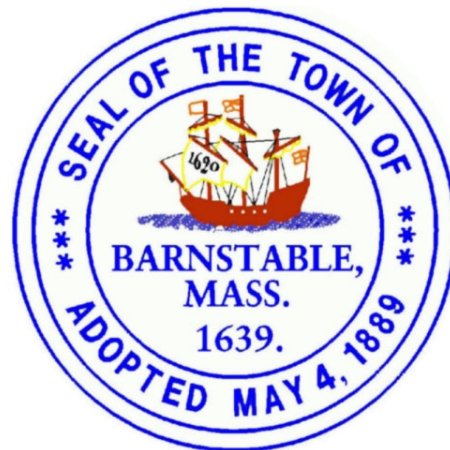


TOWN OF BARNSTABLE, MASSACHUSETTS

Annual Comprehensive Financial Report



For the year ended June 30, 2022



Prepared By:
Finance Department

On the cover: Opening day of oyster season November 2, 2022, at Scudder Lane. Shellfishing is a popular recreational activity for town residents and everyone gets very excited in anticipation of the oyster season right before the holidays.

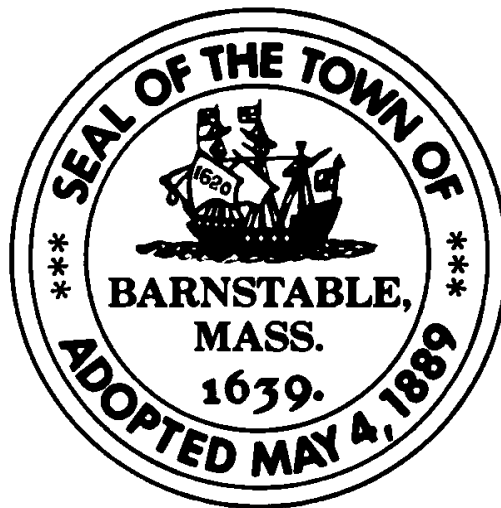


A field of oysters at Scudder Lane during low tide.

TOWN OF BARNSTABLE, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended
June 30, 2022



Prepared by:
Finance Department

TOWN OF BARNSTABLE, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

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Introductory Section



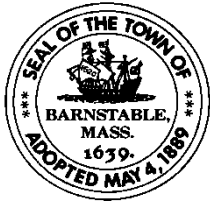
Quahog seed. The northern quahog generally grows to legal harvesting size by the time it's 3 to 4 years old. For those that avoid the likes of crabs and recreational and commercial shellfishermen, a lifespan of 40-plus years is possible.



The shellfish team on the oyster seed delivery boat. From left to right: Kaitlyn Carpenter, Aquaculture Specialist, Lisa Arial, Seasonal Shellfish Assistant and Ben Sacco, Shellfish Technician.

Introductory Section

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The Town of Barnstable

Office of Town Manager

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Mark S. Ells, Town Manager
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M. Andrew Clyburn, Assistant Town Manager
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Letter of Transmittal

December 28, 2022

To the Honorable Members of the Town Council and Citizens of the Town of Barnstable:

State law requires the Town of Barnstable 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 the Annual Comprehensive Financial Report (ACFR) of the Town of Barnstable, Massachusetts, for the year ending June 30, 2022, for your review. This report was prepared by the Town of Barnstable's Finance Department.

This report consists of management's representations concerning the finances of the Town of Barnstable. 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 of Barnstable has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Barnstable's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Barnstable's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Barnstable'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 Barnstable for the year ended June 30, 2022, 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 Barnstable's financial statements for the year ended June 30, 2022, and that they are fairly presented in conformity with GAAP. An unmodified opinion or a "clean" opinion is the highest one that can be received. It essentially means there are no reservations concerning the financial statements and that no deficiencies in the financial statements were found. The independent auditor's report is presented on page 19 of this report.

The independent audit of the financial statements of the Town of Barnstable 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 Barnstable's separately issued Single Audit Report.

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

Profile of the Government

The Town of Barnstable was incorporated in 1639 and is located in the center of Cape Cod. The land area covers over 62 square miles including 100 miles of shoreline and 55 freshwater ponds. The town is composed of the seven villages of Barnstable, Centerville, Cotuit, Hyannis, Marstons Mills, Osterville, and West Barnstable with a year round population of 48,916 that nearly triples during the summer months. The town spans the width of Cape Cod from Cape Cod Bay on the north side to Nantucket Sound on the south side and is bordered by the towns of Mashpee and Sandwich to the west and Yarmouth to the east. The town serves as the seat of county government and the Village of Hyannis serves as the seat of town government.

Municipal Services

The town provides general governmental services within its boundaries including public education in grades kindergarten through twelve, police protection, collection and treatment of sewage predominantly in the Village of Hyannis, public works, streets, parks and recreation, public beaches and a municipal airport. The Village of Hyannis' water supply is provided by the Town of Barnstable. The other villages' public water supply is provided by special districts (The Barnstable Fire District, the Cotuit Fire District, and the Centerville-Osterville-Marstons Mills Fire District). The districts are special purpose units of government and collectively, with the Town, service 96% of the residents while the remainder makes use of private on-site wells. Fire protection is provided by the above named districts and the West Barnstable Fire District and the Hyannis Fire District. The water and fire districts are special governmental units and are not part of the municipal structure. However, the Town does serve as collecting agent for taxes and transfers the funds directly to the districts on a weekly basis. Their financial activity is not part of these financial statements.

Seven independent libraries provide library services for Town residents. The libraries include: Centerville Public Library, Cotuit Library, Hyannis Public Library, Marstons Mills Public Library, Osterville Free Library, Sturgis Library, and Whelden Memorial Library. The Town has traditionally provided funding to each library in the form of grants that average 2/3 of the library's total operating funds. The Town has no administrative or managerial authority over the libraries; rather, they are governed by independent boards of trustees. The libraries are reported as component units as part of these financial statements.

The Cape Cod Regional Technical High School District provides education in grades nine through twelve. 193 Barnstable students are enrolled in this school as of October 1, 2022. The Sturgis Charter Public School and Cape Cod Lighthouse Charter School are Commonwealth Charter Schools and provide an alternative choice for public education for grades 9 to 12. Approximately 327 Barnstable students attended these schools in 2022. The Barnstable Public Schools also participate in the school choice program. The school choice program allows parents to send their children to schools in communities other than the city or town in which they reside. Tuition is paid by the sending district to the receiving district. Districts may elect not to enroll school choice students if no space is available. Under this program the Town sent 246 students in 2022 to other districts while receiving 98.

The Cape Cod Regional Transit Authority provides limited bus service within the Town which receives an annual assessment from the state for this service. The Barnstable Housing Authority provides housing for eligible low-income families and elderly and handicapped persons. These entities are not considered component units. The

principal services provided by Barnstable County are space for courts, regional planning and development through the Cape Cod Commission, and a registry of deeds. The county is not a component unit.

Governing Bodies and Officers

The Town is governed by the council-manager form of government with an elected thirteen member Town Council and a council-appointed Town Manager. Council terms are staggered four-year terms from thirteen precincts on a nonpartisan basis. Subject to the legislative decisions made by the Town Council, administrative authority is vested in the Town Manager. The Town Manager supervises and directs the administration of all municipal departments except for the School Department and the Barnstable Municipal Airport.

The School Department is governed by the elected School Committee consisting of five persons, and a Superintendent appointed by the School Committee.

A seven member Airport Commission appointed by the Town Council with staggered three-year terms governs Barnstable's Municipal Airport. An Airport Manager, appointed by the Airport Commission, is responsible for administration and day-to-day operations.

Local taxes are assessed by a council appointed Board of Assessors who serve a three year staggered term.

Organization

The Town is organized in accordance with its Home Rule Charter, which was adopted in the spring of 1989. The charter outlines provisions for incorporation, the legislative branch, elected town offices, the Town Manager, administrative organization, financial procedures, nominations and elections and citizen relief mechanisms.

For 2022, the Town was administratively organized through an administrative code ordinance into seven departments reporting to the Town Manager and one elected officer department. Administrative departments include Administrative Services and Planning & Development. The Administrative Services Department is comprised of four sub-departments including Legal, Human Resources, Information Technology and Finance. The elective office of the Town Clerk liaisons with the Finance Department. The Finance Department incorporates consolidated financial management of budgeting, accounting, assessing, treasury, tax collections, and procurement for all departments including the School Department. Operational departments include the Department of Public Works, the Department of Community Services, the Department of Inspectional Services, the Department of Marine & Environmental Services and the Police Department.

The administrative code ordinance describes the responsibilities and relationships of all elective officers, all multiple member boards, and all administrative agencies. It further defines legislative policy on financial management, communications, ethics, fleet services, insurance, investment, information systems, personnel, procurement, trust fund management, volunteer services and property management. Administrative procedures are promulgated by the Town Manager to implement the legislative policy in each of these areas.

Financial and Management Systems

The Town annually prepares and updates a five-year financial forecast and five-year capital improvement plan. The Town annually prepares and presents an annual operating budget. These documents are prepared by the Finance Department under the direction of the Town Manager's Office and submitted to the Town Council for review or adoption. The Town Council annually establishes financial policies that guide the preparation of the capital and operating budget plan.

The five-year forecast, submitted to the Town Council each year, is a comprehensive review of economic trends on a local, regional and national basis; which projects and analyzes major municipal fund projections based upon service program assumptions. Based upon these projections and analyses, the forecast establishes a focal point each year for the Town Council to establish a series of revenue and expenditure policies which guide in the formation of the capital and operating budget.

The five-year capital improvement plan, submitted in the spring of each year, comprehensively identifies municipal infrastructure and improvement needs by detailing on a project basis, project description, cost, potential source(s) of funding, priority need, impact upon the operating budget and ongoing capital maintenance costs. The plan is funded annually by the Town Council adopting a funding strategy for the first year of each plan. The annual update allows decision makers the opportunity to regularly analyze and decide upon the priorities for project funding.

The annual operating budget submitted in the spring of each year, follows a programmatic format which details the source and use of funds for all programs, program descriptions, departmental missions, goals, accomplishments, performance measures, workload indicators and financial management criteria for each budget cycle. The budget maintains consistency with the Town Council's Strategic Plan, financial management standards and policies. The budget funding sources include the general fund, comprised of revenues from the property tax, auto, boat, hotel excise tax, user fee receipts, grants in aid, trust income and miscellaneous program income; and nine enterprise funds consisting of a municipal airport, two golf courses, the water pollution control facility, the solid waste facility, water supply, four Town marinas, Sandy Neck Park, the Hyannis Youth and Community Center (HYCC) and public, education and government access television. Most enterprise funds are self-supporting through user-based charges. Two currently receive a general fund subsidy including the, marinas and HYCC.

Principal Executive Officers

<u>Office</u>	<u>Name</u>	<u>Term</u>	<u>Term Exp.</u>
Town Manager	Mark S. Ells	Appointed	Jun. 2026
Superintendent of Schools	Sara Ahern	Appointed	Jun. 2025
Assistant Town Manager	M. Andrew Clyburn	Appointed	Indefinite
Director of Human Resources	William E. Cole	Appointed	Indefinite
Town Attorney	Karen L. Nober, Esq.	Appointed	Indefinite
Director of Information Technology	James Benoit	Appointed	Indefinite
Director of Finance	Mark A. Milne, C.P.A.	Appointed	Jun. 2026
Director of Planning & Development	Elizabeth S. Jenkins	Appointed	Indefinite
Chief of Police	Mathew K. Sonnabend	Appointed	Indefinite
Director of Inspectional Services	Brian Florence	Appointed	Indefinite
Director of Public Works	Daniel W. Santos, P.E.	Appointed	Indefinite
Dir. of Marine & Environmental Affairs	Derek Lawson	Appointed	Indefinite
Director of Community Services	Madeline Noonan	Appointed	Indefinite
Airport Manager	Katie Riley Servis	Appointed	Jun. 2024
Town Clerk	Ann Quirk	Elected/4 yrs.	Nov. 2025

Factors Affecting Financial 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 of Barnstable operates.

Local economy. While tourism will always remain an important component of the Town’s economy, improved transportation networks, a heightened popularity among retirees, the ability to work remotely precipitated by the

pandemic, and the Town's own growing service economy are helping to diversify the economy from its former heavy reliance on the summer tourism trade. Even the nature of tourism has changed. Expansion of the summer season is evident, including the "shoulder seasons" in the spring and the fall. Contributing to the extension of the season is the large increase in the conversion of former summer homes to year-round homes, as well as the construction of many expensive second homes. Over the years, Barnstable has evolved from a seasonal to a more year-round community, with a current year-round population of approximately 49,000. Approximately one-half of the homes are now occupied by year-round residents, compared with about one-third 50 years ago.

The Town also is a major transportation hub for the Cape Cod region and the islands of Nantucket and Martha's Vineyard. While on the decline, over 40,000 passengers per year pass through the Cape Cod Gateway Airport. Jet Blue has operated a direct flight from JFK in New York on a daily basis during the summer season and plans to extend the service to LaGuardia. Employment at the airport exceeds 1,000 people. The Cape Cod Regional Transportation Authority's main terminal is located in the Village of Hyannis and the Steamship Authority and Hyline Cruises provide ferry service to Nantucket and Martha's Vineyard. Over one million people pass through these ports every year. All this traffic creates the opportunity for the town to sustain a healthy retail and service driven economy.

The healthcare industry continues to grow in Town with Cape Cod Healthcare (CCHC) a leading provider of healthcare services for residents and visitors of Cape Cod. With more than 450 physicians, 5,300 employees and 1,100 volunteers, CCHC has two acute care hospitals; one located in the Village of Hyannis. Major service areas include cardiovascular services, inpatient and outpatient surgery in 14 operating rooms including two cardiac surgery rooms, cancer services in medical oncology and radiation therapy and imaging services. The 38-acre Hyannis waterfront campus includes the 20-bed Cape Psych Center with inpatient and outpatient mental health and behavioral health services, 14 medical office buildings, the Breast Care Center for digital mammography and diagnostic testing, the Infectious Disease Clinical Services, and a hospital-supported community health center. A new 4 story tower project is being proposed that will make a transformative step toward the future for Cape Cod Healthcare which will redefine cancer and clinical care on the Cape. The first two floors of the tower will house the Davenport-Mugar Cancer Center, with the first floor offering the most advanced radiation oncology treatments and the second floor providing 36 private, spacious infusion bays and medical oncology exam rooms. The third floor will include a unit dedicated to cardiac care for patients following with heart-related procedures, as well as those recovering from interventional and surgical procedures in 32 private patient rooms. The fourth floor would feature either 32 additional medical/surgical beds or clinical space.

Standard & Poor's Rating Services rates the Town's economy as "very strong" in its March 2022 published ratings summary. The Town has a projected per capita effective buying income of 121% of the national level and per capita market value of \$397,484. Overall, market value has grown by 27% over the past year to over \$21 billion in fiscal 2022. The property tax base is primarily residential, with 89% of assessed value classified as such.

Tax base. Barnstable's tax base is still among the largest in the Commonwealth. Total assessed valuation for the Town has increased to \$21.9 billion in 2023 reflecting a 26% increase from the 2022 value of \$17.4 billion. Property values continue to recover from the declines experienced after the 2008 recession and the pandemic has fueled a market value increase in residential property. The Town's current property value is \$8.6 billion more than the 2010 value of \$13.3 billion which is the lowest point it reached after the recession. The tax base includes a substantial \$1.9 billion commercial base due to the Town's position as one of the economic centers of southeastern Massachusetts. New building growth activity has averaged \$124 million over the past 3 years. The tax levy for 2022 was \$136.2 million which is \$297 million less than the levy ceiling. The excess capacity between the tax levy and levy ceiling can only be accessed by a voter approved override. The tax rates for 2022 were \$8.64 per thousand dollars of valuation on residential property and \$7.85 per thousand dollars of value on commercial, industrial and personal property (CIP) classes. The residential rate was higher than the CIP rate as a result of the Town Council adopting a 20% residential exemption. This effectively removed \$1.4 billion of taxable

property value from the residential class driving the tax rate upwards for this class of property as the residential tax levy remains the same.

Long-term financial planning. The Town of Barnstable's capital program has identified \$598 million in capital improvements over the next five year period. This includes projects associated with the implementation of the Town's Comprehensive Wastewater Management Plan which total \$216 million. Projects identified for the Town's nine enterprise funds total \$156 million and \$226 million are general fund improvements. \$55 million is for airport improvements with a majority of the capital program anticipated to be financed with federal and state funding. \$82 million is associated with the water quality improvements including sewer plant facility upgrades, water line replacements and other water system improvements. In addition, there is approximately \$191 million for road, bridge, parking lot, sidewalk improvements and town facility improvements, and \$34 million for school facilities.

The implementation of the Town's Comprehensive Wastewater Management plan is projected to have significant financial impacts on the community in the coming years. Studies have quantified the Town's total maximum daily load (TMDL) of nutrients into our estuaries and the amounts that should be removed to comply with Federal Clean Water regulations. Removal of the excess nutrients will require sewer expansions that are currently estimated to cost hundreds of millions of dollars over the next 30 years. Alternative treatment technologies are also continuously evaluated as opposed to traditional "big-pipe" solutions which could reduce the cost estimate for this program.

In November of 2019, the Town Council adopted a Comprehensive Wastewater Management Plan (CWMP). Pursuant to section 208 of the Federal Clean Water Act, in 2015 the Cape Cod Commission submitted the updated Cape Cod Water Quality Management Plan (208 Plan) to the US Environmental Protection Agency. In conjunction with development of the 208 Plan, the Commonwealth of Massachusetts requires towns to develop CWMPs intended to, in part, to protect and restore water quality to meet applicable water quality standards in coastal water resources. Since 2015, the Town has been preparing its updated CWMP. The Town has received approval from the applicable regulatory agencies for its plan.

The plan includes a component for financing the CWMP that includes multiple funding sources dedicated for this plan including 100% of local meals taxes, 33% of local rooms taxes on traditional lodging and 100% of rooms tax on vacation rentals. These resources generate approximately \$4.7 million annually and are accounted for in a Construction & Maintenance Fund which is part of the Town's Governmental Fund structure and a new Stabilization Fund. As of June 30, 2022, the undesignated balances in these funds are \$18.8 and \$2.9 million respectively.

Beginning on July 1, 2019, the local rooms tax was expanded to apply to short-term rentals and 100% of this revenue source is dedicated to the comprehensive management of water and wastewater. Over \$1.7 million was generated in fiscal year 2022 from this revenue source. The state also authorized the creation of the Cape Cod & Islands Water Protection Fund which is funded by a 2.75% tax on all types of lodging establishments beginning on stays that originate on July 1, 2019, and thereafter. Cape-wide this fund is expected to generate in excess of \$15 million per year. To date the Town has been awarded \$8,541,281 in subsidies from the Trust and has been notified of contingent commitments totaling \$5,661,500. Distributions from the fund are determined by a Governing Board made up of a representative from each town on Cape Cod and will be in the form of a principal subsidy on debt service.

The Town Council has adopted a Sewer Assessment ordinance that became effective on July 1, 2021. Sewer assessments will be capped at \$10,000 per dwelling unit. The assessment will be issued to the property owner once the public sewer line in front of their property becomes a functional line. The property owner has the option to pay the assessment in full or apportion the assessment for up to 30 years and have it added to their future property tax bills. In addition, it is the financial responsibility of the property owner to connect their property to the public sewer system.

The Town is actively working on several policy decisions to assist with the financing of this program in the coming year including the implementation of a Water Investment Infrastructure Fund, creating a Home Rule petition for the State Legislature's approval to implement a property transfer fee, debt exclusion overrides, and any General Fund contribution that may be dedicated towards this effort. The financial plan submitted to the regulators illustrates the multiple assumptions used and how this plan can be financed.

On the operations side, the most significant factors affecting long-term financial planning included the level of new building growth, state aid levels, excise taxes, personnel costs including wages, salaries and benefits, utility and fuel costs, the aging of the Town's population and the changing demographics in school enrollments.

Revenue from new building growth has improved over the past couple of years but is still well below the \$190 - \$200 million level the Town was experiencing back in FY 2003 through FY 2006. A decline in developable lots and recent trends in the housing and financial markets have established a new norm for the Town in the form of lower projections over the next several years. This will be mitigated somewhat by the installation of Vineyard Wind's infrastructure that will carry power generated by its turbines to a new substation in the Town of Barnstable. Phase I of their installation is underway which will result in significant new personal property tax growth projected to begin in FY 2024. If Phases II and III of their plan come offshore into Barnstable, they will likely generate significant new property tax growth as well. The Town will continue to focus other efforts on the redevelopment of existing lots in an attempt to create more new property tax growth beyond the development of vacant parcels. This includes a redevelopment of the former Kmart Plaza, now called The Landing. WS Development is the lease holder on this town owned land and they plan to begin the redevelopment sometime in calendar year 2023.

State aid increased 4% in FY 2022 and is budgeted to increase 38% in FY 2023 when the budget was developed. The single largest form of aid is Chapter 70 Aid for education. The state implemented a major change in the Chapter 70 funding formula in FY 2020 that resulted in a \$5.5 million increase for the Town in FY 2022. The new formula significantly increases the foundation budget recognizing the additional costs associated with English Language Learners, Economically Disadvantaged students and the rising cost of health care. In Massachusetts, the definition of an adequate spending level for a school district is called its "foundation budget." It is a statistical measure that was developed by a group of superintendents and an economist in the early 1990s. They developed a "model school budget" which quantified "for the average school district what constitutes an adequate, but not excessive, level of funding. The goal of the Chapter 70 formula is to ensure that every district has sufficient resources to meet its foundation budget spending level, through an equitable combination of local property taxes and state aid.

Health insurance costs for the town has leveled off for the past couple of years due to the introduction of high deductible plans and minimal rate increases. The public health emergency has also been a significant factor in keeping health care costs down, principally due to elective surgeries having to be postponed during the pandemic. This trend is projected to continue in the next year but in future years costs are expected to outpace inflation once again. Additionally, communities now have the power to implement plan design changes without following the traditional collective bargaining process; however, any change in contribution rates are still subject to that process. Communities can also elect to join the state insurance program under the Group Insurance Commission as an alternative, however, plan selection has been significantly restricted. In addition, all eligible retirees are required to join a Medicare plan which has reduced costs to cities and towns as well.

The Town currently participates in a joint purchase group (Cape Cod Municipal Health Group) for its health insurance program. Under the new law, the joint purchase group can make plan design changes so that co-pays and deductibles can mirror those that are offered by the plans under the Group Insurance Commission. Plan design changes can mitigate premium rate increases. Rate increases for FY 2019 averaged 6% and rates were held level for FY 2020 and FY 2021. Rates were increased in FY 2022 and FY 2023 by 2.8%. The health group also introduced a high deductible Health Savings Account option effective for FY 2018 in an attempt to allow member entities to control cost increases.

The Town contributes 50% towards active and retired employees' health insurance premiums. This is the minimum amount it can contribute by state law and no increase in the contribution rate is expected. The Town's total health insurance expense on a pay-as-you-go basis for 2022 was \$12.5 million. This includes active and retired employees including retired teachers. Retired teachers join the Group Insurance Commission (GIC) upon retirement and the town receives an assessment from the GIC every year. The assessment for 2022 was \$3.07 million. Additionally, a Government Accounting Standards Board (GASB) pronouncement was issued that requires the Town to perform an actuarial calculation of its unfunded health insurance liability for all active and retired employees. This liability is disclosed in these financial statements on pages 106 to 112. The Town created a trust fund in 2011 to begin accumulating assets to fund this liability. This fund has a balance of approximately \$7.8 million as of June 30, 2022. A contribution to this fund of \$728,000 was paid in 2022. A plan to increase the base contribution by \$50,000 per year has been incorporated into the town's long-term financial planning.

In the areas of utilities and fuel the Town continues to implement and explore alternative options. Fields of photovoltaic panels were installed at the Solid Waste Transfer Station and Airport in 2015 which netted the Town a financial benefit of over \$1 million in FY 2022. Smaller systems have been installed at the Town's Adult Community Center as well as roof mounted systems at various school facilities. The Town is exploring the feasibility of solar canopies in parking lots to expand this revenue source.

Changing school enrollments, increasing populations of English Learners and Economically Disadvantaged students, as well as an aging population in the Town will require an on-going analysis of program services and resource allocation. School enrollments have leveled off over the past few years but the demographic makeup has changed considerably. The number of English Learners and Economically Disadvantaged students has increased which resulted in the significant increase in CH70 Aid for FY 2023. School systems are required to provide additional services to educate these populations. Additionally, the median age of our community is increasing and the demand for services directed towards the senior population will likely increase. A recent study estimated that outreach efforts and the transportation needs for this population will become higher priorities and demand higher levels of service.

The Town continues to manage its financial affairs in a prudent manner. It has been able to do so by incorporating long range planning tools such as a five-year forecast, a five-year Capital Improvement Program; establishing rainy day accounts and budgeting stabilization reserves; using conservative revenue forecasting, prioritizing spending plans and identifying discretionary spending; long-term planning for all liabilities including pension, other post-employment benefits and sewer expansion, and investing in technology to make its operations more efficient.

The Town of Barnstable has also enhanced its revenue flexibility by establishing enterprise funds for certain operations. This has allowed the Town to shift 100% of the operating cost and capital improvements for most of the operations to the users of certain services with no tax support being provided. This includes the airport, the solid waste transfer station, the water pollution control operations, the Hyannis Water System, the PEG operations, two municipal golf courses and Sandy Neck Park. The general fund provides tax support for the HYCC operations and debt service on the Barnstable Marina Bulkhead. The creation of these enterprise funds allows the Town to provide more tax dollars for other town services and assist the town with measuring any subsidy required and setting appropriate fees to recover costs.

2022 Major Financial Highlights

Fund balance. At the end of the year, the Town's general fund balance increased \$5.0 million to \$41.8 million, on a budgetary basis. This was the result of conservative revenue estimates used to balance the budget due to the pandemic. Actual revenue performed very well as local receipts exceeded budget estimates by \$5.9 million. Motor vehicle and other excise taxes performed very well exceeding the budget estimate of \$7.2 million by \$2.2 million.

Licenses and permits exceeded budget estimates by \$832,000 followed by hotel/motel tax which exceeded budget estimates by \$792,000. Returned appropriations in the General Fund exceeded \$1.6 million.

Operating budgets. All appropriated budgets including the general fund and enterprise funds had favorable budget variances. The Airport was the recipient of an \$18 million CARES Act grant which can be used to cover any operating cost at the airport. As a result, this operation realized a favorable operating budget variance of over \$6.7 million. The golf enterprise fund had its strongest revenue producing year ever as people came back outside to enjoy this activity during and after the pandemic. The operation realized a positive budget variance of \$575,000 as it generated nearly \$4 million in operating revenue for its second year in a row.

Property taxes receivable. Outstanding property taxes receivable at the end of 2022 were approximately \$1.0 million more than the previous year end due to an increase in outstanding real estate taxes receivable. 97.1 percent of the 2022 net tax levy had been collected as of June 30, 2022, which is a 1 percent decline from the previous year end.

Tax liens receivable. Tax liens are \$69,000 more than they were at the previous year end as subsequent additions exceeded collections in 2022.

Bonds payable. Bonds payable, including unamortized premiums, increased by \$199,000 as new issues exceeded the principal payments on outstanding bonds.

Bond sale and bond rating. The Town issued \$11.5 million of general obligation bonds in March 2022. The March bonds were used to finance portions of the 2020 and 2021 capital improvement program for projects that were ready to move forward for construction. The bonds were competitively bid and awarded at a net interest cost of 2.12%. A premium of \$1.3 million was earned on the bond which was applied to the issuance costs and principal amount issued. The Town's bond rating remains at AAA with Standard & Poor's.

Cash and investments. Total cash in the Town's treasury at the end of 2022 increased \$20 million from \$223.3 million to \$243.6 million. This was attributable to the 2022 bond issue, and favorable budgetary operations. The following table illustrates the change in the overall cash and investments balance for the past ten years.

FY 2013	\$117,812,432
FY 2014	\$130,175,115
FY 2015	\$133,128,951
FY 2016	\$145,351,632
FY 2017	\$151,750,335
FY 2018	\$160,698,910
FY 2019	\$168,039,660
FY 2020	\$183,968,379
FY 2021	\$223,323,173
FY 2022	\$243,644,927

Free cash. Free cash is the balance of cash in the Town's treasury that is free and clear of any and all encumbrances that exist at the close of each year. The Town must submit a set of financial statements at the end of each year to the state from which this number is calculated. Free cash is certified for the general fund and each enterprise fund. Once certified, appropriations can be made from the free cash amounts during the year. The balances as of July 1, 2022, compared to the previous year are disclosed as follows:

Free Cash (Surplus)	On July 1, 2021	On July 1, 2022	Change
General Fund	\$24,427,135	\$26,769,227	\$2,342,092

Enterprise Funds:			
Airport	\$6,240,318	\$8,878,844	\$2,638,526
Golf Course	\$1,901,994	\$2,326,507	\$424,513
Solid Waste	\$1,481,144	\$1,737,618	\$256,474
Sewer	\$9,870,222	\$9,572,060	(\$298,162)
Water	\$1,292,886	\$2,162,138	\$869,252
Marina	\$1,134,781	\$1,310,183	\$175,402
Sandy Neck	\$929,558	\$1,126,363	\$196,805
HYCC	\$663,490	\$555,568	(\$107,922)
PEG	\$2,883,500	\$3,135,874	\$252,374
Totals	\$50,825,028	\$57,574,382	\$6,749,354

The increases in general fund and most enterprise funds are the result favorable budget variances. Additionally, the airport enterprise operation was able to use a portion of the CARES Act grant it received to cover over \$4.7 million of its operating expenses. The decreases in the sewer and HYCC enterprise funds are attributable to surplus being used to fund their respective capital and operating budgets in FY 2023.

Awards and Acknowledgements

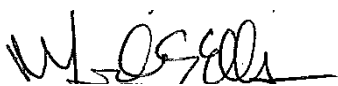
The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Barnstable for its annual comprehensive financial report (ACFR) for the years ended June 30, 2002, through June 30, 2021. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

In addition, the GFOA also awarded the Town of Barnstable the Distinguished Budget Presentation Award for its annual budget document for the years beginning July 1, 2001, through July 1, 2022. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

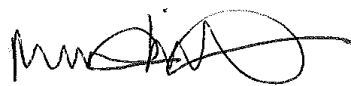
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Town Manager and Finance Division. 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 Town Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Barnstable's finances.

Respectfully submitted,

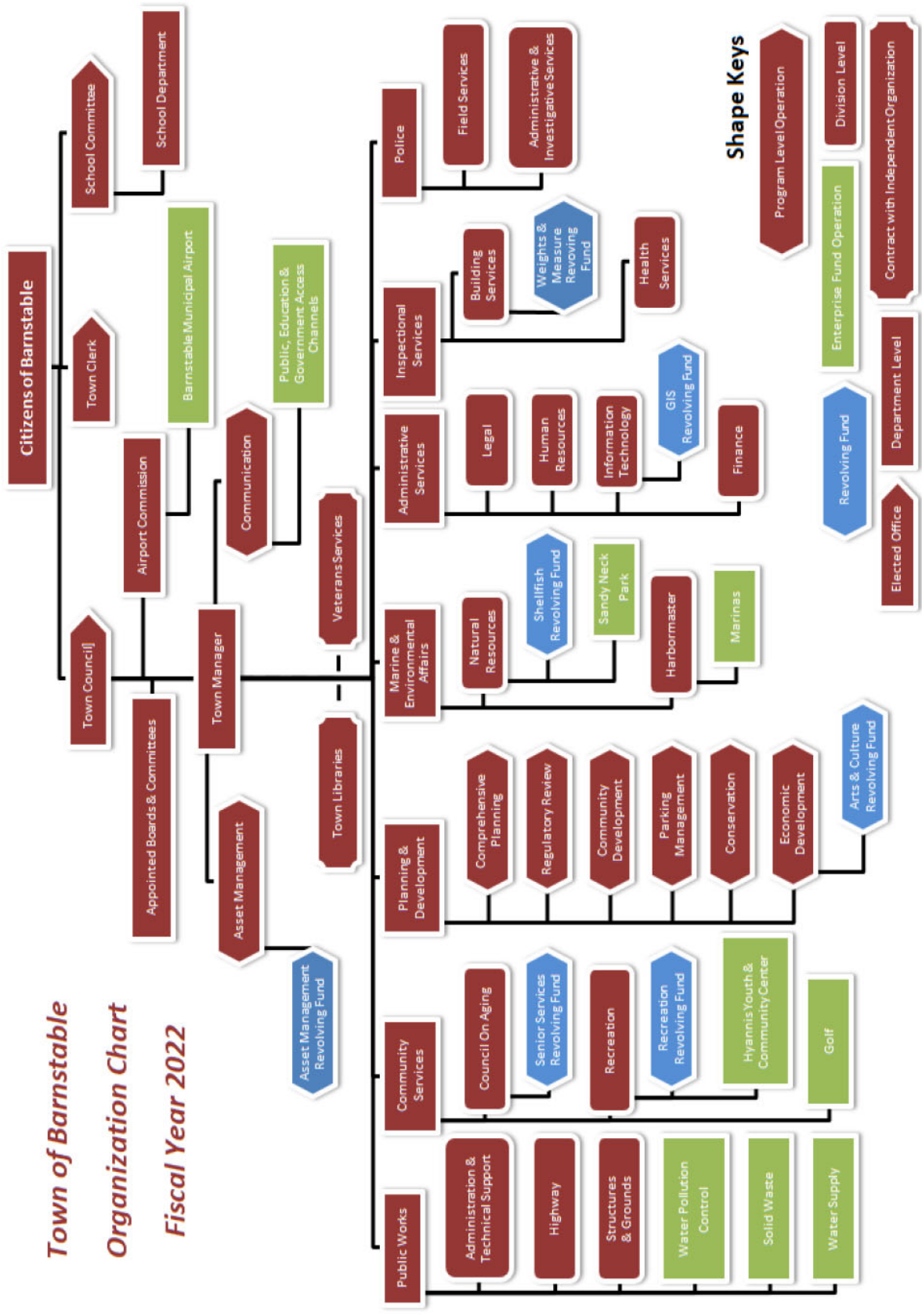


Mark S. Ells
Town Manager



Mark A. Milne
Finance Director

**Town of Barnstable
Organization Chart
Fiscal Year 2022**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Barnstable
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Barnstable
Massachusetts**

For the Fiscal Year Beginning

July 01, 2021

Christopher P. Morrill

Executive Director

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Financial Section



Quahog nets off of Handy Point in Cotuit Bay.



The shellfish team does some quahog stocking.

Financial Section

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Independent Auditor's Report

To the Honorable Town Council
Town of Barnstable, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Barnstable, Massachusetts, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Barnstable, Massachusetts' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Barnstable, Massachusetts, as of June 30, 2022, 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.

We did not audit the financial statements of the Town of Barnstable, Massachusetts' discretely presented library component units, listed in Note 1, which represent 100 percent of the assets, net position, and revenues of the discretely presented library component units as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the discretely presented library component units, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Barnstable, Massachusetts and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented library component units were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Change in Accounting Principle

As discussed in Note 4 to the financial statements, in the year ending June 30, 2022, the Town adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

The accompanying schedule of expenditures of passenger facility charges collected and expended and interest credited, as listed in the table of contents, is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work

performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 28, 2022, on our consideration of the Town of Barnstable, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Barnstable, Massachusetts' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Barnstable, Massachusetts' internal control over financial reporting and compliance.



December 28, 2022

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Barnstable, Massachusetts (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2022. The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis are part of these requirements.

GASB is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with accounting principles generally accepted in the United States of America (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 qualified 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 as well as obtaining grants. The Town has achieved an unmodified opinion on its financial statements since the year ended June 30, 1984.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Barnstable exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$360.1 million.
- The primary government's total net position increased by \$64.1 million. The increase was the net result of an increase in the Town's governmental activities of \$45.3 million and an increase of \$18.9 million attributable to the Town's business-type activities. The governmental activities increase is mainly attributable to a decrease in other postemployment benefits and related deferred inflows and deferred outflows of resources of \$12.6 million, a decrease in net pension liability and related deferred inflows and deferred outflows of resources of \$4.2 million, and \$4.3 million in capital grants and favorable budgetary results. The change in governmental activities net position is more fully explained on page 28. The \$18.9 million increase in business-type activities represents the combined operations of the Town's nine enterprise funds.
- At the close of the current year, the Town of Barnstable's governmental funds reported combined ending fund balances of \$159.4 million, an increase of \$11.5 million in comparison with the prior year. Approximately \$47.5 million of this total amount is available for appropriation at the government's discretion.
- At the end of the current year, fund balance for the general fund totaled \$59.1 million, or 34.2% of total general fund expenditures.
- Expenditures for the general fund totaled \$172.9 million, \$4.2 million less than the prior year. The area with the largest change was pension benefits for teachers' retirement which decreased \$9.2 million. The second largest area to change was education which increased \$2.2 million.
- The Town of Barnstable's total long-term debt increased by \$199,000 during the current year. The Town issued \$11.5 million of long-term debt, of which \$8.4 million was for governmental activities and \$3.1 million was for business-type activities. A total of \$12.6 million in long-term debt principal was retired.
- In 2022, the Town implemented GASB 87, Leases. This brought on \$42.2 million in lease receivables and deferred inflows related to leases. See Note 4 for additional information.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town'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 themselves.

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

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

The statement of activities presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 the government-wide financial statements include not only the Town itself (known as the primary government), but also the seven village libraries for which the Town contributes a majority of funding for their annual operations. Although they are legally separate, the libraries receive a significant portion of their annual operating budget from the Town of Barnstable and, therefore, the financial information for these component units is reported separately from the financial information presented for the primary government itself.

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 of Barnstable 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 maintains two major governmental funds that are presented separately in the governmental fund financial statements. The remaining thirteen 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 as required supplementary information for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains two types of proprietary funds.

The Town maintains nine different enterprise funds within the proprietary fund type. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The Town of Barnstable uses enterprise funds to account for its airport, golf course, solid waste, wastewater, water supply, marina recreation, Sandy Neck recreation, the Hyannis Youth and Community Center, and PEG access.

The Town maintains an internal service fund within the proprietary fund type which is reported in governmental activities in the government-wide financial statements. This fund is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to workers' compensation.

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 airport, golf course, solid waste, wastewater, water supply, marina recreation, Sandy Neck recreation, Hyannis Youth and Community Center, and PEG access 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.

The other postemployment benefits trust fund is used to account for assets accumulated to provide funding for future other postemployment benefits (OPEB) liabilities. The private purpose trust fund is used to account for the Town's educational scholarships and assistance to benefit the needy.

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.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Barnstable, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$360.1 million at the close of the most recent year.

By far the largest portion of the Town's net position, \$379.9 million, reflects its investment in capital assets (e.g., land, buildings, vehicles, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its 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 capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$69.0 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$88.8 million. The deficit is the result of the implementation of accounting standards which have required the Town to

record its net pension liability of \$81.5 million along with the net other postemployment benefits liability of \$129.6 million. These are long term unfunded liabilities that will not require significant short-term resources.

The change in net position by activity (governmental and business-type) is also a useful measure to assess the financial position of the Town. By understanding the underlying reasons for these changes, communities may be better prepared to make decisions in regard to the allocation of resources from year to year.

Comparative Net Position

	Governmental Activities		Business-type Activities	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Current and other assets.....	\$ 228,798,570	\$ 194,683,675	\$ 121,348,622	\$ 50,002,347
Capital assets.....	296,477,992	295,319,721	199,848,230	191,929,866
Total assets.....	<u>525,276,562</u>	<u>490,003,396</u>	<u>321,196,852</u>	<u>241,932,213</u>
Deferred outflows of resources.....	<u>27,160,341</u>	<u>35,800,580</u>	<u>5,424,170</u>	<u>6,730,164</u>
Current liabilities.....	34,144,577	33,517,307	35,324,697	6,889,522
Long-term liabilities.....	229,826,922	247,994,213	84,416,539	94,653,640
Total liabilities.....	<u>263,971,499</u>	<u>281,511,520</u>	<u>119,741,236</u>	<u>101,543,162</u>
Deferred inflows of resources.....	<u>82,440,132</u>	<u>83,526,802</u>	<u>52,784,394</u>	<u>11,891,546</u>
Net position:				
Net investment in capital assets.....	256,270,781	253,212,510	123,661,442	137,845,381
Restricted.....	69,025,480	68,669,155	-	-
Unrestricted.....	(119,270,989)	(161,116,011)	30,433,950	(2,617,712)
Total net position.....	<u>\$ 206,025,272</u>	<u>\$ 160,765,654</u>	<u>\$ 154,095,392</u>	<u>\$ 135,227,669</u>

The Town has realized an increase in its net position from 2021 to 2022 for its governmental activities of \$45.3 million and has realized an increase in its net position from 2021 to 2022 for its business type activities of \$18.9 million. The 2022 increases are mainly attributable to favorable budgetary results, capital grants, the decrease in the net pension liability, the decrease in the net other postemployment liability, and the community preservation fund which allows the Town to assess additional taxes and to receive state matching funds to be used toward open space, historical preservation, affordable housing, and recreational land improvements. In 2022, capital grants totaled \$4.3 million for governmental activities. Principal payments on debt service for governmental and business-type activities totaled \$7.0 million and \$5.6 million, respectively, including the retirement of bonds. Depreciation on capital assets totaled \$11.7 million and \$8.7 million, respectively.

The majority of the increases to the Town’s capital assets during 2022 were in the form of road and drainage improvements and buildings and building improvements. Capital asset growth within the business-type activities for 2022 consisted mainly of airport infrastructure, Hyannis Youth and Community Center building improvements, wastewater pump station improvements and infrastructure, and various water system improvements, including pipe replacement projects and water treatment upgrades.

Current and other assets have increased in both governmental activities and business-type activities. In governmental activities, current and other assets increased by approximately \$34.1 million from 2021. This is mainly due to the capital project bond proceeds that have not been spent at year end increasing cash and cash equivalents, recognition of the lease and host community receivables, and a build-up of capital reserves. For business-type activities, current and other assets have increased \$71.3 million. Cash and cash equivalents and intergovernmental receivables have increased along with the recognition of the lease receivable.

Current liabilities have increased in both governmental activities and business-type activities. The increase in governmental activities was due to the timing of payables and accrued payroll. The increase in the business-type activities was from the issuance of MCWT interim loans in the current year.

Long-term liabilities have decreased in both governmental activities and business-type activities from the 2021 levels. For both governmental and business-type activities, long-term liabilities have a decrease in the net pension liability and the net other postemployment benefits liability.

Net investments in capital assets have increased in governmental activities and decreased in business-type activities. The increase in governmental activities is mainly attributable to capital asset acquisitions and payments on bond principal exceeding depreciation on capital assets and of capital grants used to acquire capital assets. The decrease in business-type activities is due to the issuance of MCWT interim notes.

Restricted net position has increased by \$356,000 for governmental activities from 2021 to 2022. The **unrestricted net position** amount has increased \$41.8 million for governmental activities in the current year which was mainly due to the net result of positive budgetary results, capital grant revenue of \$4.3 million, and a decrease in the net pension liability, net of deferred inflows and outflows of resources related to pension of \$4.2 million and net other postemployment benefit liability, net of deferred inflows and outflows of resources related to other postemployment benefits of \$12.6 million. Unrestricted net position of business-type activities increased by \$33.1 million which was the net result of operations of the Town's enterprise funds, a decrease in the net other postemployment benefit liability, net of deferred inflows and outflows of resources related to other postemployment benefits totaling \$1.7 million and a decrease in the net pension liability, net of deferred inflows and outflows of resources related to pension totaling \$1.4 million.

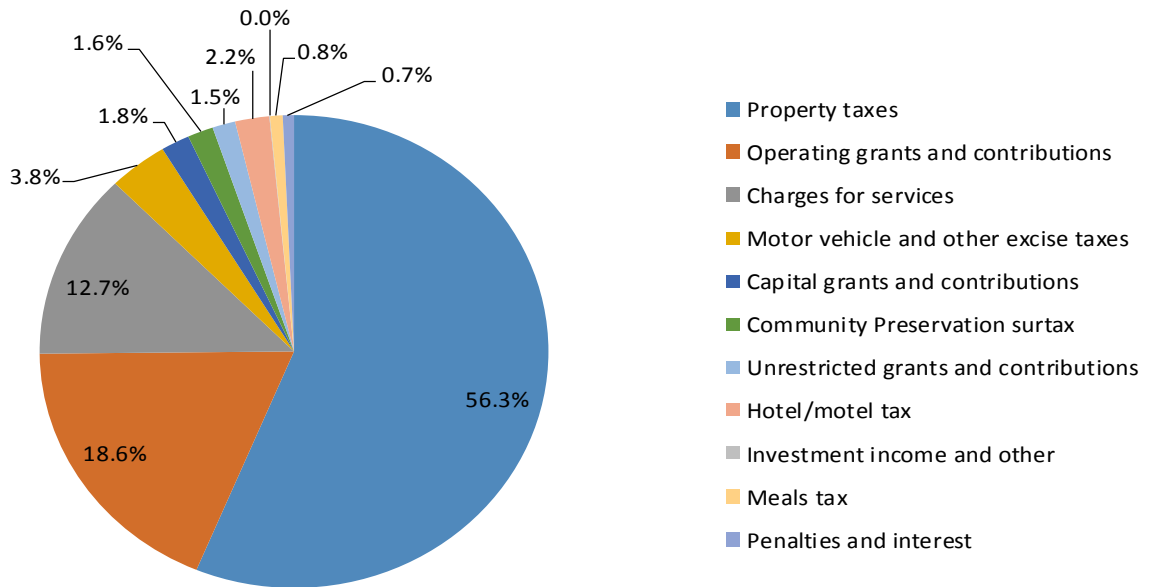
Governmental activities. In 2022, governmental activities increased the Town of Barnstable's net position by \$45.3 million. Some key elements of the changes in governmental activities are as follows:

- The Town adopted special legislation to establish the construction and maintenance fund. In accordance with the legislation, the Town reports 100% of the meals tax and 33% of the hotel/motel tax on traditional lodging collected directly to this fund. This fund had an ending balance of \$18.8 million, a decrease of \$1.2 million.
- The Town received \$4.3 million in capital grants, which includes \$2.4 million from state funding of Chapter 90 highway projects.
- While the net pension liability decreased, the net deferred inflows/outflows related to pension had a negative impact on net position; the change in the liability will be recognized through expense in future years.
- The general fund reported an increase of \$5.0 million on a budgetary basis.

Changes in Net Position

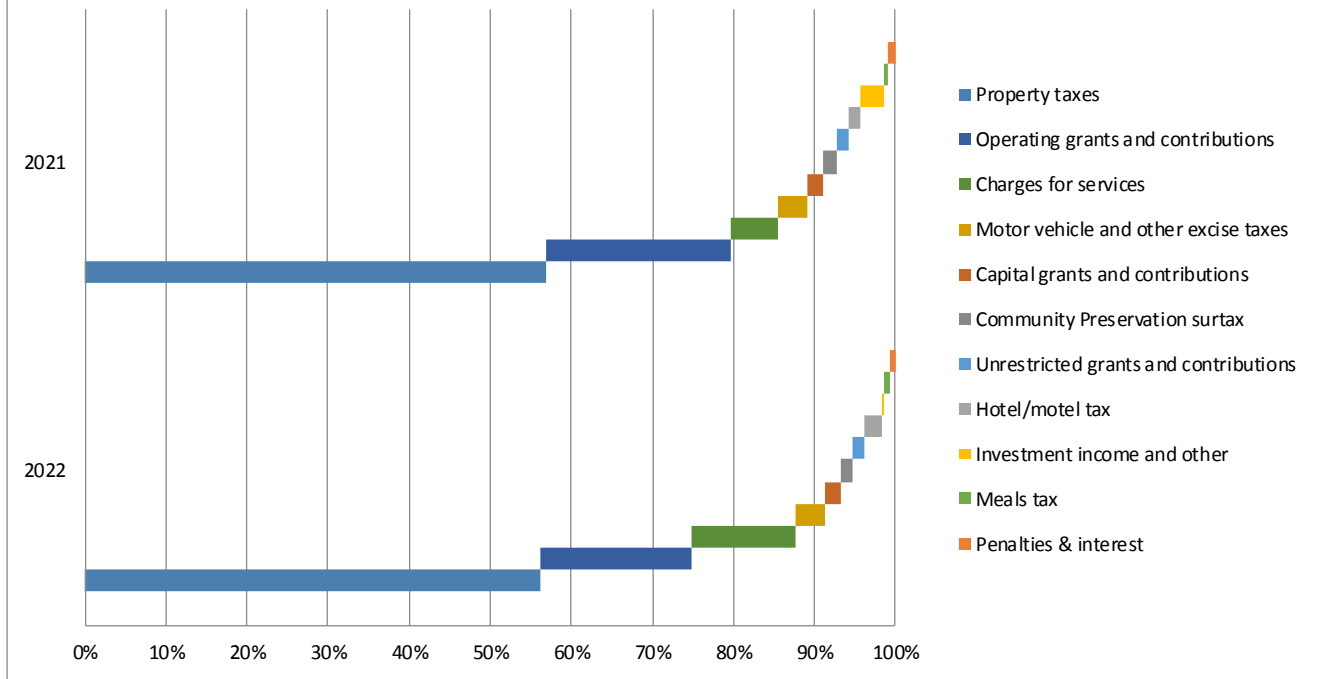
	Governmental Activities		Business-Type Activities		2022 Total
	2022	2021	2022	2021	
Revenues:					
Program revenues:					
Charges for services.....	\$ 30,400,854	\$ 13,023,488	\$ 37,213,949	\$ 32,083,815	\$ 67,614,803
Operating grants and contributions.....	44,393,905	52,360,873	7,167,759	5,044,693	51,561,664
Capital grants and contributions.....	4,338,762	4,407,861	1,188,602	449,845	5,527,364
General revenues:					
Property taxes.....	134,321,665	130,385,646	-	-	134,321,665
Motor vehicle and other excise taxes.....	8,986,003	8,515,166	-	-	8,986,003
Hotel/motel tax.....	5,189,656	3,330,347	-	-	5,189,656
Meals tax.....	1,915,448	1,444,690	-	-	1,915,448
Penalties and interest.....	1,709,698	1,999,650	-	-	1,709,698
Community preservation surtax.....	3,919,723	3,904,414	-	-	3,919,723
Unrestricted grants and contributions.....	3,474,448	3,575,700	-	-	3,474,448
Investment income and other.....	89,403	6,188,623	278,593	235,139	367,996
Total revenues.....	<u>238,739,565</u>	<u>229,136,458</u>	<u>45,848,903</u>	<u>37,813,492</u>	<u>284,588,468</u>
Expenses:					
Town Council.....	237,971	293,290	-	-	237,971
Town Manager.....	1,115,522	1,103,677	-	-	1,115,522
Administrative services.....	11,953,955	11,198,784	-	-	11,953,955
Planning and development.....	4,516,819	4,170,549	-	-	4,516,819
Public safety.....	18,319,743	19,690,644	-	-	18,319,743
Inspectional services.....	4,162,590	4,242,242	-	-	4,162,590
Education.....	118,977,732	124,551,135	-	-	118,977,732
Public works.....	17,663,199	16,902,157	-	-	17,663,199
Marine and environmental affairs.....	1,376,403	1,491,685	-	-	1,376,403
Community services.....	3,878,007	3,918,793	-	-	3,878,007
Culture and recreation.....	2,270,627	2,020,077	-	-	2,270,627
Interest.....	1,371,834	1,100,241	-	-	1,371,834
Airport.....	-	-	12,176,977	11,343,283	12,176,977
Golf course.....	-	-	2,705,261	2,802,904	2,705,261
Solid waste.....	-	-	3,341,426	3,771,148	3,341,426
Wastewater.....	-	-	5,045,050	4,950,134	5,045,050
Water supply.....	-	-	6,435,719	4,476,784	6,435,719
Marina recreation.....	-	-	550,961	534,459	550,961
Sandy Neck recreation.....	-	-	821,822	889,444	821,822
Hyannis Youth and Community Center.....	-	-	3,259,116	1,278,638	3,259,116
PEG Access.....	-	-	280,393	641,669	280,393
Total expenses.....	<u>185,844,402</u>	<u>190,683,274</u>	<u>34,616,725</u>	<u>30,688,463</u>	<u>220,461,127</u>
Excess (deficiency) before transfers.....	52,895,163	38,453,184	11,232,178	7,125,029	64,127,341
Transfers, net.....	<u>(7,635,545)</u>	<u>(4,801,597)</u>	<u>7,635,545</u>	<u>4,801,597</u>	<u>-</u>
Change in net position.....	45,259,618	33,651,587	18,867,723	11,926,626	64,127,341
Net position - Beginning of Year.....	<u>160,765,654</u>	<u>127,114,067</u>	<u>135,227,669</u>	<u>123,301,043</u>	<u>295,993,323</u>
Net position - End of Year.....	<u>\$ 206,025,272</u>	<u>\$ 160,765,654</u>	<u>\$ 154,095,392</u>	<u>\$ 135,227,669</u>	<u>\$ 360,120,664</u>

FY 2022 Governmental Activities Revenue Type



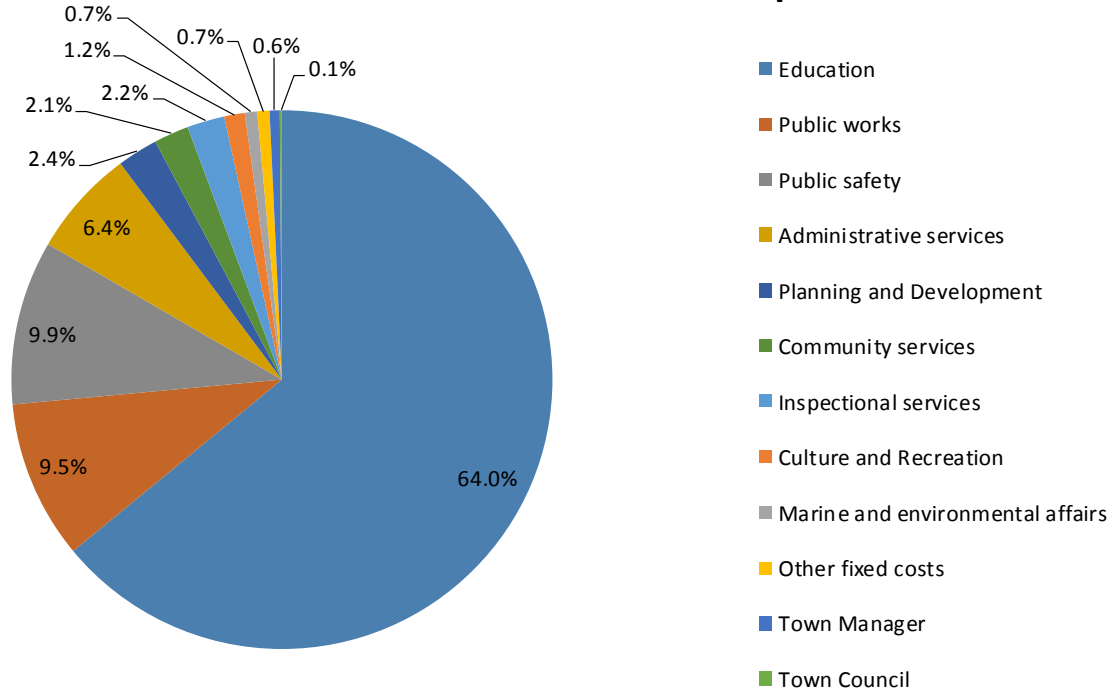
- Charges for services represent 12.7% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Council and Manager are included in this category.
- Operating and capital grants and contributions account for 20.4% of the resources within governmental activities. Most of these resources apply to education operations. These resources offset costs within the school department in addition to their general fund operating budget.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 56.3% of all resources.
- Other taxes and other revenues comprise a total of 10.6% of the governmental activities resources.

Two Year Comparison of Governmental Activities Revenue Composition



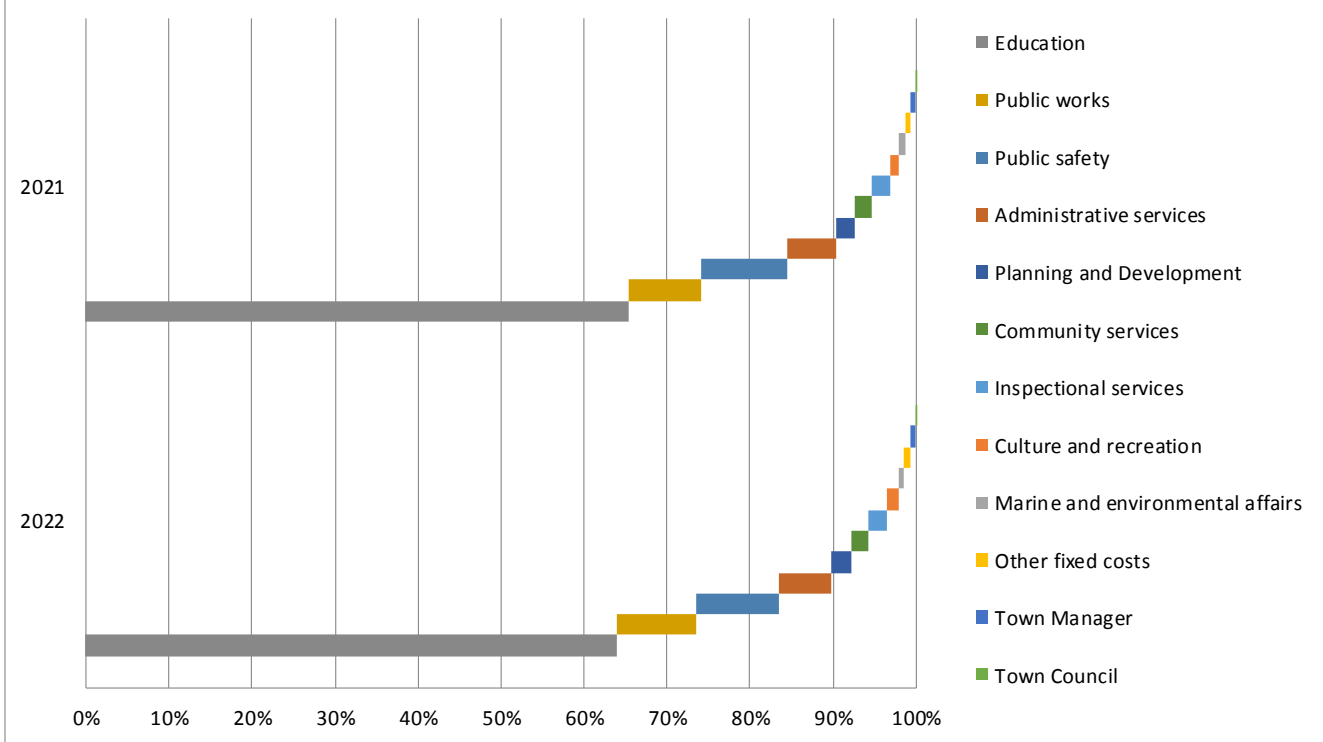
- Property taxes decreased from 56.9% to 56.3% of total governmental activities revenue in 2022.
- Capital grants and contributions remained consistent with prior year and accounts for 1.8% of revenue received. The revenue was mainly for state highway funded projects and community preservation state matching funds.
- Charges for services increased from 5.7% to 12.7% due to programs being fully operational. The prior year charges for services were down due to programs not offered or not running at capacity due to COVID-19 restrictions.
- Investment income decreased due to fluctuations in the market.
- All other categories of governmental activities revenue remained relatively the same.
- Collectively, property taxes, excise taxes and community preservation surtax account for 61.7% of all governmental activities revenue in 2022. This is 0.6% lower than the 2021 amount.

FY 2022 Governmental Activities Expenses



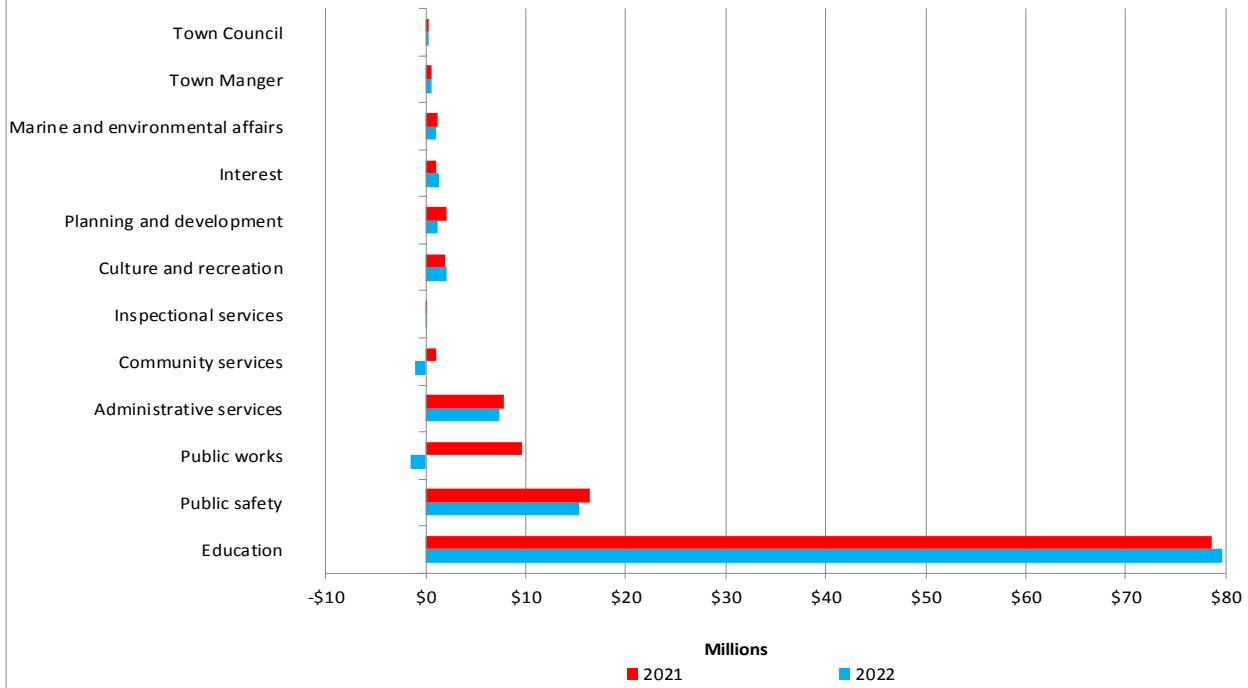
- Education is by far the largest governmental activity of the Town totaling \$119.0 million or 64.0% of all expenses.
- Public safety is the second largest activity consisting of \$18.3 million or 9.9%.
- Public works is the third largest category at \$17.7 million or 9.5%.
- 84.1% of all governmental activity is associated with public safety, education, public works, and other fixed costs. The remaining activity, or 15.9%, is associated with community services, inspectional services, planning and development, culture and recreation, administrative services, marine and environmental affairs, town council, and town manager.

Two Year Comparison of Governmental Activities Expenses



- Education is the largest area of expenses for governmental activities accounting for 64.0% of all expenses.
- Education, public safety, public works, and other fixed costs collectively account for 84.1% of all expenses in the governmental activities.

Net Expense By Function For Governmental Activities

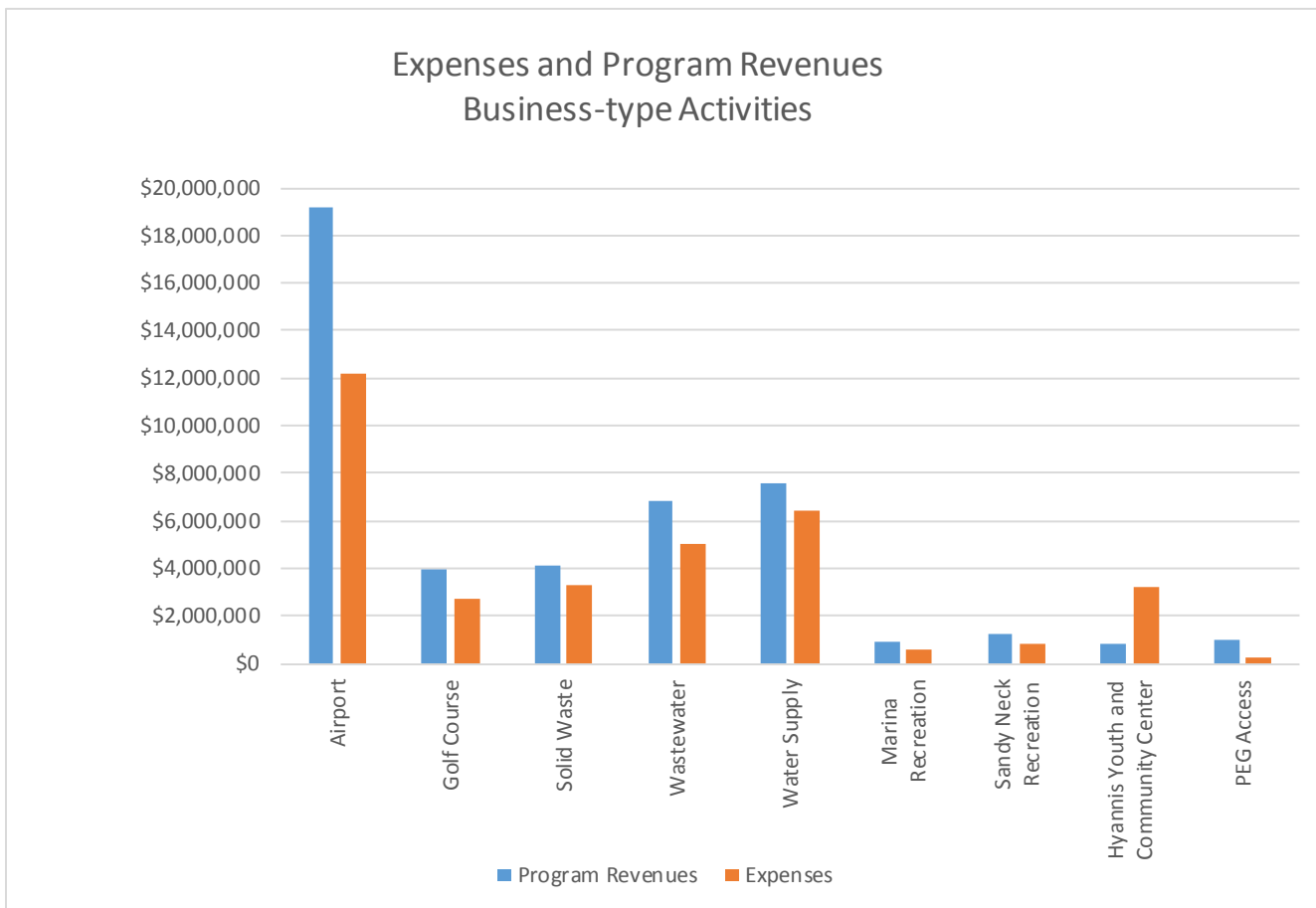


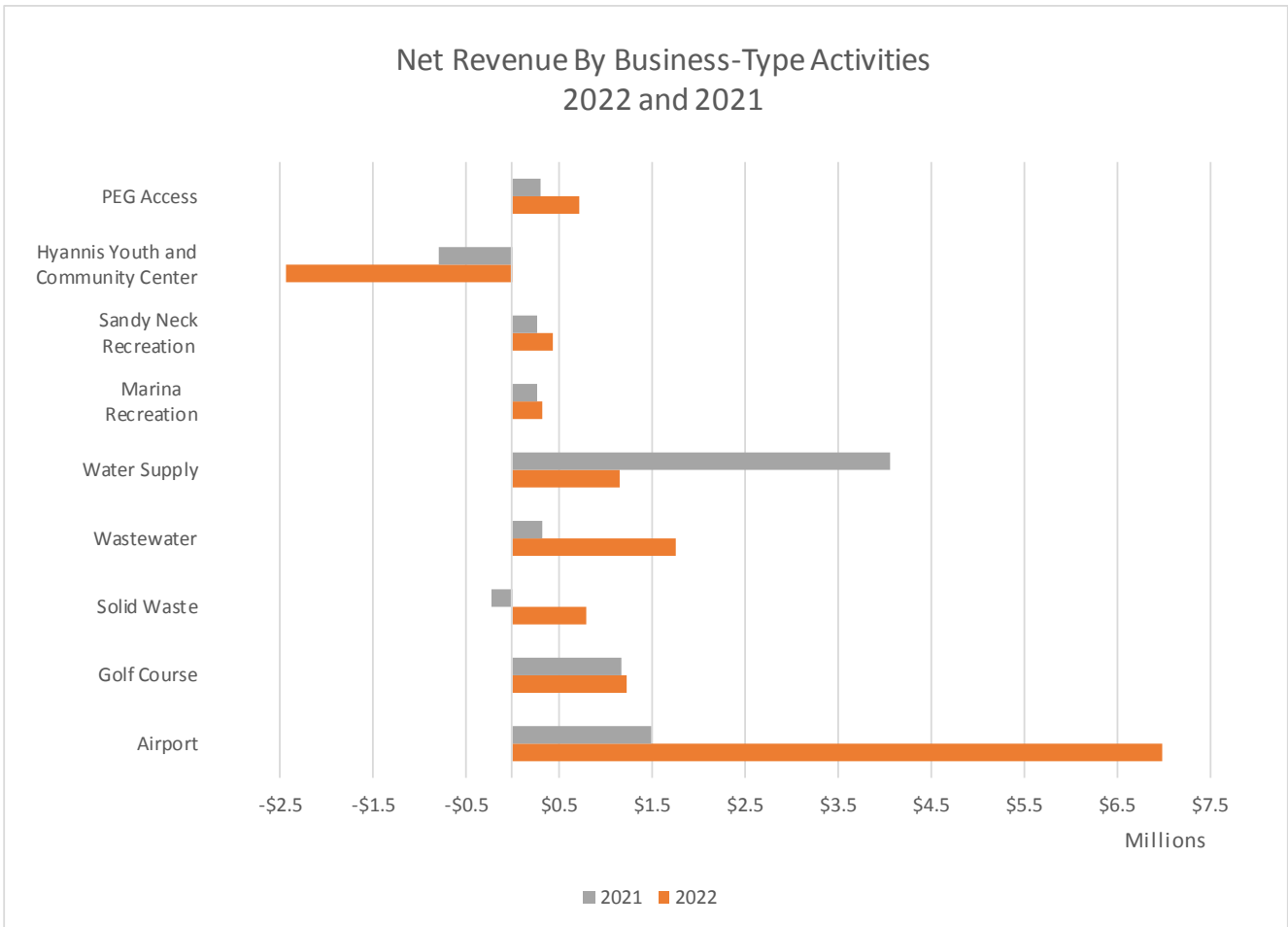
The change in the net expenses by function from year to year is useful to understand where tax dollars and other general revenues not restricted for particular purposes are being allocated.

- Education realized the largest increase in net expenses from 2021 to 2022 of \$1.1 million.
- Public works realized the largest decrease in net expenses from 2021 to 2022 of \$11.1 million.
- Community services realized the second largest decrease in net expenses from 2021 to 2022 of \$2.1 million.

Business-type activities. Business-type activities increased the Town’s net position by \$18.9 million. Key elements of this increase are as follows:

- \$7.1 million increase was attributable to airport operations.
- \$1.5 million increase was attributable to golf course operations.
- \$802,000 increase was attributable to solid waste operations.
- \$6.6 million increase was attributable to wastewater operations.
- \$1.6 million increase was attributable to water supply operations.
- \$381,000 increase was attributable to the marina recreation enterprise fund.
- \$344,000 increase was attributable to the Sandy Neck recreation fund.
- \$108,000 increase was attributable to the Hyannis Youth and Community Center.
- \$484,000 increase was attributable to the PEG access fund.





- There are several business-type activities that have generated net revenue (program revenue less expenses). These include:
 - Marina recreation for the past four years.
 - PEG Access for the past three years.
 - Airport, golf course and sandy neck recreation for the past two years.
- Net revenue does not include investment income and transfers, which have been necessary to allow some of the enterprise funds to meet their debt service obligations.

Financial Analysis of the Government’s Funds

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

Governmental funds. The focus of the Town of Barnstable’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 of Barnstable’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the year.

At the end of the current year, the Town’s governmental funds reported combined ending fund balances of \$159.4 million, an increase of \$11.5 million in comparison with the prior year.

The general fund is the chief operating fund of the Town. At the end of the current year, unassigned fund balance of the general fund totaled \$47.5 million, restricted fund balance was \$1.6 million, assigned fund balance was \$10.0 million while total fund balance was \$59.1 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total fund expenditures.

Analysis of Fund Balance and General Fund Expenditures

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Unassigned fund balance	\$ 47,497,011	\$ 46,076,755	\$ 1,420,256
Total fund balance	\$ 59,071,107	\$ 55,783,484	\$ 3,287,623
Total General Fund expenditures	\$ 172,945,519	\$ 177,113,417	\$ (4,167,898)
Unassigned fund balance as a % of total GF expenditures	27.46%	26.02%	1.45%
Total fund balance as a % of total GF expenditures	34.16%	31.50%	2.66%

As of June 30, 2022, the Town has planned to use \$5.2 million of fund balance to balance the 2023 general fund budget, which is reported within assigned fund balance.

General Fund Comparison

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Cash and investments	\$ 73,694,427	\$ 68,872,134	\$ 4,822,293
Receivables and other assets	\$ 32,190,746	\$ 13,668,078	\$ 18,522,668
Total liabilities and deferred inflows	\$ 46,814,066	\$ 26,756,728	\$ 20,057,338
Total fund balance	\$ 59,071,107	\$ 55,783,484	\$ 3,287,623
Revenues	\$ 185,762,231	\$ 190,337,474	\$ (4,575,243)
Expenditures	\$ 172,945,519	\$ 177,113,417	\$ (4,167,898)
Transfers, net	\$ (9,529,089)	\$ (7,587,087)	\$ (1,942,002)

- Cash and investments have increased due to favorable budgetary results.
- Receivables have increased by \$18.5 million from 2021, mainly from 2022 being the first year of the host community agreement between the Town and Vineyard Wind, LLC which caused an increase of \$15.4 million.
- Liabilities have increased by \$20.1 million partly due to the timing of year-end warrants and accruals, the recognition of an additional \$1.0 million in tax refunds payable, and the unavailable revenue associated with the host community agreement.
- Total fund balance has increased mainly due to positive budgetary results.
- The \$4.6 million decrease in revenue is comprised mostly of the decrease of \$9.2 million state funding for the State's teachers' retirement system, the decrease of \$1.2 million in investment income due to market fluctuations, offset with an increase in property tax growth of \$2.8 million, motor vehicle and other excise taxes of \$1.3 million and hotel motel/tax of \$1.3 million.
- The \$4.2 million decrease in expenditures was mainly due to \$9.2 million expenditure related to the State's teachers' retirement system offset with an increase in education expenditures of \$2.2 million.

In accordance with GASB #54, the Town has included the Municipal Purpose Stabilization fund within the unassigned fund balance of the general fund. The fund balance in the municipal purpose stabilization fund has decreased \$2.6 million since 2021. This fund is more commonly referred to in Town as the "Capital Trust Fund".

Resources are accumulated in this fund to provide for future capital improvements on a pay-as-you-go basis and to pay debt service on borrowing authorizations issued to finance capital improvements. This fund receives an annual transfer from the General Fund (\$11.0 million in 2022) and transfers out a sum of money that equals the annual debt service payments on projects authorized as well as cash appropriations for capital improvements.

In accordance with GASB #54, the Town has classified the fund balance in the pension stabilization fund within the category of restricted fund balance within the general fund. The balance of the pension stabilization fund has decreased by \$170,000 from the prior year.

Changes to other governmental fund balances include the following:

	Fund Balance		Increase (Decrease)
	2022	2021	
Community Preservation Fund	\$ 11,727,338	\$ 11,555,280	\$ 172,058
Nonmajor Governmental Funds	\$ 88,627,606	\$ 80,555,806	\$ 8,071,800

The community preservation fund balance increased \$172,000 million in 2022. This is mainly due to revenue of \$6.0 million of which \$3.9 million was from taxes, \$1.8 million was from state matching fund, \$72,000 in investment income, and \$251,000 in miscellaneous revenues. Expenditures totaled \$3.1 million which included \$1.6 million for debt service. The timing of expenditures is project based and is not directly related to when revenue is received. Transfers out totaled \$2.8 million.

The nonmajor funds increased by \$8.1 million in 2022. Revenues decreased by \$5.8 million from the prior year and expenditures decreased by \$236,000 due to the timing of various projects. The Town issued \$8.4 million in bonds and \$980,000 in premiums. Transfers netted to an increase of \$4.7 million.

In 2021, the Federal Government approved the American Rescue Plan Act (ARPA), which provides federal funding to assist communities in paying costs incurred between March 3, 2021, and December 31, 2024. The ARPA grant is to reimburse the Town for costs incurred that are directly related to the COVID-19 pandemic. The Town has received more than \$3.8 million in funding as of June 30, 2022. The Town has recorded unearned revenue totaling \$2.4 million for the portion of the grant fund not yet expended as of year-end.

Proprietary funds. The Town of Barnstable’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the Town of Barnstable’s business-type activities.

General Fund Budgetary Highlights

The \$2.5 million increase from the original budget to the final amended budget resulted from an increase of \$2.7 million in transfers to other funds and an increase of \$491,000 in the public works budget. This was offset with a decrease in the education budget totaling \$490,000.

General fund revenues came in over budget by \$5.9 million. All categories of revenues exceeded the budget except for real estate and personal property taxes. Motor vehicle and other excise taxes realized the largest positive variance at \$2.2 million. Licenses and permits realized the next highest positive variance at \$832,000.

General fund expenditures plus encumbrances came in \$1.6 million less than budgeted. All departments realized budget savings except public works operating expenditures which was due to a deficit in snow and ice.

Capital Assets and Debt Management

Capital assets. The Town of Barnstable's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amount to \$496.3 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements to land and buildings, machinery and equipment, vehicles, roads, sidewalks, bridges, runways and sewer lines. The total net increase in the Town's investment in capital assets for the current year was \$9.1 million (a \$1.2 million increase for governmental activities and a \$7.9 increase for business-type activities).

Major capital asset events during the current year included the following:

- The Town spent \$17.7 million for various infrastructure improvements including roads, drainage and sidewalks.
- The Town spent \$2.8 million on construction in progress. Of this amount, \$528,000 was related to airport projects and \$2.3 million was for wastewater improvements.
- The Town spent \$3.6 million on vehicles, machinery and equipment.
- The Town spent \$9.2 million on various building improvements. Of this amount \$1.4 million was spent on public works projects, \$1.5 million was spent on school projects, \$203,000 was spent on airport buildings, \$2.8 million was spent on sewer buildings, \$239,000 was spent on water supply buildings, and \$367,000 was spent on the Hyannis Youth and Community Center building improvements.

Capital Assets

	Cost of Capital Assets at end of year	Accumulated Depreciation at end of year	Capital Assets, net
Governmental activities			
<u>Function:</u>			
Administrative services.....	\$ 20,401,345	\$ (7,243,911)	\$ 13,157,434
Planning department.....	4,835,792	(666,721)	4,169,071
Public safety.....	15,958,985	(12,389,223)	3,569,762
Education.....	169,851,294	(103,952,922)	65,898,372
Public works.....	211,595,086	(80,160,005)	131,435,081
Marine and environmental affairs.....	567,526	(123,145)	444,381
Inspectional services.....	71,521,426	(2,053,267)	69,468,159
Community services.....	15,722,351	(7,386,619)	8,335,732
Total by function.....	510,453,805	(213,975,813)	296,477,992
Business-Type Activities			
<u>Function:</u>			
Airport.....	119,867,316	(49,525,619)	70,341,697
Golf.....	19,074,008	(5,074,886)	13,999,122
Solid waste.....	5,779,822	(3,576,587)	2,203,235
Wastewater.....	78,212,315	(35,742,520)	42,469,795
Water Supply.....	54,067,288	(9,327,270)	44,740,018
Marina recreation.....	9,337,095	(3,480,439)	5,856,656
Sandy Neck recreation.....	1,944,268	(1,104,217)	840,051
Hyannis Youth and Community Center.....	25,543,530	(7,322,306)	18,221,224
PEG access.....	1,644,553	(468,121)	1,176,432
Total by function.....	315,470,195	(115,621,965)	199,848,230
Grand Total.....	\$ 825,924,000	\$ (329,597,778)	\$ 496,326,222

Additional information on the Town of Barnstable's capital assets can be found in Note 5 of this report.

Long-term debt. At the end of the current year, the Town of Barnstable had total bonded debt outstanding of \$113.8 million. Of this amount, the Town had \$79.3 million in general obligation bonds, \$27.4 million in direct borrowings payable and is backed by the full faith and credit of the Town. The Town had \$2.5 million in special assessment bonds payable which are taxable bonds for private road betterments. The Town had \$4.6 million in unamortized bond premiums.

Governmental Activities:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2022
General Obligation Bonds Payable:				
Municipal Purpose Refunding of 2012.....	2023	\$ 10,037,900	2.00 - 4.00	\$ 799,500
Municipal Purpose Bonds of 2014.....	2024	6,248,000	2.00 - 3.00	1,005,000
Municipal Purpose Refunding of 2015.....	2027	5,265,500	2.00 - 4.50	1,749,000
Municipal Purpose Bonds of 2015.....	2035	3,089,000	2.00 - 4.50	1,905,000
Municipal Purpose Bonds of 2016.....	2036	12,113,000	2.00 - 4.00	7,635,000
Municipal Purpose Refunding of 2016.....	2028	1,674,000	2.00 - 4.00	466,000
Municipal Purpose Bonds of 2017.....	2037	5,105,700	3.00 - 4.00	2,950,000
Municipal Purpose Bonds of 2018.....	2038	6,380,000	3.00 - 5.00	5,920,000
Municipal Purpose Bonds of 2019.....	2039	8,266,800	3.00 - 5.00	6,335,000
Municipal Purpose Bonds of 2020.....	2040	8,049,100	2.00 - 5.00	6,980,000
Municipal Purpose Refunding of 2021.....	2031	2,529,450	4.00 - 5.00	1,733,500
Municipal Purpose Bonds of 2021.....	2041	4,315,100	2.00 - 5.00	4,000,000
Municipal Purpose Bonds of 2022.....	2042	8,370,321	3.00 - 5.00	8,370,321
Subtotal Governmental General Obligation Bonds Payable.....				49,848,321
Direct Borrowings Payable:				
MCWT Title V Bond of 2002.....	2023	200,000	3.00 - 5.25	10,204
MCWT Title V Bonds of 2006.....	2026	400,000	0.00	80,000
MCWT Title V Bond of 2007.....	2027	200,000	0.00	50,000
Subtotal Governmental Direct Borrowings Payable.....				140,204
Special Assessment Bonds Payable:				
Roadway Improvement Bonds of 2021.....	2036	2,745,000	1.20 - 2.00	2,520,000
Total Bonds Payable.....				52,508,525
Add: Unamortized premium on bonds.....				3,692,115
Total Bonds Payable, net.....				\$ 56,200,640

Business-type Activities:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2022
General Obligation Bonds Payable:				
Airport.....	2039	\$ 2,118,900	3.00 - 5.00	\$ 1,725,000
Golf Course.....	2037	3,580,379	2.00 - 5.00	1,852,179
Add: unamortized premium.....				37,505
Total Golf Course Bonds Payable, net.....				1,889,684
Solid Waste Transfer Station.....	2027	526,400	2.00 - 4.50	160,500
Wastewater.....	2041	6,459,200	2.00 - 5.00	5,190,500
Water Supply.....	2042	15,606,700	2.00 - 5.00	11,204,000
Add: unamortized premium.....				246,592
Total Water Supply Bonds Payable, net.....				11,450,592
Marina Recreation.....	2037	2,890,250	2.00 - 5.00	1,571,500
Add: unamortized premium.....				116,956
Total Marina Recreation Bonds Payable, net.....				1,688,456
Sandy Neck Recreation.....	2031	595,200	4.00 - 5.00	539,000
Add: unamortized premium.....				103,489
Total Sandy Neck Recreation Bonds Payable, net.....				642,489
Hyannis Youth and Community Center.....	2042	11,860,700	2.00 - 5.00	7,164,000
Add: unamortized premium.....				442,424
Total Hyannis Youth and Community Center Bonds Payable, net.....				7,606,424
Subtotal Enterprise Funds General Obligation Bonds Payable, net.....				30,353,645
Direct Borrowings Payable:				
Wastewater - MCWT.....	2033	19,391,750	0.00 - 2.00	7,721,025
Water Supply - MCWT.....	2046	24,431,223	2.00	19,527,647
Subtotal Enterprise Funds Direct Borrowings Payable.....				27,248,672
Total Bonds Payable, net.....				\$ 57,602,317

The Town of Barnstable's total long-term debt increased by \$199,000 during the current year. The increase was the net result of the issuance of \$12.8 million in new long-term general obligation bonds used to finance new capital projects; offset with principal payments of \$12.6 million.

The Town of Barnstable has maintained its bond rating from Standard & Poor's of AAA which was upgraded in June of 2007.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total equalized property valuation. This limit could go to 10% with the State's Municipal Finance Oversight Board's approval. Additionally, certain general obligation debt is exempt from this limit such as debt associated with school construction and many water improvement projects. The current debt limitation for the Town of Barnstable is \$801.6 million, which is significantly in excess of the Town of Barnstable's outstanding general obligation debt that is subject to this limitation.

Additional information on the Town of Barnstable's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budget and Rates

- New taxable property growth was \$116 million in FY 2022 and \$146 million for FY 2023. Over sixty percent of the new property tax growth is concentrated in residential property for both years. In FY 2023, property taxes generated from new growth totaled \$1.226 million. The Town used a conservative estimate of \$750,000 of property tax growth for the FY 2023 budget development which results in some excess taxing capacity.
- Motor vehicle excise taxes are conservatively projected in FY 2023 at \$6.9 million even though the actual collections in FY 2022 were over \$9.2 million. Revenue in this area has grown significantly over the past few years. A conservative projection was used for FY 2023 as inflation is high and borrowing rates have increased which could result in a decline in new vehicle purchases.
- Hotel/Motel excise taxes for FY 2023 are projected at \$1.8 million and the FY 2022 actual amount collected was \$2.242 million. As expected, this revenue source has improved post-pandemic as the restrictions on the industry during the pandemic have been lifted. Additionally, the local rooms tax now applies to the short-term rental market, and over \$1.7 million was generated from this type of lodging in FY 2022. The Town dedicates this revenue source to the comprehensive management of water and wastewater.
- Chapter 70 Aid for education is budgeted to be \$18,706,196 in FY 2023. This is \$5.5 million more than the FY 2022 amount. Significant changes were made to the Foundation Budget under the Chapter 70 Aid Program. The changes are proposed to be phased in over a seven year period which has resulted in an increase in aid for the Town. Recognition of additional expenditures needed to educate English Learners and Economically Disadvantaged students has increased aid in this program and the Town has a growing population in both categories of students.
- In FY 2023; penalties and interest on the late payment of taxes are budgeted for \$442,000 less than the FY 2022 actual amount collected. This is a conservative estimate that will create more budget flexibility for the Town going forward. The Town has also been successful in collecting more back taxes owed which should lead to a decline in this category of revenue.
- Permit and license revenue collected in FY 2022 totaled \$2.6 million. This category of revenue was conservatively projected in FY 2023 at \$2.1 million and collections to date in FY 2023 show this estimate to be achievable.
- Beach related revenue in FY 2023 totaled just over \$3 million; the highest amount ever collected by the Town indicating a strong tourism economy. Throughout the pandemic and post-pandemic, waterside activities were and are outdoor activity residents and visitors were able to participate in under safe circumstances.

- Overall, local receipts are conservatively estimated at \$16.4 million which is \$5.6 million less than what was actually collected in FY 2022.
- The interest rate on bond issues are increasing due to current economic conditions. The Town's last bond issue in March 2022 sold at a 2.72% net interest rate; or 140 basis points over the previous year's borrowing. The Town's FY 2023 Capital Improvement Program authorized \$43 million in new borrowings. The expected interest rate on the Town's FY 2023 bond sale is estimated to be over 4%.
- The FY 2023 General Fund operating budget of \$180 million (net of transfers) is \$9.2 million more than the FY 2022 approved budget. The growth in the budget is mainly provided from the allowable increase in the Town's property tax levy under Proposition 2 ½ and an increase in Chapter 70 Aid for education.
- The FY 2023 budget for all education operations is up \$4 million, municipal operations are up \$2.1 million and fixed costs are up \$3.1 million.
- The FY 2023 employee benefits budget is up \$678,000.
- The FY 2023 debt service budget is up \$478,000 and other fixed costs are up \$1,751,000.
- The Police Department realized the largest dollar decrease in the municipal operations budget for FY2023 at \$1,049,483.
- The Marine & Environmental Affairs Department realized the largest percentage increase (14%) in the municipal operating budget as funds were provided for minimum wage increases, a new Assistant Harbormaster position and an additional vehicle replacement.
- The Town used \$5,136,306 of free cash to balance the FY 2023 operating and capital budgets. \$800,000 was used to provide for the previous year's snow and ice removal deficit, \$250,000 for a Town Council reserve fund, \$1,710,000 for capital improvements to school facilities and \$2,376,306 for municipal facility improvements, water quality capital improvements and infrastructure improvements as part of the Capital Program.
- The Town generated \$7.6 million in General Fund surplus in FY 2022 resulting in an increase in surplus to \$26.8 million.
- The tax levy for FY 2023 is approved at \$140,669,929, or \$4,425,961 higher than the FY 2022 levy. This includes the state allowed 2.5% increase and new growth of \$1,225,963 and excluded debt of \$1,732,200 for the new Cape Cod Technical Regional High School.
- The FY 2023 single town tax rate is \$6.43 which is \$1.42 million less than the FY 2022 tax rate before any tax levy shifting options adopted by the Town. This is due to a significant increase in property values.
- The Town's overall property value increased 27% to \$21.9 billion, the highest amount ever. Most of this occurred in the residential category due to an extremely strong market in calendar year 2021.
- A 20% residential exemption has been adopted in FY 2023 which results in a residential tax rate of \$7.07 which is \$1.57 less than the FY 2023 residential tax rate.
- The Town Council supported a residential exemption of 20% in FY 2023. The exemption value for FY 2023 is \$151,616. Qualifying residential property owners receive a deduction off their taxable values before the tax rate is applied. This equates to a savings of \$1,072 for a qualifying resident.
- The median residential home value in Town has increased to \$538,100 in FY 2023 from \$412,600 in FY 2022. For a property qualifying with the residential exemption, this equates to a tax bill of \$2,536 in FY 2022 and \$2,732 in FY2023; a \$196 increase.
- The Town Council did not adopt a split tax rate or a small business exemption for FY 2023 consistent with the previous years.
- General Fund free cash was certified by the State Division of Local Services as of July 1, 2021, at \$26,769,227.

- Enterprise fund retained earnings were certified at:
 - Water - \$2,326,507
 - Sewer - \$9,572,060
 - Solid Waste - \$1,737,618
 - Golf - \$2,326,507
 - Airport - \$8,878,844
 - Marinas - \$1,310,183
 - Sandy Neck - \$1,126,363
 - HYCC - \$555,568
 - PEG - \$3,135,874
- Other reserves at the end of FY 2022 include:
 - \$17.7 million in stabilization funds
 - \$12.8 million in comprehensive wastewater management & private way improvement funds
 - \$6.6 million in school revolving funds
 - \$2.1 million in school circuit breaker funds
 - \$10.5 million in community preservation funds

Requests for Information

This financial report is designed to provide a general overview of the Town of Barnstable'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 information should be addressed to the Office of the Finance Director, 3rd Floor, School Administration Building, 230 South Street, Hyannis, Massachusetts, 02601.

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Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Libraries
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 125,694,537	\$ 38,138,988	\$ 163,833,525	\$ 1,571,952
Investments.....	56,274,687	13,645,446	69,920,133	7,962,269
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	5,436,769	-	5,436,769	-
Tax liens.....	5,210,184	82,119	5,292,303	-
Community preservation fund surtax.....	139,046	-	139,046	-
Motor vehicle and other excise taxes.....	2,238,851	-	2,238,851	-
User fees.....	-	3,995,790	3,995,790	-
Departmental and other.....	642,103	-	642,103	405,000
Intergovernmental - other.....	9,619,283	23,790,992	33,410,275	500
Intergovernmental - legal settlements.....	-	134,000	134,000	-
Community preservation state share.....	1,388,120	-	1,388,120	-
Special assessments.....	89,067	98,461	187,528	-
Host community.....	1,486,248	-	1,486,248	-
Lease receivables.....	134,406	374,375	508,781	-
Tax foreclosures.....	1,185,252	-	1,185,252	-
Inventory.....	-	138,522	138,522	14,059
Other assets.....	-	-	-	37,652
Total current assets.....	<u>209,538,553</u>	<u>80,398,693</u>	<u>289,937,246</u>	<u>9,991,432</u>
NONCURRENT:				
Investments.....	-	-	-	120,884
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	40,000	-	40,000	764,000
Intergovernmental - other.....	-	46,526	46,526	-
Intergovernmental - legal settlements.....	-	2,184,166	2,184,166	-
Special assessments.....	2,074,429	288,240	2,362,669	-
Host community.....	13,873,752	-	13,873,752	-
Lease receivables.....	3,271,836	38,430,997	41,702,833	-
Beneficial interest in perpetual trust.....	-	-	-	1,708,436
Capital assets, nondepreciable.....	82,848,146	43,613,077	126,461,223	437,018
Capital assets, net of accumulated depreciation.....	<u>213,629,846</u>	<u>156,235,153</u>	<u>369,864,999</u>	<u>9,008,972</u>
Total noncurrent assets.....	<u>315,738,009</u>	<u>240,798,159</u>	<u>556,536,168</u>	<u>12,039,310</u>
TOTAL ASSETS.....	<u>525,276,562</u>	<u>321,196,852</u>	<u>846,473,414</u>	<u>22,030,742</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows for refunding debt.....	-	350,071	350,071	-
Deferred outflows related to pensions.....	10,292,773	3,203,568	13,496,341	-
Deferred outflows related to other postemployment benefits.....	16,867,568	1,870,531	18,738,099	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>27,160,341</u>	<u>5,424,170</u>	<u>32,584,511</u>	<u>-</u>
LIABILITIES				
CURRENT:				
Warrants payable.....	4,137,469	3,461,470	7,598,939	56,779
Accrued payroll.....	11,602,863	195,560	11,798,423	38,167
Tax refunds payable.....	2,197,189	-	2,197,189	-
Accrued interest.....	668,351	405,526	1,073,877	-
Other liabilities.....	1,871,892	437,800	2,309,692	66,876
Unearned revenue.....	2,367,499	-	2,367,499	-
Landfill closure.....	-	25,000	25,000	-
Compensated absences.....	3,964,478	460,160	4,424,638	-
Workers' compensation.....	431,600	-	431,600	-
Notes payable.....	-	24,666,796	24,666,796	-
Bonds payable.....	<u>6,903,236</u>	<u>5,672,385</u>	<u>12,575,621</u>	<u>-</u>
Total current liabilities.....	<u>34,144,577</u>	<u>35,324,697</u>	<u>69,469,274</u>	<u>161,822</u>

(Continued)

STATEMENT OF NET POSITION

JUNE 30, 2022

	<i>Primary Government</i>			<i>Component Units</i>
	Governmental Activities	Business-type Activities	Total	Libraries
NONCURRENT:				
Landfill closure.....	-	100,000	100,000	-
Compensated absences.....	1,163,013	94,089	1,257,102	-
Workers' compensation.....	489,900	-	489,900	-
Net pension liability.....	62,171,251	19,350,452	81,521,703	-
Net other postemployment benefits liability.....	116,705,354	12,942,066	129,647,420	-
Bonds payable.....	49,297,404	51,929,932	101,227,336	-
Total noncurrent liabilities.....	229,826,922	84,416,539	314,243,461	-
TOTAL LIABILITIES.....	263,971,499	119,741,236	383,712,735	161,822
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to lease receivables.....	3,406,242	38,805,372	42,211,614	-
Deferred inflows related to pensions.....	26,027,284	8,100,845	34,128,129	-
Deferred inflows related to other postemployment benefits.....	53,006,606	5,878,177	58,884,783	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	82,440,132	52,784,394	135,224,526	-
NET POSITION				
Net investment in capital assets.....	256,270,781	123,661,442	379,932,223	-
Restricted for:				
Construction and maintenance.....	19,409,615	-	19,409,615	-
Highway projects.....	5,462,118	-	5,462,118	-
Permanent funds:				
Expendable.....	4,815,956	-	4,815,956	-
Nonexpendable.....	19,445,357	-	19,445,357	-
Gifts and grants.....	6,494,153	-	6,494,153	-
Community preservation.....	13,398,281	-	13,398,281	-
Without donor restrictions.....	-	-	-	17,759,933
With donor restrictions.....	-	-	-	4,108,987
Unrestricted.....	(119,270,989)	30,433,950	(88,837,039)	-
TOTAL NET POSITION.....	\$ 206,025,272	\$ 154,095,392	\$ 360,120,664	\$ 21,868,920

See notes to basic financial statements.

(Concluded)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
Town Council.....	\$ 237,971	\$ -	\$ -	\$ -	\$ (237,971)
Town Manager.....	1,115,522	521,162	-	-	(594,360)
Administrative services.....	11,953,955	986,421	3,542,232	-	(7,425,302)
Planning and development.....	4,516,819	1,042,645	324,929	1,941,737	(1,207,508)
Public safety.....	18,319,743	2,416,046	581,482	-	(15,322,215)
Inspectional services.....	4,162,590	4,028,369	2,115	-	(132,106)
Education.....	118,977,732	2,236,877	37,061,776	-	(79,679,079)
Public works.....	17,663,199	16,173,116	554,666	2,382,025	1,446,608
Marine and environmental affairs.....	1,376,403	266,477	71,818	15,000	(1,023,108)
Community services.....	3,878,007	2,612,741	2,254,882	-	989,616
Culture and recreation.....	2,270,627	117,000	5	-	(2,153,622)
Interest.....	1,371,834	-	-	-	(1,371,834)
Total Governmental Activities.....	185,844,402	30,400,854	44,393,905	4,338,762	(106,710,881)
<i>Business-Type Activities:</i>					
Airport activities.....	12,176,977	11,488,397	6,657,616	1,022,425	6,991,461
Golf course activities.....	2,705,261	3,935,016	-	-	1,229,755
Solid waste activities.....	3,341,426	4,127,539	-	-	786,113
Wastewater activities.....	5,045,050	6,466,677	237,901	99,510	1,759,038
Water supply activities.....	6,435,719	7,317,420	269,768	-	1,151,469
Marina recreation activities.....	550,961	873,669	-	-	322,708
Sandy Neck recreation activities.....	821,822	1,264,237	209	-	442,624
Hyannis Youth and Community Center activities...	3,259,116	814,265	2,265	-	(2,442,586)
PEG Access activities.....	280,393	926,729	-	66,667	713,003
Total Business-Type Activities.....	34,616,725	37,213,949	7,167,759	1,188,602	10,953,585
Total Primary Government.....	\$ 220,461,127	\$ 67,614,803	\$ 51,561,664	\$ 5,527,364	\$ (95,757,296)
Component Units:					
Hyannis Public Library.....	\$ 788,749	\$ 49,476	\$ 587,108	\$ -	\$ (152,165)
Osterville Free Library.....	872,358	173,179	813,894	-	114,715
Centerville Public Library.....	645,505	44,291	437,907	-	(163,307)
Sturgis Library.....	595,226	51,351	562,646	-	18,771
Cotuit Library.....	417,492	46,746	305,091	-	(65,655)
Marstons Mills Public Library.....	303,426	15,236	242,184	-	(46,006)
Whelden Memorial Library.....	221,890	27,373	161,904	-	(32,613)
Total Component Units.....	\$ 3,844,646	\$ 407,652	\$ 3,110,734	\$ -	\$ (326,260)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Libraries
Changes in net position:				
Net (expense) revenue from previous page.....	\$ (106,710,881)	\$ 10,953,585	\$ (95,757,296)	\$ (326,260)
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	134,321,665	-	134,321,665	-
Motor vehicle and other excise taxes.....	8,986,003	-	8,986,003	-
Hotel/motel tax.....	5,189,656	-	5,189,656	-
Meals tax.....	1,915,448	-	1,915,448	-
Community preservation tax.....	3,919,723	-	3,919,723	-
Penalties and interest on taxes.....	1,709,698	-	1,709,698	-
Grants and contributions not restricted to specific programs.....	3,474,448	-	3,474,448	-
Unrestricted investment income (loss).....	89,403	278,593	367,996	(961,405)
<i>Transfers, net</i>	(7,635,545)	7,635,545	-	-
Total general revenues and transfers.....	151,970,499	7,914,138	159,884,637	(961,405)
Change in net position.....	45,259,618	18,867,723	64,127,341	(1,287,665)
<i>Net position:</i>				
Beginning of year.....	160,765,654	135,227,669	295,993,323	23,156,585
End of year.....	\$ 206,025,272	\$ 154,095,392	\$ 360,120,664	\$ 21,868,920

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2022

	General	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 41,434,477	\$ 11,479,875	\$ 68,035,443	\$ 120,949,795
Investments.....	32,259,950	-	24,014,737	56,274,687
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	5,436,769	-	-	5,436,769
Tax liens.....	5,037,431	143,777	28,976	5,210,184
Community preservation fund surtax.....	-	139,046	-	139,046
Motor vehicle and other excise taxes.....	2,238,851	-	-	2,238,851
Departmental and other.....	50,000	-	632,103	682,103
Intergovernmental - other.....	2,882,443	250,680	6,486,160	9,619,283
Community preservation state share.....	-	1,388,120	-	1,388,120
Special assessments.....	-	-	2,163,496	2,163,496
Host community.....	15,360,000	-	-	15,360,000
Lease receivables.....	-	-	3,406,242	3,406,242
Tax foreclosures.....	1,185,252	-	-	1,185,252
TOTAL ASSETS.....	\$ 105,885,173	\$ 13,401,498	\$ 104,767,157	\$ 224,053,828
LIABILITIES				
Warrants payable.....	\$ 2,624,914	\$ -	\$ 1,510,307	\$ 4,135,221
Accrued payroll.....	10,971,456	1,345	629,678	11,602,479
Tax refunds payable.....	2,197,189	-	-	2,197,189
Other liabilities.....	1,298,785	1,872	571,235	1,871,892
Unearned revenue.....	-	-	2,367,499	2,367,499
TOTAL LIABILITIES.....	17,092,344	3,217	5,078,719	22,174,280
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue.....	29,721,722	1,670,943	7,654,590	39,047,255
Deferred inflows related to lease receivables.....	-	-	3,406,242	3,406,242
TOTAL DEFERRED INFLOWS OF RESOURCES.....	29,721,722	1,670,943	11,060,832	42,453,497
FUND BALANCES				
Nonspendable.....	-	-	19,445,357	19,445,357
Restricted.....	1,623,813	11,727,338	69,182,249	82,533,400
Assigned.....	9,950,283	-	-	9,950,283
Unassigned.....	47,497,011	-	-	47,497,011
TOTAL FUND BALANCES.....	59,071,107	11,727,338	88,627,606	159,426,051
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 105,885,173	\$ 13,401,498	\$ 104,767,157	\$ 224,053,828

See notes to basic financial statements.

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

JUNE 30, 2022

Total governmental fund balances.....		\$ 159,426,051
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		296,477,992
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		39,047,255
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.....		(51,873,549)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		3,820,610
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(668,351)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(56,200,640)	
Net pension liability.....	(62,171,251)	
Net other postemployment benefits liability.....	(116,705,354)	
Compensated absences.....	(5,127,491)	
Net effect of reporting long-term liabilities.....		(240,204,736)
Net position of governmental activities.....		<u>\$ 206,025,272</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2022

	General	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 134,004,505	\$ -	\$ -	\$ 134,004,505
Motor vehicle and other excise taxes.....	9,390,128	-	-	9,390,128
Hotel/motel tax.....	3,971,322	-	1,153,354	5,124,676
Meals tax.....	-	-	1,915,448	1,915,448
Charges for services.....	2,826,795	-	3,036,386	5,863,181
Penalties and interest on taxes.....	1,598,103	-	116,177	1,714,280
Fees and rentals.....	988,471	-	912,011	1,900,482
Licenses and permits.....	2,616,857	-	458,732	3,075,589
Intergovernmental - state aid.....	17,881,634	-	-	17,881,634
Intergovernmental - Teachers Retirement.....	10,814,122	-	-	10,814,122
Intergovernmental - other.....	640,000	250,680	17,126,348	18,017,028
Departmental and other.....	1,266,910	-	2,841,104	4,108,014
Community preservation taxes.....	-	3,919,801	-	3,919,801
Community preservation state match.....	-	1,770,709	-	1,770,709
Special assessments.....	87,257	-	402,068	489,325
Contributions and donations.....	-	-	17,211	17,211
Investment income (loss).....	(323,873)	72,181	310,502	58,810
Miscellaneous.....	-	-	50,348	50,348
TOTAL REVENUES.....	185,762,231	6,013,371	28,339,689	220,115,291
EXPENDITURES:				
Current:				
Town Council.....	224,792	-	-	224,792
Town Manager.....	1,038,230	-	33,115	1,071,345
Administrative services.....	5,699,710	-	3,756,604	9,456,314
Planning and development.....	1,912,291	1,410,095	1,638,304	4,960,690
Public safety.....	15,102,182	-	2,635,099	17,737,281
Inspectional services.....	2,233,012	-	397,564	2,630,576
Education.....	77,571,957	-	14,958,867	92,530,824
Public works.....	10,805,760	-	9,256,588	20,062,348
Marine and environmental affairs.....	1,193,242	-	555,211	1,748,453
Community services.....	2,046,872	-	653,002	2,699,874
Culture and recreation.....	2,270,627	-	-	2,270,627
Pension benefits.....	9,348,552	-	-	9,348,552
Pension benefits - Teachers Retirement.....	10,814,122	-	-	10,814,122
Property and liability insurance.....	1,938,637	-	-	1,938,637
Employee benefits.....	12,073,716	-	-	12,073,716
Other.....	342,770	-	-	342,770
State and county charges.....	12,031,421	-	-	12,031,421
Debt service:				
Principal.....	4,667,850	1,511,200	335,204	6,514,254
Interest.....	1,629,776	133,518	78,333	1,841,627
TOTAL EXPENDITURES.....	172,945,519	3,054,813	34,297,891	210,298,223
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	12,816,712	2,958,558	(5,958,202)	9,817,068
OTHER FINANCING SOURCES (USES):				
Issuance of bonds.....	-	-	8,370,321	8,370,321
Premium from issuance of bonds.....	-	-	979,637	979,637
Transfers in.....	1,151,178	-	10,058,703	11,209,881
Transfers out.....	(10,680,267)	(2,786,500)	(5,378,659)	(18,845,426)
TOTAL OTHER FINANCING SOURCES (USES).....	(9,529,089)	(2,786,500)	14,030,002	1,714,413
NET CHANGE IN FUND BALANCES.....	3,287,623	172,058	8,071,800	11,531,481
FUND BALANCES AT BEGINNING OF YEAR.....	55,783,484	11,555,280	80,555,806	147,894,570
FUND BALANCES AT END OF YEAR.....	\$ 59,071,107	\$ 11,727,338	\$ 88,627,606	\$ 159,426,051

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, 2022

Net change in fund balances - total governmental funds.....	\$	11,531,481
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....		12,852,326
Depreciation expense.....		<u>(11,694,055)</u>
Net effect of reporting capital assets.....		1,158,271
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		18,593,681
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Issuance of bonds.....		(8,370,321)
Premium from issuance of bonds.....		(979,637)
Net amortization of premium from issuance of bonds.....		490,856
Debt service principal payments.....		<u>6,514,254</u>
Net effect of reporting long-term debt.....		(2,344,848)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....		(570,503)
Net change in accrued interest on long-term debt.....		(21,063)
Net change in deferred outflow/(inflow) of resources related to pensions.....		(13,981,967)
Net change in net pension liability.....		18,155,196
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...		9,834,640
Net change in net other postemployment benefits liability.....		<u>2,729,679</u>
Net effect of recording long-term liabilities.....		16,145,982
The net activity of internal service funds is reported with Governmental Activities.....		<u>175,051</u>
Change in net position of governmental activities.....	\$	<u><u>45,259,618</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2022

	Business-type Activities - Enterprise Funds				
	Airport	Golf Course	Solid Waste	Wastewater	Water Supply
ASSETS					
CURRENT:					
Cash and cash equivalents.....	\$ 9,944,644	\$ 2,358,278	\$ 2,082,045	\$ 10,054,894	\$ 5,984,353
Investments.....	4,367,450	839,630	858,212	4,297,963	1,228,403
Receivables, net of allowance for uncollectibles:					
Liens - user fees.....	-	-	-	82,119	-
User fees.....	467,871	9,898	-	1,985,178	1,532,843
Intergovernmental - other.....	845,251	-	-	22,190,849	754,892
Intergovernmental - legal settlements.....	-	-	-	-	134,000
Special assessments.....	-	-	-	98,461	-
Lease receivables.....	293,011	-	-	-	-
Inventory.....	77,355	61,167	-	-	-
Total current assets.....	<u>15,995,582</u>	<u>3,268,973</u>	<u>2,940,257</u>	<u>38,709,464</u>	<u>9,634,491</u>
NONCURRENT:					
Receivables, net of allowance for uncollectibles:					
Intergovernmental - other.....	-	-	-	46,526	-
Intergovernmental - legal settlements.....	-	-	-	-	2,184,166
Special assessments.....	-	-	-	288,240	-
Lease receivables.....	38,304,316	-	-	-	-
Capital assets, non depreciable.....	15,834,071	11,893,307	1,082,200	3,204,001	8,642,142
Capital assets, net of accumulated depreciation.....	<u>54,507,626</u>	<u>2,105,815</u>	<u>1,121,035</u>	<u>39,265,794</u>	<u>36,097,876</u>
Total noncurrent assets.....	<u>108,646,013</u>	<u>13,999,122</u>	<u>2,203,235</u>	<u>42,804,561</u>	<u>46,924,184</u>
TOTAL ASSETS.....	<u>124,641,595</u>	<u>17,268,095</u>	<u>5,143,492</u>	<u>81,514,025</u>	<u>56,558,675</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding.....	-	21,002	-	-	122,354
Deferred outflows related to pensions.....	743,949	602,847	481,829	488,707	131,016
Deferred outflows related to other postemployment benefits.....	434,385	351,996	281,335	285,351	76,499
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>1,178,334</u>	<u>975,845</u>	<u>763,164</u>	<u>774,058</u>	<u>329,869</u>
LIABILITIES					
CURRENT:					
Warrants payable.....	702,169	103,203	219,516	2,286,189	84,454
Accrued payroll.....	43,100	40,989	24,194	28,705	7,884
Accrued interest.....	-	26,510	-	-	311,456
Other liabilities.....	216,072	136,236	-	31,554	16,582
Landfill closure.....	-	-	25,000	-	-
Compensated absences.....	143,159	109,252	53,535	45,487	16,927
Workers' compensation.....	-	-	-	-	-
Notes payable.....	-	-	-	24,119,254	547,542
Bonds payable.....	100,000	446,628	48,500	1,429,479	2,175,037
Total current liabilities.....	<u>1,204,500</u>	<u>862,818</u>	<u>370,745</u>	<u>27,940,668</u>	<u>3,159,882</u>
NONCURRENT:					
Landfill closure.....	-	-	100,000	-	-
Compensated absences.....	31,416	27,334	11,744	7,094	6,601
Workers' compensation.....	-	-	-	-	-
Net pension liability.....	4,493,664	3,641,364	2,910,384	2,951,926	791,376
Net other postemployment benefits liability.....	3,005,475	2,435,435	1,946,538	1,974,322	529,292
Bonds payable.....	<u>1,625,000</u>	<u>1,443,056</u>	<u>112,000</u>	<u>11,482,046</u>	<u>28,803,202</u>
Total noncurrent liabilities.....	<u>9,155,555</u>	<u>7,547,189</u>	<u>5,080,666</u>	<u>16,415,388</u>	<u>30,130,471</u>
TOTAL LIABILITIES.....	<u>10,360,055</u>	<u>8,410,007</u>	<u>5,451,411</u>	<u>44,356,056</u>	<u>33,290,353</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to lease receivables.....	38,597,327	-	-	-	-
Deferred inflows related to pensions.....	1,881,221	1,524,415	1,218,399	1,235,790	331,300
Deferred inflows related to other postemployment benefits.....	<u>1,365,062</u>	<u>1,106,154</u>	<u>884,101</u>	<u>896,720</u>	<u>240,400</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>41,843,610</u>	<u>2,630,569</u>	<u>2,102,500</u>	<u>2,132,510</u>	<u>571,700</u>
NET POSITION					
Net investment in capital assets.....	68,616,697	12,393,548	2,203,235	5,892,820	16,428,759
Unrestricted.....	4,999,567	(5,190,184)	(3,850,490)	29,906,697	6,597,732
TOTAL NET POSITION.....	<u>\$ 73,616,264</u>	<u>\$ 7,203,364</u>	<u>\$ (1,647,255)</u>	<u>\$ 35,799,517</u>	<u>\$ 23,026,491</u>

See notes to basic financial statements.

(Continued)

Business-type Activities - Enterprise Funds

	Marina Recreation	Sandy Neck Recreation	Hyannis Youth and Community Center	PEG Access	Total	Governmental Activities - Internal Service Fund
\$	1,358,291	\$ 1,262,003	\$ 2,838,390	\$ 2,256,090	\$ 38,138,988	\$ 4,744,742
	412,886	393,854	312,941	934,107	13,645,446	-
	-	-	-	-	82,119	-
	-	-	-	-	3,995,790	-
	-	-	-	-	23,790,992	-
	-	-	-	-	134,000	-
	-	-	-	-	98,461	-
	-	81,364	-	-	374,375	-
	-	-	-	-	138,522	-
	<u>1,771,177</u>	<u>1,737,221</u>	<u>3,151,331</u>	<u>3,190,197</u>	<u>80,398,693</u>	<u>4,744,742</u>
	-	-	-	-	46,526	-
	-	-	-	-	2,184,166	-
	-	-	-	-	288,240	-
	-	126,681	-	-	38,430,997	-
	1,728,025	-	1,229,331	-	43,613,077	-
	<u>4,128,631</u>	<u>840,051</u>	<u>16,991,893</u>	<u>1,176,432</u>	<u>156,235,153</u>	<u>-</u>
	<u>5,856,656</u>	<u>966,732</u>	<u>18,221,224</u>	<u>1,176,432</u>	<u>240,798,159</u>	<u>-</u>
	<u>7,627,833</u>	<u>2,703,953</u>	<u>21,372,555</u>	<u>4,366,629</u>	<u>321,196,852</u>	<u>4,744,742</u>
	-	-	206,715	-	350,071	-
	83,792	187,577	368,680	115,171	3,203,568	-
	<u>48,925</u>	<u>109,524</u>	<u>215,269</u>	<u>67,247</u>	<u>1,870,531</u>	<u>-</u>
	<u>132,717</u>	<u>297,101</u>	<u>790,664</u>	<u>182,418</u>	<u>5,424,170</u>	<u>-</u>
	10,301	6,906	27,188	21,544	3,461,470	2,248
	6,982	19,273	16,478	7,955	195,560	384
	-	-	67,560	-	405,526	-
	1,000	36,356	-	-	437,800	-
	-	-	-	-	25,000	-
	5,594	14,594	62,816	8,796	460,160	-
	-	-	-	-	-	431,600
	-	-	-	-	24,666,796	-
	<u>295,479</u>	<u>74,092</u>	<u>1,103,170</u>	<u>-</u>	<u>5,672,385</u>	<u>-</u>
	<u>319,356</u>	<u>151,221</u>	<u>1,277,212</u>	<u>38,295</u>	<u>35,324,697</u>	<u>434,232</u>
	-	-	-	-	100,000	-
	-	-	9,900	-	94,089	-
	-	-	-	-	-	489,900
	506,125	1,133,015	2,226,930	695,668	19,350,452	-
	338,509	757,789	1,489,426	465,280	12,942,066	-
	<u>1,392,977</u>	<u>568,397</u>	<u>6,503,254</u>	<u>-</u>	<u>51,929,932</u>	<u>-</u>
	<u>2,237,611</u>	<u>2,459,201</u>	<u>10,229,510</u>	<u>1,160,948</u>	<u>84,416,539</u>	<u>489,900</u>
	<u>2,556,967</u>	<u>2,610,422</u>	<u>11,506,722</u>	<u>1,199,243</u>	<u>119,741,236</u>	<u>924,132</u>
	-	208,045	-	-	38,805,372	-
	211,884	474,324	932,279	291,233	8,100,845	-
	<u>153,748</u>	<u>344,181</u>	<u>676,485</u>	<u>211,326</u>	<u>5,878,177</u>	<u>-</u>
	<u>365,632</u>	<u>1,026,550</u>	<u>1,608,764</u>	<u>502,559</u>	<u>52,784,394</u>	<u>-</u>
	4,513,273	197,562	12,239,116	1,176,432	123,661,442	-
	<u>324,678</u>	<u>(833,480)</u>	<u>(3,191,383)</u>	<u>1,670,813</u>	<u>30,433,950</u>	<u>3,820,610</u>
\$	<u>4,837,951</u>	<u>\$ (635,918)</u>	<u>\$ 9,047,733</u>	<u>\$ 2,847,245</u>	<u>\$ 154,095,392</u>	<u>\$ 3,820,610</u>

(Concluded)

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

YEAR ENDED JUNE 30, 2022

	Business-type Activities - Enterprise Funds				
	Airport	Golf Course	Solid Waste	Wastewater	Water Supply
OPERATING REVENUES:					
Employer contributions.....	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services.....	11,488,397	3,935,016	4,127,539	6,466,677	7,317,420
Other operating revenues.....	5,687,239	-	-	-	-
TOTAL OPERATING REVENUES	17,175,636	3,935,016	4,127,539	6,466,677	7,317,420
OPERATING EXPENSES:					
Cost of services and administration.....	7,108,733	1,235,205	2,393,663	1,293,199	3,616,244
Salaries and wages.....	2,541,401	1,908,625	1,530,312	1,568,691	456,195
Pension and other postemployment benefits expense.....	(1,259,404)	(731,367)	(797,917)	(366,192)	235,368
Depreciation.....	3,719,647	233,921	207,928	2,180,929	1,396,922
TOTAL OPERATING EXPENSES	12,110,377	2,646,384	3,333,986	4,676,627	5,704,729
OPERATING INCOME (LOSS)	5,065,259	1,288,632	793,553	1,790,050	1,612,691
NONOPERATING REVENUES (EXPENSES):					
Investment income.....	70,905	16,815	15,872	83,344	40,009
Interest expense.....	(66,600)	(58,877)	(7,440)	(368,423)	(730,990)
Intergovernmental - other.....	1,992,802	-	-	116,843	-
Contributions and donations.....	-	-	-	-	-
Other nonoperating revenues.....	-	-	-	121,058	269,768
TOTAL NONOPERATING REVENUES (EXPENSES), NET	1,997,107	(42,062)	8,432	(47,178)	(421,213)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	7,062,366	1,246,570	801,985	1,742,872	1,191,478
CAPITAL CONTRIBUTIONS	-	-	-	99,510	-
TRANSFERS:					
Transfers in.....	-	286,500	-	4,758,945	360,000
Transfers out.....	-	-	-	-	-
TOTAL TRANSFERS	-	286,500	-	4,758,945	360,000
CHANGE IN NET POSITION	7,062,366	1,533,070	801,985	6,601,327	1,551,478
NET POSITION AT BEGINNING OF YEAR	66,553,898	5,670,294	(2,449,240)	29,198,190	21,475,013
NET POSITION AT END OF YEAR	\$ 73,616,264	\$ 7,203,364	\$ (1,647,255)	\$ 35,799,517	\$ 23,026,491

(Continued)

See notes to basic financial statements.

Business-type Activities - Enterprise Funds

Marina Recreation	Sandy Neck Recreation	Hyannis Youth and Community Center	PEG Access	Total	Governmental Activities - Internal Service Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 905,868
873,669	1,264,237	814,265	993,396	37,280,616	-
-	-	-	-	5,687,239	-
<u>873,669</u>	<u>1,264,237</u>	<u>814,265</u>	<u>993,396</u>	<u>42,967,855</u>	<u>905,868</u>
165,666	273,304	900,581	175,305	17,161,900	761,410
262,989	595,535	1,192,986	344,059	10,400,793	-
(53,713)	(155,172)	285,248	(300,608)	(3,143,757)	-
<u>156,133</u>	<u>101,583</u>	<u>679,872</u>	<u>61,637</u>	<u>8,738,572</u>	<u>-</u>
<u>531,075</u>	<u>815,250</u>	<u>3,058,687</u>	<u>280,393</u>	<u>33,157,508</u>	<u>761,410</u>
<u>342,594</u>	<u>448,987</u>	<u>(2,244,422)</u>	<u>713,003</u>	<u>9,810,347</u>	<u>144,458</u>
9,243	9,463	13,665	19,277	278,593	30,593
(19,886)	(6,572)	(200,429)	-	(1,459,217)	-
-	-	-	-	2,109,645	-
-	209	2,265	-	2,474	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>390,826</u>	<u>-</u>
<u>(10,643)</u>	<u>3,100</u>	<u>(184,499)</u>	<u>19,277</u>	<u>1,322,321</u>	<u>30,593</u>
<u>331,951</u>	<u>452,087</u>	<u>(2,428,921)</u>	<u>732,280</u>	<u>11,132,668</u>	<u>175,051</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,510</u>	<u>-</u>
76,981	-	2,536,859	-	8,019,285	-
(27,465)	(108,000)	-	(248,275)	(383,740)	-
<u>49,516</u>	<u>(108,000)</u>	<u>2,536,859</u>	<u>(248,275)</u>	<u>7,635,545</u>	<u>-</u>
381,467	344,087	107,938	484,005	18,867,723	175,051
<u>4,456,484</u>	<u>(980,005)</u>	<u>8,939,795</u>	<u>2,363,240</u>	<u>135,227,669</u>	<u>3,645,559</u>
<u>\$ 4,837,951</u>	<u>\$ (635,918)</u>	<u>\$ 9,047,733</u>	<u>\$ 2,847,245</u>	<u>\$ 154,095,392</u>	<u>\$ 3,820,610</u>

(Concluded)

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

	Business-type Activities - Enterprise Funds				
	Airport	Golf Course	Solid Waste	Wastewater	Water Supply
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users.....	\$ 17,063,110	\$ 3,936,478	\$ 4,127,539	\$ 6,357,264	\$ 7,612,870
Receipts from interfund services provided.....	-	-	-	-	-
Payments to vendors.....	(7,020,510)	(1,229,820)	(2,266,164)	(1,311,748)	(3,542,548)
Payments to employees.....	(2,607,889)	(1,924,330)	(1,577,219)	(1,614,635)	(458,437)
Payments for interfund services used.....	-	-	-	-	-
NET CASH FROM OPERATING ACTIVITIES.....	7,434,711	782,328	284,156	3,430,881	3,611,885
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Receipts from contributions and donations.....	-	-	-	-	-
Transfers in.....	-	286,500	-	4,758,945	360,000
Transfers out.....	-	-	-	-	-
Intergovernmental.....	1,165,253	-	-	51,786	-
Intergovernmental - legal settlements.....	-	-	-	-	131,421
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	1,165,253	286,500	-	4,810,731	491,421
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from the issuance of bonds and notes.....	-	467,179	-	2,053,488	1,493,542
Premium from the issuance of bonds.....	-	78,000	-	1,500	104,000
Capital contributions.....	-	-	-	203,743	-
Acquisition and construction of capital assets.....	(2,875,174)	(328,640)	(142,541)	(10,124,890)	(1,002,918)
Principal payments on bonds and notes.....	(90,000)	(372,000)	(50,000)	(1,402,319)	(2,023,806)
Interest expense.....	(66,600)	(146,668)	(7,440)	(304,866)	(726,040)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(3,031,774)	(302,129)	(199,981)	(9,573,344)	(2,155,222)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sale (purchase) of investments, net.....	(1,708,513)	(52,206)	99,724	(388,540)	(427,160)
Investment income.....	70,905	16,815	15,872	83,344	40,009
NET CASH FROM INVESTING ACTIVITIES.....	(1,637,608)	(35,391)	115,596	(305,196)	(387,151)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	3,930,582	731,308	199,771	(1,636,928)	1,560,933
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	6,014,062	1,626,970	1,882,274	11,691,822	4,423,420
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 9,944,644	\$ 2,358,278	\$ 2,082,045	\$ 10,054,894	\$ 5,984,353
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:					
Operating income (loss).....	\$ 5,065,259	\$ 1,288,632	\$ 793,553	\$ 1,790,050	\$ 1,612,691
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation.....	3,719,647	233,921	207,928	2,180,929	1,396,922
Deferred (outflows)/inflows related to pensions.....	1,003,589	816,677	650,123	664,822	182,307
Deferred (outflows)/inflows related to other postemployment benefits.....	(338,268)	(238,484)	(215,908)	(166,372)	(4,950)
Other nonoperating revenues.....	-	-	-	121,058	124,343
Changes in assets and liabilities:					
Liens - user fees.....	-	-	-	5,195	-
User fees.....	(112,526)	1,462	-	(235,666)	171,107
Inventory.....	-	(12,883)	-	-	-
Warrants payable.....	(94,504)	18,073	152,499	(37,440)	73,510
Accrued payroll.....	(29,130)	(14,633)	(18,457)	(19,402)	(26)
Other liabilities.....	182,728	195	-	18,891	186
Landfill closure.....	-	-	(25,000)	-	-
Compensated absences.....	(37,358)	(1,072)	(28,450)	(26,542)	(2,216)
Workers' compensation.....	-	-	-	-	-
Net pension liability.....	(1,633,608)	(1,166,209)	(1,051,836)	(818,472)	(32,621)
Net other postemployment benefits liability.....	(291,118)	(143,351)	(180,296)	(46,170)	90,632
Total adjustments.....	2,369,452	(506,304)	(509,397)	1,640,831	1,999,194
NET CASH FROM OPERATING ACTIVITIES.....	\$ 7,434,711	\$ 782,328	\$ 284,156	\$ 3,430,881	\$ 3,611,885
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Change in the deferred loss on debt refunding.....	\$ -	\$ (13,428)	\$ -	\$ -	\$ (130,331)
Acquisition of capital assets on account.....	35,771	7,379	15,464	(2,036,906)	162,720
Intergovernmental subsidy of debt service.....	-	-	-	65,057	-

See notes to basic financial statements.

(Continued)

Business-type Activities - Enterprise Funds

Marina Recreation	Sandy Neck Recreation	Hyannis Youth and Community Center	PEG Access	Total	Governmental Activities - Internal Service Fund
\$ 873,669	\$ 1,264,237	\$ 814,265	\$ 993,396	\$ 43,042,828	\$ -
-	-	-	-	-	905,868
(163,601)	(281,991)	(893,498)	(153,761)	(16,863,641)	-
(266,045)	(590,514)	(1,195,248)	(368,975)	(10,603,292)	-
-	-	-	-	-	(719,217)
<u>444,023</u>	<u>391,732</u>	<u>(1,274,481)</u>	<u>470,660</u>	<u>15,575,895</u>	<u>186,651</u>
-	209	2,265	-	2,474	-
76,981	-	2,536,859	-	8,019,285	-
(27,465)	(108,000)	-	(248,275)	(383,740)	-
-	-	-	-	1,217,039	-
-	-	-	-	131,421	-
<u>49,516</u>	<u>(107,791)</u>	<u>2,539,124</u>	<u>(248,275)</u>	<u>8,986,479</u>	<u>-</u>
184,000	-	1,484,000	-	5,682,209	-
16,000	-	160,600	-	360,100	-
-	-	-	-	203,743	-
-	-	(367,201)	-	(14,841,364)	-
(233,250)	(56,200)	(922,700)	-	(5,150,275)	-
(62,176)	(27,883)	(222,701)	-	(1,564,374)	-
<u>(95,426)</u>	<u>(84,083)</u>	<u>131,998</u>	<u>-</u>	<u>(15,309,961)</u>	<u>-</u>
(6,102)	88,264	29,031	66,369	(2,299,133)	-
<u>9,243</u>	<u>9,463</u>	<u>13,665</u>	<u>19,277</u>	<u>278,593</u>	<u>30,593</u>
<u>3,141</u>	<u>97,727</u>	<u>42,696</u>	<u>85,646</u>	<u>(2,020,540)</u>	<u>30,593</u>
401,254	297,585	1,439,337	308,031	7,231,873	217,244
<u>957,037</u>	<u>964,418</u>	<u>1,399,053</u>	<u>1,948,059</u>	<u>30,907,115</u>	<u>4,527,498</u>
<u>\$ 1,358,291</u>	<u>\$ 1,262,003</u>	<u>\$ 2,838,390</u>	<u>\$ 2,256,090</u>	<u>\$ 38,138,988</u>	<u>\$ 4,744,742</u>
<u>\$ 342,594</u>	<u>\$ 448,987</u>	<u>\$ (2,244,422)</u>	<u>\$ 713,003</u>	<u>\$ 9,810,347</u>	<u>\$ 144,458</u>
156,133	101,583	679,872	61,637	8,738,572	-
114,157	255,120	508,551	154,135	4,349,481	-
(28,212)	(67,229)	(60,689)	(65,706)	(1,185,818)	-
-	-	-	-	245,401	-
-	-	-	-	5,195	-
-	-	-	-	(175,623)	-
-	-	-	-	(12,883)	-
2,065	(20,265)	7,083	21,544	122,565	(5,112)
(1,354)	2,025	(12,744)	(5,158)	(98,879)	5
-	11,578	-	-	213,578	-
-	-	-	-	(25,000)	-
(1,702)	2,996	10,482	(19,758)	(103,620)	-
-	-	-	-	-	47,300
(132,556)	(316,582)	(296,183)	(309,316)	(5,757,383)	-
<u>(7,102)</u>	<u>(26,481)</u>	<u>133,569</u>	<u>(79,721)</u>	<u>(550,038)</u>	<u>-</u>
<u>101,429</u>	<u>(57,255)</u>	<u>969,941</u>	<u>(242,343)</u>	<u>5,765,548</u>	<u>42,193</u>
<u>\$ 444,023</u>	<u>\$ 391,732</u>	<u>\$ (1,274,481)</u>	<u>\$ 470,660</u>	<u>\$ 15,575,895</u>	<u>\$ 186,651</u>
\$ -	\$ -	\$ (86,048)	\$ -	\$ (229,807)	\$ -
-	-	-	-	(1,815,572)	-
-	-	-	-	65,057	-

(Concluded)

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2022

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ 281,988	\$ 15,658
Investments:		
U.S. treasuries.....	992,932	331,720
Government sponsored enterprises.....	450,802	165,870
Corporate bonds.....	944,057	231,275
Equity securities.....	3,375,735	911,081
Equity mutual funds.....	639,326	34,256
Fixed income mutual funds.....	1,120,659	198,246
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	-	12,590
Intergovernmental.....	-	200,000
TOTAL ASSETS.....	7,805,499	2,100,696
LIABILITIES		
Warrants payable.....	-	4,297
Accrued payroll.....	-	1,539
Other liabilities.....	-	167,590
TOTAL LIABILITIES.....	-	173,426
NET POSITION		
Restricted for other postemployment benefits.....	7,805,499	-
Held in trust for other purposes.....	-	1,927,270
TOTAL NET POSITION.....	\$ 7,805,499	\$ 1,927,270

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2022

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 728,000	\$ -
Employer contributions for other postemployment benefit payments....	5,406,342	-
Rental income.....	-	140,293
Private donations.....	-	9,903
Total contributions.....	6,134,342	150,196
Net investment income:		
Investment income.....	(469,618)	22,092
Less: investment expense.....	(17,804)	-
Net investment income (loss).....	(487,422)	22,092
TOTAL ADDITIONS.....	5,646,920	172,288
DEDUCTIONS:		
Other postemployment benefit payments.....	5,406,342	-
Health and human services.....	-	181,743
Educational scholarships.....	-	35,862
TOTAL DEDUCTIONS.....	5,406,342	217,605
NET INCREASE (DECREASE) IN NET POSITION.....	240,578	(45,317)
NET POSITION AT BEGINNING OF YEAR.....	7,564,921	1,972,587
NET POSITION AT END OF YEAR.....	\$ 7,805,499	\$ 1,927,270

See notes to basic financial statements.

COMPONENT UNIT
COMBINING STATEMENT OF NET POSITION

JUNE 30, 2022

	Hyannis Public Library	Osterville Free Library	Centerville Public Library
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 276,431	\$ 393,378	\$ 187,293
Investments.....	820,061	990,284	775,889
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	400,000	5,000
Intergovernmental - other.....	-	-	-
Inventory.....	-	-	-
Other assets.....	9,553	2,745	-
Total current assets.....	<u>1,106,045</u>	<u>1,786,407</u>	<u>968,182</u>
NONCURRENT:			
Investments.....	120,884	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	764,000	-
Beneficial interest in perpetual trust.....	118,759	1,470,918	118,759
Capital assets, non depreciable.....	172,471	80,747	-
Capital assets, net of accumulated depreciation.....	<u>123,901</u>	<u>4,095,668</u>	<u>2,527,604</u>
Total noncurrent assets.....	<u>536,015</u>	<u>6,411,333</u>	<u>2,646,363</u>
TOTAL ASSETS.....	<u>1,642,060</u>	<u>8,197,740</u>	<u>3,614,545</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	7,636	7,257	27,078
Accrued payroll.....	33,761	-	-
Other liabilities.....	-	42,324	-
TOTAL LIABILITIES.....	<u>41,397</u>	<u>49,581</u>	<u>27,078</u>
NET POSITION			
Without donor restrictions.....	1,262,287	5,513,241	3,382,176
With donor restrictions.....	<u>338,376</u>	<u>2,634,918</u>	<u>205,291</u>
TOTAL NET POSITION.....	<u>\$ 1,600,663</u>	<u>\$ 8,148,159</u>	<u>\$ 3,587,467</u>

(Continued)

See notes to basic financial statements.

Sturgis Library	Cotuit Library	Marstons Mills Public Library	Whelden Memorial Library	Total
\$ 179,589	\$ 400,876	\$ 84,756	\$ 49,629	\$ 1,571,952
3,196,711	1,422,836	327,973	428,515	7,962,269
-	-	-	-	405,000
500	-	-	-	500
14,059	-	-	-	14,059
20,312	1,057	-	3,985	37,652
<u>3,411,171</u>	<u>1,824,769</u>	<u>412,729</u>	<u>482,129</u>	<u>9,991,432</u>
-	-	-	-	120,884
-	-	-	-	764,000
-	-	-	-	1,708,436
162,250	16,550	5,000	-	437,018
<u>1,565,064</u>	<u>420,675</u>	<u>156,736</u>	<u>119,324</u>	<u>9,008,972</u>
<u>1,727,314</u>	<u>437,225</u>	<u>161,736</u>	<u>119,324</u>	<u>12,039,310</u>
<u>5,138,485</u>	<u>2,261,994</u>	<u>574,465</u>	<u>601,453</u>	<u>22,030,742</u>
4,378	10,430	-	-	56,779
-	-	4,406	-	38,167
<u>14,297</u>	<u>-</u>	<u>5,010</u>	<u>5,245</u>	<u>66,876</u>
<u>18,675</u>	<u>10,430</u>	<u>9,416</u>	<u>5,245</u>	<u>161,822</u>
4,286,159	2,215,900	524,205	575,965	17,759,933
<u>833,651</u>	<u>35,664</u>	<u>40,844</u>	<u>20,243</u>	<u>4,108,987</u>
<u>\$ 5,119,810</u>	<u>\$ 2,251,564</u>	<u>\$ 565,049</u>	<u>\$ 596,208</u>	<u>\$ 21,868,920</u>

(Concluded)

COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2022

	Hyannis Public Library	Osterville Free Library	Centerville Public Library
<u>OPERATING REVENUES:</u>			
Charges for services.....	\$ 49,476	\$ 173,179	\$ 44,291
<u>OPERATING EXPENSES:</u>			
Program and administration.....	602,768	559,205	479,804
Management and general.....	29,071	39,086	64,385
Fundraising.....	129,936	121,741	8,658
Depreciation.....	26,974	152,326	92,658
TOTAL OPERATING EXPENSES.....	788,749	872,358	645,505
OPERATING INCOME (LOSS).....	(739,273)	(699,179)	(601,214)
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Investment income (loss).....	(109,337)	(286,356)	(56,493)
Intergovernmental - other.....	540,996	289,581	386,747
Contributions and donations.....	46,112	524,313	51,160
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	477,771	527,538	381,414
CHANGE IN NET POSITION.....	(261,502)	(171,641)	(219,800)
NET POSITION AT BEGINNING OF YEAR.....	1,862,165	8,319,800	3,807,267
NET POSITION AT END OF YEAR.....	\$ 1,600,663	\$ 8,148,159	\$ 3,587,467

(Continued)

See notes to basic financial statements.

Sturgis Library	Cotuit Library	Marstons Mills Public Library	Whelden Memorial Library	Total
\$ 51,351	\$ 46,746	\$ 15,236	\$ 27,373	\$ 407,652
386,169	278,317	230,260	174,749	2,711,272
102,051	82,558	39,065	37,577	393,793
53,631	42,084	20,536	413	376,999
53,375	14,533	13,565	9,151	362,582
595,226	417,492	303,426	221,890	3,844,646
(543,875)	(370,746)	(288,190)	(194,517)	(3,436,994)
(261,708)	(191,711)	(13,038)	(42,762)	(961,405)
470,979	5,858	226,245	125,667	2,046,073
91,667	299,233	15,939	36,237	1,064,661
300,938	113,380	229,146	119,142	2,149,329
(242,937)	(257,366)	(59,044)	(75,375)	(1,287,665)
5,362,747	2,508,930	624,093	671,583	23,156,585
\$ 5,119,810	\$ 2,251,564	\$ 565,049	\$ 596,208	\$ 21,868,920

(Concluded)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1639 under the Acts of the Commonwealth of Massachusetts (Commonwealth). The Town is composed of the seven villages of Hyannis, Osterville, Centerville, Cotuit, Barnstable, Marstons Mills, and West Barnstable. The Town is organized in accordance with its Home Rule Charter that was adopted in May 1989 under the Council-Manager form of government, which consists of an elected thirteen-member Town Council (Council) and a Town Manager (Manager) who is appointed by the Council. The Manager supervises and directs the administration of all municipal departments, except the School Department and the Barnstable Municipal Airport, which are supervised and directed by the School Committee and the Airport Commissioners, respectively.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (primary government) and its component units. Seven entities have been included as component units in the reporting entity, because of the significance of their operational and/or financial relationships with the Town.

Discretely Presented Component Units – Discretely presented component units are entities that are legally separate from the Town, but are financially accountable to the Town, or whose relationships with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town has included seven libraries as Discretely Presented Component Units because they are fiscally dependent on the Town and because the nature and significance of their relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. Accordingly, the Component Units column of the combined financial statements includes the financial data of the following entities:

- The Hyannis Public Library Association, Centerville Public Library Association, Osterville Free Library Corporation, Marstons Mills Public Library, Inc., Whelden Memorial Library, Cotuit Library Association and the Sturgis Library were established to provide suitable library facilities to Town residents and visitors. The libraries are governed by separately elected Boards of Trustees.

Availability of Financial Information for Component Units

Complete financial statements of the individual component units can be obtained directly from their respective administrative offices.

Hyannis Public Library Association
401 Main Street
Hyannis, MA 02601

The Sturgis Library
P.O. Box 606
Barnstable, MA 02630

Osterville Free Library Corporation
43 Wianno Avenue
Osterville, MA 02655

Cotuit Library Association
Main Street
Cotuit, MA 02635

The Centerville Public Library Association
Centerville, MA 02636

Marstons Mills Public Library, Inc.
Main Street
Marstons Mills, MA 02648

Whelden Memorial Library
Meetinghouse Way
West Barnstable, MA 02668

All of the discretely presented Component Units were audited by auditors other than Powers & Sullivan, LLC.

Availability of Financial Information for Joint Ventures

The Town has entered into joint ventures with other municipalities to pool resources and share the costs, risks and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specified recipients. The Town has no equity interest in the joint ventures. The following identifies where the joint venture financial statements are available, their purpose, and the annual assessment paid by the Town during 2022.

Joint venture and address	Purpose	Net Annual Assessment
Cape Cod Regional Technical High School District 351 Pleasant Lake Avenue Harwich, MA 02645	To provide educational services	\$ 5,106,410
Sturgis Charter Public School 427 Main Street Hyannis, MA 02601	To provide educational services	\$ 6,384,319
Cape Cod Regional Transit Authority 215 Lyannough Road Hyannis, MA 02601	To provide public transportation	\$ 623,542

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures 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, and legal settlements which are recognized when the obligations are expected to be liquidated with current expendable available resources.

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

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

The following major governmental funds are reported:

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

The *community preservation fund* is a special revenue fund used to account for and report funds collected in accordance with the Cape Cod Open Space Land Acquisition Program. The funds may be used for acquiring land and interests in land for the protection of public drinking water supplies, open space and conservation and the creation of walking trails, bicycling trails and recreational areas.

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

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

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

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

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

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

The following major proprietary funds are reported:

The *airport enterprise fund* is used to account for and report the Barnstable Municipal Airport activities.

The *golf course enterprise fund* is used to account for and report the Olde Barnstable Fairgrounds Golf Course and the Hyannis Golf Course activities.

The *solid waste enterprise fund* is used to account for and report the Town's solid waste transfer station and recycling activities.

The *wastewater enterprise fund* is used to account for and report the Town's sewer activities.

The *water supply enterprise fund* is used to account for and report the Town's water activities.

The *marina recreation enterprise fund* is used to account for and report the Town's marina activities.

The *Sandy Neck recreation enterprise fund* is used to account for and report the Town's Sandy Neck recreation activities.

The *Hyannis Youth and Community Center enterprise fund* is used to account for and report the Town's youth and community center activities.

The *PEG Access enterprise fund* is used to account for and report the Town's cable television.

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to workers' compensation.

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 and report 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 and report trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of the trust has donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings. The Town's educational scholarships and assistance to benefit the needy activities are accounted for in this fund.

Discretely Presented Component Units – The *component units* are used to account for and report the activity of the entities that are separate from the primary government but are financially accountable to the Town. The component units are reported using the flow of economic resources measurement focus and the accrual basis of accounting and are discretely presented in the basic financial statements.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

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

E. Fair Value Measurements

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

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

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

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

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

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

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

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements is 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. Taxes are due on August 1st, November 1st, February 1st, and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed approximately three months after the due date on delinquent properties and are recorded as receivables in the year they are processed.

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

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

Motor Vehicle and Other Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value. Boat excise taxes are assessed annually for each boat registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of boats registered and the fair value of those boats. The tax calculation is the fair value of the boat multiplied by \$10 per \$1,000 of value; with a maximum taxable value of \$50,000.

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

Departmental and Other

Departmental and other receivables of the primary government consist primarily of refunds paid by the Town on

behalf of the local Fire Districts. The Town collects taxes on behalf of the Fire Districts and pays refunds to customers. The Fire Districts are billed for refunds paid on their behalf and a receivable is recorded at the time the payment is made. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Departmental and other receivables of the component units consist of the present value of future bequests that are anticipated to be received under the terms of charitable trusts.

Room Occupancy Tax

The Town levies 6% of the cost of renting hotel, motel, lodging house, bed and breakfast rooms and short-term property rentals in accordance with Massachusetts General Law, Chapter 64G, Section 3A. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the Town in quarterly distributions. The room occupancy tax receivable is categorized as an intergovernmental receivable.

Through special legislation, the Town approved an increase to the room occupancy tax to be directed into the construction and maintenance fund. This fund, which is reported as a nonmajor governmental fund, recorded 33% of the room occupancy tax receivable as an intergovernmental receivable.

This receivable is considered 100% collectible and therefore does not report an allowance for uncollectibles.

Meals Tax

The Town levies 0.75% for the sale of restaurant meals in accordance with Massachusetts General Law, Chapter 64L, Section 2. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the Town in quarterly distributions. The meals tax receivable is categorized as an intergovernmental receivable.

Through special legislation, the Town records 100% of the meals tax revenue into the construction and maintenance fund. This fund, which is reported as a nonmajor governmental fund, recorded the meals tax receivable as an intergovernmental receivable.

This receivable is considered 100% collectible and therefore does not report an allowance for uncollectibles.

Intergovernmental

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

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

Community Preservation Fund Surtaxes

Community Preservation Fund Surtaxes, formerly known as Land Bank Surtaxes, consist of an excise tax of 3% of the real estate tax levy against real property which is levied by the Town as part of the Cape Cod Open Space Land Acquisition Program.

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

Airport User Fees

Airport user fees consist of the sale of jet fuel, car rental concessions, vehicle parking revenue and landing fees, and various lease arrangements for land and buildings.

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

Wastewater and Water User Fees

Wastewater and water user fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Delinquent charges on wastewater are added to the property owner's tax bill in the year after they are due. Charges and liens are recorded as receivables in the year of the levy.

Since the wastewater receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles. The allowance for uncollectibles for water user fees is estimated based on historical trends and specific account analysis.

Special Assessments

Special assessments in the wastewater fund consist of apportioned and unapportioned sewer betterments assessed to homeowners whose properties were improved through Town-run sewer construction projects.

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

Right-to-Use Lease Receivables

The Town is the lessor for leases of various Town assets. The receivable is recorded at the present value of noncancellable future lease payments and is offset by a corresponding deferred inflow of resources. Revenue is recognized when earned.

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

Inventories of the Airport and Golf Courses are priced at the lower of cost or market, with cost being determined on the first-in, first-out method basis. Expendable supplies and small tools are not inventoried but rather expensed when purchased.

Inventories of the Sturgis Library are carried at cost.

All other 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, construction in progress, land improvements, buildings, building improvements, 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. Capital assets are recorded at historical cost, or at estimated historical cost if actual historical cost is not available. Donated capital assets; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value.

All purchases and construction costs in excess of \$25,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

Capital Asset Type	Estimated Useful Life (in years)
Land improvements.....	20
Buildings.....	40
Buildings and improvements.....	20
Machinery and equipment.....	5 - 10
Vehicles.....	5
Infrastructure.....	50

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents amounts that have been recorded in the governmental fund financial statements but the revenue is not

available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue and deferred inflows related to leases as deferred inflows of resources in the governmental funds balance sheet.

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Interfund Transfers

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

Government-Wide Financial Statements

Transfers between and within governmental funds 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.

Fund Financial Statements

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

M. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state’s school building program and the Massachusetts Clean Water Trust’s loan subsidy program are not considered to be capital related debt.

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

Net position has been “restricted for” the following:

“Construction and maintenance” represents amounts restricted for sewer construction and private way maintenance and improvements.

“Highway projects” represents amounts restricted for highway improvements.

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

“Permanent funds – nonexpendable” represents the endowment portion of donor restricted trusts that support governmental programs.

“Gifts and grants” represents restrictions placed on assets from outside parties and consists primarily of gifts and federal and state grants.

“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 Council is the highest level of decision making authority that can, by Town Council vote, 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 ordinances authorize the Finance Director 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.

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

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the Barnstable County Retirement Association (BCRA) 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 nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Q. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

R. Use of Estimates

Government-Wide and Fund Financial Statements

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

S. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares. There are no limitations or restrictions on participant withdrawals, i.e. no redemption notice periods, maximum transaction amounts, ability of pool to impose liquidity fees or redemption gates.

The library component units report \$1,571,952 in cash and \$8,083,153 in investments which are not included in the Town's cash and investments disclosures below.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town of Barnstable's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year-end, the carrying amount of deposits totaled \$161,575,587 and the bank balance totaled \$164,803,381. Of the bank balance, \$2,590,464 was covered by Federal Depository Insurance, \$73,449,140 was covered by the Depositors Insurance Fund, \$53,422,933 was collateralized, and \$35,340,844 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2022, the Town of Barnstable had the following investments:

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>			
		<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Over 10 Years</u>
<u>Debt securities:</u>					
U.S. treasury notes.....	\$ 20,107,548	\$ 5,515,494	\$ 11,236,419	\$ 3,355,635	\$ -
Government sponsored enterprises.....	6,578,087	1,899,316	3,882,746	649,990	146,035
Corporate bonds.....	10,277,870	774,713	8,468,795	1,034,362	-
Total debt securities.....	36,963,505	<u>8,189,523</u>	<u>23,587,960</u>	<u>5,039,987</u>	<u>146,035</u>
<u>Other investments:</u>					
Equity securities.....	22,864,614				
Equity mutual funds.....	1,941,465				
Repurchase agreement.....	409,906				
Fixed income mutual funds.....	11,114,631				
International securities.....	6,431,877				
Money market mutual funds.....	2,104,019				
MMDT - Cash portfolio.....	41,659				
Total investments.....	\$ <u>81,871,676</u>				

The Town participates in the MMDT cash portfolio. MMDT maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Town's investments, \$36,963,505 in debt securities and \$22,864,614 in equity securities are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the counterparty. The Town's investment policy places no limit on the amount of U.S. Treasury and U.S. Government Agency obligations. In regard to other investments, the Town will only purchase investment grade securities with a high concentration in

securities rated “A” or better. At June 30, 2022, the Town’s investments in MMDT which totaled \$41,659 are not subject to custodial credit risk exposure because they are not evidenced by securities that exist in physical or book-entry form.

As of June 30, 2022, the Town had an investment with a fair value of \$409,906 in an overnight Repurchase Agreement (REPO). Under the terms of the REPO, the bank agrees to sell and buy back a portion of the Bank’s securities portfolio at the purchase price plus interest. The REPO is held by the bank, acting as the Town’s agent. In the event of default, the Town has the right to direct the bank to sell the securities and apply the proceeds in satisfaction of the Repurchase Agreement. The REPO is fully collateralized with Collateralized Mortgage Obligation fixed rate securities issued through the Federal National Mortgage Association. The REPO is not rated, and the collateral has a Moody’s rating of AAA.

Interest Rate Risk

The Town’s policy is to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates. For general Town funds, the weighted average days to maturity for the overall Town portfolio should be less than 365 days.

Credit Risk

The Town has not adopted a formal policy related to Credit Risk. At June 30, 2022, the Town’s investments were rated as follows:

<u>Quality Rating</u>	<u>Government Sponsored Enterprises</u>	<u>Corporate Bonds</u>
AAA.....	\$ 6,578,087	\$ 410,427
AA.....	-	248,000
AA-.....	-	1,054,456
A+.....	-	898,846
A.....	-	1,906,806
A-.....	-	2,986,899
BBB+.....	-	1,807,522
BBB.....	-	829,084
Not Rated.....	-	135,830
Total.....	\$ 6,578,087	\$ 10,277,870

Additionally, the Town holds \$2,104,019 in money market mutual funds and \$41,659 in MMDT which are unrated.

Concentration of Credit Risk

The Town places no limit on the amount the government may invest in any one issuer. The Town had 6% of their total investments in Federal National Mortgage Association government sponsored enterprises.

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 has chosen a tabular format for disclosing the levels within the fair value hierarchy.

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

The Town has the following recurring fair value measurements as of June 30, 2022:

Investment Type	June 30, 2022	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 notes.....	\$ 20,107,548	\$ 20,107,548	\$ -	-
Government sponsored enterprises.....	6,578,087	6,578,087	-	-
Corporate bonds.....	10,277,870	-	10,277,870	-
Total debt securities.....	36,963,505	26,685,635	10,277,870	-
<u>Other investments:</u>				
Equity securities.....	22,864,614	22,864,614	-	-
Equity mutual funds.....	1,941,465	1,941,465	-	-
Repurchase agreement.....	409,906	409,906	-	-
Fixed income.....	11,114,631	11,114,631	-	-
International securities.....	6,431,877	6,431,877	-	-
Money market mutual funds.....	2,104,019	2,104,019	-	-
Total other investments.....	44,866,512	44,866,512	-	-
Total investments measured at fair value.....	81,830,017	\$ 71,552,147	\$ 10,277,870	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	41,659			
Total investments.....	\$ 81,871,676			

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. Investments classified in Level 3 are valued using significant unobservable inputs. The Town does not have any investments in this category.

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

NOTE 3 – RECEIVABLES

At June 30, 2022, receivables for the individual major governmental funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 5,456,356	\$ (19,587)	\$ 5,436,769
Tax liens.....	5,210,184	-	5,210,184
Community preservation fund surtax.....	139,046	-	139,046
Motor vehicle and other excise taxes.....	2,487,612	(248,761)	2,238,851
Departmental and other.....	682,103	-	682,103
Intergovernmental - other.....	9,619,283	-	9,619,283
Community preservation state share.....	1,388,120	-	1,388,120
Special assessments.....	2,163,496	-	2,163,496
Host community.....	15,360,000	-	15,360,000
Lease receivables.....	3,406,242	-	3,406,242
Total.....	<u>\$ 45,912,442</u>	<u>\$ (268,348)</u>	<u>\$ 45,644,094</u>

At June 30, 2022, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Airport user fees.....	\$ 584,839	\$ (116,968)	\$ 467,871
Airport intergovernmental.....	845,251	-	845,251
Airport lease receivables.....	38,597,327	-	38,597,327
Golf course user fees.....	9,898	-	9,898
Wastewater liens - user fees.....	82,119	-	82,119
Wastewater user fees.....	1,985,178	-	1,985,178
Wastewater intergovernmental.....	22,237,375	-	22,237,375
Wastewater special assessments.....	386,701	-	386,701
Water supply user fees.....	1,582,792	(49,949)	1,532,843
Water supply intergovernmental.....	754,892	-	754,892
Water supply intergovernmental - legal settlements.....	2,318,166	-	2,318,166
Sandy neck lease receivables.....	208,045	-	208,045
Total.....	<u>\$ 69,592,583</u>	<u>\$ (166,917)</u>	<u>\$ 69,425,666</u>

At June 30, 2022, receivables for fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other.....	\$ 12,590	\$ -	\$ 12,590
Intergovernmental.....	200,000	-	200,000
Total.....	<u>\$ 212,590</u>	<u>\$ -</u>	<u>\$ 212,590</u>

At June 30, 2022, receivables for the component units, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other.....	\$ 1,169,000	\$ -	\$ 1,169,000
Intergovernmental.....	500	-	500
Total.....	<u>\$ 1,169,500</u>	<u>\$ -</u>	<u>\$ 1,169,500</u>

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

	General Fund	Other Governmental Funds	Total
<u>Receivables and other asset types:</u>			
Real estate and personal property taxes.....	\$ 3,572,958	\$ -	\$ 3,572,958
Tax liens.....	5,037,431	172,753	5,210,184
Community preservation fund surtax.....	-	139,046	139,046
Motor vehicle and other excise taxes.....	2,238,851	-	2,238,851
Departmental and other.....	50,000	-	50,000
Intergovernmental - highway improvements.....	-	5,462,118	5,462,118
Intergovernmental - other.....	2,277,230	-	2,277,230
Community preservation state share.....	-	1,388,120	1,388,120
Special assessments.....	-	2,163,496	2,163,496
Host community.....	15,360,000	-	15,360,000
Tax foreclosures.....	1,185,252	-	1,185,252
Total.....	<u>\$ 29,721,722</u>	<u>\$ 9,325,533</u>	<u>\$ 39,047,255</u>

In addition, the entire lease receivable is offset by a deferred inflow of resources until the revenue is earned.

NOTE 4 – LEASE

Change in Accounting Principle

During the year 2022, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. This statement redefines a lease as a right to use another entity’s asset over a definitive period of time and required the Town to record lease receivables that were previously not required. No restatement of beginning net position was required.

Lease Receivables

The Town has several right-to-use lease agreements for Town owned land and buildings. Under the current lease agreements, the Town is scheduled to receive lease payments through 2099. In 2022, the Town received \$1.6 million of lease revenue.

The future scheduled lease revenues as of June 30, 2022, are as follows:

Years ending June 30:	Governmental Activities			Business-Type Activities		
	Lease Revenues	Interest	Total	Lease Revenues	Interest	Total
2023.....	\$ 134,406	\$ 46,950	\$ 181,356	\$ 374,375	\$ 1,159,549	\$ 1,533,924
2024.....	142,290	42,810	185,100	530,638	1,146,194	1,676,832
2025.....	150,538	38,426	188,964	466,309	1,130,579	1,596,888
2026.....	166,970	55,966	222,936	442,708	1,116,968	1,559,676
2027.....	175,074	81,966	257,040	338,867	1,105,105	1,443,972
2028 to 2032.....	697,366	332,354	1,029,720	2,569,036	5,327,180	7,896,216
2033 to 2037.....	256,370	269,183	525,553	4,336,892	4,816,984	9,153,876
2038 to 2042.....	51,196	248,804	300,000	6,544,445	4,009,411	10,553,856
2043 to 2047.....	59,468	240,532	300,000	8,515,878	2,888,382	11,404,260
2048 to 2052.....	69,085	230,915	300,000	11,845,796	1,374,868	13,220,664
2053 to 2057.....	80,246	219,754	300,000	2,840,428	46,368	2,886,796
2058 to 2062.....	93,213	206,787	300,000	-	-	-
2063 to 2067.....	108,281	191,719	300,000	-	-	-
2068 to 2072.....	125,779	174,221	300,000	-	-	-
2073 to 2077.....	146,108	153,892	300,000	-	-	-
2078 to 2082.....	169,721	130,279	300,000	-	-	-
2083 to 2087.....	197,151	102,849	300,000	-	-	-
2088 to 2092.....	229,016	70,984	300,000	-	-	-
2093 to 2097.....	266,024	33,976	300,000	-	-	-
2098 to 2099.....	87,940	2,060	90,000	-	-	-
Total future lease revenues.....	\$ 3,406,242	\$ 2,874,427	\$ 6,280,669	\$ 38,805,372	\$ 24,121,588	\$ 62,926,960

NOTE 5 – CAPITAL ASSETS

Capital asset activity of the governmental activities for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 82,848,146	\$ -	\$ -	\$ 82,848,146
Construction in progress.....	2,702,782	-	(2,702,782)	-
Total capital assets not being depreciated....	85,550,928	-	(2,702,782)	82,848,146
<u>Capital assets being depreciated:</u>				
Land improvements.....	4,311,338	-	-	4,311,338
Buildings and improvements.....	203,946,091	5,497,584	(6,779)	209,436,896
Machinery and equipment.....	17,665,664	495,778	(62,028)	18,099,414
Vehicles.....	13,467,117	494,981	(22,600)	13,939,498
Infrastructure.....	172,802,846	9,066,765	(51,098)	181,818,513
Total capital assets being depreciated.....	412,193,056	15,555,108	(142,505)	427,605,659
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,578,251)	(141,678)	-	(2,719,929)
Buildings and improvements.....	(126,932,071)	(5,409,810)	6,779	(132,335,102)
Machinery and equipment.....	(13,003,842)	(913,591)	62,028	(13,855,405)
Vehicles.....	(11,233,607)	(834,650)	22,600	(12,045,657)
Infrastructure.....	(48,676,492)	(4,394,326)	51,098	(53,019,720)
Total accumulated depreciation.....	(202,424,263)	(11,694,055)	142,505	(213,975,813)
Total capital assets being depreciated, net.....	209,768,793	3,861,053	-	213,629,846
Total governmental activities capital assets, net.....	\$ 295,319,721	\$ 3,861,053	\$ (2,702,782)	\$ 296,477,992

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

Governmental Activities:	
Administrative services.....	\$ 392,304
Planning and development.....	99,634
Public safety.....	620,560
Inspectional services.....	75,270
Education.....	4,659,751
Public works.....	5,430,665
Marine and environmental affairs.....	67,999
Community services.....	347,872
Total depreciation expense - governmental activities.....	\$ 11,694,055

Capital asset activity of the business-type activities for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 40,830,985	\$ -	\$ -	\$ 40,830,985
Construction in progress.....	1,039,023	2,782,092	(1,039,023)	2,782,092
Total capital assets not being depreciated....	41,870,008	2,782,092	(1,039,023)	43,613,077
<u>Capital assets being depreciated:</u>				
Land improvements.....	6,752,486	-	-	6,752,486
Buildings and improvements.....	97,877,255	3,679,726	(11,950)	101,545,031
Machinery and equipment.....	17,109,952	1,738,452	(24,428)	18,823,976
Vehicles.....	2,174,534	908,532	(44,000)	3,039,066
Infrastructure.....	133,267,847	8,587,157	(158,445)	141,696,559
Total capital assets being depreciated.....	257,182,074	14,913,867	(238,823)	271,857,118
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(6,137,489)	(96,748)	-	(6,234,237)
Buildings and improvements.....	(47,355,782)	(3,900,715)	11,950	(51,244,547)
Machinery and equipment.....	(14,129,214)	(788,774)	24,428	(14,893,560)
Vehicles.....	(1,828,816)	(318,562)	44,000	(2,103,378)
Infrastructure.....	(37,670,915)	(3,633,773)	158,445	(41,146,243)
Total accumulated depreciation.....	(107,122,216)	(8,738,572)	238,823	(115,621,965)
Total capital assets being depreciated, net.....	150,059,858	6,175,295	-	156,235,153
Total business-type activities capital assets, net....	\$ 191,929,866	\$ 8,957,387	\$ (1,039,023)	\$ 199,848,230

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-Type Activities:	
Airport.....	\$ 3,719,647
Golf Course.....	233,921
Solid Waste.....	207,928
Wastewater.....	2,180,929
Water Supply.....	1,396,922
Marina Recreation.....	156,133
Sandy Neck Recreation.....	101,583
Hyannis Youth and Community Center.....	679,872
PEG Access.....	61,637
Total depreciation expense - business-type activities.....	\$ 8,738,572

Capital asset activity of the discretely presented component units for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Discretely Presented Component Units:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 335,047	\$ -	\$ -	\$ 335,047
Construction in progress.....	87,932	14,939	-	102,871
Total capital assets not being depreciated.	422,979	14,939	-	437,918
<u>Capital assets being depreciated:</u>				
Improvements.....	387,039	6,400	-	393,439
Buildings and building improvements.....	12,949,399	275,493	-	13,224,892
Machinery and equipment.....	435,990	1,766	-	437,756
Fine arts.....	61,000	-	-	61,000
Furniture and fixtures.....	988,816	12,296	-	1,001,112
Books and periodicals.....	86,265	-	-	86,265
Technology.....	121,805	-	-	121,805
Total capital assets being depreciated.....	15,030,314	295,955	-	15,326,269
<u>Less accumulated depreciation:</u>	<u>(5,955,614)</u>	<u>(362,582)</u>	<u>-</u>	<u>(6,318,196)</u>
Total capital assets being depreciated, net.....	9,074,700	(66,627)	-	9,008,073
Total discretely presented component units capital assets, net.....	\$ 9,497,679	\$ (51,688)	\$ -	\$ 9,445,991

Depreciation expense was charged to functions/programs of the discretely presented component units as follows:

Discretely Presented Component Units:	
Hyannis Public Library.....	\$ 26,974
Osterville Free Library.....	152,326
Centerville Public Library.....	92,658
Sturgis Library.....	53,375
Cotuit Library.....	14,533
Marstons Mills Public Library.....	13,565
Whelden Memorial Library.....	9,151
Total depreciation expense - discretely presented component units..	\$ 362,582

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022, are summarized as follows:

Transfers Out:	Transfers In:							Total
	General Fund	Nonmajor Governmental Funds	Golf Course Enterprise Fund	Wastewater Enterprise Fund	Water Enterprise Fund	Marina Enterprise Fund	HYCC Enterprise Fund	
General Fund.....	\$ -	\$ 6,956,427	\$ -	\$ 750,000	\$ 360,000	\$ 76,981	\$ 2,536,859	\$ 10,680,267 (1)
Community Preservation Fund.....	-	2,500,000	286,500	-	-	-	-	2,786,500 (2)
Nonmajor Governmental Funds...	1,015,713	354,001	-	4,008,945	-	-	-	5,378,659 (3)
Marina Enterprise Fund.....	27,465	-	-	-	-	-	-	27,465 (4)
Sandy Neck Enterprise Fund.....	108,000	-	-	-	-	-	-	108,000 (5)
PEG Access Enterprise Fund.....	-	248,275	-	-	-	-	-	248,275 (6)
Total.....	\$ 1,151,178	\$ 10,058,703	\$ 286,500	\$ 4,758,945	\$ 360,000	\$ 76,981	\$ 2,536,859	\$ 19,229,166

- (1) Represents budgeted transfers from the general fund and stabilization fund to fund various nonmajor capital projects, wastewater, water, and marina enterprise funds, and subsidies to the Hyannis Youth and Community Center enterprise fund.
- (2) Represents transfers from the community preservation fund to the affordable housing nonmajor special revenue fund and the golf course enterprise fund.
- (3) Represents budgeted transfers from nonmajor special revenue funds to support the general fund operating budget; transfers from the school revolving fund to the Town revolving fund; from the Town permanent fund to fund DPW related projects; transfer from the construction and maintenance nonmajor fund to the wastewater enterprise fund for debt service and to various nonmajor capital project funds.
- (4) Represents a transfer to the general fund from the marina enterprise fund for Bismore Park repairs.
- (5) Represents a transfer to the general fund from the Sandy Neck recreation enterprise fund for sand replenishment.
- (6) Represents a transfer from the PEG access enterprise fund to the nonmajor school gifts and grants fund.

NOTE 7 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds, respectively.

The Town had the following short-term debt activity during 2022:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2021	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2022
Water Supply Enterprise Fund:							
BAN	MCWT Interim Loan.....	0.00%	12/31/22	\$ -	\$ 547,542	\$ -	\$ 547,542
Wastewater Enterprise Fund:							
BAN	MCWT Interim Loan.....	0.00%	12/31/22	-	24,119,254	-	24,119,254
	Total Enterprise Fund.....			\$ -	\$ 24,666,796	\$ -	\$ 24,666,796

NOTE 8 – LONG-TERM DEBT

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

On March 1, 2022, the Town issued a general obligation municipal purpose loan totaling \$11,475,000. Long-term debt issued for governmental funds totaled \$8,370,321 of which \$3,565,011 was related to school projects, \$1,908,596 was related to Town Hall mechanical improvements, \$1,146,464 related to police projects, and the remaining \$2,090,282 related to other capital improvement projects including bridge maintenance, patrol vessel replacement, and emergency generator implementation plan. Long-term debt issued for business-type activities totaled \$3,104,679 of which \$1,484,000 related to Hyannis Youth and Community Center facility improvements, \$946,000 related to water supply pipe replacement, \$467,179 related to golf course turf maintenance, \$184,000 related to Bismore Park bulkhead improvements, and \$23,500 related to the sewer pump station.

Details related to the Town’s outstanding governmental obligation indebtedness at June 30, 2022, and the debt service requirements are shown on the following page.

General Obligation Bonds Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2022
General Obligation Bonds Payable:				
Municipal Purpose Refunding of 2012.....	2023	\$ 10,037,900	2.00 - 4.00	\$ 799,500
Municipal Purpose Bonds of 2014.....	2024	6,248,000	2.00 - 3.00	1,005,000
Municipal Purpose Refunding of 2015.....	2027	5,265,500	2.00 - 4.50	1,749,000
Municipal Purpose Bonds of 2015.....	2035	3,089,000	2.00 - 4.50	1,905,000
Municipal Purpose Bonds of 2016.....	2036	12,113,000	2.00 - 4.00	7,635,000
Municipal Purpose Refunding of 2016.....	2028	1,674,000	2.00 - 4.00	466,000
Municipal Purpose Bonds of 2017.....	2037	5,105,700	3.00 - 4.00	2,950,000
Municipal Purpose Bonds of 2018.....	2038	6,380,000	3.00 - 5.00	5,920,000
Municipal Purpose Bonds of 2019.....	2039	8,266,800	3.00 - 5.00	6,335,000
Municipal Purpose Bonds of 2020.....	2040	8,049,100	2.00 - 5.00	6,980,000
Municipal Purpose Refunding of 2021.....	2031	2,529,450	4.00 - 5.00	1,733,500
Municipal Purpose Bonds of 2021.....	2041	4,315,100	2.00 - 5.00	4,000,000
Municipal Purpose Bonds of 2022.....	2042	8,370,321	3.00 - 5.00	<u>8,370,321</u>
Subtotal Governmental General Obligation Bonds Payable.....				<u>49,848,321</u>
Direct Borrowings Payable:				
MCWT Title V Bond of 2002.....	2023	200,000	3.00 - 5.25	10,204
MCWT Title V Bonds of 2006.....	2026	400,000	0.00	80,000
MCWT Title V Bond of 2007.....	2027	200,000	0.00	<u>50,000</u>
Subtotal Governmental Direct Borrowings Payable.....				<u>140,204</u>
Special Assessment Bonds Payable:				
Roadway Improvement Bonds of 2021.....	2036	2,745,000	1.20 - 2.00	<u>2,520,000</u>
Total Bonds Payable.....				52,508,525
Add: Unamortized premium on bonds.....				<u>3,692,115</u>
Total Bonds Payable, net.....				<u>\$ 56,200,640</u>

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

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2023.....	\$ 6,071,321	\$ 1,881,107	\$ 7,952,428
2024.....	4,959,000	1,643,134	6,602,134
2025.....	4,210,500	1,431,010	5,641,510
2026.....	3,881,500	1,237,930	5,119,430
2027.....	3,407,000	1,067,766	4,474,766
2028.....	3,116,000	922,283	4,038,283
2029.....	3,001,500	786,464	3,787,964
2030.....	2,978,000	660,756	3,638,756
2031.....	2,728,500	537,256	3,265,756
2032.....	2,580,000	443,414	3,023,414
2033.....	2,355,000	361,212	2,716,212
2034.....	2,280,000	289,520	2,569,520
2035.....	1,970,000	226,656	2,196,656
2036.....	1,705,000	173,094	1,878,094
2037.....	1,225,000	125,630	1,350,630
2038.....	1,100,000	91,184	1,191,184
2039.....	820,000	60,728	880,728
2040.....	690,000	39,070	729,070
2041.....	460,000	21,600	481,600
2042.....	310,000	9,300	319,300
Total.....	\$ <u>49,848,321</u>	\$ <u>12,009,114</u>	\$ <u>61,857,435</u>

Year	Direct Borrowings Payable		
	Principal	Interest	Total
2023.....	\$ 40,204	\$ 255	\$ 40,459
2024.....	30,000	-	30,000
2025.....	30,000	-	30,000
2026.....	30,000	-	30,000
2027.....	10,000	-	10,000
Total.....	\$ <u>140,204</u>	\$ <u>255</u>	\$ <u>140,459</u>

Year	Special Assessment Bonds Payable		
	Principal	Interest	Total
2023.....	\$ 235,000	\$ 45,620	\$ 280,620
2024.....	230,000	40,930	270,930
2025.....	225,000	36,320	261,320
2026.....	225,000	31,830	256,830
2027.....	220,000	27,320	247,320
2028.....	215,000	22,930	237,930
2029.....	210,000	18,620	228,620
2030.....	205,000	14,430	219,430
2031.....	200,000	10,320	210,320
2032.....	195,000	7,930	202,930
2033.....	185,000	5,390	190,390
2034.....	80,000	2,800	82,800
2035.....	50,000	1,520	51,520
2036.....	45,000	720	45,720
Total.....	\$ <u>2,520,000</u>	\$ <u>266,680</u>	\$ <u>2,786,680</u>

On February 9, 2021, the Town issued \$2,745,000 in taxable bonds for private road betterments which are due to mature in 2036. The Commonwealth approved Special Legislation to allow the Town to issue special assessment debt for the repair of private roads. The Town has assessed betterments to the property owners who abut the on the improved roadways. Betterment collections are used to pay the debt service associated with the special assessment debt. The Town is liable to pay the debt service costs regardless of whether the assessment payments are made by the property owners. The betterment is secured via the lien process and payment would be made upon transfer of the property if a balance is outstanding. As of June 30, 2022, there are no delinquent receivables.

General Obligation Bonds Payable Schedule – Enterprise Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2022
General Obligation Bonds Payable:				
Airport.....	2039	\$ 2,118,900	3.00 - 5.00	\$ 1,725,000
Golf Course.....	2037	3,580,379	2.00 - 5.00	1,852,179
Add: unamortized premium.....				37,505
Total Golf Course Bonds Payable, net.....				1,889,684
Solid Waste Transfer Station.....	2027	526,400	2.00 - 4.50	160,500
Wastewater.....	2041	6,459,200	2.00 - 5.00	5,190,500
Water Supply.....	2042	15,606,700	2.00 - 5.00	11,204,000
Add: unamortized premium.....				246,592
Total Water Supply Bonds Payable, net.....				11,450,592
Marina Recreation.....	2037	2,890,250	2.00 - 5.00	1,571,500
Add: unamortized premium.....				116,956
Total Marina Recreation Bonds Payable, net.....				1,688,456
Sandy Neck Recreation.....	2031	595,200	4.00 - 5.00	539,000
Add: unamortized premium.....				103,489
Total Sandy Neck Recreation Bonds Payable, net.....				642,489
Hyannis Youth and Community Center.....	2042	11,860,700	2.00 - 5.00	7,164,000
Add: unamortized premium.....				442,424
Total Hyannis Youth and Community Center Bonds Payable, net.....				7,606,424
Subtotal Enterprise Funds General Obligation Bonds Payable, net.....				30,353,645
Direct Borrowings Payable:				
Wastewater - MCWT.....	2033	19,391,750	0.00 - 2.00	7,721,025
Water Supply - MCWT.....	2046	24,431,223	2.00	19,527,647
Subtotal Enterprise Funds Direct Borrowings Payable.....				27,248,672
Total Bonds Payable, net.....				\$ 57,602,317

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

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2023.....	\$ 3,468,679	\$ 1,074,412	\$ 4,543,091
2024.....	3,316,000	929,962	4,245,962
2025.....	3,324,500	786,824	4,111,324
2026.....	2,998,500	650,708	3,649,208
2027.....	2,933,000	542,114	3,475,114
2028.....	1,724,000	436,748	2,160,748
2029.....	1,268,500	367,272	1,635,772
2030.....	1,247,000	311,704	1,558,704
2031.....	1,171,500	259,804	1,431,304
2032.....	1,075,000	217,996	1,292,996
2033.....	1,025,000	184,038	1,209,038
2034.....	1,015,000	154,392	1,169,392
2035.....	1,015,000	126,678	1,141,678
2036.....	995,000	98,964	1,093,964
2037.....	830,000	71,716	901,716
2038.....	580,000	48,862	628,862
2039.....	515,000	34,364	549,364
2040.....	450,000	21,826	471,826
2041.....	340,000	11,400	351,400
2042.....	115,000	3,450	118,450
Total.....	\$ <u>29,406,679</u>	\$ <u>6,333,234</u>	\$ <u>35,739,913</u>

Year	Direct Borrowings Payable		
	Principal	Interest	Total
2023.....	\$ 1,964,074	\$ 504,024	\$ 2,468,098
2024.....	1,969,569	461,822	2,431,391
2025.....	1,850,822	427,297	2,278,119
2026.....	1,887,853	392,027	2,279,880
2027.....	1,925,672	356,006	2,281,678
2028.....	1,964,297	319,210	2,283,507
2029.....	1,565,527	286,012	1,851,539
2030.....	1,554,931	256,895	1,811,826
2031.....	1,586,226	227,563	1,813,789
2032.....	1,245,979	201,306	1,447,285
2033.....	1,271,137	178,195	1,449,332
2034.....	861,135	158,038	1,019,173
2035.....	877,952	142,666	1,020,618
2036.....	895,151	126,943	1,022,094
2037.....	789,446	110,860	900,306
2038.....	713,505	96,877	810,382
2039.....	727,178	84,396	811,574
2040.....	576,700	73,270	649,970
2041.....	587,433	63,526	650,959
2042.....	464,209	53,550	517,759
2043.....	475,247	43,338	518,585
2044.....	486,548	32,882	519,430
2045.....	498,118	22,178	520,296
2046.....	509,963	11,220	521,183
Total.....	\$ <u>27,248,672</u>	\$ <u>4,630,099</u>	\$ <u>31,878,771</u>

The Town has entered into several loan agreements with the Massachusetts Clean Water Trust (MCWT) for which the Town has recorded the total amount of debt outstanding. However, as of June 30, 2022, the Town has not incurred \$21,803,779 of the eligible construction costs related to the projects and as a result has not yet received the corresponding loan proceeds from MCWT. Accordingly, the Town has recorded \$21,803,779 as an intergovernmental receivable in the accompanying basic financial statements, as of June 30, 2022.

The Town is scheduled to be subsidized by the MCWT on a periodic basis for principal in the amount of \$98,971 and interest costs for \$8,407. The principal subsidies are guaranteed and therefore a \$98,971 intergovernmental receivable has been reported in the business-type financial statements. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2022 principal and interest subsidies totaled \$49,138 and \$15,919, respectively.

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, 2022, the Town had the following authorized and unissued debt:

Purpose	Amount
Sewer Projects.....	\$ 37,524,175
Water Projects.....	12,083,443
Airport Projects.....	35,336,050
HMCS.....	9,571,084
Cotuit Bay Entrance Channel Dredging Project.....	4,075,233
Private Road Repairs.....	1,165,736
Clear Vegetation and Obstruction Project.....	300,000
Town Hall Improvements.....	2,025,852
Golf Course Improvements.....	414,000
Police Facility.....	1,167,321
Hyannis Youth & Community Center Facility Improvements.....	1,770,000
Ocean Street Sidewalks and Kalmus Beach Entrance.....	2,950,000
Snows Creek Culvert Replacements.....	1,400,000
Centerville Recreation Site Improvements.....	827,376
Hathaways Pond Bath House & Site Improvements.....	450,000
Total.....	\$ 111,060,270

Changes in Long-term Liabilities

During the year ended June 30, 2022, 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.....	\$ 47,727,050	\$ 8,370,321	\$ (6,249,050)	\$ -	\$ -	\$ 49,848,321	\$ 6,071,321
Long-term direct borrowings payable.....	180,408	-	(40,204)	-	-	140,204	40,204
Long-term special assessment bonds payable..	2,745,000	-	(225,000)	-	-	2,520,000	235,000
Add: Unamortized premium on bonds.....	3,203,334	979,637	(490,856)	-	-	3,692,115	556,711
Total bonds payable.....	53,855,792	9,349,958	(7,005,110)	-	-	56,200,640	6,903,236
Compensated absences.....	4,556,988	-	-	4,244,840	(3,674,337)	5,127,491	3,964,478
Workers' compensation.....	874,200	-	-	422,100	(374,800)	921,500	431,600
Net pension liability.....	80,326,447	-	-	4,154,228	(22,309,424)	62,171,251	-
Net other postemployment benefits liability.....	119,435,033	-	-	2,060,613	(4,790,292)	116,705,354	-
Total governmental activity long-term liabilities.....	<u>\$ 259,048,460</u>	<u>\$ 9,349,958</u>	<u>\$ (7,005,110)</u>	<u>\$ 10,881,781</u>	<u>\$ (31,148,853)</u>	<u>\$ 241,126,236</u>	<u>\$ 11,299,314</u>
Business-Type Activities:							
Long-term general obligation bonds payable.....	\$ 29,527,950	\$ 3,104,679	\$ (3,225,950)	\$ -	\$ -	\$ 29,406,679	\$ 3,468,679
Long-term direct borrowings payable.....	29,172,997	-	(1,924,325)	-	-	27,248,672	1,964,074
Add: Unamortized premium on bonds.....	1,046,991	360,100	(460,125)	-	-	946,966	239,632
Total bonds payable.....	59,747,938	3,464,779	(5,610,400)	-	-	57,602,317	5,672,385
Landfill closure.....	150,000	-	-	-	(25,000)	125,000	25,000
Compensated absences.....	657,869	-	-	464,386	(568,006)	554,249	460,160
Net pension liability.....	25,107,835	-	-	1,183,970	(6,941,353)	19,350,452	-
Net other postemployment benefits liability.....	13,492,104	-	-	1,631,339	(2,181,377)	12,942,066	-
Total business-type activity long-term liabilities.....	<u>\$ 99,155,746</u>	<u>\$ 3,464,779</u>	<u>\$ (5,610,400)</u>	<u>\$ 3,279,695</u>	<u>\$ (9,715,736)</u>	<u>\$ 90,574,084</u>	<u>\$ 6,157,545</u>

Long-term liabilities related to both governmental and business-type activities are normally paid from the General Fund and the Enterprise Funds, respectively.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

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

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

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

Massachusetts General Law Ch.40 §5B allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

At June 30, 2022, the balance of the Town's municipal purpose stabilization fund (capital trust fund) is \$14,176,862 and is reported as unassigned fund balance within the general fund. The municipal purpose stabilization fund balance can be used for general and/or capital purposes upon approval of the Council.

At June 30, 2022, the balance of the Town's pension stabilization fund is \$1,623,813 and is reported as restricted fund balance within the general fund. The pension stabilization fund balance may only be appropriated to fund the unfunded pension liability that accrues to the Town through the county retirement system. The amount appropriated from the pension stabilization fund is subject to Council approval and the approval of the Public Employee Retirement Administration Commission (PERAC).

The Town has classified its fund balances with the following hierarchy.

	General	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 19,445,357	\$ 19,445,357
Restricted for:				
Pension reserve.....	1,623,813	-	-	1,623,813
Community preservation	-	11,727,338	-	11,727,338
Town revolving.....	-	-	4,290,414	4,290,414
School revolving.....	-	-	6,646,601	6,646,601
Town gift, grant and other.....	-	-	3,944,880	3,944,880
School gifts and grants.....	-	-	2,549,273	2,549,273
Construction and maintenance.....	-	-	18,778,637	18,778,637
Highway projects.....	-	-	577,977	577,977
Affordable housing.....	-	-	3,626,930	3,626,930
Other special revenue.....	-	-	1,078,255	1,078,255
Capital projects.....	-	-	22,873,326	22,873,326
Cemeteries and Libraries permanent fund..	-	-	1,104,067	1,104,067
Conservation permanent fund.....	-	-	170,981	170,981
Education permanent fund	-	-	2,968,697	2,968,697
Other permanent fund.....	-	-	572,211	572,211
Assigned to:				
Town Council.....	11,943	-	-	11,943
Town Manager.....	53,165	-	-	53,165
Administrative services.....	190,681	-	-	190,681
Planning and development.....	195,626	-	-	195,626
Police.....	542,582	-	-	542,582
Inspectional services.....	139,023	-	-	139,023
Education.....	1,946,896	-	-	1,946,896
Public works.....	1,171,508	-	-	1,171,508
Marine and environmental affairs.....	121,258	-	-	121,258
Community Services.....	64,939	-	-	64,939
Culture and recreation.....	90,920	-	-	90,920
Employee benefits.....	42	-	-	42
Property and liability insurance.....	162,995	-	-	162,995
Other assessments.....	42,399	-	-	42,399
Free cash used for subsequent year budget....	5,216,306	-	-	5,216,306
Unassigned.....	47,497,011	-	-	47,497,011
Total Fund Balances.....	\$ 59,071,107	\$ 11,727,338	\$ 88,627,606	\$ 159,426,051

NOTE 10 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the Town to construct a final capping system on its Flint Street Sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town stopped accepting waste in 1991 and performed a final capping of the landfill site in 1997. At June 30, 2022, the Town has accrued \$125,000 as the estimated cost of the landfill’s postclosure care in the Solid Waste enterprise fund. This liability is based on estimates of what it would cost to perform all future postclosure care as of June 30, 2022. Actual costs may be higher or lower due to inflation, deflation, changes in technology, or changes in regulations.

NOTE 11 – RISK FINANCING

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

The Town provides health insurance through the Cape Cod Municipal Health Group (Group), a nonprofit shared risk health group comprised of 51 governmental units. The Town and its employees contribute to the Group based upon a 50% (Town) and 50% (employee) primary care premium formula. In the event the Group is terminated, the Town is obligated to pay its prorata share of a deficit, should one exist.

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

The Town is self-insured for its workers' compensation activities and accounts for them as an internal service fund. The self-insured program is administered by a third-party administrator and funded on a pay-as-you-go basis from annual appropriations paid from the general fund. The Town estimates its future workers' compensation liability for occurrences under the self-insured program based on history and injury type and accounts for this liability on the full accrual basis of accounting on the statement of net position. The estimated claims liability also includes amounts for incremental claim adjustment expenses regardless of whether allocated to specific claims. At June 30, 2022, the amount of the liability for self-insured workers' compensation claims totaled \$921,500 for governmental activities.

Changes in the reported liability since July 1, 2020, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Current Portion
2021.....	\$ 1,075,800	\$ 371,433	\$ (573,033)	\$ 874,200	\$ 374,800
2022.....	874,200	761,410	(714,110)	921,500	431,600

NOTE 12 – PENSION PLAN*Plan Descriptions*

The Town is a member of the Barnstable County Retirement Association (BCRA), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 50 member units. The BCRA is administered by five board members (Board) on behalf of all current employees and retirees 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.barnstablecounty.org/retirement-association/>.

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 <https://mtrs.state.ma.us/about/#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, 2021. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$10,814,122 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$134,762,413 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 law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the BCRA a legislatively mandated actuarially determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended June 30, 2022, was \$10,919,329, 22.81% 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, 2022, the Town reported a liability of \$81,521,703 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Accordingly, update procedures were used to roll back the total pension liability to the measurement date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2021, the Town’s proportion was 14.826%, which is 0.436% lower than its proportion measured at December 31, 2020.

Pension Expense

For the year ended June 30, 2022, the Town recognized pension expense of \$5,338,199. At June 30, 2022, the Town reported net deferred outflows/(inflows) of resources related to pensions of (\$20,631,788).

The balances of deferred outflows and inflows related to pensions at June 30, 2022, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (572,074)	\$ (572,074)
Difference between projected and actual earnings, net.....	-	(28,544,559)	(28,544,559)
Changes in assumptions.....	10,223,391	-	10,223,391
Changes in proportion and proportionate share of contributions...	<u>3,272,950</u>	<u>(5,011,496)</u>	<u>(1,738,546)</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 13,496,341</u>	<u>\$ (34,128,129)</u>	<u>\$ (20,631,788)</u>

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

Year ended June 30:

2023.....	\$ (3,005,047)
2024.....	(7,959,638)
2025.....	(4,916,344)
2026.....	(5,192,929)
2027.....	<u>442,170</u>
Total.....	<u>\$ (20,631,788)</u>

Actuarial Assumptions

The total pension liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2021:

Valuation date.....	January 1, 2022
Actuarial cost method.....	Entry Age Actuarial Cost Method.
Projected salary increases.....	3.25%

Cost of living adjustments.....	3.00% of the first \$18,000.
Investment rate of return/Discount rate...	6.90%
Mortality Rates:	
Pre-Retirement.....	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Healthy Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disabled Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

Investment Policy

The pension plan’s policy in regard to the allocation of invested assets is established by the Pension Reserve Investment Trust (PRIT). Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

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

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in derivation of the long-term expected investment rate of return assumption as of January 1, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	22.00%	6.11%
International developed markets equity.....	11.50%	6.49%
International emerging markets equity.....	4.50%	8.12%
Core fixed income.....	15.00%	0.38%
High-yield fixed income.....	8.00%	2.48%
Real estate.....	10.00%	3.72%
Timberland.....	4.00%	3.44%
Hedge fund, GTAA, Risk parity.....	10.00%	2.63%
Private equity.....	15.00%	9.93%
Total.....	100.00%	

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% at December 31, 2021, and 7.15% at December 31, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rate. For this purpose, only employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (5.90%)	Current Discount (6.90%)	1% Increase (7.90%)
The Town's proportionate share of the net pension liability.....	\$ 119,884,145	\$ 81,521,703	\$ 49,252,678

At June 30, 2022, the Town has \$1,623,813 in a pension reserve fund which is classified as part of the general fund in the governmental fund financial statements. The Town transferred \$220,000 from the pension reserve fund to the general fund in 2022. The pension reserve fund may only be used to provide funding for annual contributions to the Association upon approval of the Council and the approval of the Public Employee Retirement Administration Commission (PERAC).

Changes in Assumptions and Plan Provisions

Change in Assumptions:

- The net investment return assumption was lowered from 7.15% to 6.90%.
- The morality improvement scale was updated from Scale MP-2017 to Scale MP-2021.

Change in Plan Provisions – None.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Town of Barnstable administers a single-employer defined benefit healthcare plan (Plan). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through a single-employer defined Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial

report. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on-behalf of its teacher retirees by the state. The state pays 85 – 90% of the total premium; the retiree's co-payment is 10 – 15% of the total premium as well as full payment for catastrophic illness coverage.

Funding Policy

The contribution requirements of plan members and the Town are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 50% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50% of their premium costs. For 2022, the Town's age-weighted contribution to the plan totaled approximately \$6.1 million. For the year ended June 30, 2022, the Town's average contribution rate was 10.72% of covered-employee payroll.

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

During 2022, the Town pre-funded future OPEB liabilities totaling \$728,000 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2022, the balance of this fund totaled \$7.8 million.

Summary of Significant Accounting Policies

For the 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 the purchase of one year or less, which are reported at cost.

Employees Covered by Benefit Terms

The following table represents the Plan's membership at June 30, 2020:

Active members.....	730
Inactive members currently receiving benefits.....	<u>976</u>
Total.....	<u><u>1,706</u></u>

Components of OPEB Liability

The following table represents the components of the Plan’s OPEB liability as of June 30, 2022:

Total OPEB liability.....	\$	137,452,919
Less: OPEB plan’s fiduciary net position.....		<u>(7,805,499)</u>
Net OPEB liability.....	\$	<u>129,647,420</u>
The OPEB plan’s fiduciary net position		
as a percentage of the total OPEB liability.....		5.68%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2020, actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement date that was updated to June 30, 2022, as follows:

Valuation date.....	June 30, 2020
Inflation.....	3.25%
Discount rate.....	5.20% as of June 30, 2022, and 4.74% as of June 30, 2021.
Investment rate of return.....	6.50%
Salary increases.....	Service-related increases for Group 1 (excluding Teachers) and Group 2 employees: 6.0% decreasing over 11 years to an ultimate level of 4.0%. Service-related increases for Group 4 employees: 7.0% decreasing over 8 years to an ultimate level of 4.5%. Service-related increases for Teachers: 7.5% decreasing over 20 years to an ultimate level of 4.0%.
Health care trend rates:	
Cape Cod Municipal Health Group.....	Non-Medicare: 2.50% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year. Medicare: 2.50% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year.
Group Insurance Commission of the Commonwealth of Massachusetts.....	Non-Medicare: 6.60%, 6.50%, 6.40%, 6.20%, then 6.00% decreasing by 0.25% each year to an ultimate level of 4.50% per year. Medicare: 4.80%, 4.70%, 4.60%, 4.70%, then 6.00% decreasing by 0.25% each year to an ultimate level of 4.50% per year.

Dental.....	3.00%
Part B Contributions.....	8.70% for 1 year, then 4.50%.
Contributions.....	Retiree contributions are expected to increase with respective trend shown above.
Mortality rates:	
Preretirement mortality rates:	
Healthy Non-Teachers.....	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017.
Healthy Teachers.....	Pub-2010 Teachers Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2020.
Postretirement mortality rates:	
Healthy Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017.
Healthy Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table Projected generationally with Scale MP-2020.
Disabled Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2017.
Disabled Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table Projected generationally with Scale MP-2020.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -6.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Policy

The Town’s policy in regard to the allocation of invested assets is established and may be amended by the Town Council by a majority vote of its members. The OPEB plan’s assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town’s investment policy. 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 rates of return (expected returns, net of 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 arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expense, used in the derivation of the long-term expected investment rate of return assumption are summarized in the table on the following page.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity - large cap.....	32.30%	9.32%
Domestic equity - small/mid cap.....	4.80%	9.86%
International equity - developed market..	4.50%	8.93%
International equity - emerging market...	2.30%	10.76%
Domestic - fixed income.....	34.00%	3.37%
High-yield fixed income.....	3.40%	6.32%
International fixed income.....	4.20%	3.66%
Alternatives.....	8.90%	5.27%
Real estate.....	4.60%	9.94%
Cash.....	1.00%	2.23%
Total.....	100.00%	

Discount Rate

The Town’s rate used to measure the total OPEB liability was 5.20% as of June 30, 2022, and 4.74% as of June 30, 2021. 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 future benefit payments of current plan members. Therefore, the Town’s discount rate is a blend of the long-term expected rate of return on OPEB trust fund assets and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.54% as of June 30, 2022, and 2.16% as of June 30, 2021). The blending is based on the sufficiency of projected assets to make benefit payments. Since assets are now partially sufficient to cover projected benefit payments, the discount rate used to measure the total OPEB liability was 5.20% as of June 30, 2022, and 4.74% as of June 30, 2021.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021.....	\$ 140,492,058	\$ 7,564,921	\$ 132,927,137
Changes for the year:			
Service cost.....	3,947,989	-	3,947,989
Interest.....	6,711,185	-	6,711,185
Contributions-employer.....	-	6,134,342	(6,134,342)
Net investment income.....	-	(487,422)	487,422
Changes in assumptions and other inputs.....	(8,291,971)	-	(8,291,971)
Benefit payments.....	(5,406,342)	(5,406,342)	-
Net change.....	(3,039,139)	240,578	(3,279,717)
Balances at June 30, 2022.....	\$ 137,452,919	\$ 7,805,499	\$ 129,647,420

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 5.20%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate.

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Net OPEB liability.....	\$ 148,710,409	\$ 129,647,420	\$ 113,999,764

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

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 benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 110,757,353	\$ 129,647,420	\$ 153,116,597

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

For the year ended June 30, 2022, the Town recognized a negative OPEB expense of \$8,234,781 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.....	\$ 1,743,927	\$ -	\$ 1,743,927
Difference between projected and actual earnings, net.....	417,671	-	417,671
Changes in assumptions.....	16,576,501	(58,884,783)	(42,308,282)
Total deferred outflows/(inflows) of resources.....	\$ 18,738,099	\$ (58,884,783)	\$ (40,146,684)

Contributions made subsequent to the measurement date will be recognized in OPEB expense in the subsequent fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2023.....	\$ (9,222,816)
2024.....	(11,030,732)
2025.....	(18,433,395)
2026.....	<u>(1,459,741)</u>
 Total.....	 \$ <u>(40,146,684)</u>

Changes in Assumptions and Plan Provisions

Changes of Assumptions:

- The discount rate was updated from 4.74% as of June 30, 2021, to 5.20% as of June 30, 2022.

Changes in Plan Provisions – None.

NOTE 14 – HOST COMMUNITY AGREEMENT

The Town entered into a Host Community Agreement (the Agreement) with Vineyard Wind, LLC on October 5, 2018, for the development of a wind farm. Under the Agreement, Vineyard Wind, LLC is required to make annual payments to the Town once the wind farm is operational. Accordingly, the Town has recorded a \$15.4 million receivable in a newly established stabilization fund which is reported in the general fund as of June 30, 2022.

NOTE 15 – COMMITMENTS

The Town has entered into, or is planning to enter into, contracts totaling \$54.2 million in relation to various capital projects for enterprise fund operations including \$15 million for the Water Pollution Control Facility and \$6 million for various facility improvements in other enterprise operations. The Town is also planning on entering into contracts for a total of \$10 million for various general fund infrastructure improvements, \$16.4 million for improvements to various school and town facilities and \$1.8 million for other improvements.

In addition, The Town’s updated Comprehensive Wastewater Management Plan has been approved by the regulators. The program includes a 30 year financing plan to fund the expansion of a sewer collection system to approximately 12,000 properties along with the treatment and disposal of treated effluent as well as alternative solutions to “big pipe” collection systems. The Town is planning on entering into contracts totaling \$5.3 million for the design of various sewer expansion projects associated with the Comprehensive Wastewater Management Plan in FY 2023. Construction appropriations will be brought forward in FY 2024 and FY 2025 upon the completion of the design.

A new tax of 2.75% on traditional lodging and short-term rental properties on Cape Cod and the Islands has been approved by the state legislature to assist in funding the program. This resource will be overseen by the Cape & Islands Water Protection Governing Board. The Town has been awarded a total of \$7.3 million to date in final

commitments; \$1.2 million to be applied to preexisting debt and \$5.7 million in contingent commitments. In addition, the Town was awarded a \$1.9 million ARPA grant from the County to offset the cost of a new pump station in Hyannis. The subsidies and grant award will reduce the amount of principal borrowed to fund various projects.

The Town has also dedicated all of its local meals tax, one-third of the local rooms tax on traditional lodging, and 100% of the local rooms tax on short-term rentals to this program. A sewer assessment ordinance has been adopted by the Town Council which went into effect on July 1, 2021. The assessment is capped at \$10,000 for each dwelling unit served by the public sewer system and may be adjusted for inflation on an annual basis. The first assessments are expected to be issued by the end of FY 2023. A funding gap for the program still exists and over the next few months, the Town will make decisions as to how the funding gap will be provided. Options being considered are a transfer fee on property sales, the creation of a Water Investment Infrastructure Fund authorized under Mass General Law Chapter 40, §39M, dedicating new property tax growth to the program and seeking voter approval for property tax debt exclusions. All commitments to date under this program can be provided for from the resources already created and dedicated to this program. Future commitments will depend upon the creation of additional resources.

The general fund has various commitments for goods and services related to encumbrances totaling \$4,733,977.

NOTE 16 – CONTINGENCIES

Federal Award Programs

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, 2022, 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.

Legal Matters

Various lawsuits, claims, and proceedings have been or may be instituted or asserted against the Town of Barnstable. These include those pertaining to alleged violations of the federal Clean Water Act and for alleged violations of Massachusetts Title V septic regulations. While the amounts claimed and the financial impact on the Town may be substantial, the ultimate liability cannot be determined because of the considerable uncertainties that exist. Therefore, it is possible that there could be material negative outcomes for the Town affected by contingencies.

Per-and Poly Fluoroalkyl Substances

It is possible that the Town may be responsible for costs associated with PFAS remediation, and these future costs may be significant. While the amounts may be substantial the ultimate liability cannot be determined because of the considerable uncertainties that exist. Therefore, it is possible that there could be material negative outcomes affected by certain contingencies existing as of June 30, 2022. The full extent of the financial impact cannot be determined at the date of the financial statements.

NOTE 17 – LEGAL SETTLEMENT

In fiscal year 2017, the Town reached a legal settlement with Barnstable County for the reimbursement of costs associated with the cleanup of contamination of the Hyannis water supply from chemicals used in firefighting at the Barnstable County Fire and Rescue Training Academy. Under the terms of the agreement, the County will pay the Town approximately \$3.1 million over a 20 year period. Accordingly, the Town has recorded a \$2,318,166 receivable in the water supply enterprise fund as of June 30, 2022.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 28, 2022, which is the date the financial statements were available to be issued.

NOTE 19 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2022, the following GASB pronouncements were implemented:

- GASB Statement #87, *Leases*. The annual comprehensive financial report was updated to be in compliance with this pronouncement.
- GASB Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #92, *Omnibus 2020*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #93, *Replacement of Interbank Offered Rates*. This pronouncement did not impact the annual comprehensive financial report.
- GASB 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*. This pronouncement did not impact the annual comprehensive financial report.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- 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 #99, *Omnibus 2022*, which is required to be implemented in 2023.
- The GASB issued Statement #100, *Accounting Changes and Error Corrections*, which is required to be implemented in 2024.

- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.

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

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 135,088,415	\$ 135,320,880	\$ 135,028,389	\$ -	(292,491)
Motor vehicle and other excise taxes.....	7,193,161	7,193,161	9,390,128	-	2,196,967
Hotel/motel tax.....	1,450,000	1,450,000	2,241,730	-	791,730
Charges for services.....	2,303,500	2,303,500	2,826,795	-	523,295
Penalties and interest on taxes.....	1,066,000	1,174,000	1,598,103	-	424,103
Fees and rentals.....	862,700	705,700	988,471	-	282,771
Licenses and permits.....	1,787,585	1,784,585	2,616,857	-	832,272
Intergovernmental - state aid.....	17,209,863	17,209,863	17,881,634	-	671,771
Departmental and other.....	921,500	871,500	1,266,910	-	395,410
Special assessments.....	246,465	61,000	87,257	-	26,257
Investment income.....	474,436	529,436	621,669	-	92,233
TOTAL REVENUES.....	168,603,625	168,603,625	174,547,943	-	5,944,318
EXPENDITURES:					
Current:					
Town Council:					
Personnel.....	505,553	255,553	252,185	-	3,368
Operating Expenditures.....	30,489	28,768	13,420	11,943	3,405
TOTAL.....	536,042	284,321	265,605	11,943	6,773
Town Manager:					
Personnel.....	1,064,676	1,064,676	1,053,641	-	11,035
Operating Expenditures.....	162,717	170,919	116,493	53,165	1,261
TOTAL.....	1,227,393	1,235,595	1,170,134	53,165	12,296
Administrative Services:					
Personnel.....	4,820,820	4,775,820	4,678,432	-	97,388
Operating Expenditures.....	1,689,132	1,736,911	1,627,191	109,521	199
Capital Outlay.....	105,000	105,000	23,575	81,160	265
TOTAL.....	6,614,952	6,617,731	6,329,198	190,681	97,852
Planning and Development:					
Personnel.....	1,710,668	1,645,668	1,631,716	-	13,952
Operating Expenditures.....	318,846	367,240	228,275	94,841	44,124
Capital Outlay.....	176,055	170,195	55,800	100,785	13,610
TOTAL.....	2,205,569	2,183,103	1,915,791	195,626	71,686
Police:					
Personnel.....	13,449,224	13,549,224	13,532,699	-	16,525
Operating Expenditures.....	1,418,055	1,555,883	1,441,628	80,309	33,946
Capital Outlay.....	584,958	639,142	127,855	462,273	49,014
TOTAL.....	15,452,237	15,744,249	15,102,182	542,582	99,485
Inspectional Services:					
Personnel.....	2,102,227	2,052,227	2,020,650	-	31,577
Operating Expenditures.....	380,820	353,555	212,362	139,023	2,170
TOTAL.....	2,483,047	2,405,782	2,233,012	139,023	33,747
Local School System.....	75,042,766	74,552,406	72,465,547	1,946,896	139,963
Regional School District.....	5,106,410	5,106,410	5,106,410	-	-

(Continued)

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

YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Public Works:					
Personnel.....	6,299,933	6,155,933	5,920,854	-	235,079
Operating Expenditures.....	4,206,308	4,748,147	4,397,970	734,246	(384,069)
Capital Outlay.....	836,857	930,172	486,936	437,262	5,974
TOTAL.....	11,343,098	11,834,252	10,805,760	1,171,508	(143,016)
Marine and Environmental Affairs:					
Personnel.....	966,890	956,890	935,480	-	21,410
Operating Expenditures.....	294,996	293,760	208,153	78,990	6,617
Capital Outlay.....	51,743	96,743	49,609	42,268	4,866
TOTAL.....	1,313,629	1,347,393	1,193,242	121,258	32,893
Community Services:					
Personnel.....	2,174,034	2,049,034	1,839,567	-	209,467
Operating Expenditures.....	226,949	218,881	181,208	37,593	80
Capital Outlay.....	53,702	53,681	26,097	27,346	238
TOTAL.....	2,454,685	2,321,596	2,046,872	64,939	209,785
Culture and Recreation.....	2,369,102	2,377,106	2,270,627	90,920	15,559
Debt Service:					
Principal.....	4,667,850	4,667,850	4,667,850	-	-
Interest.....	1,652,278	1,652,278	1,629,776	-	22,502
TOTAL.....	6,320,128	6,320,128	6,297,626	-	22,502
Pension Benefits.....	10,835,369	10,835,369	10,835,369	-	-
Employee Benefits.....	12,326,450	12,136,980	11,434,407	42	702,531
Property and Liability Insurance.....	2,345,849	2,539,596	2,376,601	162,995	-
State and County Assessments.....	12,279,487	12,279,486	12,031,421	-	248,065
Other Assessments.....	468,431	440,806	342,770	42,399	55,637
TOTAL EXPENDITURES.....	170,724,644	170,562,309	164,222,574	4,733,977	1,605,758
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,121,019)	(1,958,684)	10,325,369	(4,733,977)	7,550,076
OTHER FINANCING SOURCES (USES):					
Transfers in.....	10,423,823	10,288,407	10,703,244	-	414,837
Transfers out.....	(13,364,354)	(16,023,414)	(16,023,414)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	(2,940,531)	(5,735,007)	(5,320,170)	-	414,837
NET CHANGE IN FUND BALANCE.....	(5,061,550)	(7,693,691)	5,005,199	(4,733,977)	7,964,913
BUDGETARY FUND BALANCE, Beginning of year.....	36,840,202	36,840,202	36,840,202	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 31,778,652	\$ 29,146,511	\$ 41,845,401	\$ (4,733,977)	\$ 7,964,913

(Concluded)

See notes to required supplementary information.

Pension Plan Schedules

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

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

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

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

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

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2021.....	14.826%	\$ 81,521,703	\$ 46,936,418	173.69%	75.07%
December 31, 2020.....	15.262%	105,434,281	47,890,784	220.16%	66.82%
December 31, 2019.....	15.662%	117,667,623	47,146,301	249.58%	62.34%
December 31, 2018.....	14.808%	117,037,064	42,953,226	272.48%	57.63%
December 31, 2017.....	15.078%	102,598,144	41,921,199	244.74%	61.86%
December 31, 2016.....	14.785%	103,876,895	40,801,496	254.59%	57.28%
December 31, 2015.....	14.859%	93,561,206	40,166,098	232.94%	58.10%
December 31, 2014.....	15.083%	85,153,333	39,562,464	215.24%	60.43%

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

See notes to required supplementary information.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
BARNSTABLE COUNTY RETIREMENT ASSOCIATION

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2022.....	\$ 10,919,329	\$ (10,919,329)	-	\$ 47,875,146	22.81%
June 30, 2021.....	10,616,528	(10,616,528)	-	48,848,600	21.73%
June 30, 2020.....	10,311,961	(10,364,347)	(52,386)	48,089,227	21.55%
June 30, 2019.....	9,308,022	(9,308,022)	-	43,812,291	21.25%
June 30, 2018.....	9,003,460	(9,003,460)	-	42,759,623	21.06%
June 30, 2017.....	8,398,711	(8,398,711)	-	41,617,526	20.18%
June 30, 2016.....	8,035,227	(8,035,227)	-	40,969,420	19.61%
June 30, 2015.....	7,858,269	(7,858,269)	-	40,353,713	19.47%

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
2022.....	\$ 134,762,413	\$ 10,814,122	62.03%
2021.....	162,192,065	20,033,044	50.67%
2020.....	147,239,603	17,855,357	53.95%
2019.....	140,712,524	14,259,177	54.84%
2018.....	136,440,226	14,240,664	54.25%
2017.....	137,612,552	14,038,096	52.73%
2016.....	122,780,726	9,958,610	55.38%
2015.....	96,736,302	6,720,735	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 Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

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

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

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Total OPEB Liability						
Service Cost.....	\$ 7,209,347	\$ 6,126,573	\$ 6,176,354	\$ 5,543,388	\$ 8,526,123	\$ 3,947,989
Interest.....	6,105,844	7,082,577	7,567,023	6,143,784	4,909,302	6,711,185
Changes of benefit terms.....	-	-	-	-	-	-
Differences between expected and actual experience...	-	(5,717,400)	1,859,942	-	2,906,545	-
Changes of assumptions.....	(23,445,340)	(39,863,801)	6,528,105	36,881,214	(87,085,347)	(8,291,971)
Benefit payments.....	(5,081,064)	(5,309,712)	(6,114,922)	(5,053,462)	(4,956,507)	(5,406,342)
Net change in total OPEB liability.....	(15,211,213)	(37,681,763)	16,016,502	43,514,924	(75,699,884)	(3,039,139)
Total OPEB liability - beginning.....	<u>209,553,492</u>	<u>194,342,279</u>	<u>156,660,516</u>	<u>172,677,018</u>	<u>216,191,942</u>	<u>140,492,058</u>
Total OPEB liability - ending (a).....	<u>\$ 194,342,279</u>	<u>\$ 156,660,516</u>	<u>\$ 172,677,018</u>	<u>\$ 216,191,942</u>	<u>\$ 140,492,058</u>	<u>\$ 137,452,919</u>
Plan fiduciary net position						
Employer contributions.....	\$ 5,559,064	\$ 528,000	\$ 578,000	\$ 628,000	\$ 678,000	\$ 728,000
Employer contributions for OPEB payments.....	-	5,309,712	6,114,922	5,053,462	4,956,507	5,406,342
Net investment income/loss.....	132,174	162,193	370,990	224,167	1,108,475	(487,422)
Benefit payments.....	(5,081,064)	(5,309,712)	(6,114,922)	(5,053,462)	(4,956,507)	(5,406,342)
Net change in plan fiduciary net position.....	610,174	690,193	948,990	852,167	1,786,475	240,578
Plan fiduciary net position - beginning of year.....	<u>2,676,922</u>	<u>3,287,096</u>	<u>3,977,289</u>	<u>4,926,279</u>	<u>5,778,446</u>	<u>7,564,921</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 3,287,096</u>	<u>\$ 3,977,289</u>	<u>\$ 4,926,279</u>	<u>\$ 5,778,446</u>	<u>\$ 7,564,921</u>	<u>\$ 7,805,499</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 191,055,183</u>	<u>\$ 152,683,227</u>	<u>\$ 167,750,739</u>	<u>\$ 210,413,496</u>	<u>\$ 132,927,137</u>	<u>\$ 129,647,420</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	1.69%	2.54%	2.85%	2.67%	5.38%	5.68%
Covered-employee payroll.....	\$ 51,830,000	\$ 52,866,600	\$ 53,923,932	\$ 55,002,411	\$ 56,102,459	\$ 57,224,508
Net OPEB liability as a percentage of covered-employee payroll.....	368.62%	288.81%	311.09%	382.55%	236.94%	226.56%

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

See notes to required supplementary information.

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

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2022.....	\$ 8,664,375	\$ (6,134,342)	\$ 2,530,033	\$ 57,224,508	10.72%
June 30, 2021.....	8,387,845	(5,678,733)	2,709,112	56,102,459	10.12%
June 30, 2020.....	8,559,479	(5,668,962)	2,890,517	55,002,411	10.31%
June 30, 2019.....	8,290,053	(6,692,922)	1,597,131	53,923,932	12.41%
June 30, 2018.....	9,264,225	(5,837,712)	3,426,513	52,866,600	11.04%
June 30, 2017.....	12,728,113	(5,559,064)	7,169,049	51,830,000	10.73%

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, 2022.....	-6.40%
June 30, 2021.....	19.07%
June 30, 2020.....	4.51%
June 30, 2019.....	9.04%
June 30, 2018.....	4.77%
June 30, 2017.....	5.71%

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

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the Town Charter, the Town Manager presents an annual budget to the Council, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Expenditures are budgeted by categories that are broken down by personnel, operating expenses, debt service and capital outlay and are mandated by Municipal Law. The Council may authorize appropriations for the recommended purposes and may reduce or reject any appropriation by majority vote. The Council may not increase an appropriation without the recommendation of the Town Manager.

Supplemental appropriations are made upon recommendation of the Town Manager and require a majority approval of the Council.

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

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

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2022 approved budget authorized approximately \$180.8 million in current year appropriations and other amounts to be raised and approximately \$3.3 million in encumbrances and appropriations carried over from previous years.

The Finance Director has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the Town’s accounting system.

B. Budgetary – GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2022, is presented in the following table:

Net change in fund balance - budgetary basis.....	\$ 5,005,199
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	(693,692)
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	(1,023,884)
Recognition of revenue for on-behalf payments.....	10,814,122
Recognition of expenditures for on-behalf payments.....	<u>(10,814,122)</u>
Net change in fund balance - GAAP basis.....	<u>\$ 3,287,623</u>

C. Appropriation Deficits

Expenditures exceeded appropriations in public works operating expenditures for snow and ice removal. This will be funded in the subsequent fiscal year.

NOTE B – PENSION PLAN

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

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

B. Schedule of the Town's Contributions

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

C. Schedule of the Special Funding Amounts of the Net Pension 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 a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

D. Change in Assumptions:

- The net investment return assumption was lowered from 7.15% to 6.90%.
- The morality improvement scale was updated from Scale MP-2017 to Scale MP-2021.

E. Changes in Plan Provisions – None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

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

The Other Postemployment Benefit Plan

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

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

B. Schedule of the Town’s Contributions

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

Valuation date.....	June 30, 2020
Inflation.....	3.25%
Discount rate.....	5.20% as of June 30, 2022, and 4.74% as of June 30, 2021.
Investment rate of return.....	6.50%
Salary increases.....	Service-related increases for Group 1 (excluding Teachers) and Group 2 employees: 6.0% decreasing over 11 years to an ultimate level of 4.0%. Service-related increases for Group 4 employees: 7.0% decreasing over 8 years to an ultimate level of 4.5%. Service-related increases for Teachers: 7.5% decreasing over 20 years to an ultimate level of 4.0%.
Health care trend rates:	
Cape Cod Municipal Health Group.....	Non-Medicare: 2.50% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year. Medicare: 2.50% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year.
Group Insurance Commission of the Commonwealth of Massachusetts.....	Non-Medicare: 6.60%, 6.50%, 6.40%, 6.20%, then 6.00% decreasing by 0.25% each year to an ultimate level of 4.50% per year. Medicare: 4.80%, 4.70%, 4.60%, 4.70%, then 6.00% decreasing by 0.25% each year to an ultimate level of 4.50% per year.

Dental.....	3.00%
Part B Contributions.....	8.70% for 1 year, then 4.50%.
Contributions.....	Retiree contributions are expected to increase with respective trend shown above.
Mortality rates:	
Preretirement mortality rates:	
Healthy Non-Teachers.....	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017.
Healthy Teachers.....	Pub-2010 Teachers Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2020.
Postretirement mortality rates:	
Healthy Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017.
Healthy Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table Projected generationally with Scale MP-2020.
Disabled Non-Teachers.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2017.
Disabled Teachers.....	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table Projected generationally with Scale MP-2020.

C. Change in Assumptions:

- The discount rate was updated from 4.74% as of June 30, 2021, to 5.20% as of June 30, 2022.

D. Changes in Plan Provisions – None.

Combining Statements

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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:

Town Revolving Funds – accounts for the non-school related activity of revolving funds established in accordance with MGL Chapter 44, Section 53E ½.

School Revolving Funds – accounts for the school department's revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and Chapter 71.

Town Gift, Grant, and Other Funds – accounts for other non-school related funds designated for specific programs, this fund consists primarily of state and federal grants and gifts and other special revenue funds.

School Gift and Grant Funds – accounts for the school department's grant and gift funds received from state and federal governments which are designated for specific programs.

Construction and Maintenance Fund – accounts for financial resources that are specifically for sewer construction and private way maintenance and improvements. The Town adopted special legislation to create the fund which reports 100% of the meals tax and 33% of the hotel/motel tax collected directly into the fund.

Highway Projects Fund – accounts for and report costs incurred with the construction and reconstruction of Town owned roadways.

Affordable Housing Fund – accounts for the activity related to the creation and preservation of affordable housing.

Other Special Revenue Funds – accounts for activity of other special revenue funds that are not categorized within any of the other funds.

Capital Project Fund

Capital Projects Fund – accounts for and reports 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.

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.

Cemeteries and Libraries – accounts for cemetery contributions and bequests for which only earnings may be expended to benefit the Town's cemeteries and libraries. The Kirkman fund is used for both cemetery and library.

Conservation – accounts for gifts, bequests and contributions held for which only earnings may be expended for purposes specified by the donor in relation to the Town's conservation activities.

Education – accounts for gifts, bequests and contributions held for which only earnings may be expended for purposes specified by the donor in relation to the Town’s public education system.

Other – accounts for various gifts, bequests and contributions held for which only earnings may be expended for purposes specified by the donor in relation to other Town activities.

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2022

	Special Revenue Funds					
	Town Revolving Funds	School Revolving Funds	Town Gift, Grant, and Other Funds	School Gift and Grant Funds	Construction and Maintenance	Highway Projects
ASSETS						
Cash and cash equivalents.....	\$ 4,354,292	\$ 6,658,951	\$ 5,894,837	\$ 3,156,040	\$ 18,347,060	\$ 537,295
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Tax liens.....	4,310	-	1,207	-	23,459	-
Departmental and other.....	-	-	-	-	-	-
Intergovernmental - other.....	-	-	498,202	-	456,530	5,531,428
Special assessments.....	1,528,313	-	27,664	-	607,519	-
Lease receivables.....	643,968	2,762,274	-	-	-	-
TOTAL ASSETS.....	\$ 6,530,883	\$ 9,421,225	\$ 6,421,910	\$ 3,156,040	\$ 19,434,568	\$ 6,068,723
LIABILITIES						
Warrants payable.....	\$ 38,482	\$ 1,269	\$ 64,141	\$ 76,423	\$ 10,703	\$ 28,628
Accrued payroll.....	17,431	11,081	10,845	530,344	9,499	-
Other liabilities.....	7,965	-	5,674	-	4,751	-
Fees collected in advance.....	-	-	2,367,499	-	-	-
TOTAL LIABILITIES.....	63,878	12,350	2,448,159	606,767	24,953	28,628
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	1,532,623	-	28,871	-	630,978	5,462,118
Deferred inflows related to lease receivables.....	643,968	2,762,274	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	2,176,591	2,762,274	28,871	-	630,978	5,462,118
FUND BALANCES						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	4,290,414	6,646,601	3,944,880	2,549,273	18,778,637	577,977
TOTAL FUND BALANCES.....	4,290,414	6,646,601	3,944,880	2,549,273	18,778,637	577,977
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 6,530,883	\$ 9,421,225	\$ 6,421,910	\$ 3,156,040	\$ 19,434,568	\$ 6,068,723

(Continued)

Special Revenue Funds			Capital Project Fund	Permanent Funds					Total Nonmajor Governmental Funds
Affordable Housing	Other Special Revenue	Subtotal	Capital Projects	Cemeteries and Libraries	Conservation	Education	Other	Subtotal	
\$ 3,626,930	\$ 1,035,523	\$ 43,610,928	\$ 24,042,106	\$ 23,989	\$ 74,146	\$ 258,377	\$ 25,897	\$ 382,409	\$ 68,035,443
-	-	-	-	11,345,329	177,820	11,918,205	573,383	24,014,737	24,014,737
-	-	28,976	-	-	-	-	-	-	28,976
-	632,103	632,103	-	-	-	-	-	-	632,103
-	-	6,486,160	-	-	-	-	-	-	6,486,160
-	-	2,163,496	-	-	-	-	-	-	2,163,496
-	-	3,406,242	-	-	-	-	-	-	3,406,242
<u>\$ 3,626,930</u>	<u>\$ 1,667,626</u>	<u>\$ 56,327,905</u>	<u>\$ 24,042,106</u>	<u>\$ 11,369,318</u>	<u>\$ 251,966</u>	<u>\$ 12,176,582</u>	<u>\$ 599,280</u>	<u>\$ 24,397,146</u>	<u>\$ 104,767,157</u>
\$ -	\$ -	\$ 219,646	\$ 1,154,828	\$ 135,000	\$ -	\$ -	\$ 833	\$ 135,833	\$ 1,510,307
-	36,526	615,726	13,952	-	-	-	-	-	629,678
-	552,845	571,235	-	-	-	-	-	-	571,235
-	-	2,367,499	-	-	-	-	-	-	2,367,499
-	589,371	3,774,106	1,168,780	135,000	-	-	833	135,833	5,078,719
-	-	7,654,590	-	-	-	-	-	-	7,654,590
-	-	3,406,242	-	-	-	-	-	-	3,406,242
-	-	11,060,832	-	-	-	-	-	-	11,060,832
-	-	-	-	10,130,251	80,985	9,207,885	26,236	19,445,357	19,445,357
3,626,930	1,078,255	41,492,967	22,873,326	1,104,067	170,981	2,968,697	572,211	4,815,956	69,182,249
3,626,930	1,078,255	41,492,967	22,873,326	11,234,318	251,966	12,176,582	598,447	24,261,313	88,627,606
<u>\$ 3,626,930</u>	<u>\$ 1,667,626</u>	<u>\$ 56,327,905</u>	<u>\$ 24,042,106</u>	<u>\$ 11,369,318</u>	<u>\$ 251,966</u>	<u>\$ 12,176,582</u>	<u>\$ 599,280</u>	<u>\$ 24,397,146</u>	<u>\$ 104,767,157</u>

(Concluded)

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

YEAR ENDED JUNE 30, 2022

	Special Revenue Funds					
	Town Revolving Funds	School Revolving Funds	Town Gift, Grant, and Other Funds	School Gift and Grant Funds	Construction and Maintenance	Highway Projects
REVENUES:						
Hotel/motel tax.....	\$ -	\$ -	\$ -	\$ -	\$ 1,153,354	\$ -
Meals tax.....	-	-	-	-	1,915,448	-
Charges for services.....	1,074,961	1,938,103	23,322	-	-	-
Penalties and interest on taxes.....	71,887	-	9,066	-	35,224	-
Fees and rentals.....	156,953	121,325	633,733	-	-	-
Licenses and permits.....	-	-	458,732	-	-	-
Intergovernmental - other.....	4,103	2,839,029	4,878,467	8,654,710	-	688,222
Departmental and other.....	-	-	270,940	-	-	-
Special assessments.....	329,339	-	-	-	72,729	-
Contributions and donations.....	10,283	-	59,322	7,506	-	-
Investment income.....	-	10,191	7,810	-	132,258	-
Miscellaneous.....	-	-	50,348	-	-	-
TOTAL REVENUES.....	1,647,526	4,908,648	6,391,740	8,662,216	3,309,013	688,222
EXPENDITURES:						
Current:						
Town Manager.....	33,115	-	-	-	-	-
Administrative services.....	50,738	-	3,705,497	-	-	-
Planning and development.....	11,924	-	133,835	-	-	-
Public safety.....	-	-	531,277	-	-	-
Inspectional services.....	397,564	-	-	-	-	-
Education.....	-	3,593,926	-	8,899,451	-	-
Public works.....	357,859	-	386,992	-	523,344	638,841
Marine and environmental affairs.....	158,242	-	77,556	-	-	-
Community services.....	302,474	-	277,595	-	-	-
Debt service:						
Principal.....	295,000	-	40,204	-	-	-
Interest.....	78,333	-	-	-	-	-
TOTAL EXPENDITURES.....	1,685,249	3,593,926	5,152,956	8,899,451	523,344	638,841
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(37,723)	1,314,722	1,238,784	(237,235)	2,785,669	49,381
OTHER FINANCING SOURCES (USES):						
Issuance of bonds.....	-	-	-	-	-	-
Premium from issuance of bonds.....	-	-	-	-	-	-
Transfers in.....	208,612	2,320	143,000	248,275	-	-
Transfers out.....	-	(208,612)	(901,787)	-	(4,008,945)	-
TOTAL OTHER FINANCING SOURCES (USES).....	208,612	(206,292)	(758,787)	248,275	(4,008,945)	-
NET CHANGE IN FUND BALANCES.....	170,889	1,108,430	479,997	11,040	(1,223,276)	49,381
FUND BALANCES AT BEGINNING OF YEAR.....	4,119,525	5,538,171	3,464,883	2,538,233	20,001,913	528,596
FUND BALANCES AT END OF YEAR.....	\$ 4,290,414	\$ 6,646,601	\$ 3,944,880	\$ 2,549,273	\$ 18,778,637	\$ 577,977

(Continued)

Special Revenue Funds			Capital Project Fund	Permanent Funds					Total Nonmajor Governmental Funds
Affordable Housing	Other Special Revenue	Subtotal	Capital Projects	Cemeteries and Libraries	Conservation	Education	Other	Subtotal	
\$ -	\$ -	\$ 1,153,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,153,354
-	-	1,915,448	-	-	-	-	-	-	1,915,448
-	-	3,036,386	-	-	-	-	-	-	3,036,386
-	-	116,177	-	-	-	-	-	-	116,177
-	-	912,011	-	-	-	-	-	-	912,011
-	-	458,732	-	-	-	-	-	-	458,732
-	-	17,064,531	10,000	-	-	51,817	-	51,817	17,126,348
295,170	2,018,943	2,585,053	80,000	108,338	-	-	67,713	176,051	2,841,104
-	-	402,068	-	-	-	-	-	-	402,068
-	-	77,111	-	-	-	(66,734)	6,834	(59,900)	17,211
24,599	-	174,858	-	396,457	5,919	(279,258)	12,526	135,644	310,502
-	-	50,348	-	-	-	-	-	-	50,348
<u>319,769</u>	<u>2,018,943</u>	<u>27,946,077</u>	<u>90,000</u>	<u>504,795</u>	<u>5,919</u>	<u>(294,175)</u>	<u>87,073</u>	<u>303,612</u>	<u>28,339,689</u>
-	-	33,115	-	-	-	-	-	-	33,115
-	-	3,756,235	-	112	227	-	30	369	3,756,604
1,405,098	-	1,550,857	87,048	-	399	-	-	399	1,638,304
-	1,526,438	2,057,715	548,010	-	-	-	29,374	29,374	2,635,099
-	-	397,564	-	-	-	-	-	-	397,564
-	206,657	12,700,034	1,565,031	-	-	693,802	-	693,802	14,958,867
-	-	1,907,036	7,174,188	174,600	-	-	764	175,364	9,256,588
-	-	235,798	319,413	-	-	-	-	-	555,211
-	-	580,069	56,463	-	-	-	16,470	16,470	653,002
-	-	335,204	-	-	-	-	-	-	335,204
-	-	78,333	-	-	-	-	-	-	78,333
<u>1,405,098</u>	<u>1,733,095</u>	<u>23,631,960</u>	<u>9,750,153</u>	<u>174,712</u>	<u>626</u>	<u>693,802</u>	<u>46,638</u>	<u>915,778</u>	<u>34,297,891</u>
<u>(1,085,329)</u>	<u>285,848</u>	<u>4,314,117</u>	<u>(9,660,153)</u>	<u>330,083</u>	<u>5,293</u>	<u>(987,977)</u>	<u>40,435</u>	<u>(612,166)</u>	<u>(5,958,202)</u>
-	-	-	8,370,321	-	-	-	-	-	8,370,321
-	-	-	979,637	-	-	-	-	-	979,637
2,500,000	-	3,102,207	6,956,427	69	-	-	-	69	10,058,703
-	-	(5,119,344)	(116,315)	(143,000)	-	-	-	(143,000)	(5,378,659)
<u>2,500,000</u>	<u>-</u>	<u>(2,017,137)</u>	<u>16,190,070</u>	<u>(142,931)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(142,931)</u>	<u>14,030,002</u>
1,414,671	285,848	2,296,980	6,529,917	187,152	5,293	(987,977)	40,435	(755,097)	8,071,800
<u>2,212,259</u>	<u>792,407</u>	<u>39,195,987</u>	<u>16,343,409</u>	<u>11,047,166</u>	<u>246,673</u>	<u>13,164,559</u>	<u>558,012</u>	<u>25,016,410</u>	<u>80,555,806</u>
<u>\$ 3,626,930</u>	<u>\$ 1,078,255</u>	<u>\$ 41,492,967</u>	<u>\$ 22,873,326</u>	<u>\$ 11,234,318</u>	<u>\$ 251,966</u>	<u>\$ 12,176,582</u>	<u>\$ 598,447</u>	<u>\$ 24,261,313</u>	<u>\$ 88,627,606</u>

(Concluded)

Additional Information

SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED AND INTEREST CREDITED
APPLICATION 11-01-00-HYA

QUARTERS ENDED SEPTEMBER 30, 2021, DECEMBER 31, 2021, MARCH 31, 2022, AND JUNE 30, 2022

	Quarters Ended				Annual Total
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	
Passenger facility charges collected.....	\$ 7,441	\$ 5,297	\$ 5,217	\$ 7,900	\$ 25,855
Interest credited.....	129	131	129	83	472
Total revenue.....	<u>7,570</u>	<u>5,428</u>	<u>5,346</u>	<u>7,983</u>	<u>26,327</u>
Unexpended (over expended) passenger facility charges at beginning of period.....	<u>(1,538,899)</u>	<u>(1,531,329)</u>	<u>(1,525,901)</u>	<u>(1,520,555)</u>	<u>(1,538,899)</u>
Excess (deficiency) of passenger facility charges collected over passenger facility charges expended at end of quarter.....	<u>\$ (1,531,329)</u>	<u>\$ (1,525,901)</u>	<u>\$ (1,520,555)</u>	<u>\$ (1,512,572)</u>	<u>\$ (1,512,572)</u>
Passenger facility charges:					
New terminal building.....	\$ 2,549,600				
Application assistance.....	<u>24,000</u>				
Total passenger facility charge.....	<u>\$ 2,573,600</u>				

See notes to additional information.

NOTE A – BASIS OF ACCOUNTING

The schedule of passenger facility charges collected and expended and interest credited are prepared on the basis of cash receipts and disbursements, as prescribed by Sections 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990, issued by the Federal Aviation Administration of the U.S. Department of Transportation, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Passenger facility charges collected include amounts collected by the airlines and transferred to the Town's airport. Expenditures for passenger facility charge approved projects are presented on a cash basis and include only the expenditures for approved passenger facility charge projects.

NOTE B – INTEREST CREDITED

Interest credited represents interest income allocated to the passenger facility charge program based on the ratio of the passenger facility charge program's unexpended passenger facility charges cash balance to the airport's total cash and investments balance included in the pooled cash funds of the Town.

NOTE C – APPLICATION

On January 20, 2011, the Federal Aviation Administration approved the airport's application allowing them to charge a \$2 passenger facility charge effective March 1, 2011. The airport was approved to charge \$2,573,600 in passenger facility charges of which \$2,549,600 is for a new terminal building and \$24,000 is assistance for the application fee.

Statistical Section



A boatload of oysters ready to be dispersed into the bay.



Sunset on the Scudder flats.

Statistical Section

Statistical tables differ from financial statements since they usually cover more than one year and may present nonaccounting data. The following tables reflect social and economic data, financial trends, and fiscal capacity.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Net Position By Component

Last Ten Years

	2013	2014 (1)	2015	2016	2017 (2)	2018	2019	2020 (3)	2021	2022
Governmental activities										
Net investment in capital assets.....	\$ 191,206,448	\$ 196,719,117	\$ 205,927,509	\$ 212,363,641	\$ 218,426,338	\$ 220,042,677	\$ 232,532,339	\$ 246,333,750	\$ 253,212,510	\$ 256,270,781
Restricted.....	26,282,984	30,686,880	51,556,623	58,921,589	62,317,088	68,067,585	65,611,041	62,407,238	68,669,155	69,025,480
Unrestricted.....	29,771,094	(38,878,968)	(55,985,855)	(58,753,543)	(193,578,801)	(196,076,475)	(184,666,761)	(181,626,921)	(161,116,011)	(119,270,989)
Total governmental activities net position....	\$ 247,260,526	\$ 188,527,029	\$ 201,498,277	\$ 212,531,687	\$ 87,164,625	\$ 92,033,787	\$ 113,476,619	\$ 127,114,067	\$ 160,765,654	\$ 206,025,272
Business-type activities										
Net investment in capital assets.....	\$ 124,918,522	\$ 130,038,669	\$ 129,853,741	\$ 133,965,038	\$ 139,551,898	\$ 141,451,379	\$ 139,807,213	\$ 134,576,360	\$ 137,845,381	\$ 123,661,442
Unrestricted.....	28,724,877	16,954,440	12,789,879	9,011,658	(14,098,636)	(8,454,786)	(14,264,226)	(11,275,317)	(2,617,712)	30,433,950
Total business-type activities net position....	\$ 153,643,399	\$ 146,993,109	\$ 142,643,620	\$ 142,976,696	\$ 125,453,262	\$ 132,996,593	\$ 125,542,987	\$ 123,301,043	\$ 135,227,669	\$ 154,095,392
Primary government										
Net investment in capital assets.....	\$ 316,124,970	\$ 326,757,786	\$ 335,781,250	\$ 346,328,679	\$ 357,978,236	\$ 361,494,056	\$ 372,339,552	\$ 380,910,110	\$ 391,057,891	\$ 379,932,223
Restricted.....	26,282,984	30,686,880	51,556,623	58,921,589	62,317,088	68,067,585	65,611,041	62,407,238	68,669,155	69,025,480
Unrestricted.....	58,495,971	(21,924,528)	(43,195,976)	(49,741,885)	(207,677,437)	(204,531,261)	(198,930,987)	(192,902,238)	(163,733,723)	(88,837,039)
Total primary government net position.....	\$ 400,903,925	\$ 335,520,138	\$ 344,141,897	\$ 355,508,383	\$ 212,617,887	\$ 225,030,380	\$ 239,019,606	\$ 250,415,110	\$ 295,993,323	\$ 360,120,664

(1) = Unrestricted net position has been revised to reflect the implementation of GASB Statement #68.

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

(3) = Unrestricted net position has been revised to reflect the implementation of GASB Statement #84.

Changes in Net Position

Last Ten Years

	2013	2014 (1)	2015	2016	2017	2018 (2)	2019	2020	2021	2022 (3)
Expenses										
Governmental activities:										
Town council.....	\$ 359,904	\$ 374,097	\$ 339,569	\$ 328,134	\$ 411,585	\$ 345,768	\$ 290,140	\$ 283,291	\$ 293,290	\$ 237,971
Town manager.....	833,480	731,898	729,943	747,633	595,943	821,741	730,703	857,850	915,943	1,115,522
Administrative services.....	11,798,106	10,162,510	9,115,014	10,002,658	11,035,111	8,938,839	8,249,533	9,521,973	11,138,207	11,953,955
Planning and development.....	2,507,187	2,503,189	2,247,816	2,823,941	3,020,362	3,874,250	3,320,416	4,228,802	4,170,549	4,516,819
Public safety.....	20,916,182	18,405,124	19,507,303	20,862,466	23,861,154	19,687,709	18,028,537	19,614,230	19,690,644	18,319,743
Licensing department.....	668,582	725,853	840,559	847,492	881,606	734,408	628,155	619,881	573,233	-
Inspectional services.....	3,906,041	4,241,496	4,912,280	4,947,660	5,736,341	4,018,797	3,688,069	4,023,135	3,917,320	4,162,590
Education.....	95,671,120	98,194,013	93,771,670	100,186,329	107,118,309	114,391,769	111,317,372	118,095,259	124,551,135	118,977,732
Public works.....	14,401,634	17,728,098	16,824,028	16,371,382	18,428,830	16,277,894	17,125,820	16,638,250	16,726,224	17,663,199
Marine and environmental affairs.....	1,229,182	1,212,870	1,348,758	1,481,373	1,616,257	1,513,835	1,468,162	1,532,482	1,491,685	1,376,403
Community services.....	3,674,325	3,625,926	4,032,313	4,429,843	4,971,417	5,713,217	4,380,749	5,049,411	4,094,726	3,878,007
Culture and recreation.....	2,167,069	2,285,422	2,426,386	2,527,421	2,589,896	2,579,518	2,683,275	2,259,084	2,020,077	2,270,627
Interest.....	2,597,202	2,367,893	2,283,830	1,543,603	1,498,995	1,748,298	1,672,823	1,564,359	1,100,241	1,371,834
Total government activities expenses.....	160,730,014	162,558,389	158,379,469	167,099,935	181,765,806	180,646,043	173,583,754	184,288,007	190,683,274	185,844,402
Business-type activities:										
Airport activities.....	8,623,561	10,472,971	10,648,521	9,594,154	9,182,704	9,512,394	11,162,553	10,469,804	11,343,283	12,176,977
Golf course activities.....	2,398,742	2,865,366	2,800,324	3,301,784	3,549,115	3,178,993	4,389,949	3,164,502	2,802,904	2,705,261
Solid waste activities.....	2,126,066	1,880,032	2,726,761	2,941,795	3,461,036	3,151,156	3,693,915	3,735,937	3,771,148	3,341,426
Wastewater activities.....	5,084,332	5,612,203	5,294,945	5,390,908	5,945,818	5,821,281	6,431,526	6,815,676	4,950,134	5,045,050
Water supply activities.....	3,213,131	3,476,031	3,768,839	4,166,093	5,643,153	5,698,957	6,527,312	6,635,720	4,476,784	6,435,719
Marina recreation activities.....	683,424	693,937	622,037	1,164,401	718,940	727,449	641,433	568,793	534,459	550,961
Sandy Neck recreation activities.....	649,590	733,436	946,220	1,068,262	1,007,111	1,020,071	919,684	937,584	889,444	821,822
Hyannis youth and community center.....	2,360,247	2,463,416	2,499,740	2,921,811	2,964,957	2,931,860	3,761,253	2,650,301	1,278,638	3,259,116
PEG access activities.....	-	-	-	-	-	513,534	1,803,794	586,236	641,669	280,393
Total business-type activities expenses.....	25,139,093	28,197,392	29,307,387	30,549,208	32,472,834	32,555,695	39,331,419	35,564,553	30,688,463	34,616,725
Total primary government expenses.....	\$ 185,869,107	\$ 190,755,781	\$ 187,686,856	\$ 197,649,143	\$ 214,238,640	\$ 213,201,738	\$ 212,915,173	\$ 219,852,560	\$ 221,371,737	\$ 220,461,127
Program Revenues										
Governmental activities:										
Administrative services charges for services.....	\$ 759,649	\$ 731,934	\$ 811,100	\$ 835,259	\$ 839,568	\$ 905,200	\$ 1,253,932	\$ 924,940	\$ 806,691	\$ 986,421
Education charges for services.....	2,831,275	2,609,888	2,468,780	2,766,669	2,849,677	180,222	104,721	2,492,365	1,554,097	2,236,877
Community services charges for services.....	1,916,796	2,107,340	2,258,031	3,125,465	2,991,473	1,324,563	2,141,512	2,117,978	2,296,484	2,612,741
Inspectional services charges for services.....	2,904,766	3,357,794	3,247,298	3,568,406	3,490,165	2,360,230	3,097,094	3,042,122	3,640,024	4,028,369
Other charges for services.....	1,620,970	1,646,135	1,618,726	1,612,044	1,283,184	4,741,144	3,780,561	2,628,751	4,726,192	20,536,446
Operating grants and contributions.....	32,799,639	30,872,078	24,791,463	30,244,001	33,127,780	36,376,056	37,255,187	42,664,347	52,360,873	44,393,905
Capital grant and contributions.....	6,709,206	5,520,965	4,320,128	5,884,073	3,863,636	3,071,382	1,107,366	7,993,576	4,407,861	4,328,762
Total government activities program revenues.....	49,542,301	46,846,134	39,515,526	48,035,917	48,445,483	48,958,797	48,740,373	61,864,079	69,792,222	79,133,521
Business-type activities:										
Charges for services - Airport.....	6,969,301	7,152,972	7,595,233	6,390,216	5,568,140	6,001,444	6,969,796	8,070,379	7,977,479	11,488,397
Charges for services - Golf Course.....	2,882,023	2,945,649	3,038,223	3,173,012	3,182,636	3,263,851	3,356,499	2,854,495	3,979,900	3,935,016
Charges for services - Solid Waste.....	2,171,301	2,291,223	2,630,509	2,231,944	2,925,374	3,124,552	3,266,419	3,452,240	3,554,253	4,127,539
Charges for services - Wastewater.....	4,194,565	6,214,125	4,339,654	3,388,870	4,528,101	4,459,115	4,815,650	4,625,117	5,101,327	6,466,677
Charges for services - Water Supply.....	4,195,886	4,441,137	4,907,019	5,301,446	5,424,751	5,781,309	6,194,429	6,192,901	8,077,826	7,317,420
Charges for services - Marina recreation.....	657,281	690,881	637,769	736,283	685,771	726,836	713,325	742,865	804,400	873,669
Charges for services - Sandy Neck recreation.....	714,585	829,552	872,298	1,199,321	1,096,042	1,004,197	913,451	831,697	1,159,203	1,264,237
Charges for services - Hyannis youth and community center.....	1,196,908	1,234,064	1,212,993	1,204,119	1,134,431	1,238,868	1,193,981	907,503	480,068	814,265
Charges for services - PEG access.....	-	-	-	-	-	862,576	814,704	843,725	949,359	926,729
Operating grants and contributions.....	525,089	333,149	473,201	301,449	288,967	445,512	497,241	385,971	5,044,693	7,167,759
Capital grants and contributions.....	1,843,059	7,356,270	4,815,157	4,128,274	2,835,392	9,278,460	-	704,670	449,845	1,188,602
Total business-type activities program revenues.....	25,349,998	33,489,022	30,522,056	28,054,934	27,669,605	36,186,720	28,735,495	29,611,563	37,578,353	45,570,310
Total primary government program revenues.....	\$ 74,892,299	\$ 80,335,156	\$ 70,037,582	\$ 76,090,851	\$ 76,115,088	\$ 85,145,517	\$ 77,475,868	\$ 91,475,642	\$ 107,370,575	\$ 124,703,831

(Continued)

Changes in Net Position

Last Ten Years

	2013	2014 (1)	2015	2016	2017	2018 (2)	2019	2020	2021	2022 (3)
Net (Expense)/Revenue										
Governmental activities.....	\$ (111,187,713)	\$ (115,712,255)	\$ (118,863,943)	\$ (119,064,018)	\$ (133,320,323)	\$ (131,687,246)	\$ (124,843,381)	\$ (122,423,928)	\$ (120,891,052)	\$ (106,710,881)
Business-type activities.....	210,905	5,291,630	1,214,669	(2,494,274)	(4,803,229)	3,631,025	(10,595,924)	(5,952,990)	6,889,890	10,953,585
Total primary government net expense.....	\$ (110,976,808)	\$ (110,420,625)	\$ (117,649,274)	\$ (121,558,292)	\$ (138,123,552)	\$ (128,056,221)	\$ (135,439,305)	\$ (128,376,918)	\$ (114,001,162)	\$ (95,757,296)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 99,665,171	\$ 103,150,266	\$ 106,530,407	\$ 110,049,748	\$ 114,256,542	\$ 117,592,396	\$ 122,233,252	\$ 127,948,231	\$ 130,385,646	\$ 134,321,665
Motor vehicle and other excise taxes.....	6,251,595	7,014,709	7,032,295	7,568,790	7,882,124	8,337,027	8,349,242	8,270,380	8,515,166	8,986,003
Hotel/motel tax.....	2,563,046	1,819,179	2,699,495	2,798,882	2,920,683	2,986,802	3,098,571	3,618,123	3,330,347	5,189,656
Meals tax.....	1,261,113	-	1,372,762	1,474,084	1,494,626	1,553,414	1,627,936	1,472,380	1,444,690	1,915,448
Community preservation surtax.....	2,942,493	3,036,667	3,099,572	3,208,815	3,336,838	3,447,737	3,596,089	3,783,980	3,904,414	3,919,723
Penalties and interest on taxes.....	1,006,469	1,056,947	928,707	914,983	1,381,382	1,480,233	1,782,654	1,841,025	1,999,650	1,709,698
Grants and contributions not restricted to specific programs.....	2,462,643	3,037,252	2,888,316	3,198,731	3,303,717	3,263,868	3,754,050	2,981,139	3,575,700	3,474,448
Unrestricted investment income.....	2,573,660	3,092,436	1,298,586	2,183,557	1,558,205	1,524,422	4,531,223	3,896,795	6,188,623	89,403
Gain on sale of capital assets.....	185,500	3,782,939	-	-	725,000	-	-	-	-	-
Miscellaneous.....	86,629	258,933	8,545	29,925	96,896	10,420	3,506	-	-	-
Transfers.....	(1,087,328)	1,818,152	9,955,716	2,342,380	2,369,816	(3,639,911)	(2,690,310)	(5,029,597)	(4,801,597)	(7,635,545)
Total governmental activities.....	117,910,991	128,067,480	135,814,401	133,769,895	139,325,829	136,556,408	146,286,213	148,782,456	154,542,639	151,970,499
Business-type activities:										
Hotel/motel tax.....	-	909,590	-	-	-	-	-	-	-	-
Meals tax.....	-	1,455,329	-	-	-	-	-	-	-	-
Unrestricted investment income.....	549,672	942,020	412,348	262,226	242,029	272,395	452,008	438,857	235,139	278,593
Legal settlements.....	-	-	-	-	3,120,000	-	-	-	-	-
Transfers.....	1,087,328	(1,818,152)	(9,955,716)	(2,342,380)	(2,369,816)	3,639,911	2,690,310	5,029,597	4,801,597	7,635,545
Total business-type activities.....	1,637,000	1,488,787	(9,543,368)	(2,080,154)	992,213	3,912,306	3,142,318	5,468,454	5,036,736	7,914,138
Total primary government.....	\$ 119,547,991	\$ 129,556,267	\$ 126,271,033	\$ 131,689,741	\$ 140,318,042	\$ 140,468,714	\$ 149,428,531	\$ 154,250,910	\$ 159,579,375	\$ 159,884,637
Changes in Net Position										
Governmental activities.....	\$ 6,723,278	\$ 12,355,225	\$ 16,950,458	\$ 14,705,877	\$ 6,005,506	\$ 4,869,162	\$ 21,442,832	\$ 26,358,528	\$ 33,651,587	\$ 45,259,618
Business-type activities.....	1,847,905	6,780,417	(8,328,699)	(4,574,428)	(3,811,016)	7,543,331	(7,453,606)	(484,536)	11,926,626	18,867,723
Total primary government.....	\$ 8,571,183	\$ 19,135,642	\$ 8,621,759	\$ 10,131,449	\$ 2,194,490	\$ 12,412,493	\$ 13,989,226	\$ 25,873,992	\$ 45,578,213	\$ 64,127,341

(1) = Through special legislation in 2014, the Town accounted for meals tax revenue in the Sewer Expansion Trust Fund which was reported in the Wastewater enterprise fund. Beginning in 2015, through special legislation, the Town created the Construction and Maintenance fund which reports all meals tax revenue and one third of the hotel/motel tax revenue within the governmental funds.

(2) = The Town established the PEG Access enterprise fund in 2018.

(3) = In 2022, the Town reorganized and moved the licensing component of operations in the general fund to the Town Manager and in the revolving fund to Inspectional Services.

(Concluded)

Fund Balances, Governmental Funds

Last Ten Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 (1)</u>	<u>2021</u>	<u>2022</u>
General Fund										
Restricted.....	\$ 2,660,174	\$ 2,650,600	\$ 2,453,717	\$ 2,373,473	\$ 2,206,073	\$ 1,948,381	\$ 1,897,265	\$ 1,760,302	\$ 1,794,192	\$ 1,623,813
Assigned.....	4,231,826	4,820,179	6,136,907	4,956,930	5,505,301	6,240,508	5,421,901	6,629,635	7,912,537	9,950,283
Unassigned.....	<u>26,137,881</u>	<u>28,085,852</u>	<u>26,289,884</u>	<u>30,019,449</u>	<u>33,245,543</u>	<u>33,070,020</u>	<u>36,338,796</u>	<u>41,756,577</u>	<u>46,076,755</u>	<u>47,497,011</u>
Total general fund.....	<u>\$ 33,029,881</u>	<u>\$ 35,556,631</u>	<u>\$ 34,880,508</u>	<u>\$ 37,349,852</u>	<u>\$ 40,956,917</u>	<u>\$ 41,258,909</u>	<u>\$ 43,657,962</u>	<u>\$ 50,146,514</u>	<u>\$ 55,783,484</u>	<u>\$ 59,071,107</u>
All Other Governmental Funds										
Nonspendable.....	\$ 11,093,750	\$ 15,690,018	\$ 15,737,943	\$ 16,933,978	\$ 16,988,191	\$ 17,037,151	\$ 17,981,434	\$ 17,545,876	\$ 19,035,241	\$ 19,445,357
Restricted.....	35,791,783	35,410,254	41,645,262	46,703,475	49,811,531	54,378,839	60,768,708	64,165,265	73,075,845	80,909,587
Unassigned.....	-	-	-	-	-	(856,191)	(1,321,995)	(374,685)	-	-
Total all other governmental funds.....	<u>\$ 46,885,533</u>	<u>\$ 51,100,272</u>	<u>\$ 57,383,205</u>	<u>\$ 63,637,453</u>	<u>\$ 66,799,722</u>	<u>\$ 70,559,799</u>	<u>\$ 77,428,147</u>	<u>\$ 81,336,456</u>	<u>\$ 92,111,086</u>	<u>\$ 100,354,944</u>

(1) = Unrestricted net position has been revised to reflect the implementation of GASB Statement #84.

Changes in Fund Balances, Governmental Funds

Last Ten Years

	2013	2014 (1)	2015	2016	2017	2018	2019	2020	2021	2022 (2)
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 99,399,272	\$ 102,905,909	\$ 105,260,464	\$ 108,835,835	\$ 113,664,164	\$ 116,995,728	\$ 121,293,366	\$ 128,883,278	\$ 131,222,563	\$ 134,004,505
Motor vehicle and other excise taxes.....	6,209,316	6,616,970	7,033,401	7,506,290	7,405,793	8,255,521	8,190,165	8,392,763	8,136,253	9,390,128
Hotel/motel tax.....	2,537,046	1,810,513	2,691,495	2,800,577	2,924,631	2,978,359	3,067,901	3,508,679	3,313,667	5,124,676
Meals tax.....	1,255,113	-	1,372,762	1,474,084	1,494,626	1,553,414	1,627,936	1,472,380	1,444,690	1,915,448
Charges for services.....	5,380,029	5,303,748	5,414,436	5,922,080	5,938,554	6,271,204	7,086,499	5,670,318	5,300,515	5,863,181
Penalties and interest on taxes.....	1,429,142	1,502,443	1,350,562	1,296,576	1,802,284	1,480,233	1,776,914	1,825,026	1,989,038	1,714,280
Fees and rentals.....	1,622,674	1,592,714	1,660,085	1,764,493	1,829,159	1,755,777	1,900,260	1,643,171	1,678,131	1,900,482
Licenses and permits.....	2,931,858	3,367,133	3,206,880	3,458,964	3,405,345	3,020,030	2,854,644	2,767,995	3,086,773	3,075,589
Intergovernmental.....	40,999,777	39,468,814	33,074,571	37,097,876	39,778,378	39,408,367	47,625,863	54,729,705	58,442,333	48,483,493
Departmental and other.....	671,549	502,499	530,010	484,246	667,908	2,011,601	2,431,068	1,399,422	3,526,842	4,108,014
Community preservation fund taxes.....	2,942,493	3,036,667	3,099,572	3,208,815	3,336,839	3,447,737	3,596,089	3,783,980	3,904,414	3,919,801
Special assessments.....	353,293	575,224	596,185	1,291,690	1,051,138	559,113	578,250	1,229,075	1,179,423	489,325
Contributions and donations.....	242,909	460,652	894,598	299,212	294,793	161,910	190,474	107,858	116,581	17,211
Investment income.....	2,554,945	3,066,820	1,275,082	2,166,199	1,538,913	1,495,039	4,480,207	3,838,364	6,158,769	58,810
Miscellaneous.....	24,191	19,020	39,120	73,132	143,166	6,318	3,506	39,438	87,959	50,348
Legal settlements.....	-	-	-	37,506	-	-	-	-	-	-
Total Revenues.....	168,553,607	170,229,126	167,499,223	177,717,575	185,275,691	189,400,351	206,703,142	219,291,452	229,587,951	220,115,291
Expenditures:										
Town council.....	232,843	249,722	219,284	204,736	227,059	240,302	235,429	207,131	239,661	224,792
Town manager.....	555,761	503,797	481,700	477,664	344,508	609,586	586,464	622,232	723,222	1,071,345
Administrative services.....	7,058,939	5,410,757	5,455,930	6,078,641	5,986,620	5,326,648	5,700,110	6,250,202	8,114,743	9,456,314
Planning and development.....	2,089,041	2,076,830	1,295,709	1,807,080	1,814,406	2,673,823	2,321,914	2,902,985	3,131,424	3,790,108
Public safety.....	14,812,467	12,423,830	12,882,134	13,433,285	13,653,146	13,820,494	14,692,695	14,892,321	16,595,530	17,061,411
Licensing department.....	616,011	665,147	684,127	679,084	742,690	589,900	561,359	569,736	538,864	-
Inspectional services.....	2,236,503	2,414,895	2,483,808	2,465,497	2,696,426	1,973,804	2,038,082	2,071,175	2,094,158	2,630,576
Education.....	69,573,482	71,266,325	71,844,729	73,348,203	75,530,065	78,485,038	81,274,886	84,660,941	87,037,687	90,792,161
Public works.....	8,809,756	11,991,138	11,326,596	9,536,429	10,433,373	9,418,913	9,542,911	9,242,904	9,844,585	11,260,890
Marine and environmental affairs.....	1,097,271	1,130,453	1,179,747	1,246,165	1,240,543	1,241,807	1,289,323	1,220,521	1,280,365	1,308,797
Community services.....	2,002,463	2,063,020	2,152,977	2,274,188	2,263,928	4,032,231	2,838,728	3,132,855	2,566,703	2,673,777
Culture and recreation.....	2,167,069	2,285,422	2,426,386	2,527,421	2,589,896	2,579,518	2,683,275	2,259,084	2,020,077	2,270,627
Pension and employee benefits.....	26,520,993	28,459,406	23,697,575	27,146,500	31,650,354	33,593,167	34,393,526	39,183,547	41,237,774	32,236,390
Property and liability insurance.....	1,064,370	1,183,369	1,220,642	1,216,239	1,249,167	1,493,110	1,376,947	1,503,000	1,706,198	1,938,637
Other assessments.....	398,239	397,056	389,520	357,141	342,770	582,521	334,900	407,713	373,764	342,770
State and county charges.....	6,578,322	7,081,833	7,870,164	8,174,877	8,372,349	8,951,456	9,298,164	10,189,601	11,301,722	12,031,421
Capital outlay.....	8,353,164	10,980,666	14,983,478	17,654,545	11,546,620	12,628,922	22,469,928	25,916,249	18,060,290	12,852,326
Debt service:										
Principal.....	9,298,893	9,001,782	9,223,081	8,968,701	9,374,175	9,808,370	10,240,230	7,268,620	6,537,720	6,514,254
Interest.....	2,714,020	2,483,851	2,377,624	1,977,382	2,135,047	2,004,990	1,941,300	1,879,917	1,923,877	1,841,627
Total Expenditures.....	166,179,607	172,069,299	172,195,211	179,573,778	182,193,142	190,054,600	203,820,171	214,380,734	215,328,364	210,298,223
Excess of revenues over (under) expenditures.....	2,374,000	(1,840,173)	(4,695,988)	(1,856,203)	3,082,549	(654,249)	2,882,971	4,910,718	14,259,587	9,817,068
Other Financing Sources (Uses):										
Issuance of bonds and notes.....	-	6,248,000	3,930,000	12,113,000	5,361,641	7,780,500	8,266,800	8,728,100	7,060,100	8,370,321
Issuance of refunding bonds.....	-	-	5,265,500	1,674,000	-	-	-	-	2,529,450	-
Premium from issuance of bonds.....	-	245,377	347,856	1,000,312	316,300	575,729	807,940	1,142,116	572,510	979,637
Premium from issuance of refunding bonds.....	-	-	728,615	218,218	-	-	-	-	370,550	-
Payment to refunded bond escrow agent.....	-	-	(5,945,679)	(1,860,611)	-	-	-	-	(2,900,000)	-
Proceeds from sale of capital assets.....	195,500	3,782,939	-	-	725,000	-	-	-	-	-
Transfers in.....	4,649,269	6,894,945	14,212,563	5,951,984	6,213,081	7,063,368	5,648,634	9,450,375	5,743,328	11,209,881
Transfers out.....	(9,110,149)	(8,589,599)	(8,236,057)	(8,517,108)	(8,929,237)	(10,703,279)	(8,338,944)	(14,479,972)	(11,223,925)	(18,845,426)
Total other financing sources (uses).....	(4,265,380)	8,581,662	10,302,798	10,579,795	3,686,785	4,716,318	6,384,430	4,840,619	2,152,013	1,714,413
Net change in fund balance.....	(1,891,380)	6,741,489	5,606,810	8,723,592	6,769,334	4,062,069	9,267,401	9,751,337	16,411,600	11,531,481
Debt service as a percentage of noncapital expenditures.....	7.61%	7.13%	7.38%	6.76%	6.74%	6.66%	6.72%	4.85%	4.29%	4.23%

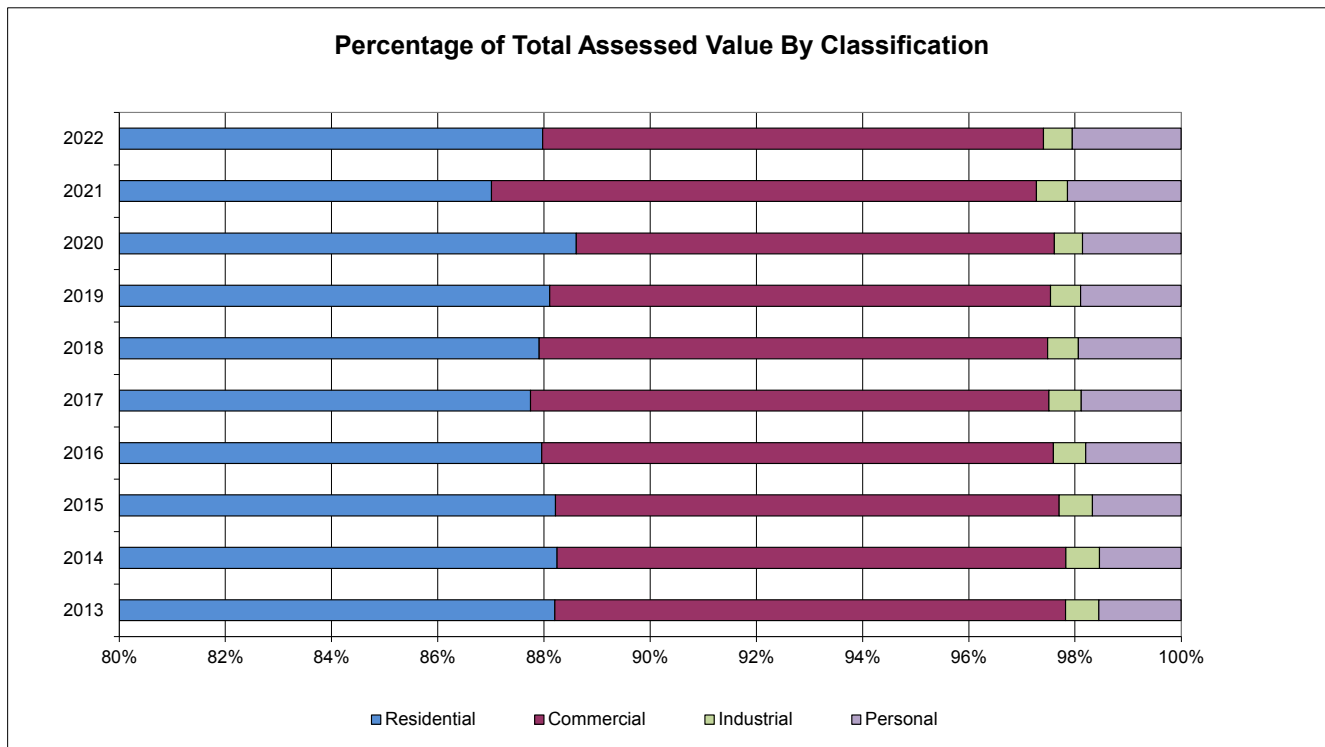
(1) = Through special legislation in 2014, the Town accounted for meals tax revenue in the Sewer Expansion Trust Fund which was reported in the Wastewater enterprise fund. Beginning in 2015, through special legislation, the Town created the Construction and Maintenance fund which reports all meals tax revenue and one third of the hotel/motel tax revenue within the governmental funds.

(2) = In 2022, the Town reorganized and moved the licensing component of operations in the general fund to the Town Manager and in the revolving fund to Inspectional Services.

Assessed 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	Total Commercial Value	Commercial Tax Rate	Personal Property	Personal Property Tax Rate	Total Direct Rate (1)	Overlapping Rate (2)	Total Direct and Overlapping Rate	Total Town Value
2013	\$ 11,220,887,767	\$ 8.76	\$ 1,223,179,078	\$ 80,290,800	\$ 1,303,469,878	\$ 7.89	\$ 197,055,870	\$ 7.59	\$ 8.66	\$ 2.13	\$ 10.79	\$ 12,721,413,515
2014	11,114,256,735	9.12	1,206,529,030	79,328,500	1,285,857,530	8.22	193,985,740	8.22	9.01	2.29	11.30	12,594,100,005
2015	11,207,187,750	9.30	1,204,713,235	79,592,100	1,284,305,335	8.40	212,290,440	8.40	9.19	2.57	11.76	12,703,783,525
2016	11,559,979,680	9.31	1,266,853,600	79,821,600	1,346,675,200	8.41	236,236,480	8.41	9.20	2.67	11.87	13,142,891,360
2017	11,609,385,779	9.54	1,291,731,901	80,275,500	1,372,007,401	8.64	249,000,650	8.64	9.43	2.62	12.05	13,230,393,830
2018	11,966,381,614	9.61	1,304,032,686	78,707,200	1,382,739,886	8.71	263,193,250	8.71	9.50	2.78	12.29	13,612,314,750
2019	12,560,431,751	9.50	1,344,240,377	81,212,300	1,425,452,677	8.61	269,931,690	8.61	9.39	2.91	12.30	14,255,816,118
2020	13,367,563,829	9.37	1,357,588,104	80,314,500	1,437,902,604	8.51	280,109,380	8.51	9.27	2.85	12.12	15,085,575,813
2021	13,902,857,731	9.10	1,639,932,289	93,932,600	1,733,864,889	8.26	341,777,570	8.26	8.99	2.62	11.61	15,978,500,190
2022	15,277,026,292	8.64	1,637,507,131	93,958,300	1,731,465,431	7.85	356,005,570	7.85	8.55	2.53	11.07	17,364,497,293



(1) Weighted average direct tax rate, calculated as weighted average of residential, commercial and personal property tax rates. In 2022, tax rates included residential tax of \$8.64, commercial tax of \$7.85, and personal property tax of \$7.85.

(2) Overlapping rates for the five fire districts. Four fire districts adopted a single tax rate and one adopted the residential exemption. In 2022, rates ranged from \$1.00 per \$1,000 of valuation to \$4.95 per \$1,000 of valuation for an average rate of \$2.53 per \$1,000 of valuation.

Source: Assessor's Department, Town of Barnstable

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

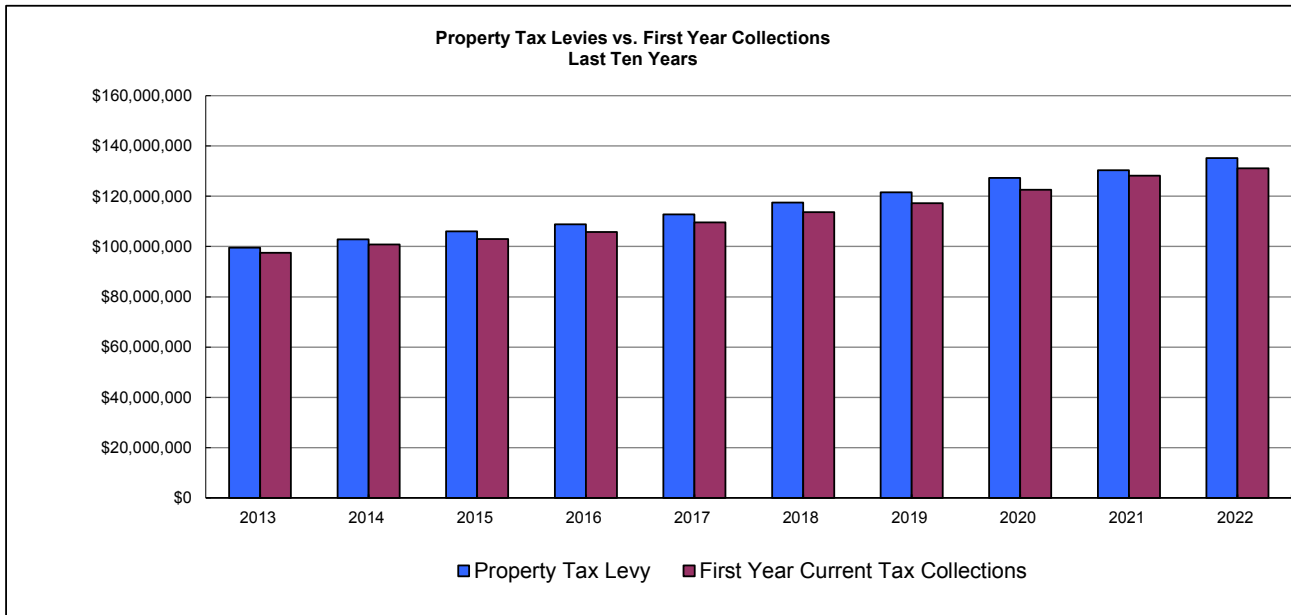
Name	Nature of Business	2022			2013		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Eversource	Public Utility	\$ 171,556,860	1	0.99%			
Mayflower Cape Cod, LLC	Cape Cod Mall	136,889,700	2	0.79%	\$ 100,023,400	1	0.79%
National Grid	Public Utility	64,316,360	3	0.37%	32,189,600	6	0.25%
Capetown Plaza LLC	Shopping Center	49,304,000	4	0.28%			
Festival of Hyannis, LLC	Shopping Center	41,348,700	5	0.24%	22,830,500	10	0.18%
OCW Retail Hyannis, LLC	Shopping Center	38,245,700	6	0.22%	24,940,400	9	0.20%
GS Barnstable Land Owner, LLC	Apartments	37,419,300	7	0.22%			
Oyster Harbors Club, Inc.	Social Club & Residential Properties	28,094,300	8	0.16%	28,526,510	5	0.22%
Indian Point Family Partnership LP	Various Residential	27,752,300	9	0.16%			
Cape Cod Five Cents Savings Bank	Bank	26,109,100	10	0.15%			
Nstar	Public Utility				71,850,180	2	0.56%
Individual	Residential Properties				46,879,210	3	0.37%
Verizon/Bell Atlantic	Public Utility				37,178,730	4	0.29%
Wianno Club	Recreation				24,827,200	7	0.20%
Individual	Residential Properties				25,146,700	8	0.20%
Totals		\$ 621,036,320		3.58%	\$ 414,392,430		3.26%

Source: Assessor's Department, Town of Barnstable

Property Tax Levies and Collections

Last Ten Years

Year	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Subsequent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2013	\$ 100,386,021	\$ 786,537	\$ 99,599,484	99.22%	\$ 97,485,153	97.88%	\$ 1,361,587	\$ 98,846,740	99.24%
2014	103,522,018	673,327	102,848,691	99.35%	100,779,510	97.99%	1,365,153	102,144,663	99.32%
2015	106,676,485	674,924	106,001,561	99.37%	103,011,541	97.18%	2,446,518	105,458,059	99.49%
2016	110,547,068	1,724,851	108,822,217	98.44%	105,826,314	97.25%	2,828,691	108,655,005	99.85%
2017	114,428,985	1,705,310	112,723,675	98.51%	109,589,260	97.22%	3,136,120	112,725,380	100.00%
2018	118,531,665	1,005,652	117,526,013	99.15%	113,613,613	96.67%	3,318,278	116,931,891	99.49%
2019	122,755,924	1,169,281	121,586,643	99.05%	117,220,055	96.41%	3,750,174	120,970,229	99.49%
2020	128,392,357	1,136,854	127,255,503	99.11%	122,533,607	96.29%	3,962,651	126,496,258	99.40%
2021	132,058,458	1,788,114	130,270,344	98.65%	128,202,406	98.41%	1,870,768	130,073,174	99.85%
2022	136,243,968	1,140,553	135,103,415	99.16%	131,119,857	97.05%	-	131,119,857	97.05%



Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities			Business-type Activities (1)		Total Debt Outstanding	Percentage of Personal Income (3)	U. S. Census Population	Debt Per Capita
	General Obligation Bonds (2)	Direct Borrowings	Special Assessment Bonds	General Obligation Bonds (2)	Direct Borrowings				
2013	\$ 62,063,890	\$ 1,546,888	\$ -	\$ 29,043,603	\$ 25,678,724	\$ 118,333,105	7.31%	44,824	\$ 2,640
2014	59,422,186	1,384,654	-	26,903,151	23,861,540	111,571,531	6.86%	44,824	2,489
2015	54,814,266	964,305	-	26,598,038	21,344,327	103,720,936	6.34%	45,170	2,296
2016	58,613,459	837,524	-	29,513,009	21,934,145	110,898,137	6.75%	45,193	2,454
2017	54,209,858	965,290	-	32,202,958	21,423,012	108,801,118	6.70%	44,487	2,446
2018	52,726,942	752,020	-	31,318,454	19,532,293	104,329,709	6.40%	44,498	2,345
2019	51,504,267	535,290	-	30,382,423	20,158,046	102,580,026	6.11%	44,331	2,314
2020	53,958,446	315,027	-	29,132,735	18,535,677	101,941,885	6.16%	44,774	2,277
2021	50,930,384	180,408	2,745,000	30,574,941	29,172,997	113,603,730	6.67%	44,477	2,554
2022	53,540,436	140,204	2,520,000	30,353,645	27,248,672	113,802,957	6.77%	48,916	2,326

(1) Airport, Golf Course, Solid Waste, Wastewater, Water, Marinas, Sandy Neck Park, Hyannis Youth and Community Center and PEG Access.

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

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

Source: Audited Financial Statements, U. S. Census

Ratios of General Bonded Debt Outstanding

Last Ten Years

Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2013	\$ 91,107,493	0.72%	\$ 2,033
2014	86,325,337	0.69%	1,926
2015	81,412,304	0.64%	1,802
2016	88,126,468	0.67%	1,950
2017	86,412,816	0.65%	1,942
2018	84,045,396	0.62%	1,889
2019	81,886,690	0.57%	1,847
2020	83,091,181	0.55%	1,856
2021	81,505,325	0.51%	1,833
2022	83,894,081	0.48%	1,715

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

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

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2022

<u>Town of Barnstable, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable (1), (2)</u>	<u>Share of Overlapping Debt</u>
Debt repaid with property taxes and user charges:			
Barnstable County.....	\$ 19,117,890	20.45%	\$ 3,909,609
Cape Cod Regional Technical High School District.....	62,730,000	27.00%	16,937,100
Barnstable Fire District.....	1,800,000	100.00%	1,800,000
Centerville-Osterville-Marston Mills Fire District.....	1,310,000	100.00%	1,310,000
Cotuit Fire District.....	3,299,472	100.00%	3,299,472
Hyannis Fire District.....	15,660,000	100.00%	<u>15,660,000</u>
Subtotal, overlapping debt.....			42,916,181
Town direct debt.....			<u>56,200,640</u>
Total direct and overlapping debt.....			\$ <u><u>99,116,821</u></u>

Source: Official Statements

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

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

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

(2) The fire districts are special governmental units. The Town serves as a collecting agent for taxes and transfers funds directly to the fire districts on a weekly basis.

Computation of Legal Debt Margin

Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Equalized Valuation.....	\$ 13,864,305,700	\$ 13,476,184,100	\$ 13,476,184,100	\$ 13,665,091,900	\$ 13,665,091,900	\$ 14,932,044,600	\$ 14,932,044,600	\$ 16,031,008,100	\$ 16,031,008,100	\$ 18,221,137,000
Debt Limit -5% of Equalized Valuation.....	\$ 693,215,285	\$ 673,809,205	\$ 673,809,205	\$ 683,254,595	\$ 683,254,595	\$ 746,602,230	\$ 746,602,230	\$ 801,550,405	\$ 801,550,405	\$ 911,056,850
Less:										
Outstanding debt applicable to limit.....	71,718,246	70,548,688	65,723,674	72,346,608	71,103,125	70,485,571	70,132,246	71,069,873	69,205,033	70,822,512
Authorized and unissued debt.....	77,977,510	83,028,269	51,117,351	33,058,354	46,073,235	53,481,486	19,687,346	37,948,339	112,260,211	111,060,270
Legal debt margin.....	\$ 543,519,529	\$ 520,232,248	\$ 556,968,180	\$ 577,849,633	\$ 566,078,235	\$ 622,635,173	\$ 656,782,638	\$ 692,532,193	\$ 620,085,161	\$ 729,174,068
Total debt applicable to the limit as a percentage of debt limit.....	21.59%	22.79%	17.34%	15.43%	17.15%	16.60%	12.03%	13.60%	22.64%	19.96%

Source: Official Statements, Town of Barnstable

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2013	44,824	\$ 1,619,087,704 *	\$ 36,121	49 *	5,118	6.6%
2014	44,824	1,627,183,143 *	36,302	49 *	5,194	4.4%
2015	45,170	1,635,319,058 *	36,204	50 *	5,230	4.3%
2016	45,193	1,643,495,654 *	36,366	49 *	5,459	3.1%
2017	44,487	1,622,772,000 *	36,477	49 *	5,238	4.0%
2018	44,498	1,630,885,860 *	36,651	48 *	5,177	4.2%
2019	44,331	1,677,855,000 *	37,848	48 *	5,081	3.3%
2020	44,774	1,655,349,148 *	36,971	48 *	5,041	7.9%
2021	44,477	1,703,022,825 *	38,290	48 *	4,714	5.3%
2022	48,916	1,680,179,385 *	34,348	48 *	4,751	3.6%

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

* Estimated

Principal Employers
Current Year and Nine Years Ago

Employer	Nature of Business	2022			2013		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Cape Cod Health Care, Inc.	Hospital	2,548	1	11.32%	2,400	1	11.30%
Town of Barnstable	Municipal Government	1,331	2	5.91%	1,284	2	6.04%
Cape Cod Community College	Education	514	3	2.28%			
Cape Air/Nantucket Airlines	Airline	306	4	1.36%	248	4	1.17%
Barnstable County	County Government	250	5	1.11%	224	6	1.05%
Macy's (2 stores)	Retail Sales - General	230	6	1.02%	210	7	0.99%
Cape Codder Resort & Spa	Hotel	200	7	0.89%	230	5	1.08%
Stop and Shop - Hyannis	Grocers - Retail	185	8	0.82%	148	10	0.70%
Stop and Shop - Marston Mills	Grocers - Retail	161	9	0.72%	161	9	0.76%
Cape Cod Times	Newspaper	135	10	0.60%	289	3	1.36%
Sears	Retail Sales - General				173	8	0.81%

Source: Official Statements

Full-time Equivalent Town Employees by Function

Last Ten Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Function:										
Town council.....	2	2	2	1	1	1	1	1	1	1
Town manager.....	9	9	9	9	11	10	10	10	12	14
Planning and development.....	18	19	17	17	17	17	19	19	20	20
Administrative services.....	60	61	61	61	58	58	57	57	57	56
Public safety.....	126	131	131	133	133	142	145	146	146	145
Education.....	816	809	830	834	840	842	849	854	866	854
Public works.....	116	116	116	118	121	121	120	123	119	119
Community services.....	43	43	44	45	50	55	56	52	49	47
Licensing department.....	3	3	2	2	2	3	2	2	2	1
Inspectional services.....	24	25	25	24	25	27	27	27	28	27
Marine and environmental affairs.....	14	15	16	16	17	17	17	17	17	17
Airport.....	25	26	26	25	23	23	23	23	23	23
Total.....	<u>1,256</u>	<u>1,259</u>	<u>1,279</u>	<u>1,285</u>	<u>1,298</u>	<u>1,316</u>	<u>1,326</u>	<u>1,331</u>	<u>1,340</u>	<u>1,324</u>

Source: Annual Town Reports

Operating Indicators by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Administrative services										
Legal matters.....	1,531	1,642	1,791	1,547	1,684	1,634	1,676	1,891	1,734	1,767
Registered voters.....	32,959	32,494	32,995	31,958	33,945	33,527	33,865	33,273	33,555	33,564
Employment applications processed.....	2,078	4,415	1,136	2,400	2,200	2,508	2,840	2,878	2,730	2,268
Work related injuries processed.....	127	144	130	148	147	145	172	135	151	153
Unemployment claims.....	114	99	81	124	148	91	89	84	88	87
Tax bills processed.....	197,106	197,662	198,120	193,488	192,892	201,591	202,538	203,596	202,575	202,903
Police										
Call for service.....	52,392	56,341	65,916	60,208	61,485	65,748	60,506	59,308	66,533	73,714
Physical arrests.....	1,910	1,938	1,977	1,650	1,660	1,686	1,411	1,087	817	911
Education										
Cobb Trust Fund awards.....	\$124,848	\$166,546	\$165,279	\$112,000	\$182,656	\$193,876	\$157,407	\$260,084	\$436,569	\$360,031
Zoning										
Zoning Board appeals filed.....	82	67	88	57	51	54	46	58	52	51
Building Inspections										
New dwellings constructed.....	50	50	83	94	58	60	43	39	47	43
Health										
Routine health inspections.....	6,178	6,125	6,310	6,584	6,650	7,046	7,189	7,034	7,090	7,104
Complaint investigations.....	268	385	343	529	711	314	372	427	371	390
Licensing										
Weights and measure devices tested.....	4,982	4,850	4,792	4,827	4,514	4,362	4,550	4,499	4,470	4,506
Ordinance citations.....	1,441	1,144	1,097	276	268	308	N/A	N/A	N/A	N/A
Parking										
Parking violations.....	6,707	7,110	8,727	7,605	8,651	6,968	5,896	5,430	3,517	5,779
Marine & Environmental Services										
Mooring permits issued.....	2,535	2,494	2,421	2,362	2,299	2,309	2,323	2,306	2,299	2,454
Shellfish permits issued.....	2,818	2,741	2,798	2,822	2,799	2,822	2,468	2,809	2,922	3,174
Animal control service calls.....	3,113	3,492	3,177	3,191	3,290	3,303	3,418	4,049	3,590	3,686
Veterans served.....	15,126	24,949	21,670	24,157	27,331	22,914	N/A	N/A	N/A	N/A
Roads										
Catch basins cleaned.....	2,181	1,346	1,159	1,813	1,743	1,451	1,469	1,694	2,069	1,809
Miles of crack seal applied.....	10	5	7	10	10	36	-	-	-	-
Miles of roadside mowed.....	314	194	247	336	240	196	415	271	154	356
Miles of road swept.....	552	635	573	443	582	220	289	272	778	746
Sewer										
Gallons of septage treated.....	12,557,500	12,456,100	12,537,100	11,517,475	12,675,000	9,906,800	8,922,100	9,143,000	9,370,000	10,214,000
Daily average collection.....	1,421,800	1,532,275	1,498,849	1,515,302	1,568,018	1,545,100	1,631,000	1,669,500	1,615,200	1,638,567
Solid Waste										
Tons shipped to SEMASS.....	8,975	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tons received at Flint Street station.....	9,474	9,278	9,245	9,018	8,968	8,300	8,541	8,203	8,946	8,300
Tons of construction and demolition material received.....	2,776	2,764	2,610	2,616	2,900	2,549	2,518	2,978	3,409	3,000
Libraries										
Total volumes borrowed.....	600,143	612,527	618,650	586,859	575,057	561,892	673,921	586,518	475,429	478,634
Library holdings.....	373,752	382,802	388,765	716,037	555,542	693,491	644,504	562,032	505,050	541,035
Program attendance.....	34,583	37,999	38,555	38,594	40,643	53,169	N/A	N/A	N/A	N/A

Source: Various Town Departments
 Information for 2022 was not available.
 N/A: Information not available

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Administrative services										
Number of Buildings.....	150	150	150	150	150	150	150	150	150	150
Police										
Number of Stations.....	2	2	3	3	3	3	3	3	3	3
Police personnel and officers.....	131	131	133	133	133	142	145	146	146	145
Education										
Number of elementary schools.....	6	6	6	6	6	6	6	6	6	6
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
Number of teachers.....	639	635	655	681	681	688	695	743	756	791
Number of students.....	5,118	5,194	5,230	5,204	5,238	5,177	5,124	5,041	4,713	4,751
Public Works										
Number of town roads.....	633	633	633	700	700	700	700	700	700	700
Number of private roads.....	1,091	1,091	1,091	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Number of state roads.....	6	6	6	4	4	4	4	4	4	4
Center lane miles of roads.....	490	490	490	504	504	504	504	504	504	504
Cemeteries.....	16	16	16	16	16	16	16	16	16	16
Culture and Recreation										
Libraries.....	7	7	7	7	7	7	7	7	7	7
Boat launches.....	16	16	16	16	16	16	16	16	16	16
Parks and playgrounds.....	71	71	72	72	72	72	72	72	72	72
Park and playground (acreage).....	222	222	222	218	218	218	218	218	218	218
Golf courses.....	2	2	2	2	2	2	2	2	2	2
Public beaches.....	18	18	18	18	18	18	18	18	18	18
Ball fields.....	6	6	6	6	6	6	6	6	6	6
Tennis courts.....	5	5	5	5	5	5	5	5	5	5

Source: Various Town Departments