

**THE TOWN OF MARSHFIELD,
MASSACHUSETTS**

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**



**FOR THE YEAR
JULY 1, 2019 – JUNE 30, 2020**

On the cover:

Brant Rock, one of the many beaches in Marshfield.



Pictured above is the Ocean Bluff.

TOWN OF MARSHFIELD, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2020



Prepared by:

**The Fiscal Team
Town of Marshfield, Massachusetts**

TOWN OF MARSHFIELD, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2020

TABLE OF CONTENTS

Introductory Section.....	1
Letter of Transmittal.....	2
Organizational Chart.....	11
in Financial Reporting	12
Principal Town Officials – As of June 30, 2020	13
Financial Section	15
Independent Auditor's Report.....	17
Management's Discussion and Analysis	19
Basic Financial Statements	29
Statement of Net Position.....	31
Statement of Activities.....	32
Governmental Funds – Balance Sheet	34
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position.....	35
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	37
Proprietary Funds – Statement of Net Position.....	38
Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position	39
Proprietary Funds – Statement of Cash Flows	40
Fiduciary Funds – Statement of Fiduciary Net Position	41
Fiduciary Funds – Statement of Changes in Fiduciary Net Position.....	42
Notes to Basic Financial Statements	43
Required Supplementary Information.....	79
General Fund Budgetary Comparison Schedule.....	80
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	81
Pension Plan Schedules.....	84
Schedule of the Town's Proportionate Share of the Net Pension Liability.....	85
Schedule of Contributions	86
Schedule of Special Funding Amounts of the Net Pension Liability	87

Other Postemployment Benefit Plan Schedules	88
Schedule of the Town's net OPEB Liability and Related Ratios	89
Schedule of the Town's Contributions	90
Schedule of Investment Returns	91
Notes to Required Supplementary Information	92
Combining and Individual Fund Statements	96
Nonmajor Governmental Funds	97
Nonmajor Governmental Funds – Combining Balance Sheet	98
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	100
Agency Fund	102
Agency Fund – Statement of Changes in Assets and Liabilities	103
Statistical Section	105
Net Position By Component – Last Ten Years	106
Changes in Net Position – Last Ten Years	107
Fund Balances, Governmental Funds – Last Ten Years	108
Changes in Fund Balances, Governmental Funds – Last Ten Years	109
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates – Last Ten Years	110
Principal Taxpayers – Current Year and Nine Years Ago	111
Property Tax Levies and Collections – Last Ten Years	112
Ratios of Outstanding Debt by Type – Last Ten Years	113
Ratios of Outstanding Debt and General Bonded Debt – Last Ten Years	114
Direct and Overlapping Governmental Activities Debt	115
Computation of Legal Debt Margin – Last Ten Years	116
Demographic and Economic Statistics – Last Ten Years	117
Principal Employers – Current Year and Nine Years Ago	118
Full-Time Equivalent Town Employees by Function – Last Ten Years	119
Operating Indicators by Function/Program – Last Ten Years	120
Capital Asset Statistics by Function/Program – Last Ten Years	121

Introductory Section



Pictured above is the Cut River.

Introductory Section



Michael A. Maresco
Town Administrator

Town of Marshfield

Board of Selectmen

870 Moraine Street

Marshfield, Massachusetts 02050

Tel: 781-834-5563 Fax: 781-834-5527

Letter of Transmittal

December 21, 2020

To the Honorable Board of Selectmen and the Citizens of the Town of Marshfield:

State law requires the Town of Marshfield to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Town of Marshfield, Massachusetts, for the year ending June 30, 2020 for your review.

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

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

The Town of Marshfield's financial statements have been audited by Powers & Sullivan, LLC a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Marshfield for the year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town of Marshfield's financial statements for the year ended June 30, 2020 and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of Town

The Town of Marshfield was incorporated in 1640 and occupies a land area of approximately 28.35 square miles; noted by the local population as a "community of villages." It is governed by an open Town Meeting form of government and the Chief Executive Officer is the Board of Selectmen. The day to day operation of the Town is managed on behalf of the Board of Selectmen by a Town Administrator. Marshfield is located in southeastern Massachusetts in Plymouth County and has been recognized as one of the 13th safest communities in the United States in 2020. The Town of Marshfield is bordered by the Atlantic Ocean on the east, Duxbury on the south and southeast, Pembroke and Norwell on the west, and Scituate on the north. Marshfield is a coastal town located in east central Plymouth County approximately 32 miles south of Boston, 18 miles east of Brockton, 48 miles northeast of Providence, RI, and 225 miles north of New York City. State routes 3, 3A and 139 are the principal highways and roads serving the Town. Chartered flights throughout New England are available at the Marshfield Municipal Airport. The commuter rail is also in close proximity to Marshfield, giving residents ready access into the City of Boston and other adjacent communities. The Greater Attleboro Taunton Regional Transit Authority (GATRA) provides local bus service from Plymouth to Scituate, including services for persons with disabilities.

Local legislative decisions are made by an open Town Meeting, the purest form of democracy consisting of all of the registered voters in the Town. Subject to the legislative decisions made by the Town Meeting, the affairs of the Town are generally administered by a three-member Board of Selectmen, as well as five other elected Boards. According to the U.S. Department of Commerce, Bureau of Census conducted in 2010, the Town's population was 25,184. However, unofficially the Town's summer population increases (estimated) to over 40,000.

Local school affairs are administered by a five-member School Committee through the School Superintendent. Local taxes are assessed by a three-member elected Board of Assessors; all elected for staggered three-year terms on an at large basis. A three-member Board of Public Works, similarly elected, oversees the Town's principally self-supporting Sewer, Water, and Solid Waste enterprise funds in addition to the Highway and Cemetery Departments.

The Town of Marshfield provides general governmental services for the territory within its boundaries, including police and fire protection, public education in grades kindergarten through twelve, typical municipal financial services, water and sewer services, solid waste disposal, a library, streets, parks, services to senior citizens and Veterans, and recreational activities.

The Town of Marshfield's commitment to open space, historical preservation and community housing is evidenced by its acceptance of the Community Preservation Act beginning in year 2002 at the maximum 3% surcharge. These funds have been authorized by Town Meeting for the purchase of over 350 acres of open space preserving and protecting aquifers, habitats, woodlands, marshland and meadows. In 2019 the Town of Marshfield has over 2,777 acres of conservation protected land.

Factors Affecting Economic Condition

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

The Board of Selectmen had decided that the foundation of Marshfield's government, the Town Charter needed to be modernized. The Charter was adopted in 1975 with only very minimal changes. The Board appointed a Charter Review Committee on January 4, 2016 to examine the Town's governance. The process was completed and voted on at a Special Town Meeting in May of 2018. The suggested changes were not adopted.

The Town continues to manage its financial affairs in a prudent manner. Standard & Poor's reconfirmed in July of 2018, June 26, 2019 and on July 13, 2020 the Town's bond rating to AA+ and a short term BAN rating of SP+1 (highest short term note attainable) with a stable outlook which is reflective of management's incorporation of long range planning tools such as a five year Capital Improvement Program; a three year strategic budget plan; maintenance of reserve balances despite tight budget; a free cash policy that funds the Town's stabilization fund by using 25% of free cash each fall. At the November 18, 2020 Special Town Meeting the Stabilization fund had a balance of \$6.0 million in reserve. The funding of OPEB is through the first \$100,000 of the meals tax revenue. After the Special Fall Town Meeting on November 18, 2019 the OPEB Fund had a balance in reserve of \$600,000. Our investment strategy of investing in technology to ensure efficient operations; and maintaining an aggressive debt management strategy for capital improvements and pursuing pay-as-you-go options whenever possible, has proven to be fiscally successful. Town Meeting approved a \$48.9 million-dollar debt exclusion to build a new 24,000 square foot Police Station, a 38,000 square foot DPW Facility, an 11,400 square foot addition onto our Senior Center and \$3.5 million for additional seawall grant matches. The Town consistently seeks grant opportunities for operational services as well as capital improvements.

The Town of Marshfield will break ground on the Senior Center expansion on December 18, 2020 and anticipates breaking ground for the new Police Station in January of 2021. The Town of Marshfield did purchase a new building for the DPW and had it refreshed. The Town expects to be breaking ground at this new site for an additional 24,000 square foot building in the spring of 2021.

The Town faced fiscal challenges in the past, mostly tied to personnel issues and has not only resolved those challenges but came to a conclusion that will make the Town fiscally strong for years to come. New staff has joined the Town's operations, Treasurer Collector, Assistant Treasurer, Assistant Collector, Town Accountant, Town Administrator, Human Resources Facility Director and Building Commissioner that will provide a level of succession planning that has not existed in the past.

The Town has also enhanced its revenue flexibility by establishing Enterprise funds. This has allowed the Town to shift one hundred percent (except for certain amounts of sewer debt where the general fund is responsible for its 40% share) of the operating cost and capital improvements to the users of sewer, water, and solid waste services so that no tax support goes towards providing these services. All related debt, except as discussed above, is funded through user fees. By doing so the Town is able to provide the maximum tax dollars available to all other services.

Major Initiatives

Flood Insurance: In 2016 the FEMA appeals to correct the flood maps moved to a higher level of technical review. While the Town's appeal was successful, and 400 homes were taken out of the new proposed flood zones; the maps still had technical errors that needed to be resolved. In order to address the remaining errors, under the law, the Town had to adopt the maps, with technical errors. In the fall of 2015, the Town overwhelmingly adopted the new flood maps, with the intention of pursuing the remaining errors. The Town will be seeking assistance from the federal legislators and support of the scientific consultant Woods Hole Group. In

2016 the Town of Marshfield approved the FEMA flood map with the north end of Marshfield being improved from the original 2013 version of the FEMA map. The Green Harbor section of Marshfield was not adjusted at that time. However, in 2017-2018 the Woods Hole Group did make adjustments to the FEMA map for Green Harbor and have submitted the updated map to FEMA for their review. The Town of Marshfield continues to work with FEMA and our consultant the Woods Hole Group to get our LOMAR Maps updated. Finally, success on July 6, 2020, FEMA approved LOMAR maps for the Town.

Another milestone is a 15% reduction in flood insurance due to the efforts of the Town's CRS/PPI committee. Our residents who are in a National Flood Insurance Program will receive a 15% reduction. This represents a cumulative total of \$280,000 in savings for our residents.

Building Projects: The Town has possibly the most popular skateboard park in southeastern Massachusetts and a notable recreational facility, Peter Igo Park, both of which opened for business in 2016. Peter Igo Park's focal point may be tennis; but basketball, pickleball, and kayaking are also on the Parks itinerary. The Harbor Park was also opened allowing our residents additional access to the harbor area. Harbor Park and the Peter Igo Park are connected by a walkway. Also, the Library Plaza development got underway and was opened in the spring of 2017. The Town also opened new ball fields in the Planned Mixed Use Development (PMUD). In August of 2018 the Town opened its long-awaited new Maritime Center on the Town Pier.

The Town of Marshfield, with funding from the Town's CPC and the Marshfield Housing Partnership, obtained the necessary funding to assist Father Bill's/Neighborworks in building 8 units of affordable units of Veteran's Housing at the Old South Grammar School. The project's anticipated completion with residents moving in is the spring of 2021.

Town Meeting this Fall (2020) approved the building of a Dog Park in the PMUD. Design and construction will be funded by a grant from the Stanton Foundation. The CPC also contributed \$50,000 to this important project. Completion of the Dog Park is anticipated for early summer of 2021.

Current Development Information

Progress Way Subdivision and Site Plan for Industrial Building: Progress Way is a 700 foot long roadway off of Rockwood Road in the Industrial/PMUD district. The roadway provides access to several additional industrial lots. One of the lots is already approved for a 16,800 sq. ft. building which will include office, warehouse and an assembly area. Roadway has been installed and building construction is underway.

Highland Green: Highland Green is a 22 unit attached townhouse development off of Proprietors Green, Seth Sprague and Old Woodlot Lane. The roadway, drainage and grading is complete and Construction on the first three buildings has begun.



Highland Green



Modera

Modera: Modera is a comprehensive permit (40B) by the Zoning Board of Appeals. The development is on the corner of Commerce Way and Endeavor Drive which is located in the Industrial park off of Route 139. The development consists of 248 units broken into townhouse and three-story garden style apartments, club house, pool and interior roadways and parking. Construction is nearly finished with occupancy expected in January 2021.

Proprietor's Marketplace: The marketplace is the second phase of a mixed use multiple building development. The second phase includes three buildings. Two of the three buildings are now occupied. Both buildings contain commercial area on the first floor and 5 two story residential condos above.



Proprietor's Marketplace



Adelaide: Adelaide is a 15 lot subdivision approved and under construction on Webster Street in the Green Harbor area of Town. The roadway base coat and drainage are in place and six homes are built and occupied.



Adelaide

Diagenix Corporation Commerce Way: Diagenix is a 15,000 sq. ft. office and warehouse building located on Commerce Way which connects Enterprise Drive to Proprietor's Way. The project was reviewed and approved in 40 days. The building is under construction.

John Sherman Estates: John Sherman Estates is a 13-lot subdivision off of Route 3A and Wright's Way. The Subdivision has the roadway base coat and drainage installed and has 7 homes completed.



Wright's Way



John Sherman

Wright's Way: Wright's Way is another 13 lot subdivision off of Ferry Street and connected to John Sherman. The roadway's base coat and drainage have been installed and 11 homes are completed, and another home is under construction.

Direct Granite: 600 Plain Street is a rehabilitation and expansion of a commercial building on Route 139 by adding a 43' x 120' long building to the existing 45' x 76' metal building. The building will be a combined retail sales and cutting and fabrication of countertops. The permit was issued and construction is underway.



Direct Granite

Health Circle 120 Enterprise Drive: A proposed reuse of the existing 13,000 sq. ft. roofing office and storage facility into an Adult Recreational Marijuana retail operation. This project is undergoing its local special permit review.

Frozen Four 985 Plain Street: A proposed 14,000 sq. ft., Marijuana preparation, packaging and retail operation. The project is undergoing its local special permit review.

Quirk Auto Sales: Quirk was an expansion storage and display area for an additional 127 cars on Route 139 near the Pembroke Town line. The project has been approved and expansion should occur in the Spring of 2021.

Horseshoe Farm: Horseshoe Farm is a 24 lot subdivision off of Spring Street in the North Marshfield area of Town. Twenty of the homes are completed with another four homes under construction.



Horseshoe Farm

Chestnut Hill: Chestnut Hill is a 25 lot subdivision that extends Holly Road to Ferry Street. Sixteen of the homes are completed with two more are under construction. This subdivision is in the Seaview section of Town on a hill with some lots having ocean views.



Chestnut Hill

A total of 370 residential units have been permitted and are expected to be online within the next two years.

Capital Assessment Project

The Town's Facility Manager completed the first total building assessment that will define the Town's future needs for maintenance and building improvements. This tool will help the Town's budgeting process and has initiated a dialogue to create a permanent building committee. The overall goal of the Town-wide buildings assessment is to create a responsible maintenance plan for all the Town's buildings. In 2018 the Board of Selectmen appointed a Capital Project Building Committee to assist the Selectmen in the construction, renovation or remodeling of any Town building or facility. The membership of the committee consisted of contractor, architect, engineer, project manager, local business owner and a building commissioner. The committee began the necessary work of reviewing and evaluating the condition of the DPW Facility, Police Station, Senior Center and Seawalls and to

further determine the need to repair, rebuild or replace the existing facilities. At the Annual Town Meeting in April of 2019 Town Meeting approved \$650,000 to design a new DPW Facility and \$650,000 to design a new Police Station. At the Special Fall Town Meeting on November 18, 2019 the information on these projects was presented to Town meeting including the need, condition of the buildings, costs and plans. The Town Meeting overwhelmingly supported moving forward with a \$49.8 million dollar debt exclusion to build the new Town assets including an 11,400 square foot addition to the Senior Center and \$3.5 million for additional seawall matches for future seawall projects.

The Senior Center project, the Police Project and the DPW Project all are under contract and will have commenced in 2020. Town Meeting supported the purchase of a 12,000 square facility on Route 139 for the DPW facility and on the site plans are being developed to build a 28,000 square foot building to give the DPW the necessary space they need.

Reserves

Management has adopted reserve policies to address key areas of concern including: Operational Budget Reserve Fund, Stabilization Fund, Property and Liability Insurance Reserve, Workers Compensation for Police/Fire Reserve, Postemployment Liability Trust Fund and Town Compensated Absence Reserve. The Town is rebuilding its Stabilization Fund after having used the fund to support the general fund budget in years 2003 through 2008. The Town of Marshfield has increased the balance in our fund to \$6 million. Our goal is 5% of our Annual Budget and as of November 2020 we are at 8%. To achieve this goal, the Board of Selectmen voted to set aside 25% of free cash. The Property & Liability Reserve will allow the Town to increase deductibles for general liability losses to decrease premium costs in future years. The Town Compensated Absence Reserve insulates the Town from the budgetary impact of unexpected retirements or separations from service of senior employees with those benefits.

The Town of Marshfield has also received a new revenue source in 2020 from the Plymouth County Cares Act Money. To date the Town is eligible to receive its full allotment of \$3.9 million.

Internal Controls

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

In 2020 the Town of Marshfield elected to engage with the Commonwealth's Cyber Security platform. To date 90% of our employees have completed steps 1-4.

Budgetary Controls

The Town Administrator presents a budget to the Board of Selectmen which is then reviewed and with amendments presented to the Advisory Board. The nine-member Advisory Board holds public hearings to review all departmental budgets and makes recommendations on the budget to Town Meeting in April of each year.

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

The Treasurer/Collector is responsible for cash and debt management, and the investment of Town funds. The school budget is limited to the total amount appropriated by Town Meeting, but the School Committee retains full power to allocate the funds appropriated.

Financial Management

The Town adopted a policy in year 2015 to codify the allocation of indirect costs between the three Enterprise funds and the General Fund. A written agreement developed by the Fiscal Team, has been approved by the Board of Selectmen and the Board of Public Works to codify the allocation of revenues and fixed costs between the DPW and Town departments.

In 2020, the Board of Selectmen further adopted major updates to all of our fiscal policies to improve the Town's fiscal health, control of revenues and expenditures, increased transparency and accountability.

In 2020, the Town is continuing to work toward a cashless Beach operation through the acceptance of credit and debit cards and the Town has also adopted a new policy with the schools to manage the student accounts. The Treasurer/Collector now handles all the student accounts for all seven schools.

In August of 2020, the Town of Marshfield purchased a Kiosk to accept all Town payments for utilities, taxes and fees. This will allow our citizens to pay for their services without having to enter Town Hall during COVID-19 and into the future.

Acknowledgements

We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Selectmen and the Advisory Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Town, including its finances.

Respectfully submitted,



Michael A. Maresco
Town Administrator



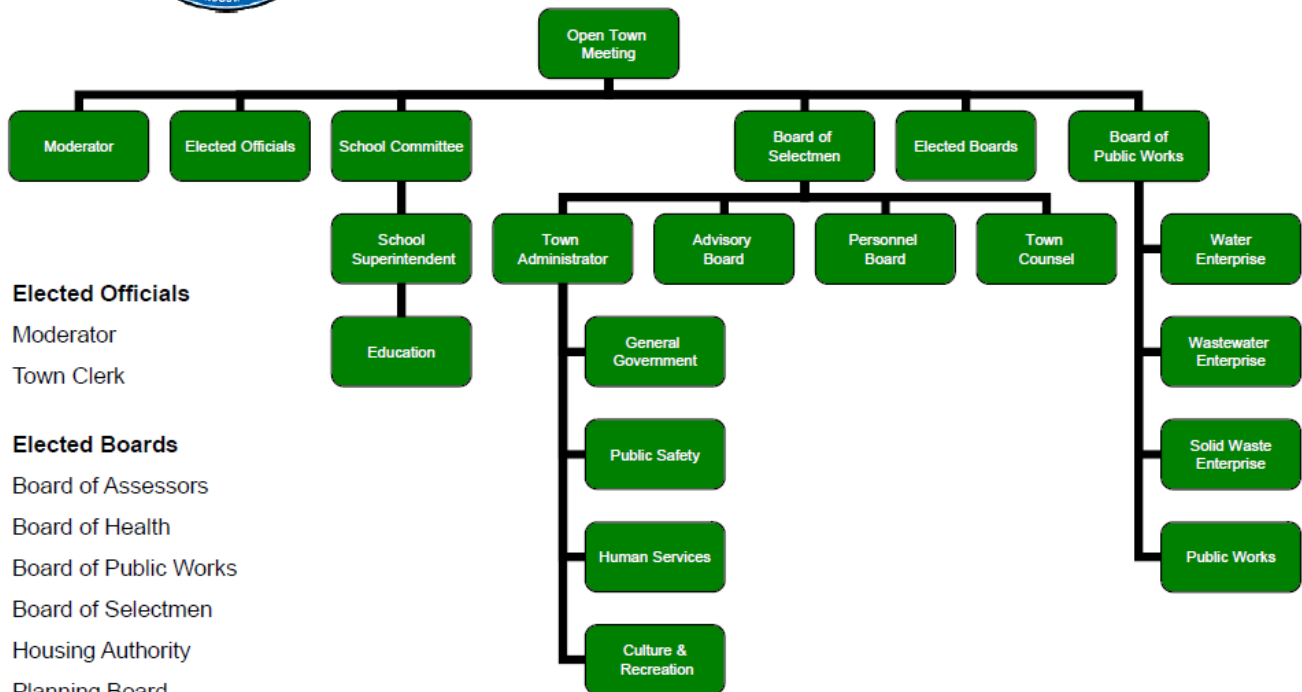
Christine McCarthy
Town Accountant



Patrick Dello Russo
Finance Director/Treasurer/Collector



Town of Marshfield



Elected Officials

Moderator
Town Clerk

Elected Boards

Board of Assessors
Board of Health
Board of Public Works
Board of Selectmen
Housing Authority
Planning Board
Trustees of Soldiers Memorials



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Marshfield
Massachusetts**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Principal Town Officials – As of June 30, 2020

<u>Elected Officials</u>		<u>Term Expires</u>
Board of Selectmen	Michael G. Bradley, Chairperson	2021
	Christopher Rohland, Vice Chairperson	2022
	Stephen R. Darcy, Clerk	2023
Moderator	Donald Gibson	2023
Town Clerk	Narice Ann Casper, II	2021
School Committee	Sean P. Costello, Chairperson	2021
	Brigid Boyd, Vice Chairperson	2023
	Lara Brait, Secretary	2022
	Kendra Stetson Campbell	2021
	Richard J. Greer	2022

Appointed Officials

Town Administrator	Michael A. Maresco
Superintendent of Public Schools	Jeffery W. Granatino
Finance Director/Treasurer/Collector	Patrick Dello Russo
Town Accountant	Christine McCarthy
Assessor/Appraiser	Anne Marie Sinnott
Interim Fire Chief	Thomas Corbo
Police Chief	Phillip A. Tavares
DPW Superintendent	Shawn Patterson

This page intentionally left blank.

Financial Section



Pictured above is the Harbormaster Building.

Financial Section

This page intentionally left blank.



100 Quannapowitt Parkway
Suite 101

Wakefield, MA 01880

T. 781-914-1700

F. 781-914-1701

www.powersandsullivan.com

Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Marshfield, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marshfield, Massachusetts as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marshfield, Massachusetts, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020, on our consideration of the Town of Marshfield, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Marshfield, Massachusetts' internal control over financial reporting and compliance.



December 21, 2020

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Marshfield, Massachusetts, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Marshfield for the year ended June 30, 2020. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditor's opinion. If the Town's financial statements have significant departures from GAAP the independent auditors may issue a modified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and our ability to borrow money at favorable interest rates. The Town has enjoyed an unmodified opinion on its financial statements for many years.

Financial Highlights

- The government-wide assets and deferred outflows of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$39.7 million and \$57.4 million (net position) for governmental activities and business-type activities, respectively.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$13.6 million, an increase of \$1.7 million over the prior year. Total fund balance represents 12.7% of total general fund expenditures. Approximately \$12.3 million of this total amount is available for appropriation at the Town's discretion.
- In 2020, the Town incurred \$1.7 million of expenditures, of which \$976,000 were added to capital assets, related to the COVID-19 Pandemic which were funded by State and Federal Grants (See Note 15).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Marshfield's basic financial statements. The Town's 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.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector businesses.

The statement of net position presents information on all of the Town's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town'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 or the 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, health and human services, culture and recreation, community preservation, COVID-19, and interest. The business-type activities include the activities of the water, sewer, and solid waste enterprise funds.

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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town 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 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 is reporting two major governmental funds that are presented separately in the governmental fund financial statements. The remaining nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

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

Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer, water, and solid waste activities. 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, sewer, and solid waste activities, all 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.

Notes to 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. Assets and deferred outflows exceeded liabilities and deferred inflows by \$97.0 million at the close of 2020.

Government-wide net position of \$205.0 million reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$10.9 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position resulted in a \$118.7 million deficit relating to the cumulative effect of recording \$103.6 million of other postemployment benefit liabilities and \$55.3 million of pension liabilities through June 30, 2020.

Details related to the Town's governmental and business-type activities follow.

Governmental activities. The governmental activities net position decreased by approximately \$2.6 million during the current year as compared to a decrease in net position of \$2.0 million during the prior year. The change between years relates to expenses recorded in the current year related to other postemployment benefits and pensions. These expenditures were offset by a 3.5% increase in revenues mainly from operating grants and contributions, and real estate and personal property tax increases.

	2020	2019
Assets:		
Current assets.....	\$ 61,903,850	\$ 41,714,958
Noncurrent assets (excluding capital).....	114,179	1,266,998
Capital assets, nondepreciable.....	37,117,481	41,597,026
Capital assets, net of accumulated depreciation...	191,690,729	183,080,110
Total assets.....	290,826,239	267,659,092
Deferred outflows of resources.....	20,671,539	21,343,700
Liabilities:		
Current liabilities (excluding debt).....	9,624,811	6,630,974
Noncurrent liabilities (excluding debt).....	149,081,300	150,383,005
Current debt.....	10,413,103	16,604,228
Noncurrent debt.....	86,399,476	63,263,244
Total liabilities.....	255,518,690	236,881,451
Deferred inflows of resources.....	16,214,839	9,754,321
Net position:		
Net investment in capital assets.....	151,366,094	148,968,232
Restricted.....	10,889,372	9,292,397
Unrestricted.....	(122,491,217)	(115,893,609)
Total net position.....	\$ 39,764,249	\$ 42,367,020

Noncurrent liabilities, excluding debt, include accrued liabilities for other postemployment benefits in the amount of \$100.5 million and for pension liabilities of \$46.4 million at June 30, 2020.

	2020	2019
Program Revenues:		
Charges for services.....	\$ 6,300,297	\$ 6,482,626
Operating grants and contributions.....	37,509,231	31,814,470
Capital grants and contributions.....	2,892,606	5,704,003
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	67,890,120	65,575,384
Tax and other liens.....	1,015,258	2,027,860
Motor vehicle and other excise taxes.....	4,762,322	4,743,891
Community preservation tax.....	1,803,198	1,427,805
Penalties and interest on taxes.....	309,349	273,414
Grants and contributions not restricted to specific programs.....	2,906,751	2,792,074
Unrestricted investment income.....	779,609	888,153
Miscellaneous.....	78,769	121,620
Total revenues.....	126,247,510	121,851,300
Expenses:		
General government.....	8,081,676	6,573,493
Public safety.....	20,647,932	20,486,730
Education.....	86,927,713	83,649,632
Public works.....	6,152,029	6,576,131
Health and human services.....	1,728,721	1,734,504
Culture and recreation.....	2,351,018	2,450,888
Community preservation.....	61,548	204,885
COVID-19.....	698,683	-
Interest.....	2,597,586	2,191,408
Total expenses.....	129,246,906	123,867,671
Excess (Deficiency) before transfers.....	(2,999,396)	(2,016,371)
Transfers.....	396,625	45,000
Change in net position.....	(2,602,771)	(1,971,371)
Net position, beginning of year.....	42,367,020	44,338,391
Net position, end of year.....	\$ 39,764,249	\$ 42,367,020

Financial notes related to governmental activities:

- Charges for services represented 5% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in this category.
- Operating grants and contributions accounted for 30% of the governmental activities resources. Most of these resources apply to educational operations. These resources offset costs within the school department and supplement their general fund operating budget.
- Capital grants and contributions accounted for 2% of the governmental activities resources. These resources apply to Airport improvements, Port security, various State grants for educational reimbursements, State grants for roadways improvements and community preservation State revenue.

- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 54% of current resources.
- All other taxes and other revenues comprised a total of 9% of the governmental activities' resources. These primarily include excise taxes, community preservation taxes and nonrestricted grants and contributions.
- Education is by far the largest governmental activity of the Town. Approximately \$53.4 million in taxes and other revenue were needed to cover its 2020 operating expenses. A pension contribution of approximately \$13.3 million made by the state on-behalf of Marshfield teachers was recorded as an expense and grant revenue.
- Public Safety, Public Works, and General Government are the second, third, and fourth largest activities of the Town. Approximately \$16.8 million, \$4.0 million, and \$3.8 million, respectively, of taxes and other revenue were needed to cover their 2020 operating expenses.

Business-type activities. Business-type activities increased the Town's net position by \$184,000 compared to a decrease of approximately \$47,000 during the previous year.

The Water and Sewer enterprise funds both experienced decreases in net position of approximately \$121,000 and \$674,000 each, while the Solid Waste enterprise fund experienced an increase in net position of \$978,000. Overall, charges for services increased 6% when compared to the prior year and expenses for labor, operations, and depreciation increased 2%.

As shown below, business-type activities assets and deferred outflows exceeded liabilities and deferred inflows by \$57.4 million at the close of 2020. The net investment in capital assets is \$53.6 million (92%) while unrestricted net position is \$3.8 million (8%). These results continue to reflect management's goal of maintaining the systems while only charging users for the actual cost of operations.

	2020	2019
Assets:		
Current assets.....	\$ 18,052,097	\$ 16,282,644
Noncurrent assets (excluding capital).....	834,576	1,073,874
Capital assets, nondepreciable.....	8,698,812	10,493,268
Capital assets, net of accumulated depreciation...	57,928,724	56,591,816
Total assets.....	85,514,209	84,441,602
Deferred outflows of resources.....	1,662,516	2,461,080
Liabilities:		
Current liabilities (excluding debt).....	761,869	797,454
Noncurrent liabilities (excluding debt).....	12,251,949	12,953,977
Current debt.....	1,874,350	3,556,977
Noncurrent debt.....	14,182,221	11,933,676
Total liabilities.....	29,070,389	29,242,084
Deferred inflows of resources.....	711,350	449,322
Net position:		
Net investment in capital assets.....	53,610,222	53,758,554
Unrestricted.....	3,784,764	3,452,722
Total net position.....	\$ 57,394,986	\$ 57,211,276

	2020	2019
Program Revenues:		
Charges for services.....	\$ 12,490,151	\$ 11,757,746
Operating grants and contributions.....	26,842	47,081
Capital grants and contributions.....	192,242	190,523
General Revenues:		
Unrestricted investment income.....	149,893	196,449
Total revenues.....	12,859,128	12,191,799
Expenses:		
Water.....	4,375,110	4,243,123
Sewer.....	4,582,449	3,981,216
Solid waste.....	3,321,234	3,969,777
Total expenses.....	12,278,793	12,194,116
Excess (Deficiency) before transfers.....	580,335	(2,317)
Transfers.....	(396,625)	(45,000)
Change in net position.....	183,710	(47,317)
Net position, beginning of year.....	57,211,276	57,258,593
Net position, end of year.....	\$ 57,394,986	\$ 57,211,276

Financial Analysis of the Government's Major Funds

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

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the 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 \$44.5 million, an increase of \$16.1 million from the prior year. The increase mainly relates to \$20.8 million of bond proceeds in the town capital projects funds which were offset by the timing of capital expenditures.

General Fund

The general fund is the chief operating fund of the Town. At the end of the current year, the unassigned fund balance of the general fund was \$12.3 million, while the total fund balance was \$13.6 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 11.4% of total general fund expenditures, while the total fund balance represents 12.7% of that same amount.

The fund balance of the general fund increased \$1.7 million during 2020. This change is mainly the result of stronger than expected revenue collections in nearly all revenue categories coupled with expenditures that were right in line with budgeted amounts.

The Town also maintains a stabilization fund, which has been classified within the unassigned general fund balance in the governmental funds financial statements to remain compliant with GASB 54. The stabilization fund

has a year-end balance of \$5.7 million. These funds can be used for general or capital purposes upon Town Meeting approval.

Town Capital Project Fund

The Town Capital Project fund is used to account for construction, renovations, and major repairs of the Town. During the year the Town spent \$11.4 million on construction costs, issued \$20.8 million in long-term debt, along with a premium of \$1.1 million which left an ending fund balance of \$15.9 million.

Proprietary funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Water enterprise fund is used to account for water distribution operations. Total revenues amounted to \$4,420,000 as compared to \$4,402,000 in the prior year and expenses increased by \$222,000 from the prior year. Net position decreased by \$121,000 compared to an increase of \$234,000 in the prior year.

The Sewer enterprise fund is used to account for sewage treatment operations. Total revenues amounted to \$3,654,000 as compared to \$3,299,000 in the prior year and total expenses increased by \$668,000 from the prior year. Net position decreased by \$674,000 compared to a decrease of \$29,000 in the prior year.

The Solid Waste fund is used to account for the Town's solid waste disposal operations. Total revenues amounted to \$4,417,000 as compared to \$4,057,000 in the prior year and expenses decreased by \$647,000. Net position increased by \$978,000 compared to a decrease of \$251,000 in the prior year.

General Fund Budgetary Highlights

The final general fund budget appropriations, including transfers, were approximately \$1.6 million higher than the original budget.

Total general fund revenues were higher than budgeted amounts by approximately \$2.2 million. Actual expenditures, including carryovers, were lower than budgeted amounts by approximately \$3.5 million, or 3.5%.

Capital Asset and Debt Administration

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

Governmental capital assets, net of accumulated depreciation, at year end amounted to approximately \$228.8 million which represented a net increase of \$4.0 million from the prior year. Major current additions included seawalls, School projects, DPW facilities construction, vehicles, and infrastructure additions. Depreciation expense of \$11.7 million was recorded in year 2020.

Enterprise fund capital assets, net of accumulated depreciation, were valued at \$66.6 million at year end. Current year additions totaled approximately \$1.9 million. Depreciation expense of \$2.3 million was recorded in year 2020.

The Town's total long-term debt increased by \$14.5 million during the current year due to the net effect of \$24.2 million of proceeds for various governmental projects and \$9.4 million of scheduled principal payments.

Outstanding long-term debt of the governmental funds, as of June 30, 2020, totaled \$89.5 million, of which, \$37.4 million is related to school projects, \$608,000 is related to the general government's 40% share of sewer debt,

\$8.5 million is related to sea wall and harbor projects, \$1.5 million is related to qualified energy conservation bonds, \$2.0 million is related to library construction, \$6.5 million is related to the DPW facility construction, \$3.9 million is related to the senior center additions, \$9.7 million is related to the police station construction, leaving a balance of \$19.4 million for infrastructure and other Town projects.

The enterprise funds have \$15.8 million in sewer, water, and solid waste debt that is fully supported by the rates and do not rely on a general fund subsidy beyond the Town's bylaw that splits the debt service requirements of certain sewer projects on a ratio of 60% from the sewer fund and 40% from the general fund.

Please refer to footnotes 4, 6, and 7 for further discussion of the major capital asset and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Town of Marshfield'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 Board of Selectmen, Town Hall, 870 Moraine Street, Marshfield, Massachusetts 02050-3498.

This page left intentionally blank.

Basic Financial Statements

This page left intentionally blank.

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 45,954,092	\$ 13,650,343	\$ 59,604,435
Investments.....	5,369,442	-	5,369,442
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,758,610	-	1,758,610
Tax liens.....	1,727,808	-	1,727,808
Motor vehicle and other excise taxes.....	524,931	-	524,931
User charges.....	-	4,200,533	4,200,533
Departmental and other.....	1,932,873	-	1,932,873
Intergovernmental.....	4,059,301	74,180	4,133,481
Special assessments.....	-	127,041	127,041
Tax foreclosures.....	576,793	-	576,793
Total current assets.....	61,903,850	18,052,097	79,955,947
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	114,179	153,500	267,679
Special assessments.....	-	681,076	681,076
Capital assets, nondepreciable.....	37,117,481	8,698,812	45,816,293
Capital assets, net of accumulated depreciation.....	191,690,729	57,928,724	249,619,453
Total noncurrent assets.....	228,922,389	67,462,112	296,384,501
TOTAL ASSETS.....	290,826,239	85,514,209	376,340,448
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	6,375,819	1,227,091	7,602,910
Deferred outflows related to other postemployment benefits.....	14,295,720	435,425	14,731,145
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	20,671,539	1,662,516	22,334,055
LIABILITIES			
CURRENT:			
Warrants payable.....	3,233,019	331,551	3,564,570
Accrued payroll.....	3,743,539	59,822	3,803,361
Accrued interest.....	845,705	126,496	972,201
Unearned revenue.....	11,548	-	11,548
Landfill closure.....	-	29,000	29,000
Compensated absences.....	1,791,000	215,000	2,006,000
Notes payable.....	2,470,143	249,000	2,719,143
Bonds payable.....	7,942,960	1,625,350	9,568,310
Total current liabilities.....	20,037,914	2,636,219	22,674,133
NONCURRENT:			
Landfill closure.....	-	261,000	261,000
Compensated absences.....	2,150,000	-	2,150,000
Net pension liability.....	46,392,436	8,928,694	55,321,130
Net other postemployment benefits liability.....	100,538,864	3,062,255	103,601,119
Bonds payable.....	86,399,476	14,182,221	100,581,697
Total noncurrent liabilities.....	235,480,776	26,434,170	261,914,946
TOTAL LIABILITIES.....	255,518,690	29,070,389	284,589,079
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	1,342,402	258,359	1,600,761
Deferred inflows related to other postemployment benefits.....	14,872,437	452,991	15,325,428
TOTAL DEFERRED INFLOWS OF RESOURCES.....	16,214,839	711,350	16,926,189
NET POSITION			
Net investment in capital assets.....	151,366,094	53,610,222	204,976,316
Restricted for:			
Permanent funds:			
Expendable.....	1,714,667	-	1,714,667
Nonexpendable.....	1,214,831	-	1,214,831
Gifts and grants.....	2,279,327	-	2,279,327
Community preservation.....	5,680,547	-	5,680,547
Unrestricted.....	(122,491,217)	3,784,764	(118,706,453)
TOTAL NET POSITION.....	\$ 39,764,249	\$ 57,394,986	\$ 97,159,235

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 8,081,676	\$ 1,128,241	\$ 2,084,898	\$ 1,083,722	\$ (3,784,815)
Public safety.....	20,647,932	2,828,007	667,757	367,334	(16,784,834)
Education.....	86,927,713	1,728,235	31,429,617	390,714	(53,379,147)
Public works.....	6,152,029	130,956	1,411,566	630,650	(3,978,857)
Health and human services.....	1,728,721	96,457	80,968	-	(1,551,296)
Culture and recreation.....	2,351,018	388,401	37,263	-	(1,925,354)
Community preservation.....	61,548	-	-	420,186	358,638
COVID-19.....	698,683	-	1,675,019	-	976,336
Interest.....	2,597,586	-	122,143	-	(2,475,443)
Total Governmental Activities.....	129,246,906	6,300,297	37,509,231	2,892,606	(82,544,772)
<i>Business-Type Activities:</i>					
Sewer.....	4,582,449	3,653,603	26,842	192,242	(709,762)
Water.....	4,375,110	4,419,507	-	-	44,397
Solid waste.....	3,321,234	4,417,041	-	-	1,095,807
Total Business-Type Activities.....	12,278,793	12,490,151	26,842	192,242	430,442
Total Primary Government.....	\$ 141,525,699	\$ 18,790,448	\$ 37,536,073	\$ 3,084,848	\$ (82,114,330)

(Continued)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ <u>(82,544,772)</u>	\$ <u>430,442</u>	\$ <u>(82,114,330)</u>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	67,890,120	-	67,890,120
Tax and other liens.....	1,015,258	-	1,015,258
Motor vehicle and other excise taxes.....	4,762,322	-	4,762,322
Community preservation tax.....	1,803,198	-	1,803,198
Penalties and interest on taxes.....	309,349	-	309,349
Grants and contributions not restricted to specific programs.....	2,906,751	-	2,906,751
Unrestricted investment income.....	779,609	149,893	929,502
Miscellaneous.....	78,769	-	78,769
<i>Transfers, net</i>	<u>396,625</u>	<u>(396,625)</u>	<u>-</u>
Total general revenues and transfers.....	<u>79,942,001</u>	<u>(246,732)</u>	<u>79,695,269</u>
Change in net position.....	(2,602,771)	183,710	(2,419,061)
<i>Net position:</i>			
Beginning of year.....	<u>42,367,020</u>	<u>57,211,276</u>	<u>99,578,296</u>
End of year.....	\$ <u><u>39,764,249</u></u>	\$ <u><u>57,394,986</u></u>	\$ <u><u>97,159,235</u></u>

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2020

	General	Town Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 13,211,746	\$ 19,500,310	\$ 13,242,036	\$ 45,954,092
Investments.....	3,676,311	-	1,693,131	5,369,442
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	1,758,610	-	-	1,758,610
Tax liens.....	1,727,808	-	-	1,727,808
Motor vehicle and other excise taxes.....	524,931	-	-	524,931
Departmental and other.....	1,915,461	-	17,412	1,932,873
Intergovernmental.....	2,433,618	-	1,739,862	4,173,480
Tax foreclosures.....	576,793	-	-	576,793
Due from other funds.....	-	-	7,018	7,018
TOTAL ASSETS.....	\$ 25,825,278	\$ 19,500,310	\$ 16,699,459	\$ 62,025,047
LIABILITIES				
Warrants payable.....	\$ 1,309,143	\$ 1,130,948	\$ 792,928	\$ 3,233,019
Accrued payroll.....	3,682,885	1,264	59,390	3,743,539
Due to other funds.....	-	-	7,018	7,018
Unearned revenue.....	-	-	11,548	11,548
Notes payable.....	-	2,470,143	-	2,470,143
TOTAL LIABILITIES.....	4,992,028	3,602,355	870,884	9,465,267
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue.....	7,194,739	-	827,588	8,022,327
FUND BALANCES				
Nonspendable.....	-	-	1,214,831	1,214,831
Restricted.....	1,217,406	15,897,955	13,961,191	31,076,552
Assigned.....	128,871	-	-	128,871
Unassigned.....	12,292,234	-	(175,035)	12,117,199
TOTAL FUND BALANCES.....	13,638,511	15,897,955	15,000,987	44,537,453
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 25,825,278	\$ 19,500,310	\$ 16,699,459	\$ 62,025,047

See notes to basic financial statements.

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

JUNE 30, 2020

Total governmental fund balances.....	\$ 44,537,453
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	228,808,210
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	8,022,327
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....	4,456,700
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(845,705)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(94,342,436)
Net pension liability.....	(46,392,436)
Net other postemployment benefits liability.....	(100,538,864)
Compensated absences.....	<u>(3,941,000)</u>
Net effect of reporting long-term liabilities.....	<u>(245,214,736)</u>
Net position of governmental activities.....	<u>\$ 39,764,249</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

	General	Town Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 68,137,482	\$ -	\$ -	\$ 68,137,482
Tax liens.....	1,122,651	-	-	1,122,651
Motor vehicle and other excise taxes.....	4,656,021	-	13,910	4,669,931
Charges for services.....	1,602,287	-	49,073	1,651,360
Penalties and interest on taxes.....	306,362	-	2,987	309,349
Intergovernmental - Teachers Retirement.....	13,259,939	-	-	13,259,939
Intergovernmental.....	18,587,662	922,834	8,803,805	28,314,301
Intergovernmental - COVID-19 relief.....	11,846	-	1,663,173	1,675,019
Departmental and other.....	2,096,705	-	3,788,611	5,885,316
Community preservation taxes.....	-	-	1,633,277	1,633,277
Contributions and donations.....	-	-	555,957	555,957
Investment income.....	711,443	-	68,166	779,609
TOTAL REVENUES.....	110,492,398	922,834	16,578,959	127,994,191
EXPENDITURES:				
Current:				
General government.....	4,000,670	1,274,590	2,677,494	7,952,754
Public safety.....	12,085,766	3,332,376	463,943	15,882,085
Education.....	50,066,570	182,148	6,512,067	56,760,785
Public works.....	1,635,015	6,565,260	1,625,175	9,825,450
Health and human services.....	1,040,568	78,033	258,298	1,376,899
Culture and recreation.....	791,382	-	793,169	1,584,551
Community preservation.....	-	-	1,198,300	1,198,300
COVID-19.....	11,846	-	1,663,173	1,675,019
Pension benefits.....	5,985,336	-	-	5,985,336
Pension benefits - Teachers Retirement.....	13,259,939	-	-	13,259,939
Property and liability insurance.....	1,031,310	-	-	1,031,310
Employee benefits.....	7,364,030	-	-	7,364,030
State and county charges.....	836,950	-	-	836,950
Debt service:				
Principal.....	6,833,545	-	-	6,833,545
Interest.....	2,728,654	-	-	2,728,654
TOTAL EXPENDITURES.....	107,671,581	11,432,407	15,191,619	134,295,607
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	2,820,817	(10,509,573)	1,387,340	(6,301,416)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds.....	-	20,845,357	-	20,845,357
Premium from issuance of bonds.....	-	1,067,197	85,469	1,152,666
Transfers in.....	420,518	2,095,798	-	2,516,316
Transfers out.....	(1,573,375)	(124,061)	(422,255)	(2,119,691)
TOTAL OTHER FINANCING SOURCES (USES)...	(1,152,857)	23,884,291	(336,786)	22,394,648
NET CHANGE IN FUND BALANCES.....	1,667,960	13,374,718	1,050,554	16,093,232
FUND BALANCES AT BEGINNING OF YEAR.....	11,970,551	2,523,237	13,950,433	28,444,221
FUND BALANCES AT END OF YEAR.....	\$ 13,638,511	\$ 15,897,955	\$ 15,000,987	\$ 44,537,453

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds.....	\$ 16,093,232
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.....	15,768,226
Value of donated land.....	110,800
Depreciation expense.....	<u>(11,747,952)</u>
Net effect of reporting capital assets.....	4,131,074
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.....	
	(1,857,481)
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.....	(20,845,357)
Premium from issuance of bonds.....	(1,152,666)
Net amortization of premium from issuance of bonds.....	685,550
Debt service principal payments.....	<u>6,833,545</u>
Net effect of reporting long-term debt.....	(14,478,928)
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.....	(5,000)
Net change in accrued interest on long-term debt.....	(344,694)
Net change in deferred outflow/(inflow) of resources related to pensions.....	(5,191,032)
Net change in net pension liability.....	2,845,617
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	(1,941,647)
Net change in net other postemployment benefits liability.....	<u>(1,853,912)</u>
Net effect of recording long-term liabilities.....	(6,490,668)
Change in net position of governmental activities.....	<u>\$ (2,602,771)</u>

See notes to basic financial statements.

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION**

JUNE 30, 2020

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Solid Waste	Total
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 6,966,792	\$ 2,270,637	\$ 4,412,914	\$ 13,650,343
Receivables, net of allowance for uncollectibles:				
User charges.....	1,243,051	1,576,054	1,381,428	4,200,533
Intergovernmental.....	-	74,180	-	74,180
Special assessments.....	-	127,041	-	127,041
Total current assets.....	8,209,843	4,047,912	5,794,342	18,052,097
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	-	153,500	-	153,500
Special assessments.....	-	681,076	-	681,076
Capital assets, non depreciable.....	6,242,620	2,364,383	91,809	8,698,812
Capital assets, net of accumulated depreciation.....	29,947,006	26,342,199	1,639,519	57,928,724
Total noncurrent assets.....	36,189,626	29,541,158	1,731,328	67,462,112
TOTAL ASSETS.....	44,399,469	33,589,070	7,525,670	85,514,209
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions.....	499,398	460,345	267,348	1,227,091
Deferred outflows related to other postemployment benefits.....	180,675	135,683	119,067	435,425
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	680,073	596,028	386,415	1,662,516
LIABILITIES				
CURRENT:				
Warrants payable.....	54,556	69,230	207,765	331,551
Accrued payroll.....	28,565	17,230	14,027	59,822
Accrued interest.....	67,580	46,447	12,469	126,496
Landfill closure.....	-	-	29,000	29,000
Compensated absences.....	107,000	39,000	69,000	215,000
Notes payable.....	-	249,000	-	249,000
Bonds payable.....	922,767	612,583	90,000	1,625,350
Total current liabilities.....	1,180,468	1,033,490	422,261	2,636,219
NONCURRENT:				
Landfill closure.....	-	-	261,000	261,000
Net pension liability.....	3,633,776	3,349,614	1,945,304	8,928,694
Net other postemployment benefits liability.....	1,270,647	954,233	837,375	3,062,255
Bonds payable.....	7,119,779	5,842,442	1,220,000	14,182,221
Total noncurrent liabilities.....	12,024,202	10,146,289	4,263,679	26,434,170
TOTAL LIABILITIES.....	13,204,670	11,179,779	4,685,940	29,070,389
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions.....	105,146	96,924	56,289	258,359
Deferred inflows related to other postemployment benefits.....	187,963	141,157	123,871	452,991
TOTAL DEFERRED INFLOWS OF RESOURCES.....	293,109	238,081	180,160	711,350
NET POSITION				
Net investment in capital assets.....	29,358,657	22,230,237	2,021,328	53,610,222
Unrestricted.....	2,223,106	537,001	1,024,657	3,784,764
TOTAL NET POSITION.....	\$ 31,581,763	\$ 22,767,238	\$ 3,045,985	\$ 57,394,986

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Solid Waste	Total
OPERATING REVENUES:				
Charges for services.....	\$ 4,419,507	\$ 3,653,603	\$ 4,417,041	\$ 12,490,151
OPERATING EXPENSES:				
Salaries, wages, and fringe benefits.....	1,986,928	1,859,948	674,089	4,520,965
Maintenance and operations.....	1,410,256	1,055,157	2,481,802	4,947,215
Depreciation.....	857,809	1,309,722	165,343	2,332,874
TOTAL OPERATING EXPENSES.....	4,254,993	4,224,827	3,321,234	11,801,054
OPERATING INCOME (LOSS).....	164,514	(571,224)	1,095,807	689,097
NONOPERATING REVENUES (EXPENSES):				
Investment income.....	83,972	34,417	31,504	149,893
Interest expense.....	(120,117)	(357,622)	-	(477,739)
Intergovernmental.....	-	26,842	-	26,842
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(36,145)	(296,363)	31,504	(301,004)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	128,369	(867,587)	1,127,311	388,093
CAPITAL CONTRIBUTIONS.....	-	192,242	-	192,242
TRANSFERS:				
Transfers in.....	1,125	1,125	1,125	3,375
Transfers out.....	(250,000)	-	(150,000)	(400,000)
TOTAL TRANSFERS.....	(248,875)	1,125	(148,875)	(396,625)
CHANGE IN NET POSITION.....	(120,506)	(674,220)	978,436	183,710
NET POSITION AT BEGINNING OF YEAR.....	31,702,269	23,441,458	2,067,549	57,211,276
NET POSITION AT END OF YEAR.....	\$ 31,581,763	\$ 22,767,238	\$ 3,045,985	\$ 57,394,986

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users.....	\$ 4,496,637	\$ 3,497,203	\$ 4,245,552	\$ 12,239,392
Payments to vendors.....	(1,253,578)	(678,282)	(2,797,864)	(4,729,724)
Payments to employees.....	(1,913,448)	(1,819,230)	(674,084)	(4,406,762)
NET CASH FROM OPERATING ACTIVITIES.....	1,329,611	999,691	773,604	3,102,906
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in.....	1,125	1,125	1,125	3,375
Transfers out.....	(250,000)	-	(150,000)	(400,000)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(248,875)	1,125	(148,875)	(396,625)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from the issuance of bonds.....	2,179,500	1,965,000	-	4,144,500
Capital contributions.....	-	388,159	-	388,159
Acquisition and construction of capital assets.....	(1,701,326)	(132,646)	(41,354)	(1,875,326)
Principal payments on bonds and notes.....	(817,307)	(2,551,668)	(90,000)	(3,458,975)
Interest expense.....	(120,505)	(364,699)	(1,250)	(486,454)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(459,638)	(695,854)	(132,604)	(1,288,096)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income.....	83,972	34,417	31,504	149,893
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	705,070	339,379	523,629	1,568,078
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	6,261,722	1,931,258	3,889,285	12,082,265
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 6,966,792	\$ 2,270,637	\$ 4,412,914	\$ 13,650,343
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH				
FROM OPERATING ACTIVITIES:				
Operating income (loss).....	\$ 164,514	\$ (571,224)	\$ 1,095,807	\$ 689,097
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation.....	857,809	1,309,722	165,343	2,332,874
Deferred (outflows)/inflows related to pensions.....	406,597	374,802	217,667	999,066
Deferred (outflows)/inflows related to other postemployment benefits.....	24,647	15,391	21,488	61,526
Changes in assets and liabilities:				
User charges.....	77,130	(156,400)	(171,489)	(250,759)
Warrants payable.....	(42,592)	(29,741)	(7,714)	(80,047)
Accrued payroll.....	3,833	5,327	5,517	14,677
Landfill closure.....	-	-	(37,750)	(37,750)
Compensated absences.....	45,000	20,000	(27,000)	38,000
Net pension liability.....	(222,889)	(205,457)	(119,321)	(547,667)
Net other postemployment benefits liability.....	15,562	237,271	(368,944)	(116,111)
Total adjustments.....	1,165,097	1,570,915	(322,203)	2,413,809
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,329,611	\$ 999,691	\$ 773,604	\$ 3,102,906
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Intergovernmental subsidy of debt service.....	\$ -	\$ 119,607	\$ -	\$ 119,607

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2020

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents.....	\$ 6,478	\$ 246,749	\$ 1,189,956
Investments:			
Equity mutual funds.....	272,197	-	-
Fixed income mutual funds.....	187,419	-	-
TOTAL ASSETS	<u>466,094</u>	<u>246,749</u>	<u>1,189,956</u>
LIABILITIES			
Liabilities due depositors.....	<u>-</u>	<u>-</u>	<u>1,189,956</u>
NET POSITION			
Restricted for other postemployment benefits.....	466,094	-	-
Held in trust for other purposes.....	<u>-</u>	<u>246,749</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 466,094</u>	<u>\$ 246,749</u>	<u>\$ -</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2020

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 100,000	\$ -
Employer contributions for other postemployment benefit payments.....	2,571,875	-
Private donations.....	-	152
Total contributions.....	2,671,875	152
Net investment income:		
Investment income.....	14,130	1,621
TOTAL ADDITIONS.....	2,686,005	1,773
DEDUCTIONS:		
Other postemployment benefit payments.....	2,571,875	-
Educational scholarships.....	-	2,000
TOTAL DEDUCTIONS.....	2,571,875	2,000
NET INCREASE (DECREASE) IN NET POSITION.....	114,130	(227)
NET POSITION AT BEGINNING OF YEAR.....	351,964	246,976
NET POSITION AT END OF YEAR.....	\$ 466,094	\$ 246,749

See notes to basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Marshfield, Massachusetts (the 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 Marshfield, Massachusetts, was incorporated in 1640, and has a Town Meeting form of government with administrative authority vested in a three-member Board of Selectmen and an appointed Town Administrator. The Town's major operations include police and fire protection, parks, library, recreation, public works, education, and general administrative services. In addition, the Town owns and operates a water system, sewer system and a solid waste transfer station.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. It has been determined that the Town has no component units that require inclusion in these basic financial statements.

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 changes in net position) 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 the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, 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.

Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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 *Town Capital Project fund* is used to account for construction, renovations, and major repairs of the Town.

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

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

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

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

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

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

The following major proprietary funds are reported:

The *Water enterprise fund* is used to account for water distribution operations of the department of public works that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The *Sewer enterprise fund* is used to account for sewage treatment operations of the department of public works that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The *Solid Waste enterprise fund* is used to account for the Town's solid waste disposal operations of the public works that are financed and operated in a manner similar to private business enterprises where the intent of the

governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

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 mainly uses this fund to account for educational scholarships. An insignificant portion of the fund is used to account for the Town's cemetery trusts.

The *agency fund* is used to account for assets held in a purely custodial capacity. The Town's agency funds consist of off-duty work details, performance bonds, and fees collected on behalf of other governments. Agency funds apply the accrual basis of accounting for purposes of asset and liability recognition, but do not have a measurement focus.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

Investments are carried at fair value. The fair values were determined by the closing price for those securities traded on national stock exchanges and the average bid-and-ask 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 market value. Real estate and personal property taxes are billed on a quarterly basis. The first two quarters (August 1st and November 1st) are preliminary tax bills based upon the previous year's total annual tax. The second two quarters (February 1st and May 1st) are actual tax, reflecting the current year assessment and the current tax rate. Taxes due and unpaid are subject to penalties and interest if they are not paid by the respective due date. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Real estate and personal property taxes levied are recorded as receivables in the year of the levy and are recorded under the modified accrual basis of accounting.

Real estate tax liens are processed after the tax bills are sent 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 uncollectible accounts is not reported.

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

User Charges

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, Sewer, and Solid Waste liens are processed in December of every year and included as a lien on the property owner's tax bill. Water, Sewer and Solid Waste 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 uncollectible accounts.

Departmental and Other

Departmental and other receivables consist primarily of ambulance charges and veterans benefits and are recorded as receivables in the year accrued. The allowance of uncollectible accounts is estimated based on historical trends and specific account analysis.

Special Assessments

Special assessments consist of sewer construction and particular apportioned street and water line betterments. These receivables are considered to be 100% collectible and therefore do not report an allowance for uncollectible accounts.

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 uncollectible accounts.

G. Inventories

Government-Wide and Fund Financial Statements

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

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

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

All purchases 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.

Capital assets (excluding land and construction-in-progress) are depreciated on a straight-line basis over the estimated useful life of the assets. 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.....	20-40
Improvements other than buildings...	20-30
Machinery and equipment.....	3-20
Vehicles.....	5-7
Books, software and other.....	5
Infrastructure.....	20-50

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

Governmental Fund Financial Statements

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

I. 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.

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

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

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

Fund Financial Statements

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

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 and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as “Transfers, net”.

Fund Financial Statements

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

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.

Unavailable revenue at the governmental fund financial statement level represent 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 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 that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted for” the following:

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

“Permanent funds – nonexpendable” represent the endowment portion of donor restricted trusts.

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

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

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the

highest level of decision making authority that can, by adoption of Town Meeting warrant article, 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 or a vote is taken to rescind the commitment.

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

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

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

N. Pensions

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

O. Long-term Debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

P. Investment Income

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

Investment income from Enterprise Funds is retained in their respective funds.

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.

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, i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement.

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. Fund Deficits

A fund deficit exists in the Town Airport fund. This deficit will be funded with available funds in 2021.

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, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the 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, this is the risk that in the event of a bank failure, the Town of Marshfield's deposits may not be returned to it. The Town's policy limits its exposure to custodial credit risk through diversification and prudent selection of investment instruments, choice of depository, and collateralization of balances where practical.

At year-end, the carrying amount of deposits totaled \$60,962,957 and the bank balance totaled \$62,521,188. Of the bank balance, \$1,600,759 was covered by Federal Depository Insurance, \$18,889,116 was covered by Deposit Insurance Fund (DIF), and \$42,031,313 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2020, the Town had the following investments and maturities:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
Debt securities:				
U.S. treasury bonds.....	\$ 2,332,226	\$ 816,696	\$ 979,921	\$ 535,609
Government sponsored enterprises.....	1,421,774	277,017	902,585	242,172
Corporate bonds.....	573,219	87,684	485,535	-
Total debt securities.....	4,327,219	\$ 1,181,397	\$ 2,368,041	\$ 777,781
Other investments:				
Equity securities.....	936,141			
Equity mutual funds.....	272,197			
Fixed income mutual funds.....	293,501			
MMDT - cash portfolio.....	84,661			
Total investments.....	\$ 5,913,719			

MMDT maintains a cash portfolio with combined average maturities of approximately 2 months. The Town's investment in MMDT is unrated.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town has custodial credit risk exposure equal to \$4,327,219 in debt securities and \$936,141 in equity securities because the related securities are uninsured, unregistered and held by the counterparty.

The Town does not have an investment policy for custodial credit risk.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect the fair value of the Town's investments. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Town restricts investments to only the following: obligations of the U.S. Government and foreign governments and their agencies or instrumentalities, banks (including certificates of deposit, time deposits, and bankers' acceptances located in the U.S.), short-term debt obligations, and overnight and term repurchase agreements and reverse purchase agreements secured by any of the obligations previously listed. The Treasurer may invest in MMDT.

The Town's investments in corporate bonds at June 30, 2020, are rated as follows:

Quality Rating	Corporate Bonds
A+.....	\$ 140,602
A.....	152,868
A-.....	172,693
AA-.....	<u>107,056</u>
Total.....	\$ <u>573,219</u>

Concentration of Credit Risk

The Town restricts holdings to no more than 10% of the net investment in securities of any one issuer, except investments in securities of the U.S. Government, its agencies or instrumentalities, or in repurchase agreements collateralized fully by such obligations. No more than 25% may be invested in any one industry except there is no limitation on the percentage that may be invested in the financial services industry. With the exception of U.S. Treasury obligations or investments fully collateralized by U.S. Treasuries or agencies, and MMDT, no more than 10% of the Town's investments shall be invested in a single financial institution.

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 values 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, 2020:

Investment Type	June 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury bonds.....	\$ 2,332,226	\$ 2,332,226	\$ -	\$ -
Government sponsored enterprises.....	1,421,774	1,421,774	-	-
Corporate bonds.....	573,219	-	573,219	-
Total debt securities.....	4,327,219	3,754,000	573,219	-
<u>Other investments:</u>				
Equity securities.....	936,141	936,141	-	-
Equity mutual funds.....	272,197	272,197	-	-
Fixed income mutual funds.....	293,501	293,501	-	-
Total other investments.....	1,501,839	1,501,839	-	-
Total investments measured at fair value.....	5,829,058	\$ 5,255,839	\$ 573,219	\$ -
Investments measured at amortized cost:				
MMDT - cash portfolio.....	84,661			
Total investments.....	\$ 5,913,719			

U.S. treasury bonds, government sponsored enterprise, equity securities, equity mutual funds, and fixed income 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' relations to benchmark quoted prices.

MMDT investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

NOTE 3 – RECEIVABLES

At June 30, 2020, receivables for the individual major and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes... \$	1,778,941	\$ (20,331)	\$ 1,758,610
Tax liens.....	1,727,808	-	1,727,808
Motor vehicle and other excise taxes.....	775,596	(250,665)	524,931
Departmental and other.....	2,218,640	(285,767)	1,932,873
Intergovernmental.....	4,173,480	-	4,173,480
Total.....	\$ 10,674,465	\$ (556,763)	\$ 10,117,702

At June 30, 2020, receivables for the sewer, water, and solid waste enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user charges..... \$	1,243,051	\$ -	\$ 1,243,051
Sewer user charges.....	1,576,054	-	1,576,054
Sewer intergovernmental.....	227,680	-	227,680
Sewer special assessments.....	808,117	-	808,117
Solid waste user charges.....	1,381,428	-	1,381,428
Total.....	\$ 5,236,330	\$ -	\$ 5,236,330

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

	General Fund	Other Governmental Funds	Total
<u>Receivables and other asset types:</u>			
Real estate and personal property taxes..... \$	1,184,818	\$ 270,376	\$ 1,455,194
Tax liens.....	1,727,808	-	1,727,808
Motor vehicle and other excise taxes.....	524,931	-	524,931
Departmental and other.....	1,932,873	-	1,932,873
Intergovernmental.....	1,247,516	557,212	1,804,728
Tax foreclosures.....	576,793	-	576,793
Total.....	\$ 7,194,739	\$ 827,588	\$ 8,022,327

NOTE 4 – CAPITAL ASSETS

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

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 28,196,903	\$ 110,800	\$ -	\$ 28,307,703
Construction in progress.....	13,400,123	7,379,612	(11,969,957)	8,809,778
Total capital assets not being depreciated..	41,597,026	7,490,412	(11,969,957)	37,117,481
<u>Capital assets being depreciated:</u>				
Improvements other than buildings.....	4,263,442	553,126	-	4,816,568
Buildings and improvements.....	195,232,051	8,702,089	-	203,934,140
Machinery and equipment.....	17,800,156	2,679,144	-	20,479,300
Vehicles.....	7,545,819	1,918,006	-	9,463,825
Books, software and other.....	6,160,274	-	-	6,160,274
Infrastructure.....	76,750,810	6,506,206	-	83,257,016
Total capital assets being depreciated.....	307,752,552	20,358,571	-	328,111,123
<u>Less accumulated depreciation for:</u>				
Improvements other than buildings.....	(401,751)	(20,084)	-	(421,835)
Buildings and improvements.....	(65,290,595)	(8,302,821)	-	(73,593,416)
Machinery and equipment.....	(14,630,896)	(557,320)	-	(15,188,216)
Vehicles.....	(5,650,656)	(604,837)	-	(6,255,493)
Books, software and other.....	(4,587,787)	(173,882)	-	(4,761,669)
Infrastructure.....	(34,110,757)	(2,089,008)	-	(36,199,765)
Total accumulated depreciation.....	(124,672,442)	(11,747,952)	-	(136,420,394)
Total capital assets being depreciated, net.....	183,080,110	8,610,619	-	191,690,729
Total governmental activities capital assets, net....	\$ 224,677,136	\$ 16,101,031	\$ (11,969,957)	\$ 228,808,210

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 7,452,270	\$ -	\$ -	\$ 7,452,270
Construction in progress.....	3,040,998	1,246,542	(3,040,998)	1,246,542
Total capital assets not being depreciated....	10,493,268	1,246,542	(3,040,998)	8,698,812
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	16,272,720	87,782	-	16,360,502
Machinery and equipment.....	7,492,868	259,784	-	7,752,652
Vehicles.....	2,080,863	286,354	-	2,367,217
Infrastructure.....	91,643,343	3,035,862	-	94,679,205
Total capital assets being depreciated.....	117,489,794	3,669,782	-	121,159,576
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(10,840,863)	(457,727)	-	(11,298,590)
Machinery and equipment.....	(6,190,320)	(247,593)	-	(6,437,913)
Vehicles.....	(1,540,728)	(58,928)	-	(1,599,656)
Infrastructure.....	(42,326,067)	(1,568,626)	-	(43,894,693)
Total accumulated depreciation.....	(60,897,978)	(2,332,874)	-	(63,230,852)
Total capital assets being depreciated, net.....	56,591,816	1,336,908	-	57,928,724
Total business-type activities capital assets, net....	\$ 67,085,084	\$ 2,583,450	\$ (3,040,998)	\$ 66,627,536

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

Governmental Activities:

General government.....	\$ 234,959
Public safety.....	822,357
Education.....	7,636,169
Public works.....	2,702,029
Culture and recreation.....	352,438

Total depreciation expense - governmental activities.... \$ 11,747,952

Business-Type Activities:

Water.....	\$ 857,809
Sewer.....	1,309,722
Solid waste.....	165,343

Total depreciation expense - business-type activities... \$ 2,332,874

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables between funds at June 30, 2020, are summarized as follows:

Receivable Fund	Payable Fund	Amount
Town General Revolving Fund	Chapter 90 fund	\$ <u>7,018</u>

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

Transfers Out:	Transfers In:					Total
	General fund	Town Capital Project fund	Sewer Enterprise fund	Water Enterprise fund	Solid Waste Enterprise fund	
General fund.....	\$ -	\$ 1,570,000	\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,573,375 (1)
Town Capital Project fund.....	124,061	-	-	-	-	124,061 (2)
Nonmajor governmental funds.....	296,457	125,798	-	-	-	422,255 (3)
Water Enterprise fund.....	-	250,000	-	-	-	250,000 (4)
Solid Waste Enterprise fund.....	-	150,000	-	-	-	150,000 (5)
Total.....	\$ <u>420,518</u>	\$ <u>2,095,798</u>	\$ <u>1,125</u>	\$ <u>1,125</u>	\$ <u>1,125</u>	\$ <u>2,519,691</u>

- (1) Represents budgeted transfers from the general fund to the Town capital projects fund for road construction, road repairs, veterans memorial park, and to purchase an ambulance. As well as budgeted transfers from the general fund to the enterprise funds for salary upgrades.
- (2) Represents minor transfers from the Town capital project fund to the general fund to close old accounts.
- (3) Represents transfers out of the nonmajor funds and into the general fund for wetlands, dog licenses, insurance recovery, and solar array. As well as a transfer from the expendable trust fund and into the Town capital projects fund from the sale of lots.
- (4) Represents a transfer from the water enterprise fund to the Town capital project fund for demolition of structures.
- (5) Represents a transfer from solid waste enterprise fund to the Town capital project fund for the purchase of a vehicle and for the replacement of drains.

NOTE 6 – 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 of the Town and carry maturity dates that are limited by statute. Interest expenditures for short-term borrowings are accounted for in the General Fund and the Enterprise funds, where applicable.

Details related to the Town's short-term debt activity for the year ended June 30, 2020, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2019	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2020
Governmental Funds:							
BAN	Municipal Purpose.....	3.00%	07/26/19	\$ 3,964	\$ -	\$ (3,964)	\$ -
BAN	Municipal Purpose.....	3.00%	07/23/20	-	5,520,219	(4,651,705)	868,514
BAN	Municipal Purpose.....	3.00%	07/23/20	-	1,500,000	-	1,500,000
BAN	Municipal Purpose.....	3.00%	07/23/20	-	277,500	(277,500)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	76,124	(76,124)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	30,000	(30,000)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	115,300	(115,300)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	650,000	(598,371)	51,629
BAN	Municipal Purpose.....	3.00%	07/23/20	-	650,000	(600,000)	50,000
BAN	Municipal Purpose.....	3.00%	07/23/20	-	300,000	(300,000)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	30,000	(30,000)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	500,000	(500,000)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	750,000	(750,000)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	540,000	(540,000)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	650,000	(650,000)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	175,000	(175,000)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	105,000	(105,000)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	205,000	(205,000)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	140,000	(140,000)	-
BAN	Municipal Purpose.....	3.00%	07/23/20	-	150,000	(150,000)	-
Total Governmental Funds.....				3,964	12,364,143	(9,897,964)	2,470,143
Business-Type Funds:							
BAN	Sewer BAN.....	3.00%	07/23/20	-	1,965,000	(1,716,000)	249,000
Total Short-Term Debt.....				\$ 3,964	\$ 14,329,143	\$ (11,613,964)	\$ 2,719,143

On the scheduled due date of July 23, 2020, \$11.6 million of BANS were converted to long-term debt and have been presented as such in these financial statements. The remaining balance was paid down on the scheduled due date.

NOTE 7 - 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".

The Town's bylaws currently provide for a split between the general fund and the sewer fund for the debt service requirements of certain (issuances prior to FY06) sewer long-term debt. The general fund and the sewer fund are each responsible for their 40% and 60% share of the debt service, respectively.

Details related to the Town's outstanding general obligation indebtedness at June 30, 2020, and the debt service requirements follow.

Bonds Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2019	Issued	Redeemed	Outstanding at June 30, 2020
General Obligation Bonds Payable:							
Municipal Purpose Refunding Bonds 2010.....	2021	\$ 12,351,400	2.50	\$ 2,313,270	\$ -	\$ 1,165,930	\$ 1,147,340
Municipal Purpose Refunding Sewer Bonds 2010...	2021	943,600	2.50	70,692	-	35,628	35,064
Municipal Purpose Bonds 2011.....	2021	5,353,000	2.00 - 5.00	550,000	-	275,000	275,000
Municipal Purpose Bonds 2012.....	2032	3,892,000	2.43	2,386,003	-	179,067	2,206,936
Qualified Energy Conservation Bonds 2013.....	2023	5,000,000	3.03	2,000,000	-	500,000	1,500,000
Municipal Purpose Bonds 2013.....	2033	28,790,000	2.43	19,533,997	-	1,440,933	18,093,064
Municipal Purpose Bonds 2014.....	2035	27,106,000	3.00 - 5.00	20,280,000	-	1,385,000	18,895,000
Municipal Purpose Bonds 2016.....	2037	7,852,500	2.00 - 5.00	6,601,957	-	541,977	6,059,980
Municipal Purpose Bonds 2017.....	2028	6,607,500	4.00 - 5.00	5,660,000	-	925,000	4,735,000
Municipal Purpose Bonds 2018.....	2039	2,792,000	3.00 - 5.00	2,792,000	-	147,000	2,645,000
Municipal Purpose Bonds 2019.....	2039	3,200,000	3.00 - 5.00	3,200,000	-	-	3,200,000
Municipal Purpose Bonds 2020.....	2049	9,894,000	2.00 - 5.00	9,149,143	744,857	-	9,894,000
Municipal Purpose Bonds 2020.....	2050	20,100,500	2.00 - 5.00	-	20,100,500	-	20,100,500
Subtotal General Obligation Bonds Payable.....				74,537,062	20,845,357	6,595,535	88,786,884
Direct Borrowings Payable:							
MCWT Sewer Bonds 2005.....	2023	\$ 3,380,916	0.00	\$ 800,664	\$ -	\$ 228,010	\$ 572,654
MCWT Bonds 2013.....	2023	200,000	0.00	160,000	-	10,000	150,000
Subtotal Direct Borrowings Payable.....				960,664	-	238,010	722,654
Long Term Bonds Payable.....				75,497,726	20,845,357	6,833,545	89,509,538
Add: Unamortized premium on bonds.....				4,365,782	1,152,666	685,550	4,832,898
Total Bonds Payable, net.....				\$ 79,863,508	\$ 21,998,023	\$ 7,519,095	\$ 94,342,436

Debt service requirements for principal and interest, not including the subsequent issuances, for Governmental bonds payable in future years are as follows:

Year	General Obligation Bonds Payable			Direct Borrowings		Grand Total
	Principal	Interest	Total	Principal		
2021.....	\$ 7,036,630	\$ 2,396,539	\$ 9,433,169	\$ 195,816	\$	9,628,985
2022.....	5,989,509	2,562,565	8,552,074	201,518		8,753,592
2023.....	5,604,829	2,169,772	7,774,601	205,320		7,979,921
2024.....	5,034,184	1,954,700	6,988,884	10,000		6,998,884
2025.....	5,003,578	1,746,143	6,749,721	10,000		6,759,721
2026 - 2030.....	23,833,894	6,177,895	30,011,789	50,000		30,061,789
2031 - 2035.....	18,541,014	3,103,070	21,644,084	50,000		21,694,084
2036 - 2040.....	6,756,996	1,764,969	8,521,965	-		8,521,965
2041 - 2045.....	5,478,750	1,085,859	6,564,609	-		6,564,609
2046 - 2050.....	5,507,500	400,171	5,907,671	-		5,907,671
Total.....	\$ 88,786,884	\$ 23,361,683	\$ 112,148,567	\$ 722,654	\$	112,871,221

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$151,787 and interest costs for \$29,386. Thus, net MCWT loan repayments, including interest, are scheduled to be \$578,296. The principal subsidies are guaranteed and therefore a \$151,787 intergovernmental receivable and corresponding revenue have been reported in the General Fund. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. Principal and interest subsidies totaled \$61,843 and \$17,894, respectively in 2020.

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and debt interest and borrowing costs. Reimbursement commenced in 2002 and will be made over 20 years at approximately 67% of eligible costs of the Martinson Elementary School and Furnace Brook Middle School projects. During 2020, approximately \$1,113,000 of such assistance was received. Approximately \$1,113,000 will be received in future years. Of this amount, approximately \$2,000 represents reimbursement of long-term interest costs, and approximately \$1,110,000 represents reimbursement of approved construction costs. Accordingly, \$1,110,000 intergovernmental receivable and corresponding unavailable revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements. During 2020, the Town received an additional construction assistance payment in the amount of \$390,714 to help offset current costs associated with the Furnace Brook roof replacement construction project.

Bonds Payable Schedule – Sewer Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2019	Issued	Redeemed	Outstanding at June 30, 2020
General Obligation Bonds Payable:							
Municipal Purpose Bonds 2005.....	2021	\$ 420,000	3.32	\$ 106,038	\$ -	\$ 53,442	\$ 52,596
Municipal Purpose Bonds 2011.....	2021	451,000	2.00 - 5.00	50,000	-	25,000	25,000
Municipal Purpose Bonds 2020.....	2041	2,000,000	2.00 - 5.00	2,000,000	-	284,000	1,716,000
Subtotal General Obligation Bonds Payable.....				2,156,038	-	362,442	1,793,596
Direct Borrowings Payable:							
MCWT Bonds 2005.....	2023	5,071,373	2.00	1,200,997	-	342,019	858,978
MCWT Bonds 2013.....	2033	5,450,000	2.00	4,053,265	-	250,814	3,802,451
Subtotal Direct Borrowings Payable.....				5,254,262	-	592,833	4,661,429
Total Bonds Payable, net.....				\$ 7,410,300	\$ -	\$ 955,275	\$ 6,455,025

Debt service requirements for principal and interest for Sewer Enterprise Fund bonds payable in future years are as follows:

Year	General Obligation Bonds Payable			Direct Borrowings			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2021.....	\$ 77,596	\$ 2,911	\$ 80,507	\$ 534,987	\$ 103,464	\$ 638,451	\$ 718,958
2022.....	91,000	90,778	181,778	549,113	91,744	640,857	822,635
2023.....	90,000	56,050	146,050	560,502	72,675	633,177	779,227
2024.....	90,000	51,550	141,550	273,340	60,337	333,677	475,227
2025.....	85,000	47,175	132,175	279,280	54,870	334,150	466,325
2026 - 2030.....	425,000	172,125	597,125	1,490,131	188,097	1,678,228	2,275,353
2031 - 2035.....	425,000	77,350	502,350	974,075	39,242	1,013,317	1,515,667
2036 - 2040.....	425,000	29,750	454,750	-	-	-	454,750
2041.....	85,000	850	85,850	-	-	-	85,850
Total.....	\$ 1,793,596	\$ 528,538	\$ 2,322,134	\$ 4,661,428	\$ 610,429	\$ 5,271,857	\$ 7,593,991

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$227,680 and interest costs for \$44,081. Thus, net MCWT loan repayments, including interest, are scheduled to be \$642,440. The principal subsidies are guaranteed and therefore a \$227,680 intergovernmental receivable and corresponding revenue have been reported in Sewer Enterprise Fund. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. Principal and interest subsidies totaled \$92,765 and \$26,842, respectively in 2020.

Bonds Payable Schedule – Water Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2019	Issued	Redeemed	Outstanding at June 30, 2020
General Obligation Bonds Payable:							
Municipal Purpose Bonds 2011.....	2026	\$ 3,492,000	2.00 - 5.00	\$ 1,185,000	\$ -	\$ 205,000	\$ 980,000
Municipal Purpose Bonds 2012.....	2033	1,685,000	2.43	1,179,500	-	84,250	1,095,250
Municipal Purpose Bonds 2013.....	2033	1,280,000	2.43	715,500	-	80,750	634,750
Municipal Purpose Bonds 2014.....	2038	616,000	3.00 - 5.00	435,000	-	45,000	390,000
Municipal Purpose Bonds 2016.....	2037	1,380,600	2.00 - 5.00	1,200,000	-	85,000	1,115,000
Municipal Purpose Bonds 2017.....	2028	1,039,500	4.00 - 5.00	920,000	-	120,000	800,000
Municipal Purpose Bonds 2020.....	2050	2,179,500	2.00 - 5.00	-	2,179,500	-	2,179,500
Total Bonds Payable.....				5,635,000	2,179,500	620,000	7,194,500
Direct Borrowings Payable:							
MCWT Bonds 2009.....	2024	\$ 2,500,000	2.00	914,735	-	175,703	739,032
Long Term Bonds Payable.....				6,549,735	2,179,500	795,703	7,933,532
Add: Unamortized premium on bonds.....				130,618	-	21,604	109,014
Total Bonds Payable, net.....				\$ 6,680,353	\$ 2,179,500	\$ 817,307	\$ 8,042,546

Debt service requirements for principal and interest for Water Enterprise Fund bonds payable in future years are as follows:

Year	General Obligation Bonds Payable			Direct Borrowings			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2021.....	\$ 634,500	\$ 224,511	\$ 859,011	\$ 179,253	\$ 12,988	\$ 192,241	\$ 1,051,252
2022.....	580,000	201,498	781,498	182,874	9,367	192,241	973,739
2023.....	562,500	178,024	740,524	186,568	5,672	192,240	932,764
2024.....	540,000	155,405	695,405	190,337	1,909	192,246	887,651
2025.....	527,500	133,016	660,516	-	-	-	660,516
2026 - 2030.....	1,801,250	414,755	2,216,005	-	-	-	2,216,005
2031 - 2035.....	1,127,500	209,231	1,336,731	-	-	-	1,336,731
2036 - 2037.....	507,500	133,364	640,864	-	-	-	640,864
2041 - 2045.....	431,250	86,856	518,106	-	-	-	518,106
2046 - 2050.....	482,500	34,913	517,413	-	-	-	517,413
Total.....	\$ 7,194,500	\$ 1,771,573	\$ 8,966,073	\$ 739,032	\$ 29,936	\$ 768,968	\$ 9,735,041

Bonds Payable Schedule – Solid Waste Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2019	Issued	Redeemed	Outstanding at June 30, 2020
Municipal Purpose Bonds 2016.....	2037	\$ 1,521,000	2.00 - 5.00	\$ 1,360,000	\$ -	\$ 80,000	\$ 1,280,000
Municipal Purpose Bonds 2017.....	2028	50,000	4.00 - 5.00	40,000	-	10,000	30,000
Total Bonds Payable, net.....				\$ 1,400,000	\$ -	\$ 90,000	\$ 1,310,000

Debt service requirements for principal and interest for Solid Waste Enterprise Fund bonds payable in future years are as follows:

Year	Principal	Interest	Total
2021.....	\$ 90,000	\$ 24,937	\$ 114,937
2022.....	90,000	22,437	112,437
2023.....	90,000	19,937	109,937
2024.....	80,000	17,687	97,687
2025.....	80,000	15,687	95,687
2026 - 2030.....	385,000	50,310	435,310
2031 - 2035.....	355,000	20,811	375,811
2036 - 2037.....	140,000	2,626	142,626
Total.....	\$ 1,310,000	\$ 174,432	\$ 1,484,432

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, 2020, the Town had the following authorized and unissued debt:

Purpose	Amount
High School Construction.....	\$ 4,271,339
Water Main Upgrades.....	120,000
Furnace Brook Middle School.....	1,086,157
Beach Nourishment.....	375,000
Land Acquisition.....	50,000
COA Senior Center Addition.....	4,000,000
Police Facility Construction.....	10,650,000
Seawalls.....	3,500,000
DPW Facility Construction.....	8,650,000
Total.....	\$ 32,702,496

Changes in Long-term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term general obligation bonds payable.....	\$ 74,537,062	\$ 20,845,357	\$ (6,595,535)	\$ -	\$ -	\$ 88,786,884	\$ 7,036,630
Long-term direct borrowing payable.....	960,664	-	(238,010)	-	-	722,654	195,814
Add: Unamortized premium on bonds.....	4,365,782	1,152,666	(685,550)	-	-	4,832,898	710,516
Total bonds payable.....	79,863,508	21,998,023	(7,519,095)	-	-	94,342,436	7,942,960
Compensated absences.....	3,936,000	-	-	1,481,000	(1,476,000)	3,941,000	1,791,000
Net pension liability.....	49,238,053	-	-	2,022,456	(4,868,073)	46,392,436	-
Net other postemployment benefits liability.....	98,684,952	-	-	4,359,129	(2,505,217)	100,538,864	-
Total governmental activity long-term liabilities.....	\$ 231,722,513	\$ 21,998,023	\$ (7,519,095)	\$ 7,862,585	\$ (8,849,290)	\$ 245,214,736	\$ 9,733,960
Business-Type Activities:							
Long-term general obligation bonds payable.....	\$ 9,191,038	\$ 2,179,500	\$ (1,072,442)	\$ -	\$ -	\$ 10,298,096	\$ 887,105
Long-term direct borrowing payable.....	6,168,997	-	(768,536)	-	-	5,400,461	714,240
Add: Unamortized premium on bonds.....	130,618	-	(21,604)	-	-	109,014	24,005
Total bonds payable.....	15,490,653	2,179,500	(1,862,582)	-	-	15,807,571	1,625,350
Landfill closure.....	327,750	-	-	750	(38,500)	290,000	29,000
Compensated absences.....	177,000	-	-	215,000	(177,000)	215,000	215,000
Net pension liability.....	9,476,361	-	-	389,243	(936,910)	8,928,694	-
Net other postemployment benefits liability.....	3,178,366	-	-	96,191	(212,302)	3,062,255	-
Total business-type activity long-term liabilities.....	\$ 28,650,130	\$ 2,179,500	\$ (1,862,582)	\$ 701,184	\$ (1,364,712)	\$ 28,303,520	\$ 1,869,350

The governmental activities long-term liabilities are generally liquidated by the general fund. Business-type activities long-term liabilities are liquidated by each respective fund.

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as part of its year 2011 reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

Massachusetts General Law Ch. 40 §5B allows for the establishment of Stabilization funds for one or more different purposes. 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 appropriation from the fund requires a two-thirds vote of the legislative body. At year end the balance of the General Stabilization Fund is \$5,739,392 and is reported as unassigned fund balance within the General Fund.

GASB 54 provides for 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 as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

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

As of June 30, 2020, the governmental fund balances consisted of the following:

	General	Town Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal..... \$	- \$	- \$	1,214,831 \$	1,214,831
Restricted for:				
Town capital projects.....	-	15,897,955	-	15,897,955
High School Capital Projects.....	-	-	670,425	670,425
School state and federal grants.....	-	-	1,125,444	1,125,444
Town state and federal grants.....	-	-	1,153,883	1,153,883
Community preservation fund.....	-	-	5,242,949	5,242,949
Town general revolving.....	-	-	2,177,565	2,177,565
School general revolving.....	-	-	258,832	258,832
Other.....	-	-	1,617,426	1,617,426
Permanent funds.....	-	-	1,714,667	1,714,667
Debt exclusion.....	1,217,406	-	-	1,217,406
Assigned to:				
Encumbrances:				
General government.....	35,047	-	-	35,047
Public safety.....	6,147	-	-	6,147
Education.....	52,567	-	-	52,567
Public works.....	24,631	-	-	24,631
Health and human services.....	8,623	-	-	8,623
Utilities.....	1,317	-	-	1,317
Business insurance.....	539	-	-	539
Unassigned.....	12,292,234	-	(175,035)	12,117,199
Total Fund Balances..... \$	<u>13,638,511</u>	<u>\$ 15,897,955</u>	<u>\$ 15,000,987</u>	<u>\$ 44,537,453</u>

NOTE 9 – RISK FINANCING

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

The Town joined the Plymouth County Health Plan effective July 1, 1998. This health plan subsequently changed from a county administered plan to a joint purchase agreement (the "JPA") and became known as the Mayflower Municipal Health Group. The purpose of the JPA is for the joint negotiation and purchase of health coverage with insurance carriers. Under these agreements, the insurance claims of the covered employees are paid for by the insurance carrier and are subsequently reimbursed by the JPA. The JPA charges monthly premiums to each governmental unit based upon requirements established through underwriting and actuarial estimates. In addition, the JPA provides full reinsurance coverage for all claim costs in excess of \$250,000 per covered employee.

In the event of the dissolution of the JPA or if the assets of the JPA are insufficient to pay claims which occur, the Town remains liable for its proportionate share. At June 30, 2019 (based on the most recent audited information available), the Mayflower Municipal Health Group had an IBNR accrual of \$6.4 million and an ending net position of approximately \$23.6 million which appears sufficient to support its ongoing claim liabilities.

NOTE 10 – PENSION PLAN*Plan Descriptions*

The Town is a member of the Plymouth County Contributory Retirement System (PCCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 59 member units. The PCCRS is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://www.pcr-ma.org>.

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

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2019. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$13,259,939 is reported in the general fund as intergovernmental revenue and pension expense in the current year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$109,344,668 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The 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 PCCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2019 and totaled \$5,984,136, 25.12% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2020, the Town reported a liability of \$55,321,130 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the Town's proportion was 8.109%, which increased from its proportion measured at December 31, 2018.

Pension Expense

For the year ended June 30, 2020, the Town recognized a pension expense of \$8,780,950. At June 30, 2020, the Town reported net deferred outflows of resources and deferred inflows of resources of \$7,602,910 and \$1,600,761, respectively.

The balances of deferred outflows and inflows at June 30, 2020 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 6,266,236	\$ -	\$ 6,266,236
Difference between projected and actual earnings, net.....	-	(1,161,345)	(1,161,345)
Changes in assumptions.....	862,857	(179,833)	683,024
Changes in proportion and proportionate share of contributions....	473,817	(259,583)	214,234
Total deferred outflows/(inflows) of resources.....	<u>\$ 7,602,910</u>	<u>\$ (1,600,761)</u>	<u>\$ 6,002,149</u>

The Town pays their annual appropriation on July 1st of each fiscal year and the measurement date is six months after the payment, on December 31st.

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

Year ended June 30:

2021.....	\$ 2,429,954
2022.....	2,203,565
2023.....	2,509,139
2024.....	<u>(1,140,509)</u>
Total.....	<u>\$ 6,002,149</u>

Actuarial Assumptions

The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was rolled back to December 31, 2019:

Valuation date.....	January 1, 2020
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset valuation method.....	Assets held by the fund are valued at market value as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value of assets is determined using a five-year smoothing of asset returns greater than or less than the rate of return, with a 20% corridor.
Investment rate of return/Discount rate.....	7.875% nominal rate, net of investment expense.
Projected salary increases.....	3.75% per year.
Cost of living adjustments.....	3.0% of the first \$16,000 of retirement income. Previously \$14,000.
Rates of disability.....	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).
Mortality rates.....	It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2016, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and 3 years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward three years for males, and six years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward six years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2016.

Investment policy

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

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2020 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	26.00%	7.40%
International developed equity.....	6.00%	7.90%
Emerging markets equity.....	10.00%	9.10%
Global equity.....	10.00%	7.80%
Domestic fixed income.....	9.00%	3.00%
Value-added fixed income.....	6.00%	4.90%
Hedge funds.....	4.00%	4.00%
Real estate.....	10.00%	7.50%
Private equity.....	13.00%	9.40%
Real assets.....	6.00%	7.50%
Total.....	100.00%	

Rate of return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.88%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

The discount rate used to measure the total pension liability was 7.875%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

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

	1% Decrease (6.875%)	Current Discount (7.875%)	1% Increase (8.875%)
The Town's proportionate share of the net pension liability.....	\$ 70,066,991	\$ 55,321,130	\$ 42,477,147

Changes in Assumptions

None.

Changes in Plan Provisions

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

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS*Plan Description*

The Town maintains a single employer defined benefit healthcare plan (the Retiree Health Plan). The Plan provides lifetime healthcare and life insurance for eligible retirees and their spouses. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Plan. The Plan provides the benefits by participating in the Mayflower Municipal Health Group. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts and Harvard Pilgrim Health Care. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The other postemployment benefit plan does not issue a publicly available financial report.

Funding Policy

Contribution requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute 50% of the cost of benefits provided depending on the plan they choose. The Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates. For 2020, the Town contributed approximately \$2,671,875 million to the plan or 4.53% of covered payroll.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to begin pre-funding its other postemployment benefit (OPEB) liabilities. During 2020, the Town pre-funded future OPEB liabilities totaling \$100,000 by contributing funds to the Other Postemployment Benefit Trust Fund in excess of the pay-as-you-go required contribution. As of June 30, 2020, the balance of this fund totaled \$466,094.

Measurement Date – The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019.

Employees Covered by Benefit Terms – The following table represents the Plan's membership as of the most recent actuarial valuation:

Active members.....	851
Inactive members currently receiving benefits.....	<u>589</u>
Total.....	<u><u>1,440</u></u>

Components of OPEB Liability – The following table represents the components of the Plan's OPEB liability as of June 30, 2020:

Total OPEB liability.....	\$ 104,067,213
Less: OPEB plan's fiduciary net position.....	<u>(466,094)</u>
Net OPEB liability.....	<u>\$ 103,601,119</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability...	0.45%

Significant Actuarial Methods and Assumptions – The total OPEB liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to June 30, 2020, to be in accordance with GASB Statement #74 and GASB #75 as follows:

Valuation date.....	Actuarially Determined Contribution was calculated as of July 1, 2019
Actuarial cost method.....	Individual Entry Age Normal
Asset valuation method.....	Market Value of Assets as the Measurement Date, June 30, 2020.
Investment rate of return.....	6.69%, net of OPEB plan investment expense, including inflation.
Discount rate.....	3.00%, net of OPEB plan investment expense, including inflation.
Municipal bond rate.....	2.66% as of June 30, 2020. (Source: S&P Municipal Bond 20-Year High Grade Index-SAPIHG).
Inflation.....	2.50% as of June 30, 2020 and for future periods.
Salary increases.....	3.00% annually as of June 30, 2020 and for future periods.
Pre-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality for White Collar Employees projected generationally with scale MP-2016 for males and females.
Post-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.
Disabled mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

Rate of Return – For the year ended June 30, 2020, the annual money-weighted rate of return on OPEB plan investments was 3.45%. The money-weighted rate of return expresses investment performance, net of OPEB plan 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 and subtracting expected investment expenses and a risk margin. The Plan's expected future real rate of return of 6.69% is added to the expected inflation of 2.50% to produce the long-term expected nominal rate of return of 6.94%. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized on the following page.

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity - large cap.....	31.50%	4.80%
Domestic equity - small/mid cap.....	3.00%	5.29%
International equity - developed market...	6.00%	5.45%
International equity - emerging market....	3.00%	6.42%
Domestic fixed income.....	25.25%	2.05%
International fixed income.....	4.00%	3.00%
Alternatives.....	21.00%	6.50%
Real estate.....	4.00%	6.25%
Cash and cash equivalents.....	2.25%	0.00%
Total.....	<u>100.00%</u>	

Discount rate – The discount rate used to measure the total OPEB liability was 3.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments to current plan members. Therefore a yield or index rate for 20 year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher, which was based on the S&P Municipal Bond 20 – Year High Grade Index as of June 30, 2020, was applied.

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 3.00%, as well as what the net other postemployment benefits liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current rate.

	<u>1% Decrease (2.00%)</u>	<u>Current Discount Rate (3.00%)</u>	<u>1% Increase (4.00%)</u>
Net OPEB liability.....	\$ 121,895,990	\$ 103,601,119	\$ 89,098,397

Sensitivity of the net OPEB liability to changes in the healthcare trend – The following table presents the net other postemployment benefit liability, calculated using the current healthcare trend rate, as well as what the net other postemployment benefits liability would be if it was 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB liability.....	\$ 87,417,219	\$ 103,601,119	\$ 124,525,501

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, when applicable.

Changes in the Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Plan</u>		
	<u>Total OPEB</u>	<u>Fiduciary</u>	<u>Net OPEB</u>
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at June 30, 2019.....	\$ 102,215,282	\$ 351,964	\$ 101,863,318
Changes for the year:			
Service cost.....	3,657,606	-	3,657,606
Interest.....	3,137,894	14,130	3,123,764
Employer contributions to trust.....	-	2,671,875	(2,671,875)
Changes in assumptions.....	8,174,890	-	8,174,890
Differences between expected and actual experience....	(10,546,584)	-	(10,546,584)
Benefit payments.....	(2,571,875)	(2,571,875)	-
Net change.....	1,851,931	114,130	1,737,801
Balances at June 30, 2020.....	\$ 104,067,213	\$ 466,094	\$ 103,601,119

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the Town recognized OPEB expense of \$6.4 million and 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..... \$	-	\$ (15,325,428)	\$ (15,325,428)
Difference between projected and actual earnings, net.....	16,300	-	16,300
Changes in assumptions.....	14,714,845	-	14,714,845
Total deferred outflows/(inflows) of resources..... \$	<u>14,731,145</u>	<u>\$ (15,325,428)</u>	<u>\$ (594,283)</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:

2021.....	\$ (355,814)
2022.....	(355,814)
2023.....	314,967
2024.....	194,362
2025.....	<u>(391,984)</u>
Total.....	<u>\$ (594,283)</u>

Changes in Assumptions – Effective June 30, 2020:

- Based on recommendations by PERAC, the mortality table has been updated from the RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 to the RP-2014 Mortality Table projected generationally with scale MP-2016 for males and females.
- The expected long-term medical trend has been updated to 4.50%.
- Based on recent research by the Society of Actuaries, we have updated the assumption for morbidity or age-related costs of medical care.

Changes in Plan Provisions – None.

NOTE 12 – LANDFILL CLOSURE

State and federal laws and regulations require the Town to construct a final capping system on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town closed and capped its landfill in 1995. The Town has reflected a \$290,000 post-closure care liability at June 30, 2020, as an obligation of the solid waste enterprise fund. This amount is based upon estimates of what it would cost to perform all post-closure care. Actual costs may be higher due to inflation, deflation, changes in technology, or changes in regulations. Its cost was estimated based on semi-annual sampling for the current monitoring network at the site and estimated costs to maintain the integrity of the landfill cap during the post-closure period.

NOTE 13 – COMMITMENTS

The Town has various commitments related to the construction projects which will be financed through long-term borrowing. These projects include \$4.3 million for high school construction, \$19.3 million for police and DPW facility construction projects, \$4.0 million for senior center addition, \$3.5 million for seawall repairs, and \$1.6 million for various construction projects throughout the Town.

NOTE 14 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through June 30, 2020, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2020.

NOTE 15 – COVID-19

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

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

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

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

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 21, 2020, which is the date the financial statements were available to be issued.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2020, the following GASB pronouncement was implemented:

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

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2021.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2021.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.
- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, in which certain paragraphs are required to be implemented in 2021 and 2022.

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

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 68,697,654	\$ 68,697,654	\$ 67,867,457	\$ -	\$ (830,197)
Tax liens.....	-	-	1,122,651	-	1,122,651
Motor vehicle and other excise taxes.....	4,364,000	4,364,000	4,656,021	-	292,021
Charges for service.....	1,050,000	1,050,000	1,602,287	-	552,287
Penalties and interest on taxes.....	375,000	375,000	306,362	-	(68,638)
Payments in lieu of taxes.....	45,000	-	-	-	-
Intergovernmental.....	18,459,762	18,459,762	18,507,925	-	48,163
Departmental and other.....	1,316,000	1,316,000	2,096,705	-	780,705
Investment income.....	225,000	225,000	574,839	-	349,839
TOTAL REVENUES.....	94,532,416	94,487,416	96,734,247	-	2,246,831
EXPENDITURES:					
GENERAL GOVERNMENT					
MODERATOR					
Salaries.....	92	92	92	-	-
SELECTMEN					
Salaries.....	357,186	354,547	319,514	-	35,033
Expenses.....	284,265	309,307	193,673	23,769	91,865
Elected officials.....	3,417	3,417	3,417	-	-
TOTAL.....	644,868	667,271	516,604	23,769	126,898
FACILITIES MANAGER:					
Salaries.....	181,852	189,329	189,329	-	-
Expenses.....	357,695	353,218	316,237	4,050	32,931
TOTAL.....	539,547	542,547	505,566	4,050	32,931
TOWN ACCOUNTANT:					
Salaries.....	198,682	213,682	211,026	-	2,656
Expenses.....	13,900	13,900	6,939	-	6,961
TOTAL.....	212,582	227,582	217,965	-	9,617
ASSESSORS:					
Salaries.....	237,009	237,009	231,559	-	5,450
Expenses.....	98,202	98,202	91,283	2	6,917
Elected officials.....	3,687	3,687	3,687	-	-
TOTAL.....	338,898	338,898	326,529	2	12,367
TREASURER/ COLLECTOR:					
Salaries.....	473,406	511,592	511,592	-	-
Expenses.....	64,858	234,858	191,188	-	43,670
Tax title.....	-	47,226	37,637	-	9,589
TOTAL.....	538,264	793,676	740,417	-	53,259
ANNUAL AUDIT:					
Expenditures.....	132,867	169,956	159,956	-	10,000
LEGAL					
Legal expenses.....	200,000	200,000	178,755	-	21,245
HUMAN RESOURCES:					
Salaries.....	143,520	143,520	113,505	-	30,015
Expenses.....	12,500	12,500	4,835	-	7,665
TOTAL.....	156,020	156,020	118,340	-	37,680
INFORMATION TECHNOLOGY:					
Salaries.....	96,500	148,649	148,649	-	-
Expenses.....	187,211	182,705	176,776	5,929	-
TOTAL.....	283,711	331,354	325,425	5,929	-
TOWN CLERK					
Salaries.....	72,040	72,040	72,040	-	-
Expenses.....	12,000	12,000	11,423	-	577
Elected officials.....	77,689	77,689	77,689	-	-
TOTAL.....	161,729	161,729	161,152	-	577
ELECTIONS:					
Expenditures.....	84,100	159,100	104,602	1,297	53,201
CONSERVATION COMMISSION					
Salaries.....	120,620	130,284	130,284	-	-
Expenses.....	19,565	19,402	13,442	-	5,960
TOTAL.....	140,185	149,686	143,726	-	5,960

(Continued)

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

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Amounts	Variance
	Original	Final	Budgetary	Carried Forward	to Final
	Budget	Budget	Amounts	To Next Year	Budget
PLANNING BOARD					
Salaries.....	146,595	151,806	151,806	-	-
Expenses.....	2,600	2,389	1,149	-	1,240
Elected officials.....	1,120	1,120	1,120	-	-
TOTAL.....	150,315	155,315	154,075	-	1,240
ZONING BOARD OF APPEALS:					
Expenses.....	5,871	5,871	5,325	-	546
RESERVE FUND.....					
	100,000	15,000	-	-	15,000
Total General Government.....	3,689,049	4,074,097	3,658,529	35,047	380,521
PUBLIC SAFETY					
POLICE DEPARTMENT					
Salaries.....	5,624,290	5,578,058	5,543,499	-	34,559
Expenses.....	330,191	330,192	320,871	5,338	3,983
TOTAL.....	5,954,481	5,908,250	5,864,370	5,338	38,542
FIRE DEPARTMENT					
Salaries.....	5,275,836	5,315,836	5,075,602	-	240,234
Expenses.....	370,620	370,619	325,068	359	45,192
TOTAL.....	5,646,456	5,686,455	5,400,670	359	285,426
BUILDING INSPECTION:					
Salaries.....	354,598	367,971	367,971	-	-
Expenses.....	5,872	2,456	2,456	-	-
TOTAL.....	360,470	370,427	370,427	-	-
SEALER OF WEIGHTS/MEASURES:					
Expenditures.....	5,000	5,000	5,000	-	-
ANIMAL CONTROL:					
Salaries.....	89,621	120,606	120,606	-	-
Expenses.....	27,818	26,622	26,502	120	-
TOTAL.....	117,439	147,228	147,108	120	-
ANIMAL INSPECTOR:					
Salaries.....	2,500	2,500	2,500	-	-
HARBOR MASTER:					
Salaries.....	144,080	178,637	178,637	-	-
Expenses.....	60,445	60,332	60,002	330	-
TOTAL.....	204,525	238,969	238,639	330	-
Total Public Safety.....	12,290,871	12,358,829	12,028,714	6,147	323,968
EDUCATION					
PUBLIC SCHOOLS					
Salaries and expenditures.....	49,768,301	50,171,301	50,066,570	52,567	52,164
PUBLIC WORKS					
DEPARTMENT OF PUBLIC WORKS:					
Salaries.....	2,125,177	2,124,020	2,031,314	-	92,706
Expenses.....	536,586	581,867	499,165	24,631	58,071
Elected officials.....	2,180	2,180	1,498	-	682
TOTAL.....	2,663,943	2,708,067	2,531,977	24,631	151,459
SNOW AND ICE					
Expenses.....	400,000	400,000	181,751	-	218,249
AUTOMOTIVE FUEL:					
Expenses.....	412,290	372,290	307,850	-	64,440
Total Public Works.....	3,476,233	3,480,357	3,021,578	24,631	434,148
HEALTH AND HUMAN SERVICES					
HEALTH:					
Salaries.....	220,238	220,238	200,143	-	20,095
Expenses.....	28,610	28,610	23,075	623	4,912
Elected officials.....	1,460	1,460	1,460	-	-
TOTAL.....	250,308	250,308	224,678	623	25,007

(Continued)

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

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Amounts	Variance
	Original	Final	Budgetary	Carried Forward	to Final
	Budget	Budget	Amounts	To Next Year	Budget
COUNCIL ON AGING					
Salaries.....	422,999	422,999	300,153	-	122,846
Expenses.....	35,580	35,580	26,149	-	9,431
TOTAL.....	458,579	458,579	326,302	-	132,277
VETERANS' SERVICES					
Salaries.....	127,320	136,820	133,180	-	3,640
Expenses.....	397,714	392,911	326,751	8,000	58,160
TOTAL.....	525,034	529,731	459,931	8,000	61,800
Total Health and Human Services.....	1,233,921	1,238,618	1,010,911	8,623	219,084
CULTURE AND RECREATION					
LIBRARY:					
Salaries.....	658,324	658,324	620,701	-	37,623
Expenses.....	152,334	152,335	135,268	-	17,067
TOTAL.....	810,658	810,659	755,969	-	54,690
TRUSTEES OF SOLDIERS MEMORIAL:					
Salaries.....	8,234	14,584	14,584	-	-
Expenses.....	9,326	7,779	7,779	-	-
TOTAL.....	17,560	22,363	22,363	-	-
HISTORICAL COMMISSION					
Expenditures.....	3,880	3,880	430	-	3,450
CLAM FLATS:					
Salaries.....	2,000	2,000	-	-	2,000
Expenses.....	1,000	1,000	653	-	347
TOTAL.....	3,000	3,000	653	-	2,347
Total Culture and Recreation.....	835,098	839,902	779,415	-	60,487
BUSINESS INSURANCE.....	1,031,138	1,031,849	1,031,310	539	-
UNEMPLOYMENT COMPENSATION.....	100,000	100,000	6,095	-	93,905
RETIREMENT.....	6,213,692	6,213,692	5,985,336	-	228,356
EMPLOYEE BENEFITS.....	7,336,383	7,339,537	6,480,336	-	859,201
MEDICARE.....	830,000	877,599	877,599	-	-
STATE AND COUNTY ASSESSMENTS.....	896,062	939,431	836,950	-	102,481
UTILITIES.....	448,327	458,188	456,871	1,317	-
UNCLASSIFIED:					
Expenses.....	43,000	62,763	62,763	-	-
DEBT SERVICE:					
Principal.....	6,787,918	7,246,552	6,771,702	-	474,850
Interest.....	2,771,308	2,999,881	2,710,760	-	289,121
TOTAL EXPENDITURES.....	97,751,301	99,432,596	95,785,439	128,871	3,518,286
EXCESS (DEFICIENCY) OF REVENUES					
OVER (UNDER) EXPENDITURES.....	(3,218,885)	(4,945,180)	948,808	(128,871)	5,765,117
OTHER FINANCING SOURCES (USES):					
Transfers in.....	1,693,534	1,808,738	1,874,052	-	65,314
Transfers out.....	(2,668,345)	(2,587,255)	(2,647,255)	-	(60,000)
TOTAL OTHER FINANCING					
SOURCES (USES).....	(974,811)	(778,517)	(773,203)	-	5,314
NET CHANGE IN FUND BALANCE.....	(4,193,696)	(5,723,697)	175,605	(128,871)	5,770,431
BUDGETARY FUND BALANCE, Beginning of year.....	6,906,034	6,906,034	6,906,034	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 2,712,338	\$ 1,182,337	\$ 7,081,639	\$ (128,871)	\$ 5,770,431

(Concluded)

See notes to required supplementary information.

Pension Plan Schedules

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

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

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

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

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

<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, 2019.....	8.109%	\$ 55,321,130	\$ 23,824,850	232.20%	61.61%
December 31, 2018.....	7.985%	58,714,414	22,333,198	262.90%	56.11%
December 31, 2017.....	8.106%	43,582,541	23,034,352	189.21%	65.56%
December 31, 2016.....	8.081%	51,194,441	21,859,954	234.19%	58.32%
December 31, 2015.....	7.909%	50,159,092	21,623,658	231.96%	56.80%
December 31, 2014.....	7.909%	46,100,484	20,842,080	221.19%	58.88%

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

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

See notes to required supplementary information.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2020.....	\$ 5,984,136	\$ (5,984,136)	\$ -	\$ 24,063,099	24.87%
June 30, 2019.....	5,804,983	(5,804,983)	-	22,556,530	25.74%
June 30, 2018.....	5,538,881	(5,538,881)	-	23,264,696	23.81%
June 30, 2017.....	5,347,669	(5,347,669)	-	22,078,554	24.22%
June 30, 2016.....	5,134,471	(5,134,471)	-	21,839,895	23.51%
June 30, 2015.....	4,847,897	(4,847,897)	-	21,050,501	23.03%

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

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

See notes to required supplementary information.

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

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

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2020.....	\$ 109,344,668	\$ 13,259,939	53.95%
2019.....	106,088,017	10,750,484	54.84%
2018.....	104,809,256	10,939,247	65.56%
2017.....	101,339,201	10,337,263	52.73%
2016.....	96,481,795	7,825,532	55.38%
2015.....	74,722,138	5,191,306	61.64%

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

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

See notes to required supplementary information.

Other Postemployment 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 changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

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

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

These schedules are intended to present information for ten years. Until a ten-year trend is complied, 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.....	\$ 2,946,110	\$ 3,314,556	\$ 3,975,490	\$ 3,657,606
Interest.....	3,094,203	3,192,944	2,810,417	3,137,894
Changes of benefit terms.....	7,732,204	-	-	-
Differences between expected and actual experience....	(14,514,588)	(6,350,637)	-	(10,546,584)
Changes of assumptions.....	-	2,830,357	6,976,446	8,174,890
Benefit payments.....	(2,631,388)	(2,240,222)	(2,485,903)	(2,571,875)
Net change in total OPEB liability.....	(3,373,459)	746,998	11,276,450	1,851,931
Total OPEB liability - beginning.....	93,565,293	90,191,834	90,938,832	102,215,282
Total OPEB liability - ending (a).....	<u>\$ 90,191,834</u>	<u>\$ 90,938,832</u>	<u>\$ 102,215,282</u>	<u>\$ 104,067,213</u>
Plan fiduciary net position				
Employer contributions.....	\$ 180,177	\$ 50,000	\$ 100,000	\$ 100,000
Employer contributions for OPEB payments.....	2,651,388	2,240,222	2,485,903	2,571,875
Net investment income.....	5,260	7,137	9,390	14,130
Benefit payments.....	(2,651,388)	(2,240,222)	(2,485,903)	(2,571,875)
Net change in plan fiduciary net position.....	185,437	57,137	109,390	114,130
Plan fiduciary net position - beginning of year.....	-	185,437	242,574	351,964
Plan fiduciary net position - end of year (b).....	<u>\$ 185,437</u>	<u>\$ 242,574</u>	<u>\$ 351,964</u>	<u>\$ 466,094</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 90,006,397</u>	<u>\$ 90,696,258</u>	<u>\$ 101,863,318</u>	<u>\$ 103,601,119</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.21%	0.27%	0.34%	0.45%
Covered-employee payroll.....	\$ 49,016,559	\$ 50,379,219	\$ 53,447,314	\$ 58,956,931
Net OPEB liability as a percentage of covered-employee payroll.....	183.62%	180.03%	190.59%	175.72%

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

See notes to required supplementary information.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2020.....	\$ 8,789,307	\$ (2,671,875)	\$ 6,117,432	\$ 58,956,931	4.53%
June 30, 2019.....	9,021,112	(2,671,875)	6,349,237	53,447,314	5.00%
June 30, 2018.....	7,981,428	(2,290,222)	5,691,206	50,379,219	4.55%
June 30, 2017.....	7,319,653	(2,651,388)	4,668,265	49,016,559	5.41%

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

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

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2020.....	3.45%
June 30, 2019.....	3.12%
June 30, 2018.....	-4.42%
June 30, 2017.....	2.92%

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

See notes to required supplementary information.

NOTE A - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved by the Finance Committee (Committee). The Committee presents an annual budget to the Open Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Town, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

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

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

Generally, expenditures may not exceed the legal level of spending (salaries and expenses) 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 claims and judgments may exceed the level of spending authorized by majority vote at a Special Town Meeting.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original year 2020 approved budget authorized approximately \$100.4 million in appropriations and other amounts to be raised.

The Town Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

B. Budgetary - GAAP Reconciliation

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

Net change in fund balance - budgetary basis.....	\$ 175,605
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	1,210,484
<u>Basis of accounting differences:</u>	
Net change in recording revenue.....	281,871
Recognition of revenue for on-behalf payments.....	13,259,939
Recognition of expenditures for on-behalf payments....	<u>(13,259,939)</u>
Net change in fund balance - GAAP basis.....	\$ <u>1,667,960</u>

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

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

B. Schedule of Town's Contributions

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

C. Schedule of the Special Funding Amounts of the Net Pension Liabilities

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

D. Changes in Assumptions

None.

E. Changes in Plan Provisions

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

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare for eligible retirees and their spouses through the Town’s health insurance plan, which covers both active and retired members, including teachers.

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

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plans net pension, 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 payroll.

B. Schedule of the Town’s Contributions

The Schedule of the Town’s Contributions includes the Town’s annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll. Actuarially contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are as follows on the next page.

Valuation date.....	Actuarially Determined Contribution was calculated as of July 1, 2019
Actuarial cost method.....	Individual Entry Age Normal
Asset valuation method.....	Market Value of Assets as the Measurement Date, June 30, 2020.
Investment rate of return.....	6.69%, net of OPEB plan investment expense, including inflation.
Discount rate.....	3.00%, net of OPEB plan investment expense, including inflation.
Municipal bond rate.....	2.66% as of June 30, 2020. (Source: S&P Municipal Bond 20-Year High Grade Index-SAPIHG).
Inflation.....	2.50% as of June 30, 2020 and for future periods.
Salary increases.....	3.00% annually as of June 30, 2020 and for future periods.
Pre-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality for White Collar Employees projected generationally with scale MP-2016 for males and females.

Post-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.
Disabled mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

C. Schedule of Investment Returns

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

D. Changes in Assumptions

Effective June 30, 2020:

- Based on recommendations by PERAC, the mortality table has been updated from the RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 to the RP-2014 Mortality Table projected generationally with scale MP-2016 for males and females.
- The expected long-term medical trend has been updated to 4.50%.
- Based on recent research by the Society of Actuaries, we have updated the assumption for morbidity or age-related costs of medical care.

E. Changes in Plan Provisions

None.

Combining and Individual Fund Statements

Nonmajor Governmental Funds

Special Revenue Funds

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

School State and Federal Grant Fund – This fund accounts for all federal and state grants used for school related projects and activities.

Town State and Federal Grant Fund – This fund is used to account for all federal and state grants used for Town related projects and activities.

Community Preservation Fund – This fund is used to account for the acquisition, creation, and preservation of open space, outdoor recreation, historical resources, and affordable housing.

Airport Fund – This fund is used to account for improvements, certain maintenance, and capital equipment associated with the Town's Municipal Airport.

Town General Revolving Fund – This fund accounts for various Town operations such as insurance recoveries, recreation activities and workers compensation.

School General Revolving Fund – This fund accounts for school activities, such as operation of the public school lunch program, athletic receipts and tuition costs.

Chapter 90 Fund - This fund accounts for grants received from the State mainly in relation to maintaining the Town's streets and sidewalks.

Other Funds - These funds account for receipts reserved for appropriation as well as various bequests made by benefactors to the Town for which principal portions of bequests as well as the related earnings can be expended by the Town.

Capital Projects Funds

Capital project funds are used to account for financial resources used in the acquisition or construction of major capital facilities (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The Town's grouping for non-major capital project funds is a described as follows:

High School Capital Project Fund – This fund is used to account for financial resources to expand and upgrade the High School.

Permanent Funds

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

Permanent Funds – These funds account for all contributions and bequests for which only earnings may be expended to benefit the government.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2020

	Special Revenue Funds					
	School State & Federal Grants	Town State & Federal Grants	Community Preservation	Airport	Town General Revolving	School General Revolving
ASSETS						
Cash and cash equivalents.....	\$ 1,143,265	\$ 685,257	\$ 5,611,190	\$ 62,838	\$ 2,275,301	\$ 272,546
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Departmental and other.....	-	-	17,412	-	-	-
Intergovernmental.....	-	531,954	420,186	252,964	-	-
Due from other funds.....	-	-	-	-	7,018	-
TOTAL ASSETS.....	\$ 1,143,265	\$ 1,217,211	\$ 6,048,788	\$ 315,802	\$ 2,282,319	\$ 272,546
LIABILITIES						
Warrants payable.....	\$ 14,099	\$ 62,120	\$ 368,121	\$ 237,873	\$ 92,807	\$ 3,252
Accrued payroll.....	3,722	1,208	120	-	399	10,462
Due to other funds.....	-	-	-	-	-	-
Unearned revenue.....	-	-	-	-	11,548	-
TOTAL LIABILITIES.....	17,821	63,328	368,241	237,873	104,754	13,714
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	-	-	437,598	252,964	-	-
FUND BALANCES						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	1,125,444	1,153,883	5,242,949	-	2,177,565	258,832
Unassigned.....	-	-	-	(175,035)	-	-
TOTAL FUND BALANCES.....	1,125,444	1,153,883	5,242,949	(175,035)	2,177,565	258,832
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 1,143,265	\$ 1,217,211	\$ 6,048,788	\$ 315,802	\$ 2,282,319	\$ 272,546

Special Revenue Funds			High School Capital Projects	Permanent Funds	Total Nonmajor Governmental Funds
Chapter 90	Other	Subtotal			
\$ -	\$ 1,668,455	\$ 11,718,852	\$ 286,817	\$ 1,236,367	\$ 13,242,036
-	-	-	-	1,693,131	1,693,131
-	-	17,412	-	-	17,412
144,044	-	1,349,148	390,714	-	1,739,862
-	-	7,018	-	-	7,018
<u>\$ 144,044</u>	<u>\$ 1,668,455</u>	<u>\$ 13,092,430</u>	<u>\$ 677,531</u>	<u>\$ 2,929,498</u>	<u>\$ 16,699,459</u>
\$ -	\$ 7,550	\$ 785,822	\$ 7,106	\$ -	\$ 792,928
-	43,479	59,390	-	-	59,390
7,018	-	7,018	-	-	7,018
-	-	11,548	-	-	11,548
<u>7,018</u>	<u>51,029</u>	<u>863,778</u>	<u>7,106</u>	<u>-</u>	<u>870,884</u>
<u>137,026</u>	<u>-</u>	<u>827,588</u>	<u>-</u>	<u>-</u>	<u>827,588</u>
-	-	-	-	1,214,831	1,214,831
-	1,617,426	11,576,099	670,425	1,714,667	13,961,191
-	-	(175,035)	-	-	(175,035)
<u>-</u>	<u>1,617,426</u>	<u>11,401,064</u>	<u>670,425</u>	<u>2,929,498</u>	<u>15,000,987</u>
<u>\$ 144,044</u>	<u>\$ 1,668,455</u>	<u>\$ 13,092,430</u>	<u>\$ 677,531</u>	<u>\$ 2,929,498</u>	<u>\$ 16,699,459</u>

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

YEAR ENDED JUNE 30, 2020

	Special Revenue Funds					
	School State & Federal Grants	Town State & Federal Grants	Community Preservation	Airport	Town General Revolving	School General Revolving
REVENUES:						
Motor vehicle and other excise taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services.....	-	-	-	49,073	-	-
Penalties and interest on taxes.....	-	-	2,987	-	-	-
Intergovernmental.....	3,222,695	2,175,718	420,186	1,004,191	273,766	256,884
Intergovernmental - COVID-19 relief.....	-	1,657,721	-	-	5,452	-
Departmental and other.....	-	-	-	-	973,037	1,431,919
Community preservation taxes.....	-	-	1,633,277	-	-	-
Contributions and donations.....	-	-	-	-	-	-
Investment income.....	-	49	23,873	-	-	-
TOTAL REVENUES.....	3,222,695	3,833,488	2,080,323	1,053,264	1,252,255	1,688,803
EXPENDITURES:						
Current:						
General government.....	-	298,518	-	1,026,358	843,069	-
Public safety.....	-	79,498	-	-	374,981	-
Education.....	3,727,031	-	-	-	-	1,977,608
Public works.....	-	654,374	-	-	-	-
Health and human services.....	-	130,772	-	-	14,063	-
Culture and recreation.....	-	36,466	-	-	-	-
COVID - 19.....	-	1,657,721	-	-	5,452	-
Community preservation.....	-	-	1,198,300	-	-	-
TOTAL EXPENDITURES.....	3,727,031	2,857,349	1,198,300	1,026,358	1,237,565	1,977,608
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(504,336)	976,139	882,023	26,906	14,690	(288,805)
OTHER FINANCING SOURCES (USES):						
Premium from issuance of bonds.....	-	-	-	-	-	-
Transfers out.....	-	(40,988)	-	-	(150,000)	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	(40,988)	-	-	(150,000)	-
NET CHANGE IN FUND BALANCES.....	(504,336)	935,151	882,023	26,906	(135,310)	(288,805)
FUND BALANCES AT BEGINNING OF YEAR.....	1,629,780	218,732	4,360,926	(201,941)	2,312,875	547,637
FUND BALANCES AT END OF YEAR.....	\$ 1,125,444	\$ 1,153,883	\$ 5,242,949	\$ (175,035)	\$ 2,177,565	\$ 258,832

Special Revenue Funds					
Chapter 90	Other	Subtotal	High School Capital Projects	Permanent Funds	Total Nonmajor Governmental Funds
\$ -	\$ 13,910	\$ 13,910	\$ -	\$ -	\$ 13,910
-	-	49,073	-	-	49,073
-	-	2,987	-	-	2,987
940,689	118,962	8,413,091	390,714	-	8,803,805
-	-	1,663,173	-	-	1,663,173
-	1,383,655	3,788,611	-	-	3,788,611
-	-	1,633,277	-	-	1,633,277
-	446,666	446,666	-	109,291	555,957
-	-	23,922	-	44,244	68,166
<u>940,689</u>	<u>1,963,193</u>	<u>16,034,710</u>	<u>390,714</u>	<u>153,535</u>	<u>16,578,959</u>
-	509,299	2,677,244	-	250	2,677,494
-	6,464	460,943	-	3,000	463,943
-	327,128	6,031,767	480,300	-	6,512,067
940,689	30,112	1,625,175	-	-	1,625,175
-	113,463	258,298	-	-	258,298
-	756,703	793,169	-	-	793,169
-	-	1,663,173	-	-	1,663,173
-	-	1,198,300	-	-	1,198,300
<u>940,689</u>	<u>1,743,169</u>	<u>14,708,069</u>	<u>480,300</u>	<u>3,250</u>	<u>15,191,619</u>
-	220,024	1,326,641	(89,586)	150,285	1,387,340
-	-	-	85,469	-	85,469
-	(109,729)	(300,717)	(85,469)	(36,069)	(422,255)
-	(109,729)	(300,717)	-	(36,069)	(336,786)
-	110,295	1,025,924	(89,586)	114,216	1,050,554
-	1,507,131	10,375,140	760,011	2,815,282	13,950,433
<u>\$ -</u>	<u>\$ 1,617,426</u>	<u>\$ 11,401,064</u>	<u>\$ 670,425</u>	<u>\$ 2,929,498</u>	<u>\$ 15,000,987</u>

Agency Fund

The Agency Fund is used to account for assets held in a purely custodial capacity. The Town's agency fund is used to account for payroll withholdings, off-duty work details, performance bonds, and fees collected on behalf of other governments.

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2020

	June 30, 2019	Additions	Deletions	June 30, 2020
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 1,880,310	\$ 21,965,233	\$ (22,655,587)	\$ 1,189,956
LIABILITIES				
Liabilities due depositors.....	\$ 1,880,310	\$ 21,965,233	\$ (22,655,587)	\$ 1,189,956

This page intentionally left blank.

Statistical Section



Pictured above is the Hatch Mill.

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Net Position By Component

Last Ten Years

	2011	2012	2013	2014 (1)	2015	2016	2017	2018 (2)	2019 (2)	2020
Governmental activities										
Net investment in capital assets.....	\$ 86,773,388	\$ 88,902,106	\$ 100,821,726	\$ 138,566,327	\$ 143,838,725	\$ 149,244,882	\$ 144,078,423	\$ 146,758,657	\$ 148,968,232	\$ 151,366,094
Restricted.....	4,630,832	6,049,582	6,846,578	7,822,625	7,659,915	8,004,644	7,239,201	7,721,219	9,292,397	10,889,372
Unrestricted.....	<u>(11,104,441)</u>	<u>(14,043,367)</u>	<u>(13,432,592)</u>	<u>(52,771,969)</u>	<u>(54,354,781)</u>	<u>(57,825,355)</u>	<u>(106,360,568)</u>	<u>(110,141,485)</u>	<u>(115,893,609)</u>	<u>(122,491,217)</u>
Total governmental activities net position.....	\$ 80,299,779	\$ 80,908,321	\$ 94,235,712	\$ 93,616,983	\$ 97,143,859	\$ 99,424,171	\$ 44,957,056	\$ 44,338,391	\$ 42,367,020	\$ 39,764,249
Business-type activities										
Net investment in capital assets.....	\$ 48,218,953	\$ 49,201,878	\$ 50,833,175	\$ 52,474,898	\$ 52,115,038	\$ 52,272,970	\$ 52,690,605	\$ 52,965,317	\$ 53,758,554	\$ 53,610,222
Unrestricted.....	<u>16,695,970</u>	<u>14,622,191</u>	<u>12,758,096</u>	<u>3,443,331</u>	<u>3,577,268</u>	<u>5,536,387</u>	<u>2,656,036</u>	<u>4,293,276</u>	<u>3,452,722</u>	<u>3,784,764</u>
Total business-type activities net position.....	\$ 64,914,923	\$ 63,824,069	\$ 63,591,271	\$ 55,918,229	\$ 55,692,306	\$ 57,809,357	\$ 55,346,641	\$ 57,258,593	\$ 57,211,276	\$ 57,394,986
Primary government										
Net investment in capital assets.....	\$ 134,992,341	\$ 138,103,984	\$ 151,654,901	\$ 191,041,225	\$ 195,953,763	\$ 201,517,852	\$ 196,769,028	\$ 199,723,974	\$ 202,726,786	\$ 204,976,316
Restricted.....	4,630,832	6,049,582	6,846,578	7,822,625	7,659,915	8,004,644	7,239,201	7,721,219	9,292,397	10,889,372
Unrestricted.....	<u>5,591,529</u>	<u>578,824</u>	<u>(674,496)</u>	<u>(49,328,638)</u>	<u>(50,777,513)</u>	<u>(52,288,968)</u>	<u>(103,704,532)</u>	<u>(105,848,209)</u>	<u>(112,440,887)</u>	<u>(118,706,453)</u>
Total primary government net position.....	\$ 145,214,702	\$ 144,732,390	\$ 157,826,983	\$ 149,535,212	\$ 152,836,165	\$ 157,233,528	\$ 100,303,697	\$ 101,596,984	\$ 99,578,296	\$ 97,159,235

Note (1) The 2014 unrestricted net position for governmental and business-type activities has been revised due to the implementation of GASB Statement #68.

Note (2) The Town changed the measurement date for GASB Statement No. 75 in 2019 which required the restatement of the ending net position in 2018.

Changes in Net Position

Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government.....	\$ 3,913,502	\$ 3,973,477	\$ 4,920,094	\$ 4,483,129	\$ 5,287,075	\$ 5,454,536	\$ 5,039,837	\$ 6,229,074	\$ 6,573,493	\$ 8,081,676
Public safety.....	14,514,764	14,658,407	15,526,807	16,315,383	17,178,837	17,642,972	20,007,583	18,535,773	20,486,730	20,647,932
Education.....	63,483,086	63,704,682	65,277,828	67,956,118	63,678,563	71,400,698	77,272,810	76,954,444	83,649,632	86,927,713
Public works.....	5,948,666	5,087,136	5,856,808	5,815,971	7,368,229	5,425,790	5,676,705	7,339,773	6,576,131	6,152,029
Health and human services.....	1,221,811	1,237,194	1,210,350	1,341,678	1,413,444	1,359,699	1,451,215	1,493,604	1,734,504	1,728,721
Culture and recreation.....	1,926,877	2,017,701	1,995,595	1,805,484	1,851,271	1,938,060	1,998,183	2,198,032	2,450,888	2,351,018
Community preservation.....	146,273	398,581	623,138	153,016	217,358	524,802	407,658	383,622	204,885	61,548
COVID-19.....	-	-	-	-	-	-	-	-	-	698,683
Interest.....	787,632	876,894	965,928	1,927,587	2,534,687	2,040,212	2,322,959	1,994,643	2,191,408	2,597,586
Total governmental activities expenses.....	91,942,611	91,954,072	96,376,548	99,798,366	99,529,464	105,786,769	114,176,950	115,128,965	123,867,671	129,246,906
Business-type activities:										
Sewer.....	3,514,018	3,494,294	3,627,666	3,656,216	3,911,778	4,048,263	3,750,001	4,195,771	3,981,216	4,582,449
Water.....	3,508,484	3,460,273	3,639,881	3,798,259	3,859,098	3,747,914	4,070,665	3,846,879	4,243,123	4,375,110
Solid waste.....	2,663,547	2,608,972	2,816,781	2,641,271	2,667,770	3,161,419	3,232,949	3,472,293	3,969,777	3,321,234
Total business-type activities expenses.....	9,686,049	9,563,539	10,084,328	10,095,746	10,438,646	10,957,596	11,053,615	11,514,943	12,194,116	12,278,793
Total primary government expenses.....	\$ 101,628,660	\$ 101,517,611	\$ 106,460,876	\$ 109,894,112	\$ 109,968,110	\$ 116,744,365	\$ 125,230,565	\$ 126,643,908	\$ 136,061,787	\$ 141,525,699
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety charges for services.....	\$ 1,636,627	\$ 1,860,575	\$ 1,937,559	\$ 1,931,218	\$ 1,879,054	\$ 1,897,114	\$ 1,979,101	\$ 2,362,387	\$ 2,852,585	\$ 2,828,007
Education charges for services.....	1,591,792	1,683,818	1,455,140	1,797,061	1,954,966	2,379,114	2,444,417	2,383,342	2,257,103	1,728,235
Public works charges for services.....	140,202	162,441	171,624	192,255	164,938	143,925	155,042	180,119	136,400	130,956
Other charges for services.....	1,189,719	1,158,333	1,263,264	869,318	691,130	774,374	1,019,901	1,012,961	1,236,538	1,613,099
Operating grants and contributions.....	28,180,829	30,468,638	28,854,321	30,197,758	25,899,258	28,216,908	30,333,387	32,763,116	31,814,470	37,509,231
Capital grants and contributions.....	2,205,026	1,277,419	20,149,784	37,906,270	7,425,898	6,781,879	1,920,726	4,074,110	5,704,003	2,892,606
Total government activities program revenues.....	34,944,195	36,611,224	53,831,692	72,893,880	38,015,244	40,193,314	37,852,574	42,776,035	44,001,099	46,702,134
Business-type activities:										
Charges for services:										
Sewer.....	2,541,836	2,475,768	2,544,816	2,672,368	2,665,121	2,891,655	2,768,763	3,018,225	3,299,180	3,653,603
Water.....	3,702,149	3,337,136	3,579,496	3,833,555	4,286,064	4,550,875	4,359,266	4,167,797	4,401,591	4,419,507
Solid Waste.....	2,513,195	2,448,477	2,617,061	2,769,141	3,030,814	3,425,199	3,496,870	3,945,305	4,056,975	4,417,041
Operating grants and contributions.....	253,462	116,903	109,770	87,823	77,281	67,918	57,352	50,708	47,081	26,842
Capital grants and contributions.....	21,461	17,841	61,918	95,876	297,160	235,507	221,041	223,149	190,523	192,242
Total business-type activities program revenues.....	9,032,103	8,396,125	8,913,061	9,458,763	10,356,440	11,171,154	10,903,292	11,405,184	11,995,350	12,709,235
Total primary government program revenues.....	\$ 43,976,298	\$ 45,007,349	\$ 62,744,753	\$ 82,352,643	\$ 48,371,684	\$ 51,364,468	\$ 48,755,866	\$ 54,181,219	\$ 55,996,449	\$ 59,411,369
Net (Expense)/Revenue										
Governmental activities.....	\$ (56,998,416)	\$ (55,342,848)	\$ (42,544,856)	\$ (26,904,486)	\$ (61,514,220)	\$ (65,593,455)	\$ (76,324,376)	\$ (72,352,930)	\$ (79,866,572)	\$ (82,544,772)
Business-type activities.....	(653,946)	(1,167,414)	(1,171,267)	(636,983)	(82,206)	213,558	(150,323)	(109,759)	(198,766)	430,442
Total primary government net expense.....	\$ (57,652,362)	\$ (56,510,262)	\$ (43,716,123)	\$ (27,541,469)	\$ (61,596,426)	\$ (65,379,897)	\$ (76,474,699)	\$ (72,462,689)	\$ (80,065,338)	\$ (82,114,330)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate, personal property taxes and tax liens, net of tax refunds payable.....	\$ 47,625,628	\$ 49,273,498	\$ 50,687,398	\$ 55,760,067	\$ 57,062,403	\$ 60,645,177	\$ 63,310,059	\$ 64,920,986	\$ 67,603,244	\$ 68,905,378
Motor vehicle and other excise taxes.....	3,035,952	3,098,572	3,383,172	3,436,419	3,605,718	4,634,720	4,397,836	4,170,576	4,743,891	4,762,322
Community preservation tax.....	1,019,934	1,055,074	1,088,776	1,195,479	1,244,991	1,321,967	1,351,613	1,524,112	1,427,805	1,803,198
Penalties and interest on taxes.....	306,690	347,002	365,170	339,978	420,779	287,375	103,592	350,827	273,414	309,349
Grants and contributions not restricted to specific programs.....	2,075,272	1,938,122	2,202,627	2,231,660	2,335,068	2,528,692	2,511,326	2,815,627	2,792,074	2,906,751
Unrestricted investment income.....	115,259	91,398	97,302	97,802	100,625	90,134	230,714	349,657	888,153	779,609
Miscellaneous.....	119,825	147,724	37,112	84,992	73,562	51,348	223,773	180,384	121,620	78,769
Transfers.....	-	-	125,000	-	197,950	(1,685,646)	-	(256,000)	45,000	396,625
Total governmental activities.....	54,298,560	55,951,390	57,986,557	63,146,397	65,041,096	67,873,767	72,128,913	74,056,169	77,895,201	79,942,001
Business-type activities:										
Unrestricted investment income.....	104,755	76,560	62,671	58,144	54,233	217,847	269,683	133,670	196,449	149,893
Transfers.....	-	-	(125,000)	-	(197,950)	1,685,646	-	256,000	(45,000)	(396,625)
Total business-type activities.....	104,755	76,560	(62,329)	58,144	(143,717)	1,903,493	269,683	389,670	151,449	(246,732)
Total primary government.....	\$ 54,403,315	\$ 56,027,950	\$ 57,924,228	\$ 63,204,541	\$ 64,897,379	\$ 69,777,260	\$ 72,398,596	\$ 74,445,839	\$ 78,046,650	\$ 79,695,269
Changes in Net Position										
Governmental activities.....										
.....	\$ (2,699,856)	\$ 608,542	\$ 15,441,701	\$ 36,241,911	\$ 3,526,876	\$ 2,280,312	\$ (4,195,463)	\$ 1,703,239	\$ (1,971,371)	\$ (2,602,771)
Business-type activities.....										
.....	(549,191)	(1,090,854)	(1,233,596)	(578,839)	(225,923)	2,117,051	119,360	279,911	(47,317)	183,710
Total primary government.....	\$ (3,249,047)	\$ (482,312)	\$ 14,208,105	\$ 35,663,072	\$ 3,300,953	\$ 4,397,363	\$ (4,076,103)	\$ 1,983,150	\$ (2,018,688)	\$ (2,419,061)

Fund Balances, Governmental Funds

Last Ten Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Restricted..... \$	- \$	- \$	3,279,293 \$	2,811,178 \$	4,009,469 \$	1,972,217 \$	1,711,494 \$	1,012,618 \$	2,092,385 \$	1,217,406
Assigned.....	307,888	281,950	163,687	182,589	70,324	71,327	116,283	192,596	76,304	128,871
Unassigned.....	<u>4,716,619</u>	<u>5,109,444</u>	<u>4,614,690</u>	<u>4,545,281</u>	<u>5,374,592</u>	<u>4,407,290</u>	<u>7,195,117</u>	<u>8,951,690</u>	<u>9,801,862</u>	<u>12,292,234</u>
Total general fund..... \$	<u>5,024,507</u> \$	<u>5,391,394</u> \$	<u>8,057,670</u> \$	<u>7,539,048</u> \$	<u>9,454,385</u> \$	<u>6,450,834</u> \$	<u>9,022,894</u> \$	<u>10,156,904</u> \$	<u>11,970,551</u> \$	<u>13,638,511</u>
All Other Governmental Funds										
Nonspendable..... \$	1,043,270 \$	1,096,182 \$	1,150,207 \$	1,220,989 \$	1,242,967 \$	1,258,385 \$	1,270,028 \$	1,255,091 \$	1,255,220 \$	1,214,831
Restricted.....	6,264,680	10,795,737	10,654,986	11,537,607	7,993,550	9,065,799	9,154,043	9,964,049	12,137,143	13,961,191
Committed.....	30,290	40,587	63,209	84,604	159,776	180,177	-	-	-	-
Unassigned.....	<u>-</u>	<u>(2,854,861)</u>	<u>(1,408,944)</u>	<u>(1,177,999)</u>	<u>(9,331,639)</u>	<u>(2,375,201)</u>	<u>(1,926,591)</u>	<u>(4,124,959)</u>	<u>(201,941)</u>	<u>(175,035)</u>
Total all other governmental funds..... \$	<u>7,338,240</u> \$	<u>9,077,645</u> \$	<u>10,459,458</u> \$	<u>11,665,201</u> \$	<u>64,654</u> \$	<u>8,129,160</u> \$	<u>8,497,480</u> \$	<u>7,094,181</u> \$	<u>13,190,422</u> \$	<u>15,000,987</u>

Changes in Fund Balances, Governmental Funds

Last Ten Years

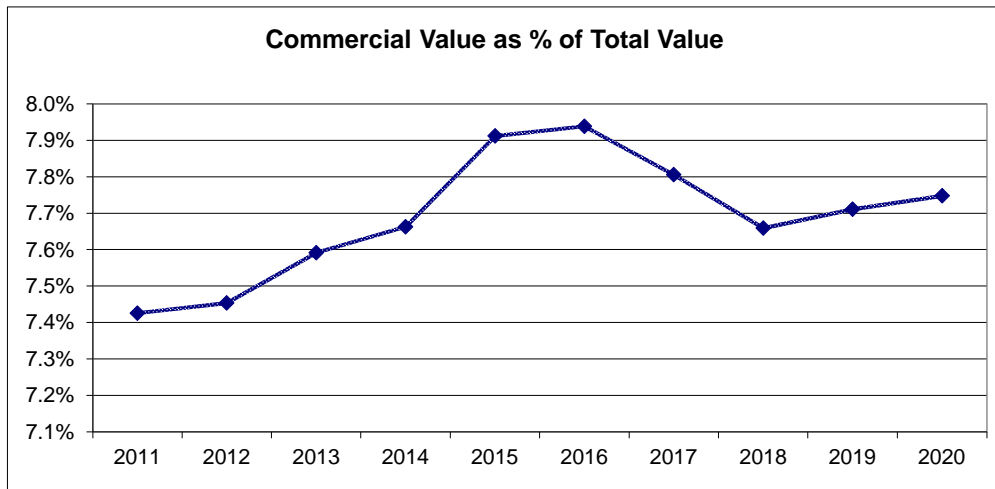
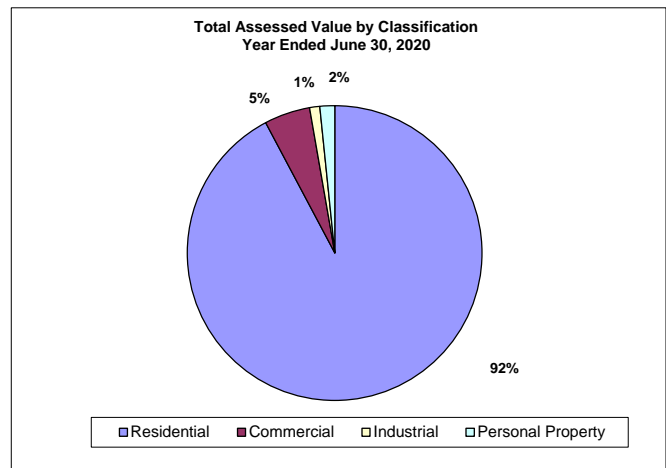
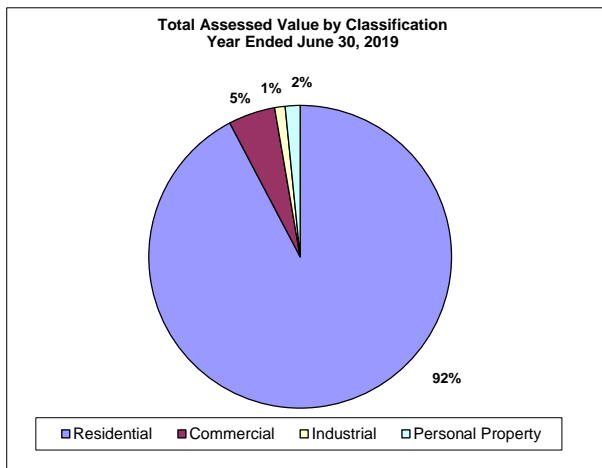
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Real estate, personal property taxes and tax liens, net of tax refunds.....	\$ 47,255,875	\$ 49,251,843	\$ 50,519,928	\$ 54,938,928	\$ 57,119,299	\$ 59,326,154	\$ 64,087,970	\$ 65,459,187	\$ 67,277,325	\$ 69,260,133
Motor vehicle and other excise taxes.....	2,963,732	3,134,838	3,241,603	3,465,032	3,696,490	4,183,427	4,664,896	4,387,567	4,750,119	4,669,931
Penalties and interest on taxes.....	306,690	347,002	365,170	339,978	420,779	287,375	103,592	350,827	273,414	309,349
Charges for services.....	1,032,776	1,048,550	1,028,991	1,094,268	1,020,505	1,187,793	1,062,430	1,416,766	1,437,809	1,651,360
Intergovernmental - Teachers retirement.....	-	-	-	-	-	-	10,337,263	10,939,247	10,750,484	13,259,939
Intergovernmental.....	32,526,944	33,827,922	51,339,663	70,836,092	35,657,490	37,175,979	25,345,057	27,697,715	28,665,507	28,314,301
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	-	-	-	-	1,675,019
Departmental and other.....	3,450,322	3,691,831	3,590,240	3,559,685	4,733,977	4,780,456	5,184,030	5,384,065	5,967,318	5,885,316
Community preservation taxes.....	1,017,700	1,060,170	1,088,591	1,163,170	1,247,438	1,322,637	1,360,375	1,461,047	1,518,586	1,633,277
Contributions and donations.....	244,974	238,977	382,749	333,939	374,963	499,223	386,376	597,373	498,584	555,957
Investment income.....	115,259	91,398	97,302	97,802	100,625	90,134	230,714	349,657	888,153	779,609
Total Revenue.....	88,914,272	92,692,531	111,654,237	135,828,894	104,371,566	108,853,178	112,762,703	118,043,451	122,027,299	127,994,191
Expenditures:										
General government.....	2,487,410	2,322,835	3,577,490	3,126,640	3,929,987	5,670,487	3,413,533	4,888,296	4,839,488	5,885,713
Public safety.....	9,082,725	8,679,772	9,587,168	9,954,302	10,574,177	10,565,713	12,235,852	11,789,519	12,274,474	11,891,793
Education.....	53,138,359	55,787,658	57,022,941	58,064,519 (1)	54,041,317	53,148,961	61,486,121	52,212,660	53,895,239	55,919,492
Public works.....	5,012,258	3,007,215	2,474,937	2,093,027	3,766,645	2,511,755	1,857,974	3,727,859	2,718,349	1,094,766
Health and human services.....	506,933	383,654	481,056	1,053,258	1,112,263	1,064,789	1,084,256	1,209,892	1,290,755	1,237,983
Culture and recreation.....	755,207	753,628	888,466	1,160,706	1,216,994	1,290,301	1,236,280	1,514,915	1,573,580	1,584,551
COVID-19.....	-	-	-	-	-	-	-	-	-	1,675,019
Pension benefits.....	3,768,238	3,736,165	4,285,250	4,458,347	4,754,898	5,135,671	5,348,869	5,540,081	5,888,326	5,985,336
Pension benefits- Teachers retirement.....	-	-	-	-	-	-	-	10,939,247	10,750,484	13,259,939
Property and liability insurance.....	565,489	579,991	677,091	658,703	794,616	818,546	891,168	943,574	1,010,579	1,031,310
Employee benefits.....	5,973,191	6,386,222	5,611,488	6,304,113	6,242,353	6,337,382	7,304,968	7,236,601	7,535,001	7,364,030
Community preservation.....	1,011,397	470,208	1,230,198	153,016	217,358	1,999,610	407,658	383,622	204,885	1,198,300
State and county charges.....	671,652	664,596	735,255	819,016	853,696	746,141	687,633	738,182	884,449	836,950
Capital outlay.....	7,410,609	9,518,420	52,009,404	66,160,999	21,450,937	11,075,339	11,008,075	12,199,449	10,156,389	15,768,226
Debt service:										
Principal.....	3,935,896	3,900,384	3,979,614	5,738,789	5,508,444	6,900,734	6,635,632	6,702,884	7,324,419	6,833,545
Interest.....	766,207	896,491	837,153	2,502,338	2,589,674	2,930,395	2,831,804	2,361,706	2,941,403	2,728,654
Total Expenditures.....	95,085,571	97,087,239	143,397,511	162,247,773	117,053,359	110,195,824	116,429,823	122,388,487	123,287,820	134,295,607
Excess of revenues over (under) expenditures.....	(6,171,299)	(4,394,708)	(31,743,274)	(26,418,879)	(12,681,793)	(1,342,646)	(3,667,120)	(4,345,036)	(1,260,521)	(6,301,416)
Other Financing Sources (Uses):										
Issuance of long-term debt.....	5,353,000	6,501,000	32,090,000	27,106,000	274,000	7,852,500	6,607,500	2,792,000	12,349,143	20,845,357
Premium from issuance of bonds.....	-	-	3,576,363	-	2,524,633	236,747	-	1,539,747	59,514	1,152,666
Transfers in.....	465,650	1,138,594	2,108,257	1,150,268	498,357	3,405,931	356,309	514,059	5,064,741	2,516,316
Transfers out.....	(465,650)	(1,138,594)	(1,983,257)	(1,150,268)	(300,407)	(5,091,577)	(356,309)	(770,059)	(5,019,741)	(2,119,691)
Total other financing sources (uses).....	5,353,000	6,501,000	35,791,363	27,106,000	2,996,583	6,403,601	6,607,500	4,075,747	12,453,657	22,394,648
Net change in fund balance.....	\$ (818,299)	\$ 2,106,292	\$ 4,048,089	\$ 687,121	\$ (9,685,210)	\$ 5,060,955	\$ 2,940,380	\$ (269,289)	\$ 11,193,136	\$ 16,093,232
Debt service as a percentage of noncapital expenditures.....	5.36%	5.48%	5.27%	8.58%	8.47%	9.92%	8.98%	8.23%	9.07%	8.07%

(1) Educational expenditures and intergovernmental revenue decreased by approximately \$5.5 million in 2015 relating to a change in the way the Commonwealth of Massachusetts reported on-behalf payments for teacher's retirement benefits.

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

Last Ten Years

Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate	Total Town Value
2011	\$3,916,336,332	\$11.29	\$201,661,048	\$41,142,600	\$71,346,760	\$314,150,408	\$11.29	7.4%	\$ 11.29	\$4,230,486,740
2012	\$3,892,976,366	\$11.76	\$203,681,840	\$40,844,500	\$69,032,560	\$313,558,900	\$11.76	7.5%	\$ 11.76	\$4,206,535,266
2013	\$3,866,211,027	\$12.21	\$206,162,921	\$40,878,000	\$70,559,500	\$317,600,421	\$12.21	7.6%	\$ 12.21	\$4,183,811,448
2014	\$3,861,371,126	\$13.29	\$205,393,300	\$44,716,614	\$70,326,699	\$320,436,613	\$13.29	7.7%	\$ 13.29	\$4,181,807,739
2015	\$3,977,151,911	\$13.29	\$223,566,744	\$47,060,900	\$71,090,968	\$341,718,612	\$13.29	7.9%	\$ 13.29	\$4,318,870,523
2016	\$4,031,604,809	\$13.88	\$224,476,879	\$48,437,200	\$74,746,291	\$347,660,370	\$13.88	7.9%	\$ 13.88	\$4,379,265,179
2017	\$4,218,292,026	\$13.72	\$227,304,272	\$49,318,100	\$80,548,370	\$357,170,742	\$13.72	7.8%	\$ 13.72	\$4,575,462,768
2018	\$4,478,816,791	\$13.37	\$239,448,762	\$51,322,700	\$80,718,490	\$371,489,952	\$13.37	7.7%	\$ 13.37	\$4,850,306,743
2019	\$4,614,957,213	\$13.38	\$249,288,305	\$56,720,400	\$79,584,170	\$385,592,875	\$13.38	7.7%	\$ 13.38	\$5,000,550,088
2020	\$4,779,759,376	\$13.33	\$259,946,610	\$57,480,700	\$84,029,850	\$401,457,160	\$13.33	7.7%	\$ 13.33	\$5,181,216,536



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

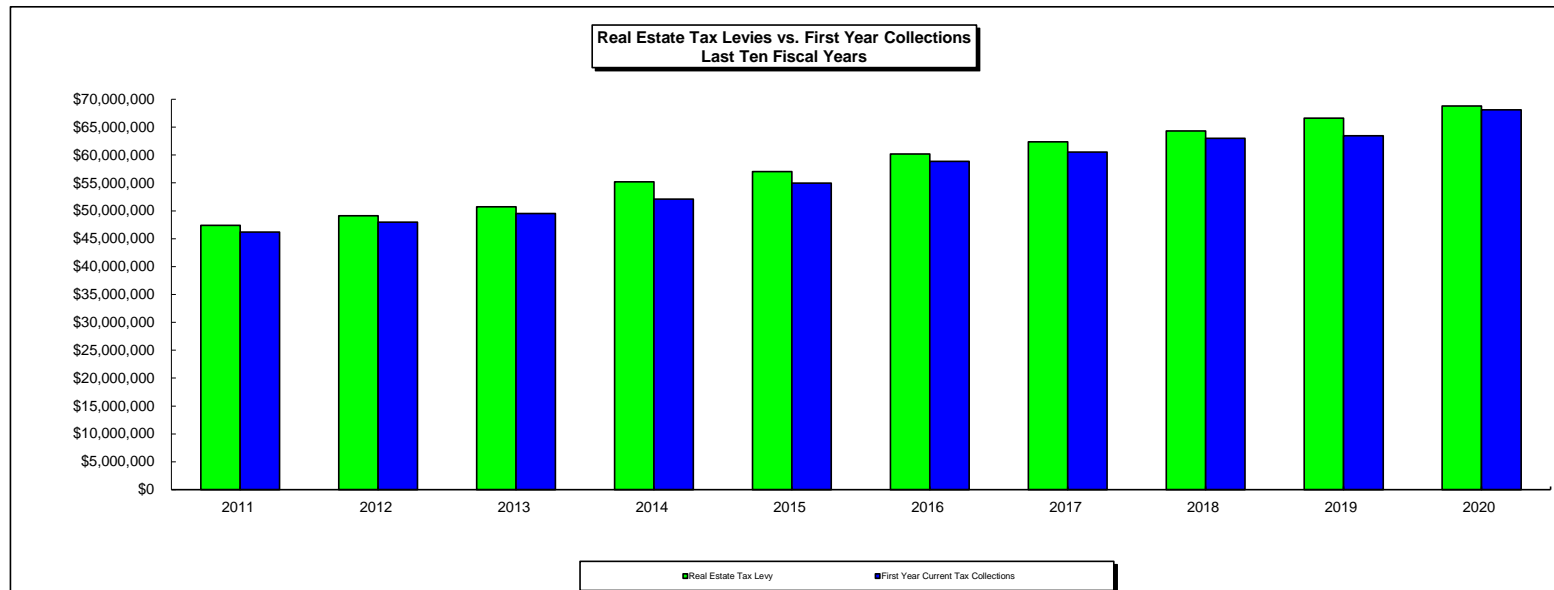
Principal Taxpayers
Current Year and Nine Years Ago

Name	Nature of Business	2020			2011		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Shi Marshfield LLC (formerly WW LLC)	Assisted Living	\$ 45,249,500	1	0.87%	\$ 39,031,200	1	0.92%
NSTAR	Utility	30,768,590	2	0.59%	-		
Home Properties of Marshfield, LLP	Apartment Complex	29,939,900	3	0.58%	24,096,700	3	0.57%
Bixmore Webster Square	Shopping Plaza	20,147,600	4	0.39%	-		
Columbia Gas of MA	Utility	19,628,130	5	0.38%	-		
Verizon	Utility	16,640,100	6	0.32%	24,251,400	2	0.57%
Beacon Shore LTD	Apartment Complex over 55	11,765,500	7	0.23%	-		
OMDB Realty, LLC	Shopping Plaza	9,995,200	8	0.19%	8,692,200	7	0.21%
VRT	Commercial Property	9,306,700	9	0.18%	7,576,800	8	0.18%
Mariners Hill Limited	Apartments and Over 55	8,070,000	10	0.16%	-		
Commonwealth Electric	Utility	-		-	16,987,800	5	0.40%
Curlto, LLC	Shopping Plaza	-		-	17,816,300	4	0.42%
Proprietors Woods LLC	Single Family Residence	-		-	6,872,100	9	0.16%
Bay State Gas	Utility	-		-	10,851,760	6	0.26%
Chestnut Hill	Residential Subdivision	-		-	7,228,100	10	0.17%
Totals		<u>\$ 201,511,220</u>		<u>3.89%</u>	<u>\$ 163,404,360</u>		<u>3.86%</u>
Source: Official Statements, Town of Marshfield							

Property Tax Levies and Collections

Last Ten Years

Year	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	Net as Percent 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
2011	\$47,762,195	\$364,736	\$47,397,459	99.24%	\$46,172,819	97.42%	\$797,326	\$46,970,145	99.10%
2012	\$49,475,863	\$347,777	\$49,128,086	99.30%	\$47,948,166	97.60%	\$807,255	\$48,755,421	99.24%
2013	\$51,084,810	\$371,796	\$50,713,014	99.27%	\$49,546,242	97.70%	\$895,754	\$50,441,996	99.47%
2014	\$55,576,225	\$361,748	\$55,214,477	99.35%	\$52,080,161	94.32%	\$1,526,995	\$53,607,156	97.09%
2015	\$57,397,789	\$337,927	\$57,059,862	99.41%	\$54,994,597	96.38%	\$623,689	\$55,618,286	97.47%
2016	\$60,784,201	\$564,819	\$60,219,382	99.07%	\$58,894,554	97.80%	\$670,589	\$59,565,143	98.91%
2017	\$62,775,349	\$400,613	\$62,374,736	99.36%	\$60,528,056	97.04%	\$829,094	\$61,357,150	98.37%
2018	\$64,848,601	\$500,272	\$64,348,329	99.23%	\$63,016,716	97.93%	\$1,297,760	\$64,314,476	99.95%
2019	\$66,943,654	\$312,820	\$66,630,834	99.53%	\$63,473,759	95.26%	\$1,098,552	\$64,572,311	96.91%
2020	\$69,087,497	\$293,454	\$68,794,043	99.58%	\$68,093,290	98.98%	\$0	\$68,093,290	98.98%



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

Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities		Business-Type Activities		Total Debt Outstanding	Personal Income	Percentage of Personal Income	U. S. Census Population	Debt Per Capita
	General Obligation Bonds(1)	Capital Leases	General Obligation Bonds(1)	Capital Leases					
2011	\$ 26,558,481	\$ -	\$ 11,929,472	\$ -	\$ 38,487,953	\$1,020,714,000	2.60%	25,185	\$1,055
2012	\$ 29,159,097	\$ -	\$ 12,556,963	\$ -	\$ 41,716,060	\$1,054,397,562	2.77%	25,132	\$1,160
2013	\$ 60,845,846	\$ -	\$ 18,405,068	\$ -	\$ 79,250,914	\$1,094,464,669	5.56%	24,378	\$2,496
2014	\$ 81,706,740	\$ -	\$ 17,577,476	\$ -	\$ 99,284,216	\$1,136,054,327	7.19%	25,436	\$3,212
2015	\$ 78,668,570	\$ -	\$ 15,970,707	\$ -	\$ 94,639,277	\$1,179,224,391	6.67%	25,509	\$3,084
2016	\$ 79,007,659	\$ -	\$ 17,236,222	\$ -	\$ 96,243,881	\$1,224,034,918	6.45%	25,430	\$3,107
2017	\$ 78,459,178	\$ -	\$ 16,728,877	\$ -	\$ 95,188,055	\$1,270,548,245	6.18%	25,909	\$3,028
2018	\$ 75,550,924	\$ -	\$ 15,160,973	\$ -	\$ 90,711,897	\$1,318,829,078	5.73%	25,709	\$2,939
2019	\$ 79,863,508	\$ -	\$ 15,490,653	\$ -	\$ 95,354,161	\$1,368,944,583	5.83%	26,032	\$3,068
2020	\$ 94,342,436	\$ -	\$ 15,807,571	\$ -	\$ 110,150,007	\$1,420,964,477	6.64%	27,507	\$3,430

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

Source: Audited Financial Statements, U. S. Census

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	General Obligation Bonds(1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Assessed Value	U. S. Census Population	Debt Per Capita
2011	\$ 38,487,953	\$ -	\$ 38,487,953	0.91%	25,185	\$ 1,528
2012	\$ 41,716,060	\$ -	\$ 41,716,060	0.99%	25,132	\$ 1,660
2013	\$ 79,250,914	\$ -	\$ 79,250,914	1.89%	24,378	\$ 3,251
2014	\$ 99,284,216	\$ -	\$ 99,284,216	2.37%	25,436	\$ 3,903
2015	\$ 94,639,277	\$ -	\$ 94,639,277	2.19%	25,509	\$ 3,710
2016	\$ 96,243,881	\$ -	\$ 96,243,881	2.20%	25,430	\$ 3,785
2017	\$ 95,188,055	\$ -	\$ 95,188,055	2.08%	25,909	\$ 3,674
2018	\$ 90,711,897	\$ -	\$ 90,711,897	1.87%	25,709	\$ 3,528
2019	\$ 95,354,161	\$ -	\$ 95,354,161	1.97%	26,032	\$ 3,663
2020	\$ 110,150,007	\$ -	\$ 110,150,007	2.27%	27,507	\$ 4,004

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

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2020

<u>Town of Marshfield, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Plymouth County.....\$	1,100,000	6.34%	\$ 69,740
Town direct debt.....	<u>94,342,436</u>		<u>94,342,436</u>
Total direct and overlapping debt.....\$	<u>95,442,436</u>		<u>\$ 94,412,176</u>

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

Source: Plymouth County Treasurer

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

Computation of Legal Debt Margin

Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equalized Valuation.....	\$ 4,678,944,800	\$ 4,524,078,200	\$ 4,524,078,200	\$ 4,527,020,700	\$ 4,400,432,600	\$ 4,400,432,600	\$ 4,661,838,100	\$ 4,661,838,100	\$ 5,107,817,200	\$ 5,107,817,200
Debt Limit - 5% of Equalized Valuation.....	\$ 233,947,240	\$ 226,203,910	\$ 226,203,910	\$ 226,351,035	\$ 220,021,630	\$ 220,021,630	\$ 233,091,905	\$ 233,091,905	\$ 255,390,860	\$ 255,390,860
Less:										
Outstanding debt applicable to limit.....	26,558,481	29,159,097	60,845,846	22,259,904	78,668,570	23,371,516	27,274,279	29,135,325	27,728,658	49,521,745
Authorized and unissued debt.....	15,331,000	119,925,839	93,547,603	67,674,273	57,694,273	57,233,773	57,652,536	12,126,072	9,117,497	32,702,496
Legal debt margin.....	\$ 192,057,759	\$ 77,118,974	\$ 71,810,461	\$ 136,416,858	\$ 83,658,787	\$ 139,416,341	\$ 148,165,090	\$ 191,830,508	\$ 218,544,705	\$ 173,166,619
Total debt applicable to the limit as a percentage of the limit.....	17.91%	65.91%	68.25%	39.73%	61.98%	36.64%	36.43%	17.70%	14.43%	32.20%

Source: Treasurer's Department, Town of Marshfield

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2011	25,185	\$ 1,020,714,000	\$ 40,529	37	4,744	6.40%
2012	25,132	\$ 1,054,397,562	\$ 41,954	40	4,577	6.80%
2013	24,378	\$ 1,094,464,669	\$ 44,896	43	4,523	6.30%
2014	25,436	\$ 1,075,154,284	\$ 42,269	42	4,422	6.30%
2015	25,509	\$ 1,104,310,119	\$ 43,291	44	4,772	6.30%
2016	25,430	\$ 1,060,863,310	\$ 41,717	43	4,332	4.20%
2017	25,909	\$ 1,060,377,643	\$ 40,927	44	4,250	4.00%
2018	25,709	\$ 1,036,278,372	\$ 40,308	45	4,159	4.60%
2019	26,032	\$ 1,203,329,200	\$ 46,225	45	4,177	4.00%
2020	27,507	\$ 1,292,219,995	\$ 46,978	44	4,100	4.00%

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

Principal Employers
Current Year and Nine Years Ago

Employer	Nature of Business	2020			2011		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Marshfield	Municipal Government	843	1	3.25%	1,340	1	10.56%
Road to Responsibility	Retail & Service	461	2	1.78%	472	2	3.72%
Roche Brothers	Supermarket	243	3	0.94%	273	3	2.15%
Star Market	Supermarket	149	4	0.58%	183	4	1.44%
Kirwin Surgical	Manufacturer	108	5	0.42%	85	5	0.67%
Winslow Woods	Assisted Living Facility	71	6	0.27%	72	7	0.57%
Marshfield Country Club	Golf Course	67	7	0.26%	88	6	0.69%
Cask and Flagon	Restaurant	64	8	0.25%	-	-	-
CVS	Retail	57	9	0.22%	48	10	0.38%
Marshall's	Retail	41	10	0.16%	50	9	0.39%
Fairview Inn	Restaurant & Inn	-		-	70	8	0.55%
		<u>2,104</u>		<u>8.12%</u>	<u>2,681</u>		<u>21.12%</u>

Source: Town records and various Town departments.

Full-time Equivalent Town Employees by Function
Last Ten Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function										
General government.....	38	37	37	29	29	29	31	30	27	35
Police.....	45	44	46	44	44	45	42	46	62	46
Fire.....	51	53	53	54	54	51	51	50	59	54
Education.....	628	681	660	731	731	793	744	781	781	696
Water.....	19	19	18	23	23	28	20	20	24	22
Sewer.....	13	13	13	15	15	21	21	13	8	12
Solid waste.....	7	5	6	7	7	10	7	10	13	7
Public works.....	34	41	41	38	38	45	39	40	46	40
Human services.....	17	15	15	8	8	9	8	8	7	2
Culture and recreation.....	<u>28</u>	<u>28</u>	<u>28</u>	<u>6</u>	<u>6</u>	<u>8</u>	<u>8</u>	<u>6</u>	<u>8</u>	<u>8</u>
Total.....	<u>880</u>	<u>936</u>	<u>917</u>	<u>955</u>	<u>955</u>	<u>1,039</u>	<u>971</u>	<u>1,004</u>	<u>1,035</u>	<u>922</u>

Source: Town personnel records and various Town departments.

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Population.....	25,185	25,132	24,378	24,182	25,509	25,436	24,892	24,100	25,408	25,636
Registered voters, annual town election.....	17,966	18,234	18,544	18,241	18,234	19,636	19,645	19,572	20,003	20,613
Town Clerk										
Births.....	216	207	188	184	196	180	182	198	212	202
Marriages.....	114	69	87	92	120	232	92	100	96	98
Deaths.....	214	209	191	177	180	90	214	219	219	263
Police										
Accidents covered by an officer.....	377	859	407	389	423	449	358	374	296	312
Citations issued.....	854	1,338	980	1,166	1,022	823	727	526	375	334
Arrests.....	494	413	360	706	685	449	573	533	356	402
Larcenies.....	354	420	378	52	43	194	151	132	67	79
Fire										
Rescue assist.....	340	354	15	346	317	707	756	756	804	865
False alarm.....	229	18	4	7	5	474	502	502	471	525
Public assist.....	604	239	201	406	280	286	365	365	412	457
Emergency responses/ambulance.....	2,230	2,346	2,416	2,352	2,384	2,714	2,900	2,900	2,947	3,470
Building Department										
Residential building permits issued.....	707	708	687	730	N/A	991	1,300	818	417	1,133
Non-Residential building permits issued.....	49	59	69	72	N/A	50	102	48	25	73
Education										
Public school enrollment.....	4,713	4,575	4,523	4,422	4,772	4,332	4,250	4,159	3,986	4,078
Public Works										
Cemetery										
Lots sold.....	67	64	76	76	58	61	100	101	56	45
Interments.....	89	62	109	98	87	67	108	125	79	93
Water										
Service connections.....	10,690	10,740	10,807	9,959	10,402	10,026	10,500	10,640	10,681	11,000
Consumption in billions of gallons.....	854	764	763	857	872	965	897	958	949	982
Daily consumption in millions of gallons.....	2.3	2.1	2.1	2.3	2.4	2.6	2.5	2.6	3	3
Sewer										
Service connections.....	4,222	4,247	4,285	4,403	N/A	4,403	4,298	3,996	4,002	4,326
Daily average collection (MGD).....	0.66	0.61	0.54	1.24	N/A	1,018	1.08	1.16	1.30	1.31
Highway										
Miles of public road.....	170	171	171	170	170	170	243	147	135	134
Human Services										
Board of Health										
Permits issued.....	696	721	755	730	N/A	734	732	732	789	810
Variances.....	24	32	29	24	N/A	23	32	32	45	26
Council on Aging										
Home delivered meals.....	12,447	10,665	12,272	14,136	13,275	13,771	12,072	13,494	13,494	16,741
Transportation.....	11,442	10,937	11,965	10,771	11,932	11,863	11,546	13,603	13,603	15,128
Volunteer service hours.....	30,242	33,337	34,329	34,542	33,982	36,010	39,380	39,607	39,607	39,607
Fitness/exercise program participants.....	6,696	7,355	7,812	10,394	9,432	9,538	9,904	11,960	11,960	9,495
Recreation/social event participants.....	14,651	15,320	27,107	30,106	28,390	34,093	36,789	15,155	15,155	9,820
Libraries										
Volumes in collection.....	70,166	70,689	71,372	93,372	N/A	98,239	69,325	98,214	67,162	90,718
Circulation.....	260,155	260,155	197,639	211,679	207,727	208,824	202,151	207,223	155,127	160,780
Program attendance.....	8,761	5,379	7,002	7,396	7,140	6,491	7,995	8,653	12,096	8,976

Source: Various Town Departments
N/A - This information was not available for 2015.

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Airport.....	1	1	1	1	1	1	1	1	1	1
General Government										
Number of buildings.....	3	3	3	3	3	1	1	1	1	1
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	3	3	3	3	3	3	3	3	3	3
Number of vehicles.....	16	14	14	14	14	14	19	18	18	18
Education										
Number of elementary schools.....	5	5	5	5	5	5	5	5	5	5
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Water mains (miles).....	201	201	202	201	201	201	206	205	205	205
Fire hydrants.....	1,399	1,399	1,401	1,399	1,399	1,399	1,436	1,436	1,436	1,436
Sanitary sewers (miles).....	41	41	41	41	41	41	50	40	43	43
Number of wells.....	17	17	17	17	17	17	16	16	16	16
Number of water storage tanks.....	4	4	4	4	4	4	4	4	4	4
Number of pump stations.....	16	17	15	16	16	16	16	23	23	23
Human Services										
Senior center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation building.....	1	1	1	1	1	1	1	1	1	1
Library.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments