

# TOWN OF SCITUATE, MASSACHUSETTS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the year ended  
June 30, 2020**



On the cover: The April 2019 Annual Town Meeting approved two articles totaling \$9.9M for the renovation of the athletic fields at the high school/middle school campus to include a track and three turf fields. The project was predominantly supported by Community Preservation funds with additional funding from the tax levy.



June 27, 2020 Annual Town Meeting

Due to the COVID-19 pandemic, the Annual Town Meeting was postponed twice in the spring of 2020 and finally held outdoors on the newly rehabilitated athletic fields on Saturday, June 27, 2020. Photo credit: James Boudreau.

*The Town of  
Scituate, Massachusetts*



**Comprehensive  
Annual Financial Report**

**For the Year Ended  
June 30, 2020**

Prepared by the Finance Department

TOWN OF SCITUATE, MASSACHUSETTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2020

**TABLE OF CONTENTS**

<b>Introductory Section.....</b>	<b>1</b>
Letter of Transmittal .....	3
Principal Executive Officers as of June 30, 2020.....	9
Organizational Chart .....	10
Certificate of Achievement for Excellence in Financial Reporting.....	11
<b>Financial Section .....</b>	<b>13</b>
Independent Auditor’s Report.....	15
Management’s Discussion and Analysis.....	17
Basic Financial Statements .....	28
Statement of net position .....	29
Statement of activities .....	30
Governmental funds – balance sheet .....	32
Reconciliation of the governmental funds balance sheet total fund balances to the statement of net position .....	33
Governmental funds – statement of revenues, expenditures and changes in fund balances .....	34
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities .....	35
Proprietary funds – statement of net position .....	36
Proprietary funds – statement of revenues, expenses and changes in net position .....	37
Proprietary funds – statement of cash flows .....	38
Fiduciary funds – statement of fiduciary net position.....	39
Fiduciary funds – statement of changes in fiduciary net position .....	40
Notes to basic financial statements .....	41
Required Supplementary Information .....	79
General Fund Budgetary Comparison Schedule .....	81
Schedule of revenues, expenditures and changes in fund balance – general fund – budget and actual .....	82
Pension Plan Schedules .....	86
Schedule of the Town’s proportionate share of the net pension liability.....	87
Schedule of the Town’s contributions .....	88

Schedule of the special funding amounts of the net pension liability.....	89
Other Postemployment Benefits Plan Schedules .....	90
Schedule of changes in the Town's net other postemployment benefit liability and related ratios.....	91
Schedule of the Town's contributions .....	92
Schedule of investment returns.....	93
Notes to Required Supplementary Information.....	94
Combining and Individual Fund Statements .....	98
Nonmajor Governmental Funds.....	99
Nonmajor governmental funds - combining balance sheet.....	100
Nonmajor governmental funds - combining statement of revenues, expenditures and changes in fund balances .....	102
Agency Fund.....	104
Agency fund - statement of changes in assets and liabilities .....	105
<b>Statistical Section.....</b>	<b>107</b>
Net position by component – last ten years .....	109
Changes in net position – last ten years .....	110
Fund balances, governmental funds – last ten years.....	111
Changes in fund balances, governmental funds – last ten years .....	112
Assessed value and actual value of taxable property by classification and tax rates – last ten years .....	113
Principal taxpayers – current year and nine years ago.....	114
Property tax levies and collections – last ten years .....	115
Ratios of outstanding debt by type – last ten years .....	116
Ratios of general bonded debt outstanding – last ten years.....	117
Direct and overlapping governmental activities debt – as of June 30, 2020.....	118
Computation of legal debt margin – last ten years.....	119
Demographic and economic statistics – last ten years .....	120
Principal employers – current year and nine years ago.....	121
Full-time equivalent Town employees by function – last ten years.....	122
Operating indicators by function/program – last ten years.....	123
Capital asset statistics by function/program – last ten years .....	124

# Introductory Section



Spring/Summer 2020

Construction on the new senior center and renovation of the adjacent Veterans Memorial Gymnasium was well under way despite the COVID-19 pandemic. Photo credit: Steve Kirby.

# ***Introductory Section***

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Letter of Transmittal

December 23, 2020

To the Honorable Board of Selectmen 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 Comprehensive Annual Financial Report (CAFR) of the Town of Scituate, Massachusetts, for the year ending June 30, 2020, 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 CAFR 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, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town of Scituate's financial statements for the year ended June 30, 2020, 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 Board of Selectmen who appoint a professional Town Administrator and Finance Director to manage day-to-day and financial matters. The annual town census for 2020 lists the Town's population as 18,746.

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.

## **Budgetary Controls**

Under the Town Charter, the Town Administrator sets budget guidelines and prepares and recommends a budget to the Board of Selectmen 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 is 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 matures 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 Board of Selectmen 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 facility is expected to open in February 2021.

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 is in final design and expected to start in January 2021 including replacing 2" galvanized pipes, adding additional valves and hydrants to eliminate dead ends in the system and support the flushing program. It is seeking additional water sources and conducted an extensive study of the system to direct future investment and improvement to the public water system.

The Town is participating 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.

As a coastal community, the Town has dedicated significant resources to foreshore protection in supporting over \$23.6M 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 three 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 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 \$6.28M 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, \$1.35M 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.

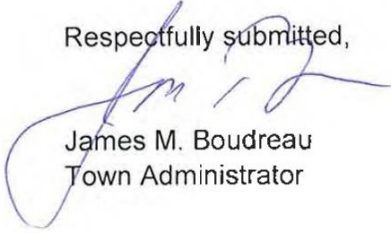
## **Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its CAFR for the year ended June 30, 2019. This was the sixth year that the Town submitted a CAFR to the GFOA. In order to receive this prestigious award, a government had to publish an easily readable and efficiently organized CAFR 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 CAFR 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 Board of Selectmen, 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

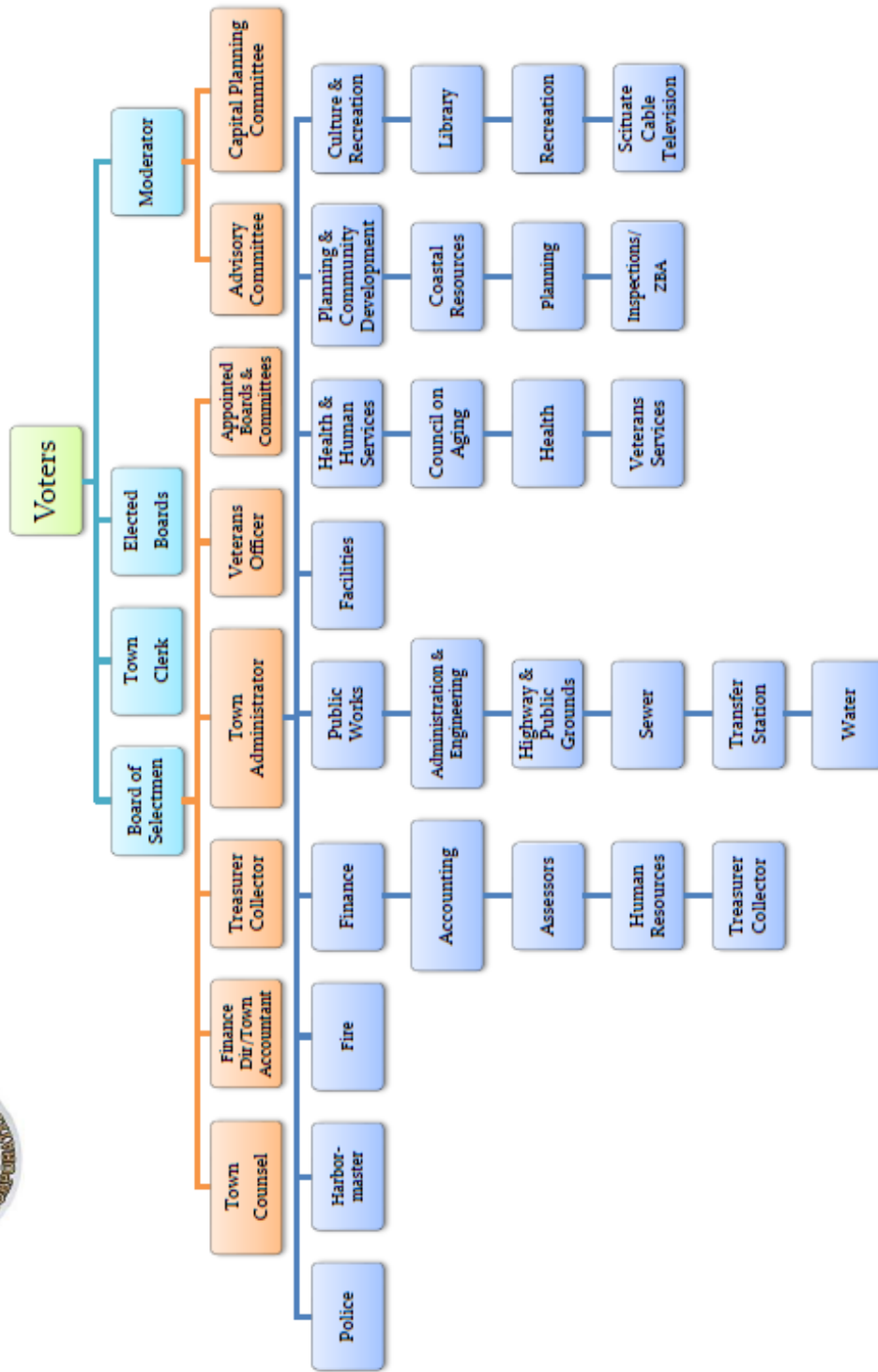
# Town of Scituate, Massachusetts

## Principal Executive Officers as of June 30, 2020

<u>Elected Officials</u>		<u>Term Expires</u>
Board of Selectmen	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
 <b><u>Appointed Officials</u></b>		
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, 2019

*Christopher P. Morill*

Executive Director/CEO

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# Financial Section



Culvert Replacement

Drainage improvements were supported by a major culvert replacement project at Bailey's Causeway and Gilson Road authorized at the April 2017 Annual Town Meeting. Photo credit: Sean McCarthy.

***Financial Section***

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## Independent Auditor's Report

To the Honorable Board of Selectmen  
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, 2020, 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that 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 and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial 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 and individual fund financial 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 23, 2020, 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 23, 2020

***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, 2020. 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, COVID-19, 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 fund balance

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

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, private purpose trust funds, and agency funds.

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

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of Scituate's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$61.8 million at the close of 2020, which was a decrease in the overall financial position of \$8.6 million from the prior year.

Net position of \$156.1 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, \$7.3 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 \$101.6 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 \$13.0 million at the close of 2020.

Governmental net position of \$115.2 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, \$7.3 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 \$109.5 million. The deficit is the result of the Town recording its net pension liability of \$41.0 million along with the net other postemployment benefits (OPEB) liability of \$125.2 million. These are long term unfunded liabilities that will not require significant short-term resources. Unrestricted net position decreased by \$12.1 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 2020 and 2019 is presented below.

**Governmental Activities**

	2020	2019
<b>Assets:</b>		
Current assets.....	\$ 46,467,332	\$ 44,487,387
Capital assets, nondepreciable.....	23,158,009	21,838,018
Capital assets, net of accumulated depreciation....	171,311,118	161,891,749
<b>Total assets.....</b>	<b>240,936,459</b>	<b>228,217,154</b>
<b>Deferred outflows of resources.....</b>	<b>35,010,177</b>	<b>26,603,419</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	7,507,448	5,006,254
Noncurrent liabilities (excluding debt).....	166,596,408	145,392,904
Current debt.....	7,051,424	6,426,547
Noncurrent debt.....	80,301,722	74,249,847
<b>Total liabilities.....</b>	<b>261,457,002</b>	<b>231,075,552</b>
<b>Deferred inflows of resources.....</b>	<b>1,530,131</b>	<b>955,966</b>
<b>Net position:</b>		
Net investment in capital assets.....	115,163,737	107,165,990
Restricted.....	7,287,150	12,973,132
Unrestricted.....	(109,491,384)	(97,350,067)
<b>Total net position.....</b>	<b>\$ 12,959,503</b>	<b>\$ 22,789,055</b>

Noncurrent liabilities increased \$21.2 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.

	2020	2019
<b>Program Revenues:</b>		
Charges for services.....	\$ 7,004,726	\$ 7,194,342
Operating grants and contributions.....	23,125,330	18,840,563
Capital grants and contributions.....	1,239,266	1,256,738
<b>General Revenues:</b>		
Real estate and personal property taxes, net of tax refunds payable.....	65,237,472	63,359,219
Tax and other liens.....	418,807	413,131
Motor vehicle and other excise taxes.....	3,263,180	3,332,087
Hotel/motel tax.....	104,145	-
Meals tax.....	265,281	264,699
Community preservation tax.....	1,587,578	1,548,124
Penalties and interest on taxes.....	311,089	335,999
Payments in lieu of taxes.....	17,437	18,914
Grants and contributions not restricted to specific programs.....	2,757,334	2,346,541
Unrestricted investment income.....	559,717	810,987
Gain on sale of capital assets.....	-	161,792
Miscellaneous.....	91,185	342,682
<b>Total revenues.....</b>	<b>105,982,547</b>	<b>100,225,818</b>
<b>Expenses:</b>		
General government.....	6,893,037	5,643,145
Public safety.....	15,051,075	14,130,874
Education.....	76,548,657	62,671,600
Public works.....	7,797,617	8,123,398
Human services.....	1,495,159	1,335,260
Culture and recreation.....	2,734,028	2,695,966
Community preservation.....	2,335,939	554,272
COVID-19.....	349,624	-
Interest.....	2,426,884	2,669,249
<b>Total expenses.....</b>	<b>115,632,020</b>	<b>97,823,764</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>(9,649,473)</b>	<b>2,402,054</b>
<b>Transfers.....</b>	<b>(180,079)</b>	<b>(798,789)</b>
<b>Change in net position.....</b>	<b>(9,829,552)</b>	<b>1,603,265</b>
<b>Net position, beginning of year.....</b>	<b>22,789,055</b>	<b>21,185,790</b>
<b>Net position, end of year.....</b>	<b>\$ 12,959,503</b>	<b>\$ 22,789,055</b>

Operating grant revenue came in higher from the previous year due to increased state financing for the Massachusetts's Teachers' Retirement System (MTRS), which increased revenue and the corresponding expense by \$2.2 million over the prior year. The Town also received additional grant funding from the state for ongoing projects.

Property taxes are the most significant revenue source for the Town's governmental activities. They comprise 62% of all resources.

Expenses increased \$17.5 million from the prior year which was mainly related to the \$13.2 million change in the net pension and net OPEB liabilities and the related deferred inflows/outflows of resources and a \$2.2 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 expenditures of \$350,000 of which the full amount will be reimbursed with federal and state grants

**Business-type Activities**

	2020	2019
<b>Assets:</b>		
Current assets.....	\$ 13,225,850	\$ 13,183,249
Noncurrent assets (excluding capital).....	5,199,203	6,086,489
Capital assets, nondepreciable.....	3,999,174	4,148,158
Capital assets, net of accumulated depreciation....	72,008,163	70,360,284
<b>Total assets.....</b>	<b>94,432,390</b>	<b>93,778,180</b>
<b>Deferred outflows of resources.....</b>	<b>1,626,598</b>	<b>1,775,280</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	1,368,366	1,462,944
Noncurrent liabilities (excluding debt).....	9,365,212	8,602,375
Current debt.....	4,596,034	10,462,074
Noncurrent debt.....	31,767,744	27,276,872
<b>Total liabilities.....</b>	<b>47,097,356</b>	<b>47,804,265</b>
<b>Deferred inflows of resources.....</b>	<b>129,282</b>	<b>130,728</b>
<b>Net position:</b>		
Net investment in capital assets.....	40,941,659	39,174,972
Unrestricted.....	7,890,691	8,443,495
<b>Total net position.....</b>	<b>\$ 48,832,350</b>	<b>\$ 47,618,467</b>

At the end of the current year, the Town reports \$48.8 million in net position for its combined business-type activities. Of this balance, \$40.9 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 increased by \$763,000 due to the net pension and net OPEB liabilities.

	2020	2019
<b>Program Revenues:</b>		
Charges for services.....	\$ 12,719,220	\$ 11,832,083
Operating grants and contributions.....	209,490	-
Capital grants and contributions.....	255,653	-
<b>General Revenues:</b>		
Other excise taxes.....	42,535	43,108
Unrestricted investment income.....	120,953	170,296
<b>Total revenues.....</b>	<b>13,347,851</b>	<b>12,045,487</b>
<b>Expenses:</b>		
Water.....	4,930,684	4,360,612
Sewer.....	3,379,048	2,912,077
Transfer Station.....	1,449,897	1,314,007
Widow's Walk golf course.....	1,215,838	1,113,660
Waterways.....	1,338,580	962,302
<b>Total expenses.....</b>	<b>12,314,047</b>	<b>10,662,658</b>
<b>Excess before transfers.....</b>	<b>1,033,804</b>	<b>1,382,829</b>
<b>Transfers.....</b>	<b>180,079</b>	<b>798,789</b>
<b>Change in net position.....</b>	<b>1,213,883</b>	<b>2,181,618</b>
<b>Net position, beginning of year.....</b>	<b>47,618,467</b>	<b>45,436,849</b>
<b>Net position, end of year.....</b>	<b>\$ 48,832,350</b>	<b>\$ 47,618,467</b>

There was a net increase of \$1.2 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:

	2020	2019	Change
<b>Net Position:</b>			
Water.....	\$ 12,626,959	\$ 11,495,861	\$ 1,131,098
Sewer.....	29,423,719	29,661,601	(237,882)
Transfer Station.....	212,941	194,335	18,606
Widow's Walk golf course....	1,172,415	1,176,718	(4,303)
Waterways.....	5,396,316	5,089,952	306,364
<b>Total Net Position.....</b>	<b>\$ 48,832,350</b>	<b>\$ 47,618,467</b>	<b>\$ 1,213,883</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 \$1.1 million compared to a \$877,000 increase in fiscal year 2019. The increase is a result of the water rates increasing offset with an increase in net pension and OPEB expenses.

The sewer enterprise fund reported an decrease in net position of \$238,000 compared to a \$819,000 increase in fiscal year 2019. The decrease was mainly from the increase in net pension and OPEB expenses.

The transfer station fund reported an increase of \$19,000 in net position. The Town had a slight increase in operating revenue due to an increase in the construction and demolition bulky waste rate offset by an increase in hauling costs.

The Widow's Walk golf course fund reported a \$4,300 decrease in net position compared to an increase of \$78,000 in fiscal year 2019. The golf course was required to cease operations in the Spring of 2020 due to the COVID-19 pandemic causing revenue to decrease from the previous year.

The waterways enterprise fund reported a \$306,000 increase in net position compared to an increase of \$328,000 in fiscal year 2019. The increase is primarily attributable to an increase in revenue which was offset by an increase 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 \$36.1 million, which is comprised of \$15.0 million in the general fund, \$4.6 million in the community preservation fund, \$4.8 million in Town capital projects, and \$11.7 million in the nonmajor governmental funds. Cumulatively there was a decrease of \$951,000 in fund balances from the prior year, which is primarily due to the activities of the Town's general fund, capital projects fund and community preservation fund.

The *general fund* is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$9.4 million, restricted fund balance was \$450,000, committed fund balance was \$4.2 million, and assigned fund balance was \$958,000 while total fund balance was \$15.0 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 10% of total general fund budgetary expenditures, while total fund balance represents 16% of that same amount.

The fund balance of the general fund increased by \$2.1 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. There was an additional increase of \$285,000 that was due to the year-end accrual for real estate and personal property taxes. The Stabilization Funds and Workers' Compensation Fund; which are reported as components of the general fund for GAAP basis reporting totaled \$4.6 million and \$450,000, 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 \$4.6 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 decreased by \$6.1 million in 2020. The change in fund balance is entirely dependent on the timing of the planned use of accumulated revenues for the projects authorized. In 2020, the Town used these funds for senior rental housing and to renovate athletic fields, along with other projects.

The *Town Capital Projects Fund* had a year-end fund balance of \$4.8 million. Included in this fund is the construction of the senior center and recreation facility, which the Town spent \$3.6 million in 2020. Additionally, the Town spent \$3.3 million relating to the renovation of the athletic fields. During 2020, the fund balance increased by \$3.0 million which was due to the timing of expenditures and the permanent funding of the projects.

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

The original 2020 operating budget totaled \$85.5 million and consisted of \$80.7 million in appropriations and \$4.8 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 \$1.5 million, and actual expenditures came in under budget by approximately \$7.1 million. Of this balance, the Town reserved \$5.1 million in articles and encumbrances for spending in subsequent years.

### ***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 2020 includes additions of \$8.7 million for school athletic field renovations, \$3.6 million for the senior center & recreation facility project, \$2.0 million for machinery and equipment and vehicles, \$2.3 million for infrastructure, \$1.2 million for land improvements and \$2.9 million in other building projects.

The Town's 2020 business-type capital asset activity includes \$2.2 million in additions related to water main replacement projects, \$400,000 of various machinery, equipment and vehicle additions, \$522,000 in buildings and improvements, \$195,000 in land improvements, and \$860,000 in other infrastructure.

In October 2020 the Town issued \$29.1 million of long-term debt of which \$19.9 million was used to pay down bond anticipation notes outstanding at June 30, 2020 on December 11, 2020. Accordingly, the Town has presented these bond anticipation notes as long-term.

Outstanding governmental long-term debt, as of June 30, 2020, totaled \$80.6 million, of which approximately \$44.7 million relates to various school construction projects, \$13.1 million relates to the public safety complex, \$4.2 million relates to the library, \$4.8 million relates to energy saving projects, \$3.4 million relates to seawall repair projects, \$7 million relates to the senior center, and \$2.9 million relates to other various projects and equipment.

The enterprise funds long-term debt totaled \$34.8 million at year end; comprised of \$22.9 million in water debt, \$10.9 million in sewer debt, and \$1.8 million in waterways debt. Approximately \$98,000 of the sewer debt is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT).



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, 2020

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 40,517,304	\$ 9,240,514	\$ 49,757,818
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,280,903	-	1,280,903
Tax liens.....	872,017	98,142	970,159
Community preservation fund surtax.....	26,505	-	26,505
Motor vehicle and other excise taxes.....	242,420	-	242,420
User charges.....	-	3,170,460	3,170,460
Departmental and other.....	151,558	-	151,558
Intergovernmental.....	2,070,644	44,203	2,114,847
Community preservation state share.....	417,101	-	417,101
Special assessments.....	283,701	645,025	928,726
Tax foreclosures.....	605,179	-	605,179
Inventory.....	-	27,506	27,506
Total current assets.....	<u>46,467,332</u>	<u>13,225,850</u>	<u>59,693,182</u>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	-	53,316	53,316
Special assessments.....	-	5,145,887	5,145,887
Capital assets, nondepreciable.....	23,158,009	3,999,174	27,157,183
Capital assets, net of accumulated depreciation.....	<u>171,311,118</u>	<u>72,008,163</u>	<u>243,319,281</u>
Total noncurrent assets.....	<u>194,469,127</u>	<u>81,206,540</u>	<u>275,675,667</u>
<b>TOTAL ASSETS.....</b>	<b><u>240,936,459</u></b>	<b><u>94,432,390</u></b>	<b><u>335,368,849</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions.....	5,682,326	571,141	6,253,467
Deferred outflows related to other postemployment benefits.....	<u>29,327,851</u>	<u>1,055,457</u>	<u>30,383,308</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b><u>35,010,177</u></b>	<b><u>1,626,598</u></b>	<b><u>36,636,775</u></b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	4,328,752	667,143	4,995,895
Accrued payroll.....	1,084,862	123,321	1,208,183
Accrued interest.....	886,092	324,871	1,210,963
Other liabilities.....	66,371	61,512	127,883
Unearned revenue.....	8,311	-	8,311
Capital lease obligations.....	196,350	51,176	247,526
Landfill closure.....	-	79,000	79,000
Compensated absences.....	1,133,060	112,519	1,245,579
Notes payable.....	1,314,655	593,000	1,907,655
Bonds payable.....	<u>5,540,419</u>	<u>3,951,858</u>	<u>9,492,277</u>
Total current liabilities.....	<u>14,558,872</u>	<u>5,964,400</u>	<u>20,523,272</u>
<b>NONCURRENT:</b>			
Capital lease obligations.....	1,041,960	96,266	1,138,226
Landfill closure.....	-	711,000	711,000
Compensated absences.....	490,301	33,753	524,054
Net pension liability.....	40,955,551	4,116,516	45,072,067
Net other postemployment benefits liability.....	125,150,556	4,503,943	129,654,499
Bonds payable.....	<u>79,259,762</u>	<u>31,671,478</u>	<u>110,931,240</u>
Total noncurrent liabilities.....	<u>246,898,130</u>	<u>41,132,956</u>	<u>288,031,086</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>261,457,002</u></b>	<b><u>47,097,356</u></b>	<b><u>308,554,358</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes paid in advance.....	243,899	-	243,899
Deferred inflows related to pensions.....	<u>1,286,232</u>	<u>129,282</u>	<u>1,415,514</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b><u>1,530,131</u></b>	<b><u>129,282</u></b>	<b><u>1,659,413</u></b>
<b>NET POSITION</b>			
Net investment in capital assets.....	115,163,737	40,941,659	156,105,396
Restricted for:			
Permanent funds:			
Expendable.....	333,583	-	333,583
Nonexpendable.....	27,051	-	27,051
Gifts and grants.....	2,236,091	-	2,236,091
Community preservation.....	4,690,425	-	4,690,425
Unrestricted.....	<u>(109,491,384)</u>	<u>7,890,691</u>	<u>(101,600,693)</u>
<b>TOTAL NET POSITION.....</b>	<b><u>\$ 12,959,503</u></b>	<b><u>\$ 48,832,350</u></b>	<b><u>\$ 61,791,853</u></b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 6,893,037	\$ 2,194,801	\$ 1,331,434	\$ -	\$ (3,366,802)
Public safety.....	15,051,075	2,116,691	301,219	-	(12,633,165)
Education.....	76,548,657	1,784,273	20,473,503	32,238	(54,258,643)
Public works.....	7,797,617	503,001	68,146	617,652	(6,608,818)
Human services.....	1,495,159	147,055	361,650	-	(986,454)
Culture and recreation.....	2,734,028	258,905	49,282	-	(2,425,841)
Community preservation.....	2,335,939	-	-	589,376	(1,746,563)
COVID-19.....	349,624	-	540,096	-	190,472
Interest.....	2,426,884	-	-	-	(2,426,884)
<b>Total Governmental Activities.....</b>	<b>115,632,020</b>	<b>7,004,726</b>	<b>23,125,330</b>	<b>1,239,266</b>	<b>(84,262,698)</b>
<i>Business-Type Activities:</i>					
Water.....	4,930,684	5,899,132	63,762	-	1,032,210
Sewer.....	3,379,048	2,975,065	-	-	(403,983)
Transfer Station.....	1,449,897	1,460,063	-	-	10,166
Widow's Walk Golf course.....	1,215,838	1,206,964	-	-	(8,874)
Waterways.....	1,338,580	1,177,996	145,728	255,653	240,797
<b>Total Business-Type Activities.....</b>	<b>12,314,047</b>	<b>12,719,220</b>	<b>209,490</b>	<b>255,653</b>	<b>870,316</b>
<b>Total Primary Government.....</b>	<b>\$ 127,946,067</b>	<b>\$ 19,723,946</b>	<b>\$ 23,334,820</b>	<b>\$ 1,494,919</b>	<b>\$ (83,392,382)</b>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page..... \$	(84,262,698)	870,316	(83,392,382)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	65,237,472	-	65,237,472
Tax and other liens.....	418,807	-	418,807
Motor vehicle and other excise taxes.....	3,263,180	42,535	3,305,715
Hotel/motel tax.....	104,145	-	104,145
Meals tax.....	265,281	-	265,281
Community preservation tax.....	1,587,578	-	1,587,578
Penalties and interest on taxes.....	311,089	-	311,089
Payments in lieu of taxes.....	17,437	-	17,437
Grants and contributions not restricted to specific programs.....	2,757,334	-	2,757,334
Unrestricted investment income.....	559,717	120,953	680,670
Miscellaneous.....	91,185	-	91,185
<i>Transfers, net</i> .....	(180,079)	180,079	-
Total general revenues and transfers.....	74,433,146	343,567	74,776,713
Change in net position.....	(9,829,552)	1,213,883	(8,615,669)
<i>Net position:</i>			
Beginning of year.....	22,789,055	47,618,467	70,407,522
End of year..... \$	12,959,503	48,832,350	61,791,853

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2020

	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
<b>TOTAL ASSETS.....</b>	<b><u>\$ 19,979,495</u></b>	<b><u>\$ 4,815,533</u></b>	<b><u>\$ 8,134,900</u></b>	<b><u>\$ 13,747,499</u></b>	<b><u>\$ 46,677,427</u></b>
<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
<b>TOTAL LIABILITIES.....</b>	<b><u>1,889,512</u></b>	<b><u>120,948</u></b>	<b><u>3,370,906</u></b>	<b><u>1,631,680</u></b>	<b><u>7,013,046</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes paid in advance.....	239,739	4,160	-	-	243,899
Unavailable revenue.....	2,851,733	48,974	-	444,529	3,345,236
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b><u>3,091,472</u></b>	<b><u>53,134</u></b>	<b><u>-</u></b>	<b><u>444,529</u></b>	<b><u>3,589,135</u></b>
<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.....	9,411,662	-	(6,297,936)	(129,334)	2,984,392
<b>TOTAL FUND BALANCES.....</b>	<b><u>14,998,511</u></b>	<b><u>4,641,451</u></b>	<b><u>4,763,994</u></b>	<b><u>11,671,290</u></b>	<b><u>36,075,246</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b><u>\$ 19,979,495</u></b>	<b><u>\$ 4,815,533</u></b>	<b><u>\$ 8,134,900</u></b>	<b><u>\$ 13,747,499</u></b>	<b><u>\$ 46,677,427</u></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, 2020

Total governmental fund balances.....		\$ 36,075,246
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		194,469,127
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		3,345,236
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.....		33,723,945
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(886,092)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(84,800,181)	
Net pension liability.....	(40,955,551)	
Net other postemployment benefits liability.....	(125,150,556)	
Capital lease obligations.....	(1,238,310)	
Compensated absences.....	<u>(1,623,361)</u>	
Net effect of reporting long-term liabilities.....		<u>(253,767,959)</u>
Net position of governmental activities.....		<u>\$ 12,959,503</u>

See notes to basic financial statements.



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

YEAR ENDED JUNE 30, 2020

	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
<b>TOTAL REVENUES.....</b>	<b>92,856,821</b>	<b>2,286,279</b>	<b>-</b>	<b>11,279,407</b>	<b>106,422,507</b>
<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
<b>TOTAL EXPENDITURES.....</b>	<b>91,212,677</b>	<b>8,271,373</b>	<b>7,526,873</b>	<b>11,406,209</b>	<b>118,417,132</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>1,644,144</b>	<b>(5,985,094)</b>	<b>(7,526,873)</b>	<b>(126,802)</b>	<b>(11,994,625)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
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)
<b>TOTAL OTHER FINANCING SOURCES (USES)...</b>	<b>427,135</b>	<b>(100,000)</b>	<b>10,521,567</b>	<b>195,212</b>	<b>11,043,914</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>2,071,279</b>	<b>(6,085,094)</b>	<b>2,994,694</b>	<b>68,410</b>	<b>(950,711)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>12,927,232</b>	<b>10,726,545</b>	<b>1,769,300</b>	<b>11,602,880</b>	<b>37,025,957</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 14,998,511</b>	<b>\$ 4,641,451</b>	<b>\$ 4,763,994</b>	<b>\$ 11,671,290</b>	<b>\$ 36,075,246</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, 2020

Net change in fund balances - total governmental funds.....		\$ (950,711)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....	19,156,988	
Depreciation expense.....	<u>(8,417,628)</u>	
Net effect of reporting capital assets.....		10,739,360
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(439,960)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Principal payments on capital leases.....	191,172	
Issuance of bonds.....	(10,719,567)	
Premium from issuance of bonds.....	(58,857)	
Capital lease financing.....	(445,569)	
Net amortization of premium from issuance of bonds.....	545,550	
Debt service principal payments.....	<u>4,448,174</u>	
Net effect of reporting long-term debt.....		(6,039,097)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	29,651	
Net change in accrued interest on long-term debt.....	56,234	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(4,561,726)	
Net change in net pension liability.....	2,628,945	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	12,586,868	
Net change in net other postemployment benefits liability.....	<u>(23,879,116)</u>	
Net effect of recording long-term liabilities.....		<u>(13,139,144)</u>
Change in net position of governmental activities.....		<u>\$ (9,829,552)</u>

See notes to basic financial statements.

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

JUNE 30, 2020

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.....	\$ 3,109,279	\$ 3,243,646	\$ 764,886	\$ 349,400	\$ 1,773,303	\$ 9,240,514
Receivables, net of allowance for uncollectibles:						
Liens - user charges.....	46,102	52,040	-	-	-	98,142
User charges.....	2,350,400	820,060	-	-	-	3,170,460
Intergovernmental.....	-	44,203	-	-	-	44,203
Special assessments.....	-	645,025	-	-	-	645,025
Inventory.....	-	-	-	27,506	-	27,506
Total current assets.....	<u>5,505,781</u>	<u>4,804,974</u>	<u>764,886</u>	<u>376,906</u>	<u>1,773,303</u>	<u>13,225,850</u>
<b>NONCURRENT:</b>						
Receivables, net of allowance for uncollectibles:						
Intergovernmental.....	-	53,316	-	-	-	53,316
Special assessments.....	-	5,145,887	-	-	-	5,145,887
Capital assets, nondepreciable.....	324,174	-	-	-	3,675,000	3,999,174
Capital assets, net of accumulated depreciation.....	<u>34,197,677</u>	<u>32,057,574</u>	<u>1,099,454</u>	<u>1,432,999</u>	<u>3,220,459</u>	<u>72,008,163</u>
Total noncurrent assets.....	<u>34,521,851</u>	<u>37,256,777</u>	<u>1,099,454</u>	<u>1,432,999</u>	<u>6,895,459</u>	<u>81,206,540</u>
<b>TOTAL ASSETS.....</b>	<b><u>40,027,632</u></b>	<b><u>42,061,751</u></b>	<b><u>1,864,340</u></b>	<b><u>1,809,905</u></b>	<b><u>8,668,762</u></b>	<b><u>94,432,390</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pensions.....	231,050	125,750	57,895	51,209	105,237	571,141
Deferred outflows related to other postemployment benefits.....	<u>545,321</u>	<u>215,684</u>	<u>115,609</u>	<u>17,878</u>	<u>160,965</u>	<u>1,055,457</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b><u>776,371</u></b>	<b><u>341,434</u></b>	<b><u>173,504</u></b>	<b><u>69,087</u></b>	<b><u>266,202</u></b>	<b><u>1,626,598</u></b>
<b>LIABILITIES</b>						
<b>CURRENT:</b>						
Warrants payable.....	389,264	75,008	80,144	26,913	95,814	667,143
Accrued payroll.....	48,420	24,223	12,743	12,754	25,181	123,321
Accrued interest.....	188,983	119,875	-	-	16,013	324,871
Other liabilities.....	-	-	-	61,512	-	61,512
Capital lease obligations.....	-	-	-	51,176	-	51,176
Landfill closure.....	-	-	79,000	-	-	79,000
Compensated absences.....	47,358	32,347	15,433	981	16,400	112,519
Notes payable.....	593,000	-	-	-	-	593,000
Bonds payable.....	<u>2,067,319</u>	<u>1,462,850</u>	<u>-</u>	<u>-</u>	<u>421,689</u>	<u>3,951,858</u>
Total current liabilities.....	<u>3,334,344</u>	<u>1,714,303</u>	<u>187,320</u>	<u>153,336</u>	<u>575,097</u>	<u>5,964,400</u>
<b>NONCURRENT:</b>						
Capital lease obligations.....	-	-	-	96,266	-	96,266
Landfill closure.....	-	-	711,000	-	-	711,000
Compensated absences.....	12,693	7,493	2,859	-	10,708	33,753
Net pension liability.....	1,665,297	906,344	417,283	369,093	758,499	4,116,516
Net other postemployment benefits liability.....	2,327,046	920,386	493,336	76,290	686,885	4,503,943
Bonds payable.....	<u>20,785,364</u>	<u>9,402,476</u>	<u>-</u>	<u>-</u>	<u>1,483,638</u>	<u>31,671,478</u>
Total noncurrent liabilities.....	<u>24,790,400</u>	<u>11,236,699</u>	<u>1,624,478</u>	<u>541,649</u>	<u>2,939,730</u>	<u>41,132,956</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>28,124,744</u></b>	<b><u>12,951,002</u></b>	<b><u>1,811,798</u></b>	<b><u>694,985</u></b>	<b><u>3,514,827</u></b>	<b><u>47,097,356</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pensions.....	<u>52,300</u>	<u>28,464</u>	<u>13,105</u>	<u>11,592</u>	<u>23,821</u>	<u>129,282</u>
<b>NET POSITION</b>						
Net investment in capital assets.....	11,413,683	21,728,233	1,099,454	1,285,557	5,414,732	40,941,659
Unrestricted.....	<u>1,213,276</u>	<u>7,695,486</u>	<u>(886,513)</u>	<u>(113,142)</u>	<u>(18,416)</u>	<u>7,890,691</u>
<b>TOTAL NET POSITION.....</b>	<b><u>\$ 12,626,959</u></b>	<b><u>\$ 29,423,719</u></b>	<b><u>\$ 212,941</u></b>	<b><u>\$ 1,172,415</u></b>	<b><u>\$ 5,396,316</u></b>	<b><u>\$ 48,832,350</u></b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Transfer Station	Widow's Walk Golf Course	Waterways	Total
<b>OPERATING REVENUES:</b>						
Charges for services.....	\$ 5,864,196	\$ 2,700,249	\$ 1,460,063	\$ 1,206,964	\$ 985,580	\$ 12,217,052
Other operating revenues.....	-	-	-	-	192,416	192,416
<b>TOTAL OPERATING REVENUES</b> .....	<b>5,864,196</b>	<b>2,700,249</b>	<b>1,460,063</b>	<b>1,206,964</b>	<b>1,177,996</b>	<b>12,409,468</b>
<b>OPERATING EXPENSES:</b>						
Cost of services and administration.....	1,931,277	1,525,104	1,110,157	825,408	644,849	6,036,795
Salaries and wages.....	1,055,412	528,724	253,516	187,339	405,473	2,430,464
Depreciation.....	1,197,966	1,077,844	85,474	203,091	253,368	2,817,743
<b>TOTAL OPERATING EXPENSES</b> .....	<b>4,184,655</b>	<b>3,131,672</b>	<b>1,449,147</b>	<b>1,215,838</b>	<b>1,303,690</b>	<b>11,285,002</b>
<b>OPERATING INCOME (LOSS)</b> .....	<b>1,679,541</b>	<b>(431,423)</b>	<b>10,916</b>	<b>(8,874)</b>	<b>(125,694)</b>	<b>1,124,466</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income.....	40,562	44,348	8,440	4,571	23,032	120,953
Interest expense.....	(746,029)	(247,376)	(750)	-	(34,890)	(1,029,045)
Penalties and interest.....	34,936	274,816	-	-	-	309,752
Intergovernmental - other.....	63,762	-	-	-	145,728	209,490
Boat excise taxes.....	-	-	-	-	42,535	42,535
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET</b> .....	<b>(606,769)</b>	<b>71,788</b>	<b>7,690</b>	<b>4,571</b>	<b>176,405</b>	<b>(346,315)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b> .....	<b>1,072,772</b>	<b>(359,635)</b>	<b>18,606</b>	<b>(4,303)</b>	<b>50,711</b>	<b>778,151</b>
<b>CAPITAL CONTRIBUTIONS</b> .....	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255,653</b>	<b>255,653</b>
<b>TRANSFERS:</b>						
Transfers in.....	58,326	121,753	-	-	-	180,079
<b>CHANGE IN NET POSITION</b> .....	<b>1,131,098</b>	<b>(237,882)</b>	<b>18,606</b>	<b>(4,303)</b>	<b>306,364</b>	<b>1,213,883</b>
<b>NET POSITION AT BEGINNING OF YEAR</b> .....	<b>11,495,861</b>	<b>29,661,601</b>	<b>194,335</b>	<b>1,176,718</b>	<b>5,089,952</b>	<b>47,618,467</b>
<b>NET POSITION AT END 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>

See notes to basic financial statements.

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2020

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.....	\$ 5,326,007	\$ 2,847,341	\$ 1,460,063	\$ 1,206,964	\$ 1,220,531	\$ 12,060,906
Payments to vendors.....	(1,842,235)	(1,177,637)	(1,192,800)	(826,199)	(206,052)	(5,244,923)
Payments to employees.....	(1,047,095)	(516,956)	(243,671)	(192,260)	(397,066)	(2,397,048)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>2,436,677</b>	<b>1,152,748</b>	<b>23,592</b>	<b>188,505</b>	<b>617,413</b>	<b>4,418,935</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers in.....	58,326	121,753	-	-	-	180,079
Intergovernmental.....	63,762	-	-	-	145,728	209,490
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>122,088</b>	<b>121,753</b>	<b>-</b>	<b>-</b>	<b>145,728</b>	<b>389,569</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from the issuance of bonds and notes.....	566,000	1,000,000	-	-	1,130,000	2,696,000
Capital contributions.....	-	864,860	-	-	255,653	1,120,513
Acquisition and construction of capital assets.....	(2,927,048)	(412,648)	(60,000)	(76,005)	(840,937)	(4,316,638)
Principal payments on bonds and notes.....	(1,052,500)	(1,981,852)	(15,000)	-	(879,250)	(3,928,602)
Interest expense.....	(850,639)	(266,867)	(750)	-	(61,599)	(1,179,855)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(4,264,187)</b>	<b>(796,507)</b>	<b>(75,750)</b>	<b>(76,005)</b>	<b>(396,133)</b>	<b>(5,608,582)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Investment income.....	40,562	44,348	8,440	4,571	23,032	120,953
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>(1,664,860)</b>	<b>522,342</b>	<b>(43,718)</b>	<b>117,071</b>	<b>390,040</b>	<b>(679,125)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>4,774,139</b>	<b>2,721,304</b>	<b>808,604</b>	<b>232,329</b>	<b>1,383,263</b>	<b>9,919,639</b>
<b>CASH AND CASH EQUIVALENTS AT END 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>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>						
Operating income (loss).....	\$ 1,679,541	\$ (431,423)	\$ 10,916	\$ (8,874)	\$ (125,694)	\$ 1,124,466
Adjustments to reconcile operating income to net cash from operating activities:						
Depreciation.....	1,197,966	1,077,844	85,474	203,091	253,368	2,817,743
Deferred (outflows)/inflows related to pensions.....	194,202	78,021	40,138	42,295	79,614	434,270
Deferred (outflows)/inflows related to other postemployment benefits.....	(205,773)	(62,791)	(157,861)	(8,710)	148,101	(287,034)
Receipts from users penalties and interest.....	34,936	274,816	-	-	-	309,752
Boat excise taxes.....	-	-	-	-	42,535	42,535
Changes in assets and liabilities:						
Liens - user charges.....	(4,471)	(3,898)	-	-	-	(8,369)
User charges.....	(568,654)	(171,754)	-	-	-	(740,408)
Intergovernmental.....	-	47,928	-	-	-	47,928
Inventory.....	-	-	-	1,549	-	1,549
Warrants payable.....	(224,586)	35,792	10,502	23,138	70,731	(84,423)
Accrued payroll.....	3,837	6,683	3,565	1,637	6,461	22,183
Other liabilities.....	-	-	-	(18,382)	-	(18,382)
Capital lease obligations.....	-	-	-	(29,745)	-	(29,745)
Landfill closure.....	-	-	(57,000)	-	-	(57,000)
Compensated absences.....	4,480	5,085	6,280	(6,558)	1,946	11,233
Net pension liability.....	(149,312)	53,387	4,066	(29,453)	(24,996)	(146,308)
Net other postemployment benefits.....	474,511	243,058	77,512	18,517	165,347	978,945
<b>Total adjustments.....</b>	<b>757,136</b>	<b>1,584,171</b>	<b>12,676</b>	<b>197,379</b>	<b>743,107</b>	<b>3,294,469</b>
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 2,436,677</b>	<b>\$ 1,152,748</b>	<b>\$ 23,592</b>	<b>\$ 188,505</b>	<b>\$ 617,413</b>	<b>\$ 4,418,935</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>						
Intergovernmental subsidy of debt service.....	-	97,519	-	-	-	97,519

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2020

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 1,161,484	\$ 253,683	\$ 1,685,289
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	69,290
<b>TOTAL ASSETS.....</b>	<b>1,161,484</b>	<b>253,683</b>	<b>1,754,579</b>
<b>LIABILITIES</b>			
Warrants payable.....	-	-	297,601
Liabilities due depositors.....	-	-	1,042,426
Other liabilities.....	-	-	414,552
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>1,754,579</b>
<b>NET POSITION</b>			
Restricted for other postemployment benefits.....	1,161,484	-	-
Held in trust for other purposes.....	-	253,683	-
<b>TOTAL NET POSITION.....</b>	<b>\$ 1,161,484</b>	<b>\$ 253,683</b>	<b>\$ -</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<u>ADDITIONS:</u>		
Contributions:		
Employer contributions.....	\$ 97,509	\$ -
Employer contributions for other postemployment benefit payments....	2,493,739	-
Private donations.....	-	2,653
Total contributions.....	<u>2,591,248</u>	<u>2,653</u>
Investment income.....	<u>19,202</u>	<u>1,510</u>
TOTAL ADDITIONS.....	<u>2,610,450</u>	<u>4,163</u>
<u>DEDUCTIONS:</u>		
Other postemployment benefit payments.....	2,493,739	-
Educational scholarships.....	-	4,025
TOTAL DEDUCTIONS.....	<u>2,493,739</u>	<u>4,025</u>
NET INCREASE (DECREASE) IN NET POSITION.....	116,711	138
NET POSITION AT BEGINNING OF YEAR.....	<u>1,044,773</u>	<u>253,545</u>
NET POSITION AT END OF YEAR.....	<u>\$ 1,161,484</u>	<u>\$ 253,683</u>

See notes to basic financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Notes to basic financial statements*

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 Board of Selectmen.

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 2020 assessment was \$792,870. 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, other postemployment benefits obligations and 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 non-operating 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.

The *agency fund* is used to account for assets held in a purely custodial capacity by the Town and uses the accrual basis of accounting but has no measurement focus.

#### 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 deferred inflows of resources related to pensions and taxes paid in advance 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.

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

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

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 Contributory Retirement System 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, 2020, the Title V Program fund reports a fund deficit of \$129,334, the Senior Center Construction Fund reports a deficit of \$3,598,633, and the Athletic Field Renovation Fund reports a deficit of \$2,699,303. 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 \$44,276,326 and the bank balance totaled \$44,488,746. Of the bank balance, \$2,750,000 was covered by Federal Depository Insurance, \$24,750,546 was covered by the Depositors Insurance Fund, \$8,185,079 was collateralized, and \$8,803,121 was uninsured and uncollateralized.

The Town's investments consisted solely of MMDT investments totaling \$8,581,948. MMDT maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months.

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, 2020, the Town does not have any investments subject to custodial credit risk. As of June 30, 2020, the Town's investments in MMDT which totaled \$8,581,948 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 investments 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), Depositors Insurance Fund (DIF), or Share Insurance Fund (SIF) 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 will be 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, 2020, is \$8,581,948. 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 Investment Counseling.

**NOTE 3 – RECEIVABLES**

At June 30, 2020, 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.....	\$ 1,319,382	\$ (38,479)	\$ 1,280,903
Tax liens.....	872,017	-	872,017
Community preservation fund surtax.....	26,505	-	26,505
Motor vehicle and other excise taxes.....	284,057	(41,637)	242,420
Departmental and other.....	571,268	(419,710)	151,558
Intergovernmental.....	2,070,644	-	2,070,644
Community preservation state share.....	417,101	-	417,101
Special assessments.....	283,701	-	283,701
Total.....	<u>\$ 5,844,675</u>	<u>\$ (499,826)</u>	<u>\$ 5,344,849</u>

At June 30, 2020, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water liens - user charges.....	\$ 46,102	\$ -	\$ 46,102
Water user charges.....	2,350,400	-	2,350,400
Sewer liens - user charges.....	52,040	-	52,040
Sewer user charges.....	820,060	-	820,060
Sewer intergovernmental.....	97,519	-	97,519
Sewer special assessments.....	5,790,912	-	5,790,912
Total.....	<u>\$ 9,157,033</u>	<u>\$ -</u>	<u>\$ 9,157,033</u>

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.....	\$ 875,336	\$ -	\$ 875,336
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 - highway improvements.....	-	288,520	288,520
Special assessments.....	127,692	156,009	283,701
Tax foreclosures.....	605,179	-	605,179
Total.....	<u>\$ 2,851,733</u>	<u>\$ 493,503</u>	<u>\$ 3,345,236</u>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020, was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 21,104,462	\$ 389,192	\$ -	\$ 21,493,654
Construction in progress.....	733,556	1,664,355	(733,556)	1,664,355
Total capital assets not being depreciated....	<u>21,838,018</u>	<u>2,053,547</u>	<u>(733,556)</u>	<u>23,158,009</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	5,199,374	1,233,704	-	6,433,078
Buildings and improvements.....	149,961,238	12,271,992	-	162,233,230
Machinery and equipment.....	12,949,629	1,591,840	-	14,541,469
Infrastructure.....	46,034,885	2,290,892	-	48,325,777
Vehicles.....	10,091,943	448,569	(243,637)	10,296,875
Total capital assets being depreciated.....	<u>224,237,069</u>	<u>17,836,997</u>	<u>(243,637)</u>	<u>241,830,429</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(1,557,236)	(243,862)	-	(1,801,098)
Buildings and improvements.....	(24,897,327)	(4,308,517)	-	(29,205,844)
Machinery and equipment.....	(10,379,969)	(942,448)	-	(11,322,417)
Infrastructure.....	(18,807,738)	(1,987,776)	-	(20,795,514)
Vehicles.....	(6,703,050)	(935,025)	243,637	(7,394,438)
Total accumulated depreciation.....	<u>(62,345,320)</u>	<u>(8,417,628)</u>	<u>243,637</u>	<u>(70,519,311)</u>
Total capital assets being depreciated, net.....	<u>161,891,749</u>	<u>9,419,369</u>	<u>-</u>	<u>171,311,118</u>
Total governmental activities capital assets, net.....	<u>\$ 183,729,767</u>	<u>\$ 11,472,916</u>	<u>\$ (733,556)</u>	<u>\$ 194,469,127</u>

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Water:</b>				
<u>Capital assets not being depreciated:</u>				
Construction in progress.....	\$ 473,158	\$ 324,174	\$ (473,158)	\$ 324,174
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	9,500	394,005	-	403,505
Machinery and equipment.....	1,078,076	46,486	-	1,124,562
Infrastructure.....	38,348,870	2,635,541	(210,111)	40,774,300
Vehicles.....	684,593	-	-	684,593
Total capital assets being depreciated.....	<u>40,121,039</u>	<u>3,076,032</u>	<u>(210,111)</u>	<u>42,986,960</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(4,194)	(5,163)	-	(9,357)
Machinery and equipment.....	(525,095)	(73,799)	-	(598,894)
Infrastructure.....	(6,901,597)	(1,035,539)	210,111	(7,727,025)
Vehicles.....	(370,542)	(83,465)	-	(454,007)
Total accumulated depreciation.....	<u>(7,801,428)</u>	<u>(1,197,966)</u>	<u>210,111</u>	<u>(8,789,283)</u>
Total capital assets being depreciated, net.....	<u>32,319,611</u>	<u>1,878,066</u>	<u>-</u>	<u>34,197,677</u>
Total water activities capital assets, net.....	<u>\$ 32,792,769</u>	<u>\$ 2,202,240</u>	<u>\$ (473,158)</u>	<u>\$ 34,521,851</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Sewer:</b>				
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	\$ 10,550,104	\$ 98,700	\$ -	\$ 10,648,804
Machinery and equipment.....	8,160,794	-	-	8,160,794
Infrastructure.....	32,819,302	313,948	-	33,133,250
Vehicles.....	230,241	-	-	230,241
Total capital assets being depreciated.....	51,760,441	412,648	-	52,173,089
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(6,108,292)	(213,137)	-	(6,321,429)
Machinery and equipment.....	(4,304,834)	(185,743)	-	(4,490,577)
Infrastructure.....	(8,407,496)	(676,766)	-	(9,084,262)
Vehicles.....	(217,049)	(2,198)	-	(219,247)
Total accumulated depreciation.....	(19,037,671)	(1,077,844)	-	(20,115,515)
Total sewer activities capital assets, net.....	\$ 32,722,770	\$ (665,196)	\$ -	\$ 32,057,574
<b>Transfer Station:</b>				
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	\$ 2,221,043	\$ -	\$ -	\$ 2,221,043
Machinery and equipment.....	630,156	60,000	(27,000)	663,156
Vehicles.....	47,993	-	-	47,993
Total capital assets being depreciated.....	2,899,192	60,000	(27,000)	2,932,192
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(1,212,572)	(48,848)	-	(1,261,420)
Machinery and equipment.....	(527,280)	(27,571)	27,000	(527,851)
Vehicles.....	(34,412)	(9,055)	-	(43,467)
Total accumulated depreciation.....	(1,774,264)	(85,474)	27,000	(1,832,738)
Total transfer station activities capital assets, net... \$	1,124,928	\$ (25,474)	\$ -	\$ 1,099,454
<b>Widow's Walk golf course:</b>				
<u>Capital assets being depreciated:</u>				
Land improvements.....	\$ 3,870,500	\$ -	\$ -	\$ 3,870,500
Buildings and improvements.....	941,076	29,433	-	970,509
Machinery and equipment.....	1,663,589	7,822	-	1,671,411
Infrastructure.....	-	38,750	-	38,750
Total capital assets being depreciated.....	6,475,165	76,005	-	6,551,170
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,988,687)	(105,958)	-	(3,094,645)
Buildings and improvements.....	(504,652)	(23,895)	-	(528,547)
Machinery and equipment.....	(1,421,741)	(72,269)	-	(1,494,010)
Infrastructure.....	-	(969)	-	(969)
Total accumulated depreciation.....	(4,915,080)	(203,091)	-	(5,118,171)
Total Widow's Walk golf course activities capital assets, net... \$	1,560,085	\$ (127,086)	\$ -	\$ 1,432,999

	Beginning Balance	Increases	Decreases	Ending Balance
<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.....	5,035,082	195,395	-	5,230,477
Buildings and improvements.....	1,413,811	-	-	1,413,811
Machinery and equipment.....	1,725,223	233,574	-	1,958,797
Vehicles.....	150,000	-	-	150,000
Infrastructure.....	107,275	411,968	-	519,243
Total capital assets being depreciated.....	8,431,391	840,937	-	9,272,328
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(4,037,698)	(133,867)	-	(4,171,565)
Buildings and improvements.....	(358,135)	(17,479)	-	(375,614)
Machinery and equipment.....	(1,323,417)	(61,123)	-	(1,384,540)
Vehicles.....	(4,251)	(10,899)	-	(15,150)
Infrastructure.....	(75,000)	(30,000)	-	(105,000)
Total accumulated depreciation.....	(5,798,501)	(253,368)	-	(6,051,869)
Total capital assets being depreciated, net.....	2,632,890	587,569	-	3,220,459
Total waterways activities capital assets, net.....	\$ 6,307,890	\$ 587,569	\$ -	\$ 6,895,459

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

**Governmental Activities:**

General government.....	\$ 296,038
Public safety.....	1,156,948
Education.....	3,422,756
Public works.....	2,600,845
Human services.....	51,399
Culture and recreation.....	550,093
Community preservation.....	339,549

Total depreciation expense - governmental activities..... \$ 8,417,628

**Business-Type Activities:**

Water.....	\$ 1,197,966
Sewer.....	1,077,844
Transfer station.....	85,474
Widow's Walk golf course.....	203,091
Waterways.....	253,368

Total depreciation expense - business-type activities..... \$ 2,817,743



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

At June 30, 2020, the Town has an interfund receivable/payable totaling \$210,095 between the general fund and the highway improvement. The purpose of this balance is to cover short-term cash needs that will be funded by future bond and grant proceeds.

Interfund transfers for the year ended June 30, 2020, are summarized as follows:

Transfers Out:	Transfers In:					Total
	General fund	Town Capital Projects	Nonmajor governmental funds	Water Enterprise fund	Sewer Enterprise fund	
General fund.....	\$ -	\$ 291,000	\$ -	\$ -	\$ 120,476	\$ 411,476 (1)
Community Preservation.....	-	-	100,000	-	-	100,000 (2)
Town Capital Projects.....	-	-	489,000	-	-	489,000 (2)
Nonmajor governmental funds.....	393,042	-	155,970	58,326	1,277	608,615 (3)
<b>Total.....</b>	<b>\$ 393,042</b>	<b>\$ 291,000</b>	<b>\$ 744,970</b>	<b>\$ 58,326</b>	<b>\$ 121,753</b>	<b>\$ 1,609,091</b>

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

**NOTE 6 – LEASES**

The Town has entered into lease agreements to finance the acquisition of 14 school buses, as well as 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:

Asset:	Governmental Activities	Business-Type Activities
Machinery and equipment.....	\$ -	\$ 325,868
Vehicles.....	1,593,669	-
Less: accumulated depreciation...	(274,177)	(175,178)
<b>Total.....</b>	<b>\$ 1,319,492</b>	<b>\$ 150,690</b>

Future minimum lease payments under capitalized leases consist of the following at June 30, 2020:

Years ending June 30:	Governmental Activities	Business-Type Activities
2021.....	\$ 245,096	\$ 55,771
2022.....	843,300	48,094
2023.....	248,300	41,037
2024.....	-	10,703
<b>Total minimum lease payments.....</b>	<b>1,336,696</b>	<b>155,605</b>
<b>Less: amounts representing interest.....</b>	<b>(98,386)</b>	<b>(8,163)</b>
<b>Present value of minimum lease payments... \$</b>	<b><u>1,238,310</u></b>	<b><u>\$ 147,442</u></b>

**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, 2020, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2019	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2020
<b>Governmental Funds:</b>							
BAN	Bond Anticipation Note.....	2.00	12/31/19	\$ 477,000	\$ -	\$ (477,000)	\$ -
BAN	MCWT Interim Loan Note.....	3.00	12/31/19	200,000	-	(200,000)	-
BAN	MCWT Interim Loan Note.....	2.00	(1)	-	154,222	-	154,222
BAN	Bond Anticipation Note.....	1.50	12/11/20	-	12,572,000	(11,411,567)	1,160,433 (2)
<b>Total Governmental Funds.....</b>				<b><u>\$ 677,000</u></b>	<b><u>\$ 12,726,222</u></b>	<b><u>\$ (12,088,567)</u></b>	<b><u>\$ 1,314,655</u></b>

(1) The Town entered into an interim loan with the Massachusetts Clean Water Trust (MCWT) in 2019 totaling \$200,000 for Title V projects. As of June 30, 2020, the Town has incurred \$154,222 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.

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2019	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2020
<b>Water Enterprise Fund:</b>							
BAN	Bond Anticipation Note.....	1.75	12/11/20	\$ -	\$ 593,000	\$ -	\$ 593,000 (2)
<b>Sewer Enterprise Fund:</b>							
BAN	Bond Anticipation Note.....	1.75	12/11/20	-	300,000	(300,000)	-
BAN	Bond Anticipation Note.....	1.50	12/11/20	-	200,000	(200,000)	-
Total Sewer Enterprise Fund.....				-	500,000	(500,000)	-
<b>Waterways Enterprise Fund:</b>							
BAN	Bond Anticipation Note.....	1.75	12/11/20	-	135,000	(135,000)	-
BAN	Bond Anticipation Note.....	1.50	12/11/20	-	430,000	(430,000)	-
Total Waterways Enterprise Fund.....				-	565,000	(565,000)	-
Total Enterprise Funds.....				\$ -	\$ 1,658,000	\$ (1,065,000)	\$ 593,000

(2) On October 29, 2020 the Town issued \$29,095,000 of long-term bonds. The proceeds of these bonds were used to permanently finance \$8,119,000 of bond anticipation notes (BANs) previously reported as long-term BANs at June 30, 2019 along with \$11,757,567 of BANs issued during fiscal year 2020 all due on December 11, 2020. Accordingly, these BANs have been presented as long-term debt in the financial statements. The remaining portion of \$1,753,433 of BANs were paid down with available funds.

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, 2020, the Town has not incurred any eligible costs related to the project and has not 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, 2020, 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, 2020
<b>General Obligation Bonds Payable:</b>				
General Obligation Bonds of 2008.....	2026	\$ 2,891,500	3.00 - 5.00	\$ 960,000
General Obligation Bonds of 2011.....	2031	1,453,888	3.00 - 5.00	670,000
General Obligation Bonds of 2013.....	2033	4,697,021	2.00 - 2.75	2,775,000
General Obligation Refunding Bonds of 2015...	2025	4,205,000	4.00 - 5.00	2,325,000
General Obligation Bonds of 2015.....	2040	68,040,400	2.00 - 5.00	53,715,000
General Obligation Refunding Bonds of 2016...	2025	529,100	2.00 - 4.00	275,000
General Obligation Bonds of 2017.....	2037	3,500,000	2.00 - 4.00	2,982,713
General Obligation Bonds of 2018.....	2038	500,000	2.00	458,471
General Obligation Bonds of 2019.....	2039	5,441,000	3.00 - 5.00	5,075,000
General Obligation Bonds of 2020.....	2041	11,219,000	2.00 - 5.00	11,411,567
Total Bonds Payable.....				80,647,751
Add: Unamortized premium on bonds.....				4,152,430
Total Governmental Bonds Payable, net.....				\$ <u>84,800,181</u>

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

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2021.....	\$ 5,083,703	\$ 2,797,869	\$ 7,881,572
2022.....	5,118,454	3,194,376	8,312,830
2023.....	5,108,554	2,771,277	7,879,831
2024.....	5,027,228	2,533,339	7,560,567
2025.....	4,950,976	2,299,373	7,250,349
2026.....	4,319,799	2,081,877	6,401,676
2027.....	4,163,699	1,879,797	6,043,496
2028.....	4,157,676	1,697,456	5,855,132
2029.....	4,161,733	1,528,160	5,689,893
2030.....	4,085,873	1,358,623	5,444,496
2031.....	4,025,096	1,197,668	5,222,764
2032.....	3,659,403	1,050,090	4,709,493
2033.....	3,643,798	917,507	4,561,305
2034.....	3,468,281	786,517	4,254,798
2035.....	3,467,854	661,929	4,129,783
2036.....	3,472,518	536,994	4,009,512
2037.....	3,255,710	411,932	3,667,642
2038.....	3,086,851	293,464	3,380,315
2039.....	3,056,847	178,104	3,234,951
2040.....	2,986,847	63,205	3,050,052
2041.....	346,851	3,466	350,317
Total.....	\$ <u>80,647,751</u>	\$ <u>28,243,023</u>	\$ <u>108,890,774</u>

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

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020
<b>Water</b>				
<b>General Obligation Bonds Payable:</b>				
General Obligation Bonds of 2011.....	2031	\$ 4,030,000	3.00 - 5.00	\$ 1,955,000
General Obligation Bonds of 2013.....	2033	550,000	2.00 - 2.75	215,000
General Obligation Bonds of 2015.....	2040	14,400,000	2.00 - 2.75	11,475,000
General Obligation Bonds of 2016.....	2025	353,400	2.00 - 4.00	195,000
General Obligation Bonds of 2019.....	2039	997,500	3.00 - 5.00	835,000
General Obligation Bonds of 2020.....	2041	7,400,000	2.00 - 5.00	7,400,000
Subtotal water general obligation bonds payable.....				22,075,000
Add: Unamortized premium on bonds.....				777,683
Total water general obligation bonds payable, net.....				<u>22,852,683</u>
<b>Sewer</b>				
<b>General Obligation Bonds Payable:</b>				
General Obligation Bonds of 2008.....	2024	\$ 800,000	3.00 - 5.00	\$ 200,000
General Obligation Bonds of 2011.....	2031	1,310,041	3.00 - 5.00	665,000
General Obligation Bonds of 2012.....	2033	483,341	2.00 - 2.75	305,000
General Obligation Bonds of 2016.....	2025	1,280,500	2.00 - 4.00	700,000
General Obligation Bonds of 2019.....	2039	1,087,250	3.00 - 5.00	975,000
General Obligation Bonds of 2020.....	2041	500,000	2.00 - 5.00	500,000
Subtotal sewer general obligation bonds payable.....				3,345,000
<b>Direct Borrowings Payable:</b>				
MCWT CW-02-22A.....	2024	\$ 1,288,256	2.00	\$ 344,227
MCWT CW-04-38.....	2026	3,554,137	2.00	1,329,375
MCWT CW-04-38-A.....	2026	929,694	2.00	363,479
MCWT Pool 10.....	2021	2,193,311	2.50 - 5.25	137,663
MCWT CW-02-22.....	2024	4,557,209	2.00	1,342,427
MCWT Series 16 CWS-09-06.....	2033	348,667	2.00	243,263
MCWT CW-10-25.....	2033	5,389,000	2.00	3,759,892
Subtotal sewer direct borrowings payable.....				7,520,326
Total sewer bonds payable.....				<u>10,865,326</u>
<b>Waterways</b>				
<b>General Obligation Bonds Payable:</b>				
General Obligation Bonds of 2008.....	2023	\$ 421,000	3.00 - 5.00	\$ 70,000
General Obligation Bonds of 2011.....	2025	903,489	3.00 - 5.00	275,000
General Obligation Bonds of 2016.....	2024	1,642,000	2.00 - 4.00	815,000
General Obligation Bonds of 2019.....	2031	159,250	4.00 - 5.00	140,000
General Obligation Bonds of 2020.....	2030	565,000	5.00	565,000
Subtotal waterways general obligation bonds payable.....				1,865,000
Add: Unamortized premium on bonds.....				40,327
Total waterways general obligation bonds payable, net.....				<u>1,905,327</u>
Total Enterprise Bonds Payable, net.....				<u>\$ 35,623,336</u>

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
2021.....	\$ 2,772,000	\$ 763,568	\$ 3,535,568
2022.....	2,086,924	1,043,245	3,130,169
2023.....	2,019,228	843,275	2,862,503
2024.....	1,898,795	755,352	2,654,147
2025.....	1,634,026	679,247	2,313,273
2026.....	1,404,026	609,268	2,013,294
2027.....	1,384,026	544,468	1,928,494
2028.....	1,354,026	483,415	1,837,441
2029.....	1,334,026	425,973	1,759,999
2030.....	1,289,026	369,557	1,658,583
2031.....	1,229,026	318,238	1,547,264
2032.....	1,004,026	270,525	1,274,551
2033.....	999,026	233,827	1,232,853
2034.....	969,026	201,072	1,170,098
2035.....	969,026	170,189	1,139,215
2036.....	949,026	139,647	1,088,673
2037.....	929,948	109,695	1,039,643
2038.....	929,948	79,872	1,009,820
2039.....	929,948	49,983	979,931
2040.....	879,948	20,098	900,046
2041.....	319,949	3,001	322,950
Total.....	\$ <u>27,285,000</u>	\$ <u>8,113,515</u>	\$ <u>35,398,515</u>

Year	Direct Borrowings Payable		
	Principal	Interest	Total
2021.....	\$ 1,077,850	\$ 170,593	\$ 1,248,443
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.....	349,203	6,771	355,974
Total.....	\$ <u>7,520,326</u>	\$ <u>804,737</u>	\$ <u>8,325,063</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 \$97,519 and interest costs for \$91,935 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 \$1,395,811. The principal subsidies are guaranteed and therefore a \$97,519 intergovernmental receivable has been recorded in the sewer enterprise fund at June 30, 2020. 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 2020 principal and interest subsidies totaled \$47,927 and \$60,396, respectively.

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

At June 30, 2020, the Town had the following authorized and unissued debt:

Purpose	Amount
Marine park recreational facility.....	\$ 280,000
Library renovation.....	1,264,520
Middle school construction.....	5,666,478
Foreshore protection.....	2,000,000
FEMA foreshore design.....	3,500,000
High school fields complex.....	100,000
Senior center and recreation facility.....	5,232,450
SRF Third Cliff.....	3,000,000
Humarock fire station quarters.....	260,000
High school locker rooms.....	710,000
Wampanoag portico.....	175,000
Septic loan program.....	45,778
Water.....	9,895,000
Sewer.....	626,406
Dredging.....	65,000
Cedar Point infiltration/inflow.....	5,339,205
Copper limit reduction.....	620,000
Widow's Walk golf course irrigation system.....	2,200,000
Widow's Walk golf course Clubhouse renovation.....	1,817,000
Well upgrade.....	9,160,510
<b>Total.....</b>	<b>\$ 51,957,347</b>

Changes in Long-Term Liabilities

During the year ended June 30, 2020, 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.... \$	74,376,358	\$ 10,719,567	\$ (4,448,174)	\$ -	\$ -	\$ 80,647,751	\$ 5,083,703
Add: Unamortized premium on bonds.....	4,639,123	-	(486,693)	-	-	4,152,430	456,716
Total bonds payable.....	79,015,481	10,719,567	(4,934,867)	-	-	84,800,181	5,540,419
Capital lease obligations.....	983,913	-	-	281,703	(27,306)	1,238,310	196,350
Compensated absences.....	1,653,012	-	-	1,086,393	(1,116,044)	1,623,361	1,133,060
Net pension liability.....	43,584,496	-	-	1,801,224	(4,430,169)	40,955,551	-
Net other postemployment benefits.....	101,271,440	-	-	26,410,480	(2,531,364)	125,150,556	-
Total governmental activity long-term liabilities.....	\$ 226,508,342	\$ 10,719,567	\$ (4,934,867)	\$ 29,579,800	\$ (8,104,883)	\$ 253,767,959	\$ 6,869,829
<b>Business-Type Activities:</b>							
Long-term general obligation bonds payable.... \$	28,026,000	\$ 1,038,000	\$ (1,779,000)	\$ -	\$ -	\$ 23,940,000	\$ 2,772,000
Long-term direct borrowing payable.....	8,604,928	-	(1,084,602)	-	-	10,865,326	1,077,850
Add: Unamortized premium on bonds.....	930,831	-	(112,821)	-	-	818,010	102,008
Total bonds payable.....	37,561,759	1,038,000	(2,976,423)	-	-	35,623,336	3,951,858
Capital lease obligations.....	177,187	-	-	33,361	(63,106)	147,442	51,176
Landfill closure.....	847,000	-	-	20,000	(77,000)	790,000	79,000
Compensated absences.....	135,039	-	-	101,719	(90,486)	146,272	112,519
Net pension liability.....	4,262,824	-	-	298,976	(445,284)	4,116,516	-
Net other postemployment benefits.....	3,524,998	-	-	1,058,031	(79,086)	4,503,943	-
Total business-type activity long-term liabilities.....	\$ 46,508,807	\$ 1,038,000	\$ (2,976,423)	\$ 1,512,087	\$ (754,962)	\$ 45,327,509	\$ 4,194,553

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, 2020, 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.....	450,184	-	-	-	450,184
Community preservation.....	-	4,641,451	-	-	4,641,451
Town capital projects.....	-	-	11,061,930	-	11,061,930
School lunch.....	-	-	-	165,425	165,425
School gifts and grants.....	-	-	-	902,203	902,203
School revolving.....	-	-	-	748,398	748,398
Town gifts.....	-	-	-	822,024	822,024
Town grants.....	-	-	-	346,439	346,439
Town revolving.....	-	-	-	5,707,895	5,707,895
Affordable housing.....	-	-	-	624,277	624,277
Library renovation.....	-	-	-	224,020	224,020
Middle school construction.....	-	-	-	1,899,309	1,899,309
Town trust funds.....	-	-	-	333,583	333,583
Committed to:					
Articles and continuing appropriations:					
Town administrator.....	55,000	-	-	-	55,000
Town accountant.....	29,261	-	-	-	29,261
Assessors.....	6,887	-	-	-	6,887
Information technology.....	278,878	-	-	-	278,878
Planning and community development.....	28,992	-	-	-	28,992
Police.....	974	-	-	-	974
Fire.....	1,061,398	-	-	-	1,061,398
Education.....	577,490	-	-	-	577,490
Public works.....	1,626,457	-	-	-	1,626,457
Facilities.....	269,980	-	-	-	269,980
Recreation.....	243,000	-	-	-	243,000
Assigned to:					
Encumbrances:					
Town administrator.....	55,911	-	-	-	55,911
Town accountant.....	1,500	-	-	-	1,500
Assessors.....	11,331	-	-	-	11,331
Treasurer/Collector.....	1,005	-	-	-	1,005
Information technology.....	51,835	-	-	-	51,835
Planning and community development.....	1,860	-	-	-	1,860
Property/liability insurance.....	2,500	-	-	2,500	2,500
Police.....	595	-	-	-	595
Fire.....	7,107	-	-	-	7,107
Education.....	612,339	-	-	-	612,339
Public works.....	62,054	-	-	-	62,054
Facilities.....	103,053	-	-	-	103,053
Veterans' benefits/services.....	84	-	-	-	84
Library.....	3,747	-	-	-	3,747
Beautification.....	1,586	-	-	-	1,586
Debt service.....	5,585	-	-	-	5,585
Employee benefits.....	36,256	-	-	-	36,256
Unassigned.....	9,411,662	-	(6,297,936)	(129,334)	2,984,392
Total Fund Balances.....	\$ 14,998,511	\$ 4,641,451	\$ 4,763,994	\$ 11,671,290	\$ 36,075,246

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 \$4,564,068, \$36,154, and \$34,311, 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 is self-insured for workman's compensation and unemployment benefits. 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 54 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, 2019. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$11,360,068 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 \$93,677,876 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, 2019.

### *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, 2019, and totaled \$4,875,453, 24.62% 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, 2020, the Town reported a liability of \$45,072,067 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the Town's proportion was 6.606%, which increased from its proportion of 6.507% measured at December 31, 2018.

*Pension Expense*

For the year ended June 30, 2020, the Town recognized a net pension expense of \$7,096,196. At June 30, 2020, Town reported deferred outflows of resources related to pensions of \$6,253,467, and deferred inflows of resources related to pensions of \$1,415,514.

The balances of deferred outflows/(inflows) or resources related to pension at June 30, 2020, 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.....	\$ 5,105,323	\$ -	\$ 5,105,323
Difference between projected and actual earnings, net.....	-	(946,189)	(946,189)
Changes in assumptions.....	703,000	(146,517)	556,483
Changes in proportion and proportionate share of contributions...	445,144	(322,808)	122,336
 Total deferred outflows/(inflows) of resources.....	 <u>\$ 6,253,467</u>	 <u>\$ (1,415,514)</u>	 <u>\$ 4,837,953</u>

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

<u>Year ended June 30:</u>	
2021.....	\$ 1,969,468
2022.....	1,772,054
2023.....	2,026,188
2024.....	<u>(929,757)</u>
 Total.....	 <u>\$ 4,837,953</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:

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. Previously \$14,000.
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.....	26.00%	7.40%
International developed equity.....	6.00%	7.90%
Emerging markets equity.....	10.00%	9.10%
Global equity.....	10.00%	7.80%
Core bonds.....	9.00%	3.00%
Value-added fixed income.....	6.00%	4.90%
Hedge funds.....	4.00%	4.00%
Real estate.....	10.00%	7.50%
Private equity.....	13.00%	9.40%
Real assets.....	6.00%	7.50%
Total.....	100.00%	

*Rate of Return*

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.88%. 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%. 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.....	\$ 57,086,038	\$ 45,072,067	\$ 34,607,623

*Changes in Assumptions and Plan Provisions*

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

The cost of living adjustment assumption was updated from 3.0% of the first \$14,000 of retirement income to 3.0% of the first \$16,000 of retirement income.

**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, 2020, the Town’s average contribution rate was 5.45% 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 Board of Selectmen, and a member who must be a registered voter is appointed by the Town Administrator with consent by the Board of Selectmen. 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 2020, the Town pre-funded future OPEB liabilities totaling approximately \$97,500 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, 2020, the balance of this fund totaled \$1,161,484. 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 Board of Selectmen.

*Plan Membership*

The following table represents the Plan’s membership at July 1, 2018:

Active members.....	724
Inactive employees or beneficiaries currently receiving benefits.....	583
	<hr/>
Total.....	1,307
	<hr/> <hr/>

*Components of OPEB Liability*

The following table represents the components of the Plan’s OPEB liability as of June 30, 2020:

Total OPEB liability.....	\$	130,815,983
Less: OPEB plan’s fiduciary net position.....		<u>(1,161,484)</u>
Net OPEB liability.....	\$	<u>129,654,499</u>
The OPEB plan’s fiduciary net position		
as a percentage of the total OPEB liability.....		0.89%

*Significant Actuarial Methods and Assumptions*

The total OPEB liability in the July 1, 2018, 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, 2020:

Valuation date.....	July 1, 2018
Actuarial cost method.....	Entry Age Normal as a Level Percentage of Payroll.
Asset valuation method.....	Fair Value of Assets as of the June 30, 2020.
Discount rate.....	2.44%
Inflation.....	2.75% as of June 30, 2020, and for future periods.
Salary increases.....	3.00% annually as of June 30, 2020, and for future periods.
Healthcare cost trend rate.....	8.0% as of July 1, 2020, decreasing 0.5% to an ultimate trend of 5.0% starting July 1, 2026.
Mortality.....	RP 2014 Healthy Male and Female Tables are based on the Employee and Healthy Annuitant Tables for both pre & post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2018.

*Rate of Return*

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 1.69%. 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 Board of Selectmen 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 2.44% as of June 30, 2020 and 3.10% as of June 30, 2019. 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, 2020, which resulted in the selected discount rate of 2.44%.

*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 2.44%, 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 (1.44%) or 1-percentage-point higher (3.44%) than the current rate.

	1% Decrease (1.44%)	Current Discount Rate (2.44%)	1% Increase (3.44%)
Net OPEB liability.....	\$ 170,510,237	\$ 129,654,499	\$ 102,137,701

*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.....	\$ 100,734,749	\$ 129,654,499	\$ 174,378,948

*Changes in Assumptions*

The discount rate decreased from 3.10% to 2.44%, 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, 2019.....	\$ 105,841,211	\$ 1,044,773	\$ 104,796,438
Changes for the year:			
Service cost.....	2,463,965	-	2,463,965
Interest.....	2,552,102	-	2,552,102
Contributions - Employer.....	-	2,591,248	(2,591,248)
Net investment income.....	-	19,202	(19,202)
Changes in assumptions.....	22,452,444	-	22,452,444
Benefit payments.....	(2,493,739)	(2,493,739)	-
Net change.....	<u>24,974,772</u>	<u>116,711</u>	<u>24,858,061</u>
Balances at June 30, 2020.....	<u>\$ 130,815,983</u>	<u>\$ 1,161,484</u>	<u>\$ 129,654,499</u>

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

For the year ended June 30, 2020, the Town recognized an OPEB expense of \$12,983,643. As of June 30, 2020, there were \$30,383,308 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:

<u>Year ended June 30:</u>	
2021.....	\$ 6,660,308
2022.....	6,660,308
2023.....	6,660,308
2024.....	6,660,310
2025.....	<u>3,742,074</u>
Total.....	<u>\$ 30,383,308</u>

**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 \$790,000 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 \$5.7 million for middle school improvements, \$2.0 million for foreshore protection, \$1.3 million for library renovations, \$5.3 million for Cedar Point project, \$4.0 million for Widow's Walk golf course irrigation system and clubhouse renovation, and \$9.2 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 year 2020 were \$326,063.

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.

**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, 2020, 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, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2020.

**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, 2020. Plymouth County and its member communities were awarded a portion of this federal funding. In addition to funding from the CARES Act, there are several other federal and state grants available.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

#### **NOTE 17 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 23, 2020, which is the date the financial statements were available to be issued.

#### **NOTE 18 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2020, the following GASB pronouncement was implemented:

- **GASB Statement #95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.** This pronouncement postponed the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to be effective for periods beginning after June 15, 2018 or later.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2021.
- 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 #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2021.
- 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*, in which certain paragraphs are required to be implemented in 2021 and 2022.

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

## ***Required Supplementary Information***

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# ***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, 2020

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year		Final Budget			
		Initial Budget	Original Budget				
<b>REVENUES:</b>							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 65,189,061	\$ 65,189,061	\$ 65,581,431	\$ 64,961,601	\$ -	\$ (619,830)
Tax liens.....	-	-	-	-	265,883	-	265,883
Motor vehicle and other excise taxes.....	-	2,988,530	2,988,530	2,988,530	3,188,551	-	200,021
Hotel/motel tax.....	-	-	-	-	104,145	-	104,145
Meals tax.....	-	230,000	230,000	230,000	265,281	-	35,281
Penalties and interest on taxes.....	-	384,000	384,000	384,000	306,651	-	(77,349)
Fees and rentals.....	-	421,200	421,200	421,200	539,478	-	118,278
Payments in lieu of taxes.....	-	16,000	16,000	16,000	17,437	-	1,437
Licenses and permits.....	-	611,727	611,727	611,727	1,157,659	-	545,932
Fines and forfeitures.....	-	48,700	48,700	48,700	57,496	-	8,796
Intergovernmental - state aid.....	-	8,198,377	8,198,377	8,198,377	8,194,943	-	(3,434)
Intergovernmental - other.....	-	-	-	-	454,233	-	454,233
Departmental and other.....	-	1,025,357	1,025,357	1,025,357	1,248,460	-	223,103
Special assessments.....	-	17,600	17,600	17,600	25,303	-	7,703
Investment income.....	-	110,870	110,870	110,870	360,642	-	249,772
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>79,241,422</b>	<b>79,241,422</b>	<b>79,633,792</b>	<b>81,147,763</b>	<b>-</b>	<b>1,513,971</b>
<b>EXPENDITURES:</b>							
Current:							
General Government							
Town Administrator							
Personal services.....	-	352,240	352,240	352,240	337,116	-	15,124
Purchase of services.....	1,032	163,759	164,791	165,191	117,926	21,899	25,366
Town Counsel.....	12,902	130,000	142,902	142,902	98,435	4,012	40,455
Labor Counsel.....	37,287	110,000	147,287	222,287	199,647	-	22,640
Materials and supplies.....	-	7,400	7,400	7,400	4,844	-	2,556
Salary adjustments.....	20,000	10,000	30,000	30,000	-	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	-
<b>Total.....</b>	<b>126,221</b>	<b>773,399</b>	<b>899,620</b>	<b>975,020</b>	<b>757,968</b>	<b>110,911</b>	<b>106,141</b>
Advisory Committee							
Personal services.....	-	2,198	2,198	2,198	2,192	-	6
Purchase of services.....	-	250	250	250	245	-	5
Materials and supplies.....	-	4,300	4,300	4,300	2,421	-	1,879
<b>Total.....</b>	<b>-</b>	<b>6,748</b>	<b>6,748</b>	<b>6,748</b>	<b>4,858</b>	<b>-</b>	<b>1,890</b>
Reserve Fund.....							
<b>Total.....</b>	<b>-</b>	<b>75,000</b>	<b>75,000</b>	<b>41,027</b>	<b>-</b>	<b>-</b>	<b>41,027</b>
Town Accountant							
Personal services.....	-	331,725	331,725	331,725	331,500	-	225
Purchase of services.....	435	65,200	65,635	65,200	56,672	1,500	7,028
Materials and supplies.....	-	1,300	1,300	1,300	935	-	365
Article - Integrated financial system.....	29,261	-	29,261	29,261	-	29,261	-
Article - Prior year bills.....	-	-	-	20,309	20,309	-	-
<b>Total.....</b>	<b>29,696</b>	<b>398,225</b>	<b>427,921</b>	<b>447,795</b>	<b>409,416</b>	<b>30,761</b>	<b>7,618</b>
Assessors							
Personal services.....	-	198,803	198,803	198,803	197,301	-	1,502
Purchase of services.....	3,400	23,950	27,350	27,350	15,341	11,331	678
Materials and supplies.....	-	500	500	500	476	-	24
Assessor's revaluation.....	6,887	-	6,887	6,887	-	6,887	-
<b>Total.....</b>	<b>10,287</b>	<b>223,253</b>	<b>233,540</b>	<b>233,540</b>	<b>213,118</b>	<b>18,218</b>	<b>2,204</b>
Treasurer/Collector							
Personal services.....	-	305,592	305,592	305,592	304,299	-	1,293
Purchase of services.....	1,005	99,025	100,030	100,030	84,454	1,005	14,571
Materials and supplies.....	-	9,000	9,000	9,000	6,120	-	2,880
Article - Retirement of Debt.....	283,000	-	283,000	283,000	283,000	-	-
<b>Total.....</b>	<b>284,005</b>	<b>413,617</b>	<b>697,622</b>	<b>697,622</b>	<b>677,873</b>	<b>1,005</b>	<b>18,744</b>
Information Technology							
Personal services.....	-	176,278	176,278	176,385	176,385	-	-
Purchase of services.....	25,114	233,500	258,614	304,807	236,094	44,136	24,577
Materials and supplies.....	-	500	500	500	97	-	379
Capital outlay.....	-	14,000	14,000	14,000	6,675	7,320	5
Article - IT upgrades and licensing.....	-	-	-	192,585	119,105	73,480	-
Article - Data Infrastructure.....	-	-	-	205,398	-	205,398	-
<b>Total.....</b>	<b>25,114</b>	<b>424,278</b>	<b>449,392</b>	<b>893,675</b>	<b>538,356</b>	<b>330,713</b>	<b>24,606</b>
Tax foreclosures.....							
<b>Total.....</b>	<b>31</b>	<b>39,000</b>	<b>39,031</b>	<b>39,031</b>	<b>19,055</b>	<b>-</b>	<b>19,976</b>

(Continued)

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

YEAR ENDED JUNE 30, 2020

	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.....	-	104,245	104,245	86,001	86,001	-	-
Purchase of services.....	-	6,500	6,500	-	-	-	-
Materials and supplies.....	-	2,000	2,000	94	94	-	-
Capital outlay.....	-	150,000	150,000	20,680	20,680	-	-
<b>Total.....</b>	<b>-</b>	<b>262,745</b>	<b>262,745</b>	<b>106,775</b>	<b>106,775</b>	<b>-</b>	<b>-</b>
<b>Town Clerk</b>							
Personal services.....	-	182,642	182,642	182,642	171,119	-	11,523
Purchase of services.....	-	31,615	31,615	31,615	28,140	-	3,475
Materials and supplies.....	-	4,530	4,530	4,530	2,260	-	2,270
Article - Voting machines.....	6,401	-	6,401	-	-	-	-
<b>Total.....</b>	<b>6,401</b>	<b>218,787</b>	<b>225,188</b>	<b>218,787</b>	<b>201,519</b>	<b>-</b>	<b>17,268</b>
<b>Planning and Community Development</b>							
Personal services.....	-	736,194	736,194	764,321	695,410	-	68,911
Purchase of services.....	15,600	69,575	85,175	85,175	53,082	1,860	30,233
Materials and supplies.....	-	3,925	3,925	3,925	2,138	-	1,787
Article - Master plan update.....	97,146	-	97,146	97,146	68,154	28,992	-
<b>Total.....</b>	<b>112,746</b>	<b>809,694</b>	<b>922,440</b>	<b>950,567</b>	<b>818,784</b>	<b>30,852</b>	<b>100,931</b>
<b>Property/Liability Insurance.....</b>	<b>3,637</b>	<b>743,052</b>	<b>746,689</b>	<b>746,690</b>	<b>673,545</b>	<b>2,500</b>	<b>70,645</b>
<b>Total General Government.....</b>	<b>598,138</b>	<b>4,387,798</b>	<b>4,985,936</b>	<b>5,357,277</b>	<b>4,421,267</b>	<b>524,960</b>	<b>411,050</b>
<b>Public Safety</b>							
<b>Police</b>							
Personal services.....	-	3,662,711	3,662,711	3,662,711	3,576,480	-	86,231
Purchase of services.....	3,152	117,249	120,401	120,401	115,084	-	5,317
Materials and supplies.....	39	101,412	101,451	101,451	98,353	595	2,503
Capital outlay.....	3,816	166,005	169,821	169,820	166,301	-	3,519
Article - Radio equipment and infrastructure.....	2,918	-	2,918	2,918	1,944	974	-
<b>Total.....</b>	<b>9,925</b>	<b>4,047,377</b>	<b>4,057,302</b>	<b>4,057,301</b>	<b>3,958,162</b>	<b>1,569</b>	<b>97,570</b>
<b>Fire</b>							
Personal services.....	-	4,855,866	4,855,866	4,840,866	4,612,743	-	228,123
Purchase of services.....	2,870	56,767	59,637	74,637	73,637	713	287
Materials and supplies.....	6,009	165,491	171,500	171,500	155,540	6,394	9,566
Article - Renovate fire station.....	226,029	-	226,029	226,029	27,865	198,164	-
Article - Station 4 phase II renovation.....	49,382	-	49,382	49,382	1,161	48,221	-
Article - Rescue pumper replacement.....	537,500	-	537,500	537,500	537,500	-	-
Article - Communications equipment.....	111,356	-	111,356	111,356	85,218	26,138	-
Article - Humarock fire station renovation.....	275,000	-	275,000	275,000	-	275,000	-
Article - Replace admin vehicle.....	-	-	-	50,000	-	50,000	-
Article - Replace ambulance.....	-	-	-	365,000	-	365,000	-
Article - Humarock apparatus bay.....	-	-	-	98,875	-	98,875	-
<b>Total.....</b>	<b>1,208,146</b>	<b>5,078,124</b>	<b>6,286,270</b>	<b>6,800,145</b>	<b>5,493,664</b>	<b>1,068,505</b>	<b>237,976</b>
<b>Shellfish</b>							
Personal services.....	-	8,000	8,000	8,000	8,000	-	-
Purchase of services.....	-	250	250	250	126	-	124
Materials and supplies.....	-	400	400	400	258	-	142
<b>Total.....</b>	<b>-</b>	<b>8,650</b>	<b>8,650</b>	<b>8,650</b>	<b>8,384</b>	<b>-</b>	<b>266</b>
<b>Public Safety Communications Center</b>							
Personal services.....	-	591,733	591,733	619,733	612,131	-	7,602
Purchase of services.....	-	2,000	2,000	2,000	32	-	1,968
Materials and supplies.....	-	200	200	200	67	-	133
<b>Total.....</b>	<b>-</b>	<b>593,933</b>	<b>593,933</b>	<b>621,933</b>	<b>612,230</b>	<b>-</b>	<b>9,703</b>
<b>Total Public Safety.....</b>	<b>1,218,071</b>	<b>9,728,084</b>	<b>10,946,155</b>	<b>11,488,029</b>	<b>10,072,440</b>	<b>1,070,074</b>	<b>345,515</b>
<b>Education</b>							
School Committee.....	102,881	38,504,193	38,607,074	38,950,018	38,335,875	612,339	1,804
South Shore Regional School Assessment.....	-	792,870	792,870	792,870	792,870	-	-
Article - School painting.....	24,165	-	24,165	24,165	-	24,165	-
Article - Jenkins outside stairs.....	50,000	-	50,000	50,000	-	50,000	-
Article - Cushing and high school fields irrigation.....	63,270	-	63,270	59,577	14,500	45,077	-
Article - Jenkins swing set.....	28,380	-	28,380	-	-	-	-
Article - Hatherly and Cushing modules.....	10,404	-	10,404	10,404	-	10,404	-
Article - Ceiling tiles at Hatherly and Cushing.....	40,000	-	40,000	40,000	-	40,000	-
Article - School carpeting.....	78	-	78	-	-	-	-
Article - School technology.....	59	-	59	59	59	-	-
Article - Design High School locker rooms.....	2,766	-	2,766	2,766	-	2,766	-
Article - School technology.....	110,000	-	110,000	110,000	109,462	538	-
Article - Wampatuck fire doors.....	78,300	-	78,300	78,300	68,760	9,540	-
Article - School technology.....	-	-	-	150,000	-	150,000	-
Article - School carpeting - High School.....	-	-	-	65,000	-	65,000	-
Article - Replace special education vans.....	-	-	-	80,000	-	80,000	-
Article - Wireless smoke detectors.....	-	-	-	50,000	-	50,000	-
Article -Cushing Accessibility.....	-	-	-	50,000	-	50,000	-
<b>Total Education.....</b>	<b>510,303</b>	<b>39,297,063</b>	<b>39,807,366</b>	<b>40,513,159</b>	<b>39,321,526</b>	<b>1,189,829</b>	<b>1,804</b>

(Continued)

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

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts	Current Year					
	Carried Forward From Prior Year	Initial Budget	Original Budget	Final Budget			
<b>Public Works</b>							
<b>Public Works</b>							
Personal services.....		1,743,732	1,743,732	1,743,732	1,622,142	-	121,590
Purchase of services.....	27,433	495,829	523,262	523,263	464,341	1,827	57,095
Materials and supplies.....	4,088	232,330	236,418	237,278	223,560	1,868	11,850
Capital outlay.....	235,334	229,448	464,782	464,782	328,318	58,359	78,105
Article - DPW survey equipment.....	2,512	-	2,512	-	-	-	-
Article - Stormwater compliance.....	3,452	-	3,452	3,452	3,452	-	-
Article - Stormwater compliance.....	37,603	-	37,603	37,603	12,822	24,781	-
Article - Roadway improvements.....	107,051	-	107,051	107,051	-	107,051	-
Article - Cudworth cemetery.....	17,789	-	17,789	17,789	9,530	8,259	-
Article - Foreshore protection.....	147,354	-	147,354	147,354	-	147,354	-
Article - Road and sidewalk improvements.....	35,076	-	35,076	35,076	-	35,076	-
Article - Road and sidewalk improvements.....	220,565	-	220,565	220,565	-	220,565	-
Article - Foreshore protection.....	4,844	-	4,844	4,844	-	4,844	-
Article - Cudworth cemetery.....	50,000	-	50,000	50,000	33,253	16,747	-
Article - Replace vehicles.....	700	-	700	609	609	-	-
Article - Expand Cudworth cemetery.....	139,871	-	139,871	139,871	93,023	46,848	-
Article - Replace vehicles.....	6,187	-	6,187	2,391	2,391	-	-
Article - Stormwater compliance.....	50,000	-	50,000	50,000	-	50,000	-
Article - Road and sidewalk improvements.....	300,000	-	300,000	300,000	-	300,000	-
Article - Equipment replacement.....	135,000	-	135,000	135,000	135,000	-	-
Article - Cudworth cemetery.....	16,000	84,000	100,000	100,000	10,068	89,932	-
Article - Foreshore protection.....	-	-	-	200,000	-	200,000	-
Article - Replace vehicles.....	-	-	-	35,000	-	35,000	-
Article - MS4 Compliance.....	-	-	-	50,000	-	50,000	-
Article - Replace vehicles.....	-	-	-	35,000	-	35,000	-
Article - Roads & sidealks.....	-	-	-	200,000	-	200,000	-
Article - Tractor.....	-	-	-	42,000	-	42,000	-
Article - Truck replacement.....	-	-	-	3,000	-	3,000	-
Article - Log Chipper.....	-	-	-	10,000	-	10,000	-
<b>Total.....</b>	<b>1,540,859</b>	<b>2,785,339</b>	<b>4,326,198</b>	<b>4,895,660</b>	<b>2,938,509</b>	<b>1,688,511</b>	<b>268,640</b>
<b>Facilities</b>							
Personal services.....	-	333,228	333,228	343,228	339,165	-	4,063
Purchase of services.....	5,389	377,070	382,459	382,459	373,309	9,130	20
Materials and supplies.....	1,899	209,547	211,446	294,551	173,890	26,274	94,387
Capital outlay.....	21,959	103,000	124,959	125,826	53,338	67,649	4,839
Article - Police station demolition.....	32,828	-	32,828	32,829	30,169	2,660	-
Article - ADA transition plan.....	7,850	-	7,850	7,840	7,840	-	-
Article - Security upgrades.....	265,449	-	265,449	265,449	223,489	41,960	-
Article - ADA transition plan.....	-	100,000	100,000	-	-	-	-
Article - Security upgrades Town buildings.....	-	-	-	193,645	285	193,360	-
Article - Facilities study and maintenance plan.....	-	-	-	182,225	182,225	-	-
Article - Facilities handyman vehicle.....	-	-	-	32,000	-	32,000	-
<b>Total.....</b>	<b>335,374</b>	<b>1,122,845</b>	<b>1,458,219</b>	<b>1,860,052</b>	<b>1,383,710</b>	<b>373,033</b>	<b>103,309</b>
<b>Snow and Ice</b>							
Personal services.....	-	107,905	107,905	107,905	43,046	-	64,859
Purchase of services.....	-	176,909	176,909	176,909	53,940	-	122,969
Materials and supplies.....	11,264	212,299	223,563	223,563	130,443	-	93,120
<b>Total.....</b>	<b>11,264</b>	<b>497,113</b>	<b>508,377</b>	<b>508,377</b>	<b>227,429</b>	<b>-</b>	<b>280,948</b>
<b>Street Lights and Beacons</b>							
Purchase of services.....	1,045	120,000	121,045	121,045	110,287	-	10,758
<b>Total Public Works.....</b>	<b>1,888,542</b>	<b>4,525,297</b>	<b>6,413,839</b>	<b>7,385,134</b>	<b>4,659,935</b>	<b>2,061,544</b>	<b>663,655</b>
<b>Human Services</b>							
<b>Board of Health</b>							
Personal services.....	-	280,875	280,875	242,875	230,582	-	12,293
Purchase of services.....	-	14,575	14,575	14,575	4,233	-	10,342
Materials and supplies.....	-	1,735	1,735	1,735	496	-	1,239
Capital outlay.....	-	125	125	125	46	-	79
Article - Prior year bills.....	-	-	-	237	237	-	-
<b>Total.....</b>	<b>-</b>	<b>297,310</b>	<b>297,310</b>	<b>259,547</b>	<b>235,594</b>	<b>-</b>	<b>23,953</b>
<b>Council on Aging</b>							
Personal services.....	-	179,523	179,523	179,523	166,567	-	12,956
Purchase of services.....	-	19,900	19,900	19,900	14,346	-	5,554
Materials and supplies.....	-	2,200	2,200	2,200	1,298	-	902
Capital outlay.....	180	500	680	680	509	-	171
Article - Senior Center design and engineering.....	107,035	-	107,035	107,035	107,035	-	-
<b>Total.....</b>	<b>107,215</b>	<b>202,123</b>	<b>309,338</b>	<b>309,338</b>	<b>289,755</b>	<b>-</b>	<b>19,583</b>
<b>Veterans' Benefits/Services</b>							
Personal services.....	-	82,761	82,761	82,761	80,655	-	2,106
Purchase of services.....	1,658	124,950	126,608	126,608	80,539	84	45,985
Materials and supplies.....	-	1,250	1,250	1,250	-	-	1,250
<b>Total.....</b>	<b>1,658</b>	<b>208,961</b>	<b>210,619</b>	<b>210,619</b>	<b>161,194</b>	<b>84</b>	<b>49,341</b>

(Continued)

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

YEAR ENDED JUNE 30, 2020

	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.....	3,230	4,700	7,930	7,930	3,230	-	4,700
Materials and supplies.....	-	300	300	300	-	-	300
Total.....	3,230	5,000	8,230	8,230	3,230	-	5,000
Total Human Services.....	112,103	713,394	825,497	787,734	689,773	84	97,877
Culture and Recreation							
Library							
Personal services.....	-	809,056	809,056	809,056	784,106	-	24,950
Purchase of services.....	25	133,120	133,145	133,145	124,938	38	8,169
Materials and supplies.....	-	130,250	130,250	130,250	126,462	3,709	79
Total.....	25	1,072,426	1,072,451	1,072,451	1,035,506	3,747	33,198
Recreation							
Personal services.....	-	142,577	142,577	142,577	142,575	-	2
Purchase of services.....	-	1,045	1,045	1,045	1,019	-	26
Materials and supplies.....	-	150	150	150	-	-	150
Capital outlay.....	-	500	500	500	-	-	500
Article - Turf carpet replacement.....	445,000	-	445,000	445,000	202,000	243,000	-
Total.....	445,000	144,272	589,272	589,272	345,594	243,000	678
Beautification							
Materials and supplies.....	-	23,650	23,650	23,650	20,809	1,586	1,255
Historical Buildings							
Purchase of services.....	-	19,100	19,100	19,100	15,137	-	3,963
Total Culture and Recreation.....	445,025	1,259,448	1,704,473	1,704,473	1,417,046	248,333	39,094
Debt Service							
Principal.....	-	4,508,174	4,508,174	4,582,655	4,448,174	5,585	128,896
Interest.....	4,095	3,053,853	3,057,948	3,090,062	3,036,668	-	53,394
Total Debt Service.....	4,095	7,562,027	7,566,122	7,672,717	7,484,842	5,585	182,290
Plymouth County Retirement.....	-	4,875,453	4,875,453	4,875,453	4,875,453	-	-
Workers' Compensation.....	-	210,000	210,000	210,000	210,000	-	-
Unemployment Insurance.....	-	65,000	65,000	65,000	17,242	36,256	11,502
Contributory Group Insurance.....	-	6,116,275	6,116,275	6,116,275	6,013,058	-	103,217
Employee Benefits.....	-	848,122	848,122	848,122	820,642	-	27,480
State and county charges.....	-	777,660	777,660	777,660	652,629	-	125,031
TOTAL EXPENDITURES.....	4,776,277	80,365,621	85,141,898	87,801,033	80,655,853	5,136,665	2,008,515
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(4,776,277)	(1,124,199)	(5,900,476)	(8,167,241)	491,910	(5,136,665)	3,522,486
OTHER FINANCING SOURCES (USES):							
Transfers in.....	-	1,456,901	1,456,901	1,489,791	1,521,267	-	31,476
Transfers out.....	-	(335,476)	(335,476)	(335,476)	(335,476)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	1,121,425	1,121,425	1,154,315	1,185,791	-	31,476
NET CHANGE IN FUND BALANCE.....	(4,776,277)	(2,774)	(4,779,051)	(7,012,926)	1,677,701	(5,136,665)	3,553,962
BUDGETARY FUND BALANCE, Beginning of year.....	-	7,830,527	7,830,527	7,830,527	7,830,527	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (4,776,277)	\$ 7,827,753	\$ 3,051,476	\$ 817,601	\$ 9,508,228	\$ (5,136,665)	\$ 3,553,962

(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 CONTRIBUTORY 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, 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 CONTRIBUTORY RETIREMENT ASSOCIATION**

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

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

See notes to required supplementary information.

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

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 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, 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****A. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved by the Town's Advisory Committee (Committee) and the Board of Selectmen (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 Board of Selectmen.

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. The original 2020 approved budget for the general fund includes \$80.7 million in current year appropriations and other amounts to be raised and \$4.8 million in encumbrances and appropriations carried over from previous years. During the year, additional appropriations were approved totaling \$2.7 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.

**B. Budgetary – GAAP Reconciliation**

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2020, is presented below:

Net change in fund balance - budgetary basis.....	\$ 1,677,701
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	87,940
Activity of the municipal building insurance fund recorded in the general fund for GAAP.....	
Workers' Compensation Fund.....	21,013
<u>Basis of accounting differences:</u>	
Net change in recording 60 day receipts.....	284,625
Recognition of revenue for on-behalf payments.....	11,360,068
Recognition of expenditures for on-behalf payments.....	<u>(11,360,068)</u>
Net change in fund balance - GAAP basis.....	<u>\$ 2,071,279</u>

**NOTE B – PENSION PLAN**

***Pension Plan Schedules***

A. Schedule of the Town’s Proportionate Share of the Net Pension Liability

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

B. 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.

C. 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.

D. Changes in Assumptions

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

E. Changes in Plan Provisions

The cost of living adjustment assumption was updated from 3.0% of the first \$14,000 of retirement income to 3.0% of the first \$16,000 of retirement income.

**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***

A. Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios

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

B. Schedule of the Town’s Contributions

The Schedule of the Town’s Contributions includes the Town’s annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll. 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, 2018
Actuarial cost method.....	Entry Age Normal as a Level Percentage of Payroll.
Asset valuation method.....	Fair Value of Assets as of the June 30, 2020.
Discount rate.....	2.44%
Inflation.....	2.75% as of June 30, 2020, and for future periods.

Salary increases.....	3.00% annually as of June 30, 2020, and for future periods.
Healthcare cost trend rate.....	8.0% as of July 1, 2020, decreasing 0.5% to an ultimate trend of 5.0% starting July 1, 2026.
Mortality.....	RP 2014 Healthy Male and Female Tables are based on the Employee and Healthy Annuitant Tables for both pre & post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2018.

C. Schedule of Investment Returns

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

D. Changes in Assumptions

The discount rate decreased from 3.10% to 2.44%, and the mortality assumptions were updated to a more current scale.

E. Changes in Plan Provisions – None.



# ***Combining and Individual Fund Statements***

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

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

Individual fund statements offer more descriptive account information.

# ***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 accounts for the activity related to the creation and preservation of affordable housing.

## ***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, 2020

	Special Revenue Funds					
	School Lunch	School Gifts and Grants	School Revolving	Town Gifts	Town Grants	Town Revolving
<b>ASSETS</b>						
Cash and cash equivalents.....	\$ 168,168	\$ 633,014	\$ 754,626	\$ 832,574	\$ 93,949	\$ 5,827,990
Receivables, net of uncollectibles:						
Intergovernmental.....	-	306,690	-	-	494,298	-
Special assessments.....	-	-	-	-	-	3,450
<b>TOTAL ASSETS.....</b>	<b>\$ 168,168</b>	<b>\$ 939,704</b>	<b>\$ 754,626</b>	<b>\$ 832,574</b>	<b>\$ 588,247</b>	<b>\$ 5,831,440</b>
<b>LIABILITIES</b>						
Warrants payable.....	\$ 1,643	\$ 34,100	\$ 2,103	\$ 10,550	\$ 227,972	\$ 68,112
Accrued payroll.....	1,100	3,401	4,125	-	5,525	51,983
Due to other funds.....	-	-	-	-	-	-
Unearned revenue.....	-	-	-	-	8,311	-
Notes payable.....	-	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>2,743</b>	<b>37,501</b>	<b>6,228</b>	<b>10,550</b>	<b>241,808</b>	<b>120,095</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue.....	-	-	-	-	-	3,450
<b>FUND BALANCES</b>						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	165,425	902,203	748,398	822,024	346,439	5,707,895
Unassigned.....	-	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>165,425</b>	<b>902,203</b>	<b>748,398</b>	<b>822,024</b>	<b>346,439</b>	<b>5,707,895</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 168,168</b>	<b>\$ 939,704</b>	<b>\$ 754,626</b>	<b>\$ 832,574</b>	<b>\$ 588,247</b>	<b>\$ 5,831,440</b>

(Continued)

Special Revenue Funds				Capital Project Funds			Permanent Funds	Total Nonmajor Governmental Funds
Highway Improvements	Title V Program	Affordable Housing	Subtotal	Library Renovation	Middle School Construction	Subtotal	Town Trust Funds	
\$ -	\$ 27,888	\$ 624,277	\$ 8,962,486	\$ 224,020	\$ 1,971,018	\$ 2,195,038	\$ 363,322	\$ 11,520,846
1,269,656	-	-	2,070,644	-	-	-	-	2,070,644
-	152,559	-	156,009	-	-	-	-	156,009
<u>\$ 1,269,656</u>	<u>\$ 180,447</u>	<u>\$ 624,277</u>	<u>\$ 11,189,139</u>	<u>\$ 224,020</u>	<u>\$ 1,971,018</u>	<u>\$ 2,195,038</u>	<u>\$ 363,322</u>	<u>\$ 13,747,499</u>
\$ 771,041	\$ 3,000	\$ -	\$ 1,118,521	\$ -	\$ 71,709	\$ 71,709	\$ 1,237	\$ 1,191,467
-	-	-	66,134	-	-	-	1,451	67,585
210,095	-	-	210,095	-	-	-	-	210,095
-	-	-	8,311	-	-	-	-	8,311
-	154,222	-	154,222	-	-	-	-	154,222
<u>981,136</u>	<u>157,222</u>	<u>-</u>	<u>1,557,283</u>	<u>-</u>	<u>71,709</u>	<u>71,709</u>	<u>2,688</u>	<u>1,631,680</u>
<u>288,520</u>	<u>152,559</u>	<u>-</u>	<u>444,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>444,529</u>
-	-	-	-	-	-	-	27,051	27,051
-	-	624,277	9,316,661	224,020	1,899,309	2,123,329	333,583	11,773,573
-	(129,334)	-	(129,334)	-	-	-	-	(129,334)
-	(129,334)	624,277	9,187,327	224,020	1,899,309	2,123,329	360,634	11,671,290
<u>\$ 1,269,656</u>	<u>\$ 180,447</u>	<u>\$ 624,277</u>	<u>\$ 11,189,139</u>	<u>\$ 224,020</u>	<u>\$ 1,971,018</u>	<u>\$ 2,195,038</u>	<u>\$ 363,322</u>	<u>\$ 13,747,499</u>

(Concluded)

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

JUNE 30, 2020

	Special Revenue Funds					
	School Lunch	School Gifts and Grants	School Revolving	Town Gifts	Town Grants	Town Revolving
<b>REVENUES:</b>						
Licenses and permits.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299,766
Intergovernmental.....	130,115	2,909,279	-	-	1,308,214	206,278
Intergovernmental - COVID-19 relief.....	-	72,534	-	-	467,562	-
Departmental and other.....	565,440	-	1,211,574	-	-	2,045,739
Special assessments.....	-	-	-	-	-	-
Contributions and donations.....	-	-	88,605	577,280	1,031	1,125
Investment income.....	32	-	-	-	65	4,282
<b>TOTAL REVENUES.....</b>	<b>695,587</b>	<b>2,981,813</b>	<b>1,300,179</b>	<b>577,280</b>	<b>1,776,872</b>	<b>2,557,190</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	-	-	-	107,647	511,301	780,206
Public safety.....	-	-	-	5,908	658,249	51,608
Education.....	693,025	2,479,481	1,535,975	-	-	-
Public works.....	-	-	-	9,023	126,074	429,021
Human services.....	-	-	-	45,513	187,783	208,741
Culture and recreation.....	-	-	-	228,889	36,224	437,220
COVID-19.....	-	72,534	-	-	467,562	-
<b>TOTAL EXPENDITURES.....</b>	<b>693,025</b>	<b>2,552,015</b>	<b>1,535,975</b>	<b>396,980</b>	<b>1,987,193</b>	<b>1,906,796</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>2,562</b>	<b>429,798</b>	<b>(235,796)</b>	<b>180,300</b>	<b>(210,321)</b>	<b>650,394</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Premium from issuance of bonds.....	-	-	-	-	-	58,857
Transfers in.....	-	-	-	-	-	155,970
Transfers out.....	-	-	-	(1,721)	-	(606,894)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,721)</b>	<b>-</b>	<b>(392,067)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>2,562</b>	<b>429,798</b>	<b>(235,796)</b>	<b>178,579</b>	<b>(210,321)</b>	<b>258,327</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>162,863</b>	<b>472,405</b>	<b>984,194</b>	<b>643,445</b>	<b>556,760</b>	<b>5,449,568</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 165,425</b>	<b>\$ 902,203</b>	<b>\$ 748,398</b>	<b>\$ 822,024</b>	<b>\$ 346,439</b>	<b>\$ 5,707,895</b>

(Continued)

Special Revenue Funds				Capital Project Funds			Permanent Funds	Total Nonmajor Governmental Funds
Highway Improvements	Title V Program	Affordable Housing	Subtotal	Library Renovation	Middle School Construction	Subtotal	Town Trust Funds	
\$ -	\$ -	\$ -	\$ 299,766	\$ -	\$ -	\$ -	\$ -	\$ 299,766
1,346,345	-	-	5,900,231	-	-	-	-	5,900,231
-	-	-	540,096	-	-	-	-	540,096
-	-	-	3,822,753	-	-	-	300	3,823,053
-	7,842	-	7,842	-	-	-	-	7,842
-	-	-	668,041	-	-	-	16,800	684,841
-	-	17,273	21,652	-	-	-	1,926	23,578
<u>1,346,345</u>	<u>7,842</u>	<u>17,273</u>	<u>11,260,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,026</u>	<u>11,279,407</u>
-	-	613,246	2,012,400	-	-	-	-	2,012,400
-	-	-	715,765	-	-	-	13,020	728,785
-	-	-	4,708,481	-	153,008	153,008	-	4,861,489
1,346,345	-	-	1,910,463	-	-	-	-	1,910,463
-	125,612	-	567,649	-	-	-	-	567,649
-	-	-	702,333	64,400	-	64,400	18,594	785,327
-	-	-	540,096	-	-	-	-	540,096
<u>1,346,345</u>	<u>125,612</u>	<u>613,246</u>	<u>11,157,187</u>	<u>64,400</u>	<u>153,008</u>	<u>217,408</u>	<u>31,614</u>	<u>11,406,209</u>
-	(117,770)	(595,973)	103,194	(64,400)	(153,008)	(217,408)	(12,588)	(126,802)
-	-	-	58,857	-	-	-	-	58,857
-	-	100,000	255,970	489,000	-	489,000	-	744,970
-	-	-	(608,615)	-	-	-	-	(608,615)
-	-	100,000	(293,788)	489,000	-	489,000	-	195,212
-	(117,770)	(495,973)	(190,594)	424,600	(153,008)	271,592	(12,588)	68,410
-	(11,564)	1,120,250	9,377,921	(200,580)	2,052,317	1,851,737	373,222	11,602,880
<u>\$ -</u>	<u>\$ (129,334)</u>	<u>\$ 624,277</u>	<u>\$ 9,187,327</u>	<u>\$ 224,020</u>	<u>\$ 1,899,309</u>	<u>\$ 2,123,329</u>	<u>\$ 360,634</u>	<u>\$ 11,671,290</u>

(Concluded)

# ***Agency Fund***

The Agency Fund is used to account for assets held in a purely custodial capacity. The Town's Agency Fund activity consists primarily of performance bonds, security deposits and fees collected on-behalf of other governments.

**AGENCY FUND**  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2020

	June 30, 2019	Additions	Deletions	June 30, 2020
<b>ASSETS</b>				
CURRENT:				
Cash and cash equivalents.....	\$ 1,801,615	\$ 642,863	\$ (759,189)	\$ 1,685,289
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	73,161	69,290	(73,161)	69,290
TOTAL ASSETS.....	<u>\$ 1,874,776</u>	<u>\$ 712,153</u>	<u>\$ (832,350)</u>	<u>\$ 1,754,579</u>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 23,086	\$ 297,601	\$ (23,086)	\$ 297,601
Liabilities due depositors.....	1,135,377	-	(92,951)	1,042,426
Other liabilities.....	716,313	414,552	(716,313)	414,552
TOTAL LIABILITIES.....	<u>\$ 1,874,776</u>	<u>\$ 712,153</u>	<u>\$ (832,350)</u>	<u>\$ 1,754,579</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.



A 96-niche columbarium was donated by the Ladd Family to the Town of Scituate as part of the expansion of the Cudworth Cemetery for veterans. Photo credit: Don Knapp.

# ***Statistical Section***

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

## ***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 basic financial statements for the relevant year.

**Net Position By Component**

**Last Ten Years**

	2011	2012	2013	2014 (1)	2015	2016	2017 (2)	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets.....	\$ 54,601,696	\$ 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
Restricted.....	7,488,133	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
Unrestricted.....	1,208,526	413,970	(2,073,085)	(37,686,872)	(39,543,990)	(41,330,572)	(94,512,877)	(95,111,346)	(97,350,067)	(109,491,384)
<b>Total governmental activities net position.....</b>	<b>\$ 63,298,355</b>	<b>\$ 64,965,347</b>	<b>\$ 63,308,767</b>	<b>\$ 30,436,038</b>	<b>\$ 33,431,886</b>	<b>\$ 44,206,189</b>	<b>\$ 13,355,304</b>	<b>\$ 21,185,790</b>	<b>\$ 22,789,055</b>	<b>\$ 12,959,503</b>
<b>Business-type activities</b>										
Net investment in capital assets.....	\$ 25,231,111	\$ 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
Unrestricted.....	15,346,008	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
<b>Total business-type activities net position.....</b>	<b>\$ 40,577,119</b>	<b>\$ 40,801,924</b>	<b>\$ 41,052,270</b>	<b>\$ 44,180,413</b>	<b>\$ 45,644,765</b>	<b>\$ 46,396,154</b>	<b>\$ 45,139,880</b>	<b>\$ 45,436,849</b>	<b>\$ 47,618,467</b>	<b>\$ 48,832,350</b>
<b>Primary government</b>										
Net investment in capital assets.....	\$ 79,832,807	\$ 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
Restricted.....	7,488,133	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
Unrestricted.....	16,554,534	14,642,906	11,454,450	(22,455,039)	(24,067,436)	(28,727,490)	(86,486,865)	(87,294,735)	(88,906,572)	(101,600,693)
<b>Total primary government net position.....</b>	<b>\$ 103,875,474</b>	<b>\$ 105,767,271</b>	<b>\$ 104,361,037</b>	<b>\$ 74,616,451</b>	<b>\$ 79,076,651</b>	<b>\$ 90,602,343</b>	<b>\$ 58,495,184</b>	<b>\$ 66,622,639</b>	<b>\$ 70,407,522</b>	<b>\$ 61,791,853</b>

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

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

Source: Audited Financial Statements

**Changes in Net Position**

**Last Ten Years**

	2011	2012	2013	2014	2015	2016	2017	2018 (1)	2019	2020
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government.....	\$ 4,100,908	\$ 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
Public safety.....	10,685,593	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
Education.....	47,030,121	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
Public works.....	4,788,925	4,075,881	6,041,795	5,345,710	6,644,331	6,661,476	6,772,113	7,642,737	8,123,398	7,797,617
Human services.....	925,841	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
Culture and recreation.....	1,895,769	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
Community Preservation.....	286,425	59,513	2,480	721,633	155,246	130,760	224,085	669,199	554,272	2,335,939
COVID-19.....	-	-	-	-	-	-	-	-	-	349,624
Interest.....	925,853	415,187	651,163	566,494	994,681	2,879,164	2,734,823	2,504,115	2,669,249	2,426,884
<b>Total government activities expenses.....</b>	<b>70,639,435</b>	<b>73,224,904</b>	<b>76,713,040</b>	<b>80,402,924</b>	<b>78,380,721</b>	<b>84,264,105</b>	<b>92,290,712</b>	<b>92,996,081</b>	<b>97,823,764</b>	<b>115,632,020</b>
<b>Business-type activities:</b>										
Water.....	2,833,254	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
Sewer.....	3,555,004	3,151,632	2,932,595	2,848,214	3,375,871	3,128,287	2,974,792	2,883,573	2,912,077	3,379,048
Transfer Station.....	1,090,272	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
Widow's Walk Golf Course.....	1,043,504	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
Waterways.....	1,055,143	1,022,866	952,822	920,502	952,933	1,459,517	1,168,291	855,452	962,302	1,338,500
<b>Total business-type activities expenses.....</b>	<b>9,577,177</b>	<b>9,186,630</b>	<b>8,983,673</b>	<b>8,311,705</b>	<b>9,400,619</b>	<b>11,173,612</b>	<b>10,305,397</b>	<b>9,819,249</b>	<b>10,662,658</b>	<b>12,314,047</b>
<b>Total primary government expenses.....</b>	<b>\$ 80,216,612</b>	<b>\$ 82,411,534</b>	<b>\$ 85,696,713</b>	<b>\$ 88,714,629</b>	<b>\$ 87,781,340</b>	<b>\$ 95,437,717</b>	<b>\$ 102,596,109</b>	<b>\$ 102,815,330</b>	<b>\$ 108,486,422</b>	<b>\$ 127,946,067</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Education charges for services.....	\$ 1,975,725	\$ 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
Public works charges for services.....	21,373	132,668	497,826	590,965	654,143	660,659	670,351	733,935	491,996	503,001
Culture and recreation charges for services.....	392,099	429,036	408,533	401,894	435,018	434,336	447,629	501,107	521,642	258,905
Other charges for services.....	1,550,241	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
Operating grants and contributions.....	15,283,108	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
Capital grant and contributions.....	1,956,834	1,612,713	958,424	1,344,565	4,496,678	7,304,433	13,532,885	3,745,605	1,296,738	1,239,266
<b>Total government activities program revenues.....</b>	<b>21,179,380</b>	<b>22,882,624</b>	<b>21,279,589</b>	<b>23,386,531</b>	<b>23,586,860</b>	<b>29,996,148</b>	<b>44,273,388</b>	<b>30,766,795</b>	<b>27,291,643</b>	<b>31,369,322</b>
<b>Business-type activities:</b>										
Charges for services - water.....	2,709,682	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
Charges for services - sewer.....	1,643,983	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
Charges for services - transfer station.....	1,231,388	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
Charges for services - Widow's Walk golf course.....	1,090,684	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
Charges for services - waterways.....	1,074,928	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
Operating grants and contributions.....	35,300	16,237	1,725	238,088	213,160	184,361	137,679	69,760	-	209,490
Capital grant and contributions.....	1,309,128	692,556	188,126	6,430,626	688,590	480,722	-	-	-	255,653
<b>Total business-type activities program revenues.....</b>	<b>9,095,093</b>	<b>8,639,351</b>	<b>8,450,983</b>	<b>14,269,895</b>	<b>9,993,981</b>	<b>11,138,119</b>	<b>9,796,356</b>	<b>9,268,351</b>	<b>11,832,083</b>	<b>13,184,363</b>
<b>Total primary government program revenues.....</b>	<b>\$ 30,274,473</b>	<b>\$ 31,521,975</b>	<b>\$ 29,730,572</b>	<b>\$ 37,656,426</b>	<b>\$ 33,580,841</b>	<b>\$ 41,134,267</b>	<b>\$ 54,069,744</b>	<b>\$ 40,035,146</b>	<b>\$ 39,123,726</b>	<b>\$ 44,553,685</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (49,460,055)	\$ (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)
Business-type activities.....	(482,084)	(547,279)	(532,690)	5,958,190	593,362	(35,493)	(509,041)	(550,898)	1,169,425	870,316
<b>Total primary government net expense.....</b>	<b>\$ (49,942,139)</b>	<b>\$ (50,889,559)</b>	<b>\$ (55,966,141)</b>	<b>\$ (51,058,203)</b>	<b>\$ (54,200,499)</b>	<b>\$ (54,303,450)</b>	<b>\$ (48,526,365)</b>	<b>\$ (62,780,184)</b>	<b>\$ (69,362,696)</b>	<b>\$ (83,392,382)</b>
<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.....	\$ 43,632,211	\$ 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
Motor vehicle and other excise taxes.....	2,305,255	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
Community preservation taxes.....	992,107	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
Hotel/motel tax.....	-	-	-	-	-	-	-	-	-	104,145
Penalties and interest on taxes.....	465,049	535,272	447,439	640,163	446,774	487,036	523,966	408,710	335,999	311,089
Payments in lieu of taxes.....	-	-	-	-	19,601	20,370	19,907	16,798	18,914	17,437
Grants and contributions not restricted to specific programs.....	1,803,153	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
Unrestricted investment income.....	102,462	74,257	55,527	88,567	186,336	611,498	542,053	526,030	810,987	559,717
Gain on sale of capital assets.....	32,277	32,690	-	-	-	-	-	206,432	161,792	-
Miscellaneous.....	219,218	284,355	576,098	679,700	311,551	71,543	119,997	324,069	342,682	91,185
Transfers.....	(751,332)	(730,948)	(746,994)	(768,508)	(804,675)	(679,618)	(660,771)	(690,835)	(798,789)	(180,079)
<b>Total governmental activities.....</b>	<b>48,800,400</b>	<b>52,009,272</b>	<b>53,776,871</b>	<b>56,586,100</b>	<b>57,789,709</b>	<b>65,004,260</b>	<b>67,760,608</b>	<b>70,059,772</b>	<b>72,135,386</b>	<b>74,433,146</b>
<b>Business-type activities:</b>										
Boat excise taxes.....	43,153	41,136	36,042	39,821	40,363	40,695	39,761	40,378	43,108	42,535
Unrestricted investment income.....	-	-	-	-	25,952	66,569	89,895	116,654	170,296	120,953
Transfers.....	751,332	730,948	746,994	768,508	804,675	679,618	660,771	690,835	798,789	180,079
<b>Total business-type activities.....</b>	<b>794,485</b>	<b>772,084</b>	<b>783,036</b>	<b>808,329</b>	<b>870,990</b>	<b>786,882</b>	<b>790,427</b>	<b>847,867</b>	<b>1,012,193</b>	<b>343,567</b>
<b>Total primary government.....</b>	<b>\$ 49,594,885</b>	<b>\$ 52,781,356</b>	<b>\$ 54,559,907</b>	<b>\$ 57,394,429</b>	<b>\$ 58,660,699</b>	<b>\$ 65,791,142</b>	<b>\$ 68,551,035</b>	<b>\$ 70,907,639</b>	<b>\$ 73,147,579</b>	<b>\$ 74,776,713</b>
<b>Changes in Net Position</b>										
Governmental activities.....	\$ (659,655)	\$ 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)
Business-type activities.....	312,401	224,805	250,346	6,766,519	1,464,352	751,389	281,386	296,969	2,181,618	1,213,883
<b>Total primary government.....</b>	<b>\$ (347,254)</b>	<b>\$ 1,891,797</b>	<b>\$ (1,406,234)</b>	<b>\$ 6,336,226</b>	<b>\$ 4,460,200</b>	<b>\$ 11,487,692</b>	<b>\$ 20,024,670</b>	<b>\$ 8,127,455</b>	<b>\$ 3,784,883</b>	<b>\$ (8,615,669)</b>

Source: Audited Financial Statements

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

**Fund Balances, Governmental Funds**

**Last Ten Years**

	<u>2011</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>
<b>General Fund</b>										
Restricted.....	\$ 86,767	\$ 86,767	\$ 454,518	\$ 530,298	\$ 5,649,548	\$ 501,782	\$ 510,884	\$ 510,884	\$ 456,219	\$ 450,184
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
Assigned.....	1,260,786	1,255,617	1,308,703	1,025,883	1,662,421	949,163	1,360,521	912,493	595,925	958,348
Unassigned.....	5,276,801	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
<b>Total general fund.....</b>	<b>\$ 6,624,354</b>	<b>\$ 8,533,379</b>	<b>\$ 9,367,411</b>	<b>\$ 10,459,886</b>	<b>\$ 16,042,002</b>	<b>\$ 11,700,271</b>	<b>\$ 13,613,331</b>	<b>\$ 13,353,126</b>	<b>\$ 12,927,232</b>	<b>\$ 14,998,511</b>
<b>All Other Governmental Funds</b>										
Nonspendable.....	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051	\$ 27,051
Restricted.....	11,925,417	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
Unassigned.....	-	(851,672)	(177,208)	(144,534)	(3,418)	-	(4,749,946)	(4,772,426)	(212,144)	(6,427,270)
<b>Total all other governmental funds.</b>	<b>\$ 11,952,468</b>	<b>\$ 13,883,614</b>	<b>\$ 16,915,154</b>	<b>\$ 15,218,694</b>	<b>\$ 81,191,641</b>	<b>\$ 67,961,882</b>	<b>\$ 22,961,641</b>	<b>\$ 17,127,524</b>	<b>\$ 24,098,725</b>	<b>\$ 21,076,735</b>

**Changes in Fund Balances, Governmental Funds**

Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 43,516,682	\$ 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
Tax liens.....	-	-	-	-	415,491	472,610	488,116	314,720	308,466	270,720
Motor vehicle and other excise taxes.....	2,283,729	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
Hotel/motel tax.....	-	-	-	-	-	-	-	-	-	104,145
Meals tax.....	-	-	-	-	-	-	-	261,318	264,699	265,281
Penalties and interest.....	420,610	498,556	351,965	403,063	422,000	451,408	483,632	436,937	335,999	311,089
Fees.....	197,399	204,034	1,338,592	419,408	504,848	547,967	526,908	353,052	479,535	539,478
Licenses and permits.....	707,500	715,175	880,443	812,414	812,387	932,531	937,395	982,280	1,058,858	1,457,425
Fines and forfeitures.....	103,033	80,716	95,779	99,660	68,513	76,842	100,863	44,011	40,619	57,496
Intergovernmental.....	17,824,475	20,153,547	17,685,685	19,680,358	18,044,124	25,491,847	40,191,793	24,962,762	21,189,673	26,498,851
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	-	-	-	-	540,096
Departmental and other.....	3,853,829	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
Community Preservation surtax.....	1,002,872	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
Contributions.....	145,106	122,159	197,296	170,014	696,070	540,353	423,760	458,024	1,182,551	684,841
Investment income.....	123,988	91,962	76,516	110,983	186,336	611,498	542,053	526,030	810,987	559,717
<b>Total Revenues.....</b>	<b>70,179,223</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>Expenditures:</b>										
General government.....	3,194,069	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
Public safety.....	7,170,482	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
Education.....	31,902,376	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
Public works.....	3,066,742	2,314,451	4,090,780	3,302,530	4,380,677	4,164,282	4,017,645	4,742,981	4,882,104	4,142,678
Human services.....	490,552	499,515	618,433	712,977	800,743	836,664	892,884	943,859	992,888	2,630,212
Culture and recreation.....	1,388,571	1,425,568	1,494,656	1,533,887	1,535,932	1,711,110	1,413,092	966,689	1,557,245	178,713
Community preservation.....	286,425	59,513	2,480	721,633	126,257	81,681	130,627	523,953	601,566	1,996,390
COVID-19.....	-	-	-	-	-	-	-	-	-	349,624
Pension benefits.....	9,759,069	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
Employee benefits.....	5,508,818	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
State and county charges.....	520,678	472,015	445,762	476,139	499,806	561,038	690,039	698,143	746,604	652,629
Capital outlay.....	3,643,219	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
Debt service:										
Principal.....	1,463,858	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
Principal - current refunding.....	-	-	-	-	4,818,188	564,514	-	-	-	-
Interest.....	771,919	579,727	488,798	584,080	533,531	2,835,437	3,285,814	3,237,379	3,139,312	3,028,668
<b>Total Expenditures.....</b>	<b>69,166,778</b>	<b>73,361,378</b>	<b>74,383,098</b>	<b>80,352,242</b>	<b>87,638,261</b>	<b>114,524,737</b>	<b>159,339,507</b>	<b>106,873,230</b>	<b>100,585,721</b>	<b>118,417,132</b>
Excess (deficiency) of revenues over (under) expenditures.....	1,012,445	2,693,618	1,209,566	(75,414)	(6,016,719)	(18,464,445)	(45,961,058)	(6,312,081)	(689,055)	(11,994,625)
<b>Other Financing Sources (Uses):</b>										
Issuance from bonds and notes.....	3,245,470	1,859,021	3,403,000	-	68,258,000	-	3,500,000	500,000	6,133,000	10,719,567
Issuance from refunding bonds.....	-	-	-	-	4,205,000	529,100	-	-	-	-
Premium from issuance of bonds and notes.....	148,644	18,480	-	-	5,300,269	-	34,648	202,153	590,268	58,857
Premium from issuance of refunding bonds.....	-	-	-	-	613,188	35,414	-	-	-	-
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.....	1,045,494	271,053	234,649	1,103,283	1,438,009	6,741,065	645,070	942,636	1,017,610	1,429,012
Transfers out.....	(1,796,826)	(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)
<b>Total other financing sources (uses).....</b>	<b>2,642,782</b>	<b>1,146,553</b>	<b>2,656,006</b>	<b>(528,571)</b>	<b>77,571,782</b>	<b>892,955</b>	<b>2,873,877</b>	<b>217,750</b>	<b>7,234,371</b>	<b>11,043,914</b>
<b>Net change in fund balance.....</b>	<b>\$ 3,655,227</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>Debt service as a percentage of noncapital expenditures.....</b>	<b>3.41%</b>	<b>3.00%</b>	<b>2.69%</b>	<b>3.18%</b>	<b>8.85%</b>	<b>9.44%</b>	<b>8.70%</b>	<b>8.32%</b>	<b>7.90%</b>	<b>7.53%</b>

**Notes:**

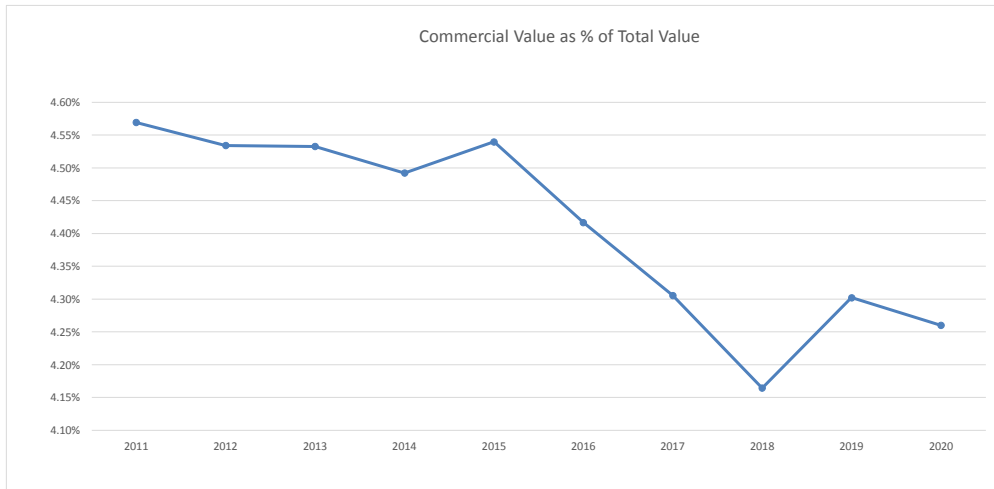
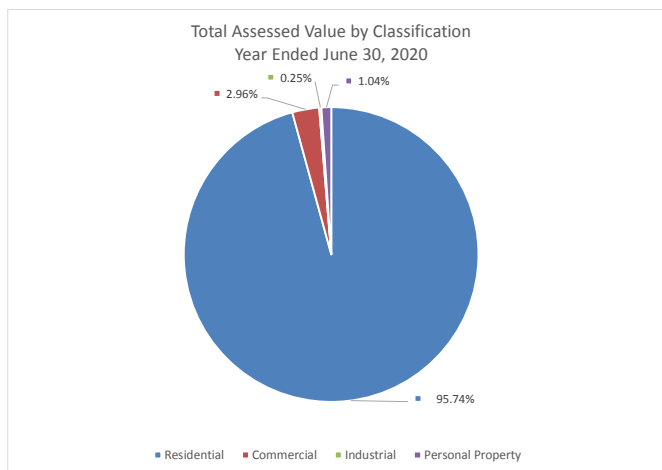
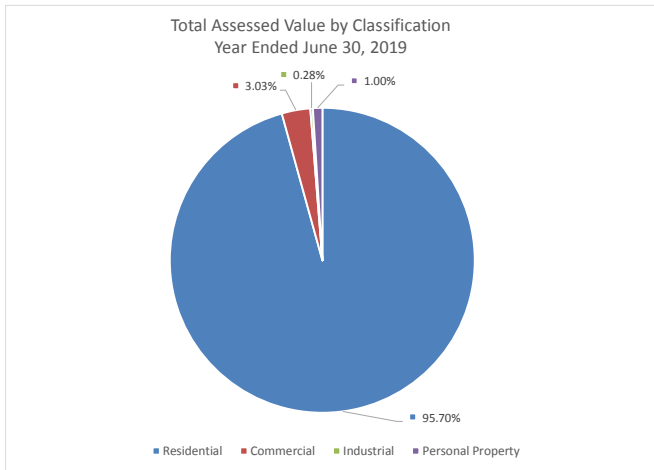
Prior to 2015, the Town reported tax liens with real estate and personal property taxes, net of tax refunds.



**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
2011	\$3,675,696,207	\$11.25	\$127,662,193	\$5,585,400	\$42,758,110	\$176,005,703	\$11.25	4.57%	\$ 11.25	\$3,851,701,910
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



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**

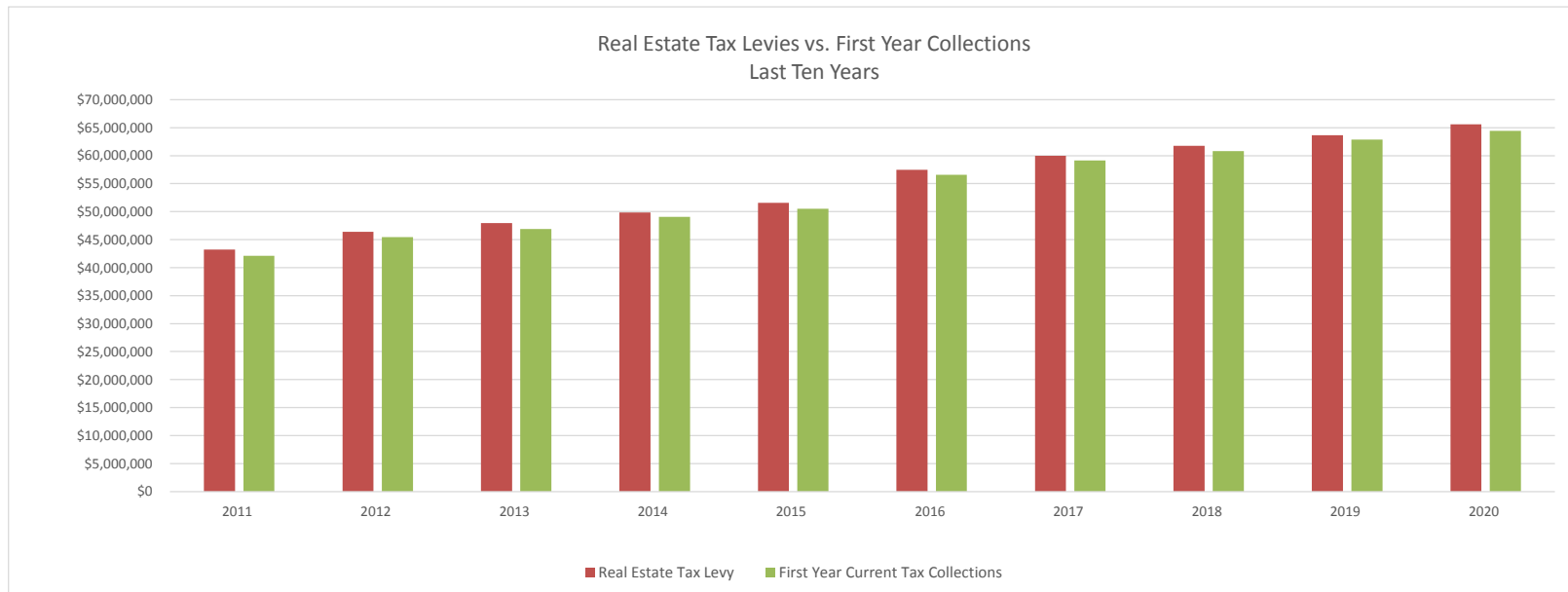
Name	Nature of Business	2020			2011		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Columbia Gas (Prev. Bay State Gas Company)	Utility	\$ 17,745,320	1	0.36%	\$ 8,947,930	1	0.24%
Toll MA Lans III LP	Housing	12,398,100	2	0.25%			
Massachusetts Electric Company	Utility	11,903,300	3	0.24%			
Abbott P M/Chamberlain Management	Real Estate	9,095,670	4	0.19%	7,921,400	4	0.22%
Kent Village Associates	Housing	7,047,500	5	0.14%	5,778,800	5	0.16%
Greenbush Station, LLC	Housing	6,775,200	6	0.14%			
Comcast of Massachusetts	Utility	5,344,930	7	0.11%			
Scituate Solar, LLC	Real Estate	5,173,500	8	0.11%			
South Shore Real Estate	Real Estate	4,591,900	9	0.09%			
Hatherly Country Club	Country Club	4,085,730	10	0.08%	3,822,880	8	0.10%
National Grid	Utility				8,656,640	2	0.24%
Verizon New England Inc.	Utility				8,220,800	3	0.22%
Rolling Lakes II, LLC	Real Estate				5,486,500	6	0.15%
HCRI Massachusetts Property Inc., Trust	Nursing Home				4,283,000	7	0.12%
Suburban Realty Trust	Real Estate				3,797,900	9	0.10%
Harborside Village Inc.	Mobile Homes				3,522,700	10	0.10%
		<b>Totals \$</b>		<b>1.73%</b>	<b>\$</b>		<b>1.64%</b>
		<u>84,161,150</u>		<u>1.73%</u>	<u>60,438,550</u>		<u>1.64%</u>

Source: Official Statements, Town of Scituate

**Property Tax Levies and Collections**

**Last Ten Years**

<b>Year</b>	<b>Total Tax Levy</b>	<b>Less Abatements &amp; Exemptions</b>	<b>Net Tax Levy</b>	<b>Net as % of Total</b>	<b>First Year Current Tax Collections</b>	<b>Percent of Net Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Net Tax Levy</b>
2011	\$43,334,646	\$115,758	\$43,218,888	99.73%	\$42,119,403	97.46%	\$400,032	\$42,519,435	98.38%
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%	\$0	\$64,404,855	98.21%



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)	Capital Leases	General Obligation Bonds (1)	Direct Borrowings	Capital Leases				
2011	\$ 14,878,322	\$ -	\$ 16,166,775	\$ 15,554,578	\$ 116,999	\$ 46,716,674	5.56%	17,985	\$ 2,598
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

(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**

<b>Year</b>	<b>General Obligation Bonds (1)</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (2)</b>	<b>Per Capita (3)</b>
2011	\$ 14,878,322	\$ -	\$ 14,878,322	0.39%	\$ 827
2012	15,263,015	-	15,263,015	0.40%	837
2013	17,252,157	-	17,252,157	0.46%	925
2014	15,484,278	-	15,484,278	0.40%	822
2015	87,553,879	-	87,553,879	2.22%	4,646
2016	82,697,642	-	82,697,642	2.03%	4,462
2017	81,273,722	-	81,273,722	1.90%	4,390
2018	76,996,618	-	76,996,618	1.73%	4,104
2019	79,015,481	-	79,015,481	1.70%	4,272
2020	84,800,181	-	84,800,181	1.74%	4,524

(1) This is the general bonded debt of the governmental 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, 2020**

<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%	\$ 64,900	\$ 95,354
Massachusetts Bay Transportation Authority.....	5,348,582,000	0.076%	4,064,922	-
South Shore Regional Vocational Technical School District (SSRSD).....	-	7.58%	-	792,870
Estimated share of overlapping debt.....			4,129,822	
Town direct debt.....			<u>84,800,181</u>	
Total direct and overlapping debt.....			<u>\$ 88,930,003</u>	

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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equalized Valuation.....	\$ 4,326,753,800	\$ 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
Debt Limit -5% of Equalized Valuation.....	\$ 216,337,690	\$ 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
Less:										
Outstanding debt applicable to limit.....	46,445,430	42,612,765	50,875,921	34,685,631	52,276,219	47,277,578	46,005,123	41,854,755	43,708,387	39,481,618
Authorized and unissued debt.....	18,003,396	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
Legal debt margin.....	\$ 151,888,864	\$ 146,083,988	\$ 149,947,293	\$ 159,255,461	\$ 81,851,457	\$ 129,477,485	\$ 143,826,518	\$ 165,551,281	\$ 149,894,605	\$ 168,268,510
Total debt applicable to the limit as a percentage of the limit.....	29.79%	29.39%	27.53%	22.39%	60.11%	41.59%	35.12%	31.30%	37.80%	35.21%

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
2011	17,985	\$ 840,151,290	\$ 46,714	45	3,286	5.70%
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%

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	2020			2011		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Scituate	Municipal Government	1,273	1	13.78%	1,185	1	12.40%
Life Care Center	Nursing Home	185	2	2.00%	185	2	1.94%
Scituate Marketplace	Supermarket	100	3	1.08%	100	3	1.05%
Total		1,558		16.86%	1,470		15.38%

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>2011</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>
Function										
General government.....	26	28	28	30	31	32	34	36	36	36
Police.....	35	33	33	33	34	35	35	35	35	35
Fire.....	52	53	53	53	53	55	55	55	55	55
Education.....	365	376	379	396	466	455	450	447	484	511
Water.....	11	12	12	12	13	14	14	14	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.....	24	25	25	23	27	27	27	28	28	28
Human services.....	7	8	8	8	9	10	10	10	10	10
Culture and recreation.....	24	23	22	22	22	22	22	22	22	22
Total .....	<u>555</u>	<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>

Source: Town personnel records and various Town departments.

## Operating Indicators by Function/Program

### Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Government</b>										
Population.....	17,985	18,234	18,648	18,847	18,847	18,535	18,515	18,760	18,495	18,746
Registered voters, annual town election.....	13,048	13,827	13,941	13,961	14,170	14,117	14,629	14,517	14,623	14,985
<b>Town Clerk</b>										
Births.....	145	167	161	152	172	118	193	168	107	107
Marriages.....	54	74	78	70	56	63	72	69	31	29
Deaths.....	219	176	167	174	207	130	205	197	121	139
<b>Police</b>										
MV Accidents investigated by an officer.....	232	251	232	252	287	266	259	220	226	208
Citations issued.....	851	712	808	904	199	182	266	69	246	155
Arrests.....	382	285	290	314	241	248	265	197	292	289
Total Incidents.....	14,852	14,268	16,480	17,850	16,074	20,548	21,337	22,735	24,565	27,598
<b>Fire</b>										
Permits/certificate issued.....	1,015	942	1,289	1,228	1,270	1,080	958	888	1,264	1,285
False alarm.....	333	292	342	325	346	448	336	315	344	374
Fires.....	75	118	82	88	79	66	81	75	94	92
Rescue/EMS incidents.....	1,895	1,823	1,981	1,925	1,880	1,841	1,896	1,996	1,948	1,811
Total Incidents.....	2,986	2,928	3,256	2,963	3,017	3,140	3,075	3,564	3,192	3,181
<b>Building Department</b>										
Building permits issued.....	797	789	869	822	926	947	920	812	960	833
Gas & Plumbing permits issued.....	763	785	1,098	1,046	892	884	821	843	915	984
Electrical permits issued.....	589	606	814	844	648	762	669	726	462	522
<b>Education</b>										
Public school enrollment.....	3,286	3,276	3,286	3,122	3,097	3,094	3,005	2,988	3,005	2,994
High school graduates.....	175	208	206	185	205	215	236	227	209	229
<b>Public Works</b>										
<b>Water</b>										
Service connections.....	7,624	7,641	7,636	7,659	7,721	7,728	7,753	7,644	7,892	7,952
Consumption in millions of gallons.....	549	516	545	552	452	455	458	444	514	576
Daily consumption in millions of gallons.....	1.50	1.41	1.49	1.51	1.24	1.25	1.35	1.34	1.40	1.46
<b>Highway</b>										
Miles of public road.....	101	101	101	101	103	103	103	103	103	103
<b>Human Services</b>										
<b>Board of Health</b>										
Inspections.....	612	549	549	590	577	724	877	980	566	425
Sewage Permits.....	106	85	85	69	91	228	195	187	126	95
<b>Council on Aging</b>										
Total Rides.....	6,757	6,860	6,845	6,542	6,976	6,839	6,731	7,195	6,481	6,045
<b>Library</b>										
Circulation.....	279,607	262,136	250,194	236,357	243,490	219,942	216,767	252,705	290,582	208,173
Visitors.....	155,544	153,247	138,640	140,109	155,000	n/a	88,610	200,000	120,205	92,778
Volunteer hours of service.....	1,673	1,369	1,178	770	570	281	350	2,850	8,986	7,000

Source: Various Town Departments & annual reports

**Capital Asset Statistics by Function/Program**

**Last Ten Years**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</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	1	-	-	-
Fire *										
Number of stations.....	3	3	3	3	3	3	3	2	2	2
Public Safety Complex & Emerg Ops Ctr.....	-	-	-	-	-	-	-	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	2
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.



COVID-19 brought many changes to the operation of the Town in FY2020. Town Meeting was conducted in an outside venue with social distancing protocols. The Town received \$139,000 in CARES Act Coronavirus Relief Funds administered through Plymouth County in June 2020 towards its unbudgeted expenditures responding to COVID-19. To assist restaurants during the re-opening plan, Front Street was closed to through traffic on some evenings to allow for outside seating. Photo credit: Michele Seghezzi, Kevin Cafferty, and Kevin Kelly.