

Town of Harwich

MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Red River

For the Fiscal Year Ended June 30, 2023

Prepared By:
Kathleen Barrette, Finance Director



Headwaters Cranberry Harvest

**The Town of
Harwich, Massachusetts**

**Annual Comprehensive
Financial Report**



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

Prepared by the Finance Department

Town of Harwich, Massachusetts

Annual Comprehensive Financial Report **Year Ended June 30, 2023**

Table of Contents

INTRODUCTORY SECTION	1
Letter of Transmittal	3
Principal Executive Officers as of June 30, 2023	8
Organizational Chart	9
Certificate of Achievement of Excellence in Financial Reporting	10
FINANCIAL SECTION	11
Independent Auditor's Report	13
Management's Discussion and Analysis	16
Basic Financial Statements	26
Government-Wide Financial Statements	27
Statement of Net Position	27
Statement of Activities	28
Fund Financial Statements	30
Governmental Funds – Balance Sheet	30
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position	31
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds – Statement of Net Position	34
Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position	35
Proprietary Funds – Statement of Cash Flows	36
Fiduciary Funds – Statement of Fiduciary Net Position	37
Fiduciary Funds – Statement of Changes in Fiduciary Net Position	38
Notes to Basic Financial Statements	39
Required Supplementary Information	74
General Fund Budgetary Comparison Schedule	75
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Budget and Actual	76
Community Preservation Fund Budgetary Comparison Schedule	80

Community Preservation Fund – Schedule of Revenues, Expenditures and Changes in Fund	
Balance – Budgetary Basis – Budget and Actual	81
Pension Plan Schedules	82
Schedule of the Town’s Proportionate Share of the Net Pension Liability.....	83
Schedule of Town’s Contributions.....	84
Other Postemployment Benefit Plan Schedules	85
Schedule of Changes in the Town’s Net OPEB Liability and Related Ratios	86
Schedule of Changes in the Town’s Net OPEB Liability and Related Ratios (page 2).....	87
Schedule of the Town’s Contributions.....	88
Schedule of Investment Returns	89
Notes to Required Supplementary Information.....	90
Other Supplementary Information.....	94
Combining Statements.....	95
Nonmajor Governmental Funds	96
Nonmajor Governmental Funds - Combining Balance Sheet	98
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	102
STATISTICAL SECTION.....	105
Net Position by Component.....	106
Changes in Net Position	107
Fund Balances, Governmental Funds	108
Changes in Fund Balances, Governmental Funds.....	109
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates	110
Principal Taxpayers	111
Property Tax Levies and Collections	112
Ratios of Outstanding Debt by Type.....	113
Ratios of General Bonded Debt Outstanding	114
Direct and Overlapping Governmental Activities Debt	115
Computation of Legal Debt Margin	116
Demographic and Economic Statistics	117
Principal Employers (excluding Town).....	118
Full-time Equivalent Town Employees by Function.....	119
Operating Indicators by Function/Program.....	120
Capital Assets Statistics by Function/Program.....	121

Introductory Section



Nantucket Sound

Introductory Section

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TOWN OF



HARWICH

*Harwich, Massachusetts
02645*

Letter of Transmittal

April 19, 2024

To the Members of the Select Board and Citizens of the Town of Harwich:

Annually, the Town of Harwich utilizes the services of an external auditor to perform, under contract, an audit of the financial records of the Municipality and the Federal and State single audits. Independent audits play a vital role to the Town by helping to preserve the integrity of the public finance functions and by maintaining citizens' confidence in their elected and appointed leaders.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Powers & Sullivan, LLC Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Harwich's financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

The Town of Harwich, incorporated in 1694, is located on the south side of the Cape Cod peninsula, made up of seven villages, with an extensive shoreline on Nantucket Sound. It currently occupies 21 square miles and serves a population of 13,983. The Town of Harwich is empowered to levy a property tax on real estate and personal property located within its boundaries.

The Town of Harwich operates under the traditional Open Town Meeting form of government. Policy-making and legislative authority are vested in the Select Board consisting of five members, all of whom are elected at large. Select members serve three-year terms, with one to two members elected each year. The Select Board appoints the Town of Harwich's Town Administrator, Finance Director, Police and Fire Chiefs, the Town Administrator in turn appoints department heads.

The Town of Harwich provides a full range of services, including police and fire protection; transfer station; snow and ice removal; traffic control; on- and off-street parking; building inspections; licenses and permits; vital statistics; the construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; library services; council on aging; and harbor services. Water distribution services are accounted for in an enterprise fund with separate Water/Wastewater Commissioners. Water/Wastewater Division function as a department of the Town of Harwich and therefore has been included as an integral part of the Town of Harwich's financial statements.

At the Annual Town Meeting a budget is adopted which typically precedes the beginning of the fiscal year on July 1. The annual budget serves as the foundation for the Town of Harwich's financial planning and control. The budget is prepared by fund, function (e.g., public safety), department (e.g., police), and legal level of spending (e.g. salaries, expenditures and capital). Department heads may transfer resources within a department. Transfers between departments, however, need special approval from the governing council.

Local economy

Harwich was settled around 1665 and incorporated in 1694. Its early economy included agriculture and maritime industries and its history has included boom and bust cycles from the earliest days of the community.

When the whaling industry collapsed with the discovery of oil, the community's emphasis shifted to cod fishing. By 1802, 15 to 20 ships were shore fishing and another four ships were cod fishing in Newfoundland and Labrador, and by 1851, there were 48 ships employing 577 men and bringing in thousands of tons of cod and mackerel. The eventual decline of the fishing industry in Harwich, by the latter part of the 19th century, was caused by increases in the size of ships which eventually outstripped the shallow port's ability to house them. Residents turned to the development of cranberry bogs and resorts for summer visitors, working side-by-side with Portuguese immigrants. The first resort hotel opened in 1880 and both the cranberry and the tourist industries remain substantial parts of Harwich's economy in the present.

The Town of Harwich is located approximately 80 miles from the City of Boston. The Town of Harwich is headquarters for many medical, technology, hospitality businesses, and functions as a major regional shopping center for the surrounding communities. Major industries located within the government's boundaries, or in close proximity, include medical facilities, manufacturers of computer hardware and software, retail stores, and several financial institutions and insurance companies. Two regional school districts and the Town of Harwich also have a significant economic presence; employing in total more than 800 teachers, professionals, and support staff.

Because of its location in a region with a varied economic base and prior to COVID-19, unemployment has been relatively stable. During the past ten years, the unemployment rate fell from an initial high of 10.2 percent (2009) to a decade low of 3.1 percent for the 2021 fiscal year. There was a slight decrease to 2.9 percent in fiscal year 2023. When the Governor declared a state of emergency on March 10, 2020, businesses shuttered ranging from retail to construction causing unemployment rates to increase substantially. Since this time employment has rebounded causing scarcity in numbers of available workers to support this resort community.

Median household income within the Town of Harwich are slightly lower than those for the county and slightly lower than the state as a whole. According to the five year average (2017 – 2021) estimate, the government's median household income was \$79,641, the county's was \$82,619, while the state's was \$89,026. Housing prices in the vicinity of the Town of Harwich continue to remain strong boasting an overall 20.7 percent increase in FY 23. At the end of the second quarter of 2023, the median value of a single family home in the vicinity of the Town of Harwich was \$867,500. Due to COVID-19, the Town experienced a surge of full time residents ranging in new residential home sales to conversion of summer vacation homes for full time residency.

The Town's credit rating was upgraded in May 2019 to AAA stable rating by Standard & Poor's. The rating reflects Harwich's consecutive years of positive operating results leading to very strong reserves stemming from increased operating revenue, which is in turn based on its favorable location along southeast Cape Cod with high-end development and redevelopment. Standard & Poor's highlighted numerous areas of strength from the Town's management and budgetary performance to a strong liquidity position with appropriate management policies and practices.

Over the past three years, the government has experienced a period of significant economic growth and investment. More than \$26.4 million in new commercial, mixed use and residential development has been

completed or is in various phases of development throughout the Town. This development, the presence of retail and service industries, and the presence of recreational, educational and health facilities has even further strengthened the Town of Harwich's already strong economic base.

Harwich's small town character, extensive shoreline, rich historical connection to the sea, and rural nature have continued to lure visitors over the years – some who arrive for extended periods in the summer, others who have decided to purchase second homes, and those searching for a place to retire. Like most communities on the Cape, living in Harwich is expensive. Housing prices previously declined somewhat since the recession, since then the market has been rebounding and values have exceeded pre-recession levels with the median single-family house priced at \$867,500, still out of reach for many year-round residents. Harwich has been evolving into more of a year-round community, its economy continues to depend on second-home owners and summer visitors. Seasonal employment--such as retail trade, accommodations, and food services--accounts for a large portion of the local employment base.

The Town is heavily reliant on real estate taxes as the major funding source for Town operations. In fiscal year 2023 the Town collected 98.7 percent of estimated real estate tax collections and 90.4 percent of estimated motor vehicle taxes, an impressive feat. For fiscal year 2023 the Town continues to maintain reduced estimates for local receipts. The largest reductions coming from various excise taxes and fees for the use of recreational facilities.

The extension of a ban on J-1 and H-2B visas left this resort community with further challenges. The inability to open indoor dining for an extended period, while reeling from total recent shutdowns, left business owners and managers with limited resources that were already strained. The Town has worked closely with local businesses to provide information and open communication avenues to support and reduce, to the extent possible, the ongoing effects of the pandemic.

On March 27, 2020, the President of the United States signed into law the federal Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). In conjunction with three other pieces of federal legislation adopted to address the COVID-19 pandemic, the CARES Act created or expanded over 100 federal funding opportunities for state and local governments. The Town of Harwich is the recipient of CARES Act relief, FEMA funding, and Medicaid funding for eligible expenses to combat the unanticipated costs as a result of the public health emergency.

Most notably, the CARES Act created the federal Coronavirus Relief Fund administered by the U.S. Department of the Treasury with oversight provided by the U.S. Treasury Office of Inspector General. The federal CARES Act relief included \$150 billion for state and local governments allocated on a per capita basis. The Commonwealth of Massachusetts received approximately \$2.67 billion, with approximately \$1.069 million provided directly to the Town of Harwich. These funds have been critical to mitigating the Town's costs of the COVID-19 response and have, in part, made it possible to sustain services to the residents which include feeding programs for the Council on Aging's targeted population, recreation enforcement personnel to administer safety protocols and funding to support emergency operations.

The Town of Harwich is fortunate to have a number of local and regional housing agencies and organizations involved in providing affordable housing. The Harwich Housing Authority owns and manages 20 units of subsidized housing and partnered with the Community Development Partnership on the Main Street Extension/Thankful Chases Pathway project with another 12 units. It is also working with the Town on managing a number of local initiatives.

At the Annual Town Meeting of 2018 voters approved the declaration of the Harwich Affordable Housing Trust. The purpose of the trust is to provide for the preservation and creation of affordable housing in the Town of Harwich for the benefit of low and moderate income households. Annual Town Meeting of 2019 authorized the transfer of five parcels of land to the care, custody and control of the Trust for affordable housing. In 2021, the

Affordable Housing Trust purchased a total of six adjacent parcels to support efforts to provide affordable housing. The Town of Harwich also has experience in working with non-profit housing providers such as the Harwich Ecumenical Council on Housing (HECH), Habitat for Humanity of Cape Cod, the Community Development Partnership (CDP), and Housing Assistance Corporation (HAC). The Select Board are committed to aggressively pursue the creation of affordable and workforce housing.

It will be important for the Town to continue to establish vital partnerships with developers, for profit and non-profit, and build its capacity to promote new affordable units by aggressively reaching out for necessary technical and financial resources in addition to securing the essential political support for new housing initiatives.

Long-term financial planning and major initiatives

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 15.0 percent of total general fund revenues; a decrease of 5.4 percent from the prior fiscal year. The Town remains committed to building healthy and consistent stabilization and other postemployment benefits reserves to support current and future liabilities, while providing for future budgetary flexibility. Additional stabilization funds have been created to ensure future stability.

By charter, the Town of Harwich maintains a five-year Capital Improvement Program which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. Under the guidance of the Capital Outlay Committee, this process gives the Town of Harwich the ability to plan for its capital needs and allocate short- and long-term resources appropriately. As part of this process, the government identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly. The fiscal year 2025-2029 Capital Improvement anticipates \$54,373,000 in capital projects. Included in this plan is \$14.9 million in facilities maintenance, \$13.2 million in harbor improvements, \$6.3 million in road maintenance, \$11.2 million in vehicle and equipment upgrades and replacements, and \$8.4 million in water improvements.

Relevant financial policies

The Town of Harwich has adopted a comprehensive set of financial policies. Policies amid solid financial procedures include management's conservative budget assumptions and regular monitoring of budget performance with monthly reports on budget-to-actual results to the Select Board and finance committee. The Town's free cash policy outlines reserves, free cash, and stabilization funds with the goal of maintaining no less than 7%-8% of general fund expenditures in reserve. The Town exceeded this goal at the close of fiscal 2023. The Town also maintains a five-year budget forecast, which is also updated annually.

Strict adherence to the formal investment-management policy, which mirrors Commonwealth guidelines is an indicator of the comprehensive financial structure of the government. The Town maintains a formal debt-management policy that limits general fund debt service to 10%-12% of expenditures.

Awards and acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Harwich for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. I wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Select Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Harwich's finances.

Respectfully submitted,

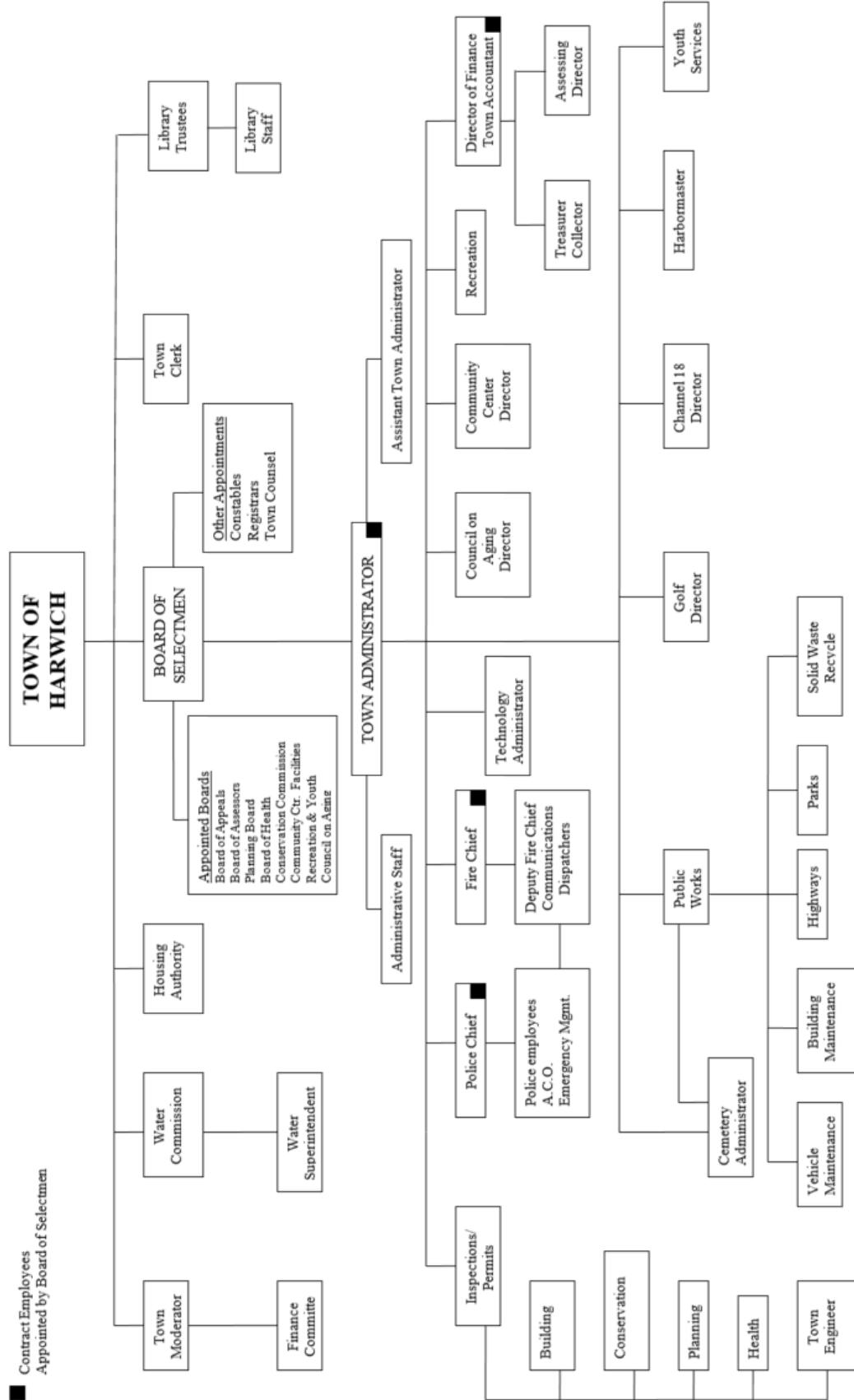
Kathleen Barrette

Kathleen Barrette
Finance Director

Town of Harwich, Massachusetts

Principal Executive Officers as of June 30, 2023

Elected Officials		Term Expires
Select Board	Michael D. MacAskill, Chair Mary E. Anderson, Vice Chair Donald F. Howell, Clerk Larry G. Ballantine, Member Julie E. Kavanagh, Member	2025 2024 2023 2023 2025
Town Clerk	Emily Mitchell	2025
Appointed Officials		
Board of Assessors	Richard Waystack, Chair Jay Kavanaugh Bruce Nightingale	2024 2025 2023
Town Administrator	Joseph F. Powers	
Finance Director/Town Accountant	Kathleen Barrette	
Fire Chief/Forest Warden	David LeBlanc	
Chief of Police	David Guillemette	
Town Counsel	KP Law, P.C.	



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Harwich
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell

Executive Director/CEO

Financial Section



Brooks Museum

Financial Section

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Independent Auditor's Report

To the Honorable Select Board
Town of Harwich, Massachusetts

Report of the Audit on the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2024, on our consideration of the Town of Harwich, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Harwich, Massachusetts' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Harwich, Massachusetts' internal control over financial reporting and compliance.

Powers & Sullivan LLC

April 19, 2024

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Harwich, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2023. The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis is part of these requirements.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Harwich'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 liabilities, and deferred inflows/outflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

The Town of Harwich adopts an annual appropriated budget for its general fund and community preservation fund. Budgetary comparison schedules have been provided as required supplementary information for the general fund and the community preservation fund to demonstrate budgetary compliance.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and wastewater operations, each of which are considered major funds of the Town.

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

The Town maintains two different types of fiduciary funds. The Other Postemployment Benefit Trust Fund is used to report resources held in trust for healthcare benefits for retirees and beneficiaries. The Private Purpose trust fund is used to report the Town's scholarship funds.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Harwich's government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$51.8 million at the end of 2023. The Town's total net position increased by \$5.6 million during 2023.

Comparative analysis of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses and transfers of the governmental and business-type activities are discussed herein.

Governmental Activities

The results of operations of the governmental activities are discussed in the following paragraphs and tables. Net position of \$65.3 million reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery, and equipment, infrastructure); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the governmental activities net position, \$9.6 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 \$35.4 million. The deficit is primarily the result of the recognition of net pension liability of \$35.0 million along with the net other postemployment benefits liability of \$35.5 million. These are long-term unfunded liabilities that will not require significant short-term resources.

The governmental activities net position increased by \$4.4 million during the current year. Key reasons for this increase include capital grants revenue totaling \$1.2 million, \$1.0 million raised for the stabilization funds, a \$508,000 increase in the community preservation fund, \$1.7 million of capital asset additions raised in the general fund, along with positive results in the general fund. This was offset with an increase in the net pension liability net of deferred inflows and outflows related to pension totaling \$945,000 and the net other postemployment benefits (OPEB) liability net of deferred inflows and outflows related to OPEB totaling \$449,000.

	2023	2022
Assets:		
Current assets.....	\$ 49,440,459	\$ 50,128,227
Noncurrent assets (excluding capital).....	89,200	99,900
Capital assets, nondepreciable.....	52,247,349	45,831,687
Capital assets, net of accumulated depreciation....	57,362,781	57,450,885
Total assets	159,139,789	153,510,699
 Deferred outflows of resources	9,910,826	8,320,936
 Liabilities:		
Current liabilities (excluding debt).....	5,194,421	3,098,635
Noncurrent liabilities (excluding debt).....	71,548,089	60,741,994
Current debt.....	9,243,646	24,167,777
Noncurrent debt.....	35,840,881	23,103,357
Total liabilities	121,827,037	111,111,763
 Deferred inflows of resources	7,760,608	15,645,549
 Net position:		
Net investment in capital assets.....	65,270,960	60,699,230
Restricted.....	9,627,672	9,634,920
Unrestricted.....	(35,435,662)	(35,259,827)
 Total net position	\$ 39,462,970	\$ 35,074,323

The Town's largest revenue source is real estate and personal property taxes, accounting for 68% of governmental revenue for the Town. The second largest category, charges for services, account for 18% of governmental revenue. This category includes, ambulance fees, permits, trash fees, dockage, and all golf related fees.

	2023	2022
Program Revenues:		
Charges for services.....	\$ 14,155,938	\$ 13,560,770
Operating grants and contributions.....	2,290,061	1,620,958
Capital grants and contributions.....	1,236,429	1,352,546
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	54,777,801	54,464,491
Motor vehicle and other excise taxes.....	2,600,066	2,695,151
Hotel/motel tax.....	1,839,277	1,675,737
Meals tax.....	648,055	571,745
Community preservation tax.....	1,655,961	1,592,278
Penalties and interest on taxes and excise.....	473,261	444,759
Payments in lieu of taxes.....	58,836	63,703
Grants and contributions not restricted to specific programs.....	656,189	692,728
Unrestricted investment income (loss).....	1,022,961	(3,751)
Total revenues.....	81,414,835	78,731,115
Expenses:		
General government.....	6,581,897	5,522,061
Public safety.....	17,536,330	15,419,239
Education.....	29,759,720	29,444,941
Public works.....	12,055,842	11,393,917
Human services.....	2,426,344	2,001,613
Culture and recreation.....	6,505,698	5,963,471
Community preservation.....	277,059	312,232
Interest.....	684,779	658,723
Total expenses.....	75,827,669	70,716,197
Excess (Deficiency) before transfers.....	5,587,166	8,014,918
Transfers.....	(1,198,519)	(518,122)
Change in net position.....	4,388,647	7,496,796
Net position, beginning of year.....	35,074,323	27,577,527
Net position, end of year.....	\$ 39,462,970	\$ 35,074,323

The increase in charges for services program revenue is mainly related to increased collections ambulance fees and golf course fees.

Operating grants increased due to COVID-19 grant funds recognized in the current year.

Approximately 39% of the Town's expenses relate to education. Education expenses represent the Town's assessments paid to the Monomoy Regional School District and the Cape Cod Regional Technical High School.

Business-type Activities

The results of operations for the business-type activities are discussed in the following paragraphs and tables.

For the Town's business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12.3 million at the close of 2023. Of this amount, \$10.0 million is net investment in capital assets, and the remaining balance of *unrestricted net position* is \$2.3 million. The unrestricted net position includes the recognition of net pension liability of \$2.3 million along with the net other postemployment benefits liability of \$2.3 million. These are long-term unfunded liabilities that will not require significant short-term resources.

	2023	2022
Assets:		
Current assets.....	\$ 7,364,970	\$ 5,158,194
Capital assets, nondepreciable.....	1,505,893	1,505,893
Capital assets, net of accumulated depreciation....	13,179,449	14,339,597
Total assets	22,050,312	21,003,684
 Deferred outflows of resources	710,934	641,590
 Liabilities:		
Current liabilities (excluding debt).....	501,719	163,385
Noncurrent liabilities (excluding debt).....	4,677,886	4,132,010
Current debt.....	411,727	409,851
Noncurrent debt.....	4,338,036	4,749,763
Total Liabilities	9,929,368	9,455,009
 Deferred inflows of resources	508,899	1,068,129
 Net position:		
Net investment in capital assets.....	9,996,760	10,758,670
Unrestricted.....	2,326,219	363,466
Total net position	\$ 12,322,979	\$ 11,122,136

There was an increase of \$439,000 in net position related to the Water Department's operations during the year. Operating revenues decreased slightly from the prior year while operating expenses increased approximately 3.8%.

There was a \$762,000 increase in the Wastewater Department's operations. This was mainly due to a transfer in from the general fund; offset with an increase in expenses. Fiscal year 2023 was the Wastewater Department's operations fifth year as a business-type activity. The long-term goal for the fund will be to fund the debt-service on wastewater infrastructure. The Town is continuing to budget this activity within the general fund.

	2023	2022
Program Revenues:		
Charges for services.....	\$ 5,388,486	\$ 5,080,973
General Revenues:		
Unrestricted investment income.....	304	1,085
Total revenues.....	5,388,790	5,082,058
Expenses:		
Water.....	4,908,069	5,102,475
Wastewater.....	478,397	232,162
Total expenses.....	5,386,466	5,334,637
Excess (Deficiency) before transfers.....	2,324	(252,579)
Transfers.....	1,198,519	518,122
Change in net position.....	1,200,843	265,543
Net position, beginning of year.....	11,122,136	10,856,593
Net position, end of year.....	\$ 12,322,979	\$ 11,122,136

Financial Analysis of the Government's Funds

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

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

As of the end of the current year, governmental funds reported combined ending fund balances of \$31.5 million, an increase of \$11.3 million from the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund totaled \$11.4 million, while total fund balance is \$22.3 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 16.1% of total general fund expenditures, while total fund balance represents 31.5% of that same amount.

The general fund increased by \$2.7 million in 2023. This was primarily the combined result of a budgetary surplus of \$1.9 million in the general fund, and an increase in the Town's stabilization funds of \$1.0 million. During fiscal year 2023, the Town established a wastewater stabilization fund and an affordable housing stabilization fund. Each receives a portion of the what the Town collects in room taxes. The establishment of these two stabilization funds caused an increase of \$920,000. The Town's three stabilization funds are reported within the general fund in the fund based financial statements in accordance with generally accepted accounting principles.

The Community Preservation Act fund had a fund balance at June 30, 2023, of \$7.1 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 Act's fund balance increased \$508,000 in 2023. This was the net result of \$1.6 million in taxes, \$715,000 in state grants and \$140,000 in investment income, offset by expenditures on community preservation projects and a transfer out for debt service payments.

The Town's highway improvements fund reported a year end balance of \$1,800. The fund received \$293,000 in state roadway grant funds and expended \$380,000 in the current year.

The Town capital fund reported a year end deficit fund balance of \$5.2 million, an increase of \$7.7 million from the prior year. Fiscal year 2023 expenditures totaling \$8.5 million and mainly related to road maintenance and wastewater construction. There were \$16.1 million of Massachusetts Clean Water Trust 0% financing loans issued during the current year. Additional projects have been temporarily funded with short term bond anticipation notes totaling \$5.9 million. The fund will be in a deficit until the Town permanently finances the projects.

The nonmajor governmental funds had a fund balance of \$7.3 million. This was a \$460,000 increase from the prior year. The nonmajor governmental funds had \$4.3 million in revenues, \$2.9 million in expenditures, and net transfers out totaling \$902,000.

General Fund Budgetary Highlights

The original general fund budget included \$72.8 million in estimated revenues and transfers in and \$75.2 million in expenditures and transfers out with the difference consisting of prior year encumbrances included in the current year original budget and the use of available funds to fund the current year budget. The \$1.1 million increase from the original budget to the final amended budget was appropriated from free cash.

General Fund revenues are approximately \$2.9 million more than budgeted. The largest areas of the surplus were in hotel/motel tax, investment income and departmental and other.

General fund expenditures and encumbrances were approximately \$1.9 million less than budgeted. Key components of this surplus include \$267,000 in police, \$205,000 in Town engineer, \$104,000 in highway, \$111,000 in golf and \$116,000 in group health insurance.

Capital Asset and Debt Administration

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming year. The Town's major governmental capital asset activity in 2023 includes the wastewater infrastructure project which increased construction in progress by \$5.5 million. The wastewater project is scheduled to be turned over to the wastewater commission, and the wastewater enterprise fund once the notice to connect is delivered to residents. Other increases include \$2.6 million in machinery and equipment, and \$2.7 million in infrastructure related to road improvements.

The water enterprise fund reported additions totaling \$551,000 for infrastructure.

Depreciation expense for governmental and business-type activities totaled \$5.9 million and \$1.7 million, respectively.

The Town of Harwich's governmental funds had total bonded debt outstanding of \$39.2 million at the end of the current year. Of this amount, \$3.7 million was for marina improvements; \$2.2 million was for the construction of a police station; \$1.4 million is for land acquisitions; \$20.9 million is for sewer projects; \$795,000 is related to golf

course improvements; \$4.8 million is related to the construction of a fire station; \$1.1 million is related to roadway improvements, \$1.7 million is related to the Saquatucket Harbormaster Building Boardwalk, \$741,000 relates to other capital related projects and \$1.8 million relates to unamortized premiums.

The water enterprise fund has \$4.7 million in water debt that is fully supported by the rates and does not rely on a general fund subsidy. For further discussion please refer to Note 4 for major capital activity and Notes 7 and 8 for debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Town of Harwich'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, 732 Main Street, Harwich, Massachusetts 02645.

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Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2023

<i>Primary Government</i>			
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 34,693,172	\$ 5,978,021	\$ 40,671,193
Investments.....	6,794,498	-	6,794,498
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,419,599	-	1,419,599
Tax liens.....	2,540,012	-	2,540,012
Community preservation fund surtax.....	40,422	-	40,422
Motor vehicle and other excise taxes.....	284,371	-	284,371
User fees.....	-	1,386,949	1,386,949
Departmental and other.....	666,972	-	666,972
Intergovernmental.....	2,208,004	-	2,208,004
Community preservation state share.....	395,017	-	395,017
Special assessments.....	23,771	-	23,771
Tax foreclosures.....	249,570	-	249,570
Inventory.....	107,834	-	107,834
Other assets.....	17,217	-	17,217
Total current assets.....	<u>49,440,459</u>	<u>7,364,970</u>	<u>56,805,429</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	89,200	-	89,200
Capital assets, nondepreciable.....	52,247,349	1,505,893	53,753,242
Capital assets, net of accumulated depreciation.....	<u>57,362,781</u>	<u>13,179,449</u>	<u>70,542,230</u>
Total noncurrent assets.....	<u>109,699,330</u>	<u>14,685,342</u>	<u>124,384,672</u>
TOTAL ASSETS	<u>159,139,789</u>	<u>22,050,312</u>	<u>181,190,101</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for refunding debt.....	2,208	61,181	63,389
Deferred outflows related to pensions.....	6,617,476	433,938	7,051,414
Deferred outflows related to other postemployment benefits.....	3,291,142	215,815	3,506,957
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>9,910,826</u>	<u>710,934</u>	<u>10,621,760</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	1,605,860	420,809	2,026,669
Accrued payroll.....	368,195	19,335	387,530
Accrued interest.....	79,014	36,866	115,880
Other liabilities.....	921,849	-	921,849
Unearned revenue.....	1,638,213	-	1,638,213
Landfill closure.....	18,500	-	18,500
Compensated absences.....	562,790	24,709	587,499
Notes payable.....	5,934,509	-	5,934,509
Long-term debt.....	3,309,137	411,727	3,720,864
Total current liabilities.....	<u>14,438,067</u>	<u>913,446</u>	<u>15,351,513</u>
NONCURRENT:			
Landfill closure.....	129,500	-	129,500
Compensated absences.....	852,845	50,566	903,411
Net pension liability.....	35,032,531	2,297,244	37,329,775
Net other postemployment benefits.....	35,533,213	2,330,076	37,863,289
Long-term debt.....	<u>35,840,881</u>	<u>4,338,036</u>	<u>40,178,917</u>
Total noncurrent liabilities.....	<u>107,388,970</u>	<u>9,015,922</u>	<u>116,404,892</u>
TOTAL LIABILITIES	<u>121,827,037</u>	<u>9,929,368</u>	<u>131,756,405</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	900,433	59,046	959,479
Deferred inflows related to other postemployment benefits.....	6,860,175	449,853	7,310,028
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,760,608</u>	<u>508,899</u>	<u>8,269,507</u>
NET POSITION			
Net investment in capital assets.....	65,270,960	9,996,760	75,267,720
Restricted for:			
Perpetual care and other permanent funds:			
Expendable.....	878,422	-	878,422
Nonexpendable.....	511,217	-	511,217
Gifts and grants.....	621,081	-	621,081
Community preservation.....	7,616,952	-	7,616,952
Unrestricted.....	<u>(35,435,662)</u>	<u>2,326,219</u>	<u>(33,109,443)</u>
TOTAL NET POSITION	<u>\$ 39,462,970</u>	<u>\$ 12,322,979</u>	<u>\$ 51,785,949</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government:						
<i>Governmental Activities:</i>						
General government.....	\$ 6,581,897	\$ 1,106,190	\$ 1,263,085	\$ -	\$ (4,212,622)	
Public safety.....	17,536,330	3,853,054	73,744	-	(13,609,532)	
Education.....	29,759,720	-	-	-	(29,759,720)	
Public works.....	12,055,842	4,152,067	565,732	686,702	(6,651,341)	
Human services.....	2,426,344	154,505	228,292	-	(2,043,547)	
Culture and recreation.....	6,505,698	4,890,122	159,208	-	(1,456,368)	
Community preservation.....	277,059	-	-	549,727	272,668	
Interest.....	684,779	-	-	-	(684,779)	
Total Governmental Activities.....	<u>75,827,669</u>	<u>14,155,938</u>	<u>2,290,061</u>	<u>1,236,429</u>	<u>(58,145,241)</u>	
<i>Business-Type Activities:</i>						
Water.....	4,908,069	5,342,995	-	-	434,926	
Wastewater.....	478,397	45,491	-	-	(432,906)	
Total Business-Type Activities.....	<u>5,386,466</u>	<u>5,388,486</u>	<u>-</u>	<u>-</u>	<u>2,020</u>	
Total Primary Government.....	<u>\$ 81,214,135</u>	<u>\$ 19,544,424</u>	<u>\$ 2,290,061</u>	<u>\$ 1,236,429</u>	<u>\$ (58,143,221)</u>	

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (58,145,241)	\$ 2,020	\$ (58,143,221)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	54,777,801	-	54,777,801
Motor vehicle and other excise taxes.....	2,600,066	-	2,600,066
Hotel/motel tax.....	1,839,277	-	1,839,277
Meals tax.....	648,055	-	648,055
Community preservation tax.....	1,655,961	-	1,655,961
Penalties and interest on taxes and excise.....	473,261	-	473,261
Payments in lieu of taxes.....	58,836	-	58,836
Grants and contributions not restricted to specific programs.....	656,189	-	656,189
Unrestricted investment income.....	1,022,961	304	1,023,265
<i>Transfers, net</i>	<u>(1,198,519)</u>	<u>1,198,519</u>	<u>-</u>
Total general revenues and transfers.....	<u>62,533,888</u>	<u>1,198,823</u>	<u>63,732,711</u>
Change in net position.....	4,388,647	1,200,843	5,589,490
<i>Net position:</i>			
Beginning of year.....	<u>35,074,323</u>	<u>11,122,136</u>	<u>46,196,459</u>
End of year.....	<u>\$ 39,462,970</u>	<u>\$ 12,322,979</u>	<u>\$ 51,785,949</u>

See notes to basic financial statements.

(Concluded)

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2023

	General	Community Preservation Act Fund	Highway Improvements	Town Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents.....	\$ 18,272,198	\$ 7,131,280	\$ -	\$ 1,004,922	\$ 8,284,772	\$ 34,693,172
Investments.....	5,463,043	-	-	-	1,331,455	6,794,498
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	1,419,599	-	-	-	-	1,419,599
Tax liens.....	2,488,481	51,531	-	-	-	2,540,012
Community preservation fund surtax.....	-	40,422	-	-	-	40,422
Motor vehicle and other excise taxes.....	284,371	-	-	-	-	284,371
Departmental and other.....	607,569	-	-	-	59,403	666,972
Intergovernmental.....	-	-	2,208,004	-	-	2,208,004
Community preservation state share.....	-	395,017	-	-	-	395,017
Special assessments.....	-	-	-	-	112,971	112,971
Tax foreclosures.....	249,570	-	-	-	-	249,570
Due from other funds.....	306,898	-	-	-	-	306,898
Inventory.....	-	-	-	-	107,834	107,834
Other assets.....	17,217	-	-	-	-	17,217
TOTAL ASSETS	\$ 29,108,946	\$ 7,618,250	\$ 2,208,004	\$ 1,004,922	\$ 9,896,435	\$ 49,836,557
LIABILITIES						
Warrants payable.....	\$ 1,137,723	\$ 1,298	\$ -	\$ 267,894	\$ 198,945	\$ 1,605,860
Accrued payroll.....	353,522	-	-	-	14,673	368,195
Due to other funds.....	-	-	287,559	-	19,339	306,898
Other liabilities.....	407,777	-	-	-	516,815	924,592
Unearned revenue.....	-	-	-	-	1,638,213	1,638,213
Notes payable.....	-	-	-	5,934,509	-	5,934,509
TOTAL LIABILITIES	1,899,022	1,298	287,559	6,202,403	2,387,985	10,778,267
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	4,943,292	486,970	1,918,659	-	172,623	7,521,544
FUND BALANCES						
Nonspendable.....	-	-	-	-	619,051	619,051
Restricted.....	-	7,129,982	1,786	-	6,736,115	13,867,883
Committed.....	3,181,786	-	-	-	-	3,181,786
Assigned.....	7,732,800	-	-	-	-	7,732,800
Unassigned.....	11,352,046	-	-	(5,197,481)	(19,339)	6,135,226
TOTAL FUND BALANCES	22,266,632	7,129,982	1,786	(5,197,481)	7,335,827	31,536,746
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 29,108,946	\$ 7,618,250	\$ 2,208,004	\$ 1,004,922	\$ 9,896,435	\$ 49,836,557

See notes to basic financial statements.

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

JUNE 30, 2023

Total governmental fund balances.....	\$ 31,536,746
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	109,610,130
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	7,524,287
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 reported.....	2,150,218
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(79,014)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Long-term debt.....	(39,150,018)
Net pension liability.....	(35,032,531)
Net other postemployment benefits.....	(35,533,213)
Landfill closure.....	(148,000)
Compensated absences.....	(1,415,635)
Net effect of reporting long-term liabilities.....	<u>(111,279,397)</u>
Net position of governmental activities.....	\$ <u>39,462,970</u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2023

	General	Community Preservation Act Fund	Highway Improvements	Town Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 54,145,389	\$ -	\$ -	\$ -	\$ 25,252	\$ 54,145,389
Motor vehicle and other excise taxes.....	2,571,509	-	-	-	-	2,596,761
Hotel/motel tax.....	1,839,277	-	-	-	-	1,839,277
Meals tax.....	648,055	-	-	-	-	648,055
Charges for services.....	2,054,621	-	-	-	770,064	2,824,685
Penalties and interest on taxes and excise.....	462,156	5,261	-	-	5,844	473,261
Fees and rentals.....	28,281	-	-	-	104,721	133,002
Recreation fees.....	4,028,926	-	-	-	-	4,028,926
Sanitation fees.....	3,747,946	-	-	-	-	3,747,946
Payments in lieu of taxes.....	58,836	-	-	-	-	58,836
Licenses and permits.....	885,554	-	-	-	-	885,554
Intergovernmental - state aid.....	779,022	-	-	-	-	779,022
Intergovernmental - other.....	-	-	292,518	-	1,033,956	1,326,474
Departmental and other.....	1,491,355	-	-	-	2,201,295	3,692,650
Community preservation taxes.....	-	1,639,192	-	-	-	1,639,192
Community preservation state match.....	-	715,313	-	-	-	715,313
Special assessments.....	-	-	-	-	67,159	67,159
Contributions and donations.....	-	-	-	-	41,038	41,038
Investment income.....	837,579	140,453	-	-	44,929	1,022,961
TOTAL REVENUES.....	73,578,506	2,500,219	292,518	-	4,294,258	80,665,501
EXPENDITURES:						
Current:						
General government.....	4,100,298	-	-	-	280,194	4,380,492
Public safety.....	10,511,320	-	-	1,464,870	948,694	12,924,884
Education.....	29,243,879	-	-	-	-	29,243,879
Public works.....	7,891,196	-	379,993	7,004,093	970,036	16,245,318
Human services.....	1,466,930	-	-	-	181,199	1,648,129
Culture and recreation.....	3,940,531	-	-	-	552,538	4,493,069
Community preservation.....	-	1,770,529	-	-	-	1,770,529
Pension benefits.....	3,264,009	-	-	-	-	3,264,009
Employee benefits.....	5,337,501	-	-	-	-	5,337,501
State and county charges.....	825,195	-	-	-	-	825,195
Debt service:						
Principal.....	3,046,121	-	-	-	-	3,046,121
Interest.....	1,038,547	-	-	-	-	1,038,547
TOTAL EXPENDITURES.....	70,665,527	1,770,529	379,993	8,468,963	2,932,661	84,217,673
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	2,912,979	729,690	(87,475)	(8,468,963)	1,361,597	(3,552,172)
OTHER FINANCING SOURCES (USES):						
Issuance of bonds.....	-	-	-	16,092,328	-	16,092,328
Transfers in.....	2,095,390	-	-	105,000	26,580	2,226,970
Transfers out.....	(2,275,618)	(221,525)	-	-	(928,346)	(3,425,489)
TOTAL OTHER FINANCING SOURCES (USES).....	(180,228)	(221,525)	-	16,197,328	(901,766)	14,893,809
NET CHANGE IN FUND BALANCES.....	2,732,751	508,165	(87,475)	7,728,365	459,831	11,341,637
FUND BALANCES AT BEGINNING OF YEAR.....	19,533,881	6,621,817	89,261	(12,925,846)	6,875,996	20,195,109
FUND BALANCES AT END OF YEAR.....	\$ 22,266,632	\$ 7,129,982	\$ 1,786	\$ (5,197,481)	\$ 7,335,827	\$ 31,536,746

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds.....	\$ 11,341,637
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay.....	12,251,229
Depreciation expense.....	<u>(5,923,671)</u>

Net effect of reporting capital assets.....	6,327,558
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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.....

749,334

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.

Issuance of bonds.....	(16,092,328)
Net amortization of premium from issuance of bonds.....	344,906
Net change in deferred charge on refunding.....	(7,728)
Debt service principal payments.....	<u>3,133,585</u>

Net effect of reporting long-term debt.....	(12,621,565)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in compensated absences accrual.....	(49,923)
Net change in accrued interest on long-term debt.....	16,590
Net change in deferred outflow/(inflow) of resources related to pensions.....	11,429,196
Net change in net pension liability.....	(12,374,054)
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	(1,985,145)
Net change in net other postemployment benefits liability.....	1,536,519
Net change in landfill closure.....	18,500

Net effect of recording long-term liabilities.....	<u>(1,408,317)</u>
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Change in net position of governmental activities.....	<u>\$ 4,388,647</u>
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See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2023

	Business-type Activities		
	Water	Wastewater	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 4,331,987	\$ 1,646,034	\$ 5,978,021
Receivables, net of allowance for uncollectibles:			
User fees.....	1,365,200	21,749	1,386,949
Total current assets.....	5,697,187	1,667,783	7,364,970
NONCURRENT:			
Capital assets, nondepreciable.....	1,505,893	-	1,505,893
Capital assets, net of accumulated depreciation.....	13,179,449	-	13,179,449
Total noncurrent assets.....	14,685,342	-	14,685,342
TOTAL ASSETS.....	20,382,529	1,667,783	22,050,312
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding.....	61,181	-	61,181
Deferred outflows related to pensions.....	433,938	-	433,938
Deferred outflows related to other postemployment benefits.....	215,815	-	215,815
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	710,934	-	710,934
LIABILITIES			
CURRENT:			
Warrants payable.....	155,518	265,291	420,809
Accrued payroll.....	16,271	3,064	19,335
Accrued interest.....	36,866	-	36,866
Compensated absences.....	24,709	-	24,709
Long-term debt.....	411,727	-	411,727
Total current liabilities.....	645,091	268,355	913,446
NONCURRENT:			
Compensated absences.....	50,566	-	50,566
Net pension liability.....	2,297,244	-	2,297,244
Net other postemployment benefits.....	2,330,076	-	2,330,076
Long-term debt.....	4,338,036	-	4,338,036
Total noncurrent liabilities.....	9,015,922	-	9,015,922
TOTAL LIABILITIES.....	9,661,013	268,355	9,929,368
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	59,046	-	59,046
Deferred inflows related to other postemployment benefits.....	449,853	-	449,853
TOTAL DEFERRED INFLOWS OF RESOURCES.....	508,899	-	508,899
NET POSITION			
Net investment in capital assets.....	9,996,760	-	9,996,760
Unrestricted.....	926,791	1,399,428	2,326,219
TOTAL NET POSITION.....	\$ 10,923,551	\$ 1,399,428	\$ 12,322,979

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	Business-type Activities		
	Water	Wastewater	Total
OPERATING REVENUES:			
Charges for services.....	\$ 5,342,995	\$ 45,491	\$ 5,388,486
OPERATING EXPENSES:			
Cost of services and administration.....	1,792,820	395,483	2,188,303
Salaries and wages.....	1,270,414	82,914	1,353,328
Depreciation.....	1,711,513	-	1,711,513
TOTAL OPERATING EXPENSES.....	4,774,747	478,397	5,253,144
OPERATING INCOME (LOSS).....	568,248	(432,906)	135,342
NONOPERATING REVENUES (EXPENSES):			
Investment income.....	160	144	304
Interest expense.....	(133,322)	-	(133,322)
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(133,162)	144	(133,018)
INCOME (LOSS) BEFORE TRANSFERS.....	435,086	(432,762)	2,324
TRANSFERS:			
Transfers in.....	10,000	2,157,018	2,167,018
Transfers out.....	(6,121)	(962,378)	(968,499)
TOTAL TRANSFERS.....	3,879	1,194,640	1,198,519
CHANGE IN NET POSITION.....	438,965	761,878	1,200,843
NET POSITION AT BEGINNING OF YEAR.....	10,484,586	637,550	11,122,136
NET POSITION AT END OF YEAR.....	\$ 10,923,551	\$ 1,399,428	\$ 12,322,979

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

	Business-type Activities		
	Water	Wastewater	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users.....	\$ 5,025,207	\$ 23,742	\$ 5,048,949
Payments to vendors.....	(1,812,862)	(178,833)	(1,991,695)
Payments to employees.....	(1,248,475)	(79,850)	(1,328,325)
NET CASH FROM OPERATING ACTIVITIES.....	<u>1,963,870</u>	<u>(234,941)</u>	<u>1,728,929</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in.....	10,000	2,157,018	2,167,018
Transfers out.....	(6,121)	(962,378)	(968,499)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	<u>3,879</u>	<u>1,194,640</u>	<u>1,198,519</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets.....	(526,140)	-	(526,140)
Principal payments on bonds and notes.....	(396,303)	-	(396,303)
Interest expense.....	(138,070)	-	(138,070)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(1,060,513)</u>	<u>-</u>	<u>(1,060,513)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income.....	160	144	304
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u>907,396</u>	<u>959,843</u>	<u>1,867,239</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>3,424,591</u>	<u>686,191</u>	<u>4,110,782</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 4,331,987</u>	<u>\$ 1,646,034</u>	<u>\$ 5,978,021</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:			
Operating income (loss).....	\$ 568,248	\$ (432,906)	\$ 135,342
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation.....	1,711,513	-	1,711,513
Deferred (outflows)/inflows related to pensions.....	(765,825)	-	(765,825)
Deferred (outflows)/inflows related to other postemployment benefits.....	125,638	-	125,638
Changes in assets and liabilities:			
User charges.....	(317,788)	(21,749)	(339,537)
Warrants payable.....	80,560	216,650	297,210
Accrued payroll.....	16,271	3,064	19,335
Compensated absences.....	5,668	-	5,668
Net pension liability.....	746,522	-	746,522
Net other postemployment benefits.....	(206,937)	-	(206,937)
Total adjustments.....	<u>1,395,622</u>	<u>197,965</u>	<u>1,593,587</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 1,963,870</u>	<u>\$ (234,941)</u>	<u>\$ 1,728,929</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Change in the deferred loss on debt refunding.....	\$ (11,613)	-	\$ (11,613)
Acquisition of capital assets on account.....	25,225	-	25,225

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ 393,144	\$ 560,953
Investments:		
U.S. treasury notes.....	694,750	11,801
Government sponsored enterprises.....	162,345	5,660
Corporate bonds.....	550,372	8,758
Equity securities.....	2,688,071	42,207
Fixed income mutual funds.....	745,326	7,420
TOTAL ASSETS.....	<u>5,234,008</u>	<u>636,799</u>
NET POSITION		
Restricted for other postemployment benefits.....	5,234,008	-
Held in trust for other purposes.....	-	<u>636,799</u>
TOTAL NET POSITION.....	<u>\$ 5,234,008</u>	<u>\$ 636,799</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2023

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 300,000	\$ -
Employer contributions for other postemployment benefit payments.....	<u>2,311,484</u>	<u>-</u>
Total contributions.....	<u>2,611,484</u>	<u>-</u>
Net investment income:		
Investment income (loss).....	390,211	39,925
Less: investment expense.....	<u>(14,848)</u>	<u>-</u>
Net investment income (loss).....	<u>375,363</u>	<u>39,925</u>
TOTAL ADDITIONS.....	<u>2,986,847</u>	<u>39,925</u>
DEDUCTIONS:		
Other postemployment benefit payments.....	2,311,484	-
Educational scholarships.....	<u>-</u>	<u>10,000</u>
TOTAL DEDUCTIONS.....	<u>2,311,484</u>	<u>10,000</u>
NET INCREASE (DECREASE) IN NET POSITION.....	675,363	29,925
NET POSITION AT BEGINNING OF YEAR.....	<u>4,558,645</u>	<u>606,874</u>
NET POSITION AT END OF YEAR.....	<u>\$ 5,234,008</u>	<u>\$ 636,799</u>

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (Primary Government) and its component units. The Town did not identify any component units requiring inclusion in the basic financial statements.

Joint Ventures

The Town has entered into joint ventures with other municipalities to pool resources and share the costs, risk, and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specified recipients. The Town has no equity interest in the joint ventures. The following identifies where the joint venture financial statements are available, their purpose, and the annual assessments paid by the Town during 2023.

Joint venture and address	Purpose	FY 2023 payments	
Monomoy Regional School District 425 Crowell Road Chatham, MA 02633	To provide education for grades K-12 for the Towns of Harwich and Chatham	\$	27,301,458
Cape Cod Regional Technical High School 351 Pleasant Lake Avenue Harwich, MA 02645	To provide secondary vocational education for member Towns	\$	1,895,921
Cape Cod Commission 3225 Main Street P.O. Box 226 Barnstable, MA 02630	Regional land use planning agency	\$	260,304
Cape Cod Regional Transit Authority 585 Main Street Dennis, MA 02638	To provide public transportation	\$	113,451
Town Department of Veteran Services PO Box 429 Hyannis, MA 02601	To provide veterans' services	\$	45,018
Pleasant Bay Resource Management Alliance P.O. Box 1584 Harwich, MA 02645	To protect the vast natural resources of the bay	\$	25,232

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

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

Government-Wide Financial Statements

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

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

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

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

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

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

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

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

The *highway improvements fund* is a special revenue fund used to account for costs incurred with the construction and reconstruction of Town owned roadways. Costs charged to the fund are subject to reimbursement by the Commonwealth of Massachusetts.

The *Town capital fund* is a capital project fund used to account for the construction, reconstruction and improvements of roadways, the wastewater management system, and other capital related 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 expenditures for specified purposes other than permanent funds or capital projects.

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

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

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

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

The *water enterprise fund* has been reported as a major proprietary fund and is used to account for the Town's water activities.

The *wastewater enterprise fund* has been reported as a major proprietary fund and is used to account for the Town's wastewater activities.

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

The following fiduciary fund types are reported:

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

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

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

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

E. Fair Value Measurements

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

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

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

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

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

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

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

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

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

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

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

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

Motor Vehicle and Other Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value. Boat excise taxes are assessed annually for each boat registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of boats registered and the fair value of those boats. The tax calculation is the fair value of the boat multiplied by \$10 per \$1,000 of value.

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

User Fees

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

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

Departmental and Other

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

Special Assessments

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

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

Intergovernmental

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

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

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

The Town reports inventories in the nonmajor governmental funds relating to items held for resale at the Town's golf course. Other Town inventories are recorded as expenditures at the time of purchase since they are not material in total to the government-wide and fund financial statements. Inventories are valued at the lower of cost or market (first-in first-out).

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

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

All purchases and construction costs in excess of \$25,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year. All major general infrastructure assets acquired or significantly reconstructed in years ending after June 30, 1980, have been recorded at estimated historical cost.

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

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

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources*Government-Wide Financial Statements (Net Position)*

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has reported taxes paid in advance, deferred inflows of resources related to pensions, and deferred inflows of resources related to other postemployment benefits in this category.

Governmental Fund Financial Statements

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

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. Unearned and Unavailable Revenue

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

Fund Financial Statements

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

M. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position reported as "net investment in capital assets" includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state's school building program is not considered to be capital related debt.

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

Net position has been "restricted for" the following:

"Perpetual care and other permanent funds - expendable" represents the amount of realized and unrealized investment earnings of donor restricted trusts. The restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings.

"Perpetual care and other permanent funds - nonexpendable" represents the endowment portion of donor restricted trusts.

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

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

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

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

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

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

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

O. Long-term Debt*Government-Wide and Proprietary Fund Financial Statements*

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

Governmental Fund Financial Statements

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

P. Investment Income

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

Q. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

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

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

S. Individual Fund Deficits

Individual fund deficits exist within the Town capital fund and the Saquatucket Harbor capital project fund. These deficits will be funded through available funds and bond proceeds in future years.

T. Total Column*Government-Wide Financial Statements*

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth. The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk – Deposits

In the case of deposits, the custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be recovered. At year-end, the carrying amount of deposits totaled \$40,933,888 and the bank balance totaled \$40,883,688. Of the bank balance, \$1,750,000 was covered by Federal Depository Insurance, \$31,118,144 was covered by Depositors Insurance Fund, and \$8,015,544 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town's investment policy limits its custodial credit risk by 1) pre-qualifying banks, 2) diversifying its investments across several banks and 3) collateralizing deposits where practical.

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 securities that are in the possession of an outside party. The Town's investments of \$4,721,600 in debt securities and \$5,160,700 in equity securities are exposed to custodial credit risk as the securities are uninsured. The shares of open-end mutual funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The Town's investment policy allows for unlimited investments in United States Treasury Investments and United States Government obligations. Other investments are allowed with a high concentration of securities rated A or better.

The Town's investment policy requires the review of each financial institution's financial statements and the background of the sales representatives to limit the Town's exposure to only those institutions with proven financial strength. Further, all securities not held directly by the Town must be held in the Town's name and tax identification number by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

Investments

As of June 30, 2023, the Town had the following investments:

<u>Investment Type</u>	<u>Fair value</u>	<u>Under 1 Year</u>	<u>Maturities</u>	
			<u>1-5 Years</u>	<u>6-10 Years</u>
Debt securities:				
U.S. treasury notes.....	\$ 2,362,048	\$ 326,948	\$ 1,428,418	\$ 606,682
Government sponsored enterprises.....	914,799	99,488	575,433	239,878
Corporate bonds.....	1,444,753	198,112	1,055,170	191,471
Total debt securities.....	4,721,600	\$ 624,548	\$ 3,059,021	\$ 1,038,031
Other investments:				
Equity securities.....	5,160,700			
Fixed income mutual funds.....	1,828,908			
Money market mutual funds.....	691,402			
Total investments.....	\$ 12,402,610			

Interest Rate Risk

The Town's investment policy limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates and to match investment maturities with anticipated cash flow requirements.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. At June 30, 2023, the Town's investments were rated as follows:

<u>Quality Rating</u>	<u>Government Sponsored Enterprises</u>	<u>Corporate Bonds</u>
AAA.....	\$ -	\$ 23,462
AA.....	-	49,045
AA+.....	914,799	48,013
AA-.....	-	300,243
A+.....	-	97,955
A.....	-	182,423
A-.....	-	309,982
BBB+.....	-	252,561
BBB.....	-	181,069
Total.....	\$ 914,799	\$ 1,444,753

Additionally, the Town has \$691,402 in money market mutual funds, all of which are unrated.

The Town's investment policy allows for unlimited investments in U.S. Treasury Notes and United States Government Agency obligations. Other investments should include investment grade securities with a high concentration in securities rates A or better.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town places no limit on the amount the government may invest in any one issuer. As of June 30, 2023, the Town had no investments with a single issuer that represented 5 percent or more of the Town's total investments.

Fair Value of Investments

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

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town has the following recurring fair value measurements as of June 30, 2023:

Investment Type	June 30, 2023	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
		(Level 1)	(Level 2)	(Level 3)	
Investments measured at fair value:					
<u>Debt securities:</u>					
U.S. treasury notes.....	\$ 2,362,048	\$ 2,362,048	\$ -	\$ -	
Government sponsored enterprises.....	914,799	914,799	-	-	
Corporate bonds.....	1,444,753	-	1,444,753	-	
Total debt securities.....	4,721,600	3,276,847	1,444,753	-	
<u>Other investments:</u>					
Equity securities.....	5,160,700	5,160,700	-	-	
Fixed income mutual funds.....	1,828,908	1,828,908	-	-	
Money market mutual funds.....	691,402	691,402	-	-	
Total other investments.....	7,681,010	7,681,010	-	-	
Total investments.....	\$ 12,402,610	\$ 10,957,857	\$ 1,444,753	\$ -	

U.S. treasury notes, government sponsored enterprises, equity securities, mutual funds, equity mutual funds, fixed income mutual funds, and money market mutual funds, classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair

value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified in Level 3 are valued using significant unobservable inputs. The Town does not have any investments in this category.

NOTE 3 – RECEIVABLES

At June 30, 2023, receivables for the individual major and nonmajor governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real estate and personal property taxes.....	\$ 1,419,599	\$ -	\$ 1,419,599
Tax liens.....	2,540,012	-	2,540,012
Community preservation fund surtax.....	40,422	-	40,422
Motor vehicle and other excise taxes.....	359,582	(75,211)	284,371
Departmental and other.....	984,735	(317,763)	666,972
Intergovernmental.....	2,208,004	-	2,208,004
Community preservation state share.....	395,017	-	395,017
Special assessments.....	112,971	-	112,971
 Total.....	 \$ 8,060,342	 \$ (392,974)	 \$ 7,667,368

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Water user fees.....	\$ 1,365,200	\$ -	\$ 1,365,200
Sewer user fees.....	21,749	-	21,749
 Total.....	 \$ 1,386,949	 \$ -	 \$ 1,386,949

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
Receivables and other asset types:			
Real estate and personal property taxes.....	\$ 1,313,550	\$ -	\$ 1,313,550
Tax liens.....	2,488,481	51,531	2,540,012
Community preservation fund surtax.....	-	40,422	40,422
Motor vehicle and other excise taxes.....	284,371	-	284,371
Departmental and other.....	607,320	59,652	666,972
Community preservation state share.....	-	395,017	395,017
Intergovernmental.....	-	1,918,659	1,918,659
Special assessments.....	-	112,971	112,971
Tax foreclosures.....	249,570	-	249,570
 Total.....	 \$ 4,943,292	 \$ 2,578,252	 \$ 7,521,544

NOTE 4 – CAPITAL ASSETS

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

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 24,406,768	\$ 950,000	\$ -	\$ 25,356,768
Construction in progress.....	<u>21,424,919</u>	<u>5,465,662</u>	<u>-</u>	<u>26,890,581</u>
Total capital assets not being depreciated....	<u>45,831,687</u>	<u>6,415,662</u>	<u>-</u>	<u>52,247,349</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	68,969,761	296,828	-	69,266,589
Improvements.....	16,456,740	222,553	-	16,679,293
Machinery and equipment.....	17,101,846	2,568,327	(590,000)	19,080,173
Infrastructure.....	<u>95,827,537</u>	<u>2,747,859</u>	<u>-</u>	<u>98,575,396</u>
Total capital assets being depreciated.....	<u>198,355,884</u>	<u>5,835,567</u>	<u>(590,000)</u>	<u>203,601,451</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(44,879,519)	(1,681,179)	-	(46,560,698)
Improvements.....	(7,480,199)	(466,503)	-	(7,946,702)
Machinery and equipment.....	(11,295,657)	(1,278,245)	590,000	(11,983,902)
Infrastructure.....	<u>(77,249,624)</u>	<u>(2,497,744)</u>	<u>-</u>	<u>(79,747,368)</u>
Total accumulated depreciation.....	<u>(140,904,999)</u>	<u>(5,923,671)</u>	<u>590,000</u>	<u>(146,238,670)</u>
Total capital assets being depreciated, net.....	<u>57,450,885</u>	<u>(88,104)</u>	<u>-</u>	<u>57,362,781</u>
Total governmental activities capital assets, net..... \$	<u>103,282,572</u>	<u>\$ 6,327,558</u>	<u>\$ -</u>	<u>\$ 109,610,130</u>

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Water:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 1,505,893	\$ -	\$ -	\$ 1,505,893
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	6,417,657	-	-	6,417,657
Machinery and equipment.....	3,170,355	-	-	3,170,355
Infrastructure.....	38,980,330	551,365	-	39,531,695
Total capital assets being depreciated.....	48,568,342	551,365	-	49,119,707
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(1,614,759)	(161,090)	-	(1,775,849)
Machinery and equipment.....	(2,245,198)	(188,191)	-	(2,433,389)
Infrastructure.....	(30,368,788)	(1,362,232)	-	(31,731,020)
Total accumulated depreciation.....	<u>(34,228,745)</u>	<u>(1,711,513)</u>	-	<u>(35,940,258)</u>
Total capital assets being depreciated, net.....	<u>14,339,597</u>	<u>(1,160,148)</u>	-	<u>13,179,449</u>
Total water enterprise capital assets, net.....	<u>\$ 15,845,490</u>	<u>\$ (1,160,148)</u>	-	<u>\$ 14,685,342</u>

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

Governmental Activities:

General government.....	\$ 346,034
Public safety.....	1,296,297
Education.....	515,841
Public works.....	2,596,415
Human services.....	195,555
Culture and recreation.....	773,707
Community preservation.....	199,822
Total depreciation expense - governmental activities.....	<u>\$ 5,923,671</u>

Business-Type Activities:

Water.....	<u>\$ 1,711,513</u>
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NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2023, the Town had an interfund receivable/payable between the general fund and the Saquatucket harbor nonmajor capital projects fund totaling \$19,339 and between the general fund and the highway improvements major governmental fund totaling \$287,559. The purpose of this balance is to cover short-term cash needs that will be funded by available funds.

Interfund transfers for the year ended June 30, 2023, are summarized as follows:

Transfers Out:	Transfers In:					Total
	General fund	Town capital fund	Nonmajor governmental funds	Water enterprise fund	Wastewater enterprise fund	
General fund.....	\$ -	\$ 105,000	\$ 3,600	\$ 10,000	\$ 2,157,018	\$ 2,275,618 (1)
Community preservation act fund..	221,525	-	-	-	-	221,525 (2)
Nonmajor governmental funds.....	905,366	-	22,980	-	-	928,346 (3)
Water enterprise fund.....	6,121	-	-	-	-	6,121 (4)
Wastewater enterprise fund.....	962,378	-	-	-	-	962,378 (4)
Total.....	\$ 2,095,390	\$ 105,000	\$ 26,580	\$ 10,000	\$ 2,157,018	\$ 4,393,988

- (1) Represents budgeted transfers from the general fund to the Town capital fund; to nonmajor governmental funds to fund special revenue programs; and to the water and the wastewater enterprise funds.
- (2) Represents a transfer to the general fund for debt service payments funded with community preservation act funds.
- (3) Represents transfers from the nonmajor governmental funds to the general fund to fund the budget, mainly from receipts reserved for appropriation funds for golf, PEG access, and betterments. Also represents a transfer from the nonmajor cemetery trust governmental fund to the nonmajor local gifts and grants governmental fund.
- (4) Represents transfers to the general fund for debt service payments from the water and wastewater enterprise funds.

NOTE 6 – LANDFILL

State and Federal laws and regulations require the Town to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site for thirty years thereafter. The landfill has stopped accepting solid waste and pursuant to a Massachusetts Department of Environmental Protection consent order, the Town has placed a final cover on its landfill. Based upon experience, the Town estimates annual monitoring costs are \$18,500 per year, which is included within the annual appropriations. As of June 30, 2023, \$148,000 has been reported on the Town's statement of net position as an estimated remaining liability for post-closure monitoring costs of the landfill. Actual costs may change due to changes in regulations, technology, and inflation.

NOTE 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.

Details related to the short-term debt activity for the year ended June 30, 2023, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2022	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2023
Governmental Funds:							
BAN	MCWT Interim Loan.....	0.00%	12/31/24	\$ 20,734,953	\$ 1,291,884	\$ (16,092,328)	\$ 5,934,509 *

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

NOTE 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 general obligation indebtedness at June 30, 2023, and the debt service requirements are as follows:

Long-term Debt Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
General Obligation Bonds Payable:				
Municipal Purpose Refunding Loan of 2012.....	2024	\$ 2,265,000	2.00-3.00	\$ 165,000
Municipal Purpose Loan of 2018.....	2038	12,525,000	3.00-5.00	8,175,000
Municipal Purpose Loan of 2019.....	2039	9,105,000	3.00-5.00	5,965,000
Municipal Purpose Refunding Loan of 2019.....	2029	3,815,000	4.00	2,210,000
Municipal Purpose Loan of 2022.....	2042	5,135,000	4.00-5.00	4,590,000
Subtotal Governmental General Obligation Bonds Payable.....				<u>21,105,000</u>
Direct Borrowings Payable:				
Massachusetts Clean Water Trust 2004.....	2024	121,316	2.00	6,121
Massachusetts Clean Water Trust 2022.....	2053	16,092,328	0.00	<u>16,092,328</u>
Subtotal Governmental Direct Borrowings Payable.....				<u>16,098,449</u>
Capital Financing Payable:				
Golf Course Maintenance Equipment.....	2025	444,881	1.70	<u>179,414</u>
Total Governmental Long-term Debt.....				<u>37,382,863</u>
Add: Unamortized premium on bonds.....				<u>1,767,155</u>
Total Governmental Long-term Debt, net.....				<u>\$ 39,150,018</u>

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

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2024.....	\$ 2,390,000	\$ 912,878	\$ 3,302,878
2025.....	1,895,000	803,972	2,698,972
2026.....	1,890,000	713,177	2,603,177
2027.....	1,825,000	622,621	2,447,621
2028.....	1,690,000	535,328	2,225,328
2029.....	1,520,000	454,721	1,974,721
2030.....	1,280,000	381,078	1,661,078
2031.....	1,275,000	320,822	1,595,822
2032.....	1,260,000	267,528	1,527,528
2033.....	870,000	214,823	1,084,823
2034.....	860,000	178,328	1,038,328
2035.....	850,000	148,252	998,252
2036.....	850,000	120,176	970,176
2037.....	850,000	92,097	942,097
2038.....	790,000	63,586	853,586
2039.....	500,000	37,100	537,100
2040.....	170,000	20,400	190,400
2041.....	170,000	13,600	183,600
2042.....	170,000	6,800	176,800
Total.....	\$ 21,105,000	\$ 5,907,287	\$ 27,012,287

Year	Direct Borrowings Payable		
	Principal	Interest	Total
2024.....	\$ 530,947	\$ 153	\$ 531,100
2025.....	525,614	-	525,614
2026.....	526,403	-	526,403
2027.....	527,193	-	527,193
2028.....	527,984	-	527,984
2029.....	528,777	-	528,777
2030.....	529,571	-	529,571
2031.....	530,365	-	530,365
2032.....	531,162	-	531,162
2033.....	531,959	-	531,959
2034.....	532,757	-	532,757
2035.....	533,557	-	533,557
2036.....	534,358	-	534,358
2037.....	535,160	-	535,160
2038.....	535,964	-	535,964
2039 to 2053...	8,136,678	-	8,136,678
Total.....	\$ 16,098,449	\$ 153	\$ 16,098,602

Year	Capital Financing Payable		
	Principal	Interest	Total
2024.....	\$ 88,951	\$ 3,050	\$ 92,001
2025.....	90,463	1,538	92,001
Total.....	\$ 179,414	\$ 4,588	\$ 184,002

Long-term Debt Schedule – Water and Wastewater Enterprise Fund

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

Project	Maturities Through	Original Loan Amount	Interest (%)	Outstanding at June 30, 2023
General Obligation Bonds Payable:				
Municipal Purpose Loan of 2010.....	2030	\$ 1,592,000	2.75-4.00	\$ 525,000
Municipal Purpose Loan of 2011.....	2037	4,800,000	3.00-4.00	1,820,000
Municipal Purpose Refunding Loan of 2012....	2034	1,920,000	3.00-2.75	<u>1,025,000</u>
Subtotal Water Enterprise General Obligation Bonds Payable.....				<u>3,370,000</u>
Direct Borrowings Payable:				
Massachusetts Clean Water Trust 2016.....	2036	1,875,541	2.00	<u>1,308,392</u>
Total Water Enterprise Long-term Debt.....				<u>4,678,392</u>
Add: Unamortized premium on bonds.....				<u>71,371</u>
Total Water Enterprise Long-term Debt, net.....				<u>\$ 4,749,763</u>

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

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2024.....	\$ 310,000	\$ 101,773	\$ 411,773
2025.....	305,000	93,496	398,496
2026.....	305,000	84,883	389,883
2027.....	300,000	75,977	375,977
2028.....	300,000	66,940	366,940
2029.....	300,000	57,563	357,563
2030.....	295,000	47,909	342,909
2031.....	220,000	38,224	258,224
2032.....	215,000	31,389	246,389
2033.....	215,000	24,502	239,502
2034.....	215,000	17,549	232,549
2035.....	130,000	11,700	141,700
2036.....	130,000	7,020	137,020
2037.....	130,000	2,340	132,340
Total.....	<u>\$ 3,370,000</u>	<u>\$ 661,265</u>	<u>\$ 4,031,265</u>

Year	Direct Borrowings Payable		
Year	Principal	Interest	Total
2024.....	\$ 88,179	\$ 26,168	\$ 114,347
2025.....	90,095	24,404	114,499
2026.....	92,053	22,602	114,655
2027.....	94,054	20,762	114,816
2028.....	96,098	18,880	114,978
2029.....	98,187	16,958	115,145
2030.....	100,321	14,994	115,315
2031.....	102,501	12,988	115,489
2032.....	104,728	10,938	115,666
2033.....	107,005	8,844	115,849
2034.....	109,330	6,704	116,034
2035.....	111,706	4,516	116,222
2036.....	114,135	2,282	116,417
Total.....	\$ 1,308,392	\$ 191,040	\$ 1,499,432

The Town is a member of the Massachusetts Clean Water Trust (MCWT) which offers its members interest free loans for various purposes. Part of the Town's Water and Wastewater Fund debt is issued through this program. The interest imputed on the remaining life of the 0% MCWT bonds totaled approximately \$4,900,000. However, the cost on a yearly basis is deemed immaterial. No adjustments have been made to recognize the imputed interest.

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

Purpose	Amount
Saquatucket Municipal Marina Improvements.....	\$ 742,400
Sewer Interconnection and Planning.....	3,285,000
Sewer - Cold Brook.....	1,902,600
Pleasant Bay Watershed Section Sewer and Chatham Interconnector System Construction.....	159,533
West Harwich Route 28 Sewer.....	6,500,000
West Harwich Route 28 Water.....	17,500,000
East Harwich Wastewater.....	50,000,000
Fire Station.....	<u>100,000</u>
Total.....	<u>\$ 80,189,533</u>

Changes in Long-term Liabilities

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

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term general obligation bonds payable..	\$ 24,145,000	\$ -	\$ (3,040,000)	\$ -	\$ 21,105,000	\$ 2,390,000	
Long-term direct borrowings payable.....	12,242	16,092,328	(6,121)	-	-	16,098,449	530,947
Long-term capital financing payable.....	266,878	-	(87,464)	-	-	179,414	88,951
Add: Unamortized premium on bonds.....	2,112,061	-	(344,906)	-	-	1,767,155	299,239
Total long-term debt.....	<u>26,536,181</u>	<u>16,092,328</u>	<u>(3,478,491)</u>	<u>-</u>	<u>-</u>	<u>39,150,018</u>	<u>3,309,137</u>
Landfill closure.....	166,500	-	-	(18,500)	148,000	18,500	
Compensated absences.....	1,365,712	-	-	549,850	(499,927)	1,415,635	562,790
Net pension liability.....	22,658,477	-	-	15,663,261	(3,289,207)	35,032,531	-
Net other postemployment benefits.....	37,069,732	-	-	6,658,465	(8,194,984)	35,533,213	-
 Total governmental activity long-term liabilities.....	<u>\$ 87,796,602</u>	<u>\$ 16,092,328</u>	<u>\$ (3,478,491)</u>	<u>\$ 22,871,576</u>	<u>\$ (12,002,618)</u>	<u>\$ 111,279,397</u>	<u>\$ 3,890,427</u>
Business-Type Activities:							
Long-term general obligation bonds payable..	\$ 3,680,000	\$ -	\$ (310,000)	\$ -	\$ 3,370,000	\$ 310,000	
Long-term direct borrowings payable.....	1,394,695	-	(86,303)	-	-	1,308,392	88,179
Add: Unamortized premium on bonds.....	84,919	-	(13,548)	-	-	71,371	13,548
Total long-term debt.....	<u>5,159,614</u>	<u>-</u>	<u>(409,851)</u>	<u>-</u>	<u>-</u>	<u>4,749,763</u>	<u>411,727</u>
Compensated absences.....	69,607	-	-	31,000	(25,332)	75,275	24,709
Net pension liability.....	1,550,722	-	-	962,210	(215,688)	2,297,244	-
Net other postemployment benefits.....	2,537,013	-	-	325,396	(532,333)	2,330,076	-
 Total business-type activity long-term liabilities.....	<u>\$ 9,316,956</u>	<u>\$ -</u>	<u>\$ (409,851)</u>	<u>\$ 1,318,606</u>	<u>\$ (773,353)</u>	<u>\$ 9,452,358</u>	<u>\$ 436,436</u>

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

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

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

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

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the Town from its highest level of decision-making authority.
- Assigned: fund balances that contain self-imposed constraints of the Town 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, 2023, the governmental fund balances consisted of the following:

	General	Community Preservation Act Fund	Highway Improvements	Town Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:						
Trust fund principal.....	\$ -	\$ -	\$ -	\$ -	\$ 511,217	\$ 511,217
Inventory.....	-	-	-	-	107,834	107,834
Restricted for:						
Community Preservation Act Fund.....	-	7,129,982	-	-	-	7,129,982
Highway improvements.....	-	-	1,786	-	-	1,786
Federal grants.....	-	-	-	-	12,683	12,683
State grants.....	-	-	-	-	355,151	355,151
Local gifts and grants.....	-	-	-	-	253,247	253,247
Revolving.....	-	-	-	-	1,536,281	1,536,281
Receipts reserved for appropriation.....	-	-	-	-	2,711,476	2,711,476
Other special revenue.....	-	-	-	-	413,258	413,258
Special revenue trust.....	-	-	-	-	575,597	575,597
Library trust.....	-	-	-	-	863,525	863,525
Cemetery trust.....	-	-	-	-	11,260	11,260
Other trust.....	-	-	-	-	3,637	3,637
Committed to:						
Articles and continuing appropriations:						
Selectmen.....	941,646	-	-	-	-	941,646
Town accountant.....	21	-	-	-	-	21
Administration.....	110,000	-	-	-	-	110,000
IT Channel 18.....	373,278	-	-	-	-	373,278
Town planner.....	200,000	-	-	-	-	200,000
Police.....	169,594	-	-	-	-	169,594
Fire.....	161,812	-	-	-	-	161,812
Town Engineer.....	163,884	-	-	-	-	163,884
Highway department.....	608,033	-	-	-	-	608,033
Cemetery administration.....	19,093	-	-	-	-	19,093
Library.....	126,417	-	-	-	-	126,417
Recreation and youth.....	37,450	-	-	-	-	37,450
Harbormaster.....	235,558	-	-	-	-	235,558
Golf.....	35,000	-	-	-	-	35,000
Assigned to:						
Town accountant.....	15,957	-	-	-	-	15,957
Assessor.....	8,250	-	-	-	-	8,250
Treasurer.....	35,001	-	-	-	-	35,001
Administration.....	25,422	-	-	-	-	25,422
Information technology.....	3,728	-	-	-	-	3,728
IT Channel 18.....	250	-	-	-	-	250
Town clerk.....	135	-	-	-	-	135
Police.....	59	-	-	-	-	59
Fire.....	69	-	-	-	-	69
Highway department.....	12,649	-	-	-	-	12,649
Council on aging.....	1,266	-	-	-	-	1,266
Veterans.....	1,000	-	-	-	-	1,000
Library.....	1,345	-	-	-	-	1,345
Harbormaster.....	153	-	-	-	-	153
Golf.....	418	-	-	-	-	418
General insurance.....	481	-	-	-	-	481
Free cash used for subsequent year budget.....	7,626,617	-	-	-	-	7,626,617
Unassigned.....	11,352,046	-	-	(5,197,481)	(19,339)	6,135,226
Total Fund Balances.....	\$ 22,266,632	\$ 7,129,982	\$ 1,786	\$ (5,197,481)	\$ 7,335,827	\$ 31,536,746

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

In accordance with Massachusetts General Law the Town has established a general stabilization fund. At year end, the balance of the Town's stabilization fund was \$5,458,124, and was reported as unassigned fund balance within the general fund.

During 2023, the Town established an affordable housing trust stabilization fund. At year end, the balance was \$464,259, and was reported as unassigned fund balance within the general fund.

During 2023, the Town established a wastewater stabilization fund. At year end, the balance was \$464,259, and was reported as unassigned fund balance within the general fund.

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

NOTE 10 – COMMUNITY PRESERVATION FUNDS

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

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

As of June 30, 2023, the CPA fund has a balance of \$7,129,982 and is reported as a major fund in the governmental funds financial statements.

NOTE 11 – RISK FINANCING

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

The Town provides health insurance through the Cape Cod Municipal Health Group (Group), a nonprofit shared risk health group comprised of 51 governmental units. The Town and its employees contribute to the Group based upon a 75% (Town) and 25% (employee) primary care premium formula. In the event the Group is terminated, the Town is obligated to pay its prorate share of a deficit, should one exist.

The Town carries commercial insurance for worker's compensation claims as well as public safety personnel "injured on duty" insurance in excess of \$40,000 per claim. The Town's share of unpaid liabilities as of June 30, 2023, is immaterial to the financial statements and therefore is not reported.

The Town is self-insured for unemployment claims which are funded on a pay-as-you-go basis from annual appropriations paid from the general fund. The Incurred But Not Reported is immaterial to the financial statements and therefore is not reported.

NOTE 12 – PENSION PLAN*Plan Descriptions*

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

Benefits Provided

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

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

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

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the BCRA a legislatively mandated actuarially 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 June 30, 2023, was \$3,504,985, 23.01% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2023, the Town reported a liability of \$37,329,775 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Accordingly, procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31,

2022, the Town's proportion was 4.498%, which is 0.095% more than its proportion measured at December 31, 2021.

Pension Expense

For the year ended June 30, 2023, the Town recognized pension expense of \$4,430,450. At June 30, 2023, the Town reported net deferred outflows of resources related to pensions and deferred inflows of resources related to pensions of \$7,051,414 and \$959,479 respectively.

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

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (116,191)	\$ (116,191)
Difference between projected and actual earnings, net.....	4,121,507	-	4,121,507
Changes in assumptions.....	1,967,805	-	1,967,805
Changes in proportion and proportionate share of contributions...	962,102	(843,288)	118,814
 Total deferred outflows/(inflows) of resources.....	 <u>\$ 7,051,414</u>	 <u>\$ (959,479)</u>	 <u>\$ 6,091,935</u>

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

Year ended June 30:

2024.....	\$ 379,678
2025.....	1,318,084
2026.....	1,327,320
2027.....	2,956,695
2028.....	<u>110,158</u>
 Total.....	 <u>\$ 6,091,935</u>

Actuarial Assumptions

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

Valuation date.....	January 1, 2022
Actuarial cost method.....	Entry Age Actuarial Cost Method.
Projected salary increases.....	3.25%
Cost of living adjustments.....	3% of the first \$18,000.
Investment rate of return/ Discount rate.....	6.90%

Mortality Rates:	
Pre-Retirement.....	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Healthy Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disabled Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

Investment Policy

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

The 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, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	20.50%	6.59%
International developed markets equity.....	12.00%	6.87%
International emerging markets equity.....	4.50%	8.30%
Core fixed income.....	15.00%	1.53%
Value added fixed income.....	8.00%	3.54%
Real estate.....	10.00%	3.44%
Timberland.....	4.00%	4.01%
Hedge fund, PCS.....	10.00%	3.06%
Private equity.....	16.00%	9.49%
Total.....	100.00%	

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -11.28%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% as of December 31, 2022, and in December 31, 2021. 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 employer contributions will be made at rates equal to the actuarially determined contribution rate. For this purpose, only employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount (6.90%)	1% Increase (7.90%)
The Town's proportionate share of the net pension liability.....	\$ 49,269,803	<u>\$ 37,329,775</u>	<u>\$ 27,285,341</u>

Pension Plan Fiduciary Net Position

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

Changes in Assumptions and Plan Provisions

Changes in Assumptions – None.

Changes in Plan Provisions – None.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Town of Harwich administers a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through a single-employer defined Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial report. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on-behalf of its teacher retirees

by the state. The state pays 85 – 90% of the total premium; the retiree's co-payment is 10 – 15% of the total premium as well as full payment for catastrophic illness coverage.

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 75% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 25% of their premium costs. For 2023, the Town's age-adjusted contribution to the plan totaled \$2.6 million, which includes \$300,000 in pre-funding as described below.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to raise taxes necessary to begin pre-funding its OPEB liabilities.

During 2023, the Town pre-funded future OPEB liabilities totaling \$300,000 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2023, the balance of this fund totaled \$5,234,008.

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Employees Covered by Benefit Terms

The following table represents the Plan's membership at June 30, 2022:

Active members.....	165
Inactive members currently receiving benefits.....	<u>398</u>
Total.....	<u>563</u>

Components of OPEB Liability

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

Total OPEB liability.....	\$ 43,097,297
Less: OPEB plan's fiduciary net position.....	<u>(5,234,008)</u>
Net OPEB liability.....	<u>\$ 37,863,289</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	12.14%

Significant Actuarial Methods and Assumptions

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

Valuation date.....	June 30, 2022
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Inflation rate.....	3.25%
Discount rate.....	6.50% as of June 30, 2023, and 6.50% as of June 30, 2022.
Investment rate of return.....	6.50% as of June 30, 2023, and 6.50% as of June 30, 2022.
Salary increases.....	Service-related increases for Group 1 (excluding Teachers) and Group 2 employees: 6.00% decreasing over 11 years to an ultimate level of 4.00%. Service-related increases for Group 4 employees: 7.00% decreasing over 8 years to an ultimate level of 4.50%.
Health care trend rates:	
CCMHG.....	Non-Medicare: 3.86% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year. Medicare: 7.00% decreasing by 0.25% each year to an ultimate level of 4.50% per year.
Dental.....	0.00% for 1 year, then 3.00%.
Part B.....	5.15% for 1 year, then 4.50%.
Contributions.....	Retiree contributions for medical and prescription drug coverage are expected to increase with medical trend.
Mortality rates:	
Preretirement mortality rates.....	Healthy Employees: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Postretirement mortality rates.....	Healthy Retirees: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021. Disabled Retirees: RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 8.23%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023, are summarized in table as follows:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	21.00%	6.59%
International developed markets equity....	13.00%	6.87%
International emerging markets equity.....	5.00%	8.30%
Core fixed income.....	15.00%	1.53%
High-yield fixed income.....	8.00%	3.54%
Real estate.....	10.00%	3.44%
Commodities.....	4.00%	4.01%
Hedge fund, GTAA, Risk parity.....	11.00%	3.06%
Private equity.....	13.00%	9.49%
 Total.....	 100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50% as of June 30, 2023, and 6.50% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022.....	\$ 44,165,390	\$ 4,558,645	\$ 39,606,745
 Changes for the year:			
Service cost.....	1,128,949	-	1,128,949
Interest.....	2,870,191	-	2,870,191
Differences between expected and actual experience.....	346,331	-	346,331
Changes in assumptions and other inputs.....	(3,102,080)	-	(3,102,080)
Contributions - employer.....	-	2,611,484	(2,611,484)
Net investment income (loss).....	-	375,363	(375,363)
Benefit payments.....	(2,311,484)	(2,311,484)	-
 Net change.....	 (1,068,093)	 675,363	 (1,743,456)
Balances at June 30, 2023.....	\$ 43,097,297	\$ 5,234,008	\$ 37,863,289

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

The following table presents the net other postemployment benefit liability, calculated using the discount rate of 6.50%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current discount rate.

	Current	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability.....	\$ 42,869,263	\$ 37,863,289	\$ 33,669,655	

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

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

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 33,168,867	\$ 37,863,289	\$ 43,569,725

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$2,678,811. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 3,034,568	\$ -	\$ 3,034,568
Difference between projected and actual earnings, net.....	125,099	-	125,099
Changes in assumptions.....	347,290	(7,310,028)	(6,962,738)
Total deferred outflows/(inflows) of resources.....	<u>\$ 3,506,957</u>	<u>\$ (7,310,028)</u>	<u>\$ (3,803,071)</u>

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

Year ended June 30:

2024.....	\$ (1,154,283)
2025.....	(1,509,749)
2026.....	(512,079)
2027.....	<u>(626,960)</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>(3,803,071)</u>

Changes in Assumptions and Plan Provisions

Changes in Assumptions

- Per capita health care costs, contributions and trends were updated to reflect current experience and future expectations.
- The mortality projection scale assumption was updated to use the most recently released projection scale.

Changes in Plan Provisions – None.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The regional vocational school, Cape Cod Technical Regional High School, received permission to construct a new high school on its existing campus in Harwich as approved in a district wide vote passed on October 24, 2017. The estimated cost of the project is \$127 million and the Massachusetts School Building Authority (MSBA) is estimated to reimburse 51% of eligible project costs up to a maximum of \$46,292,000. Harwich represents approximately 9% of the student enrollment in the regional school. The estimated annual budget impact to the Town is \$500,000 annually for 25 years.

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, 2023, 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, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2023.

The general fund has various commitments for goods and services related to articles and encumbrances totaling \$2,616,411 and \$46,092, respectively.

NOTE 15 – SUBSEQUENT EVENTS

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

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2023, the following GASB pronouncements were implemented:

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

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #100, *Accounting Changes and Error Corrections*, which is required to be implemented in 2024.
- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.
- The GASB issued Statement #102, *Certain Risk Disclosures*, which is required to be implemented in 2025.

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

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2023

	Amounts Carried Forward From Prior Year	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
		Current Year Initial Budget	Original Budget	Final Budget			
REVENUES:							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 54,672,483	\$ 54,672,483	\$ 54,167,260	\$ 54,314,126	\$ -	\$ 146,866
Motor vehicle and other excise taxes.....	-	2,505,000	2,505,000	2,505,000	2,571,509	-	66,509
Hotel/motel tax.....	-	750,000	750,000	750,000	1,839,277	-	1,089,277
Meals tax.....	-	540,000	540,000	540,000	648,055	-	108,055
Charges for services.....	-	1,700,000	1,700,000	1,700,000	2,054,621	-	354,621
Penalties and interest on taxes and excise.....	-	430,000	430,000	430,000	462,156	-	32,156
Fees and rentals.....	-	-	-	-	28,281	-	28,281
Recreation fees.....	-	3,900,000	3,900,000	3,900,000	4,028,926	-	128,926
Sanitation fees.....	-	4,000,000	4,000,000	4,000,000	3,747,946	-	(252,054)
Payments in lieu of taxes.....	-	60,000	60,000	60,000	58,836	-	(1,164)
Licenses and permits.....	-	907,000	907,000	907,000	885,554	-	(21,446)
Intergovernmental - state aid.....	-	766,160	766,160	766,160	779,022	-	12,862
Departmental and other.....	-	928,213	928,213	928,213	1,491,355	-	563,142
Investment income.....	-	18,000	18,000	18,000	708,758	-	690,758
TOTAL REVENUES.....	71,176,856	71,176,856	70,671,633	73,618,422			2,946,789
EXPENDITURES:							
Current:							
General government							
Moderator							
Salaries.....	-	1,000	1,000	1,000	-	-	1,000
Select Board							
Salaries.....	-	747,694	747,694	96,756	11,800	-	84,956
Expenditures.....	-	8,750	8,750	8,750	7,691	-	1,059
Selectmen Articles.....	170,000	689,138	859,138	1,084,139	142,493	941,646	-
Total.....	170,000	1,445,582	1,615,582	1,189,645	161,984	941,646	86,015
Finance Committee							
Salaries.....	-	3,000	3,000	3,000	1,165	-	1,835
Expenditures.....	-	2,000	2,000	2,000	1,002	-	998
Total.....	-	5,000	5,000	5,000	2,167	-	2,833
Finance Committee Reserve Fund.....	-	50,000	50,000	50,000	-	-	50,000
Town Accountant							
Salaries.....	-	284,406	284,406	265,312	264,375	-	937
Expenditures.....	-	8,139	8,139	58,139	42,122	15,957	60
Audit.....	-	45,000	45,000	45,000	40,000	21	4,979
Articles.....	208	-	208	6,339	6,317	-	22
Total.....	208	337,545	337,753	374,790	352,814	15,978	5,998
Assessor							
Salaries.....	-	206,844	206,844	135,112	117,434	-	17,678
Expenditures.....	-	140,450	140,450	235,050	218,436	8,250	8,364
Total.....	-	347,294	347,294	370,162	335,870	8,250	26,042
Town Collections							
Salaries.....	-	15,000	15,000	15,000	11,893	-	3,107
Expenditures.....	-	6,140	6,140	9,140	7,742	-	1,398
Total.....	-	21,140	21,140	24,140	19,635	-	4,505
Postage.....	-	50,000	50,000	50,000	50,662	-	(662)
Treasurer							
Salaries.....	-	296,268	296,268	311,650	290,468	20,086	1,096
Expenditures.....	-	92,353	92,353	92,353	77,438	14,915	-
Total.....	-	388,621	388,621	404,003	367,906	35,001	1,096
Medicare.....	-	444,354	444,354	414,371	375,848	-	38,523
Administration							
Salaries.....	-	543,821	543,821	549,104	527,839	-	21,265
Expenditures.....	200	133,000	133,200	133,618	92,677	25,422	15,519
Articles.....	110,000	30,000	140,000	140,000	30,000	110,000	-
Total.....	110,200	706,821	817,021	822,722	650,516	135,422	36,784
Legal Services							
Expenditures.....	-	185,000	185,000	245,000	236,612	-	8,388
Claims and Suits.....	-	500	500	500	-	-	500
Total.....	-	185,500	185,500	245,500	236,612	-	8,888
Information Technology							
Salaries.....	-	91,940	91,940	92,549	75,866	-	16,683
Expenditures.....	-	439,500	439,500	449,229	380,350	3,728	65,151
Total.....	-	531,440	531,440	541,778	456,216	3,728	81,834

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
IT Channel 18							
Salaries.....	-	153,629	153,629	163,266	161,327	-	1,939
Expenditures.....	-	37,240	37,240	37,240	32,622	250	4,368
Articles.....	371,413	-	371,413	585,185	211,907	373,278	
Total.....	371,413	190,869	562,282	785,691	405,856	373,528	6,307
Constable							
Salaries.....	-	700	700	700	375	-	325
Town Clerk							
Salaries.....	-	238,499	238,499	241,559	230,152	-	11,407
Expenditures.....	-	61,304	61,304	61,304	60,068	135	1,101
Total.....	-	299,803	299,803	302,863	290,220	135	12,508
Conservation							
Salaries.....	-	160,786	160,786	169,889	163,192	-	6,697
Expenditures.....	-	6,686	6,686	6,686	6,442	-	244
Total.....	-	167,472	167,472	176,575	169,634	-	6,941
Town Planner							
Salaries.....	-	153,036	153,036	150,032	124,169	-	25,863
Expenditures.....	-	5,601	5,601	11,361	6,839	-	4,522
Articles.....	200,000	-	200,000	200,000	-	200,000	-
Total.....	200,000	158,637	358,637	361,393	131,008	200,000	30,385
Board of Appeals							
Salaries.....	-	2,050	2,050	2,050	1,373	-	677
Expenditures.....	-	800	800	800	-	-	800
Total.....	-	2,850	2,850	2,850	1,373	-	1,477
Buildings							
Albro House Expenditures.....	-	5,000	5,000	5,000	2,854	-	2,146
Old Recreation Building Expenditures.....	-	6,500	6,500	6,500	4,916	-	1,584
West Harwich School Expenditures.....	-	1,600	1,600	1,600	414	-	1,186
Total.....	-	13,100	13,100	13,100	8,184	-	4,916
Community Development.....							
Expenditures.....	-	5,898	5,898	5,898	5,039	-	859
Public Building Repair.....							
-	2,000	2,000	2,000	-	-	-	2,000
Town Reports.....							
-	10,000	10,000	10,000	10,000	10,086	-	(86)
Advertising.....							
-	30,000	30,000	30,000	21,954	-	-	8,046
Total General Government.....	851,821	5,395,626	6,247,447	6,184,181	4,053,959	1,713,688	416,534
Public safety							
Police							
Salaries.....	-	4,310,121	4,310,121	4,354,833	4,205,150	-	149,683
Expenditures.....	-	528,237	528,237	528,237	410,507	59	117,671
Articles.....	18,000	206,200	224,200	224,200	54,606	169,594	
Total.....	18,000	5,044,558	5,062,558	5,107,270	4,670,263	169,653	267,354
Fire							
Salaries.....	-	4,397,138	4,397,138	4,516,000	4,448,109	-	67,891
Expenditures.....	248	597,499	597,747	597,747	572,882	69	24,796
Articles.....	158,202	152,500	310,702	328,113	166,301	161,812	-
Total.....	158,450	5,147,137	5,305,587	5,441,860	5,187,292	161,881	92,687
Total Public Safety.....	176,450	10,191,695	10,368,145	10,549,130	9,857,555	331,534	360,041
School							
Cape Cod Regional Technical High School.....	-	2,079,314	2,079,314	1,895,920	1,895,920	-	-
Monomoy Regional School District.....	-	28,124,743	28,124,743	27,384,996	27,347,959	-	37,037
Total School.....	-	30,204,057	30,204,057	29,280,916	29,243,879	-	37,037

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Public Works							
Building							
Salaries.....	-	455,517	455,517	483,494	449,498	-	33,996
Expenditures.....	-	27,885	27,885	28,610	25,471	-	3,139
Total.....	-	483,402	483,402	512,104	474,969	-	37,135
Emergency Management							
Salaries.....	-	5,408	5,408	5,408	-	-	5,408
Expenditures.....	-	8,500	8,500	8,500	5,000	-	3,500
Total.....	-	13,908	13,908	13,908	5,000	-	8,908
Natural Resources							
Salaries.....	-	116,307	116,307	124,204	121,474	-	2,730
Expenditures.....	-	27,100	27,100	27,100	27,090	-	10
Total.....	-	143,407	143,407	151,304	148,564	-	2,740
Pleasant Bay Alliance.....	-	25,232	25,232	25,232	25,232	-	-
Town Engineer							
Salaries.....	-	101,589	101,589	131,589	-	-	131,589
Expenditures.....	-	39,350	39,350	127,132	53,529	-	73,603
Articles.....	184,533	-	184,533	184,533	20,649	163,884	-
Total.....	184,533	140,939	325,472	443,254	74,178	163,884	205,192
Highway Department							
Salaries.....	-	2,778,807	2,778,807	2,910,657	2,859,336	-	51,321
Expenditures.....	44,007	3,355,968	3,399,975	3,722,101	3,656,566	12,649	52,886
Articles.....	871,470	596,990	1,468,460	1,672,654	1,064,621	608,033	-
Total.....	915,477	6,731,765	7,647,242	8,305,412	7,580,523	620,682	104,207
Snow & Ice							
Salaries.....	-	40,000	40,000	40,000	31,855	-	8,145
Expenditures.....	-	95,000	95,000	189,710	97,609	-	92,101
Total.....	-	135,000	135,000	229,710	129,464	-	100,246
Street Lights.....	-	30,000	30,000	30,000	21,829	-	8,171
Cemetery Administration							
Salaries.....	-	71,434	71,434	82,399	79,277	-	3,122
Expenditures.....	-	5,108	5,108	5,108	5,018	-	90
Articles.....	20,000	-	20,000	20,000	907	19,093	-
Total.....	20,000	76,542	96,542	107,507	85,202	19,093	3,212
Total Public Works.....	1,120,010	7,780,195	8,900,205	9,818,431	8,544,961	803,659	469,811
Human services							
Board of Health							
Salaries.....	-	269,893	269,893	283,861	262,760	-	21,101
Expenditures.....	-	18,425	18,425	82,266	16,589	-	65,677
Total.....	-	288,318	288,318	366,127	279,349	-	86,778
Community Center							
Salaries.....	-	203,327	203,327	224,106	215,232	-	8,874
Expenditures.....	-	120,682	120,682	120,682	114,677	-	6,005
Total.....	-	324,009	324,009	344,788	329,909	-	14,879
Council on Aging							
Salaries.....	-	448,127	448,127	463,781	394,209	-	69,572
Expenditures.....	780	112,773	113,553	113,553	107,710	1,266	4,577
Total.....	780	560,900	561,680	577,334	501,919	1,266	74,149
Youth Counselor							
Salaries.....	-	98,154	98,154	150,467	140,584	-	9,983
Expenditures.....	-	4,250	4,250	4,250	2,879	-	1,371
Total.....	-	102,404	102,404	154,717	143,463	-	11,254
Veterans							
Expenditures/Benefits.....	857	145,018	145,875	145,161	130,479	1,000	13,682
Disability Rights							
Expenditures.....	-	500	500	500	-	-	500
Human Services.....	-	83,250	83,250	83,250	81,811	-	1,439
Total Human Services.....	1,637	1,504,399	1,506,036	1,671,877	1,466,930	2,266	202,681

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Culture and Recreation							
Library							
Salaries.....	-	755,032	755,032	783,871	740,970	-	42,901
Expenditures.....	-	280,183	280,183	280,183	278,630	1,345	208
Articles.....	130,543	20,000	150,543	150,543	24,126	126,417	-
Total.....	130,543	1,055,215	1,185,758	1,214,597	1,043,726	127,762	43,109
Recreation and Youth							
Seasonal Salaries.....	-	219,179	219,179	219,179	229,541	-	(10,362)
Salaries.....	-	264,600	264,600	283,890	282,251	-	1,639
Expenditures.....	-	48,075	48,075	48,075	44,558	-	3,517
Articles.....	52,722	-	52,722	52,722	15,272	37,450	-
Total.....	52,722	531,854	584,576	603,866	571,622	37,450	(5,206)
Harbormaster							
Salaries.....	-	360,621	360,621	374,769	369,169	-	5,600
Expenditures.....	-	250,879	250,879	250,879	170,076	153	80,650
Articles.....	253,185	-	253,185	287,794	52,236	235,558	-
Total.....	253,185	611,500	864,685	913,442	591,481	235,711	86,250
Brooks Museum Commission							
Expenditures.....	-	14,000	14,000	14,000	6,925	-	7,075
Historical Commission							
Salaries.....	-	2,040	2,040	2,040	519	-	1,521
Expenditures.....	-	350	350	350	-	-	350
Total.....	-	2,390	2,390	2,390	519	-	1,871
Celebrations.....	-	1,600	1,600	1,600	-	-	1,600
Golf							
Salaries.....	-	1,002,424	1,002,424	1,039,133	951,854	-	87,279
Expenditures.....	-	656,114	656,114	656,114	661,698	-	(5,584)
Capital Outlays.....	-	68,000	68,000	68,000	37,706	418	29,876
Articles.....	76,135	-	76,135	110,000	75,000	35,000	-
Total.....	76,135	1,726,538	1,802,673	1,873,247	1,726,258	35,418	111,571
Electricity-CVEC.....	-	77,644	77,644	77,644	46,339	-	31,305
Total Culture and Recreation.....	512,585	4,020,741	4,533,326	4,700,786	3,986,870	436,341	277,575
Contributory Pension.....	-	3,504,895	3,504,895	3,504,895	3,504,895	-	-
Unemployment Compensation.....	-	20,000	20,000	53,007	41,238	-	11,769
Group Health Insurance.....	-	5,525,725	5,525,725	5,138,969	5,022,786	-	116,183
General Insurance.....	-	930,082	930,082	894,978	823,556	481	70,941
State and County Charges.....	-	825,310	825,310	825,732	825,195	-	537
Debt Service							
Debt Service Principal.....	-	2,337,844	2,337,844	2,337,844	2,326,600	-	11,244
Debt Service Interest.....	-	754,352	754,352	754,352	789,569	-	(35,217)
Total.....	-	3,092,196	3,092,196	3,092,196	3,116,169	-	(23,973)
TOTAL EXPENDITURES.....	2,662,503	72,994,921	75,657,424	75,715,098	70,487,993	3,287,969	1,939,136
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,662,503)	(1,818,065)	(4,480,568)	(5,043,465)	3,130,429	(3,287,969)	4,885,925
OTHER FINANCING SOURCES (USES):							
Transfers in.....	-	1,617,856	1,617,856	1,917,856	1,917,856	-	-
Transfers out.....	-	(2,160,618)	(2,160,618)	(3,195,256)	(3,195,256)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	(542,762)	(542,762)	(1,277,400)	(1,277,400)	-	-
NET CHANGE IN FUND BALANCE.....	(2,662,503)	(2,360,827)	(5,023,330)	(6,320,865)	1,853,029	(3,287,969)	4,885,925
BUDGETARY FUND BALANCE, Beginning of year.....	-	13,864,372	13,864,372	13,864,372	13,864,372	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (2,662,503)	\$ 11,503,545	\$ 8,841,042	\$ 7,543,507	\$ 15,717,401	\$ (3,287,969)	\$ 4,885,925

See notes to required supplementary information.

(Concluded)

Community Preservation Fund Budgetary Comparison Schedule

The Community Preservation Fund is a special revenue fund used to account for the acquisition, creation, preservation, or rehabilitation of areas of open space, historic preservation, affordable housing, and recreation. Funding is provided primarily by a property tax surcharge of up to 3%, along with matching state funds.

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
REVENUES:							
Community preservation taxes.....	\$ -	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,639,192	\$ -	\$ 39,192
Community preservation state match.....	-	500,000	500,000	500,000	715,313	-	215,313
Penalties and interest.....	-	-	-	-	5,261	-	5,261
Investment income.....	-	2,500	2,500	2,500	140,461	-	137,961
TOTAL REVENUES.....	-	2,102,500	2,102,500	2,102,500	2,500,227	-	397,727
EXPENDITURES:							
Community preservation.....	2,574,055	2,039,300	4,613,355	4,613,709	1,770,529	2,843,180	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,574,055)	63,200	(2,510,855)	(2,511,209)	729,698	(2,843,180)	397,727
OTHER FINANCING SOURCES (USES):							
Transfers out.....	-	(221,525)	(221,525)	(221,525)	(221,525)	-	-
NET CHANGE IN FUND BALANCE.....	(2,574,055)	(158,325)	(2,732,380)	(2,732,734)	508,173	(2,843,180)	397,727
BUDGETARY FUND BALANCE, Beginning of year.....	-	6,621,817	6,621,817	6,621,817	6,621,817	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (2,574,055)	\$ 6,463,492	\$ 3,889,437	\$ 3,889,083	\$ 7,129,990	\$ (2,843,180)	\$ 397,727

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.

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

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

<u>Year</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Net pension liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2022.....	4.498%	\$ 37,329,775	\$ 15,084,676	247.47%	63.77%
December 31, 2021.....	4.403%	24,209,199	14,219,429	170.25%	75.07%
December 31, 2020.....	4.521%	31,232,400	14,492,861	215.50%	66.82%
December 31, 2019.....	4.575%	34,371,684	14,070,455	244.28%	62.34%
December 31, 2018.....	4.397%	34,751,878	13,053,024	266.24%	57.63%
December 31, 2017.....	4.493%	30,570,977	12,788,137	239.06%	61.86%
December 31, 2016.....	4.461%	31,340,183	12,620,687	248.32%	57.28%
December 31, 2015.....	4.228%	26,622,943	11,725,015	227.06%	58.10%
December 31, 2014.....	4.258%	24,040,696	11,169,369	215.24%	60.43%

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

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

See notes to required supplementary information.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
BARNSTABLE COUNTY RETIREMENT ASSOCIATION

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2023.....	\$ 3,504,985	\$ (3,504,985)	-	\$ 15,235,523	23.01%
June 30, 2022.....	3,242,673	(3,242,673)	-	14,361,623	22.58%
June 30, 2021.....	3,144,894	(3,144,894)	-	14,637,790	21.48%
June 30, 2020.....	3,012,208	(3,024,763)	(12,555)	14,211,160	21.28%
June 30, 2019.....	2,763,836	(2,763,836)	-	13,183,554	20.96%
June 30, 2018.....	2,681,194	(2,681,194)	-	12,916,018	20.76%
June 30, 2017.....	2,528,468	(2,528,468)	-	12,746,894	19.84%
June 30, 2016.....	2,283,370	(2,283,370)	-	11,842,265	19.28%
June 30, 2015.....	2,217,735	(2,217,735)	-	11,281,063	19.66%

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

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

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

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

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

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

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

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

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability				
Service Cost.....	\$ 1,078,218	\$ 1,013,394	\$ 1,073,425	\$ 1,085,819
Interest.....	1,971,659	2,095,434	2,181,931	2,480,258
Differences between expected and actual experience.....	-	(1,819,848)	985,195	-
Changes of assumptions.....	(2,139,815)	(415,644)	-	1,736,451
Benefit payments.....	<u>(1,866,279)</u>	<u>(1,950,262)</u>	<u>(2,039,829)</u>	<u>(2,020,814)</u>
Net change in total OPEB liability.....	(956,217)	(1,076,926)	2,200,722	3,281,714
Total OPEB liability - beginning.....	<u>42,154,579</u>	<u>41,198,362</u>	<u>40,121,436</u>	<u>42,322,158</u>
Total OPEB liability - ending (a).....	<u>\$ 41,198,362</u>	<u>\$ 40,121,436</u>	<u>\$ 42,322,158</u>	<u>\$ 45,603,872</u>
Plan fiduciary net position				
Employer contributions to the trust.....	\$ 100,000	\$ 203,000	\$ 1,396,925	\$ 750,000
Employer contributions for OPEB payments.....	1,866,279	1,950,262	2,039,829	2,020,814
Net investment income (loss).....	31,824	33,432	140,111	156,222
Benefit payments.....	<u>(1,866,279)</u>	<u>(1,950,262)</u>	<u>(2,039,829)</u>	<u>(2,020,814)</u>
Net change in plan fiduciary net position.....	131,824	236,432	1,537,036	906,222
Plan fiduciary net position - beginning of year.....	<u>535,428</u>	<u>667,252</u>	<u>903,684</u>	<u>2,440,720</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 667,252</u>	<u>\$ 903,684</u>	<u>\$ 2,440,720</u>	<u>\$ 3,346,942</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 40,531,110</u>	<u>\$ 39,217,752</u>	<u>\$ 39,881,438</u>	<u>\$ 42,256,930</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	1.62%	2.25%	5.77%	7.34%
Covered-employee payroll.....	\$ 15,514,239	\$ 17,311,507	\$ 16,433,655	\$ 16,597,992
Net OPEB liability as a percentage of covered-employee payroll.....	261.25%	226.54%	242.68%	254.59%

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

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

See notes to required supplementary information.

June 30, 2021	June 30, 2022	June 30, 2023
\$ 1,248,126	\$ 1,091,776	\$ 1,128,949
2,436,455	2,765,838	2,870,191
6,893,759	-	346,331
(11,470,909)	-	(3,102,080)
(2,135,628)	(2,267,899)	(2,311,484)
(3,028,197)	1,589,715	(1,068,093)
<u>45,603,872</u>	<u>42,575,675</u>	<u>44,165,390</u>
\$ <u>42,575,675</u>	\$ <u>44,165,390</u>	\$ <u>43,097,297</u>
\$ 50,000	\$ 800,000	\$ 300,000
2,135,628	2,267,899	2,311,484
647,238	(285,535)	375,363
(2,135,628)	(2,267,899)	(2,311,484)
697,238	514,465	675,363
<u>3,346,942</u>	<u>4,044,180</u>	<u>4,558,645</u>
\$ <u>4,044,180</u>	\$ <u>4,558,645</u>	\$ <u>5,234,008</u>
\$ <u>38,531,495</u>	\$ <u>39,606,745</u>	\$ <u>37,863,289</u>
9.50%	10.32%	12.14%
\$ 19,037,045	\$ 19,227,415	\$ 20,129,093
202.40%	205.99%	188.10%

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

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
June 30, 2023.....	\$ 3,141,574	\$ (2,311,484)	\$ 830,090	\$ 20,129,093	11.48%
June 30, 2022.....	3,339,084	(3,067,899)	271,185	19,227,415	15.96%
June 30, 2021.....	3,232,345	(2,185,628)	1,046,717	19,037,045	11.48%
June 30, 2020.....	2,965,460	(2,770,814)	194,646	16,597,992	16.69%
June 30, 2019.....	2,872,116	(3,436,754)	(564,638)	16,433,655	20.91%
June 30, 2018.....	2,492,688	(2,153,262)	339,426	17,311,507	12.44%
June 30, 2017.....	2,408,394	(1,966,279)	442,115	15,514,239	12.67%

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

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

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Year	Annual money-weighted rate of return, net of investment expense
June 30, 2023.....	8.23%
June 30, 2022.....	-5.97%
June 30, 2021.....	19.13%
June 30, 2020.....	5.00%
June 30, 2019.....	8.09%
June 30, 2018.....	4.12%
June 30, 2017.....	5.44%

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

See notes to required supplementary information.

NOTE A – BUDGETARY BASIS OF ACCOUNTING**A. Budgetary Information**

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

Supplementary appropriations are voted at special town meetings.

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

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

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original 2023 approved budget for the General Fund includes \$75.2 million in current year appropriations and other amounts to be raised and \$2.7 million in encumbrances and appropriations carried over from previous years. During 2023, the Town approved various transfers within appropriation lines in the General Fund along with supplemental appropriations totaling \$1.1 million.

The Town adopts an annual budget for the Community Preservation Fund with the guidelines described above, based on recommendations from the Community Preservation Committee. The Community Preservation Fund is a special revenue fund used to account for the acquisition, creation, preservation, or rehabilitation of areas of open space, historic preservation, affordable housing and recreation. Funding is provided primarily by a property tax surcharge of up to 3%, along with matching state funds.

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

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. The reconciliations of budgetary-basis to GAAP-basis results for the General Fund and the Community Preservation Fund for the year ended June 30, 2023, are presented on the following page.

General Fund:

Net change in fund balance - budgetary basis.....	\$ 1,853,029
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Perspective differences:

Activity of the stabilization fund recorded in the general fund for GAAP	1,048,459
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Basis of accounting differences:

Net change in recording tax refunds payable.....	12,530
Net change in recording 60 day receipts.....	(181,267)

Net change in fund balance - GAAP basis.....	\$ <u>2,732,751</u>
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Community Preservation Fund:

Net change in fund balance - budgetary basis.....	\$ <u>508,173</u>
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Basis of accounting differences:

Net change in revenue accrual.....	<u>(8)</u>
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Net change in fund balance - GAAP basis.....	\$ <u>508,165</u>
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C. Appropriation Deficits

Expenditures exceeded appropriations for postage, Town reports, recreation and youth seasonal salaries, golf expenditures and debt service interest.

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, 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. Changes in Assumptions – None.

D. Changes in Plan Provisions – None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS PLAN

The Town administers a single-employer defined benefit healthcare plan (“Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state.

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 employee payroll. Methods and assumptions used to determine contribution rates are presented below:

Valuation date.....	June 30, 2022
Actuarial cost method.....	Entry age normal - level percentage of payroll.
Inflation rate.....	3.25%
Discount rate.....	6.50% as of June 30, 2023, and 6.50% as of June 30, 2022.
Investment rate of return.....	6.50% as of June 30, 2023, and 6.50% as of June 30, 2022.
Salary increases.....	Service-related increases for Group 1 (excluding Teachers) and Group 2 employees: 6.00% decreasing over 11 years to an ultimate level of 4.00%. Service-related increases for Group 4 employees: 7.00% decreasing over 8 years to an ultimate level of 4.50%.

Health care trend rates:	
CCMHG.....	Non-Medicare: 3.86% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year. Medicare: 7.00% decreasing by 0.25% each year to an ultimate level of 4.50% per year.
Dental.....	0.00% for 1 year, then 3.00%.
Part B.....	5.15% for 1 year, then 4.50%.
Contributions.....	Retiree contributions for medical and prescription drug coverage are expected to increase with medical trend.
Mortality rates:	
Preretirement mortality rates.....	Healthy Employees: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Postretirement mortality rates.....	Healthy Retirees: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021. Disabled Retirees: RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021.

C. Schedule of Investment Returns

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

D. Changes in Assumptions

- Per capita health care costs, contributions and trends were updated to reflect current experience and future expectations.
- The mortality projection scale assumption was updated to use the most recently released projection scale.

E. Changes in Plan Provisions – None.

Other Supplementary Information

Combining Statements

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

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

Nonmajor Governmental Funds

Fund Description

Special Revenue Funds

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

- ***Federal Grants*** – accounts for activity specifically financed by federal grants, which are designated for specific programs.
- ***State Grants*** – accounts for activity specifically financed by state grants, which are designated for specific programs.
- ***Local Gifts and Grants*** – accounts for various gifts and grants restricted for special programs administered by Town departments.
- ***Revolving*** – accounts for self-supporting programs and activities.
- ***Receipts Reserved for Appropriation*** – accounts for specific revenue sources that must be appropriated to be used for their individual purpose.
- ***Other Special Revenue*** – accounts for other small special revenue funds which are not categorized within any of the other funds.
- ***Special Revenue Trust*** – accounts for statutory trust accounts that may be spent to support the government.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or improvement of major capital assets (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The Town's grouping for nonmajor capital project funds is as described as follows:

- ***Saquatucket Harbor*** – accounts for the construction of a new harbormaster's office, maintenance building, boardwalk, and parking lot expansion at Saquatucket Harbor.

Permanent Funds

Permanent Funds are used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs. The Town's grouping for nonmajor permanent funds is as described as follows:

- **Library Trust** – accounts for library contributions and bequests for which only earnings may be expended to benefit the Town's libraries.
- **Cemetery Trust** – accounts for cemetery contributions and bequests for which only earnings may be expended to benefit the Town's cemeteries.
- **Other Trust** – accounts 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, 2023

	Special Revenue Funds			
	Federal Grants	State Grants	Local Gifts and Grants	Revolving
ASSETS				
Cash and cash equivalents.....	\$ 1,701,063	\$ 382,886	\$ 301,824	\$ 1,643,820
Investments.....	-	-	-	-
Receivables, net of uncollectibles:				
Departmental and other.....	-	-	-	-
Special assessments.....	-	-	-	-
Inventory.....	-	-	-	107,834
TOTAL ASSETS.....	<u>\$ 1,701,063</u>	<u>\$ 382,886</u>	<u>\$ 301,824</u>	<u>\$ 1,751,654</u>
LIABILITIES				
Warrants payable.....	\$ 49,824	\$ 26,730	\$ 48,577	\$ 53,058
Accrued payroll.....	343	1,005	-	5,777
Due to other funds.....	-	-	-	-
Other liabilities.....	-	-	-	48,704
Unearned revenue.....	1,638,213	-	-	-
TOTAL LIABILITIES.....	<u>1,688,380</u>	<u>27,735</u>	<u>48,577</u>	<u>107,539</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue.....	-	-	-	-
FUND BALANCES				
Nonspendable.....	-	-	-	107,834
Restricted.....	12,683	355,151	253,247	1,536,281
Unassigned.....	-	-	-	-
TOTAL FUND BALANCES.....	<u>12,683</u>	<u>355,151</u>	<u>253,247</u>	<u>1,644,115</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	<u>\$ 1,701,063</u>	<u>\$ 382,886</u>	<u>\$ 301,824</u>	<u>\$ 1,751,654</u>

(Continued)

Special Revenue Funds					Capital Project Fund	
Receipts Reserved for Appropriation	Other Special Revenue	Special Revenue Trust	Subtotal	Saquatucket Harbor		
\$ 2,711,611	\$ 895,674	\$ 575,597	\$ 8,212,475	\$ -	\$ -	
-	-	-	-	\$ -	\$ -	
-	59,403	-	59,403			
112,971	-	-	112,971			
-	-	-	107,834			
<u>\$ 2,824,582</u>	<u>\$ 955,077</u>	<u>\$ 575,597</u>	<u>\$ 8,492,683</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 135	\$ 6,508	\$ -	\$ 184,832	\$ -	\$ -	
-	7,548	-	14,673			
-	-	-	-	19,339		
-	468,111	-	516,815			
-	-	-	1,638,213			
<u>135</u>	<u>482,167</u>	<u>-</u>	<u>2,354,533</u>	<u>19,339</u>	<u>-</u>	
<u>112,971</u>	<u>59,652</u>	<u>-</u>	<u>172,623</u>	<u>-</u>	<u>-</u>	
-	-	-	107,834			
2,711,476	413,258	575,597	5,857,693			
-	-	-	-	(19,339)		
<u>2,711,476</u>	<u>413,258</u>	<u>575,597</u>	<u>5,965,527</u>	<u>(19,339)</u>	<u>-</u>	
<u>\$ 2,824,582</u>	<u>\$ 955,077</u>	<u>\$ 575,597</u>	<u>\$ 8,492,683</u>	<u>\$ -</u>	<u>\$ -</u>	

(Continued)

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2023

	Permanent Funds				Total Nonmajor Governmental Funds
	Library Trust	Cemetery Trust	Other Trust	Subtotal	
ASSETS					
Cash and cash equivalents.....	\$ 6,934	\$ 31,119	\$ 34,244	\$ 72,297	\$ 8,284,772
Investments.....	908,310	423,145	-	1,331,455	1,331,455
Receivables, net of uncollectibles:					
Departmental and other.....	-	-	-	-	59,403
Special assessments.....	-	-	-	-	112,971
Inventory.....	-	-	-	-	107,834
TOTAL ASSETS.....	\$ 915,244	\$ 454,264	\$ 34,244	\$ 1,403,752	\$ 9,896,435
LIABILITIES					
Warrants payable.....	\$ 14,113	\$ -	\$ -	\$ 14,113	\$ 198,945
Accrued payroll.....	-	-	-	-	14,673
Due to other funds.....	-	-	-	-	19,339
Other liabilities.....	-	-	-	-	516,815
Unearned revenue.....	-	-	-	-	1,638,213
TOTAL LIABILITIES.....	14,113	-	-	14,113	2,387,985
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	-	-	-	-	172,623
FUND BALANCES					
Nonspendable.....	37,606	443,004	30,607	511,217	619,051
Restricted.....	863,525	11,260	3,637	878,422	6,736,115
Unassigned.....	-	-	-	-	(19,339)
TOTAL FUND BALANCES.....	901,131	454,264	34,244	1,389,639	7,335,827
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 915,244	\$ 454,264	\$ 34,244	\$ 1,403,752	\$ 9,896,435

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

YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	Federal Grants	State Grants	Local Gifts and Grants	Revolving
REVENUES:				
Motor vehicle and other excise taxes.....	\$ -	\$ -	\$ -	\$ -
Charges for services.....	-	-	-	63,605
Penalties and interest on taxes.....	-	-	-	-
Fees and rentals.....	-	-	-	-
Intergovernmental - other.....	493,051	499,305	36,000	-
Departmental and other.....	-	385	40,177	1,004,599
Special assessments.....	-	-	-	-
Contributions and donations.....	-	-	22,163	-
Investment income.....	-	-	-	-
TOTAL REVENUES.....	493,051	499,690	98,340	1,068,204
EXPENDITURES:				
Current:				
General government.....	272,034	-	8,160	-
Public safety.....	248,194	23,980	1,199	-
Public works.....	-	478,503	177,503	314,030
Human services.....	-	57,337	22,497	101,365
Culture and recreation.....	7,349	36,002	62,821	400,844
TOTAL EXPENDITURES.....	527,577	595,822	272,180	816,239
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES.....	(34,526)	(96,132)	(173,840)	251,965
OTHER FINANCING SOURCES (USES):				
Transfers in.....	-	-	22,980	-
Transfers out.....	-	-	-	(136,700)
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	22,980	(136,700)
NET CHANGE IN FUND BALANCES.....	(34,526)	(96,132)	(150,860)	115,265
FUND BALANCES AT BEGINNING OF YEAR.....	47,209	451,283	404,107	1,528,850
FUND BALANCES AT END OF YEAR.....	\$ 12,683	\$ 355,151	\$ 253,247	\$ 1,644,115

(Continued)

Special Revenue Funds				Capital Project Fund	
Receipts Reserved for Appropriation	Other Special Revenue	Special Revenue Trust	Subtotal	Squatucket Harbor	
\$ 25,252	\$ -	\$ -	\$ 25,252	\$ -	-
-	706,459	-	770,064	-	-
5,844	-	-	5,844	-	-
104,721	-	-	104,721	-	-
-	5,600	-	1,033,956	-	-
907,074	154,735	94,325	2,201,295	-	-
67,159	-	-	67,159	-	-
-	11,790	-	33,953	-	-
-	-	4,122	4,122	-	-
1,110,050	878,584	98,447	4,246,366	-	-
-	-	-	280,194	-	-
-	675,265	56	948,694	-	-
-	-	-	970,036	-	-
-	-	-	181,199	-	-
-	24,793	-	531,809	-	-
-	700,058	56	2,911,932	-	-
1,110,050	178,526	98,391	1,334,434	-	-
-	3,600	-	26,580	-	-
(768,666)	-	-	(905,366)	-	-
(768,666)	3,600	-	(878,786)	-	-
341,384	182,126	98,391	455,648	-	-
2,370,092	231,132	477,206	5,509,879	(19,339)	-
\$ 2,711,476	\$ 413,258	\$ 575,597	\$ 5,965,527	\$ (19,339)	-

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Permanent Funds				Total Nonmajor Governmental Funds
	Library Trust	Cemetery Trust	Other Trust	Subtotal	
REVENUES:					
Motor vehicle and other excise taxes.....	\$ -	\$ -	\$ -	\$ -	25,252
Charges for services.....	-	-	-	-	770,064
Penalties and interest on taxes.....	-	-	-	-	5,844
Fees and rentals.....	-	-	-	-	104,721
Intergovernmental - other.....	-	-	-	-	1,033,956
Departmental and other.....	-	-	-	-	2,201,295
Special assessments.....	-	-	-	-	67,159
Contributions and donations.....	-	7,085	-	7,085	41,038
Investment income.....	38,801	580	1,426	40,807	44,929
TOTAL REVENUES.....	<u>38,801</u>	<u>7,665</u>	<u>1,426</u>	<u>47,892</u>	<u>4,294,258</u>
EXPENDITURES:					
Current:					
General government.....	-	-	-	-	280,194
Public safety.....	-	-	-	-	948,694
Public works.....	-	-	-	-	970,036
Human services.....	-	-	-	-	181,199
Culture and recreation.....	20,729	-	-	20,729	552,538
TOTAL EXPENDITURES.....	<u>20,729</u>	<u>-</u>	<u>-</u>	<u>20,729</u>	<u>2,932,661</u>
EXCESS (DEFICIENCY) OF REVENUES					
OVER (UNDER) EXPENDITURES.....	<u>18,072</u>	<u>7,665</u>	<u>1,426</u>	<u>27,163</u>	<u>1,361,597</u>
OTHER FINANCING SOURCES (USES):					
Transfers in.....	-	-	-	-	26,580
Transfers out.....	-	(22,980)	-	(22,980)	(928,346)
TOTAL OTHER FINANCING SOURCES (USES).....	<u>-</u>	<u>(22,980)</u>	<u>-</u>	<u>(22,980)</u>	<u>(901,766)</u>
NET CHANGE IN FUND BALANCES.....	<u>18,072</u>	<u>(15,315)</u>	<u>1,426</u>	<u>4,183</u>	<u>459,831</u>
FUND BALANCES AT BEGINNING OF YEAR.....	<u>883,059</u>	<u>469,579</u>	<u>32,818</u>	<u>1,385,456</u>	<u>6,875,996</u>
FUND BALANCES AT END OF YEAR.....	<u>\$ 901,131</u>	<u>\$ 454,264</u>	<u>\$ 34,244</u>	<u>\$ 1,389,639</u>	<u>\$ 7,335,827</u>

(Concluded)

Statistical Section



Harwich and Chatham Fire

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

SOURCES: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive financial reports for the relevant year.

Net Position By Component

Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in capital assets.....	\$ 52,837,023	\$ 53,791,322	\$ 56,460,827	\$ 59,469,911	\$ 59,186,082	\$ 60,136,904	\$ 60,390,841	\$ 60,818,996	\$ 60,699,230	\$ 65,270,960
Restricted.....	7,767,504	8,549,230	8,370,616	5,722,339	6,980,230	7,046,170	7,082,601	8,821,991	9,634,920	9,627,672
Unrestricted.....	(8,670,952)	(31,243,743)	(27,808,099)	(46,205,784)	(47,758,544)	(48,357,542)	(46,652,137)	(42,063,460)	(35,259,827)	(35,435,662)
Total governmental activities net position.....	<u>\$ 51,933,575</u>	<u>\$ 31,096,809</u>	<u>\$ 37,023,344</u>	<u>\$ 18,986,466</u>	<u>\$ 18,407,768</u>	<u>\$ 18,825,532</u>	<u>\$ 20,821,305</u>	<u>\$ 27,577,527</u>	<u>\$ 35,074,323</u>	<u>\$ 39,462,970</u>
Business-type activities										
Net investment in capital assets.....	\$ 11,929,482	\$ 11,235,181	\$ 10,706,776	\$ 12,268,450	\$ 13,874,150	\$ 13,203,237	\$ 12,390,263	\$ 11,533,380	\$ 10,758,670	\$ 9,996,760
Unrestricted.....	3,750,094	5,149,897	3,509,809	652,672	(2,328,606)	(2,645,558)	(1,901,773)	(676,787)	363,466	2,326,219
Total business-type activities net position.....	<u>\$ 15,679,576</u>	<u>\$ 16,385,078</u>	<u>\$ 14,216,585</u>	<u>\$ 12,921,122</u>	<u>\$ 11,545,544</u>	<u>\$ 10,557,679</u>	<u>\$ 10,488,490</u>	<u>\$ 10,856,593</u>	<u>\$ 11,122,136</u>	<u>\$ 12,322,979</u>
Primary government										
Net investment in capital assets.....	\$ 64,766,505	\$ 65,026,503	\$ 67,167,603	\$ 71,738,361	\$ 73,060,232	\$ 73,340,141	\$ 72,781,104	\$ 72,352,376	\$ 71,457,900	\$ 75,267,720
Restricted.....	7,767,504	8,549,230	8,370,616	5,722,339	6,980,230	7,046,170	7,082,601	8,821,991	9,634,920	9,627,672
Unrestricted.....	(4,920,858)	(26,093,846)	(24,298,290)	(45,553,112)	(50,087,150)	(51,003,100)	(48,553,910)	(42,740,247)	(34,896,361)	(33,109,443)
Total primary government net position.....	<u>\$ 67,613,151</u>	<u>\$ 47,481,887</u>	<u>\$ 51,239,929</u>	<u>\$ 31,907,588</u>	<u>\$ 29,953,312</u>	<u>\$ 29,383,211</u>	<u>\$ 31,309,795</u>	<u>\$ 38,434,120</u>	<u>\$ 46,196,459</u>	<u>\$ 51,785,949</u>

FY2015 reflects the implementation of GASB 68.

FY2017 reflects the implementation of GASB 75.

FY2020 reflects the implementation of GASB 84.

Changes in Net Position

Last Ten Years

Expenses	2014	2015	2016	2017 (a)	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government.....	\$ 4,529,058	\$ 4,188,411	\$ 5,179,542	\$ 5,290,047	\$ 5,898,460	\$ 5,586,547	\$ 6,319,407	\$ 5,828,492	\$ 5,522,061	\$ 6,581,897
Public safety.....	13,624,984	12,432,338	13,172,473	13,996,114	14,129,485	14,125,237	14,729,395	15,615,512	15,419,239	17,536,330
Education.....	22,751,503	22,333,529	25,225,308	26,444,962	26,979,835	27,706,467	29,558,731	29,222,367	29,444,941	29,759,720
Public works.....	9,968,987	10,357,930	9,545,765	10,085,199	12,455,355	10,132,868	9,932,352	10,895,030	11,393,917	12,055,842
Human services.....	2,014,775	1,825,742	1,805,606	1,857,256	2,005,125	1,860,906	2,055,672	1,802,867	2,001,613	2,426,344
Culture and recreation.....	5,272,952	4,664,382	5,161,159	5,108,459	5,814,554	6,212,939	6,063,055	5,868,892	5,963,471	6,505,698
Community preservation.....	-	-	-	97,390	88,219	262,485	214,576	566,479	312,232	277,059
Interest.....	662,307	624,347	518,438	451,254	485,291	941,593	848,840	624,002	658,723	684,779
Total government activities expenses.....	58,824,566	56,426,679	60,608,291	63,330,683	67,856,324	66,829,042	69,722,028	70,423,641	70,716,197	75,827,869
Business-type activities:										
Water.....	3,779,970	4,017,528	4,064,788	4,759,477	3,647,456	5,417,978	4,784,455	4,889,376	5,102,475	4,908,069
Wastewater.....	-	-	-	-	-	-	25,642	120,441	232,162	478,397
Total business-type activities expenses.....	3,779,970	4,017,528	4,064,788	4,759,477	3,647,456	5,417,978	4,790,097	5,009,817	5,334,637	5,386,466
Total primary government expenses.....	\$ 62,604,536	\$ 60,444,207	\$ 64,673,079	\$ 68,090,160	\$ 71,503,780	\$ 72,247,020	\$ 74,512,125	\$ 75,433,458	\$ 76,050,834	\$ 81,214,135
Program Revenues										
Governmental activities:										
Public works charges for services.....	\$ 2,030,989	\$ 2,111,827	\$ 2,663,526	\$ 2,979,250	\$ 3,443,227	\$ 3,844,297	\$ 3,444,510	\$ 4,329,179	\$ 4,511,262	\$ 4,152,067
Culture and recreation charges for services.....	3,754,561	3,127,083	3,336,146	3,555,448	3,854,106	4,073,921	3,585,035	4,309,156	4,794,835	4,890,122
Other charges for services.....	2,849,192	2,895,705	2,736,733	3,095,105	2,643,033	3,738,247	3,171,871	4,355,772	4,254,673	5,113,749
Operating grants and contributions.....	4,761,309	2,034,958	1,899,658	1,021,267	675,551	886,785	1,129,746	2,574,493	1,620,958	2,200,061
Capital grant and contributions.....	912,606	1,862,815	4,803,000	4,072,965	3,124,074	1,097,971	1,738,397	1,890,201	1,352,546	1,236,429
Total government activities program revenues.....	14,308,657	12,032,388	15,439,063	14,724,044	13,739,991	13,641,221	13,070,459	17,458,801	16,534,274	17,682,428
Business-type activities:										
Charges for services - water.....	3,784,821	4,722,072	4,948,020	4,800,457	2,922,056	4,504,728	4,468,270	5,167,449	5,079,679	5,342,995
Charges for services - wastewater.....	-	-	-	-	-	-	-	-	1,294	45,491
Total business-type activities program revenues.....	3,784,821	4,722,072	4,948,020	4,800,457	2,922,056	4,504,728	4,468,270	5,167,449	5,080,973	5,388,486
Total primary government program revenues.....	\$ 18,093,478	\$ 16,754,460	\$ 20,387,083	\$ 19,524,501	\$ 16,622,047	\$ 18,145,949	\$ 17,538,729	\$ 22,626,250	\$ 21,615,247	\$ 23,070,914
Net (Expense)/Revenue										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 39,513,264	\$ 42,191,684	\$ 43,216,843	\$ 44,467,932	\$ 46,865,775	\$ 49,151,540	\$ 51,921,669	\$ 53,028,284	\$ 54,464,491	\$ 54,777,801
Motor vehicle and other excise taxes.....	1,833,844	1,619,573	2,211,927	2,297,637	2,387,732	2,414,404	2,388,270	2,550,271	2,695,151	2,600,066
Hotel/Motel tax.....	553,174	939,539	649,119	678,226	674,717	684,793	905,397	1,132,926	1,675,737	1,839,277
Meals tax.....	328,522	359,441	379,689	406,465	423,305	439,960	445,497	325,311	571,745	648,055
Community preservation tax.....	1,174,624	1,287,799	1,267,529	1,311,440	1,366,320	1,445,251	1,291,189	1,281,822	1,592,278	1,655,961
Penalties and interest on taxes and excise.....	374,774	325,349	314,847	432,405	405,047	503,894	309,139	446,733	444,759	473,261
Payments in lieu of taxes.....	54,851	54,873	58,319	56,741	58,616	61,960	62,471	65,256	63,703	58,836
Grants and contributions not restricted to specific programs.....	646,248	578,188	668,191	552,299	538,689	580,046	550,348	556,790	692,728	656,189
Unrestricted investment income (loss).....	77,492	40,044	108,189	120,365	167,256	179,074	572,549	533,669	(3,751)	1,022,961
Transfers.....	-	-	-	-	650,178	(70,000)	(225,000)	(200,000)	(518,122)	(1,198,519)
Extraordinary Items:										
Tornado reimbursements.....	-	-	-	-	-	-	1,171,060	-	-	-
Tornado expense.....	-	-	-	-	-	-	(844,876)	-	-	-
Total governmental activities.....	44,556,793	47,396,480	48,874,653	50,323,510	53,537,635	55,960,922	58,547,713	59,721,062	61,678,719	62,533,888
Business-type activities:										
Investment income.....	-	958	963	296	-	24,088	27,638	10,471	1,085	304
Transfers.....	-	-	-	-	(650,178)	70,000	225,000	200,000	518,122	1,198,519
Total primary government.....	\$ 44,556,793	\$ 47,397,438	\$ 48,875,616	\$ 50,323,806	\$ 52,887,457	\$ 56,055,010	\$ 58,800,351	\$ 59,931,533	\$ 62,197,926	\$ 63,732,711
Changes in Net Position										
Governmental activities:										
Business-type activities.....	\$ 40,884	\$ 3,002,189	\$ 3,705,425	\$ 1,716,871	\$ (578,698)	\$ 2,773,101	\$ 1,896,144	\$ 6,756,222	\$ 7,496,796	\$ 4,388,647
Business-type activities.....	4,851	705,502	884,195	41,276	(1,375,578)	(819,162)	(69,189)	368,103	265,543	1,200,843
Total primary government.....	\$ 45,735	\$ 3,707,691	\$ 4,589,620	\$ 1,758,147	\$ (1,954,276)	\$ 1,953,939	\$ 1,826,955	\$ 7,124,325	\$ 7,762,339	\$ 5,589,490

(a) Beginning in fiscal year 2017, the Town has segregated noncapital community preservation expenses as a function.

2017 has also been revised for the implementation of GASB 75.

Fund Balances, Governmental Funds

Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Restricted.....	\$ 59,735	\$ 59,735	\$ 59,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed.....	1,028,708	2,282,380	5,147,433	1,428,213	655,728	1,021,754	2,017,239	1,468,975	2,616,411	3,181,786
Assigned.....	16,253	165,245	191,116	2,044,375	230,369	3,531,564	127,720	3,925,640	1,933,176	7,732,800
Unassigned.....	<u>4,387,532</u>	<u>5,638,148</u>	<u>4,312,454</u>	<u>7,149,286</u>	<u>10,080,250</u>	<u>6,817,432</u>	<u>11,559,302</u>	<u>12,362,735</u>	<u>14,984,294</u>	<u>11,352,046</u>
Total general fund.....	<u>\$ 5,492,228</u>	<u>\$ 8,145,508</u>	<u>\$ 9,710,738</u>	<u>\$ 10,621,874</u>	<u>\$ 10,966,347</u>	<u>\$ 11,370,750</u>	<u>\$ 13,704,261</u>	<u>\$ 17,757,350</u>	<u>\$ 19,533,881</u>	<u>\$ 22,266,632</u>
All Other Governmental Funds										
Nonspendable.....	\$ 156,746	\$ 156,746	\$ 137,442	\$ 601,676	\$ 575,620	\$ 588,952	\$ 578,227	\$ 560,969	\$ 568,115	\$ 619,051
Restricted.....	6,569,076	8,035,820	7,814,281	7,889,698	10,142,796	12,259,665	11,015,927	11,637,499	13,038,298	13,867,883
Committed.....	371,107	296,927	450,958	-	-	-	-	-	-	-
Unassigned.....	(241,162)	(1,000,618)	(3,791,429)	(2,608,172)	(985,252)	(28,755)	(9,394,972)	(18,593,518)	(12,945,185)	(5,216,820)
Total all other governmental funds.....	<u>\$ 6,855,767</u>	<u>\$ 7,488,875</u>	<u>\$ 4,611,252</u>	<u>\$ 5,883,202</u>	<u>\$ 9,733,164</u>	<u>\$ 12,819,862</u>	<u>\$ 2,199,182</u>	<u>\$ (6,395,050)</u>	<u>\$ 661,228</u>	<u>\$ 9,270,114</u>

Changes in Fund Balances, Governmental Funds

	Last Ten Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 40,628,331	\$ 43,275,829	\$ 44,240,027	\$ 45,906,995	\$ 46,824,452	\$ 49,180,230	\$ 51,781,419	\$ 53,133,205	\$ 54,401,250	\$ 54,145,389
Motor vehicle and other excise taxes.....	1,929,747	1,972,008	2,106,253	2,350,985	2,398,639	2,434,366	2,320,990	2,514,249	2,638,282	2,596,761
Hotel/motel tax.....	553,174	589,322	649,119	678,226	674,717	684,793	905,397	1,132,926	1,675,737	1,839,277
Meals tax.....	328,522	359,441	379,689	406,465	423,305	439,960	445,497	325,311	571,745	648,055
Charges for services.....	1,767,977	2,096,797	2,119,239	2,082,057	1,495,312	1,683,252	1,615,612	2,721,300	2,325,107	2,824,685
Penalties and interest on taxes and excise.....	372,574	307,873	314,847	410,681	405,047	503,894	309,139	446,733	444,759	473,261
Fees and rentals.....	-	-	-	-	264,414	107,521	147,507	143,258	127,840	133,002
Recreation fees.....	2,556,706	1,770,473	1,875,887	2,898,807	3,107,877	3,139,411	3,029,257	3,770,492	4,095,030	4,028,926
Sanitation fees.....	1,931,322	2,156,538	2,455,995	2,749,461	3,110,692	3,209,427	3,837,379	4,197,083	3,747,946	
Payments in lieu of taxes.....	54,851	55,962	58,319	56,741	58,616	61,960	62,471	65,256	63,703	58,836
Licenses and permits.....	975,256	1,688,049	1,777,026	694,880	731,490	913,619	883,702	988,060	915,886	885,554
Intergovernmental.....	6,725,263	4,140,679	7,005,754	5,173,694	3,548,977	1,713,048	2,017,798	2,834,134	1,582,530	2,105,496
Departmental and other.....	1,450,236	1,248,203	1,614,355	1,630,206	2,024,635	2,635,738	2,211,358	1,953,195	2,638,962	3,692,650
Community preservation taxes.....	-	-	-	-	1,371,737	1,448,794	1,518,544	1,563,029	1,583,795	1,639,192
Community preservation state match.....	-	-	-	-	304,606	-	400,087	505,537	791,824	715,313
Special assessments.....	-	-	-	106,661	169,003	98,751	103,940	96,299	77,942	67,159
Contributions and donations.....	42,338	117,968	38,733	38,664	9,110	7,235	38,229	393,865	94,534	41,038
Investment income (loss).....	90,754	48,887	108,189	120,365	167,256	749,074	572,549	533,669	(3,751)	1,022,961
Total revenues.....	59,407,051	59,828,029	64,743,432	65,304,888	67,089,885	65,801,646	71,572,923	76,957,897	78,222,258	80,665,501
Expenditures:										
General government.....	2,815,828	2,688,988	3,097,869	3,217,922	3,683,572	3,537,246	3,648,272	4,494,077	3,579,462	4,380,492
Public safety.....	8,107,909	8,433,586	8,909,986	9,024,268	9,597,470	14,432,126	11,229,052	11,043,355	10,966,344	12,924,884
Education.....	21,759,572	21,343,766	24,235,546	25,495,354	26,247,111	27,190,613	28,998,890	28,706,526	28,929,100	29,243,879
Public works.....	6,278,572	9,054,635	13,411,113	8,774,422	11,045,317	9,187,789	16,832,929	17,895,349	11,133,671	16,245,318
Human services.....	1,397,057	1,302,963	1,247,826	1,232,738	1,374,904	1,332,714	1,373,413	1,309,880	1,450,272	1,648,129
Culture and recreation.....	3,968,526	3,394,215	5,094,883	4,130,106	14,594,041	6,157,691	3,822,698	4,875,003	4,278,795	4,493,069
Community preservation.....	-	-	-	948,441	163,205	1,222,411	542,471	861,581	1,124,251	1,770,529
Pension benefits.....	-	-	-	2,364,925	2,681,194	2,542,729	2,793,063	2,903,991	3,001,787	3,264,009
Employee benefits.....	9,621,497	6,106,443	6,469,592	4,124,629	5,115,326	5,618,378	5,588,374	4,794,901	5,343,905	5,337,501
State and county charges.....	627,779	642,174	536,513	646,442	682,359	701,638	737,501	764,538	805,213	825,195
Debt service:										
Principal.....	2,825,000	2,812,358	2,802,358	2,777,358	1,782,356	2,687,358	3,301,950	3,027,170	2,822,123	3,046,121
Interest.....	643,018	662,513	548,892	485,197	498,958	1,189,155	1,243,633	1,077,105	930,732	1,038,547
Total expenditures.....	58,044,758	56,441,641	66,354,578	63,221,802	77,465,813	75,799,848	80,112,246	81,753,476	74,365,655	84,217,673
Excess (deficiency) of revenues over (under) expenditures.....	1,362,293	3,386,388	(1,611,146)	2,083,086	(10,375,928)	(9,998,202)	(8,539,323)	(4,795,579)	3,856,603	(3,552,172)
Other Financing Sources (Uses):										
Issuance of bonds and notes.....	2,900,000	-	-	-	12,525,000	9,105,000	-	-	5,135,000	16,092,328
Issuance of refunding bonds.....	-	-	-	-	-	-	3,815,000	-	-	-
Premium from issuance of bonds and notes.....	-	-	-	-	1,395,185	1,081,602	18,173	9,555	359,328	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	517,595	-	-	-
Payments to refunded bond escrow agent.....	-	-	-	-	-	-	(4,250,000)	-	-	-
Capital lease financing.....	-	-	-	-	-	-	444,881	-	-	-
Transfers in.....	1,188,549	2,024,960	1,498,095	2,465,537	2,898,336	2,717,401	2,736,685	2,465,497	4,133,039	2,226,970
Transfers out.....	(1,492,062)	(2,124,960)	(1,498,095)	(2,465,537)	(2,248,158)	(2,787,401)	(2,961,685)	(2,665,497)	(4,651,161)	(3,425,489)
Total other financing sources (uses).....	2,596,487	(100,000)	-	-	14,570,363	10,116,602	(124,232)	254,436	4,976,206	14,893,809
Extraordinary Item - Intergovernmental tornado revenue.....	-	-	-	-	-	-	-	1,171,060	-	-
Extraordinary Item - Tornado relief expenditures.....	-	-	-	-	-	-	-	(844,876)	-	-
Total extraordinary items.....	-	-	-	-	-	-	-	326,184	-	-
Net change in fund balance.....	\$ 3,958,780	\$ 3,286,388	\$ (1,611,146)	\$ 2,083,086	\$ 4,194,435	\$ 118,400	\$ (8,337,371)	\$ (4,541,143)	\$ 8,832,809	\$ 11,341,637
Debt service as a percentage of noncapital expenditures.....	5.97%	6.16%	5.05%	5.61%	3.64%	5.98%	6.86%	6.06%	5.54%	5.68%

Notes:

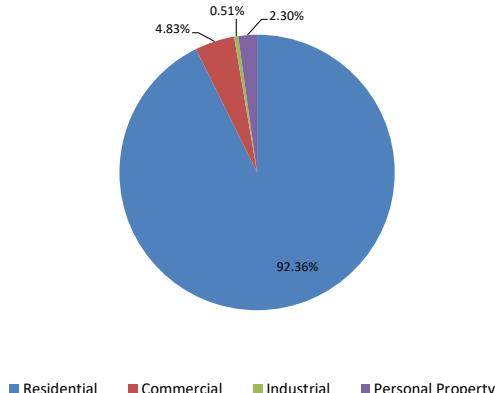
Beginning in fiscal year 2017, the Town has segregated special assessment revenue, community preservation and pension benefit expenditures.

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

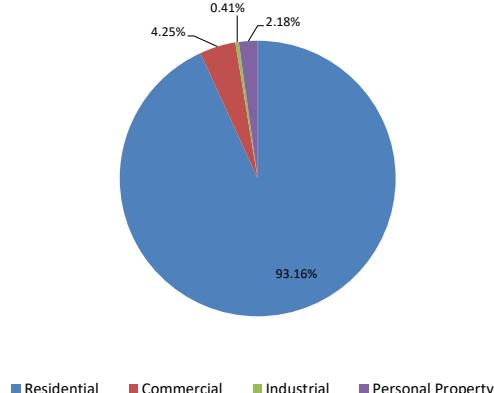
Last Ten Years

Year	Assessed and Actual Values and Tax Rates										
	Residential Value	Residential & Personal Property Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate (1)	Total Town Value		
2014	\$ 4,205,723,813	\$ 8.77	\$ 239,364,277	\$ 19,467,100	\$ 70,368,150	\$ 329,199,527	\$ 8.77	\$ 8.77	\$ 4,534,923,340		
2015	\$ 4,362,218,987	8.97	\$ 245,771,003	\$ 19,809,600	\$ 72,314,360	\$ 337,894,963	8.97	8.97	\$ 4,700,113,950		
2016	\$ 4,461,686,152	9.07	\$ 251,670,218	\$ 26,499,900	\$ 74,153,530	\$ 352,323,648	9.07	9.07	\$ 4,814,009,800		
2017	\$ 4,617,995,392	8.97	\$ 259,151,168	\$ 28,645,900	\$ 77,454,040	\$ 365,251,108	8.97	8.97	\$ 4,983,246,500		
2018	\$ 4,931,447,716	8.80	\$ 269,576,804	\$ 30,490,100	\$ 82,166,200	\$ 382,233,104	8.80	8.80	\$ 5,313,680,820		
2019	\$ 5,281,196,190	8.67	\$ 278,842,570	\$ 30,042,500	\$ 93,413,130	\$ 402,298,200	8.67	8.67	\$ 5,683,494,390		
2020	\$ 5,545,219,026	8.73	\$ 288,115,194	\$ 31,235,300	\$ 108,599,480	\$ 427,949,974	8.73	8.73	\$ 5,973,169,000		
2021	\$ 5,724,314,087	8.60	\$ 299,449,073	\$ 31,300,100	\$ 142,579,700	\$ 473,328,873	8.60	8.60	\$ 6,197,642,960		
2022	\$ 6,243,200,766	8.11	\$ 314,504,004	\$ 31,509,500	\$ 147,296,500	\$ 493,310,004	8.11	8.11	\$ 6,736,510,770		
2023	\$ 7,715,282,571	6.64	\$ 351,624,369	\$ 33,614,000	\$ 180,844,760	\$ 566,083,129	6.64	6.64	\$ 8,281,365,700		

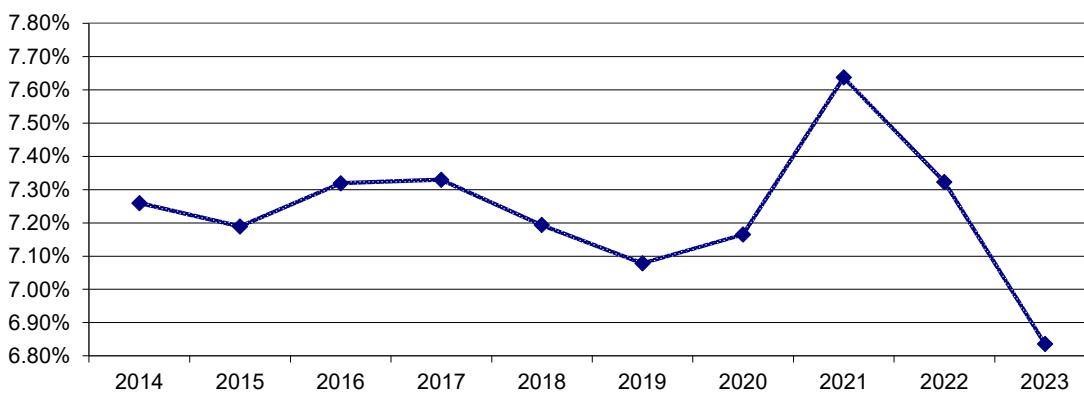
**Total Assessed Value by Classification
Year Ended June 30, 2022**



**Total Assessed Value by Classification
Year Ended June 30, 2023**



Commercial Value as % of Total Value



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

Source: Department of Revenue, Division of Local Services

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

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

Principal Taxpayers

Current Year and Nine Years Ago

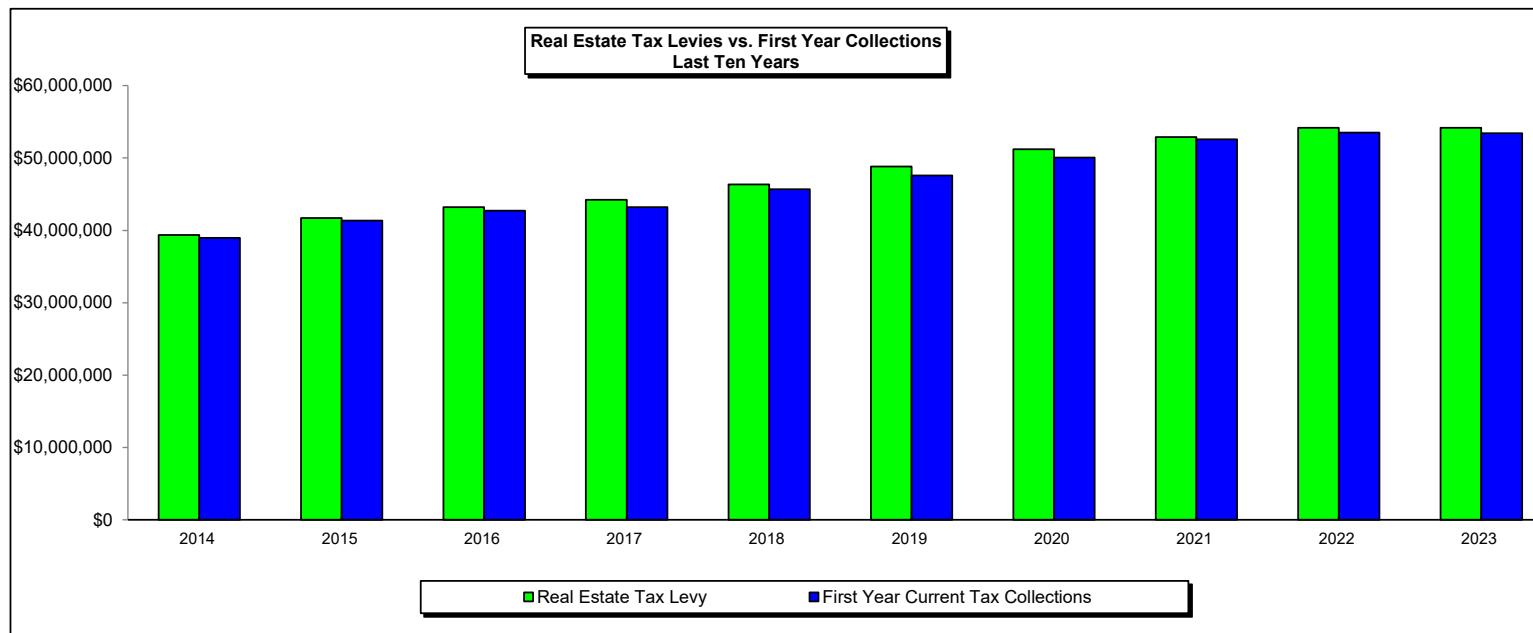
Name	Nature of Business	2023		Percentage of Total Taxable Assessed Value	2014		Percentage of Total Taxable Assessed Value
		Assessed Valuation	Rank		Assessed Valuation	Rank	
Eversource	Utility	\$82,327,580	1	0.99%	\$8,508,800	7	0.19%
Round Cove Resort	Inn	\$50,937,300	2	0.62%			
Nstar Electric Co.	Utility	\$44,317,640	3	0.54%	\$17,480,530	2	0.39%
Wychmere Harbor Real Estate, LLC	Inn	\$31,409,700	4	0.38%	\$10,540,500	5	0.23%
WJG Realty Trust	Super Store/Stores	\$19,961,700	5	0.24%	\$15,206,900	3	0.34%
Individual	Individual Residence	\$16,021,000	6	0.19%	\$8,549,200	6	0.19%
Individual	Individual Residence	\$15,340,700	7	0.19%	\$7,236,210	9	0.16%
Headwaters Realty, LLC	Nursing Home	\$14,844,200	8	0.18%			
Individual	Individual Residence	\$13,532,800	9	0.16%	\$5,923,430	10	0.13%
Individual	Individual Residence	\$12,925,600	10	0.16%			
Wequassett Inn LLP	Inn				\$29,533,280	1	0.65%
NPH Harwich LLC	Nursing Home				\$12,152,900	4	0.27%
TRT Harwich LLC	Super Market				\$7,570,300	8	0.17%
Totals		<u><u>\$301,618,220</u></u>		<u><u>3.64%</u></u>	<u><u>\$122,702,050</u></u>		<u><u>2.71%</u></u>

Source: Assessor's Department

Property Tax Levies and Collections

Last Ten Years

Year		(1) Total Tax Levy	Less Reserve for Abatements & Exemptions	(1) Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy (2)
2014	\$	39,771,278	430,000	39,341,278	98.92%	\$ 38,970,524	99.06%	\$ 372,296	\$ 39,342,820	100.00%
2015		42,160,022	440,000	41,720,022	98.96%	41,353,997	99.12%	283,280	41,637,277	99.80%
2016		43,663,069	451,039	43,212,030	98.97%	42,734,389	98.89%	415,259	43,149,648	99.86%
2017		44,699,721	467,623	44,232,098	98.95%	43,202,536	97.67%	381,973	43,584,509	98.54%
2018		46,761,271	413,262	46,348,009	99.12%	45,679,828	98.56%	600,852	46,280,680	99.85%
2019		49,275,896	450,000	48,825,896	99.09%	47,582,459	97.45%	1,063,994	48,646,453	99.63%
2020		51,635,467	437,775	51,197,692	99.15%	50,066,624	97.79%	690,505	50,757,129	99.14%
2021		53,299,729	400,000	52,899,729	99.25%	52,563,015	99.36%	277,493	52,840,508	99.89%
2022		54,633,102	454,663	54,178,439	99.17%	53,511,334	98.77%	595,743	54,107,077	99.87%
2023		54,988,268	821,008	54,167,260	98.51%	53,434,892	98.65%	-	53,434,892	98.65%



(1) Includes tax liens.

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

Source: Official Statements, Town of Harwich.

Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities		Business-type Activities		Total Debt Outstanding	Percentage of Personal Income (2)	U. S. Census Population	Debt Per Capita
	General Obligation Bonds (1)	Direct Borrowings and Capital Financing	General Obligation Bonds (1)	Direct Borrowings				
2014	\$ 19,614,999	\$ 139,272	\$ 7,430,000	\$ -	\$ 27,184,271	6.38%	12,479	\$ 2,178
2015	16,819,999	121,914	8,838,232	-	25,780,145	6.07%	12,432	2,074
2016	14,329,812	104,557	6,690,406	1,878,232	23,003,007	4.32%	12,872	1,787
2017	11,497,438	87,199	6,196,993	1,802,256	19,583,886	3.68%	12,873	1,521
2018	23,590,617	69,841	5,705,257	1,721,937	31,087,652	6.20%	12,133	2,562
2019	30,826,801	52,483	5,215,197	1,642,746	37,737,227	7.08%	12,745	2,961
2020	27,242,825	35,533	3,187,930	1,561,833	32,028,121	6.07%	12,142	2,638
2021	23,786,304	371,243	4,245,066	1,479,162	29,881,775	5.53%	13,440	2,223
2022	26,257,061	279,120	3,764,919	1,394,695	31,695,795	5.63%	13,709	2,312
2023	39,143,897	6,121	3,355,068	1,308,392	43,813,478	7.49%	13,983	3,133

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

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

Source: Audited Financial Statements, U. S. Census

Ratios of General Bonded Debt Outstanding

Last Ten Years

Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2014	\$ 27,044,999	0.60%	\$ 2,167
2015	25,658,231	0.55%	2,064
2016	21,020,218	0.44%	1,633
2017	17,694,431	0.36%	1,375
2018	29,295,874	0.55%	2,415
2019	36,041,998	0.63%	2,828
2020	30,430,755	0.51%	2,506
2021	28,031,370	0.42%	2,086
2022	30,021,980	0.36%	2,190
2023	42,498,965	0.51%	3,039

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

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

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2023

<u>Overlapping Entities</u>	Debt Outstanding	Percentage Applicable	Share of Overlapping Debt	Current Year Assessment for Operations and Debt Service
Debt repaid with property taxes				
Barnstable County.....	\$ 15,189,470	6.66%	\$ 1,011,619	\$ 242,789
Cape Cod Regional Technical High School District.....	55,760,000	11.20%	6,245,120	1,895,921
Monomoy Regional School District.....	18,700,000	75.11%	<u>14,045,570</u>	27,301,458
Subtotal, overlapping debt.....			21,302,309	
Town direct debt.....			<u>45,084,527</u>	
Total direct and overlapping debt.....			<u>\$ 66,386,836</u>	

Source: Official Statements

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

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

Computation of Legal Debt Margin

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Equalized Valuation.....	\$ 4,818,012,600	\$ 4,818,012,600	\$ 5,172,756,600	\$ 5,172,756,600	\$ 5,697,974,900	\$ 5,697,974,900	\$ 6,396,397,000	\$ 6,396,397,000	\$ 7,143,004,400	\$ 7,143,004,400
Debt Limit - 5% of Equalized Valuation.....	\$ 240,900,630	\$ 240,900,630	\$ 258,637,830	\$ 258,637,830	\$ 284,898,745	\$ 284,898,745	\$ 319,819,850	\$ 319,819,850	\$ 357,150,220	\$ 357,150,220
Less:										
Outstanding debt applicable to limit.....	19,279,272	16,541,914	13,809,556	11,015,000	21,840,000	28,340,000	24,685,000	21,740,000	24,145,000	21,105,000
Authorized and unissued debt applicable to limit.....	<u>8,451,000</u>	<u>9,351,000</u>	<u>9,151,000</u>	<u>17,166,037</u>	<u>44,445,150</u>	<u>33,451,617</u>	<u>33,507,696</u>	<u>33,231,300</u>	<u>30,775,000</u>	<u>80,189,533</u>
Legal debt margin.....	\$ 213,170,358	\$ 215,007,716	\$ 235,677,274	\$ 230,456,793	\$ 218,613,595	\$ 223,107,128	\$ 261,627,154	\$ 264,848,550	\$ 302,230,220	\$ 255,855,687
Total debt applicable to the limit as a percentage of debt limit.....	11.51%	10.75%	8.88%	10.90%	23.27%	21.69%	18.20%	17.19%	15.38%	28.36%

Source: Assessor's Office

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2014	12,479	\$ 426,107,934	\$ 34,146	50.9	1,432	6.9%
2015	12,432	424,503,072	34,146	52.0	1,631	6.4%
2016	12,872	531,909,656	41,323	52.0	1,622	5.2%
2017	12,873	531,950,979	41,323	52.0	1,474	4.8%
2018	12,133	501,371,959	41,323	52.8	1,487	4.5%
2019	12,745	532,983,155	41,819	52.8	1,507	4.3%
2020	12,142	527,667,036	43,458	52.8	1,443	15.4%
2021	13,440	540,744,960	40,234	52.8	1,379	5.4%
2022	13,709	562,591,056	41,039	52.8	1,327	4.0%
2023	13,983	585,319,735	41,859	52.8	1,331	2.9%

Source: U. S. Census, Division of Local Services, and Annual Town Reports
 Median age and personal income is estimated based on most recent census data

Principal Employers (excluding Town)

Current Year and Nine Years Ago

Employer	Nature of Business	2023			2014		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Monomoy Regional School District (Harwich only)	Education	221	1	3.58%			
Stop & Shop Supermarket	Grocery Store	200	2	3.24%	200	1	3.30%
Outer Cape Health Services	Health Services	200	2	3.24%			
Wequasset Resort	Resort	150	4	2.43%			
Robert B. Our Co., Inc.	Construction	130	5	2.11%	80	3	1.32%
Epoch Health Care	Senior Health Care	120	6	1.94%			
Cape Cod Technical High School	Education	110	7	1.78%			
Fontaine Center	Medical Facility	100	8	1.62%			
Wychmere Harbor Beach & Tennis	Private Beach Club	92	9	1.49%			
Star Market	Grocery Store	90	10	1.46%	90	2	1.49%
400 East	Restaurant				40	4	0.66%
Rosewood Manor	Nursing Home				32	5	0.53%
Hinckley Home Center	Lumber				30	6	0.50%
Cape Cod Five Cents Savings Bank	Bank				24	7	0.40%
Allen Harbor Marine Services, Inc.	Boatyard				20	8	0.33%
Totals		<u>1413</u>	<u>22.90%</u>	<u>516</u>	<u>8.52%</u>		

For 2014, information was only available for 8 of the largest employers.

Source: Massachusetts Department of Employment and Training and Official Statements

Full-time Equivalent Town Employees by Function

Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function										
General government.....	27	28	28	29	29	29	36	27	27	26
Public safety.....	74	75	75	76	76	76	84	84	83	84
Public works.....	49	50	51	52	52	52	45	47	47	47
Human services.....	8	10	11	11	11	11	10	10	10	10
Culture and recreation.....	20	22	23	22	22	22	46	49	49	49
Total	<u>178</u>	<u>185</u>	<u>188</u>	<u>190</u>	<u>190</u>	<u>190</u>	<u>221</u>	<u>217</u>	<u>216</u>	<u>216</u>

Source: Various Town Departments

Operating Indicators by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Fire Department										
Total incidents.....	4,014	4,294	4,322	4,205	5,029	4,863	4,350	4,554	4,600	4,699
Rescue/EMS.....	2,204	2,274	2,492	2,318	2,605	2,601	3,161	2,635	2,664	2,751
Inspectional Services Department										
Number of building permits (quick and zoning)....	1,395	1,047	1,331	1,242	1,321	1,389	1,179	1,292	1,285	1,295
Number of plumbing/gas permits.....	1,146	1,208	1,199	1,176	1,320	1,419	1,432	1,309	1,331	1,370
Number of electrical permits.....	774	804	904	935	916	951	875	916	919	915
Water/Sewer										
Number of gallons pumped (millions).....	752	854	853	699	773	730	861	783	769	787
Number of new services added.....	32	42	36	40	52	50	28	41	42	43
Number of main improvements.....	11	14	3	5	5	1	1	1	1	1
Highway										
Number of work orders.....	571	507	507	498	785	755	575	624	647	685
Cemetery										
Burials.....	77	81	88	83	62	80	62	47	67	63
Recreation										
Number of programs added.....	9	12	13	11	9	8	-	-	-	-
Number of participants-winter.....	310	408	426	389	385	350	47	35	241	204
Number of participants-spring.....	200	203	230	229	229	438	-	-	-	-
Number of participants-summer.....	952	662	1,028	1,161	1,250	1,248	-	-	-	-
Number of participants-fall.....	274	274	357	373	402	393	61	46	255	226
Police Department										
Arrests/PCs.....	190	216	235	216	210	209	166	207	202	198
Summons Arrests.....	172	141	135	135	156	166	121	143	144	146
Total Calls for Service.....	17,168	18,118	16,879	16,872	18,154	18,694	14,596	17,039	17,071	17,121

Source: Various Town Departments

N/A - Information not available

Several operating indicators are maintained on a calendar year basis. As a result, 2023 information is not yet available.

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	1	1	1
Fire										
Number of stations.....	2	2	2	2	2	2	2	2	2	2
Harbors										
Number of buildings.....	3	3	3	3	3	3	3	3	3	3
Public beaches.....	20	20	20	20	20	20	20	20	20	20
Public landings.....	3	3	3	3	3	3	3	3	3	3
Education										
Number of elementary schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Highway Department Building.....	1	1	1	1	1	1	1	1	1	1
Water pumping stations.....	14	14	14	14	14	14	14	14	14	14
Water corrosion facilities.....	5	5	5	5	5	5	5	5	5	5
Water storage tanks.....	3	3	3	3	3	3	3	3	3	3
Miles of water mains.....	210	210	210	210	210	210	210	210	210	210
Fire hydrants.....	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Service connections.....	9,824	9,848	9,925	9,823	9,957	N/A	N/A	N/A	N/A	N/A
Water office buildings.....	1	1	1	1	1	1	1	1	1	1
Water service garage (4 bays).....	1	1	1	1	1	1	1	1	1	1
Water equipment garage (1 bay).....	1	1	1	1	1	1	1	1	1	1
Water storage garage (1 bay).....	1	1	1	1	1	1	1	1	1	1
Cemeteries.....	17	17	17	17	17	17	17	17	17	17
Human Services										
Community Center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Brooks Academy, Town Museum.....	1	1	1	1	1	1	1	1	1	1
Cultural Center.....	-	-	1	1	1	1	1	1	1	1
Parks.....	6	6	6	6	6	6	6	6	6	6
Athletic fields.....	7	7	7	7	7	7	7	7	7	7
Golf courses.....	1	1	1	1	1	1	1	1	1	1
Golf clubhouses.....	1	1	1	1	1	1	1	1	1	1
Golf course buildings.....	1	1	1	1	1	1	1	1	1	1
Town owned libraries.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

N/A - Information not available



Fish House on Herring River