community Preservation fund increased by \$1.7 million in 2021. The change in fund balance is entirely dependent on the timing of the planned use of accumulated revenues for the projects authorized. The Town spent \$172,000 on various projects in 2021.

The *Town Capital Projects Fund* had a year-end fund deficit of \$356,000. Included in this fund is the construction of the senior center and recreation facility, which the Town spent \$7.8 million in 2021. Additionally, the Town spent \$1.1 million relating to the renovation of the athletic fields. During 2021, the fund balance decreased by \$5.1 million which was due to the timing of expenditures and the permanent funding of the projects.

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

The original 2021 operating budget totaled \$88.6 million and consisted of \$83.5 million in appropriations and \$5.1 million in budgeted articles and encumbrances carried over from prior years. The increase between the original budget and the final amended budget was primarily due to supplemental appropriations of free cash (available fund balance) totaling \$2.1 million for capital articles. Actual revenues came in over budget by approximately \$2.8 million, mainly due to an increase in licenses and permits and conservative excise budgeting. Actual expenditures came in under budget by approximately \$7.0 million. Of this balance, the Town reserved \$5.9 million in articles and encumbrances for spending in subsequent years. The remaining balance turned back related to personal services, mainly public safety, and contributory group insurance and unemployment insurance costs coming in under budget.

### ***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) that is used as a guide for future capital expenditures.

The Town's major governmental capital asset activity in 2021 includes additions of \$1.3 million for school athletic field renovations, \$9.4 million for the senior center project and recreation facility improvements, \$2.3 million for machinery and equipment and vehicles, \$3.1 million for infrastructure, \$400,000 for land improvements and \$800,000 in other building projects.

The Town's 2021 business-type capital asset activity includes \$6.2 million in additions related to water main replacement and well projects, \$7.1 million of inflow/infiltration sewer projects, \$756,000 of various machinery, equipment and vehicle additions, \$57,000 in buildings and improvements, \$850,000 in land improvements, and \$515,000 in other infrastructure.

Outstanding governmental long-term debt, as of June 30, 2021, totaled \$84.5 million, of which approximately \$41.4 million relates to various school construction projects, \$12.4 million relates to the public safety complex, \$3.9 million relates to the library, \$4.5 million relates to energy saving projects, \$3.3 million relates to seawall repair projects, \$8.9 million relates to the senior center, and \$4.5 million relates to other various projects and equipment.

The enterprise funds long-term debt totaled \$43.7 million at year end; comprised of \$28.0 million in water debt, \$12.3 million in sewer debt, \$104,000 in transfer station debt, \$1.8 million in golf course debt, and \$1.6 million in waterways debt. Approximately \$53,000 of the sewer debt is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT).

In order to take advantage of favorable interest rates, the Town issued \$3,576,800 of general obligation refunding bonds on March 4, 2021. The proceeds of the refunding bonds were used to complete a current refunding of existing debt. The refunded bonds totaled \$4,140,000 and became callable on April 15, 2021. As a result of the transaction, the refunded bonds were paid down on the call date and the liability has been removed from the statement of net position. The transaction resulted in an economic gain of \$571,704 and a reduction of \$593,709 in future debt service payments.

Please refer to Notes 4, 6, 7, and 8 of the notes to the financial statements for further discussion of the major capital and debt activity, respectively.

### ***Requests for Information***

This financial report is designed to provide a general overview of the Town of Scituate'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, 600 Chief Justice Cushing Way, Scituate, Massachusetts 02066.

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## ***Basic Financial Statements***

## STATEMENT OF NET POSITION

JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 42,568,933	\$ 15,024,403	\$ 57,593,336
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	916,896	-	916,896
Tax liens.....	1,027,623	148,215	1,175,838
Community preservation fund surtax.....	13,772	-	13,772
Motor vehicle and other excise taxes.....	254,660	-	254,660
User charges.....	-	3,165,981	3,165,981
Departmental and other.....	401,778	-	401,778
Intergovernmental.....	3,298,223	970,187	4,268,410
Community preservation state share.....	742,423	-	742,423
Special assessments.....	234,525	614,356	848,881
Tax foreclosures.....	605,179	-	605,179
Inventory.....	-	21,077	21,077
Total current assets.....	50,064,012	19,944,219	70,008,231
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	-	43,506	43,506
Special assessments.....	-	4,285,507	4,285,507
Capital assets, nondepreciable.....	22,039,167	17,829,765	39,868,932
Capital assets, net of accumulated depreciation.....	179,258,373	71,233,765	250,492,138
Total noncurrent assets.....	201,297,540	93,392,543	294,690,083
<b>TOTAL ASSETS.....</b>	<b>251,361,552</b>	<b>113,336,762</b>	<b>364,698,314</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions.....	3,451,149	356,746	3,807,895
Deferred outflows related to other postemployment benefits.....	23,302,624	420,376	23,723,000
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>26,753,773</b>	<b>777,122</b>	<b>27,530,895</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	1,997,759	2,265,209	4,262,968
Accrued payroll.....	1,246,767	133,390	1,380,157
Accrued interest.....	1,082,745	580,507	1,663,252
Other liabilities.....	1,291,018	63,221	1,354,239
Unearned revenue.....	1,066,212	-	1,066,212
Capital lease obligations.....	801,960	62,062	864,022
Landfill closure.....	-	83,000	83,000
Compensated absences.....	1,030,014	115,499	1,145,513
Notes payable.....	2,232,000	3,798,515	6,030,515
Bonds payable.....	6,130,838	4,242,752	10,373,590
Total current liabilities.....	16,879,313	11,344,155	28,223,468
<b>NONCURRENT:</b>			
Capital lease obligations.....	240,000	100,010	340,010
Landfill closure.....	-	661,000	661,000
Compensated absences.....	533,203	42,767	575,970
Net pension liability.....	34,556,911	3,572,161	38,129,072
Net other postemployment benefits liability.....	111,003,229	1,986,160	112,989,389
Bonds payable.....	78,323,757	39,460,829	117,784,586
Total noncurrent liabilities.....	224,657,100	45,822,927	270,480,027
<b>TOTAL LIABILITIES.....</b>	<b>241,536,413</b>	<b>57,167,082</b>	<b>298,703,495</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes paid in advance.....	240,810	-	240,810
Deferred inflows related to pensions.....	3,826,308	395,527	4,221,835
Deferred inflows related to other postemployment benefits.....	15,613,735	281,669	15,895,404
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>19,680,853</b>	<b>677,196</b>	<b>20,358,049</b>
<b>NET POSITION</b>			
Net investment in capital assets.....	118,651,814	45,181,269	163,833,083
Restricted for:			
Permanent funds:			
Expendable.....	328,536	-	328,536
Nonexpendable.....	27,051	-	27,051
Gifts and grants.....	2,338,724	-	2,338,724
Community preservation.....	6,365,647	-	6,365,647
Unrestricted.....	(110,813,713)	11,088,337	(99,725,376)
<b>TOTAL NET POSITION.....</b>	<b>\$ 16,898,059</b>	<b>\$ 56,269,606</b>	<b>\$ 73,167,665</b>

See notes to basic financial statements.

# STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
<b>Primary Government:</b>						
<i>Governmental Activities:</i>						
General government.....	\$ 5,904,608	\$ 1,529,384	\$ 1,619,253	\$ -	\$ (2,755,971)	
Public safety.....	15,270,479	3,786,241	945,488	-	(10,538,750)	
Education.....	73,633,769	741,208	23,188,302	7,252	(49,697,007)	
Public works.....	9,071,595	799,643	2,016,224	559,610	(5,696,118)	
Human services.....	1,596,684	199,018	562,814	-	(834,852)	
Culture and recreation.....	2,607,980	395,676	58,296	-	(2,154,008)	
Community preservation.....	508,564	-	-	838,417	329,853	
Interest.....	2,115,059	-	-	-	(2,115,059)	
Total Governmental Activities.....	110,708,738	7,451,170	28,390,377	1,405,279	(73,461,912)	
<i>Business-Type Activities:</i>						
Water.....	4,069,886	6,675,381	-	960,377	3,565,872	
Sewer.....	2,912,067	2,845,095	-	1,965,034	1,898,062	
Transfer Station.....	1,344,058	1,686,076	-	14,053	356,071	
Widow's Walk golf course.....	1,450,465	1,735,244	-	-	284,779	
Waterways.....	703,181	1,207,307	-	635,680	1,139,806	
Total Business-Type Activities.....	10,479,657	14,149,103	-	3,575,144	7,244,590	
Total Primary Government.....	\$ 121,188,395	\$ 21,600,273	\$ 28,390,377	\$ 4,980,423	\$ (66,217,322)	

See notes to basic financial statements.

(Continued)

# STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page.....	\$ (73,461,912)	\$ 7,244,590	\$ (66,217,322)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	67,926,608	-	67,926,608
Tax and other liens.....	536,214	-	536,214
Motor vehicle and other excise taxes.....	3,524,209	43,691	3,567,900
Hotel/motel tax.....	135,953	-	135,953
Meals tax.....	257,378	-	257,378
Community preservation tax.....	1,669,008	-	1,669,008
Penalties and interest on taxes.....	422,789	-	422,789
Payments in lieu of taxes.....	49,109	-	49,109
Grants and contributions not restricted to specific programs.....	2,517,585	-	2,517,585
Unrestricted investment income.....	186,912	50,993	237,905
Miscellaneous.....	34,080	-	34,080
<i>Transfers, net</i> .....	(97,982)	97,982	-
Total general revenues and transfers.....	77,161,863	192,666	77,354,529
Change in net position.....	3,699,951	7,437,256	11,137,207
<i>Net position:</i>			
Beginning of year (as revised).....	13,198,108	48,832,350	62,030,458
End of year.....	\$ 16,898,059	\$ 56,269,606	\$ 73,167,665

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2021

	General	Community Preservation	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 19,571,488	\$ 5,586,285	\$ 1,984,725	\$ 15,426,435	\$ 42,568,933
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	916,896	-	-	-	916,896
Tax liens.....	1,000,164	27,459	-	-	1,027,623
Community preservation fund surtax.....	-	13,772	-	-	13,772
Motor vehicle and other excise taxes.....	254,660	-	-	-	254,660
Departmental and other.....	301,848	-	-	99,930	401,778
Intergovernmental.....	-	-	-	3,298,223	3,298,223
Community preservation state share.....	-	742,423	-	-	742,423
Special assessments.....	117,881	-	-	116,644	234,525
Tax foreclosures.....	605,179	-	-	-	605,179
Due from other funds.....	1,111,409	-	-	-	1,111,409
<b>TOTAL ASSETS.....</b>	<b>\$ 23,879,525</b>	<b>\$ 6,369,939</b>	<b>\$ 1,984,725</b>	<b>\$ 18,941,232</b>	<b>\$ 51,175,421</b>
<b>LIABILITIES</b>					
Warrants payable.....	\$ 933,228	\$ 388	\$ 141,145	\$ 922,998	\$ 1,997,759
Accrued payroll.....	1,165,702	-	-	36,163	1,201,865
Due to other funds.....	-	-	-	1,111,409	1,111,409
Other liabilities.....	75,392	-	-	1,260,528	1,335,920
Fees collected in advance.....	-	-	-	1,066,212	1,066,212
Notes payable.....	-	-	2,200,000	32,000	2,232,000
<b>TOTAL LIABILITIES.....</b>	<b>2,174,322</b>	<b>388</b>	<b>2,341,145</b>	<b>4,429,310</b>	<b>8,945,165</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes paid in advance.....	236,906	3,904	-	-	240,810
Unavailable revenue.....	2,936,195	41,231	-	1,011,826	3,989,252
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>3,173,101</b>	<b>45,135</b>	<b>-</b>	<b>1,011,826</b>	<b>4,230,062</b>
<b>FUND BALANCES</b>					
Nonspendable.....	-	-	-	27,051	27,051
Restricted.....	516,622	6,324,416	826,279	13,561,383	21,228,700
Committed.....	5,316,034	-	-	-	5,316,034
Assigned.....	617,081	-	-	-	617,081
Unassigned.....	12,082,365	-	(1,182,699)	(88,338)	10,811,328
<b>TOTAL FUND BALANCES.....</b>	<b>18,532,102</b>	<b>6,324,416</b>	<b>(356,420)</b>	<b>13,500,096</b>	<b>38,000,194</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 23,879,525</b>	<b>\$ 6,369,939</b>	<b>\$ 1,984,725</b>	<b>\$ 18,941,232</b>	<b>\$ 51,175,421</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, 2021

Total governmental fund balances.....	\$ 38,000,194
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	201,297,540
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	3,989,252
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.....	7,313,730
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(1,082,745)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(84,454,595)
Net pension liability.....	(34,556,911)
Net other postemployment benefits liability.....	(111,003,229)
Capital lease obligations.....	(1,041,960)
Compensated absences.....	(1,563,217)
Net effect of reporting long-term liabilities.....	<u>(232,619,912)</u>
Net position of governmental activities.....	<u>\$ 16,898,059</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	General	Community Preservation	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 68,145,481	\$ -	\$ -	\$ -	\$ 68,145,481
Tax liens.....	378,650	6,948	-	-	385,598
Motor vehicle and other excise taxes.....	3,511,969	-	-	-	3,511,969
Hotel/motel tax.....	135,953	-	-	-	135,953
Meals tax.....	257,378	-	-	-	257,378
Penalties and interest on taxes.....	416,433	5,219	-	1,137	422,789
Fees and rentals.....	573,898	-	-	27,675	601,573
Payments in lieu of taxes.....	49,109	-	-	-	49,109
Licenses and permits.....	1,544,104	-	-	344,410	1,888,514
Fines and forfeitures.....	92,772	-	-	-	92,772
Intergovernmental - state aid.....	8,416,453	-	-	-	8,416,453
Intergovernmental - Teachers Retirement.....	13,159,250	-	-	-	13,159,250
Intergovernmental - other.....	193,855	838,417	-	8,709,177	9,741,449
Departmental and other.....	1,105,741	-	-	3,661,344	4,767,085
Community preservation taxes.....	-	1,676,751	-	-	1,676,751
Special assessments.....	19,773	-	-	85,821	105,594
Contributions and donations.....	-	-	242,500	144,815	387,315
Investment income.....	165,107	18,468	-	3,337	186,912
<b>TOTAL REVENUES.....</b>	<b>98,165,926</b>	<b>2,545,803</b>	<b>242,500</b>	<b>12,977,716</b>	<b>113,931,945</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	3,789,945	-	-	1,509,687	5,299,632
Public safety.....	10,505,080	-	179,735	1,359,924	12,044,739
Education.....	40,597,688	-	-	4,222,727	44,820,415
Public works.....	4,650,775	-	913,509	4,411,131	9,975,415
Human services.....	601,584	-	7,826,566	447,201	8,875,351
Culture and recreation.....	1,440,363	-	1,051,537	381,578	2,873,478
Community preservation.....	-	146,738	-	-	146,738
Pension benefits.....	4,891,451	-	-	-	4,891,451
Pension benefits - Teachers Retirement.....	13,159,250	-	-	-	13,159,250
Employee benefits.....	7,079,630	-	-	-	7,079,630
State and county charges.....	648,239	-	-	-	648,239
Debt service:					
Principal.....	4,399,092	-	-	-	4,399,092
Interest.....	2,904,933	25,667	-	-	2,930,600
<b>TOTAL EXPENDITURES.....</b>	<b>94,668,030</b>	<b>172,405</b>	<b>9,971,347</b>	<b>12,332,248</b>	<b>117,144,030</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>3,497,896</b>	<b>2,373,398</b>	<b>(9,728,847)</b>	<b>645,468</b>	<b>(3,212,085)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of bonds.....	-	-	1,718,833	1,084,222	2,803,055
Issuance of refunding bonds.....	1,214,100	-	-	-	1,214,100
Premium from issuance of bonds.....	-	-	2,141,167	106,531	2,247,698
Premium from issuance of refunding bonds.....	200,847	-	-	-	200,847
Payments to refunded bond escrow agent.....	(1,400,000)	-	-	-	(1,400,000)
Transfers in.....	591,688	-	748,433	446,070	1,786,191
Transfers out.....	(570,940)	(690,433)	-	(622,800)	(1,884,173)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>35,695</b>	<b>(690,433)</b>	<b>4,608,433</b>	<b>1,014,023</b>	<b>4,967,718</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>3,533,591</b>	<b>1,682,965</b>	<b>(5,120,414)</b>	<b>1,659,491</b>	<b>1,755,633</b>
<b>FUND BALANCES AT BEGINNING OF YEAR (AS REVISED)...</b>	<b>14,998,511</b>	<b>4,641,451</b>	<b>4,763,994</b>	<b>11,840,605</b>	<b>36,244,561</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 18,532,102</b>	<b>\$ 6,324,416</b>	<b>\$ (356,420)</b>	<b>\$ 13,500,096</b>	<b>\$ 38,000,194</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, 2021

Net change in fund balances - total governmental funds.....		\$ 1,755,633
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay.....	16,223,074	
Depreciation expense.....	<u>(9,394,661)</u>	
Net effect of reporting capital assets.....		6,828,413
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.....		
		574,726
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.		
Principal payments on capital leases.....	196,350	
Issuance of bonds.....	(2,803,055)	
Issuance of refunding bonds.....	(1,214,100)	
Premium from issuance of bonds.....	(2,247,698)	
Premium from issuance of refunding bonds.....	(200,847)	
Principal payment on current refunding.....	1,400,000	
Net amortization of premium from issuance of bonds.....	1,012,194	
Debt service principal payments.....	<u>4,399,092</u>	
Net effect of reporting long-term debt.....		541,936
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Net change in compensated absences accrual.....	60,144	
Net change in accrued interest on long-term debt.....	(196,653)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(4,771,253)	
Net change in net pension liability.....	6,398,640	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	(21,638,962)	
Net change in net other postemployment benefits liability.....	<u>14,147,327</u>	
Net effect of recording long-term liabilities.....		<u>(6,000,757)</u>
Change in net position of governmental activities.....		\$ <u>3,699,951</u>

See notes to basic financial statements.

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

JUNE 30, 2021

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Transfer Station	Widow's Walk Golf Course	Waterways	Total
<b>ASSETS</b>						
<b>CURRENT:</b>						
Cash and cash equivalents.....	\$ 6,824,274	\$ 3,259,414	\$ 1,074,659	\$ 2,536,085	\$ 1,329,971	\$ 15,024,403
Receivables, net of allowance for uncollectibles:						
Liens - user charges.....	67,565	80,650	-	-	-	148,215
User charges.....	2,341,941	824,040	-	-	-	3,165,981
Intergovernmental.....	960,377	9,810	-	-	-	970,187
Special assessments.....	-	614,356	-	-	-	614,356
Inventory.....	-	-	-	21,077	-	21,077
Total current assets.....	10,194,157	4,788,270	1,074,659	2,557,162	1,329,971	19,944,219
<b>NONCURRENT:</b>						
Receivables, net of allowance for uncollectibles:						
Intergovernmental.....	-	43,506	-	-	-	43,506
Special assessments.....	-	4,285,507	-	-	-	4,285,507
Capital assets, nondepreciable.....	6,537,262	7,118,100	-	499,403	3,675,000	17,829,765
Capital assets, net of accumulated depreciation.....	33,360,348	31,545,839	1,036,183	1,242,040	4,049,355	71,233,765
Total noncurrent assets.....	39,897,610	42,992,952	1,036,183	1,741,443	7,724,355	93,392,543
<b>TOTAL ASSETS.....</b>	<b>50,091,767</b>	<b>47,781,222</b>	<b>2,110,842</b>	<b>4,298,605</b>	<b>9,054,326</b>	<b>113,336,762</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pensions.....	144,874	77,661	36,298	32,645	65,268	356,746
Deferred outflows related to other postemployment benefits.....	180,720	130,113	48,164	27,397	33,982	420,376
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>325,594</b>	<b>207,774</b>	<b>84,462</b>	<b>60,042</b>	<b>99,250</b>	<b>777,122</b>
<b>LIABILITIES</b>						
<b>CURRENT:</b>						
Warrants payable.....	1,190,022	676,537	82,769	286,122	29,759	2,265,209
Accrued payroll.....	50,932	27,474	12,786	14,984	27,214	133,390
Accrued interest.....	368,505	153,957	-	33,938	24,107	580,507
Other liabilities.....	-	-	-	63,221	-	63,221
Capital lease obligations.....	-	-	-	62,062	-	62,062
Landfill closure.....	-	-	83,000	-	-	83,000
Compensated absences.....	51,134	31,586	12,564	5,172	15,043	115,499
Notes payable.....	1,968,515	1,830,000	-	-	-	3,798,515
Bonds payable.....	2,009,642	1,583,022	18,900	233,087	398,101	4,242,752
Total current liabilities.....	5,638,750	4,302,576	210,019	698,586	494,224	11,344,155
<b>NONCURRENT:</b>						
Capital lease obligations.....	-	-	-	100,010	-	100,010
Landfill closure.....	-	-	661,000	-	-	661,000
Compensated absences.....	22,400	6,250	4,190	-	9,927	42,767
Net pension liability.....	1,450,649	777,634	363,455	326,884	653,539	3,572,161
Net other postemployment benefits liability.....	850,210	619,177	227,746	131,443	157,584	1,986,160
Bonds payable.....	25,956,121	10,676,758	85,000	1,583,913	1,159,037	39,460,829
Total noncurrent liabilities.....	28,279,380	12,079,819	1,341,391	2,142,250	1,980,087	45,822,927
<b>TOTAL LIABILITIES.....</b>	<b>33,918,130</b>	<b>16,382,395</b>	<b>1,551,410</b>	<b>2,840,836</b>	<b>2,474,311</b>	<b>57,167,082</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pensions.....	160,623	86,103	40,244	36,194	72,363	395,527
Deferred inflows related to other postemployment benefits.....	121,090	87,181	32,272	18,357	22,769	281,669
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>281,713</b>	<b>173,284</b>	<b>72,516</b>	<b>54,551</b>	<b>95,132</b>	<b>677,196</b>
<b>NET POSITION</b>						
Net investment in capital assets.....	11,963,255	24,872,264	932,283	1,069,168	6,344,299	45,181,269
Unrestricted.....	4,254,263	6,561,053	(360,905)	394,092	239,834	11,088,337
<b>TOTAL NET POSITION.....</b>	<b>\$ 16,217,518</b>	<b>\$ 31,433,317</b>	<b>\$ 571,378</b>	<b>\$ 1,463,260</b>	<b>\$ 6,584,133</b>	<b>\$ 56,269,606</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

Business-type Activities - Enterprise Funds						
	Water	Sewer	Transfer Station	Widow's Walk Golf Course	Waterways	Total
<b>OPERATING REVENUES:</b>						
Charges for services.....	\$ 6,638,999	\$ 2,610,053	\$ 1,686,076	\$ 1,735,244	\$ 1,023,356	\$ 13,693,728
Other operating revenues.....	-	-	-	-	183,951	183,951
<b>TOTAL OPERATING REVENUES .....</b>	<b>6,638,999</b>	<b>2,610,053</b>	<b>1,686,076</b>	<b>1,735,244</b>	<b>1,207,307</b>	<b>13,877,679</b>
<b>OPERATING EXPENSES:</b>						
Cost of services and administration.....	2,008,882	1,262,551	1,182,396	951,803	313,626	5,719,258
Salaries and wages.....	1,087,307	537,770	255,303	208,817	421,636	2,510,833
Pension and other postemployment benefits expense.....	(1,011,294)	(151,439)	(170,965)	64,948	(395,998)	(1,664,748)
Depreciation.....	1,254,680	1,090,307	77,324	190,959	339,565	2,952,835
<b>TOTAL OPERATING EXPENSES.....</b>	<b>3,339,575</b>	<b>2,739,189</b>	<b>1,344,058</b>	<b>1,416,527</b>	<b>678,829</b>	<b>9,518,178</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>3,299,424</b>	<b>(129,136)</b>	<b>342,018</b>	<b>318,717</b>	<b>528,478</b>	<b>4,359,501</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income.....	24,687	13,554	2,366	6,066	4,320	50,993
Interest expense.....	(730,311)	(172,878)	-	(33,938)	(24,352)	(961,479)
Penalties and interest.....	36,382	235,042	-	-	-	271,424
Boat excise taxes.....	-	-	-	-	43,691	43,691
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>(669,242)</b>	<b>75,718</b>	<b>2,366</b>	<b>(27,872)</b>	<b>23,659</b>	<b>(595,371)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS.....</b>	<b>2,630,182</b>	<b>(53,418)</b>	<b>344,384</b>	<b>290,845</b>	<b>552,137</b>	<b>3,764,130</b>
<b>CAPITAL CONTRIBUTIONS.....</b>	<b>960,377</b>	<b>1,965,034</b>	<b>14,053</b>	<b>-</b>	<b>635,680</b>	<b>3,575,144</b>
<b>TRANSFERS:</b>						
Transfers in.....	-	97,982	-	-	-	97,982
<b>CHANGE IN NET POSITION.....</b>	<b>3,590,559</b>	<b>2,009,598</b>	<b>358,437</b>	<b>290,845</b>	<b>1,187,817</b>	<b>7,437,256</b>
<b>NET POSITION AT BEGINNING OF YEAR.....</b>	<b>12,626,959</b>	<b>29,423,719</b>	<b>212,941</b>	<b>1,172,415</b>	<b>5,396,316</b>	<b>48,832,350</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 16,217,518</b>	<b>\$ 31,433,317</b>	<b>\$ 571,378</b>	<b>\$ 1,463,260</b>	<b>\$ 6,584,133</b>	<b>\$ 56,269,606</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Transfer Station	Widow's Walk Golf Course	Waterways	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users.....	\$ 6,662,377	\$ 2,812,505	\$ 1,686,076	\$ 1,735,244	\$ 1,250,998	\$ 14,147,200
Payments to vendors.....	(1,208,124)	(661,022)	(1,225,771)	(669,826)	(379,681)	(4,144,424)
Payments to employees.....	(1,071,312)	(536,523)	(256,798)	(202,396)	(421,741)	(2,488,770)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>4,382,941</b>	<b>1,614,960</b>	<b>203,507</b>	<b>863,022</b>	<b>449,576</b>	<b>7,514,006</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers in.....	-	97,982	-	-	-	97,982
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from the issuance of bonds and notes.....	6,762,915	4,420,703	103,900	1,502,000	-	12,789,518
Premium from the issuance of bonds.....	1,443,000	411,906	-	315,000	-	2,169,906
Capital contributions.....	-	2,856,083	14,053	-	635,680	3,505,816
Acquisition and construction of capital assets.....	(6,630,439)	(7,696,672)	(14,053)	(499,403)	(1,168,461)	(16,009,028)
Principal payments on bonds and notes.....	(1,633,000)	(1,462,852)	-	-	(310,000)	(3,405,852)
Interest expense.....	(635,109)	(239,896)	-	-	(54,447)	(929,452)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(692,633)</b>	<b>(1,710,728)</b>	<b>103,900</b>	<b>1,317,597</b>	<b>(897,228)</b>	<b>(1,879,092)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Investment income.....	24,687	13,554	2,366	6,066	4,320	50,993
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>3,714,995</b>	<b>15,768</b>	<b>309,773</b>	<b>2,186,685</b>	<b>(443,332)</b>	<b>5,783,889</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>3,109,279</b>	<b>3,243,646</b>	<b>764,886</b>	<b>349,400</b>	<b>1,773,303</b>	<b>9,240,514</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 6,824,274</b>	<b>\$ 3,259,414</b>	<b>\$ 1,074,659</b>	<b>\$ 2,536,085</b>	<b>\$ 1,329,971</b>	<b>\$ 15,024,403</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>						
Operating income (loss).....	\$ 3,299,424	\$ (129,136)	\$ 342,018	\$ 318,717	\$ 528,478	\$ 4,359,501
Adjustments to reconcile operating income to net cash from operating activities:						
Depreciation.....	1,254,680	1,090,307	77,324	190,959	339,565	2,952,835
Deferred (outflows)/inflows related to pensions.....	194,499	105,728	48,736	43,166	88,511	480,640
Deferred (outflows)/inflows related to other postemployment benefits.....	485,691	172,752	99,717	8,838	149,752	916,750
Receipts from users penalties and interest.....	36,382	235,042	-	-	-	271,424
Boat excise taxes.....	-	-	-	-	43,691	43,691
Changes in assets and liabilities:						
Liens - user charges.....	(21,463)	(28,610)	-	-	-	(50,073)
User charges.....	8,459	(3,980)	-	-	-	4,479
Inventory.....	-	-	-	6,429	-	6,429
Warrants payable.....	800,758	601,529	2,625	259,209	(66,055)	1,598,066
Accrued payroll.....	2,512	3,251	43	2,230	2,033	10,069
Other liabilities.....	-	-	-	1,709	-	1,709
Capital lease obligations.....	-	-	-	14,630	-	14,630
Landfill closure.....	-	-	(46,000)	-	-	(46,000)
Compensated absences.....	13,483	(2,004)	(1,538)	4,191	(2,138)	11,994
Net pension liability.....	(214,648)	(128,710)	(53,828)	(42,209)	(104,960)	(544,355)
Net other postemployment benefits.....	(1,476,836)	(301,209)	(265,590)	55,153	(529,301)	(2,517,783)
<b>Total adjustments.....</b>	<b>1,083,517</b>	<b>1,744,096</b>	<b>(138,511)</b>	<b>544,305</b>	<b>(78,902)</b>	<b>3,154,505</b>
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 4,382,941</b>	<b>\$ 1,614,960</b>	<b>\$ 203,507</b>	<b>\$ 863,022</b>	<b>\$ 449,576</b>	<b>\$ 7,514,006</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>						
Capital lease financing.....	\$ -	\$ -	\$ -	\$ 83,007	\$ -	\$ 83,007
Issuance of refunding bonds.....	1,479,300	648,900	-	-	140,500	2,268,700
Long-term bonds refunded.....	(1,735,000)	(750,000)	-	-	(255,000)	(2,740,000)
Refunding premium.....	255,700	101,100	-	-	114,500	471,300
Intergovernmental subsidy of debt service.....	-	88,232	-	-	-	88,232

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 1,507,843	\$ 252,722
<b>NET POSITION</b>		
Restricted for other postemployment benefits.....	1,507,843	-
Held in trust for other purposes.....	-	252,722
<b>TOTAL NET POSITION.....</b>	<b>\$ 1,507,843</b>	<b>\$ 252,722</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS:</b>		
Contributions:		
Employer contributions.....	\$ 343,866	\$ -
Employer contributions for other postemployment benefit payments...	2,766,737	-
Private donations.....	-	668
	<u>3,110,603</u>	<u>668</u>
Total contributions.....		
	<u>2,493</u>	<u>721</u>
Investment income.....		
	<u>3,113,096</u>	<u>1,389</u>
TOTAL ADDITIONS.....		
<b>DEDUCTIONS:</b>		
Other postemployment benefit payments.....	2,766,737	-
Educational scholarships.....	-	2,350
	<u>2,766,737</u>	<u>2,350</u>
TOTAL DEDUCTIONS.....		
	346,359	(961)
NET INCREASE (DECREASE) IN NET POSITION.....		
	<u>1,161,484</u>	<u>253,683</u>
NET POSITION AT BEGINNING OF YEAR.....		
NET POSITION AT END OF YEAR.....	\$ <u><u>1,507,843</u></u>	\$ <u><u>252,722</u></u>

See notes to basic financial statements.



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

The accompanying basic financial statements of the Town of Scituate, 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 Town accounting policies are described herein.

**A. Reporting Entity**

The Town of Scituate, Massachusetts is a municipal corporation that is governed by an elected 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 (the primary government) and its component units. The Town has not identified any component units requiring inclusion in these basic financial statements.

*Joint Ventures* – The Town is a member of the South Shore Vocational Technical High School District along with the Towns of Abington, Cohasset, Hanover, Hanson, Norwell, Rockland and Whitman. The South Shore Vocational Technical High School District serves the members' students seeking an education in academic, technical and agriculture studies. The members share in the operations of the South Shore Vocational Technical High School District and each member is responsible for its proportionate share of the operational and capital cost of the South Shore Vocational Technical High School District, which are paid in the form of assessments. The Town does not have an equity interest in the South Shore Vocational Technical High School District and the 2021 assessment was \$590,813. Separate financial statements may be obtained by writing to the Treasurer at 476 Webster Street, Hanover, Massachusetts 02339.

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

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

***Fund Financial Statements***

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

*Major Fund Criteria*

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

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

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

Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*Government-Wide Financial Statements*

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

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

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

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

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

*Fund Financial Statements*

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

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

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

The following major governmental funds are reported:

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

The *community preservation fund* is used to account for funds received in accordance with the Massachusetts Community Preservation Act (the CPA). Funds are received under the CPA through a surcharge of up to 3% of the real property tax levy and matching state grants. These funds are spent for the acquisition, creation and preservation of open space, historic resources and affordable housing.

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the

proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary funds are reported:

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

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

The *transfer station enterprise fund* is used to account for user fees and costs associated with the Town's pay-as-you-throw facility for household refuse.

The *Widow's Walk golf course enterprise fund* is used to account for the operations of the Town's golf course facility, which is maintained through the collection of user fees.

The *waterways enterprise fund* is used to account for user fees and costs associated with the protection, tracking, oversight, and usage of waterways surrounding or within the Town's borders. Fees are primarily derived from public marina slips and moorings maintained by the Town.

**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 by the Town 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 donor restrictions and trustee policies only allow the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

#### 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 an 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 Taxes, 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 Assessors for 100% of the estimated fair market value. Taxes are due on August 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed during the 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 in the Town and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

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.

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. Water and Sewer liens are processed every year and included as a lien on the property owner's tax bill. Water and Sewer 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 are recorded as receivables in the year accrued. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

### ***Special Assessments***

The costs incurred on completed special projects that have been assessed to the benefited taxpayers which have not been paid.

Since these receivables are secured via the lien process, they 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.

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

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

Inventories of the Widow's Walk golf course enterprise fund are carried at lower of cost or market (first-in first-out).

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

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

All purchases in excess of \$5,000 are capitalized at the date of acquisition with expected useful life of greater than two years. 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>
Land improvements.....	20-50
Building and improvements.....	20-50
Vehicles, machinery and equipment.....	3-10
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 financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of

resources (expense/expenditure) until that time. The Town has reported deferred outflows of resources related to pensions and deferred outflow of resources related to other postemployment benefits in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has reported taxes paid in advance, 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 assets that have not 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 taxes paid in advance and unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

#### J. Unavailable Revenue

##### *Fund Financial Statements*

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements. Unavailable revenue consisted of taxes billed not yet received and grant awards related to expenditure driven grants in which the grant requirements have not been met.

#### K. Interfund Receivables and Payables

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

#### *Government-Wide Financial Statements*

Transactions of a buyer/seller nature between and within governmental funds 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.

#### L. Interfund Transfers

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



*Government-Wide Financial Statements*

Transfers between and within governmental funds 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 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.

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

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

Net position has been "restricted for" the following:

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

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

"Gifts and grants" represents assets that have restrictions placed on them from outside parties.

"Community preservation" represents assets that are restricted for use in accordance with the Massachusetts Community Preservation Act.

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. A Town Meeting vote on a budget article (resolution) is the government’s highest level of decision-making authority. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a Town Meeting vote is taken to rescind 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 Accountant is authorized to assign fund balance. Funds are assigned when the Town has an obligation to purchase goods or services from the current years’ appropriation. Assignments generally only exist 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.

Sometimes the Town will fund outlays for a particular purpose from different components of fund balance. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When different components of fund balance can be used for the same purpose, it is the Town’s policy to consider restricted fund balance to have been depleted first, followed by committed fund balance, and assigned fund balance. Unassigned fund balance is applied last.

#### 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 Plymouth County Retirement Association and the Massachusetts Teachers’ Retirement System and additions to/deductions from the System’s fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### 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

At June 30, 2021, the Town Capital Projects Fund reported a deficit of \$1,182,699 related to the Senior Center Construction, and the Other Special Revenue funds reports a deficit of \$88,338. These deficits will be funded with available funds and bond proceeds.

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 MMDT Cash Portfolio is not registered with the Securities and Exchange Commission (SEC) as an investment company but maintains a policy to operate in a manner as a qualifying external investment pool as defined by GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The Cash Portfolio also adheres to GASB Statement No. 79, "Certain External Investment Pools and Pool Participants," which amends GASB Statement No. 31 and establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost. The Cash Portfolio is managed to seek to maintain a stable \$1 unit price, although there is no guarantee that it will be able to do so. There are no limitations or restrictions on participant withdrawals, i.e. no redemption notice periods, maximum transaction amounts, ability of pool to impose liquidity fees or redemption gates.

**Custodial Credit Risk – Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the Town of Scituate's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year-end, the carrying amount of deposits totaled \$50,755,859 and the bank balance totaled \$52,112,533. Of the bank balance, \$2,500,000 was covered by Federal Depository Insurance, \$38,830,565 was covered by the Depositors Insurance Fund, \$5,338,112 was collateralized, and \$5,443,856 was uninsured and uncollateralized.

The Town's investments consisted solely of MMDT investments totaling \$8,598,042. MMDT maintains a cash portfolio with combined average maturities of approximately 49 days.

**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 possession of an outside party. The Town's investment policy requires the Treasurer to review, on a quarterly basis, the Call Reports and/or the Uniform Bank Performance Report of any institution conducting business with the Town that receives a "Yellow" classification or less than three stars on the previous quarter's Veribanc report. As of June 30, 2021, the Town's investments in MMDT cash portfolio which totaled \$8,598,042 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**

The Town's investment policy limits investment maturities to seven years maintaining an average maturity no greater than three years for the portfolio.

Credit Risk

The Town's investment policy limits investing in corporate debt to a rating of "A" or better by either S&P or Moody's rating services. During the year, the Town limited its deposits to certificates of deposits, money market accounts, MMDT Cash Portfolio and bank deposits. At year end, the Town's investment in MMDT is unrated.

Concentration of Credit Risk

The Town's investment policy allows the Treasurer to invest an unlimited amount in MMDT, U.S. Treasury Obligations, U.S. Agency Obligations or bank accounts and CD's with final maturity no greater than one year from date of purchase and they are fully collateralized or covered by Federal Depository Insurance Coverage (FDIC) or Depositors Insurance Fund (DIF) insurance. The Treasurer may invest in uninsured or unsecured bank accounts or CD's with a maturity of no greater than one year from the date of purchase, however the uninsured portion at any one institution cannot exceed 5% of the institution's total deposits reflected on the bank's last filed FDIC Call Report and no more than 35% of the Town's funds may be held in uninsured accounts. The Town did not have any investments that were subject to concentration of credit risk.

Fair Value Measurement

The Town holds investments in the MMDT Cash Portfolio which are valued at amortized cost. The total value of the portfolio as of June 30, 2021, is \$8,598,042. Under the amortized cost valuation method, an investment is valued initially at its cost and thereafter 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 of the investment and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by MMDT's adviser, Federated Hermes, Inc.

**NOTE 3 – RECEIVABLES**

At June 30, 2021, receivables for the individual major governmental funds and nonmajor governmental funds in the aggregate, 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.....	\$ 964,524	\$ (47,628)	\$ 916,896
Tax liens.....	1,027,623	-	1,027,623
Community preservation fund surtax.....	13,772	-	13,772
Motor vehicle and other excise taxes.....	307,703	(53,043)	254,660
Departmental and other.....	800,224	(398,446)	401,778
Intergovernmental.....	3,298,223	-	3,298,223
Community preservation state share.....	742,423	-	742,423
Special assessments.....	234,525	-	234,525
Total.....	<u>\$ 7,389,017</u>	<u>\$ (499,117)</u>	<u>\$ 6,889,900</u>

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water liens - user charges.....	\$ 67,565	\$ -	\$ 67,565
Water user charges.....	2,341,941	-	2,341,941
Water intergovernmental - other.....	960,377	-	960,377
Sewer liens - user charges.....	80,650	-	80,650
Sewer user charges.....	824,040	-	824,040
Sewer intergovernmental.....	53,316	-	53,316
Sewer special assessments.....	4,899,863	-	4,899,863
Total.....	\$ 9,227,752	\$ -	\$ 9,227,752

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 and other asset types:</u>			
Real estate and personal property taxes.....	\$ 656,463	\$ -	\$ 656,463
Tax liens.....	1,000,164	27,459	1,027,623
Community preservation fund surtax.....	-	13,772	13,772
Motor vehicle and other excise taxes.....	254,660	-	254,660
Departmental and other.....	301,848	99,930	401,778
Intergovernmental - highway improvements.....	-	795,252	795,252
Special assessments.....	117,881	116,644	234,525
Tax foreclosures.....	605,179	-	605,179
Total.....	\$ 2,936,195	\$ 1,053,057	\$ 3,989,252

**NOTE 4 – CAPITAL ASSETS**

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

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 21,493,654	\$ -	\$ -	\$ 21,493,654
Construction in progress.....	1,664,355	545,513	(1,664,355)	545,513
Total capital assets not being depreciated....	23,158,009	545,513	(1,664,355)	22,039,167
<u>Capital assets being depreciated:</u>				
Land improvements.....	6,433,078	1,727,667	-	8,160,745
Buildings and improvements.....	162,233,230	10,266,127	(495,000)	172,004,357
Machinery and equipment.....	14,541,469	2,285,348	(120,000)	16,706,817
Infrastructure.....	48,325,777	3,062,774	-	51,388,551
Vehicles.....	10,296,875	-	(130,504)	10,166,371
Total capital assets being depreciated.....	241,830,429	17,341,916	(745,504)	258,426,841
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(1,801,098)	(317,897)	-	(2,118,995)
Buildings and improvements.....	(29,205,844)	(4,721,794)	495,000	(33,432,638)
Machinery and equipment.....	(11,322,417)	(1,288,846)	120,000	(12,491,263)
Infrastructure.....	(20,795,514)	(2,120,183)	-	(22,915,697)
Vehicles.....	(7,394,438)	(945,941)	130,504	(8,209,875)
Total accumulated depreciation.....	(70,519,311)	(9,394,661)	745,504	(79,168,468)
Total capital assets being depreciated, net.....	171,311,118	7,947,255	-	179,258,373
Total governmental activities capital assets, net.....	\$ 194,469,127	\$ 8,492,768	\$ (1,664,355)	\$ 201,297,540

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Water:</b>				
<u>Capital assets not being depreciated:</u>				
Construction in progress.....	\$ 324,174	\$ 6,213,088	\$ -	\$ 6,537,262
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	403,505	25,966	-	429,471
Machinery and equipment.....	1,124,562	391,385	-	1,515,947
Infrastructure.....	40,774,300	-	(210,111)	40,564,189
Vehicles.....	684,593	-	(36,709)	647,884
Total capital assets being depreciated.....	42,986,960	417,351	(246,820)	43,157,491
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(9,357)	(10,412)	-	(19,769)
Machinery and equipment.....	(598,894)	(95,692)	-	(694,586)
Infrastructure.....	(7,727,025)	(1,068,089)	210,111	(8,585,003)
Vehicles.....	(454,007)	(80,487)	36,709	(497,785)
Total accumulated depreciation.....	(8,789,283)	(1,254,680)	246,820	(9,797,143)
Total capital assets being depreciated, net.....	34,197,677	(837,329)	-	33,360,348
Total water activities capital assets, net.....	\$ 34,521,851	\$ 5,375,759	\$ -	\$ 39,897,610

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Sewer:</b>				
<u>Capital assets not being depreciated:</u>				
Construction in progress.....	\$ -	\$ 7,118,100	\$ -	\$ 7,118,100
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	\$ 10,648,804	\$ 18,865	\$ -	\$ 10,667,669
Machinery and equipment.....	8,160,794	44,898	-	8,205,692
Infrastructure.....	33,133,250	514,809	-	33,648,059
Vehicles.....	230,241	-	-	230,241
Total capital assets being depreciated.....	52,173,089	578,572	-	52,751,661
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(6,321,429)	(215,068)	-	(6,536,497)
Machinery and equipment.....	(4,490,577)	(187,988)	-	(4,678,565)
Infrastructure.....	(9,084,262)	(685,053)	-	(9,769,315)
Vehicles.....	(219,247)	(2,198)	-	(221,445)
Total accumulated depreciation.....	(20,115,515)	(1,090,307)	-	(21,205,822)
Total capital assets being depreciated, net.....	32,057,574	(511,735)	-	31,545,839
Total sewer activities capital assets, net.....	\$ 32,057,574	\$ 6,606,365	\$ -	\$ 38,663,939
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Transfer Station:</b>				
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	\$ 2,221,043	\$ -	\$ -	\$ 2,221,043
Machinery and equipment.....	663,156	14,053	-	677,209
Vehicles.....	47,993	-	-	47,993
Total capital assets being depreciated.....	2,932,192	14,053	-	2,946,245
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(1,261,420)	(48,848)	-	(1,310,268)
Machinery and equipment.....	(527,851)	(23,949)	-	(551,800)
Vehicles.....	(43,467)	(4,527)	-	(47,994)
Total accumulated depreciation.....	(1,832,738)	(77,324)	-	(1,910,062)
Total transfer station activities capital assets, net...	\$ 1,099,454	\$ (63,271)	\$ -	\$ 1,036,183



	Beginning Balance	Increases	Decreases	Ending Balance
<b>Widow's Walk golf course:</b>				
<u>Capital assets not being depreciated:</u>				
Construction in progress.....	\$ -	\$ 499,403	\$ -	\$ 499,403
<u>Capital assets being depreciated:</u>				
Land improvements.....	\$ 3,870,500	\$ -	\$ -	\$ 3,870,500
Buildings and improvements.....	970,509	-	-	970,509
Machinery and equipment.....	1,671,411	-	(48,210)	1,623,201
Infrastructure.....	38,750	-	-	38,750
Total capital assets being depreciated.....	6,551,170	-	(48,210)	6,502,960
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(3,094,645)	(105,957)	-	(3,200,602)
Buildings and improvements.....	(528,547)	(24,263)	-	(552,810)
Machinery and equipment.....	(1,494,010)	(58,801)	48,210	(1,504,601)
Infrastructure.....	(969)	(1,938)	-	(2,907)
Total accumulated depreciation.....	(5,118,171)	(190,959)	48,210	(5,260,920)
Total capital assets being depreciated, net.....	1,432,999	(190,959)	-	1,242,040
Total Widow's Walk golf course activities capital assets, net...	\$ 1,432,999	\$ 308,444	\$ -	\$ 1,741,443
<b>Waterways:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 3,675,000	\$ -	\$ -	\$ 3,675,000
<u>Capital assets being depreciated:</u>				
Land improvements.....	5,230,477	850,054	-	6,080,531
Buildings and improvements.....	1,413,811	12,439	-	1,426,250
Machinery and equipment.....	1,958,797	305,968	-	2,264,765
Vehicles.....	150,000	-	-	150,000
Infrastructure.....	519,243	-	-	519,243
Total capital assets being depreciated.....	9,272,328	1,168,461	-	10,440,789
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(4,171,565)	(176,004)	-	(4,347,569)
Buildings and improvements.....	(375,614)	(35,113)	-	(410,727)
Machinery and equipment.....	(1,384,540)	(76,650)	-	(1,461,190)
Vehicles.....	(15,150)	(21,798)	-	(36,948)
Infrastructure.....	(105,000)	(30,000)	-	(135,000)
Total accumulated depreciation.....	(6,051,869)	(339,565)	-	(6,391,434)
Total capital assets being depreciated, net.....	3,220,459	828,896	-	4,049,355
Total waterways activities capital assets, net.....	\$ 6,895,459	\$ 828,896	\$ -	\$ 7,724,355

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

**Governmental Activities:**

General government.....	\$ 361,447
Public safety.....	1,319,568
Education.....	3,503,871
Public works.....	2,840,065
Human services.....	196,667
Culture and recreation.....	679,012
Community preservation.....	<u>494,031</u>

Total depreciation expense - governmental activities..... \$ 9,394,661

**Business-Type Activities:**

Water.....	\$ 1,254,680
Sewer.....	1,090,307
Transfer station.....	77,324
Widow's Walk golf course.....	190,959
Waterways.....	<u>339,565</u>

Total depreciation expense - business-type activities..... \$ 2,952,835

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables totaled \$1,111,409 as of June 30, 2021, and consisted of funds due to the general fund from the Town grants fund. The outstanding balance resulted from the time lag between the dates that reimbursable expenditures are incurred, and reimbursements are received.

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

	Transfers In:					
	General fund	Town Capital Projects	Nonmajor governmental funds	Sewer Enterprise fund	Total	
Transfers Out:						
General fund.....	\$ -	\$ 58,000	\$ 414,958	\$ 97,982	\$ 570,940	(1)
Community Preservation.....	-	690,433	-	-	690,433	(2)
Nonmajor governmental funds.....	591,688	-	31,112	-	622,800	(3)
Total.....	\$ 591,688	\$ 748,433	\$ 446,070	\$ 97,982	\$ 1,884,173	

- (1) Represents budgeted transfers from the general fund to the Town Capital Projects fund and nonmajor governmental funds and to the sewer enterprise fund for debt subsidies.
- (2) Represents budgeted transfers from the Community Preservation Fund to the Town Capital Projects funds.
- (3) Represents budgeted transfers into the general fund from nonmajor governmental funds. Also represents transfers within the nonmajor governmental funds.

**NOTE 6 – LEASES**

The Town has entered into lease agreements to finance the acquisition of vehicles for governmental activities and equipment and golf carts for the Widow's Walk golf course, an enterprise fund of the Town. The lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the inception dates.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
<u>Asset:</u>		
Machinery and equipment..... \$	-	\$ 374,090
Vehicles.....	1,593,669	-
Less: accumulated depreciation...	(433,544)	(196,185)
Total..... \$	<u>1,160,125</u>	<u>\$ 177,905</u>

Future minimum lease payments under capitalized leases consist of the following at June 30, 2021:

<u>Years ending June 30:</u>	Governmental Activities	Business-Type Activities
2022..... \$	843,300	\$ 64,695
2023.....	248,300	57,277
2024.....	-	27,065
2025.....	-	16,603
Total minimum lease payments.....	1,091,600	165,640
Less: amounts representing interest.....	(49,640)	(3,568)
Present value of minimum lease payments... \$	<u>1,041,960</u>	<u>\$ 162,072</u>

**NOTE 7 – 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.

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

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2020	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2021
<b>Governmental Funds:</b>							
BAN	MCWT Interim Loan Note.....	2.00	05/11/21	\$ 154,222	\$ 45,000	\$ (199,222)	\$ -
BAN	Bond Anticipation Note.....	1.50	12/11/20	1,160,433	-	(1,160,433)	-
BAN	MCWT Interim Loan Note.....	2.00	(1)	-	32,000	-	32,000
BAN	Bond Anticipation Note.....	1.50	03/04/22	-	2,200,000	-	2,200,000
Total Governmental Funds.....				\$ 1,314,655	\$ 2,277,000	\$ (1,359,655)	\$ 2,232,000
<b>Water Enterprise Fund:</b>							
BAN	Bond Anticipation Note.....	1.75	12/11/20	\$ 593,000	\$ -	\$ (593,000)	\$ -
BAN	MCWT Interim Loan Note.....	2.00	(2)	-	1,968,515	-	1,968,515
Total Water Enterprise Fund.....				593,000	1,968,515	(593,000)	1,968,515
<b>Sewer Enterprise Fund:</b>							
BAN	Bond Anticipation Note.....	1.50	03/04/22	-	1,830,000	-	1,830,000
Total Enterprise Funds.....				\$ 593,000	\$ 3,798,515	\$ (593,000)	\$ 3,798,515

- (1) The Town entered into an interim loan with the Massachusetts Clean Water Trust (MCWT) in 2021 totaling \$200,000 for Title V projects. As of June 30, 2021, the Town has incurred \$32,000 of eligible costs related to the project and has received the corresponding loan proceeds from MCWT. Once the Town procures permanent financing, the interim loan will be disclosed as long-term debt.
- (2) The Town entered into an interim loan with the MCWT in 2020 totaling \$6,769,393 for construction on the water treatment plant. As of June 30, 2021, the Town has incurred \$1,968,515 of eligible costs related to the project and has received the corresponding loan proceeds from MCWT. Once the Town procures permanent financing, the interim loan will be disclosed as long-term debt.

## NOTE 8 – LONG-TERM DEBT

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

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

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

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2021
<b>General Obligation Bonds Payable:</b>				
General Obligation Bonds of 2013.....	2033	\$ 4,697,021	2.00 - 2.75	\$ 2,500,000
General Obligation Refunding Bonds of 2015...	2025	4,205,000	4.00 - 5.00	1,860,000
General Obligation Bonds of 2015.....	2040	68,040,400	2.00 - 5.00	50,860,000
General Obligation Refunding Bonds of 2016...	2025	529,100	2.00 - 4.00	220,000
General Obligation Bonds of 2019.....	2039	5,441,000	3.00 - 5.00	4,720,000
General Obligation Bonds of 2020.....	2041	12,618,500	2.00 - 5.00	12,618,500
General Obligation Bonds of 2021.....	2031	2,611,000	2.00 - 5.00	2,611,000
Total Bonds Payable.....				75,389,500
Add: Unamortized premium on bonds.....				5,588,781
Subtotal governmental general obligation bonds payable, net.....				80,978,281
<b>Direct Borrowings Payable:</b>				
EOEEA Dam & Seawall Bonds of 2017.....	2037	\$ 3,500,000	2.00 - 4.00	2,829,264
EOEEA Seawall Repair Bonds of 2019.....	2038	500,000	2.00	447,828
MCWT Series 23 CWT-18-13.....	2041	199,222	2.00	199,222
Subtotal governmental direct borrowings payable.....				3,476,314
Total Bonds Payable.....				\$ 84,454,595

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		
	Principal	Interest	Total
2022.....	\$ 5,158,400	\$ 3,292,441	\$ 8,450,841
2023.....	5,139,100	2,827,068	7,966,168
2024.....	5,044,100	2,579,560	7,623,660
2025.....	4,967,500	2,336,679	7,304,179
2026.....	4,332,100	2,110,329	6,442,429
2027.....	4,185,900	1,899,646	6,085,546
2028.....	4,179,300	1,709,527	5,888,827
2029.....	4,175,100	1,534,406	5,709,506
2030.....	4,098,400	1,361,096	5,459,496
2031.....	4,029,600	1,194,988	5,224,588
2032.....	3,535,000	1,044,761	4,579,761
2033.....	3,515,000	913,275	4,428,275
2034.....	3,335,000	784,412	4,119,412
2035.....	3,330,000	662,512	3,992,512
2036.....	3,330,000	540,357	3,870,357
2037.....	3,215,000	418,200	3,633,200
2038.....	3,150,000	299,526	3,449,526
2039.....	3,150,000	182,762	3,332,762
2040.....	3,080,000	66,000	3,146,000
2041.....	440,000	4,401	444,401
Total.....	\$ <u>75,389,500</u>	\$ <u>25,761,946</u>	\$ <u>101,151,446</u>

Year	Direct Borrowings Payable		
	Principal	Interest	Total
2022.....	\$ 187,053	\$ 67,352	\$ 254,405
2023.....	190,825	64,878	255,703
2024.....	194,674	61,041	255,715
2025.....	198,601	57,128	255,729
2026.....	202,606	53,139	255,745
2027.....	206,693	49,068	255,761
2028.....	210,863	44,914	255,777
2029.....	215,116	40,676	255,792
2030.....	219,455	36,352	255,807
2031.....	223,882	31,944	255,826
2032.....	228,398	27,444	255,842
2033.....	233,005	22,854	255,859
2034.....	237,705	18,173	255,878
2035.....	242,499	13,394	255,893
2036.....	247,391	8,522	255,913
2037.....	145,790	3,550	149,340
2038.....	56,151	1,842	57,993
2039.....	11,615	712	12,327
2040.....	11,867	480	12,347
2041.....	12,125	242	12,367
Total.....	\$ <u>3,476,314</u>	\$ <u>603,705</u>	\$ <u>4,080,019</u>

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

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2021
<b>Water</b>				
<b>General Obligation Bonds Payable:</b>				
General Obligation Bonds of 2013.....	2033	\$ 550,000	2.00 - 2.75	\$ 170,000
General Obligation Bonds of 2015.....	2040	14,400,000	2.00 - 2.75	10,890,000
General Obligation Bonds of 2016.....	2025	353,400	2.00 - 4.00	155,000
General Obligation Bonds of 2019.....	2039	997,500	3.00 - 5.00	685,000
General Obligation Bonds of 2020.....	2041	11,457,000	2.00 - 5.00	11,457,000
General Obligation Bonds of 2021.....	2031	2,216,700	2.00 - 5.00	2,216,700
Subtotal water general obligation bonds payable.....				25,573,700
Add: Unamortized premium on bonds.....				2,392,063
Total water general obligation bonds payable, net.....				27,965,763
<b>Sewer</b>				
<b>General Obligation Bonds Payable:</b>				
General Obligation Bonds of 2012.....	2033	\$ 483,341	2.00 - 2.75	280,000
General Obligation Bonds of 2016.....	2025	1,280,500	2.00 - 4.00	555,000
General Obligation Bonds of 2019.....	2039	1,087,250	3.00 - 5.00	875,000
General Obligation Bonds of 2020.....	2041	3,046,500	2.00 - 5.00	3,046,500
General Obligation Bonds of 2021.....	2031	648,900	3.00 - 5.00	648,900
Add: Unamortized premium on bonds.....				411,906
Subtotal sewer general obligation bonds payable.....				5,817,306
<b>Direct Borrowings Payable:</b>				
MCWT CW-02-22A.....	2024	\$ 1,288,256	2.00	260,736
MCWT CW-04-38.....	2026	3,554,137	2.00	1,118,742
MCWT CW-04-38-A.....	2026	929,694	2.00	305,887
MCWT CW-02-22.....	2024	4,557,209	2.00	1,023,750
MCWT Series 16 CWS-09-06.....	2033	348,667	2.00	226,868
MCWT CW-10-25.....	2033	5,389,000	2.00	3,506,491
Subtotal sewer direct borrowings payable.....				6,442,474
Total sewer bonds payable.....				12,259,780
<b>Waterways</b>				
<b>General Obligation Bonds Payable:</b>				
General Obligation Bonds of 2016.....	2024	\$ 1,642,000	2.00 - 4.00	610,000
General Obligation Bonds of 2019.....	2031	159,250	4.00 - 5.00	125,000
General Obligation Bonds of 2020.....	2030	471,000	5.00	471,000
General Obligation Bonds of 2021.....	2031	234,500	4.00 - 5.00	234,500
Subtotal waterways general obligation bonds payable.....				1,440,500
Add: Unamortized premium on bonds.....				116,638
Total waterways general obligation bonds payable, net.....				1,557,138
<b>Transfer Station</b>				
<b>General Obligation Bonds:</b>				
General Obligation Bonds of 2020.....	2031	\$ 103,900	3.00 - 5.00	103,900
<b>Widow's Walk Golf Course</b>				
<b>General Obligation Bonds:</b>				
General Obligation Bonds of 2020.....	2031	\$ 1,502,000	4.00 - 5.00	1,502,000
Add: Unamortized premium on bonds.....				315,000
Total Widow's Walk golf course general obligation bonds payable, net.....				1,817,000
Total Enterprise Bonds Payable, net.....				\$ 43,703,581

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

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2022.....	\$ 2,711,600	\$ 1,575,785	\$ 4,287,385
2023.....	2,640,900	1,186,526	3,827,426
2024.....	2,515,900	1,061,404	3,577,304
2025.....	2,252,500	949,286	3,201,786
2026.....	2,027,900	844,034	2,871,934
2027.....	1,934,100	745,165	2,679,265
2028.....	1,905,700	653,734	2,559,434
2029.....	1,879,900	568,865	2,448,765
2030.....	1,831,600	487,503	2,319,103
2031.....	1,765,400	411,900	2,177,300
2032.....	1,385,000	347,937	1,732,937
2033.....	1,380,000	297,905	1,677,905
2034.....	1,350,000	255,626	1,605,626
2035.....	1,350,000	217,124	1,567,124
2036.....	1,330,000	178,964	1,508,964
2037.....	1,285,000	141,650	1,426,650
2038.....	1,285,000	104,726	1,389,726
2039.....	1,285,000	67,736	1,352,736
2040.....	1,235,000	30,750	1,265,750
2041.....	675,000	6,548	681,548
Total.....	\$ <u>34,025,500</u>	\$ <u>10,133,168</u>	\$ <u>44,158,668</u>

Year	Direct Borrowings Payable		
	Principal	Interest	Total
2022.....	\$ 965,105	\$ 139,038	\$ 1,104,143
2023.....	990,295	109,140	1,099,435
2024.....	1,011,782	78,821	1,090,603
2025.....	584,587	66,421	651,008
2026.....	596,847	54,667	651,514
2027.....	306,941	45,690	352,631
2028.....	313,612	39,548	353,160
2029.....	320,428	33,272	353,700
2030.....	327,392	26,858	354,250
2031.....	334,507	20,306	354,813
2032.....	341,777	13,612	355,389
2033.....	349,201	6,770	355,971
Total.....	\$ <u>6,442,474</u>	\$ <u>634,143</u>	\$ <u>7,076,617</u>



The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$53,316 and interest costs for \$47,906 related to the MCWT Pool 10 loan and the MCWT CW-02-22 loan. Thus, net sewer enterprise loan repayments for these projects, including interest, are scheduled to be \$974,234. The principal subsidies are guaranteed and therefore a \$53,316 intergovernmental receivable has been recorded in the sewer enterprise fund at June 30, 2021. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2021 principal and interest subsidies totaled \$44,203 and \$44,029, respectively.

The remaining MCWT loans are issued at a flat 2% interest rate through the Commonwealth's State Revolving Fund (SRF) loan program.

In order to take advantage of favorable interest rates, the Town issued \$3,576,800 of general obligation refunding bonds on March 4, 2021. The proceeds of the refunding bonds were used to complete a current refunding of existing debt. The refunded bonds totaled \$4,140,000 and became callable on April 15, 2021. As a result of the transaction, the refunded bonds were paid down on the call date and the liability has been removed from the statement of net position. The transaction resulted in an economic gain of \$571,704 and a reduction of \$593,709 in future debt service payments.

At June 30, 2021, the Town had the following authorized and unissued debt:

Purpose	Amount
Sewer Phase IV Planning.....	\$ 400,000
Oceanside Drive Seawall Replacement .....	2,000,000
Harbor/River Dredging.....	65,000
Widow's Walk Golf Course Irrigation System.....	2,200,000
Well Upgrade.....	810,510
Foreshore Structure Design, Engineering and Repairs.....	3,500,000
Water Plant & SCADA Engineering/Design.....	3,000,000
Humarock Water Mains Engineering.....	800,000
Green Sand Filter & SCADA Engineering/Construction.....	1,230,607
Senior Center Construction and Veterans Memorial Gym Renovation.....	2,232,450
Cedar Point Sewer Project.....	3,227,205
Oceanside Sewer Infiltration/Inflow.....	4,900,000
Dolan Field Well Construction.....	3,300,000
New Water Tank.....	2,720,000
Widow's Walk Golf Course Improvement.....	770,000
Sewer Facilities Plan.....	660,000
Front End Loader Replacement.....	174,170
Cushing Highway Land Acquisition.....	1,350,000
Total.....	\$ <u>33,339,942</u>

Changes in Long-Term Liabilities

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

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>							
Long-term general obligation bonds payable.....	\$ 77,206,567	\$ 3,817,933	\$ (5,635,000)	\$ -	\$ -	\$ 75,389,500	\$ 5,158,400
Long-term direct borrowing payable.....	3,441,184	199,222	(164,092)	-	-	3,476,314	187,053
Add: Unamortized premium on bonds.....	4,152,430	2,448,545	(1,012,194)	-	-	5,588,781	785,385
Total bonds payable.....	84,800,181	6,465,700	(6,811,286)	-	-	84,454,595	6,130,838
Capital lease obligations.....	1,238,310	-	-	-	(196,350)	1,041,960	801,960
Compensated absences.....	1,623,361	-	-	1,072,916	(1,133,060)	1,563,217	1,030,014
Net pension liability.....	40,955,551	-	-	3,206,256	(9,604,896)	34,556,911	-
Net other postemployment benefits.....	125,150,556	-	-	5,329,698	(19,477,025)	111,003,229	-
Total governmental activity long-term liabilities.....	\$ 253,767,959	\$ 6,465,700	\$ (6,811,286)	\$ 9,608,870	\$ (30,411,331)	\$ 232,619,912	\$ 7,962,812
<b>Business-Type Activities:</b>							
Long-term general obligation bonds payable.....	\$ 27,285,000	\$ 11,215,500	\$ (4,475,000)	\$ -	\$ -	\$ 34,025,500	\$ 2,711,600
Long-term direct borrowing payable.....	7,520,326	-	(1,077,852)	-	-	6,442,474	965,105
Add: Unamortized premium on bonds.....	818,010	2,641,206	(223,609)	-	-	3,235,607	566,047
Total bonds payable.....	35,623,336	13,856,706	(5,776,461)	-	-	43,703,581	4,242,752
Capital lease obligations.....	147,442	-	-	83,007	(68,377)	162,072	62,062
Landfill closure.....	790,000	-	-	33,000	(79,000)	744,000	83,000
Compensated absences.....	146,272	-	-	124,513	(112,519)	158,266	115,499
Net pension liability.....	4,116,516	-	-	331,432	(875,787)	3,572,161	-
Net other postemployment benefits.....	4,503,943	-	-	192,773	(2,710,556)	1,986,160	-
Total business-type activity long-term liabilities.....	\$ 45,327,509	\$ 13,856,706	\$ (5,776,461)	\$ 764,725	\$ (3,846,239)	\$ 50,326,240	\$ 4,503,313

The long-term liabilities will be liquidated in the future by the general fund and enterprise funds.

**NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

The Town utilizes a hierarchy for fund balance classifications based on the constraints imposed on the uses of those resources. The Town reports 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 that are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

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

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

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

	General	Community Preservation	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 27,051	\$ 27,051
Restricted for:					
Workers compensation.....	516,622	-	-	-	516,622
Community preservation.....	-	6,324,416	-	-	6,324,416
Town capital projects.....	-	-	826,279	-	826,279
School lunch.....	-	-	-	376,318	376,318
School gifts and grants.....	-	-	-	1,140,601	1,140,601
School revolving.....	-	-	-	865,383	865,383
Town gifts.....	-	-	-	780,157	780,157
Town grants.....	-	-	-	41,648	41,648
Town revolving.....	-	-	-	6,089,248	6,089,248
Title V program.....	-	-	-	81,537	81,537
Affordable housing.....	-	-	-	618,706	618,706
Library renovation.....	-	-	-	474,020	474,020
Middle school construction.....	-	-	-	2,765,229	2,765,229
Town trust funds.....	-	-	-	328,536	328,536
Committed to:					
Town administrator.....	158,015	-	-	-	158,015
Advisory committee.....	38,561	-	-	-	38,561
Town accountant.....	29,261	-	-	-	29,261
Assessors.....	6,887	-	-	-	6,887
Information technology.....	310,233	-	-	-	310,233
Planning and community development.....	1,500	-	-	-	1,500
Police.....	1,128	-	-	-	1,128
Fire.....	693,833	-	-	-	693,833
Inspections.....	308,541	-	-	-	308,541
Education.....	1,237,543	-	-	-	1,237,543
Public works.....	2,091,127	-	-	-	2,091,127
Facilities.....	439,405	-	-	-	439,405
Assigned to:					
Town administrator.....	20,486	-	-	-	20,486
Assessors.....	25,600	-	-	-	25,600
Treasurer/Collector.....	1,000	-	-	-	1,000
Information technology.....	44,203	-	-	-	44,203
Planning and community development.....	21,050	-	-	-	21,050
Property/liability insurance.....	281	-	-	-	281
Police.....	6,099	-	-	-	6,099
Fire.....	24,956	-	-	-	24,956
Education.....	207,365	-	-	-	207,365
Public works.....	196,825	-	-	-	196,825
Facilities.....	39,339	-	-	-	39,339
Snow and ice.....	21,530	-	-	-	21,530
Street lights and beacons.....	168	-	-	-	168
Council on aging.....	534	-	-	-	534
Veterans' benefits/services.....	89	-	-	-	89
Commission on disabilities.....	961	-	-	-	961
Library.....	95	-	-	-	95
Debt service.....	6,500	-	-	-	6,500
Unassigned.....	12,082,365	-	(1,182,699)	(88,338)	10,811,328
Total Fund Balances.....	\$ 18,532,102	\$ 6,324,416	\$ (356,420)	\$ 13,500,096	\$ 38,000,194

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, a capital stabilization fund and an economic development stabilization fund.

At year end, the balance of the general stabilization fund, capital stabilization fund and economic development stabilization fund totaled \$5,339,325, \$491,196, and \$34,409, respectively. These funds are reported as unassigned fund balance within the general fund.

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

#### **NOTE 10 – RISK FINANCING**

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

The Town participates in a premium-based health care for its active employees. The Town is self-insured for workman's compensation and unemployment benefits. The amount of the claim settlements has not exceeded insurance coverage. The incurred but not reported liability related to workman's compensation and unemployment claims is immaterial and therefore not recorded.

#### **NOTE 11 – PENSION PLAN**

##### *Plan Descriptions*

The Town is a member of the Plymouth County Retirement Association (Association), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 52 member units. The Association is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://www.pcr-ma.org>.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

*Special Funding Situation*

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2020. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$13,159,250 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$106,540,276 as of the measurement date.

*Benefits Provided*

Both the Association and the System provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system.

The Association 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.

There were no changes of benefit terms that affected the total pension liability at December 31, 2020.

*Contributions*

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the Association 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 Association a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2020, and totaled \$5,228,790, 25.82% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

*Pension Liabilities*

At June 30, 2021, the Town reported a liability of \$38,129,072 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2020, the Town's proportion was 6.505%, which decreased from its proportion of 6.606% measured at December 31, 2019.

*Pension Expense*

For the year ended June 30, 2021, the Town recognized a net pension expense of \$3,537,688. At June 30, 2021, the Town reported deferred outflows of resources related to pensions of \$3,807,895 and deferred inflows of resources related to pensions of \$4,221,835.

The balances of deferred outflows/(inflows) or resources related to pension at June 30, 2021, consist of the following:

<u>Deferred Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between expected and actual experience.....	\$ 3,178,587	\$ -	\$ 3,178,587
Difference between projected and actual earnings, net.....	-	(3,783,579)	(3,783,579)
Changes in assumptions.....	398,719	-	398,719
Changes in proportion and proportionate share of contributions...	<u>230,589</u>	<u>(438,256)</u>	<u>(207,667)</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>3,807,895</u>	\$ <u>(4,221,835)</u>	\$ <u>(413,940)</u>

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

Year ended June 30:

2022.....	\$ 925,686
2023.....	1,177,239
2024.....	(1,741,327)
2025.....	<u>(775,538)</u>
Total.....	\$ <u>(413,940)</u>

*Actuarial Assumptions*

The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified that was updated to December 31, 2020:

Valuation date.....	January 1, 2020
Actuarial cost method.....	Individual Entry Age Normal Cost Method.

Asset valuation method.....	Assets held by the fund are valued at fair value as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value of assets is determined using a five-year smoothing of asset returns greater than or less than the assumed rate of return, with a 20% corridor.
Investment rate of return/Discount rate.....	7.875% nominal rate, net of investment expense.
Projected salary increases.....	3.75% per year.
Cost of living adjustments.....	3.0% of the first \$16,000 of retirement income.
Rates of disability.....	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).
Mortality Rates.....	It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2016, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and 3 years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward three years for males, and six years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward six years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2016.

### *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 investment objective is to fully fund the Plan by generating sufficient long-term inflation adjusted capital appreciation while providing sufficient liquidity to meet short-term withdrawal requirements. The Board desires to balance the goal of higher long-term returns with the goal of minimizing contribution volatility, recognizing these are often competing goals. This requires taking both assets and liabilities into account when setting investment strategy.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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 pension plan's target asset allocation as of January 1, 2020, are summarized in the table on the following page.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	27.00%	6.80%
International developed equity.....	4.00%	7.10%
Emerging markets equity.....	10.00%	8.10%
Global equity.....	11.00%	7.10%
Core bonds.....	9.00%	1.80%
Value-added fixed income.....	9.00%	4.00%
Hedge funds.....	6.00%	4.30%
Real estate.....	9.00%	6.90%
Private equity.....	8.00%	9.10%
Real assets.....	6.00%	8.10%
Cash and cash equivalents.....	1.00%	0.00%
Total.....	100.00%	

### Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.91%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Discount Rate

The discount rate used to measure the total pension liability was 7.875%, which did not change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.875%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.875%) or 1-percentage-point higher (8.875%) than the current rate:

	1% Decrease (6.875%)	Current Discount (7.875%)	1% Increase (8.875%)
The Town's proportionate share of the net pension liability.....	\$ 52,742,124	\$ 38,129,072	\$ 27,817,625

### Changes in Assumptions and Plan Provisions

There were no changes in assumptions in the January 1, 2020, actuarial valuation.



There were no changes in plan provisions in the January 1, 2020, actuarial valuation.

## NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

### *Plan Description*

The Town administers a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Chapter 32B of the Massachusetts General Law 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 percent of the cost of current-year premiums for healthcare and life insurance for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50 percent of their premium costs for healthcare and life insurance. For the year ended June 30, 2021, the Town's average contribution rate was 6.27% 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 begin pre-funding its other postemployment benefit (OPEB) liabilities. The Town has named the Board of Trustees to consist of five members including the Town Administrator, the Finance Director, Advisory Committee Chair who serves as ex officio, a member appointed by the Select Board, and a member who must be a registered voter is appointed by the Town Administrator with consent by the Select Board. The Town Treasurer serves as a non-voting member of the Board of Trustees. The Town has adopted a trust agreement detailing the duties and responsibilities of the Trustees which includes taking actions as necessary and appropriate to manage the assets of the trust fund.

During 2021, the Town pre-funded future OPEB liabilities totaling \$343,866 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2021, the balance of this fund totaled \$1,507,843. The Town has adopted a policy of pre-funding future OPEB liabilities which includes allocating 2% of the annual retirement assessment to the OPEB fund through the annual operating budget. This policy is adopted by and may be amended at any time by the Town's Select Board.

### *Plan Membership*

The following table represents the Plan's membership at July 1, 2020:

Active members.....	733
Inactive employees or beneficiaries currently receiving benefits.....	536
Total.....	<u>1,269</u>

*Components of OPEB Liability*

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

Total OPEB liability.....	\$ 114,497,232
Less: OPEB plan's fiduciary net position.....	<u>(1,507,843)</u>
Net OPEB liability.....	<u>\$ 112,989,389</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	1.32%

*Significant Actuarial Methods and Assumptions*

The total OPEB liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2021:

Valuation date.....	July 1, 2020
Actuarial cost method.....	Entry Age Normal as a Level Percentage of Payroll.
Asset valuation method.....	Fair Value of Assets as of the June 30, 2021.
Discount rate.....	2.09%
Salary increases.....	3.00% annually as of June 30, 2021, and for future periods.
Healthcare cost trend rate.....	7.0% as of July 1, 2022, decreasing .25% to an ultimate trend of 4.5% starting July 1, 2032.
Mortality.....	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality based on Employee and Health Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Improvement Scale MP-2019.

*Rate of Return*

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 0.19%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Investment Policy*

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Select Board by a majority vote of its members. The OPEB plan's 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 OPEB plan. The Town's OPEB investments were invested using the Town's investment policy.

The Town invests their OPEB trust funds in the MMDT cash portfolio account which is a cash pool and is not invested to achieve a specific real rate of return. The MMDT cash portfolio is made up of commercial paper and notes, variable rate instruments, bank instruments, and repurchase agreements. MMDT invests no more than 5% of their securities in any single issuer except in U.S. government securities, its agencies, or repurchase agreements fully collateralized by such obligations or money market mutual funds.

#### *Discount Rate*

The discount rate used to measure the total OPEB liability was 2.09% as of June 30, 2021 and 2.44% as of June 30, 2020. The OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the municipal bond rate was applied to all periods to determine the total OPEB liability. The Town's net OPEB liability was determined based on an average of the Bond Buyer 20-year General Obligation Bond, the Standard & Poor's Municipal Bond 20-year High Grade Rate Index, and the Fidelity GA AA 20-year Bond as of June 30, 2021, which resulted in the selected discount rate of 2.09%.

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

The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 2.09%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (1.09%) or 1-percentage-point higher (3.09%) than the current rate.

	1% Decrease (1.09%)	Current Discount Rate (2.09%)	1% Increase (3.09%)
Net OPEB liability.....	\$ 141,607,799	\$ 112,989,389	\$ 92,105,010

#### *Sensitivity of the Net Other Postemployment Liability to Changes in the Healthcare Trend*

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

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 90,734,242	\$ 112,989,389	\$ 143,619,589

#### *Changes in Assumptions*

The discount rate decreased from 2.44% to 2.09%, healthcare cost trend rates were updated and the mortality assumptions were updated to a more current scale.

*Changes in Plan Provisions* – None.

*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.

*Changes in the Net OPEB Liability*

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2020.....	\$ 130,815,983	\$ 1,161,484	\$ 129,654,499
Changes for the year:			
Service cost.....	2,817,329	-	2,817,329
Interest.....	2,705,142	-	2,705,142
Contributions - Employer.....	-	3,110,603	(3,110,603)
Net investment income.....	-	2,493	(2,493)
Changes in assumptions.....	(19,074,485)	-	(19,074,485)
Benefit payments.....	(2,766,737)	(2,766,737)	-
Net change.....	(16,318,751)	346,359	(16,665,110)
Balances at June 30, 2021.....	\$ 114,497,232	\$ 1,507,843	\$ 112,989,389

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

For the year ended June 30, 2021, the Town recognized an OPEB expense of \$9,001,205. As of June 30, 2021, there were \$23,723,000 in deferred outflows and \$15,895,404 in deferred outflows related to OPEB for changes in assumptions.

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

Year ended June 30:

2022.....	\$ 3,481,227
2023.....	3,481,227
2024.....	3,481,229
2025.....	562,993
2026.....	(3,179,080)
Total.....	\$ 7,827,596

**NOTE 13 – LANDFILL CLOSURE COSTS**

The Town's landfill is closed, and a final cover has been installed in accordance with Federal and State laws and regulations. Those laws and regulations also require the Town to perform certain maintenance and monitoring functions (post-closure care) at the site for thirty years after the landfill cover is installed. The Town presently expends approximately \$80,000 per year for post-closure care costs and has recorded a liability of \$744,000 in the business-type activities as a result of this activity. Actual costs may change due to inflation, deflation, changes in technology, or changes in laws and regulations.

**NOTE 14 – COMMITMENTS**

The Town has various commitments related to the construction projects which will be financed through long-term borrowing. These projects include \$3.5 million for foreshore protection, \$2.2 million for senior center construction and Veterans Memorial Gym renovations, \$3.2 million for Cedar Point project, \$3.0 million for Widow's Walk golf course irrigation system and clubhouse renovation, and \$4.1 million for well upgrades.

The Town has entered into a long-term contract with South Eastern Massachusetts Partnership (SEMASS) to provide solid waste disposal services. Total charges are based on a formula of tipping and transport fees with costs rising gradually through 2023 when the contract expires. Actual expenditures under this contract for 2021 were \$354,338.

The Town is working with the Federal Emergency Management Agency to close out several open claims for damages from 2012 through 2018 for the presidentially declared disasters of Hurricane Sandy (DR-4097), Storm Nemo (DR-4110), Storm Juno (DR-4214) and Storm Riley (DR-4372). The majority of these claims are related to repairs to foreshore structures.

The general fund has various commitments for goods and services related to articles and encumbrances totaling \$5,316,034 and \$617,081, respectively.

**NOTE 15 – CONTINGENCIES**

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through June 30, 2021, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2021, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2021.

**NOTE 16 – COVID-19**

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the Coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders

that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state's Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The Town is considered an essential business and although it was closed to the public for a period of time, departments remained operational and most employees continued to perform their daily duties.

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

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

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

In addition to funding from the CARES Act and ARPA, there are several other federal and state grants available to Massachusetts communities to fund these unanticipated costs. However, the full extent of the financial impact from the pandemic cannot be determined as of the date of the financial statements.

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

Previously reported net position and fund balance in the governmental activities and nonmajor funds, respectively, has been revised to reflect the implementation of GASB Statement #84, *Fiduciary Funds*. Net position and fund balance have been revised as follows:

	06/30/2020 Previously Reported Balances	Implementation of GASB #84	06/30/2020 Revised Balances
<b>Government-Wide Financial Statements</b>			
Governmental activities.....	\$ 12,959,503	\$ 238,605	\$ 13,198,108
<b>Governmental Funds</b>			
Nonmajor governmental funds.....	\$ 11,671,290	\$ 169,315	\$ 11,840,605

**NOTE 18 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 20, 2021, which is the date the financial statements were available to be issued.

**NOTE 19 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2021, the following GASB pronouncements were implemented:

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

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.
- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which is required to be implemented in 2022.

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

## ***Required Supplementary Information***



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

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

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
<b>REVENUES:</b>							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 67,943,149	\$ 67,943,149	\$ 68,339,094	\$ 68,290,615	\$ -	\$ (48,479)
Tax liens.....	-	-	-	-	378,650	-	378,650
Motor vehicle and other excise taxes.....	-	2,919,934	2,919,934	2,919,934	3,511,969	-	592,035
Hotel/motel tax.....	-	-	-	-	135,953	-	135,953
Meals tax.....	-	115,000	115,000	115,000	257,378	-	142,378
Penalties and interest on taxes.....	-	290,000	290,000	250,000	416,433	-	166,433
Fees and rentals.....	-	429,455	429,455	429,455	573,898	-	144,443
Payments in lieu of taxes.....	-	16,000	16,000	16,000	49,109	-	33,109
Licenses and permits.....	-	650,477	650,477	690,477	1,544,104	-	853,627
Fines and forfeitures.....	-	35,700	35,700	35,700	92,772	-	57,072
Intergovernmental - state aid.....	-	8,408,276	8,408,276	8,412,788	8,416,453	-	3,665
Intergovernmental - other.....	-	-	-	-	193,855	-	193,855
Departmental and other.....	-	971,500	971,500	971,500	1,105,741	-	134,241
Special assessments.....	-	10,000	10,000	10,000	19,773	-	9,773
Investment income.....	-	139,983	139,983	139,983	148,346	-	8,363
TOTAL REVENUES.....	-	81,929,474	81,929,474	82,329,931	85,135,049	-	2,805,118
<b>EXPENDITURES:</b>							
Current:							
General Government							
Town Administrator							
Personal services.....	-	343,496	343,496	343,496	331,610	-	11,886
Purchase of services.....	21,899	163,760	185,659	185,660	178,717	6,454	489
Town Counsel.....	4,012	125,000	129,012	129,012	84,118	4,012	40,882
Labor Counsel.....	-	49,821	49,821	49,821	47,086	20	2,715
Materials and supplies.....	-	7,400	7,400	7,400	5,107	-	2,293
Salary adjustments.....	30,000	10,000	40,000	40,000	-	10,000	30,000
Article - Ellis conservation.....	10,000	-	10,000	10,000	-	10,000	-
Article - Ellis surplus school land.....	10,000	-	10,000	10,000	-	10,000	-
Article - Ellis conservation.....	35,000	-	35,000	35,000	-	35,000	-
Article - Prior year bills.....	-	-	-	4,002	3,987	15	-
Article - COVID-19 deficit.....	-	-	-	103,000	-	103,000	-
Total.....	110,911	699,477	810,388	917,391	650,625	178,501	88,265
Advisory Committee							
Personal services.....	-	2,434	2,434	2,434	1,331	-	1,103
Purchase of services.....	-	250	250	250	245	-	5
Materials and supplies.....	-	4,300	4,300	4,300	2,171	-	2,129
Article - Prior year bills.....	-	-	-	258	258	-	-
Article - South Shore Community Action.....	-	-	-	5,000	-	5,000	-
Article - Athletic fields.....	-	-	-	300,000	266,439	33,561	-
Total.....	-	6,984	6,984	312,242	270,444	38,561	3,237
Reserve Fund.....	-	75,000	75,000	35,967	-	-	35,967
Town Accountant							
Personal services.....	-	345,549	345,549	345,549	339,961	-	5,588
Purchase of services.....	1,500	55,700	57,200	57,200	54,097	-	3,103
Materials and supplies.....	-	1,300	1,300	1,300	948	-	352
Article - Integrated financial system.....	29,261	-	29,261	29,261	-	29,261	-
Total.....	30,761	402,549	433,310	433,310	395,006	29,261	9,043
Assessors							
Personal services.....	-	204,200	204,200	204,200	202,589	-	1,611
Purchase of services.....	11,331	31,600	42,931	42,931	15,471	25,600	1,860
Materials and supplies.....	-	500	500	500	387	-	113
Assessor's revaluation.....	6,887	-	6,887	6,887	-	6,887	-
Total.....	18,218	236,300	254,518	254,518	218,447	32,487	3,584
Treasurer/Collector							
Personal services.....	-	311,880	311,880	311,880	310,618	-	1,262
Purchase of services.....	1,005	97,025	98,030	98,030	87,339	1,000	9,691
Materials and supplies.....	-	9,000	9,000	9,000	6,692	-	2,308
Total.....	1,005	417,905	418,910	418,910	404,649	1,000	13,261
Information Technology							
Personal services.....	-	196,501	196,501	196,501	196,501	-	-
Purchase of services.....	44,136	320,665	364,801	364,801	256,743	44,203	63,855
Materials and supplies.....	379	500	879	879	681	-	198
Capital outlay.....	7,320	20,000	27,320	27,320	18,451	-	8,869
Article - IT upgrades and licensing.....	73,480	-	73,480	73,480	30,540	42,940	-
Article - Data infrastructure.....	205,398	-	205,398	205,398	133,295	72,103	-
Article - Permitting system.....	-	-	-	141,940	1,750	140,190	-
Article - Phone system expansion.....	-	-	-	55,000	-	55,000	-
Total.....	330,713	537,666	868,379	1,065,319	637,961	354,436	72,922
Tax Foreclosures.....	-	39,000	39,000	39,000	21,567	-	17,433

(Continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
<b>Cable TV</b>							
Personal services.....	-	109,263	109,263	88,301	88,301	-	-
Purchase of services.....	-	6,500	6,500	-	-	-	-
Materials and supplies.....	-	2,000	2,000	-	-	-	-
Capital outlay.....	-	150,000	150,000	14,504	14,504	-	-
Total.....	-	267,763	267,763	102,805	102,805	-	-
<b>Town Clerk</b>							
Personal services.....	-	206,316	206,316	206,316	186,206	-	20,110
Purchase of services.....	-	42,842	42,842	42,842	28,186	-	14,656
Materials and supplies.....	-	5,130	5,130	5,130	2,570	-	2,560
Total.....	-	254,288	254,288	254,288	216,962	-	37,326
<b>Planning and Community Development</b>							
Personal services.....	-	744,937	744,937	736,937	676,364	-	60,573
Purchase of services.....	1,860	48,600	50,460	50,460	13,938	20,972	15,550
Materials and supplies.....	-	3,450	3,450	3,450	2,077	78	1,295
Article - Master plan update.....	28,992	-	28,992	28,992	27,492	1,500	-
Total.....	30,852	796,987	827,839	819,839	719,871	22,550	77,418
<b>Property/Liability Insurance.....</b>	<b>2,500</b>	<b>780,204</b>	<b>782,704</b>	<b>782,704</b>	<b>763,050</b>	<b>281</b>	<b>19,373</b>
<b>Total General Government.....</b>	<b>524,960</b>	<b>4,514,123</b>	<b>5,039,083</b>	<b>5,436,293</b>	<b>4,401,387</b>	<b>657,077</b>	<b>377,829</b>
<b>Public Safety</b>							
<b>Police</b>							
Personal services.....	-	3,732,091	3,732,091	3,682,558	3,457,149	-	225,409
Purchase of services.....	-	118,249	118,249	127,782	127,062	720	-
Materials and supplies.....	595	105,450	106,045	106,045	104,222	216	1,607
Capital outlay.....	-	128,005	128,005	178,005	172,842	5,163	-
Article - Radio equipment and infrastructure.....	974	-	974	973	973	-	-
Article - Marine unit repowering.....	-	-	-	77,661	76,533	1,128	-
Total.....	1,569	4,083,795	4,085,364	4,173,024	3,938,781	7,227	227,016
<b>Fire</b>							
Personal services.....	-	5,035,736	5,035,736	4,997,725	4,862,566	-	135,159
Purchase of services.....	713	57,187	57,900	57,900	55,033	811	2,056
Materials and supplies.....	6,394	166,991	173,385	238,429	212,042	24,145	2,242
Article - Renovate fire station.....	198,164	-	198,164	198,164	38,534	159,630	-
Article - Station 4 phase II renovation.....	48,221	-	48,221	-	-	48,222	-
Article - Communications equipment.....	26,138	-	26,138	26,139	25,000	1,139	-
Article - Humarock fire station renovation.....	275,000	-	275,000	275,000	33,853	241,147	-
Article - Replace admin vehicle.....	50,000	-	50,000	50,000	49,770	230	-
Article - Replace ambulance.....	365,000	-	365,000	365,000	360,410	4,590	-
Article - Humarock apparatus bay.....	98,875	-	98,875	98,875	-	98,875	-
Article - Fire station overhead doors.....	-	-	-	70,000	-	70,000	-
Article - Refurbish 2006 rescue pumper.....	-	-	-	70,000	-	70,000	-
Total.....	1,068,505	5,259,914	6,328,419	6,495,454	5,637,208	718,789	139,457
<b>Inspections</b>							
Article - Digitize department records.....	-	-	-	308,541	-	308,541	-
<b>Shellfish</b>							
Personal services.....	-	8,000	8,000	8,000	8,000	-	-
Purchase of services.....	-	200	200	200	-	-	200
Materials and supplies.....	-	600	600	600	258	-	342
Total.....	-	8,800	8,800	8,800	8,258	-	542
<b>Public Safety Communications Center</b>							
Personal services.....	-	599,878	599,878	599,878	599,709	-	169
Materials and supplies.....	-	200	200	200	198	-	2
Total.....	-	600,078	600,078	600,078	599,907	-	171
<b>Total Public Safety.....</b>	<b>1,070,074</b>	<b>9,952,587</b>	<b>11,022,661</b>	<b>11,585,897</b>	<b>10,184,154</b>	<b>1,034,557</b>	<b>367,186</b>
<b>Education</b>							
School Committee.....	612,339	39,456,165	40,068,504	40,068,504	39,736,426	201,989	130,089
South Shore Regional School Assessment.....	-	691,301	691,301	691,301	638,132	5,376	47,793
Article - School painting.....	24,165	-	24,165	-	-	-	-
Article - Jenkins outside stairs.....	50,000	-	50,000	50,000	-	50,000	-
Article - Cushing and high school fields irrigation.....	45,077	-	45,077	10,000	-	10,000	-
Article - Hatherly and Cushing modules.....	10,404	-	10,404	-	-	-	-
Article - Ceiling tiles at Hatherly and Cushing.....	40,000	-	40,000	40,000	-	40,000	-
Article - Design high school locker rooms.....	2,766	-	2,766	-	-	-	-
Article - School technology.....	538	-	538	-	-	-	-
Article - Wampatuck fire doors.....	9,540	-	9,540	-	-	-	-
Article - School technology.....	150,000	-	150,000	150,000	81,298	68,702	-
Article - School carpeting - High School.....	65,000	-	65,000	65,000	63,500	1,500	-
Article - Replace special education vans.....	80,000	-	80,000	80,000	78,332	1,668	-
Article - Wireless smoke detectors.....	50,000	-	50,000	50,000	-	50,000	-
Article - Cushing Accessibility.....	50,000	-	50,000	50,000	-	50,000	-
Article - Kindergarten 2020-21.....	-	-	-	450,000	-	450,000	-
Article - Replace high school flooring.....	-	-	-	250,000	-	250,000	-
Article - School technology.....	-	-	-	100,000	-	100,000	-
Article - Wampatuck parking lot.....	-	-	-	165,673	-	165,673	-
<b>Total Education.....</b>	<b>1,189,829</b>	<b>40,147,466</b>	<b>41,337,295</b>	<b>42,220,478</b>	<b>40,597,688</b>	<b>1,444,908</b>	<b>177,882</b>

(Continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
<b>Public Works</b>							
Public Works							
Personal services.....	-	1,779,797	1,779,797	1,649,797	1,578,250	-	71,547
Purchase of services.....	1,827	497,284	499,111	499,111	452,377	37,707	9,027
Materials and supplies.....	1,868	248,584	250,452	255,864	228,188	15,937	11,739
Capital outlay.....	58,359	248,770	307,129	511,362	368,181	143,181	-
Article - Stormwater compliance.....	24,781	-	24,781	24,782	24,782	-	-
Article - Roadway improvements.....	107,051	-	107,051	107,051	97,336	9,715	-
Article - Cudworth cemetery.....	8,259	-	8,259	8,259	-	8,259	-
Article - Foreshore protection.....	147,354	-	147,354	147,354	-	147,354	-
Article - Road and sidewalk improvements.....	35,076	-	35,076	35,076	4,475	30,601	-
Article - Road and sidewalk improvements.....	220,565	-	220,565	220,565	14,998	205,567	-
Article - Foreshore protection.....	4,844	-	4,844	4,844	-	4,844	-
Article - Cudworth cemetery.....	16,747	-	16,747	16,747	-	16,747	-
Article - Expand Cudworth cemetery.....	46,848	-	46,848	46,849	-	46,849	-
Article - Stormwater compliance.....	50,000	-	50,000	50,000	25,346	24,654	-
Article - Road and sidewalk improvements.....	300,000	-	300,000	300,000	28,059	271,941	-
Article - Cudworth cemetery.....	89,932	-	89,932	89,932	-	89,932	-
Article - Foreshore protection.....	200,000	-	200,000	200,000	10,219	189,781	-
Article - Replace vehicles.....	35,000	-	35,000	35,000	35,000	-	-
Article - MS4 Compliance.....	50,000	-	50,000	50,000	-	50,000	-
Article - Replace vehicles.....	35,000	-	35,000	35,000	35,000	-	-
Article - Roads & sidealks.....	200,000	-	200,000	200,000	-	200,000	-
Article - Tractor.....	42,000	-	42,000	42,000	40,662	1,338	-
Article - Truck replacement.....	3,000	-	3,000	97,000	94,985	2,015	-
Article - Log Chipper.....	10,000	-	10,000	55,000	55,000	-	-
Article - Foreshore protection.....	-	-	-	200,000	-	200,000	-
Article - MS4 Compliance.....	-	-	-	50,000	-	50,000	-
Article - Truck replacement.....	-	-	-	45,000	45,000	-	-
Article - Prior year bills.....	-	-	-	530	-	530	-
Article - Roads & sidealks.....	-	-	-	200,000	-	200,000	-
Article - Truck replacement.....	-	-	-	45,000	45,000	-	-
Article - Street sweeper.....	-	-	-	260,000	-	260,000	-
Article - Flail Mower.....	-	-	-	36,000	-	36,000	-
Article - Stump grinder.....	-	-	-	45,000	-	45,000	-
Total.....	1,688,511	2,774,435	4,462,946	5,563,123	3,182,858	2,287,952	92,313
<b>Facilities</b>							
Personal services.....	-	356,613	356,613	356,613	346,596	-	10,017
Purchase of services.....	9,130	438,968	448,098	448,098	437,470	3,220	7,408
Materials and supplies.....	26,274	228,955	255,229	256,721	185,826	35,689	35,206
Capital outlay.....	67,649	33,000	100,649	78,123	66,918	430	10,775
Article - Police station demolition.....	2,660	-	2,660	2,660	-	2,660	-
Article - Security upgrades.....	41,960	-	41,960	41,960	-	41,960	-
Article - Security upgrades Town buildings.....	193,360	-	193,360	193,360	127,517	65,843	-
Article - Facilities handyman vehicle.....	32,000	-	32,000	32,000	-	32,000	-
Article - Old gates sprinkler pump.....	-	-	-	80,400	-	80,400	-
Article - Town wide facilities plan.....	-	-	-	144,042	-	144,042	-
Article - HVAC improvements.....	-	-	-	40,000	-	40,000	-
Article - Facilities vehicle.....	-	-	-	32,500	-	32,500	-
Article - Prior year bills.....	-	-	-	231	231	-	-
Total.....	373,033	1,057,536	1,430,569	1,706,708	1,164,558	478,744	63,406
<b>Snow and Ice</b>							
Personal services.....	-	107,906	107,906	107,906	93,042	-	14,864
Purchase of services.....	-	176,909	176,909	131,909	121,287	9,687	935
Materials and supplies.....	-	212,299	212,299	212,299	158,983	11,843	41,473
Total.....	-	497,114	497,114	452,114	373,312	21,530	57,272
<b>Street Lights and Beacons</b>							
Purchase of services.....	-	125,000	125,000	125,000	88,597	168	36,235
Total Public Works.....	2,061,544	4,454,085	6,515,629	7,846,945	4,809,325	2,788,394	249,226
<b>Human Services</b>							
Board of Health							
Personal services.....	-	264,071	264,071	272,071	271,503	-	568
Purchase of services.....	-	12,575	12,575	12,575	464	-	12,111
Materials and supplies.....	-	1,735	1,735	1,735	692	-	1,043
Capital outlay.....	-	125	125	125	-	-	125
Total.....	-	278,506	278,506	286,506	272,659	-	13,847
Council on Aging							
Personal services.....	-	188,215	188,215	188,215	147,016	-	41,199
Purchase of services.....	-	15,100	15,100	15,100	12,909	82	2,109
Materials and supplies.....	-	2,200	2,200	2,200	898	452	850
Capital outlay.....	-	500	500	500	389	-	111
Total.....	-	206,015	206,015	206,015	161,212	534	44,269
Veterans' Benefits/Services							
Personal services.....	-	86,337	86,337	86,337	82,144	-	4,193
Purchase of services.....	84	125,650	125,734	125,733	81,639	66	44,028
Materials and supplies.....	-	1,325	1,325	1,325	1,193	23	109
Total.....	84	213,312	213,396	213,395	164,976	89	48,330

(Continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget		
Commission on Disabilities						
Purchase of services.....	-	5,000	5,000	5,000	2,737	961
Total Human Services.....	84	702,833	702,917	710,916	601,584	1,584
Culture and Recreation						
Library						
Personal services.....	-	815,797	815,797	815,797	742,686	73,111
Purchase of services.....	38	142,557	142,595	142,609	122,625	19,889
Materials and supplies.....	3,709	133,250	136,959	136,945	133,446	3,499
Capital outlay.....	-	2,000	2,000	2,000	2,000	-
Total.....	3,747	1,093,604	1,097,351	1,097,351	1,000,757	95
Recreation						
Personal services.....	-	154,108	154,108	154,108	154,108	-
Purchase of services.....	-	1,419	1,419	1,419	690	729
Materials and supplies.....	-	150	150	150	150	-
Article - Turf carpet replacement.....	243,000	-	243,000	243,000	243,000	-
Total.....	243,000	155,677	398,677	398,677	397,948	729
Beautification						
Materials and supplies.....	1,586	25,000	26,586	26,586	26,100	486
Historical Buildings						
Purchase of services.....	-	20,200	20,200	20,200	15,558	4,642
Total Culture and Recreation.....	248,333	1,294,481	1,542,814	1,542,814	1,440,363	95
Debt Service						
Principal.....	5,585	4,471,618	4,477,203	4,471,618	4,457,886	7,232
Interest.....	-	3,041,690	3,041,690	3,047,275	2,889,192	158,083
Total Debt Service.....	5,585	7,513,308	7,518,893	7,518,893	7,347,078	6,500
Plymouth County Retirement.....	-	5,221,978	5,221,978	5,228,790	5,228,790	-
Workers' Compensation.....	-	210,000	210,000	210,000	210,000	-
Unemployment Insurance.....	36,256	242,875	279,131	279,131	152,088	127,043
Contributory Group Insurance.....	-	6,265,804	6,265,804	5,933,245	5,933,245	-
Employee Benefits.....	-	885,077	885,077	1,107,062	1,056,765	50,297
State and county charges.....	-	736,766	736,766	736,766	648,239	88,527
TOTAL EXPENDITURES.....	5,136,665	82,141,383	87,278,048	90,357,230	82,610,706	5,933,115
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(5,136,665)	(211,909)	(5,348,574)	(8,027,299)	2,524,343	(5,933,115)
OTHER FINANCING SOURCES (USES):						
Transfers in.....	-	1,518,537	1,518,537	1,984,483	2,035,849	51,366
Transfers out.....	-	(1,309,112)	(1,309,112)	(2,178,302)	(2,178,302)	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	209,425	209,425	(193,819)	(142,453)	51,366
NET CHANGE IN FUND BALANCE.....	(5,136,665)	(2,484)	(5,139,149)	(8,221,118)	2,381,890	(5,933,115)
BUDGETARY FUND BALANCE, Beginning of year.....	-	9,508,228	9,508,228	9,508,228	9,508,228	-
BUDGETARY FUND BALANCE, End of year.....	\$ (5,136,665)	\$ 9,505,744	\$ 4,369,079	\$ 1,287,110	\$ 11,890,118	\$ (5,933,115)

(Concluded)

See notes to required supplementary information.

# ***Pension Plan Schedules***

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

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

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

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

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

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2020.....	6.505%	\$ 38,129,072	\$ 19,850,207	192.08%	67.90%
December 31, 2019.....	6.606%	45,072,067	19,410,942	232.20%	61.61%
December 31, 2018.....	6.507%	47,847,320	18,435,372	259.54%	56.11%
December 31, 2017.....	6.630%	35,785,407	18,325,397	195.28%	65.56%
December 31, 2016.....	6.559%	41,548,935	17,428,266	238.40%	58.32%
December 31, 2015.....	6.490%	41,160,818	17,153,284	239.96%	56.80%
December 31, 2014.....	6.490%	37,830,302	16,533,286	228.81%	58.88%

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**  
**PLYMOUTH COUNTY RETIREMENT ASSOCIATION**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered Payroll	Contributions as a percentage of covered payroll
June 30, 2021.....	\$ 5,228,790	\$ (5,228,790)	\$ -	\$ 20,247,211	25.82%
June 30, 2020.....	4,875,453	(4,875,453)	-	19,799,161	24.62%
June 30, 2019.....	4,730,553	(4,730,553)	-	18,804,079	25.16%
June 30, 2018.....	4,530,275	(4,530,275)	-	18,691,905	24.24%
June 30, 2017.....	4,373,651	(4,373,651)	-	17,776,831	24.60%
June 30, 2016.....	4,141,767	(4,141,767)	-	17,496,350	23.67%
June 30, 2015.....	3,912,145	(3,912,145)	-	16,863,952	23.20%

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

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

See notes to required supplementary information.



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

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

<u>Year</u>	<u>Commonwealth's 100% Share of the Associated Net Pension Liability</u>	<u>Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2021.....	\$ 106,540,276	\$ 13,159,250	50.67%
2020.....	93,677,876	11,360,068	53.95%
2019.....	90,431,128	9,163,885	54.84%
2018.....	88,176,599	9,203,248	54.25%
2017.....	84,962,764	8,666,759	52.73%
2016.....	78,329,833	6,353,247	55.38%
2015.....	60,029,569	4,170,542	61.64%

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

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

See notes to required supplementary information.

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

The Schedule of Changes in the Town's 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.

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 the Plan's other postemployment assets, net of investment expense.

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

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

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
<b>Total OPEB Liability</b>					
Service Cost.....	\$ 1,957,066	\$ 2,015,778	\$ 1,694,878	\$ 2,463,965	\$ 2,817,329
Interest.....	2,256,740	2,905,100	2,643,829	2,552,102	2,705,142
Changes of benefit terms.....	-	-	-	-	-
Differences between expected and actual experience.....	-	-	-	-	-
Changes of assumptions.....	16,839,537	-	17,509,406	22,452,444	(19,074,485)
Benefit payments.....	(2,363,041)	(2,694,490)	(2,583,400)	(2,493,739)	(2,766,737)
Net change in total OPEB liability.....	18,690,302	2,226,388	19,264,713	24,974,772	(16,318,751)
Total OPEB liability - beginning.....	65,659,808	84,350,110	86,576,498	105,841,211	130,815,983
Total OPEB liability - ending (a).....	<u>\$ 84,350,110</u>	<u>\$ 86,576,498</u>	<u>\$ 105,841,211</u>	<u>\$ 130,815,983</u>	<u>\$ 114,497,232</u>
<b>Plan fiduciary net position</b>					
Employer contributions.....	\$ 137,473	\$ 90,605	\$ 94,611	\$ 97,509	\$ 343,866
Employer contributions for OPEB payments.....	2,363,041	2,694,490	2,583,400	2,493,739	2,766,737
Net investment income.....	6,740	14,097	25,325	19,202	2,493
Benefit payments.....	(2,363,041)	(2,694,490)	(2,583,400)	(2,493,739)	(2,766,737)
Net change in plan fiduciary net position.....	144,213	104,702	119,936	116,711	346,359
Plan fiduciary net position - beginning of year.....	675,922	820,135	924,837	1,044,773	1,161,484
Plan fiduciary net position - end of year (b).....	<u>\$ 820,135</u>	<u>\$ 924,837</u>	<u>\$ 1,044,773</u>	<u>\$ 1,161,484</u>	<u>\$ 1,507,843</u>
<b>Net OPEB liability - ending (a)-(b).....</b>	<u><b>\$ 83,529,975</b></u>	<u><b>\$ 85,651,661</b></u>	<u><b>\$ 104,796,438</b></u>	<u><b>\$ 129,654,499</b></u>	<u><b>\$ 112,989,389</b></u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.97%	1.07%	0.99%	0.89%	1.32%
Covered-employee payroll.....	\$ 45,656,152	\$ 49,673,355	\$ 47,442,764	\$ 47,490,207	\$ 49,633,894
Net OPEB liability as a percentage of covered-employee payroll.....	182.95%	172.43%	220.89%	273.01%	227.65%

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

See notes to required supplementary information.

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

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2021.....	\$ 7,833,681	\$ (3,110,603)	\$ 4,723,078	\$ 49,633,894	6.27%
June 30, 2020.....	7,480,447	(2,591,248)	4,889,199	47,537,697	5.45%
June 30, 2019.....	6,999,138	(2,678,011)	4,321,127	47,490,207	5.64%
June 30, 2018 (1).....	2,785,095	(2,785,095)	-	49,723,028	5.60%
June 30, 2017 (1).....	2,500,514	(2,500,514)	-	46,569,275	5.37%

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.

(1) Statutorily determined contribution.

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, 2021.....	0.19%
June 30, 2020.....	1.69%
June 30, 2019.....	2.50%
June 30, 2018.....	1.61%
June 30, 2017.....	0.89%

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

See notes to required supplementary information.

**NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by the Town's Advisory Committee (Committee) and the Select Board (Board). The Town Administrator submits a proposed operating budget to the Committee and the Board for the ensuing year. The Board and the Committee hold public hearings on the proposed budget and present the proposed budget to an open Town meeting. The proposed budget includes detailed estimates of revenues and anticipated expenditures and other financing sources and other financing uses. Town meeting has full authority to amend and/or reject the budget or any line item and adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires a vote at a special Town meeting.

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 authorized for an appropriation account. This level is typically at the individual department salary and expense level. 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 with the approval of the Department of Revenue; and expenditures related to snow and ice removal may exceed the level of spending authorized with the approval of the Select Board.

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. The original 2021 approved budget for the general fund includes \$83.5 million in current year appropriations and other amounts to be raised and \$5.1 million in encumbrances and appropriations carried over from previous years. During the year, additional appropriations were approved totaling \$3.9 million.

Along with the Town Administrator, the Finance Director has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

Budgetary – GAAP Reconciliation

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

Net change in fund balance - budgetary basis.....	\$ 2,381,890
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	1,230,397
Workers' Compensation Fund.....	66,438
<u>Basis of accounting differences:</u>	
Net change in recording 60 day receipts.....	(145,134)
Recognition of revenue for on-behalf payments.....	13,159,250
Recognition of expenditures for on-behalf payments.....	<u>(13,159,250)</u>
Net change in fund balance - GAAP basis.....	\$ <u>3,533,591</u>

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

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

Schedule of the Town's Contributions

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

Schedule of the Special Funding Amounts of the Net Pension Liability

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

the Town; the portion of the collective pension expense as both a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

#### Changes in Assumptions

There were no changes in assumptions in the January 1, 2020, actuarial valuation.

#### Changes in Plan Provisions

There were no changes in plan provisions in the January 1, 2020, actuarial valuation.

### **NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

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

#### ***The Other Postemployment Benefit Plan***

##### 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.

##### 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. Actuarially 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 reported in the following table:

Valuation date.....	July 1, 2020
Actuarial cost method.....	Entry Age Normal as a Level Percentage of Payroll.
Asset valuation method.....	Fair Value of Assets as of the June 30, 2021.
Discount rate.....	2.09%
Salary increases.....	3.00% annually as of June 30, 2021, and for future periods.
Healthcare cost trend rate.....	7.0% as of July 1, 2022, decreasing .25% to an ultimate trend of 4.5% starting July 1, 2032.



Mortality.....	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality based on Employee and Health Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Improvement Scale MP-2019.
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#### 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.

#### Changes in Assumptions

The discount rate decreased from 2.44% to 2.09%, the healthcare cost trend rates were updated and the mortality assumptions were updated to a more current scale.

Changes in Plan Provisions – None.

# ***Combining Statements***

The combining 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 type.

# ***Nonmajor Governmental Funds***

## ***Special Revenue Funds:***

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

*School Lunch* – To account for the operations of the public school lunch program.

*School Gifts and Grants* – To account for educational programs specifically financed by gifts, grants and other restricted revenues.

*School Revolving* – To account for self-supporting educational programs and activities.

*Town Gifts* – To account for various gifts administered by Town departments.

*Town Grants* – To account for various grants and legally restricted revenues for special programs administered by Town departments.

*Town Revolving* – To account for self-supporting programs and activities.

*Highway Improvements* – To account for construction, reconstruction and improvements of roadways, streets and sidewalks.

*Title V Program* – To account for the Massachusetts Title V assistance program to regulate septic systems.

*Affordable Housing* – To account for the activity related to the creation and preservation of affordable housing.

*Other Special Revenue* – To account for the activity of other special revenue funds that are not categorized within any of the other funds.

## ***Capital Projects Funds:***

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

*Library Renovation* – To account for the renovation of Town library.

*Middle School Construction* – To account for the construction of the new middle school.

## ***Permanent Fund:***

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

*Town Trust Funds* – To account for various gifts, bequests and contributions held for which only earnings may be expended for purposes specified by the donor in relation to other Town activities.

**NONMAJOR GOVERNMENTAL FUNDS**  
COMBINING BALANCE SHEET

JUNE 30, 2021

	Special Revenue Funds						
	School Lunch	School Gifts and Grants	School Revolving	Town Gifts	Town Grants	Town Revolving	Highway Improvements
<b>ASSETS</b>							
Cash and cash equivalents.....	\$ 380,366	\$ 1,332,397	\$ 876,306	\$ 783,538	\$ -	\$ 6,182,004	\$ -
Receivables, net of uncollectibles:							
Departmental and other.....	-	-	-	-	-	-	-
Intergovernmental.....	-	102,914	-	-	2,400,057	-	795,252
Special assessments.....	-	-	-	-	-	3,229	-
<b>TOTAL ASSETS.....</b>	<b>\$ 380,366</b>	<b>\$ 1,435,311</b>	<b>\$ 876,306</b>	<b>\$ 783,538</b>	<b>\$ 2,400,057</b>	<b>\$ 6,185,233</b>	<b>\$ 795,252</b>
<b>LIABILITIES</b>							
Warrants payable.....	\$ -	\$ 286,686	\$ 3,538	\$ 3,381	\$ 175,798	\$ 81,040	\$ -
Accrued payroll.....	4,048	8,024	7,385	-	4,990	11,716	-
Due to other funds.....	-	-	-	-	1,111,409	-	-
Other liabilities.....	-	-	-	-	-	-	-
Unearned revenue.....	-	-	-	-	1,066,212	-	-
Notes payable.....	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>4,048</b>	<b>294,710</b>	<b>10,923</b>	<b>3,381</b>	<b>2,358,409</b>	<b>92,756</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue.....	-	-	-	-	-	3,229	795,252
<b>FUND BALANCES</b>							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	376,318	1,140,601	865,383	780,157	41,648	6,089,248	-
Unassigned.....	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>376,318</b>	<b>1,140,601</b>	<b>865,383</b>	<b>780,157</b>	<b>41,648</b>	<b>6,089,248</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 380,366</b>	<b>\$ 1,435,311</b>	<b>\$ 876,306</b>	<b>\$ 783,538</b>	<b>\$ 2,400,057</b>	<b>\$ 6,185,233</b>	<b>\$ 795,252</b>

(Continued)

Special Revenue Funds				Capital Project Funds			Permanent Funds	Total Nonmajor Governmental Funds
Title V Program	Affordable Housing	Other Special Revenue	Subtotal	Library Renovation	Middle School Construction	Subtotal	Town Trust Funds	
\$ 113,537	\$ 618,706	\$ 1,472,889	\$ 11,759,743	\$ 474,020	\$ 2,836,983	\$ 3,311,003	\$ 355,689	\$ 15,426,435
-	-	99,930	99,930	-	-	-	-	99,930
-	-	-	3,298,223	-	-	-	-	3,298,223
<u>113,415</u>	<u>-</u>	<u>-</u>	<u>116,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,644</u>
<u>\$ 226,952</u>	<u>\$ 618,706</u>	<u>\$ 1,572,819</u>	<u>\$ 15,274,540</u>	<u>\$ 474,020</u>	<u>\$ 2,836,983</u>	<u>\$ 3,311,003</u>	<u>\$ 355,689</u>	<u>\$ 18,941,232</u>
\$ -	\$ -	\$ 300,699	\$ 851,142	\$ -	\$ 71,754	\$ 71,754	\$ 102	\$ 922,998
-	-	-	36,163	-	-	-	-	36,163
-	-	-	1,111,409	-	-	-	-	1,111,409
-	-	1,260,528	1,260,528	-	-	-	-	1,260,528
-	-	-	1,066,212	-	-	-	-	1,066,212
<u>32,000</u>	<u>-</u>	<u>-</u>	<u>32,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,000</u>
<u>32,000</u>	<u>-</u>	<u>1,561,227</u>	<u>4,357,454</u>	<u>-</u>	<u>71,754</u>	<u>71,754</u>	<u>102</u>	<u>4,429,310</u>
<u>113,415</u>	<u>-</u>	<u>99,930</u>	<u>1,011,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,011,826</u>
-	-	-	-	-	-	-	27,051	27,051
81,537	618,706	-	9,993,598	474,020	2,765,229	3,239,249	328,536	13,561,383
<u>-</u>	<u>-</u>	<u>(88,338)</u>	<u>(88,338)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88,338)</u>
<u>81,537</u>	<u>618,706</u>	<u>(88,338)</u>	<u>9,905,260</u>	<u>474,020</u>	<u>2,765,229</u>	<u>3,239,249</u>	<u>355,587</u>	<u>13,500,096</u>
<u>\$ 226,952</u>	<u>\$ 618,706</u>	<u>\$ 1,572,819</u>	<u>\$ 15,274,540</u>	<u>\$ 474,020</u>	<u>\$ 2,836,983</u>	<u>\$ 3,311,003</u>	<u>\$ 355,689</u>	<u>\$ 18,941,232</u>

(Concluded)

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

JUNE 30, 2021

	Special Revenue Funds						
	School Lunch	School Gifts and Grants	School Revolving	Town Gifts	Town Grants	Town Revolving	Highway Improvements
<b>REVENUES:</b>							
Penalties and interest on taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and rentals.....	-	-	-	-	-	27,675	-
Licenses and permits.....	-	-	-	-	-	344,410	-
Intergovernmental.....	944,997	2,841,484	-	-	4,742,952	126,866	52,878
Departmental and other.....	3,877	-	730,157	-	-	1,931,100	-
Special assessments.....	-	-	-	-	-	3,202	-
Contributions and donations.....	-	-	58,610	48,903	1,000	2	-
Investment income.....	1	-	-	-	169	-	-
<b>TOTAL REVENUES.....</b>	<b>948,875</b>	<b>2,841,484</b>	<b>788,767</b>	<b>48,903</b>	<b>4,744,121</b>	<b>2,433,255</b>	<b>52,878</b>
<b>EXPENDITURES:</b>							
Current:							
General government.....	-	-	-	52,217	771,292	679,442	-
Public safety.....	-	-	-	21,007	203,808	39,789	-
Education.....	737,982	2,603,086	862,579	-	-	-	-
Public works.....	-	-	-	-	3,909,295	448,958	52,878
Human services.....	-	-	-	1,097	168,021	205,976	-
Culture and recreation.....	-	-	-	16,449	16,252	337,782	-
<b>TOTAL EXPENDITURES.....</b>	<b>737,982</b>	<b>2,603,086</b>	<b>862,579</b>	<b>90,770</b>	<b>5,068,668</b>	<b>1,711,947</b>	<b>52,878</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>210,893</b>	<b>238,398</b>	<b>(73,812)</b>	<b>(41,867)</b>	<b>(324,547)</b>	<b>721,308</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Issuance of bonds.....	-	-	-	-	-	-	-
Premium from issuance of bonds.....	-	-	-	-	-	106,531	-
Transfers in.....	-	-	-	-	31,112	164,958	-
Transfers out.....	-	-	-	-	(11,356)	(611,444)	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,756</b>	<b>(339,955)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>210,893</b>	<b>238,398</b>	<b>(73,812)</b>	<b>(41,867)</b>	<b>(304,791)</b>	<b>381,353</b>	<b>-</b>
<b>FUND BALANCES AT BEGINNING OF YEAR (AS REVISED) ..</b>	<b>165,425</b>	<b>902,203</b>	<b>939,195</b>	<b>822,024</b>	<b>346,439</b>	<b>5,707,895</b>	<b>-</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 376,318</b>	<b>\$ 1,140,601</b>	<b>\$ 865,383</b>	<b>\$ 780,157</b>	<b>\$ 41,648</b>	<b>\$ 6,089,248</b>	<b>\$ -</b>

(Continued)

Special Revenue Funds				Capital Project Funds			Permanent Funds	Total Nonmajor Governmental Funds
Title V Program	Affordable Housing	Other Special Revenue	Subtotal	Library Renovation	Middle School Construction	Subtotal	Town Trust Funds	
\$ 1,137	\$ -	-	\$ 1,137	\$ -	\$ -	\$ -	\$ -	\$ 1,137
-	-	-	27,675	-	-	-	-	27,675
-	-	-	344,410	-	-	-	-	344,410
-	-	-	8,709,177	-	-	-	-	8,709,177
-	-	995,645	3,660,779	-	-	-	565	3,661,344
82,619	-	-	85,821	-	-	-	-	85,821
-	-	-	108,515	-	-	-	36,300	144,815
-	1,165	-	1,335	-	-	-	2,002	3,337
<u>83,756</u>	<u>1,165</u>	<u>995,645</u>	<u>12,938,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,867</u>	<u>12,977,716</u>
-	6,736	-	1,509,687	-	-	-	-	1,509,687
-	-	1,062,501	1,327,105	-	-	-	32,819	1,359,924
-	-	-	4,203,647	-	19,080	19,080	-	4,222,727
-	-	-	4,411,131	-	-	-	-	4,411,131
72,107	-	-	447,201	-	-	-	-	447,201
-	-	-	370,483	-	-	-	11,095	381,578
<u>72,107</u>	<u>6,736</u>	<u>1,062,501</u>	<u>12,269,254</u>	<u>-</u>	<u>19,080</u>	<u>19,080</u>	<u>43,914</u>	<u>12,332,248</u>
<u>11,649</u>	<u>(5,571)</u>	<u>(66,856)</u>	<u>669,595</u>	<u>-</u>	<u>(19,080)</u>	<u>(19,080)</u>	<u>(5,047)</u>	<u>645,468</u>
199,222	-	-	199,222	-	885,000	885,000	-	1,084,222
-	-	-	106,531	-	-	-	-	106,531
-	-	-	196,070	250,000	-	250,000	-	446,070
-	-	-	(622,800)	-	-	-	-	(622,800)
<u>199,222</u>	<u>-</u>	<u>-</u>	<u>(120,977)</u>	<u>250,000</u>	<u>885,000</u>	<u>1,135,000</u>	<u>-</u>	<u>1,014,023</u>
210,871	(5,571)	(66,856)	548,618	250,000	865,920	1,115,920	(5,047)	1,659,491
<u>(129,334)</u>	<u>624,277</u>	<u>(21,482)</u>	<u>9,356,642</u>	<u>224,020</u>	<u>1,899,309</u>	<u>2,123,329</u>	<u>360,634</u>	<u>11,840,605</u>
<u>\$ 81,537</u>	<u>\$ 618,706</u>	<u>\$ (88,338)</u>	<u>\$ 9,905,260</u>	<u>\$ 474,020</u>	<u>\$ 2,765,229</u>	<u>\$ 3,239,249</u>	<u>\$ 355,587</u>	<u>\$ 13,500,096</u>

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## ***Statistical Section***

# 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.



Identified as a major source of inflow and infiltration into the sewer system, the Cedar Point area sewer main was replaced. This project was supported by betterments, a \$2.3M MassWorks grant and debt supported by sewer enterprise receipts. Design and engineering to address the next highest source of inflow and infiltration in the Oceanside area is under way and funding for the construction has been approved. These improvements will assist the Town with the renewal of its NPDES permit and will hopefully support long awaited further expansion of the sewer system to other areas of town.

# ***Statistical Section***

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

## ***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 annual comprehensive financial reports for the relevant year.

## Net Position By Component

### Last Ten Years

	2012	2013	2014 (1)	2015	2016	2017 (2)	2018	2019	2020 (3)	2021
Governmental activities										
Net investment in capital assets.....	\$ 55,977,544	\$ 56,560,454	\$ 57,977,964	\$ 58,009,621	\$ 74,483,888	\$ 93,697,063	\$ 104,186,614	\$ 107,165,990	\$ 115,163,737	\$ 118,651,814
Restricted.....	8,573,833	8,821,398	10,144,946	14,966,255	11,052,873	14,171,118	12,110,522	12,973,132	7,287,150	9,059,958
Unrestricted.....	413,970	(2,073,085)	(37,686,872)	(39,543,990)	(41,330,572)	(94,512,877)	(95,111,346)	(97,350,067)	(109,252,780)	(110,813,713)
Total governmental activities net position.....	<u>\$ 64,965,347</u>	<u>\$ 63,308,767</u>	<u>\$ 30,436,038</u>	<u>\$ 33,431,886</u>	<u>\$ 44,206,189</u>	<u>\$ 13,355,304</u>	<u>\$ 21,185,790</u>	<u>\$ 22,789,055</u>	<u>\$ 13,198,107</u>	<u>\$ 16,898,059</u>
Business-type activities										
Net investment in capital assets.....	\$ 26,572,988	\$ 27,524,735	\$ 28,948,580	\$ 30,168,211	\$ 33,793,072	\$ 37,113,868	\$ 37,620,238	\$ 39,174,972	\$ 40,941,659	\$ 45,181,269
Unrestricted.....	14,228,936	13,527,535	15,231,833	15,476,554	12,603,082	8,026,012	7,816,611	8,443,495	7,890,691	11,088,337
Total business-type activities net position.....	<u>\$ 40,801,924</u>	<u>\$ 41,052,270</u>	<u>\$ 44,180,413</u>	<u>\$ 45,644,765</u>	<u>\$ 46,396,154</u>	<u>\$ 45,139,880</u>	<u>\$ 45,436,849</u>	<u>\$ 47,618,467</u>	<u>\$ 48,832,350</u>	<u>\$ 56,269,606</u>
Primary government										
Net investment in capital assets.....	\$ 82,550,532	\$ 84,085,189	\$ 86,926,544	\$ 88,177,832	\$ 108,276,960	\$ 130,810,931	\$ 141,806,852	\$ 146,340,962	\$ 156,105,396	\$ 163,833,083
Restricted.....	8,573,833	8,821,398	10,144,946	14,966,255	11,052,873	14,171,118	12,110,522	12,973,132	7,287,150	9,059,958
Unrestricted.....	14,642,906	11,454,450	(22,455,039)	(24,067,436)	(28,727,490)	(86,486,865)	(87,294,735)	(88,906,572)	(101,362,089)	(99,725,376)
Total primary government net position.....	<u>\$ 105,767,271</u>	<u>\$ 104,361,037</u>	<u>\$ 74,616,451</u>	<u>\$ 79,076,651</u>	<u>\$ 90,602,343</u>	<u>\$ 58,495,184</u>	<u>\$ 66,622,639</u>	<u>\$ 70,407,522</u>	<u>\$ 62,030,457</u>	<u>\$ 73,167,665</u>

(1) Reflects the implementation of GASB Statement #68 and #71.

(2) Reflects the implementation of GASB Statement #75.

(3) Reflects the implementation of GASB Statement #84.

Source: Audited Financial Statements

**Changes in Net Position**

**Last Ten Years**

	2012	2013	2014	2015	2016	2017	2018 (1)	2019	2020 (2)	2021
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government.....	\$ 4,028,115	\$ 3,547,721	\$ 3,980,838	\$ 4,637,844	\$ 5,725,030	\$ 6,914,696	\$ 5,019,630	\$ 5,643,145	\$ 6,893,037	\$ 5,904,608
Public safety.....	11,419,469	11,836,261	12,110,134	13,035,851	12,021,614	13,961,543	12,795,431	14,130,874	15,051,075	15,270,479
Education.....	50,335,558	51,504,431	54,373,306	49,681,533	53,391,065	58,266,053	60,797,560	62,671,600	76,548,657	73,633,769
Public works.....	4,075,881	6,041,795	5,345,710	6,644,331	6,661,476	6,772,113	7,642,737	8,123,398	8,147,241	9,071,595
Human services.....	944,959	1,121,401	1,208,709	1,109,054	1,168,070	1,278,792	1,224,449	1,335,260	1,495,159	1,596,684
Culture and recreation.....	1,946,222	2,007,788	2,096,100	2,122,181	2,286,926	2,138,607	2,342,960	2,695,966	2,734,028	2,607,980
Community Preservation.....	59,513	2,480	721,633	155,246	130,760	224,085	669,199	554,272	2,335,939	508,564
Interest.....	415,187	651,163	566,494	994,681	2,879,164	2,734,823	2,504,115	2,669,249	2,426,884	2,115,059
Total government activities expenses.....	<u>73,224,904</u>	<u>76,713,040</u>	<u>80,402,924</u>	<u>78,380,721</u>	<u>84,264,105</u>	<u>92,290,712</u>	<u>92,996,081</u>	<u>97,823,764</u>	<u>115,632,020</u>	<u>110,708,738</u>
<b>Business-type activities:</b>										
Water.....	2,783,605	2,878,148	2,388,501	2,921,574	4,054,625	3,868,646	3,810,808	4,360,612	4,930,684	4,069,886
Sewer.....	3,151,632	2,932,695	2,848,214	3,375,871	3,128,287	2,974,792	2,883,573	2,912,077	3,379,048	2,912,067
Transfer Station.....	1,135,450	1,086,630	1,187,936	1,086,167	1,375,061	1,207,292	1,234,424	1,314,007	1,449,897	1,344,058
Widow's Walk Golf Course.....	1,093,077	1,133,478	966,552	1,064,074	1,156,122	1,086,376	1,034,992	1,113,660	1,215,838	1,450,465
Waterways.....	1,022,866	952,822	920,502	952,933	1,459,517	1,168,291	855,452	962,302	1,338,580	703,181
Total business-type activities expenses.....	<u>9,186,630</u>	<u>8,983,673</u>	<u>8,311,705</u>	<u>9,400,619</u>	<u>11,173,612</u>	<u>10,305,397</u>	<u>9,819,249</u>	<u>10,662,658</u>	<u>12,314,047</u>	<u>10,479,657</u>
Total primary government expenses.....	<u>\$ 82,411,534</u>	<u>\$ 85,696,713</u>	<u>\$ 88,714,629</u>	<u>\$ 87,781,340</u>	<u>\$ 95,437,717</u>	<u>\$ 102,596,109</u>	<u>\$ 102,815,330</u>	<u>\$ 108,486,422</u>	<u>\$ 127,946,067</u>	<u>\$ 121,188,395</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Education charges for services.....	\$ 2,068,233	\$ 1,989,005	\$ 1,969,243	\$ 1,953,724	\$ 2,110,824	\$ 2,251,687	\$ 2,470,152	\$ 2,472,917	\$ 1,784,273	\$ 741,208
Public works charges for services.....	132,668	497,626	590,965	654,143	660,659	670,351	733,935	491,996	503,001	799,643
Culture and recreation charges for services.....	429,036	408,533	401,894	435,018	434,336	447,629	501,107	521,642	258,905	395,676
Other charges for services.....	2,097,650	2,205,136	2,130,181	3,032,230	3,387,990	3,152,396	3,573,853	3,707,787	4,458,547	5,514,643
Operating grants and contributions.....	16,542,324	15,220,665	16,949,683	13,015,067	16,097,906	24,218,440	19,742,143	18,840,563	23,125,330	28,390,377
Capital grant and contributions.....	1,612,713	958,424	1,344,565	4,496,678	7,304,433	13,532,885	3,745,605	1,256,738	1,239,266	1,405,279
Total government activities program revenues.....	<u>22,882,624</u>	<u>21,279,589</u>	<u>23,386,531</u>	<u>23,586,860</u>	<u>29,996,148</u>	<u>44,273,388</u>	<u>30,766,795</u>	<u>27,291,643</u>	<u>31,369,322</u>	<u>37,246,826</u>
<b>Business-type activities:</b>										
Charges for services - water.....	2,618,625	3,031,977	2,421,697	4,173,754	4,696,834	4,149,827	3,629,529	5,045,558	5,899,132	6,675,381
Charges for services - sewer.....	1,682,559	1,778,510	1,732,988	1,415,916	2,137,487	2,109,666	2,045,042	3,008,321	2,975,065	2,845,095
Charges for services - transfer station.....	1,373,639	1,228,419	1,201,259	1,202,974	1,168,672	1,105,277	1,259,774	1,380,824	1,460,063	1,686,076
Charges for services - Widow's Walk golf course.....	1,262,340	1,244,651	1,209,170	1,255,771	1,350,468	1,111,370	1,098,286	1,188,747	1,206,964	1,735,244
Charges for services - waterways.....	993,395	977,575	1,036,067	1,043,816	1,119,575	1,182,537	1,165,960	1,208,633	1,177,996	1,207,307
Operating grants and contributions.....	16,237	1,725	238,088	213,160	184,361	137,679	69,760	-	209,490	-
Capital grant and contributions.....	692,556	188,126	6,430,626	688,590	480,722	-	-	-	255,653	3,575,144
Total business-type activities program revenues.....	<u>8,639,351</u>	<u>8,450,983</u>	<u>14,269,895</u>	<u>9,993,981</u>	<u>11,138,119</u>	<u>9,796,356</u>	<u>9,268,351</u>	<u>11,832,083</u>	<u>13,184,363</u>	<u>17,724,247</u>
Total primary government program revenues.....	<u>\$ 31,521,975</u>	<u>\$ 29,730,572</u>	<u>\$ 37,656,426</u>	<u>\$ 33,580,841</u>	<u>\$ 41,134,267</u>	<u>\$ 54,069,744</u>	<u>\$ 40,035,146</u>	<u>\$ 39,123,726</u>	<u>\$ 44,553,685</u>	<u>\$ 54,971,073</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (50,342,280)	\$ (55,433,451)	\$ (57,016,393)	\$ (54,793,861)	\$ (54,267,957)	\$ (48,017,324)	\$ (62,229,286)	\$ (70,532,121)	\$ (84,262,698)	\$ (73,461,912)
Business-type activities.....	(547,279)	(532,690)	5,958,190	593,362	(35,493)	(509,041)	(550,898)	1,169,425	870,316	7,244,590
Total primary government net expense.....	<u>\$ (50,889,559)</u>	<u>\$ (55,966,141)</u>	<u>\$ (51,058,203)</u>	<u>\$ (54,200,499)</u>	<u>\$ (54,303,450)</u>	<u>\$ (48,526,365)</u>	<u>\$ (62,780,184)</u>	<u>\$ (69,362,696)</u>	<u>\$ (83,392,382)</u>	<u>\$ (66,217,322)</u>
<b>General Revenues and other</b>										
<b>Changes in Net Position</b>										
<b>Governmental activities:</b>										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 46,614,390	\$ 48,002,624	\$ 50,035,148	\$ 51,463,244	\$ 57,633,851	\$ 60,149,945	\$ 61,860,468	\$ 63,772,350	\$ 65,656,279	\$ 68,462,822
Motor vehicle and other excise taxes.....	2,328,915	2,530,107	2,818,956	3,026,616	3,198,586	3,357,113	3,499,736	3,596,786	3,528,461	3,781,587
Community preservation taxes.....	1,070,846	1,105,543	1,158,916	1,201,728	1,355,633	1,428,997	1,488,590	1,548,124	1,587,578	1,669,008
Hotel/motel tax.....	-	-	-	-	-	-	-	-	104,145	135,953
Penalties and interest on taxes.....	535,272	447,439	640,163	446,774	487,036	523,966	408,710	335,999	311,089	422,789
Payments in lieu of taxes.....	-	-	-	19,601	20,370	19,907	16,798	18,914	17,437	49,109
Grants and contributions not restricted to specific programs.....	1,799,495	1,806,527	1,933,158	1,938,534	2,305,361	2,279,401	2,419,774	2,346,541	2,757,334	2,517,585
Unrestricted investment income.....	74,257	55,527	88,567	186,336	611,498	542,053	526,030	810,987	559,717	186,912
Gain on sale of capital assets.....	32,690	-	-	-	-	-	206,432	161,792	-	-
Miscellaneous.....	284,355	576,098	679,700	311,551	71,543	119,997	324,069	342,682	91,185	34,080
Transfers.....	(730,948)	(746,994)	(768,508)	(804,675)	(679,618)	(660,771)	(690,835)	(798,789)	(180,079)	(97,982)
Total governmental activities.....	<u>52,009,272</u>	<u>53,776,871</u>	<u>56,586,100</u>	<u>57,789,709</u>	<u>65,004,260</u>	<u>67,760,608</u>	<u>70,059,772</u>	<u>72,135,386</u>	<u>74,433,146</u>	<u>77,161,863</u>
<b>Business-type activities:</b>										
Boat excise taxes.....	41,136	36,042	39,821	40,363	40,695	39,761	40,378	43,108	42,535	43,691
Unrestricted investment income.....	-	-	-	25,952	66,569	89,895	116,654	170,296	120,953	50,993
Transfers.....	730,948	746,994	768,508	804,675	679,618	660,771	690,835	798,789	180,079	97,982
Total business-type activities.....	<u>772,084</u>	<u>783,036</u>	<u>808,329</u>	<u>870,990</u>	<u>786,882</u>	<u>790,427</u>	<u>847,867</u>	<u>1,012,193</u>	<u>343,567</u>	<u>192,666</u>
Total primary government.....	<u>\$ 52,781,356</u>	<u>\$ 54,559,907</u>	<u>\$ 57,394,429</u>	<u>\$ 58,660,699</u>	<u>\$ 65,791,142</u>	<u>\$ 68,551,035</u>	<u>\$ 70,907,639</u>	<u>\$ 73,147,579</u>	<u>\$ 74,776,713</u>	<u>\$ 77,354,529</u>
<b>Changes in Net Position</b>										
Governmental activities.....	\$ 1,666,992	\$ (1,656,580)	\$ (430,293)	\$ 2,995,848	\$ 10,736,303	\$ 19,743,284	\$ 7,830,486	\$ 1,603,265	\$ (9,829,552)	\$ 3,699,951
Business-type activities.....	<u>224,805</u>	<u>250,346</u>	<u>6,766,519</u>	<u>1,464,352</u>	<u>751,389</u>	<u>281,386</u>	<u>296,969</u>	<u>2,181,618</u>	<u>1,213,883</u>	<u>7,437,256</u>
Total primary government.....	<u>\$ 1,891,797</u>	<u>\$ (1,406,234)</u>	<u>\$ 6,336,226</u>	<u>\$ 4,460,200</u>	<u>\$ 11,487,692</u>	<u>\$ 20,024,670</u>	<u>\$ 8,127,455</u>	<u>\$ 3,784,883</u>	<u>\$ (8,615,669)</u>	<u>\$ 11,137,207</u>

Source: Audited Financial Statements

(1) Reflects the implementation of GASB Statement #75.

(2) Reflects the implementation of GASB Statement #84.

**Fund Balances, Governmental Funds**

**Last Ten Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020 (A)	2021
General Fund										
Restricted.....	\$ 86,767	\$ 454,518	\$ 530,298	\$ 5,649,548	\$ 501,782	\$ 510,884	\$ 510,884	\$ 456,219	\$ 450,184	\$ 516,622
Committed.....	327,128	959,038	1,936,899	2,083,919	2,547,389	3,255,428	5,501,817	4,180,351	4,178,317	5,316,034
Assigned.....	1,255,617	1,308,703	1,025,883	1,662,421	949,163	1,360,521	912,493	595,925	958,348	617,081
Unassigned.....	6,863,867	6,645,152	6,966,806	6,646,114	7,701,937	8,486,498	6,427,932	7,694,737	9,411,662	12,082,365
Total general fund.....	<u>\$ 8,533,379</u>	<u>\$ 9,367,411</u>	<u>\$ 10,459,886</u>	<u>\$ 16,042,002</u>	<u>\$ 11,700,271</u>	<u>\$ 13,613,331</u>	<u>\$ 13,353,126</u>	<u>\$ 12,927,232</u>	<u>\$ 14,998,511</u>	<u>\$ 18,532,102</u>
All Other Governmental Funds										
Nonspendable.....	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051
Restricted.....	14,708,235	17,065,311	15,336,177	81,168,008	67,934,831	27,684,536	21,872,899	24,283,818	27,476,954	20,712,078
Unassigned.....	(851,672)	(177,208)	(144,534)	(3,418)	-	(4,749,946)	(4,772,426)	(212,144)	(6,257,955)	(1,271,037)
Total all other governmental funds.	<u>\$ 13,883,614</u>	<u>\$ 16,915,154</u>	<u>\$ 15,218,694</u>	<u>\$ 81,191,641</u>	<u>\$ 67,961,882</u>	<u>\$ 22,961,641</u>	<u>\$ 17,127,524</u>	<u>\$ 24,098,725</u>	<u>\$ 21,246,050</u>	<u>\$ 19,468,092</u>

(A) The Town implemented GASB Statement #84, Fiduciary Activities in 2021 which required the 2020 governmental net position to be revised.

**Changes in Fund Balances, Governmental Funds**

**Last Ten Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 46,526,693	\$ 47,666,579	\$ 49,925,979	\$ 51,176,629	\$ 57,169,767	\$ 59,718,484	\$ 61,421,377	\$ 63,312,152	\$ 65,246,226	\$ 68,145,481
Tax liens.....	-	-	-	415,491	472,610	488,116	314,720	308,466	270,720	385,598
Motor vehicle and other excise taxes.....	2,329,038	2,449,218	2,837,763	3,025,388	3,188,658	3,350,152	3,190,904	3,420,299	3,188,551	3,511,969
Hotel/motel tax.....	-	-	-	-	-	-	-	-	104,145	135,953
Meals tax.....	-	-	-	-	-	-	261,318	264,699	265,281	257,378
Penalties and interest.....	498,556	351,965	403,063	422,000	451,408	483,632	436,937	335,999	311,089	422,789
Fees.....	204,034	1,338,592	419,408	504,848	547,967	526,908	353,052	479,535	539,478	601,573
Licenses and permits.....	715,175	880,443	812,414	812,387	932,531	937,395	982,280	1,058,858	1,457,425	1,888,514
Fines and forfeitures.....	80,716	95,779	99,660	68,513	76,842	100,863	44,011	40,619	57,496	92,772
Intergovernmental.....	20,153,547	17,685,685	19,680,358	18,044,124	25,491,847	40,191,793	24,962,762	21,189,673	27,038,947	31,317,152
Departmental and other.....	4,248,297	3,742,481	4,650,874	5,066,629	5,221,152	5,184,107	6,121,907	5,927,777	5,088,950	4,816,194
Community Preservation surtax.....	1,084,819	1,108,110	1,166,312	1,203,127	1,355,659	1,431,186	1,487,827	1,565,051	1,609,641	1,782,345
Contributions.....	122,159	197,296	170,014	696,070	540,353	423,760	458,024	1,182,551	684,841	387,315
Investment income.....	91,962	76,516	110,983	186,336	611,498	542,053	526,030	810,987	559,717	186,912
<b>Total Revenues.....</b>	<b>76,054,996</b>	<b>75,592,664</b>	<b>80,276,828</b>	<b>81,621,542</b>	<b>96,060,292</b>	<b>113,378,449</b>	<b>100,561,149</b>	<b>99,896,666</b>	<b>106,422,507</b>	<b>113,931,945</b>
<b>Expenditures:</b>										
General government.....	3,107,961	2,545,387	2,937,204	3,476,258	4,382,143	5,286,726	3,812,998	4,096,545	5,243,526	4,321,506
Public safety.....	7,828,098	8,041,331	7,994,485	9,040,139	8,470,823	8,993,964	9,275,776	9,848,368	10,134,656	10,913,921
Education.....	34,919,094	35,331,405	37,517,551	38,165,191	39,023,838	40,319,297	41,818,256	42,173,191	43,673,377	44,575,114
Public works.....	2,314,451	4,090,780	3,302,530	4,380,677	4,164,282	4,017,645	4,742,981	4,882,104	4,492,302	5,417,801
Human services.....	499,515	618,433	712,977	800,743	836,664	892,884	943,859	992,888	2,630,212	1,048,785
Culture and recreation.....	1,425,568	1,494,656	1,533,887	1,535,932	1,711,110	1,413,092	966,689	1,557,245	1,78,713	1,521,034
Community preservation.....	59,513	2,480	721,633	126,257	81,681	130,627	523,953	601,566	1,996,390	14,533
Pension benefits.....	9,972,581	10,751,535	10,965,723	7,824,380	10,295,660	12,827,599	13,481,397	13,632,959	15,920,568	18,050,701
Employee benefits.....	5,728,968	5,637,665	5,512,439	5,602,474	5,912,537	6,341,097	6,780,470	6,760,949	6,860,929	7,079,630
State and county charges.....	472,015	445,762	476,139	499,806	561,038	690,039	698,143	746,604	652,629	648,239
Capital outlay.....	4,979,559	3,521,008	6,325,715	9,252,829	31,225,154	70,717,211	16,289,170	7,973,352	19,156,988	16,223,074
Debt service:										
Principal.....	1,474,328	1,413,858	1,767,879	1,581,856	4,459,856	4,423,512	4,302,159	4,180,638	4,448,174	4,399,092
Interest.....	579,727	488,798	584,080	533,531	2,835,437	3,285,814	3,237,379	3,139,312	3,028,668	2,930,600
<b>Total Expenditures.....</b>	<b>73,361,378</b>	<b>74,383,098</b>	<b>80,352,242</b>	<b>82,820,073</b>	<b>113,960,223</b>	<b>159,339,507</b>	<b>106,873,230</b>	<b>100,585,721</b>	<b>118,417,132</b>	<b>117,144,030</b>
Excess (deficiency) of revenues over (under) expenditures.....	2,693,618	1,209,566	(75,414)	(1,198,531)	(17,899,931)	(45,961,058)	(6,312,081)	(689,055)	(11,994,625)	(3,212,085)
<b>Other Financing Sources (Uses):</b>										
Issuance from bonds and notes.....	1,859,021	3,403,000	-	68,258,000	-	3,500,000	500,000	6,133,000	10,719,567	2,803,055
Issuance from refunding bonds.....	-	-	-	4,205,000	529,100	-	-	-	-	1,214,100
Premium from issuance of bonds and notes.....	18,480	-	-	5,300,269	-	34,648	202,153	590,268	58,857	2,247,698
Premium from issuance of refunding bonds.....	-	-	-	613,188	35,414	-	-	-	-	200,847
Payments to refunded bond escrow agent.....	-	-	-	(4,818,188)	(564,514)	-	-	-	-	(1,400,000)
Capital lease financing.....	-	-	239,937	-	1,008,059	-	-	1,148,100	445,569	-
Proceeds from the sale of capital assets.....	-	-	-	-	-	-	206,432	161,792	-	-
Transfers in.....	271,053	234,649	1,103,283	1,438,009	6,741,065	645,070	942,636	1,017,610	1,429,012	1,786,191
Transfers out.....	(1,002,001)	(981,643)	(1,871,791)	(2,242,684)	(7,420,683)	(1,305,841)	(1,633,471)	(1,816,399)	(1,609,091)	(1,884,173)
<b>Total other financing sources (uses).....</b>	<b>1,146,553</b>	<b>2,656,006</b>	<b>(528,571)</b>	<b>72,753,594</b>	<b>328,441</b>	<b>2,873,877</b>	<b>217,750</b>	<b>7,234,371</b>	<b>11,043,914</b>	<b>4,967,718</b>
<b>Net change in fund balance.....</b>	<b>\$ 3,840,171</b>	<b>\$ 3,865,572</b>	<b>\$ (603,985)</b>	<b>\$ 71,555,063</b>	<b>\$ (17,571,490)</b>	<b>\$ (43,087,181)</b>	<b>\$ (6,094,331)</b>	<b>\$ 6,545,316</b>	<b>\$ (950,711)</b>	<b>\$ 1,755,633</b>
<b>Debt service as a percentage of noncapital expenditures.....</b>	<b>3.00%</b>	<b>2.69%</b>	<b>3.18%</b>	<b>2.88%</b>	<b>8.82%</b>	<b>8.70%</b>	<b>8.32%</b>	<b>7.90%</b>	<b>7.53%</b>	<b>7.26%</b>

**Notes:**

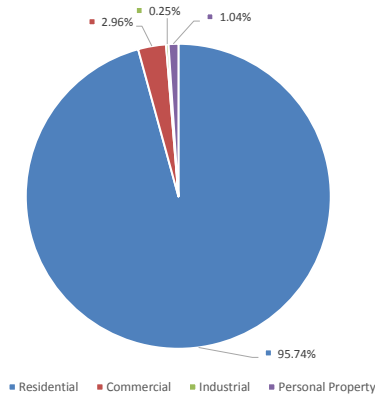
Prior to 2015, the Town reported tax liens with real estate and personal property taxes, net of tax refunds.

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

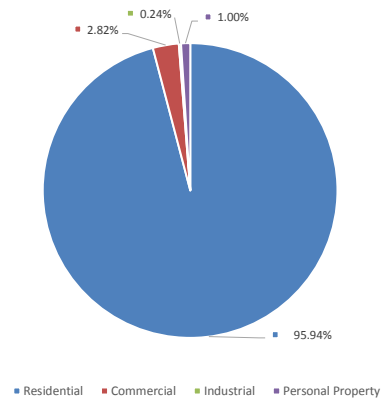
Last Ten Years

Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate	Total Town Value
2012	\$3,610,700,846	\$12.34	\$127,007,544	\$5,181,100	\$39,308,800	\$171,497,444	\$12.34	4.53%	\$ 12.34	\$3,782,198,290
2013	\$3,608,700,390	\$12.72	\$126,075,000	\$5,181,100	\$40,087,220	\$171,343,320	\$12.72	4.53%	\$ 12.72	\$3,780,043,710
2014	\$3,654,706,380	\$13.05	\$125,105,420	\$9,112,700	\$37,686,890	\$171,905,010	\$13.05	4.49%	\$ 13.05	\$3,826,611,390
2015	\$3,763,130,865	\$13.10	\$125,426,835	\$12,415,000	\$41,124,550	\$178,966,385	\$13.10	4.54%	\$ 13.10	\$3,942,097,250
2016	\$3,901,948,229	\$14.14	\$126,200,871	\$12,415,000	\$41,692,030	\$180,307,901	\$14.14	4.42%	\$ 14.14	\$4,082,256,130
2017	\$4,091,047,873	\$14.09	\$126,931,317	\$12,397,200	\$44,743,570	\$184,072,087	\$14.09	4.31%	\$ 14.09	\$4,275,119,960
2018	\$4,258,651,412	\$13.95	\$127,874,848	\$12,738,600	\$44,453,220	\$185,066,668	\$13.95	4.16%	\$ 13.95	\$4,443,718,080
2019	\$4,450,617,970	\$13.74	\$140,706,810	\$12,877,900	\$46,501,060	\$200,085,770	\$13.74	4.30%	\$ 13.74	\$4,650,703,740
2020	\$4,667,591,742	\$13.50	\$144,427,298	\$12,411,000	\$50,621,640	\$207,459,938	\$13.50	4.26%	\$ 13.50	\$4,875,051,680
2021	\$4,937,276,419	\$13.33	\$145,311,611	\$12,457,100	\$51,283,890	\$209,052,601	\$13.33	4.06%	\$ 13.33	\$5,146,329,020

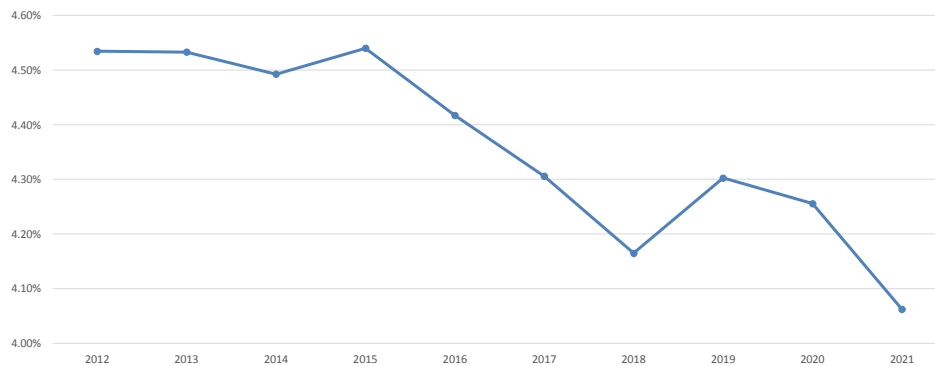
Total Assessed Value by Classification  
Year Ended June 30, 2020



Total Assessed Value by Classification  
Year Ended June 30, 2021



Commercial Value as % of Total Value



Source: Assessor's Department, Town of Scituate, Department of Revenue records and Official Statements.  
All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

The Town is not subject to any overlapping revenue rates.

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



**Principal Taxpayers**

**Current Year and Nine Years Ago**

Name	Nature of Business	2021			2012		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Eversource	Utility	\$ 17,745,320	1	0.34%	\$ 8,947,930	1	0.24%
Toll MA Lans III LP	Housing	12,398,100	2	0.24%			
Massachusetts Electric Company	Utility	11,903,300	3	0.23%			
Abbott P M/Chamberlain Management	Real Estate	9,095,670	4	0.18%	7,921,400	4	0.21%
Kent Village Associates	Housing	7,047,500	5	0.14%	5,778,800	5	0.15%
Greenbush Station, LLC	Housing	6,775,200	6	0.13%			
Comcast of Massachusetts	Utility	5,344,930	7	0.10%			
Scituate Solar, LLC	Real Estate	5,173,500	8	0.10%			
South Shore Real Estate	Real Estate	4,683,700	9	0.09%			
Hatherly Country Club	Country Club	4,085,730	10	0.08%	3,822,880	7	0.10%
National Grid	Utility				8,656,640	2	0.23%
Verizon New England Inc.	Utility				8,220,800	3	0.22%
HCRI Massachusetts Property Inc., Trust	Nursing Home				4,283,000	6	0.11%
Suburban Realty Trust	Real Estate				3,764,300	8	0.10%
Herring Brook LTD Partnership	Real Estate				3,412,800	9	0.09%
Diftway Medical LLC	Medical Building				2,796,900	10	0.07%
<b>Totals</b>		<b>\$ 84,252,950</b>		<b>1.64%</b>	<b>\$ 57,605,450</b>		<b>1.52%</b>

Source: Official Statements, Town of Scituate

### Property Tax Levies and Collections

#### Last Ten Years

Year	Total Tax Levy	Less Abatements & Exemptions	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
2012	\$46,672,324	\$249,523	\$46,422,801	99.47%	\$45,433,883	97.87%	\$434,613	\$45,868,496	98.81%
2013	\$48,082,156	\$144,913	\$47,937,243	99.70%	\$46,882,580	97.80%	\$543,692	\$47,426,272	98.93%
2014	\$49,937,279	\$114,882	\$49,822,397	99.77%	\$49,062,343	98.47%	\$466,423	\$49,528,766	99.41%
2015	\$51,671,474	\$112,627	\$51,558,847	99.78%	\$50,540,571	98.03%	\$449,771	\$50,990,342	98.90%
2016	\$57,723,102	\$275,943	\$57,447,159	99.52%	\$56,591,303	98.51%	\$593,285	\$57,184,588	99.54%
2017	\$60,236,440	\$250,001	\$59,986,439	99.58%	\$59,115,718	98.55%	\$588,786	\$59,704,504	99.53%
2018	\$61,989,867	\$249,617	\$61,740,250	99.60%	\$60,833,576	98.53%	\$599,949	\$61,433,525	99.50%
2019	\$63,900,669	\$250,000	\$63,650,669	99.61%	\$62,883,787	98.80%	\$485,203	\$63,368,990	99.56%
2020	\$65,813,198	\$231,767	\$65,581,431	99.65%	\$64,404,855	98.21%	\$706,025	\$65,110,880	99.28%
2021	\$68,600,566	\$261,477	\$68,339,089	99.62%	\$67,903,898	99.36%	-	\$67,903,898	99.36%

#### Real Estate Tax Levies vs. First Year Collections Last Ten Years



Source: Assessor's Department and Official Statements, Town of Scituate

# **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 Borrowings	Capital Leases	General Obligation Bonds (1)	Direct Borrowings	Capital Leases				
2012	\$ 15,263,015	\$ -	\$ -	\$ 15,849,003	\$ 14,594,771	\$ 65,028	\$ 45,771,817	5.66%	18,234	\$ 2,510
2013	17,252,157	-	-	14,784,488	18,962,786	70,717	51,070,148	6.50%	18,648	2,739
2014	15,484,278	-	206,248	13,199,266	17,358,642	91,624	46,340,058	5.44%	18,847	2,459
2015	87,553,879	-	176,890	27,239,688	15,706,500	127,924	130,804,881	14.51%	18,847	6,940
2016	82,697,642	-	1,036,495	24,743,484	14,006,691	156,270	122,640,582	12.92%	18,535	6,617
2017	81,273,722	-	789,204	22,612,058	12,255,877	140,265	117,071,126	11.95%	18,515	6,323
2018	76,996,618	-	686,572	20,918,840	10,453,245	93,995	109,149,270	10.08%	18,760	5,818
2019	79,015,481	-	983,913	28,956,831	8,604,928	177,187	117,738,340	10.37%	18,495	6,366
2020	84,800,181	-	1,238,310	28,103,010	7,520,326	147,442	121,809,269	10.24%	18,746	6,498
2021	80,978,281	3,476,314	1,041,960	37,261,107	6,442,474	162,072	129,362,208	10.28%	18,865	6,857

(1) Presented net of original issuance premiums.

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

Source: Audited Financial Statements, U. S. Census

# Ratios of General Bonded Debt Outstanding

## Last Ten Years

Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2012	\$ 31,112,018	\$ -	\$ 31,112,018	0.82%	\$ 1,706
2013	32,036,645	-	32,036,645	0.85%	1,718
2014	28,683,544	-	28,683,544	0.75%	1,522
2015	114,793,567	-	114,793,567	2.91%	6,091
2016	107,441,126	-	107,441,126	2.63%	5,797
2017	103,885,780	-	103,885,780	2.43%	5,611
2018	97,915,458	-	97,915,458	2.20%	5,219
2019	107,972,312	-	107,972,312	2.32%	5,838
2020	112,903,191	-	112,903,191	2.32%	6,023
2021	118,239,388	-	118,239,388	2.30%	6,268

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance premiums.

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

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

Source: Audited Financial Statements, U. S. Census

# **Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2021**

<u>Town of Scituate, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>	<u>Current Year Assessment for Operations and Debt Service</u>
Debt repaid with property taxes:				
Plymouth County.....	\$ 1,100,000	5.90%	\$ 48,675	\$ 97,737
Massachusetts Bay Transportation Authority.....	5,348,582,000	0.076%	4,064,922	-
South Shore Regional Vocational Technical School District (SSRSD).....	-	7.58%	-	590,813
Estimated share of overlapping debt.....			4,113,597	
Town direct debt.....			87,728,555	
Total direct and overlapping debt.....			\$ 91,842,152	

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

Source: Plymouth County Treasurer, SSRSD & Official statements

(1) County expenses, including debt service, are assessed upon the Towns within the County in proportion to their taxable valuation.

**Computation of Legal Debt Margin**

**Last Ten Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Equalized Valuation.....	\$ 4,137,906,200	\$ 4,137,906,200	\$ 4,103,767,600	\$ 4,103,767,600	\$ 4,433,619,600	\$ 4,433,619,600	\$ 4,819,519,000	\$ 4,819,519,000	\$ 5,194,149,500	\$ 5,194,149,500
Debt Limit - 5% of Equalized Valuation.....	\$ 206,895,310	\$ 206,895,310	\$ 205,188,380	\$ 205,188,380	\$ 221,680,980	\$ 221,680,980	\$ 240,975,950	\$ 240,975,950	\$ 259,707,475	\$ 259,707,475
Less:										
Outstanding debt applicable to limit.....	42,612,765	50,875,921	34,685,631	52,276,219	47,277,578	46,005,123	41,854,755	43,708,387	39,482,455	54,411,192
Authorized and unissued debt.....	18,198,557	6,072,096	11,247,288	71,060,704	44,925,917	31,849,339	33,569,914	47,372,958	51,957,347	33,339,942
Legal debt margin.....	\$ 146,083,988	\$ 149,947,293	\$ 159,255,461	\$ 81,851,457	\$ 129,477,485	\$ 143,826,518	\$ 165,551,281	\$ 149,894,605	\$ 168,267,673	\$ 171,956,341
Total debt applicable to the limit as a percentage of the limit.....	29.39%	27.53%	22.39%	60.11%	41.59%	35.12%	31.30%	37.80%	35.21%	33.79%

Source: Town Accountant's Office, Town of Scituate

## Demographic and Economic Statistics

### Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2012	18,234	\$ 809,024,346	\$ 44,369	45	3,276	5.30%
2013	18,648	785,099,448	42,101	45	3,286	5.70%
2014	18,847	851,432,072	45,176	45	3,122	5.20%
2015	18,847	901,376,622	47,826	45	3,097	4.50%
2016	18,535	949,177,350	51,210	48	3,094	2.50%
2017	18,515	979,387,955	52,897	55	3,005	4.10%
2018	18,760	1,082,376,960	57,696	57	2,988	3.50%
2019	18,495	1,135,352,565	61,387	59	3,005	2.60%
2020	18,746	1,189,096,272	63,432	59	2,994	13.40%
2021	18,865	1,257,823,875	66,675	52	2,851	4.40%

Source: U. S. Census, Division of Local Services & Official Statements  
Median age is based on most recent census data.

**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	Nature of Business	2021			2012		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Scituate	Municipal Government	1,183	1	12.80%	1,185	1	12.35%
Life Care Center	Nursing Home	185	2	2.00%	185	2	1.93%
Scituate Marketplace	Supermarket	100	3	1.08%	100	3	1.04%
Total		1,468		15.89%	1,470		15.32%

The Town is reporting all employers with more than 100 employees.

Employees for the Town of Scituate includes all classes of employees, not just FTE's.

Source: Massachusetts Workplace Development Agency, Official Statements & the Town's personnel and department records.



## Full-time Equivalent Town Employees by Function

### Last Ten Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function										
General government.....	28	28	30	31	32	34	36	36	36	37
Police.....	33	33	33	34	35	35	35	35	35	35
Fire.....	53	53	53	53	55	55	55	55	55	55
Education.....	376	379	396	466	455	450	447	484	511	497
Water.....	12	12	12	13	14	14	14	15	15	15
Sewer.....	8	8	8	8	8	8	8	8	8	8
Solid waste.....	4	4	4	4	4	4	4	4	4	4
Public works.....	25	25	23	27	27	27	28	28	28	28
Human services.....	8	8	8	9	10	10	10	10	10	10
Culture and recreation.....	23	22	22	22	22	22	22	22	22	22
Total.....	<u>568</u>	<u>572</u>	<u>589</u>	<u>667</u>	<u>662</u>	<u>659</u>	<u>659</u>	<u>697</u>	<u>724</u>	<u>711</u>

Source: Town personnel records and various Town departments.

## Operating Indicators by Function/Program

### Last Ten Years

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government										
Population.....	18,234	18,648	18,847	18,847	18,535	18,515	18,760	18,495	18,746	18,865
Registered voters, annual town election.....	13,827	13,941	13,961	14,170	14,117	14,629	14,517	14,623	14,985	15,498
Town Clerk										
Births.....	167	161	152	172	118	193	168	107	107	175
Marriages.....	74	78	70	56	63	72	69	31	29	60
Deaths.....	176	167	174	207	130	205	197	121	139	213
Police										
MV Accidents investigated by an officer.....	251	232	252	287	266	259	220	226	208	257
Citations issued.....	712	808	904	199	182	266	69	246	155	143
Arrests.....	285	290	314	241	248	265	197	292	289	118
Total Incidents.....	14,268	16,480	17,850	16,074	20,548	21,337	22,735	24,565	27,598	26,332
Fire										
Permits/certificate issued.....	942	1,289	1,228	1,270	1,080	958	888	1,264	1,285	1,063
False alarm.....	292	342	325	346	448	336	315	344	374	382
Fires.....	118	82	88	79	66	81	75	94	92	105
Rescue/EMS incidents.....	1,823	1,981	1,925	1,880	1,841	1,896	1,996	1,948	1,811	1,825
Total Incidents.....	2,928	3,256	2,963	3,017	3,140	3,075	3,564	3,192	3,181	2,974
Building Department										
Building permits issued.....	789	869	822	926	947	920	812	960	833	1,279
Gas & Plumbing permits issued.....	785	1,098	1,046	892	884	821	843	915	984	1,223
Electrical permits issued.....	606	814	844	648	762	669	726	462	522	984
Education										
Public school enrollment.....	3,276	3,286	3,122	3,097	3,094	3,005	2,988	3,005	2,994	2,851
High school graduates.....	208	206	185	205	215	236	227	209	229	252
Public Works										
Water										
Service connections.....	7,641	7,636	7,659	7,721	7,728	7,753	7,644	7,892	7,952	8,463
Consumption in millions of gallons.....	516	545	552	452	455	458	444	514	576	537
Daily consumption in millions of gallons.....	1.41	1.49	1.51	1.24	1.25	1.35	1.34	1.40	1.46	1.37
Highway										
Miles of public road.....	101	101	101	103	103	103	103	103	103	103
Human Services										
Board of Health										
Inspections.....	549	549	590	577	724	877	980	566	425	421
Sewage Permits.....	85	85	69	91	228	195	187	126	95	109
Council on Aging										
Total Rides .....	6,860	6,845	6,542	6,976	6,839	6,731	7,195	6,481	6,045	6,020
Library										
Circulation.....	262,136	250,194	236,357	243,490	219,942	216,767	252,705	290,582	208,173	242,991
Visitors.....	153,247	138,640	140,109	155,000	n/a	88,610	200,000	120,205	92,778	48,988
Volunteer hours of service.....	1,369	1,178	770	570	281	350	2,850	8,986	7,000	5,500

Source: Various Town Departments & annual reports

**Capital Asset Statistics by Function/Program**

**Last Ten Years**

<b><u>Function/Program</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
General Government										
Number of buildings.....	1	1	1	1	1	1	1	1	1	1
Police *										
Number of stations.....	1	1	1	1	1	1	-	-	-	-
Fire *										
Number of stations.....	3	3	3	3	3	3	2	2	2	2
Public Safety Complex & Emerg Ops Ctr.....	-	-	-	-	-	-	1	1	1	1
Education										
Number of elementary schools.....	4	4	4	4	4	4	4	4	4	4
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Number of wells.....	6	6	6	6	6	6	6	6	6	6
Number of water storage tanks.....	2	2	2	2	2	2	2	2	2	2
Number of pump stations.....	2	2	2	2	2	2	2	2	2	3
Human Services										
Senior center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Maritime Center.....	1	1	1	1	1	1	1	1	1	1
Library.....	1	1	1	1	1	1	1	1	1	1
Scituate Harbor Community Bldg.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

\* Fire Station #3 and the police station were combined in a public safety complex which opened March 2017.

On April 6, 2021, the Select Board accepted K-9 officer, Tango's retirement and thanked him for his valuable service over the years. They wished him enjoyment during his retirement with his handler, Sergeant Brian McLaughlin.



Sergeant Brian McLaughlin and K-9 officer Tango.