

# **Town of Harwich**

**MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



Great Western Cranberry Bog

**For the Fiscal Year Ended June 30, 2018**

Christopher Clark, Town Administrator  
Carol Coppola, Finance Director



Muddy Creek Bridge

# **The Town of Harwich, Massachusetts**

## **Comprehensive Annual Financial Report**



**For the Year  
July 1, 2017 through June 30, 2018**

Prepared by the Finance Department

***Town of Harwich, Massachusetts***  
***Comprehensive Annual Financial Report***  
***For the Year Ended June 30, 2018***

***Table of Contents***

---

<b>INTRODUCTORY SECTION .....</b>	<b>1</b>
Letter of Transmittal .....	3
Principal Executive Officers .....	8
Organizational Chart .....	9
Certificate of Achievement for Excellence in Financial Reporting .....	10
<b>FINANCIAL SECTION .....</b>	<b>11</b>
Independent Auditor's Report .....	13
Management's Discussion and Analysis .....	15
Basic Financial Statements .....	24
Government-Wide Financial Statements .....	25
Statement of Net Position .....	25
Statement of Activities .....	26
Fund Financial Statements .....	28
Governmental Funds – Balance Sheet .....	28
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position .....	29
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances .....	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	31
Proprietary Funds – Statement of Net Position .....	32
Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position .....	33
Proprietary Funds – Statement of Cash Flows .....	34
Fiduciary Funds – Statement of Fiduciary Net Position .....	35
Fiduciary Funds – Statement of Changes in Fiduciary Net Position .....	36
Notes to Basic Financial Statements .....	37
Required Supplementary Information .....	79
General Fund Budgetary Comparison Schedule .....	80
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Budget and Actual .....	81
Community Preservation Fund Budgetary Comparison Schedule .....	86

Community Preservation Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance	
– Budgetary Basis – Budget and Actual .....	87
Pension Plan Schedules .....	88
Schedule of the Town's Proportionate Share of the Net Pension Liability .....	89
Schedule of Town's Contributions .....	90
Other Postemployment Benefit Plan Schedules.....	91
Schedule of Town's Net OPEB Liability and Related Ratios .....	92
Schedule of Town Contributions .....	93
Schedule of Investment Returns .....	94
Notes to Required Supplementary Information .....	95
Other Supplementary Information .....	100
Combining Fund Statements .....	101
Nonmajor Governmental Funds .....	102
Nonmajor Governmental Funds - Combining Balance Sheet .....	104
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances .....	108
Agency Fund .....	111
Agency Fund – Statement of Changes in Assets and Liabilities .....	112
<b>STATISTICAL SECTION.....</b>	<b>113</b>
Net Position by Component .....	114
Changes in Net Position .....	115
Fund Balances, Governmental Funds .....	116
Changes in Fund Balances, Governmental Funds.....	117
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates .....	118
Principal Taxpayers .....	119
Property Tax Levies and Collections .....	120
Ratios of Outstanding Debt.....	121
Ratios of General Bonded Debt.....	122
Direct and Overlapping Governmental Activities Debt .....	123
Computation of Legal Debt Margin .....	124
Demographic and Economic Statistics .....	125
Principal Employers (excluding Town).....	126
Full-time Equivalent Town Employees by Function.....	127
Operating Indicators by Function/Program .....	128
Capital Assets Statistics by Function/Program .....	129



# ***Introductory Section***



Wychmere - Pier

# ***Introductory Section***

This page intentionally left blank.



# *Town of Harwich, Massachusetts*

## FINANCE DEPARTMENT

December 17, 2018

Letter of Transmittal

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

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

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

Powers & Sullivan, LLC Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Harwich's financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the government**

The Town of Harwich, incorporated in 1694, is located on the south side of the Cape Cod peninsula, made up of seven villages, with an extensive shoreline on Nantucket Sound. It currently occupies 21 square miles and serves a population of 12,929. The Town of Harwich is empowered to levy a property tax on real and personal property located within its boundaries.

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

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

At the annual town meeting a budget is adopted preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the Town of Harwich's financial planning and control. The budget is prepared by fund, function (e.g., public safety), department (e.g., police), and object (e.g., salaries). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the governing council.

## **Local economy**

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

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

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

Because of its location in a region with a varied economic base, unemployment has been relatively stable. During the past ten years, the unemployment rate fell from an initial high of 10.2 percent (2009) to a decade low of 3.8 percent for the current year (2018). The Town of Harwich continues to experience unemployment rates consistent with national averages.

Median household incomes within the Town of Harwich are also consistent with those for the county and slightly lower than the state as a whole. According to the five year average (2012 – 2016) estimate, the government's median family income was \$69,730, the county's was \$65,382, while the state's was \$70,954. Housing prices in the vicinity of the Town of Harwich continue to remain strong boasting an overall 6.4% increase in FY18. At the end of the second quarter of 2018, the median price of a single family home in the vicinity of the Town of Harwich was \$372,300.

Due to its strong and healthy local economy, the Town of Harwich has maintained a credit rating of AA+ from Standard & Poor's, which is a strong indicator of the financial security of the Town. Standard & Poor's highlighted numerous areas of strength from the Town's management and budgetary performance to a strong liquidity position with appropriate management policies and practices.

Over the past three years, the government has experienced a period of significant economic growth and investment. More than \$20 million in new commercial, mixed use and residential development has been completed or is in various phases of development throughout the Town. This development, the presence of retail and service industries, and the presence of recreational, educational and health facilities has even further strengthened the Town of Harwich's already strong economic base.

Harwich's small town character, extensive shoreline, rich historical connection to the sea, and rural nature have continued to lure visitors over the years – some who arrive for extended periods in the summer, others who have decided to purchase second homes, and those searching for a place to retire. But like most communities on the Cape, living in Harwich is expensive. While house prices declined somewhat since the recession, the market has been rebounding and values are approaching pre-recession levels with the median single-family house priced at \$372,300, still out of reach for many year-round residents. While Harwich has been evolving into more of a year-round community, its economy continues to depend on second-home owners and summer visitors. Seasonal employment--such as retail trade, accommodations, and food services--accounts for a large portion of the local employment base.

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

The Town of Harwich also has experience in working with non-profit housing providers such as the Harwich Ecumenical Council on Housing (HECH), Habitat for Humanity of Cape Cod, the Community Development Partnership (CDP), and Housing Assistance Corporation (HAC). At the most recent town meeting, voters approved the declaration of the Harwich Affordable Housing Trust. The purpose of the trust will be to provide for the preservation and creation of affordable housing in the Town of Harwich for the benefit of low to moderate income households. It will be important for the Town to continue to establish important partnerships with developers, for profit and non-profit, and build its capacity to promote new affordable units by aggressively reaching out for necessary technical and financial resources in addition to securing the necessary political support for new housing initiatives.

### **Long-term financial planning and major initiatives**

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 13 percent of total general fund revenues; a strong indication of the financial stability of the government. The Town is committed to building healthy and consistent stabilization and OPEB reserves to support current and future liabilities while providing for future budgetary flexibility.

By charter, the Town of Harwich maintains a seven-year Capital Improvement Program which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. Under the guidance of the Capital Outlay Committee, this process gives the Town of Harwich the ability to plan for its capital needs and allocate short- and long-term resources appropriately. As part of this process, the government identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly. The fiscal year 2020-2026 Capital Improvement Program anticipates nearly \$10.8 million in capital projects. Included in this \$10.8 million is \$7 million for various roadway improvements, \$780,000 for public safety equipment, and \$500,000 for infrastructure and water system improvements. The remainder of the program will finance improvements to the government's parks, preservation of properties and bodies of water and technology.

### **Relevant financial policies**

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

2018. The Town also maintains a five-year budget forecast, which is also updated annually. Strict adherence to the formal investment-management policy, which mirrors commonwealth guidelines is an indicator of the comprehensive financial structure of the government. The Town maintains a formal debt-management policy that limits general fund debt service to 10%-12% of expenditures.

### **Awards and Acknowledgements**

The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Harwich for its comprehensive annual financial report (CAFR) for the year ended June 30, 2017. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

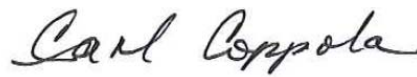
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Chris Clark', with a stylized flourish at the end.

Christopher Clark, Town Administrator

A handwritten signature in blue ink, appearing to read 'Carol Coppola', with a stylized flourish at the end.

Carol Coppola, Finance Director

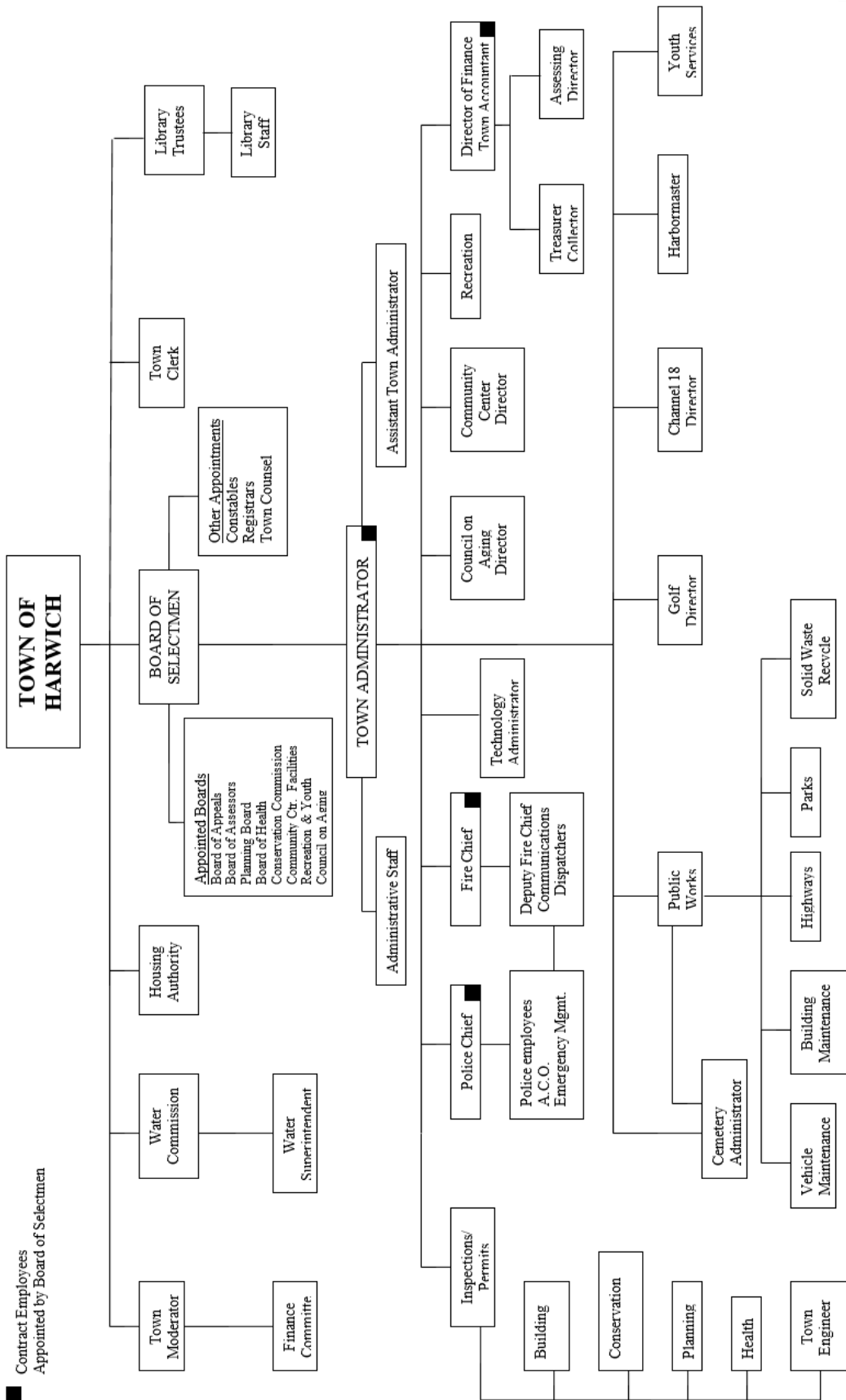
This page intentionally left blank.



# Town of Harwich, Massachusetts

## Principal Executive Officers

Elected Officials		Term Expires
Board of Selectmen	Julie E. Kavanagh, Chair	2019
	Larry G. Ballantine, Vice-Chair	2020
	Edward McManus, Clerk	2021
	Michael D. MacAskill, Member	2019
	Donald Howell, Member	2020
Town Clerk	Anita N. Doucette	2019
Appointed Officials		
Board of Assessors	Richard Waystack, Chairman	2021
	Jay Kavanaugh	2019
	Bruce Nightingale	2020
Town Administrator	Christopher Clark	
Finance Director/Town Accountant	Carol Coppola	
Fire Chief/Forest Warden	Norman Clarke	
Chief of Police	David Guillemette	
Town Counsel	KP Law P.C.	





Government Finance Officers Association

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

Presented to

**Town of Harwich  
Massachusetts**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# ***Financial Section***



Headwaters Cranberry Harvest

# ***Financial Section***



This page intentionally left blank.



100 Quannapowitt Parkway  
Suite 101

Wakefield, MA 01880

T. 781-914-1700

F. 781-914-1701

[www.powersandsullivan.com](http://www.powersandsullivan.com)

## **Independent Auditor's Report**

To the Honorable Board of Selectmen  
Town of Harwich, Massachusetts

## **Report of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Harwich, Massachusetts, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

## **Management's Responsibility for the Financial Statements**

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

## **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Harwich, Massachusetts, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2018, on our consideration of the Town of Harwich, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Harwich, Massachusetts' internal control over financial reporting and compliance.



December 17, 2018

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

## Management's Discussion and Analysis

As management of the Town of Harwich, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2018. The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis is part of these requirements.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Harwich's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

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



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

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

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its municipal water department.

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

The Town maintains three different types of fiduciary funds. The Other Postemployment Benefit Trust Fund is used to report resources held in trust for healthcare benefits for retirees and beneficiaries. The Private purpose trust fund is used to report the Town's scholarship funds. The Agency fund reports resources held by the Town in a custodial capacity for individuals, private organizations and other governments. The Town's agency funds are primarily used to account for police and fire details.

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Harwich's government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$30 million at the end of 2018. The Town's total net position decreased by \$2 million during 2018.

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

## ***Governmental Activities***

The results of operations of the governmental activities are discussed in the following paragraphs and tables. Net position of \$59.2 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the governmental activities net position, \$7 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 \$47.8 million. The deficit is primarily the result of the recognition of net pension liability of \$28.9 million along with the net other postemployment benefits liability of \$37.8 million. These are long-term unfunded liabilities that will not require significant short-term resources.

The governmental activities net position decreased by \$579,000 during the current year. Key reasons for this decrease included the recognition of pension expense, net of deferred outflows/inflows related to pensions of \$1.5 million; recognition of other postemployment benefits expense, net of deferred outflows/inflows related to OPEB of

\$301,000; offset with \$937,000 in capital grants received through the Community Preservation and State Highway grant programs.

	2018	2017 (as revised)
<b>Assets:</b>		
Current assets.....	\$ 48,735,753	\$ 30,456,260
Noncurrent assets (excluding capital).....	87,797	597,111
Capital assets, non depreciable.....	27,350,561	23,912,953
Capital assets, net of accumulated depreciation....	54,106,208	47,832,570
<b>Total assets.....</b>	<b>130,280,319</b>	<b>102,798,894</b>
<b>Deferred outflows of resources.....</b>	<b>6,769,883</b>	<b>6,428,331</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	4,598,212	2,171,996
Noncurrent liabilities (excluding debt).....	67,662,971	68,827,365
Current debt.....	21,096,324	9,023,758
Noncurrent debt.....	20,759,284	9,740,266
<b>Total liabilities.....</b>	<b>114,116,791</b>	<b>89,763,385</b>
<b>Deferred inflows of resources.....</b>	<b>4,525,643</b>	<b>477,374</b>
<b>Net position:</b>		
Net investment in capital assets.....	59,186,082	59,469,911
Restricted.....	6,980,230	5,722,339
Unrestricted.....	(47,758,544)	(46,205,784)
<b>Total net position.....</b>	<b>\$ 18,407,768</b>	<b>\$ 18,986,466</b>

Debt increases related to issuing debt to finance Saquatucket marina improvements, Saquatucket harbormaster building and boardwalk, Cranberry Valley golf course reconstruction, fire station construction, wastewater treatment and road maintenance projects contributed to the overall increase in debt. The debt issuance also resulted in an increase in current assets, from unspent bond proceeds as of June 30, 2018. Increases in deferred outflows of resources, deferred inflows of resources and other noncurrent liabilities were all related to an increase in the Town's proportionate share of the liability of the Barnstable County Retirement System and the net other postemployment benefit liability.

	2018	2017 (as revised)
<b>Program Revenues:</b>		
Charges for services..... \$	9,940,366	\$ 9,629,812
Operating grants and contributions.....	2,863,051	1,021,267
Capital grants and contributions.....	936,574	4,072,965
<b>General Revenues:</b>		
Real estate and personal property taxes, net of tax refunds payable.....	46,865,775	44,467,930
Motor vehicle and other excise taxes.....	2,387,732	2,297,636
Hotel/motel tax.....	674,717	678,226
Meals tax.....	423,305	406,465
Community preservation tax.....	1,366,320	1,311,440
Penalties and interest on taxes.....	405,047	432,405
Payments in lieu of taxes.....	58,616	56,741
Grants and contributions not restricted to specific programs.....	538,689	552,299
Unrestricted investment income.....	167,256	120,368
<b>Total revenues.....</b>	<b>66,627,448</b>	<b>65,047,554</b>
<b>Expenses:</b>		
General government.....	5,898,460	5,290,047
Public safety.....	14,129,485	13,996,114
Education.....	26,979,835	26,444,962
Public works.....	12,455,355	10,085,199
Health and human services.....	2,005,125	1,857,258
Culture and recreation.....	5,814,554	5,108,459
Community preservation.....	88,219	97,390
Interest.....	485,291	451,254
<b>Total expenses.....</b>	<b>67,856,324</b>	<b>63,330,683</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>(1,228,876)</b>	<b>1,716,871</b>
<b>Transfers.....</b>	<b>650,178</b>	<b>-</b>
<b>Change in net position.....</b>	<b>(578,698)</b>	<b>1,716,871</b>
<b>Net position, beginning of year (as revised).....</b>	<b>18,986,466</b>	<b>17,269,595</b>
<b>Net position, end of year..... \$</b>	<b>18,407,768</b>	<b>\$ 18,986,466</b>

Operating grants increased due to state funding related to the Saquatucket Harbor project. Capital grants decrease related to the Town's restoration project at Muddy Creek funded by state grants in the prior fiscal year. Current year capital grant revenue includes state highway grants and community preservation fund state match.

Approximately 40% of the Town's expenses relate to education. Education expenses represent the Town's assessments paid to the Monomoy Regional School District and the Cape Cod Regional Technical High School.

## Business-type Activities

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

For the Town's water business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11.5 million at the close of 2018. Of this amount, \$13.9 million is net investment in capital assets, and the remaining balance of *unrestricted net position* is a deficit of \$2.3 million. The deficit is primarily the result of the recognition of net pension liability of \$1.6 million along with the net other postemployment benefits liability of \$2.7 million. These are long-term unfunded liabilities that will not require significant short-term resources.

There was a decrease of \$1.4 million in net position related to the Water Department's operations during the year. Revenue decreased due to the Town experiencing draught conditions in fiscal years 2015 through 2017. During the spring of 2018, the Town implemented a rate increase by changing their usage tier levels. Expenses decreased \$1.1 million which included a decrease of \$434,000 in the net pension liability, net of deferred outflows/inflows related to pensions.

	2018	2017 (as revised)
<b>Assets:</b>		
Current assets.....	\$ 3,779,944	\$ 5,589,556
Capital assets, non depreciable.....	1,505,893	1,505,893
Capital assets, net of accumulated depreciation....	17,967,548	18,861,806
<b>Total assets.....</b>	<b>23,253,385</b>	<b>25,957,255</b>
<b>Deferred outflows of resources.....</b>	<b>543,890</b>	<b>630,263</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	143,121	408,704
Noncurrent liabilities (excluding debt).....	4,437,246	5,121,296
Current debt.....	569,251	514,107
Noncurrent debt.....	6,857,943	7,585,142
<b>Total liabilities.....</b>	<b>12,007,561</b>	<b>13,629,249</b>
<b>Deferred inflows of resources.....</b>	<b>244,170</b>	<b>37,147</b>
<b>Net position:</b>		
Net investment in capital assets.....	13,874,150	12,268,450
Unrestricted.....	(2,328,606)	652,672
<b>Total net position.....</b>	<b>\$ 11,545,544</b>	<b>\$ 12,921,122</b>

Depreciable capital assets decreased by \$894,000, which was the net result of the purchase of equipment and infrastructure totaling \$485,000 and \$1.4 million in depreciation recorded against capital assets. The increase in the net invested in capital assets is due to bond proceeds that have not yet been expended offset with the decrease of \$894,000 in capital assets.

	2018	2017 (as revised)
<b>Program Revenues:</b>		
Charges for services.....	\$ 2,922,056	\$ 4,800,457
<b>General Revenues:</b>		
Unrestricted investment income.....	-	296
<b>Total revenues.....</b>	<b>2,922,056</b>	<b>4,800,753</b>
<b>Expenses:</b>		
Water.....	<b>3,647,456</b>	<b>4,759,477</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>(725,400)</b>	<b>41,276</b>
<b>Transfers.....</b>	<b>(650,178)</b>	<b>-</b>
<b>Change in net position.....</b>	<b>(1,375,578)</b>	<b>41,276</b>
<b>Net position, beginning of year (as revised).....</b>	<b>12,921,122</b>	<b>12,879,846</b>
<b>Net position, end of year.....</b>	<b>\$ 11,545,544</b>	<b>\$ 12,921,122</b>

### ***Financial Analysis of the Government's Funds***

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

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

As of the end of the current year, governmental funds reported combined ending fund balances of \$20.7 million, an increase of \$4.2 million from the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund totaled \$10.1 million, while total fund balance is \$11 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16% of total general fund expenditures, while total fund balance represents 18% of that same amount.

The general fund increased by \$344,000 in 2018. This was the net result of a budgetary increase of \$42,000 in the general fund, a decrease in net accrued expenditures/revenues of \$323,000, and a decrease in the Town's stabilization fund by \$21,000, which is reported within the general fund in the fund based financial statements in accordance with generally accepted accounting principles.

The Community Preservation Act fund had a fund balance at June 30, 2018, of \$5.2 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose a surcharge on property taxes and to receive matching state funds for specified uses related to the acquisition,

creation, preservation and support of open space, historic resources, land for recreational use and community housing. The Community Preservation Act's fund balance increased \$983,000 in 2018. This was primarily the net result of \$1.4 million in taxes and \$305,000 in state matching funds offset by expenditures on community preservation projects and transfers out for debt service payments.

The Town capital fund reported a deficit fund balance of \$924,000, which was financed with \$9.1 million in bond anticipation notes issued for varying capital projects including wastewater treatment and road maintenance projects. Fiscal year 2018 expenditures of \$4.4 million related to road maintenance, fire station renovations, and construction of the cart barn.

The Saquatucket Harbor capital fund has a year end fund balance of \$583,000. The project had \$2 million in revenue which mostly came from state grants, offset with \$9.9 million in expenditures. The fund had \$9.6 million in other financing sources of which \$8.4 million was the issuance on long-term bonds.

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

The original general fund budget included \$60.7 million in estimated revenues and transfers in and \$64.4 million in expenditures and transfers out with the difference financed by available funds. The \$152,000 increase from the original budget to the final amended budget was financed with available funds voted to fund snow and ice offset with prior year encumbrances closed at year-end.

General Fund revenues came in approximately \$1.6 million more than budgeted. The largest areas of the surplus were in sanitation fees, licenses and permits, excise taxes and recreation fees. This was mainly due to the Town budgeting conservatively in these areas.

General fund expenditures and encumbrances were approximately \$1.6 million less than budgeted. Key components of this surplus include \$125,000 from the reserve fund, \$350,000 in fire, \$257,000 in police, \$124,000 in recreation and youth, and \$167,000 in golf.

### ***Capital Asset and Debt Administration***

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming year. The Town's major governmental capital asset activity in 2018 includes Saquatucket Harbor projects which increased construction in progress by \$2.6 million and improvements by \$7.5 million. Other increases include \$2.1 million in infrastructure, \$818,000 in machinery, equipment and vehicles, and \$621,000 in building improvements.

The water enterprise fund reported additions totaling \$485,000 for infrastructure and machinery and equipment.

Depreciation expense for governmental and business-type activities totaled \$5.1 million and \$1.4 million, respectively.

### **Debt**

The Town of Harwich's governmental funds had total bonded debt outstanding of \$22.1 million at the end of the current year. Of this amount, \$5.3 million was for marina improvements; \$4.7 million was for the construction of a police station; \$2.8 million is for land acquisitions; \$1.6 million is related to harbor dredging, \$3.1 million is for

sewer projects; \$610,000 is related to golf course improvements; and \$2.4 million is related to the Saquatucket Harbormaster Building Boardwalk. The remaining \$1.6 million relates to other capital related projects. The water enterprise fund has \$7.3 million in water debt that is fully supported by the rates and does not rely on a general fund subsidy.

For further discussion please refer to Note 4 for major capital activity and Notes 7 and 8 for debt activity.

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

This financial report is designed to provide a general overview of the Town of Harwich's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town Hall, 732 Main Street, Harwich, Massachusetts 02645.



# ***Basic Financial Statements***

## STATEMENT OF NET POSITION

JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 38,982,482	\$ 3,123,508	\$ 42,105,990
Investments.....	3,603,438	-	3,603,438
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	911,677	-	911,677
Tax liens.....	2,528,765	-	2,528,765
Community preservation fund surtax.....	22,248	-	22,248
Motor vehicle and other excise taxes.....	140,857	-	140,857
User fees.....	-	622,667	622,667
Departmental and other.....	780,714	33,769	814,483
Intergovernmental - other.....	767,388	-	767,388
Community preservation state share.....	304,606	-	304,606
Special assessments.....	471,231	-	471,231
Tax foreclosures.....	166,598	-	166,598
Inventory.....	55,749	-	55,749
Total current assets.....	48,735,753	3,779,944	52,515,697
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	87,797	-	87,797
Capital assets, nondepreciable.....	27,350,561	1,505,893	28,856,454
Capital assets, net of accumulated depreciation.....	54,106,208	17,967,548	72,073,756
Total noncurrent assets.....	81,544,566	19,473,441	101,018,007
<b>TOTAL ASSETS.....</b>	<b>130,280,319</b>	<b>23,253,385</b>	<b>153,533,704</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows for refunding debt.....	108,796	133,087	241,883
Deferred outflows related to pensions.....	4,646,357	264,946	4,911,303
Deferred outflows related to other postemployment benefits.....	2,014,730	145,857	2,160,587
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>6,769,883</b>	<b>543,890</b>	<b>7,313,773</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	3,269,227	28,191	3,297,418
Accrued payroll.....	303,014	25,075	328,089
Accrued interest.....	185,601	56,774	242,375
Other liabilities.....	303,236	-	303,236
Landfill closure.....	18,500	-	18,500
Compensated absences.....	518,634	33,081	551,715
Notes payable.....	18,195,150	-	18,195,150
Bonds payable.....	2,901,174	569,251	3,470,425
Total current liabilities.....	25,694,536	712,372	26,406,908
<b>NONCURRENT:</b>			
Landfill closure.....	222,000	-	222,000
Compensated absences.....	724,249	51,881	776,130
Net pension liability.....	28,921,789	1,649,188	30,570,977
Net other postemployment benefits.....	37,794,933	2,736,177	40,531,110
Bonds payable.....	20,759,284	6,857,943	27,617,227
Total noncurrent liabilities.....	88,422,255	11,295,189	99,717,444
<b>TOTAL LIABILITIES.....</b>	<b>114,116,791</b>	<b>12,007,561</b>	<b>126,124,352</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes paid in advance.....	647,091	-	647,091
Deferred inflows related to pensions.....	2,382,032	135,829	2,517,861
Deferred inflows related to other postemployment benefits.....	1,496,520	108,341	1,604,861
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>4,525,643</b>	<b>244,170</b>	<b>4,769,813</b>
<b>NET POSITION</b>			
Net investment in capital assets.....	59,186,082	13,874,150	73,060,232
Restricted for:			
Perpetual care and other permanent funds:			
Expendable.....	571,506	-	571,506
Nonexpendable.....	575,620	-	575,620
Gifts and grants.....	610,369	-	610,369
Community preservation.....	5,222,735	-	5,222,735
Unrestricted.....	(47,758,544)	(2,328,606)	(50,087,150)
<b>TOTAL NET POSITION.....</b>	<b>\$ 18,407,768</b>	<b>\$ 11,545,544</b>	<b>\$ 29,953,312</b>

See notes to basic financial statements.

# STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 5,898,460	\$ 628,040	\$ 360,753	\$ -	\$ (4,909,667)
Public safety.....	14,129,485	1,824,082	29,298	-	(12,276,105)
Education.....	26,979,835	-	-	-	(26,979,835)
Public works.....	12,455,355	3,443,227	19,494	631,968	(8,360,666)
Human services.....	2,005,125	190,911	206,679	-	(1,607,535)
Culture and recreation.....	5,814,554	3,854,106	2,246,827	-	286,379
Community preservation.....	88,219	-	-	304,606	216,387
Interest.....	485,291	-	-	-	(485,291)
Total Governmental Activities.....	67,856,324	9,940,366	2,863,051	936,574	(54,116,333)
<i>Business-Type Activities:</i>					
Water.....	3,647,456	2,922,056	-	-	(725,400)
Total Primary Government.....	\$ 71,503,780	\$ 12,862,422	\$ 2,863,051	\$ 936,574	\$ (54,841,733)

See notes to basic financial statements.

(Continued)

# STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page..... \$	<b>(54,116,333)</b>	<b>(725,400)</b>	<b>(54,841,733)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	46,865,775	-	46,865,775
Motor vehicle and other excise taxes.....	2,387,732	-	2,387,732
Hotel/motel tax.....	674,717	-	674,717
Meals tax.....	423,305	-	423,305
Community preservation tax.....	1,366,320	-	1,366,320
Penalties and interest on taxes and excise.....	405,047	-	405,047
Payments in lieu of taxes.....	58,616	-	58,616
Grants and contributions not restricted to specific programs.....	538,689	-	538,689
Unrestricted investment income.....	167,256	-	167,256
<i>Transfers, net</i> .....	650,178	(650,178)	-
Total general revenues and transfers.....	53,537,635	(650,178)	52,887,457
Change in net position.....	(578,698)	(1,375,578)	(1,954,276)
<i>Net position:</i>			
Beginning of year, as revised.....	18,986,466	12,921,122	31,907,588
End of year..... \$	<u>18,407,768</u>	<u>11,545,544</u>	<u>29,953,312</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2018

	General	Community Preservation Act Fund	Town Capital Fund	Saquatumket Harbor Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents.....	\$ 9,783,590	\$ 4,849,220	\$ 8,516,089	\$ 11,470,407	\$ 4,363,176	\$ 38,982,482
Investments.....	2,933,396	-	-	-	670,042	3,603,438
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	911,677	-	-	-	-	911,677
Tax liens.....	2,478,478	50,287	-	-	-	2,528,765
Community preservation fund surtax.....	-	22,248	-	-	-	22,248
Motor vehicle and other excise taxes.....	140,857	-	-	-	-	140,857
Departmental and other.....	680,182	-	-	-	100,532	780,714
Intergovernmental - other.....	-	-	-	275,000	492,388	767,388
Community preservation state share.....	-	304,606	-	-	-	304,606
Special assessments.....	-	-	-	-	559,028	559,028
Tax foreclosures.....	166,598	-	-	-	-	166,598
Inventory.....	1,346	-	-	-	54,403	55,749
<b>TOTAL ASSETS.....</b>	<b>\$ 17,096,124</b>	<b>\$ 5,226,361</b>	<b>\$ 8,516,089</b>	<b>\$ 11,745,407</b>	<b>\$ 6,239,569</b>	<b>\$ 48,823,550</b>
<b>LIABILITIES</b>						
Warrants payable.....	\$ 723,414	\$ 3,626	\$ 370,148	\$ 1,887,645	\$ 284,394	\$ 3,269,227
Accrued payroll.....	300,021	-	-	-	2,993	303,014
Accrued interest on notes payable.....	53,479	-	-	-	-	53,479
Other liabilities.....	303,236	-	-	-	-	303,236
Notes payable.....	-	-	9,069,954	9,000,000	125,196	18,195,150
<b>TOTAL LIABILITIES.....</b>	<b>1,380,150</b>	<b>3,626</b>	<b>9,440,102</b>	<b>10,887,645</b>	<b>412,583</b>	<b>22,124,106</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes paid in advance.....	647,091	-	-	-	-	647,091
Unavailable revenue.....	4,102,536	72,535	-	275,000	902,771	5,352,842
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>4,749,627</b>	<b>72,535</b>	<b>-</b>	<b>275,000</b>	<b>902,771</b>	<b>5,999,933</b>
<b>FUND BALANCES</b>						
Nonspendable.....	-	-	-	-	575,620	575,620
Restricted.....	-	5,150,200	-	582,762	4,409,834	10,142,796
Committed.....	655,728	-	-	-	-	655,728
Assigned.....	230,369	-	-	-	-	230,369
Unassigned.....	10,080,250	-	(924,013)	-	(61,239)	9,094,998
<b>TOTAL FUND BALANCES.....</b>	<b>10,966,347</b>	<b>5,150,200</b>	<b>(924,013)</b>	<b>582,762</b>	<b>4,924,215</b>	<b>20,699,511</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 17,096,124</b>	<b>\$ 5,226,361</b>	<b>\$ 8,516,089</b>	<b>\$ 11,745,407</b>	<b>\$ 6,239,569</b>	<b>\$ 48,823,550</b>

See notes to basic financial statements.

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

JUNE 30, 2018

Total governmental fund balances.....	\$ 20,699,511
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	81,456,769
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	5,352,842
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.....	2,891,331
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(132,122)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(23,660,458)
Net pension liability.....	(28,921,789)
Net other postemployment benefits.....	(37,794,933)
Landfill closure.....	(240,500)
Compensated absences.....	(1,242,883)
Net effect of reporting long-term liabilities.....	<u>(91,860,563)</u>
Net position of governmental activities.....	<u>\$ 18,407,768</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

	General	Community Preservation Act Fund	Town Capital Fund	Saquatumuck Harbor Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Real estate and personal property taxes, net of tax refunds.....	\$ 46,824,452	\$ -	\$ -	\$ -	\$ -	\$ 46,824,452
Motor vehicle and other excise taxes.....	2,372,767	-	-	-	25,872	2,398,639
Hotel/motel tax.....	674,717	-	-	-	-	674,717
Meals tax.....	423,305	-	-	-	-	423,305
Charges for services.....	1,475,724	-	-	-	19,588	1,495,312
Penalties and interest on taxes and excise.....	381,742	3,705	-	-	19,600	405,047
Fees and rentals.....	167,890	-	-	-	96,524	264,414
Recreation fees.....	3,107,877	-	-	-	-	3,107,877
Sanitation fees.....	3,110,692	-	-	-	-	3,110,692
Payments in lieu of taxes.....	58,616	-	-	-	-	58,616
Licenses and permits.....	731,490	-	-	-	-	731,490
Intergovernmental - state aid.....	670,186	-	-	-	-	670,186
Intergovernmental - other.....	-	-	-	1,912,500	966,291	2,878,791
Departmental and other.....	550,465	-	-	43,930	1,430,240	2,024,635
Community preservation taxes.....	-	1,371,737	-	-	-	1,371,737
Community preservation state match.....	-	304,606	-	-	-	304,606
Special assessments.....	-	-	-	-	169,003	169,003
Contributions and donations.....	-	-	-	-	9,110	9,110
Investment income.....	137,281	23,446	-	-	6,529	167,256
<b>TOTAL REVENUES.....</b>	<b>60,687,204</b>	<b>1,703,494</b>	<b>-</b>	<b>1,956,430</b>	<b>2,742,757</b>	<b>67,089,885</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	3,382,474	-	-	-	301,098	3,683,572
Public safety.....	9,232,791	-	296,581	-	68,098	9,597,470
Education.....	26,247,111	-	-	-	-	26,247,111
Public works.....	6,668,156	-	3,655,471	-	721,690	11,045,317
Human services.....	1,216,212	-	-	-	158,692	1,374,904
Culture and recreation.....	3,766,921	-	451,749	9,867,063	508,308	14,594,041
Community preservation.....	-	163,205	-	-	-	163,205
Pension benefits.....	2,681,194	-	-	-	-	2,681,194
Employee benefits.....	5,115,326	-	-	-	-	5,115,326
State and county charges.....	682,359	-	-	-	-	682,359
Debt service:						
Principal.....	1,782,356	-	-	-	-	1,782,356
Interest.....	498,958	-	-	-	-	498,958
<b>TOTAL EXPENDITURES.....</b>	<b>61,273,858</b>	<b>163,205</b>	<b>4,403,801</b>	<b>9,867,063</b>	<b>1,757,886</b>	<b>77,465,813</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(586,654)</b>	<b>1,540,289</b>	<b>(4,403,801)</b>	<b>(7,910,633)</b>	<b>984,871</b>	<b>(10,375,928)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of bonds.....	-	-	3,546,000	8,362,500	616,500	12,525,000
Premium from issuance of bonds.....	-	-	344,480	981,710	68,995	1,395,185
Transfers in.....	1,861,531	51,991	565,955	226,070	192,789	2,898,336
Transfers out.....	(930,404)	(608,950)	-	-	(708,804)	(2,248,158)
<b>TOTAL OTHER FINANCING SOURCES (USES)...</b>	<b>931,127</b>	<b>(556,959)</b>	<b>4,456,435</b>	<b>9,570,280</b>	<b>169,480</b>	<b>14,570,363</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>344,473</b>	<b>983,330</b>	<b>52,634</b>	<b>1,659,647</b>	<b>1,154,351</b>	<b>4,194,435</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>10,621,874</b>	<b>4,166,870</b>	<b>(976,647)</b>	<b>(1,076,885)</b>	<b>3,769,864</b>	<b>16,505,076</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 10,966,347</b>	<b>\$ 5,150,200</b>	<b>\$ (924,013)</b>	<b>\$ 582,762</b>	<b>\$ 4,924,215</b>	<b>\$ 20,699,511</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds.....		\$ 4,194,435
<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.....	14,827,459	
Depreciation expense.....	<u>(5,116,213)</u>	
Net effect of reporting capital assets.....		9,711,246
<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>		
		(462,437)
<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.....	(12,525,000)	
Premium from issuance of bonds.....	(1,395,185)	
Net amortization of premium from issuance of bonds.....	62,008	
Net change in deferred charge on refunding.....	(42,051)	
Debt service principal payments.....	<u>1,782,356</u>	
Net effect of reporting long-term debt.....		(12,117,872)
<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.....	(69,021)	
Net change in accrued interest on long-term debt.....	(6,290)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(1,702,246)	
Net change in net pension liability.....	155,726	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	518,210	
Net change in net other postemployment benefits liability.....	(818,949)	
Net change in landfill closure.....	<u>18,500</u>	
Net effect of recording long-term liabilities.....		<u>(1,904,070)</u>
Change in net position of governmental activities.....		\$ <u><u>(578,698)</u></u>

See notes to basic financial statements.



**PROPRIETARY FUNDS**  
STATEMENT OF NET POSITION

JUNE 30, 2018

	Business-type Activities
	Water Enterprise
<b>ASSETS</b>	
CURRENT:	
Cash and cash equivalents.....	\$ 3,123,508
Receivables, net of allowance for uncollectibles:	
User fees.....	622,667
Departmental and other.....	33,769
Total current assets.....	3,779,944
NONCURRENT:	
Capital assets, non depreciable.....	1,505,893
Capital assets, net of accumulated depreciation.....	17,967,548
Total noncurrent assets.....	19,473,441
TOTAL ASSETS.....	23,253,385
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred loss on refunding.....	133,087
Deferred outflows related to pensions.....	264,946
Deferred outflows related to other postemployment benefits.....	145,857
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	543,890
<b>LIABILITIES</b>	
CURRENT:	
Warrants payable.....	28,191
Accrued payroll.....	25,075
Accrued interest.....	56,774
Compensated absences.....	33,081
Bonds payable.....	569,251
Total current liabilities.....	712,372
NONCURRENT:	
Compensated absences.....	51,881
Net pension liability.....	1,649,188
Net other postemployment benefits.....	2,736,177
Bonds payable.....	6,857,943
Total noncurrent liabilities.....	11,295,189
TOTAL LIABILITIES.....	12,007,561
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions.....	135,829
Deferred inflows related to other postemployment benefits.....	108,341
TOTAL DEFERRED INFLOWS OF RESOURCES.....	244,170
<b>NET POSITION</b>	
Net investment in capital assets.....	13,874,150
Unrestricted.....	(2,328,606)
TOTAL NET POSITION.....	\$ 11,545,544

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

	Business-type Activities
	Water Enterprise
<u>OPERATING REVENUES:</u>	
Charges for services.....	\$ 2,922,056
<u>OPERATING EXPENSES:</u>	
Cost of services and administration.....	1,247,600
Salaries and wages.....	777,897
Depreciation.....	1,379,057
TOTAL OPERATING EXPENSES.....	3,404,554
OPERATING INCOME (LOSS).....	(482,498)
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Interest expense.....	(242,902)
INCOME (LOSS) BEFORE TRANSFERS.....	(725,400)
<u>TRANSFERS:</u>	
Transfers out.....	(650,178)
CHANGE IN NET POSITION.....	(1,375,578)
NET POSITION AT BEGINNING OF YEAR (AS REVISED).....	12,921,122
NET POSITION AT END OF YEAR.....	\$ 11,545,544

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

	Business-type Activities
	Water Enterprise
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	
Receipts from customers and users.....	\$ 4,218,614
Payments to vendors.....	(1,956,950)
Payments to employees.....	(774,471)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>1,487,193</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>	
Transfers out.....	(650,178)
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>	
Premium from the issuance of bonds.....	1,442
Acquisition and construction of capital assets.....	(484,799)
Principal payments on bonds and notes.....	(650,319)
Interest expense.....	(216,393)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(1,350,069)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>(513,054)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>3,636,562</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 3,123,508</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u></b>	
<b><u>FROM OPERATING ACTIVITIES:</u></b>	
Operating income (loss).....	\$ (482,498)
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation.....	1,379,057
Deferred (outflows)/inflows related to pensions.....	179,542
Deferred (outflows)/inflows related to other postemployment benefits.....	(37,516)
Changes in assets and liabilities:	
User charges.....	1,330,327
Departmental and other.....	(33,769)
Warrants payable.....	(297,185)
Accrued payroll.....	(536)
Compensated absences.....	3,962
Net pension liability.....	(613,480)
Net other postemployment benefits.....	59,289
<b>Total adjustments.....</b>	<b>1,969,691</b>
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 1,487,193</b>
<b><u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u></b>	
Change in the deferred loss on debt refunding.....	\$ (18,630)

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 16,540	\$ 54,722	\$ 60,260
Investments:			
U.S. treasury notes.....	-	7,942	-
Government sponsored enterprises.....	-	8,128	-
Corporate bonds.....	-	392,607	-
Equity securities.....	-	46,809	-
Equity mutual funds.....	496,439	28,091	-
Fixed income mutual funds.....	390,705	3,148	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	65,633
<b>TOTAL ASSETS.....</b>	<b>903,684</b>	<b>541,447</b>	<b>125,893</b>
<b>LIABILITIES</b>			
Accrued payroll.....	-	-	6,225
Other liabilities.....	-	-	119,668
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>125,893</b>
<b>NET POSITION</b>			
Restricted for other postemployment benefits.....	903,684	-	-
Held in trust for other purposes.....	-	541,447	-
<b>TOTAL NET POSITION.....</b>	<b>\$ 903,684</b>	<b>\$ 541,447</b>	<b>\$ -</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS:</b>		
Contributions:		
Employer contributions.....	\$ 203,000	\$ -
Employer contributions for other postemployment benefit payments....	1,950,262	-
Private donations.....	-	40,000
	<u>2,153,262</u>	<u>40,000</u>
Total contributions.....	2,153,262	40,000
Investment income.....	33,432	36,262
	<u>33,432</u>	<u>36,262</u>
TOTAL ADDITIONS.....	2,186,694	76,262
	<u>2,186,694</u>	<u>76,262</u>
<b>DEDUCTIONS:</b>		
Other postemployment benefit payments.....	1,950,262	-
Educational scholarships.....	-	21,457
	<u>1,950,262</u>	<u>21,457</u>
TOTAL DEDUCTIONS.....	1,950,262	21,457
	<u>1,950,262</u>	<u>21,457</u>
NET INCREASE IN NET POSITION.....	236,432	54,805
NET POSITION AT BEGINNING OF YEAR.....	667,252	486,642
	<u>667,252</u>	<u>486,642</u>
NET POSITION AT END OF YEAR.....	\$ 903,684	\$ 541,447
	<u>\$ 903,684</u>	<u>\$ 541,447</u>

See notes to basic financial statements.

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

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

**A. Reporting Entity**

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

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

***Joint Ventures***

The Town has entered into joint ventures with other municipalities to pool resources and share the costs, risk, and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specified recipients. The Town has no equity interest in the joint ventures. The following identifies where the joint venture financial statements are available, their purpose, and the annual assessments paid by the Town during 2018.

<b><u>Joint venture and address</u></b>	<b><u>Purpose</u></b>	<b><u>FY 2018 payments</u></b>
Monomoy Regional School District 425 Crowell Road Chatham, MA 02633	To provide education for grades K-12 for the Towns of Harwich and Chatham	\$ 24,759,749
Cape Cod Regional Technical High School 351 Pleasant Lake Avenue Harwich, MA 02645	To provide secondary vocational education for member Towns	\$ 1,487,362
Cape Cod Commission 3225 Main Street P.O. Box 226 Barnstable, MA 02630	Regional land use planning agency	\$ 217,944
Cape Cod Regional Transit Authority 585 Main Street Dennis, MA 02638	To provide public transportation	\$ 100,284
Town Department of Veteran Services PO Box 429 Hyannis, MA 02601	To provide veterans' services	\$ 35,594
Pleasant Bay Resource Management Alliance P.O. Box 1584 Harwich, MA 02645	To protect the vast natural resources of the bay	\$ 17,343

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

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

*Major Fund Criteria*

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

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

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

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

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

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

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

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

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

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

#### *Fund Financial Statements*

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

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

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

The following major governmental funds are reported:

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

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

The *town capital fund* is a capital project fund used to account for construction, reconstruction and improvements of roadways, wastewater management system, and other capital related projects.

The *Saquatucket Harbor capital fund* is a capital project fund used to account for construction of a new harbormaster's office, maintenance building, boardwalk, and parking lot expansion at Saquatucket Harbor.



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

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

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

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

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

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

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

**Fiduciary** fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs. Agency funds have no measurement focus.

The following fiduciary fund types are reported:

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

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

The *agency fund* is used to account for assets held in a purely custodial capacity. The Town's agency fund is comprised mainly of off duty police and fire details fees. The agency fund applies the accrual basis of accounting but does not have a measurement focus.

#### D. Cash and Investments

##### *Government-Wide and Fund Financial Statements*

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

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

#### E. Fair Value Measurements

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

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

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

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

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

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

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

#### F. Accounts Receivable

##### *Government-Wide and Fund Financial Statements*

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

***Real Estate, Personal Property Taxes and Tax Liens***

Real estate and personal property taxes are levied and based on values assessed on January 1<sup>st</sup> 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 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

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

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

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

***Motor Vehicle and Other Excise Taxes***

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

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

***User Fees***

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

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

***Departmental and Other***

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

***Special Assessments***

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

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

### ***Intergovernmental***

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

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

### **G. Inventories**

#### ***Government-Wide and Fund Financial Statements***

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

### **H. Capital Assets**

#### ***Government-Wide and Proprietary Fund Financial Statements***

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

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

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

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

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

#### *Governmental Fund Financial Statements*

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

#### I. Deferred Outflows/Inflows of Resources

##### *Government-Wide Financial Statements (Net Position)*

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

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

#### *Governmental Fund Financial Statements*

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

#### J. Interfund Receivables and Payables

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

##### *Government-Wide Financial Statements*

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

#### *Fund Financial Statements*

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

### L. Unavailable Revenue

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

### M. Net Position and Fund Equity

#### *Government-Wide Financial Statements (Net Position)*

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

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

Net position has been "restricted for" the following:

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

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

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

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

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

#### *Fund Financial Statements (Fund Balances)*

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

The governmental fund balance classifications are as follows:

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

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

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

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

"Unassigned" fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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 Contributory Retirement System and the Massachusetts Teachers Retirement System and additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions)

are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### O. Long-term debt

##### *Government-Wide and Proprietary Fund Financial Statements*

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

##### *Governmental Fund Financial Statements*

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

#### P. Investment Income

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

Investment income from proprietary funds is voluntarily assigned and transferred to the general fund.

#### Q. Compensated Absences

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

##### *Government-Wide and Proprietary Fund Financial Statements*

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

##### *Governmental Fund Financial Statements*

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

#### R. Use of Estimates

##### *Government-Wide and Fund Financial Statements*

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



S. Individual Fund Deficits

Individual fund deficit exists within the nonmajor capital project funds and the Town Capital major fund. These deficits will be funded through grants, available funds, and bond proceeds in future years.

T. Total Column*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

**NOTE 2 – CASH AND INVESTMENTS**

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

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

Custodial Credit Risk – Deposits

In the case of deposits, the custodial credit risk is the risk that, in the event of a bank failure the Town's deposits may not be recovered. At year-end, the carrying amount of deposits totaled \$42,167,266 and the bank balance totaled \$43,164,363. Of the bank balance, \$1,500,000 was covered by Federal Depository Insurance, \$34,854,169 was covered by Depositors Insurance Fund, \$2,471,436 was covered by the Share Insurance Fund, and \$4,338,758 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town's investment policy limits its custodial credit risk by 1) pre-qualifying banks, 2) diversifying its investments across several banks and 3) collateralizing deposits where practical.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments of \$2,080,881 in debt securities and \$1,347,883 in equity securities are exposed to custodial credit risk as the securities are uninsured. The shares of open end mutual funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The Town's investment policy allows for unlimited investments in United States Treasury Investments and United States Government obligations. Other investments are allowed with a high concentration of securities rated A or better.

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

### Investments

As of June 30, 2018, the Town of Harwich had the following investments:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
Debt securities:				
U.S. treasury notes.....	\$ 824,466	\$ 25,149	\$ 752,044	\$ 47,273
Government sponsored enterprises.....	787,808	99,713	533,584	154,511
Corporate bonds.....	468,607	-	342,521	126,086
Total debt securities.....	2,080,881	\$ 124,862	\$ 1,628,149	\$ 327,870
Other investments:				
Equity securities.....	1,347,883			
Mutual funds.....	64,130			
Equity mutual funds.....	848,503			
Fixed income.....	635,910			
Money market mutual funds.....	70,246			
Total investments.....	\$ 5,047,553			

### Interest Rate Risk

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

### Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. At June 30, 2018, the Town's investments were rated as follows:

Quality Rating	U.S. Treasury Notes	Government Sponsored Enterprises	Corporate Bonds
AAA.....	\$ 824,466	\$ 787,808	\$ -
BAA1.....	-	-	166,153
BAA2.....	-	-	98,488
A1.....	-	-	33,188
A2.....	-	-	99,396
A3.....	-	-	71,382
Total.....	\$ 824,466	\$ 787,808	\$ 468,607

Additionally, the Town has \$70,246 in money market mutual funds, all of which are unrated.

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town’s investment in a single issuer. The Town places no limit on the amount the government may invest in any one issuer. As of June 30, 2018, the Town’s investments with a single issuer that represents 5 percent or more of the Town’s total investments are below.

<u>Issuer</u>	<u>Percentage of Total Investments</u>
Federal National Mortgage Association.....	9%

Fair Market Value of Investments

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

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

The Town has the following recurring fair value measurements as of June 30, 2018:

Investment Type	June 30, 2018	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)
<b>Investments measured at fair value:</b>				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 824,466	\$ 824,466	\$ -	\$ -
Government sponsored enterprises.....	787,808	787,808	-	-
Corporate bonds.....	468,607	-	468,607	-
Total debt securities.....	2,080,881	1,612,274	468,607	-
<u>Other investments:</u>				
Equity securities.....	1,347,883	1,347,883	-	-
Mutual funds.....	64,130	64,130	-	-
Equity mutual funds.....	848,503	848,503	-	-
Fixed income.....	635,910	635,910	-	-
Money market mutual funds.....	70,246	70,246	-	-
Total other investments.....	2,966,672	2,966,672	-	-
Total investments measured at fair value.....	5,047,553	\$ 4,578,946	\$ 468,607	\$ -
Total investments.....	\$ 5,047,553			

Government sponsored enterprises, U.S. treasury notes, equity securities, mutual funds, money market mutual funds, fixed income, and equity mutual funds, classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**NOTE 3 – RECEIVABLES**

At June 30, 2018, receivables for the individual major and nonmajor governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 911,677	\$ -	\$ 911,677
Tax liens.....	2,528,765	-	2,528,765
Community preservation fund surtax.....	22,248	-	22,248
Motor vehicle and other excise taxes.....	181,266	(40,409)	140,857
Departmental and other.....	1,387,414	(606,700)	780,714
Intergovernmental - other.....	767,388	-	767,388
Community preservation state share.....	304,606	-	304,606
Special assessments.....	559,028	-	559,028
Total.....	\$ 6,662,392	\$ (647,109)	\$ 6,015,283

At June 30, 2018, receivables for the water enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
User fees.....	\$ 622,667	\$ -	\$ 622,667
Departmental and other.....	33,769	-	33,769
Total.....	\$ 656,436	\$ -	\$ 656,436

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 assets:</u>			
Real estate and personal property taxes.....	\$ 704,233	\$ -	\$ 704,233
Tax liens.....	2,478,478	50,287	2,528,765
Community preservation fund surtax.....	-	22,248	22,248
Motor vehicle and other excise taxes.....	140,857	-	140,857
Departmental and other.....	612,370	67,226	679,596
Intergovernmental - other.....	-	551,517	551,517
Special assessments.....	-	559,028	559,028
Tax foreclosures.....	166,598	-	166,598
Total.....	\$ 4,102,536	\$ 1,250,306	\$ 5,352,842

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018, was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 23,366,068	\$ -	\$ -	\$ 23,366,068
Construction in progress.....	546,885	3,437,608	-	3,984,493
Total capital assets not being depreciated.....	23,912,953	3,437,608	-	27,350,561
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	56,515,469	621,231	-	57,136,700
Improvements.....	7,545,234	7,846,025	-	15,391,259
Machinery and equipment.....	11,555,625	817,559	(81,500)	12,291,684
Infrastructure.....	87,442,747	2,105,036	-	89,547,783
Total capital assets being depreciated.....	163,059,075	11,389,851	(81,500)	174,367,426
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(36,903,481)	(1,573,724)	-	(38,477,205)
Improvements.....	(4,693,340)	(564,655)	-	(5,257,995)
Machinery and equipment.....	(7,799,894)	(805,638)	81,500	(8,524,032)
Infrastructure.....	(65,829,790)	(2,172,196)	-	(68,001,986)
Total accumulated depreciation.....	(115,226,505)	(5,116,213)	81,500	(120,261,218)
Total capital assets being depreciated, net.....	47,832,570	6,273,638	-	54,106,208
Total governmental activities capital assets, net.....	\$ 71,745,523	\$ 9,711,246	\$ -	\$ 81,456,769

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Water:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 1,505,893	\$ -	\$ -	\$ 1,505,893
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	6,417,657	-	-	6,417,657
Machinery and equipment.....	2,884,045	107,855	(30,000)	2,961,900
Infrastructure.....	36,343,757	376,944	-	36,720,701
Total capital assets being depreciated.....	45,645,459	484,799	(30,000)	46,100,258
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(809,310)	(161,089)	-	(970,399)
Machinery and equipment.....	(1,245,682)	(198,544)	30,000	(1,414,226)
Infrastructure.....	(24,728,661)	(1,019,424)	-	(25,748,085)
Total accumulated depreciation.....	(26,783,653)	(1,379,057)	30,000	(28,132,710)
Total capital assets being depreciated, net.....	18,861,806	(894,258)	-	17,967,548
Total water enterprise capital assets, net.....	\$ 20,367,699	\$ (894,258)	\$ -	\$ 19,473,441

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

**Governmental Activities:**

General government.....	\$ 229,654
Public safety.....	763,241
Education.....	732,724
Public works.....	2,410,517
Human services.....	184,303
Culture and recreation.....	742,763
Community preservation.....	53,011
Total depreciation expense - governmental activities.....	\$ 5,116,213

**Business-Type Activities:**

Water.....	\$ 1,379,057
------------	--------------

**NOTE 5 – INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2018, are summarized as follows:

Transfers In:						
Transfers Out:	General fund	Community preservation act fund	Town capital fund	Saquatucket Harbor capital Fund	Nonmajor governmental funds	Total
General fund.....	\$ -	\$ 51,991	\$ 565,955	\$ 151,070	\$ 161,388	\$ 930,404 (1)
Community preservation act fund...	608,950	-	-	-	-	608,950 (2)
Nonmajor governmental funds.....	602,403	-	-	75,000	31,401	708,804 (3)
Water enterprise fund.....	650,178	-	-	-	-	650,178 (4)
Total.....	\$ <u>1,861,531</u>	\$ <u>51,991</u>	\$ <u>565,955</u>	\$ <u>226,070</u>	\$ <u>192,789</u>	\$ <u>2,898,336</u>

- (1) Represents budgeted transfers from the general fund to the community preservation act (CPA) fund for unused CPA project that were originally accounted for in the general fund; to the Town capital fund for the budgeted pay down of bond anticipation notes and the budgeted purchase of a fire pumper truck; to the Saquatucket Harbor capital fund for dredging; and to the nonmajor governmental funds to fund capital project and other special revenue programs.
- (2) Represents a transfer to the general fund for debt service payments funded with community preservation act funds.
- (3) Represents transfers within nonmajor governmental funds and from nonmajor funds to the general fund for amounts budgeted in the general fund financed through special revenue funds. Also represents a transfer from the receipts reserved for appropriation for waterways management to the Saquatucket Harbor capital fund.
- (4) Represents a budgeted transfer to the general fund from the water enterprise fund.

**NOTE 6 – LANDFILL**

State and Federal laws and regulations require the Town to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site for thirty years thereafter. The landfill has stopped accepting solid waste and pursuant to a Massachusetts Department of Environmental Protection consent order, the Town has placed a final cover on its landfill. Based upon experience, the Town estimates annual monitoring costs are \$18,500 per year, which is included within the annual appropriations. As of June 30, 2018, \$240,500 has been reported on the Town's statement of net position as an estimated remaining liability for post-closure monitoring costs of the landfill. Actual costs may change due to changes in regulations, technology, and inflation.



**NOTE 7 – SHORT-TERM FINANCING**

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

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

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

Details related to the short-term debt activity for the year ended June 30, 2018, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2017	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2018
<b>Governmental Funds:</b>							
BAN	Municipal Purpose.....	2.50%	06/22/18	\$ 7,179,387	\$ -	\$ (7,179,387)	\$ -
BAN	Municipal Purpose.....	2.00%	07/13/18	-	10,750,000	-	10,750,000 (1)
BAN	Municipal Purpose.....	2.75%	06/21/19	-	7,445,150	-	7,445,150
	Total Governmental Funds.....			<u>7,179,387</u>	<u>18,195,150</u>	<u>(7,179,387)</u>	<u>18,195,150</u>
<b>Water Enterprise Fund:</b>							
BAN	Municipal Purpose.....	2.50%	06/22/18	100,000	-	(100,000)	-
	Total.....			<u>\$ 7,279,387</u>	<u>\$ 18,195,150</u>	<u>\$ (7,279,387)</u>	<u>\$ 18,195,150</u>

- (1) On July 13, 2018 upon maturity, the Town paid down \$430,000 from available funds; \$1,200,000 using BAN proceeds from the BAN issued June 21, 2018; \$1,397,000 using premiums applied from the general obligation bond issued June 6, 2018, and \$7,723,000 in bond proceeds from the general obligation bond issued June 6, 2018.

**NOTE 8 – LONG-TERM DEBT**

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

Details related to the outstanding indebtedness at June 30, 2018, and the debt service requirements are as follows:

**Bonds and Notes Payable Schedule—Governmental Funds**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2018
Massachusetts Clean Water Trust 2003.....	2021	\$ 195,089	0.00	\$ 32,707
Massachusetts Clean Water Trust 2004.....	2024	121,316	0.00	37,134
Municipal Purpose Loan of 2005.....	2020	1,405,000	4.00	175,000
Municipal Purpose Loan of 2006.....	2022	2,140,000	4.00	520,000
Municipal Purpose Loan of 2009.....	2029	8,750,000	2.5-4.25	4,700,000
Municipal Purpose Refunding Loan of 2009.....	2021	2,755,000	4.00-5.00	740,000
Municipal Purpose Loan of 2010.....	2020	92,000	2.75-5.00	10,000
Municipal Purpose Loan of 2011.....	2022	162,000	3.00-4.00	60,000
Municipal Purpose Refunding Loan of 2012.....	2024	3,565,000	2.00-3.00	1,725,000
Municipal Purpose Loan of 2013.....	2023	2,900,000	2.00-2.75	1,580,000
Municipal Purpose Loan of 2018.....	2038	12,525,000	3.00-5.00	12,525,000
Total Bonds Payable.....				22,104,841
Add: Unamortized premium on bonds.....				1,555,617
Total Bonds Payable, net.....				\$ 23,660,458

**General Obligation Bonds Payable Schedule – Governmental Funds**

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

Year	Principal	Interest	Total
2019.....	\$ 2,687,358	\$ 863,527	\$ 3,550,885
2020.....	2,536,950	783,711	3,320,661
2021.....	2,282,170	696,022	2,978,192
2022.....	2,001,121	609,917	2,611,038
2023.....	1,766,121	531,968	2,298,089
2024.....	1,311,121	466,093	1,777,214
2025.....	1,130,000	411,684	1,541,684
2026.....	1,125,000	359,592	1,484,592
2027.....	1,125,000	307,734	1,432,734
2028.....	1,125,000	255,890	1,380,890
2029.....	960,000	202,936	1,162,936
2030.....	675,000	157,078	832,078
2031.....	670,000	123,322	793,322
2032.....	665,000	96,528	761,528
2033.....	355,000	69,922	424,922
2034.....	350,000	55,727	405,727
2035.....	350,000	44,352	394,352
2036.....	350,000	32,976	382,976
2037.....	350,000	21,597	371,597
2038.....	290,000	9,786	299,786
Total.....	\$ <u>22,104,841</u>	\$ <u>6,100,362</u>	\$ <u>28,205,203</u>

**Bonds and Notes Payable Schedule—Water Enterprise Funds**

Details related to the outstanding indebtedness at June 30, 2018, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2018
Municipal Purpose Loan of 2010.....	2030	\$ 1,592,000	2.75-4.00	\$ 900,000
Municipal Purpose Loan of 2011.....	2022	4,800,000	3.00-4.00	3,090,000
Municipal Purpose Refunding Loan of 2012.....	2034	1,920,000	3.00-2.75	1,560,000
Massachusetts Clean Water Trust 2016.....	2036	1,875,541	0.00	<u>1,721,937</u>
Total Bonds Payable.....				7,271,937
Add: Unamortized premium on bonds.....				<u>155,257</u>
Total Bonds Payable, net.....				<u>\$ 7,427,194</u>

**General Obligation Bonds Payable Schedule – Water Enterprise Fund**

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

Year	Principal	Interest	Total
2019.....	\$ 549,191	\$ 201,882	\$ 751,073
2020.....	550,913	187,544	738,457
2021.....	547,671	171,149	718,820
2022.....	549,467	152,511	701,978
2023.....	396,303	138,070	534,373
2024.....	398,179	127,941	526,120
2025.....	395,095	117,900	512,995
2026.....	397,053	107,485	504,538
2027.....	394,054	96,739	490,793
2028.....	396,098	85,820	481,918
2029.....	398,187	74,521	472,708
2030.....	395,321	62,903	458,224
2031.....	322,501	51,212	373,713
2032.....	319,728	42,327	362,055
2033.....	322,005	33,346	355,351
2034.....	324,330	24,253	348,583
2035.....	241,706	16,216	257,922
2036.....	244,135	9,302	253,437
2037.....	130,000	2,340	132,340
Total.....	\$ 7,271,937	\$ 1,703,461	\$ 8,975,398

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, 2018, the Town had the following authorized and unissued debt:

Purpose	Amount
Roads.....	\$ 130,000
Road Betterment- Skinwquit Road.....	40,000
Road Maintenance.....	230,000
Wychmere Harbor Piers and Bulkheads.....	125,196
Roads.....	99,954
Saquatucket Municipal Marina Improvements.....	1,000,000
Road Maintenance.....	700,000
Sewer Interconnection & Planning.....	5,720,000
Sewer- Cold Brook.....	1,965,000
Fire Station.....	310,000
Cranberry Valley Golf Course.....	1,200,000
Road Maintenance.....	700,000
Pleasant Bay Watershed Section Sewer and Chatham Interconnector System Constructio	24,775,000
Road Maintenance.....	700,000
Fire Station.....	6,750,000
<b>Total.....</b>	<b>\$ 44,445,150</b>

### Changes in Long-term Liabilities

During the year ended June 30, 2018, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>							
Long-term bonds payable.....	\$ 11,362,197	\$ 12,525,000	\$ (1,782,356)	\$ -	\$ -	\$ 22,104,841	\$ 2,687,358
Add: Unamortized premium on bonds.....	222,440	1,395,185	(62,008)	-	-	1,555,617	213,816
Total bonds payable.....	11,584,637	13,920,185	(1,844,364)	-	-	23,660,458	2,901,174
Landfill closure.....	259,000	-	-	-	(18,500)	240,500	18,500
Compensated absences.....	1,173,862	-	-	543,056	(474,035)	1,242,883	518,634
Net pension liability.....	29,077,515	-	-	2,380,828	(2,536,554)	28,921,789	-
Net other postemployment benefits.....	36,975,984	-	-	4,149,008	(3,330,059)	37,794,933	-
<b>Total governmental activity</b>							
long-term liabilities.....	\$ 79,070,998	\$ 13,920,185	\$ (1,844,364)	\$ 7,072,892	\$ (6,359,148)	\$ 91,860,563	\$ 3,438,308
<b>Business-Type Activities:</b>							
Long-term bonds payable.....	\$ 7,822,256	\$ -	\$ (550,319)	\$ -	\$ -	\$ 7,271,937	\$ 549,191
Add: Unamortized premium on bonds.....	176,993	1,442	(23,178)	-	-	155,257	20,060
Total bonds payable.....	7,999,249	1,442	(573,497)	-	-	7,427,194	569,251
Compensated absences.....	81,000	-	-	35,962	(32,000)	84,962	33,081
Net pension liability.....	2,262,668	-	-	25,118	(638,598)	1,649,188	-
Net other postemployment benefits.....	2,676,888	-	-	300,370	(241,081)	2,736,177	-
<b>Total business-type activity</b>							
long-term liabilities.....	\$ 13,019,805	\$ 1,442	\$ (573,497)	\$ 361,450	\$ (911,679)	\$ 11,897,521	\$ 602,332

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

**NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

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

There are two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds 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.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

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

In accordance with Massachusetts General Law the Town has established a general stabilization fund. At year end, the balance of the Town's stabilization fund is \$2,835,173, and is reported as unassigned fund balance within the general fund.

The committed balances in the general fund consist of articles carried forward to next year. With the exception of free cash used to fund the 2019 budget, assigned balances in the general fund are encumbrances carried forward to next year. The detail of each article and encumbrance is included in the budgetary comparison schedule presented as required supplementary information.

As of June 30, 2018, the governmental fund balances consisted of the following:

	General	Community Preservation Act Fund	Town Capital Fund	Saquatucket Harbor Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:						
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ -	\$ 575,620	\$ 575,620
Restricted for:						
Community Preservation Act.....	-	5,150,200	-	-	-	5,150,200
Saquatucket Harbor Capital Fund.....	-	-	-	582,762	-	582,762
Federal grants.....	-	-	-	-	11,277	11,277
State grants.....	-	-	-	-	175,868	175,868
Local gifts and grants.....	-	-	-	-	204,619	204,619
Highway improvements.....	-	-	-	-	218,605	218,605
Revolving funds.....	-	-	-	-	1,040,744	1,040,744
Receipts reserved for appropriation.....	-	-	-	-	1,998,983	1,998,983
Other special revenue funds.....	-	-	-	-	67,301	67,301
Special revenue trust funds.....	-	-	-	-	77,307	77,307
Miscellaneous small projects.....	-	-	-	-	33,624	33,624
Library trust funds.....	-	-	-	-	621,974	621,974
Cemetery trust funds.....	-	-	-	-	13,336	13,336
Other trust funds.....	-	-	-	-	599	599
Committed to:						
Articles and continuing appropriations:						
Selectman.....	280	-	-	-	-	280
Assessor.....	25,000	-	-	-	-	25,000
Information technology.....	5,840	-	-	-	-	5,840
Police.....	8,567	-	-	-	-	8,567
Fire.....	52,792	-	-	-	-	52,792
Highway department.....	31,667	-	-	-	-	31,667
Library.....	157,055	-	-	-	-	157,055
Recreation and youth.....	7,441	-	-	-	-	7,441
Harbormaster.....	343,906	-	-	-	-	343,906
Golf.....	23,180	-	-	-	-	23,180
Assigned to:						
Encumbrances:						
Assessor.....	34,300	-	-	-	-	34,300
Treasurer.....	5,900	-	-	-	-	5,900
Information technology.....	11,033	-	-	-	-	11,033
Town clerk.....	34,526	-	-	-	-	34,526
Conservation.....	3,347	-	-	-	-	3,347
Town planner.....	2,478	-	-	-	-	2,478
Buildings.....	3,118	-	-	-	-	3,118
Police.....	920	-	-	-	-	920
Fire.....	75	-	-	-	-	75
Town engineer.....	15,232	-	-	-	-	15,232
Highway department.....	900	-	-	-	-	900
Veterans.....	300	-	-	-	-	300
Library.....	240	-	-	-	-	240
Free cash used for subsequent year budget.....	118,000	-	-	-	-	118,000
Unassigned.....	10,080,250	-	(924,013)	-	(61,239)	9,094,998
Total Fund Balances.....	\$ 10,966,347	\$ 5,150,200	\$ (924,013)	\$ 582,762	\$ 4,978,618	\$ 20,753,914

## NOTE 10 – COMMUNITY PRESERVATION FUNDS

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

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

As of June 30, 2018, the CPA fund has a balance of \$5,150,200 and is reported as a major fund in the governmental funds financial statements.

#### **NOTE 11 – RISK FINANCING**

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

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

The Town carries commercial insurance for worker's compensation claims in excess of \$40,000 per claim. The Town's share of unpaid liabilities as of June 30, 2018 is immaterial to the financial statements and therefore is not reported.

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

#### **NOTE 12 – PENSION PLAN**

##### *Plan Descriptions*

The Town is a member of the Barnstable County Contributory Retirement System (BCRA), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 51 member units. The BCRA is administered by five board members (Board) on behalf of all current employees and retirees. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://www.barnstablecounty.org/retirement-association/>.

##### *Benefits Provided*

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



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

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

There were no changes of benefit terms that affected the total pension liability at December 31, 2017.

### *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 actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended June 30, 2018, was \$2,681,194, 20.76% of covered payroll, actuarially determined as an amount that, when combine 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, 2018, the Town reported a liability of \$30,570,977 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. 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, 2017, the Town's proportion was 4.493%, which is .032% greater than its proportion measured at December 31, 2016.

### *Pension Expense*

For the year ended June 30, 2018, the Town recognized pension expense of \$3,793,776. At June 30, 2018, the Town reported net deferred outflows of resources and deferred inflows of resources related to pensions of \$4,911,303 and \$2,517,861, respectively. The balances of deferred outflows and inflows at June 30, 2018 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (437,959)	\$ (437,959)
Difference between projected and actual earnings, net.....	-	(1,995,183)	(1,995,183)
Changes in assumptions.....	3,809,679	-	3,809,679
Changes in proportion and proportionate share of contributions...	1,101,624	(84,719)	1,016,905
Total deferred outflows/(inflows) of resources.....	\$ <u>4,911,303</u>	\$ <u>(2,517,861)</u>	\$ <u>2,393,442</u>

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

Year ended June 30:

2019.....	\$	764,724
2020.....		753,864
2021.....		200,790
2022.....		198,040
2023.....		<u>476,024</u>
Total.....	\$	<u>2,393,442</u>

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement that was rolled back to December 31, 2017:

Valuation date.....	January 1, 2018
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Appropriations increase at 5.28% per year.
Remaining amortization period.....	17 years from July 1, 2018 for 2002 and 2003 Early Retirement Incentives, retiree sheriffs liability and remaining unfunded liability, and 4 years from July 1, 2018 for 2010 Early Retirement Incentive.
Asset valuation method.....	The net pension liability is calculated using the market value of assets. The Association also uses an actuarial value of assets that gradually reflects year-to-year changes in the market value of assets in determining contribution requirements.
Inflation rate.....	3.25%
Projected salary increases.....	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4.
Cost of living adjustments.....	3.0% of the first \$18,000 of retirement income.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.

Rates of disability.....	For general employees, it was assumed that 55% of all disabilities are accidental disability. For police and fire employees, 90% of all disabilities are assumed to be accidental disability.
Mortality Rates:	
Pre-Retirement.....	The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017.
Healthy Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017.
Disabled Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2017.
Investment rate of return/Discount rate.....	7.375%, net of pension plan investment expense, including inflation.

#### *Investment Policy*

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2018 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.....	17.50%	6.15%
International developed markets equity.....	15.50%	7.11%
International emerging markets equity.....	6.00%	9.41%
Core fixed income.....	12.00%	1.68%
High-yield fixed income.....	10.00%	4.13%
Real estate.....	10.00%	4.90%
Commodities.....	4.00%	4.71%
Hedge fund, GTAA, Risk parity.....	13.00%	3.94%
Private equity.....	12.00%	10.28%
Total.....	100.00%	

*Rate of Return*

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.17%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.375%, formally 7.625%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.375%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount (7.375%)	1% Increase (8.375%)
The Town's proportionate share of the net pension liability..... \$	\$ 40,098,997	\$ 30,570,977	\$ 22,559,784

*Pension Plan Fiduciary Net Position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued Barnstable County Retirement Association's financial report.

*Changes in Assumptions and Plan Provisions*

The following assumption changes were reflected in the January 1, 2018 actuarial valuation:

- The mortality tables for non-disabled participants were changed from the RP-2000 Employee and Healthy Annuitant Mortality tables projected generationally using Scale BB2D from 2009 to the RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017.
- The mortality tables for disable participants were changed from the RP-2000 Healthy Annuitant Mortality Table projected generationally using Scale BB2D from 2015 to the RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward 1 year projected generationally using Scale MP-2017.
- The long-term salary increase assumption was lowered by 0.25%, to 4.00% for Group 1 participants, 4.25% for Group 2 participants, and 4.50% for Group 4 participants.
- The investment rate of return assumption was lowered from 7.625% to 7.375%.

The following plan provision change was reflected in the January 1, 2018 actuarial valuation:

- The Cost of Living Adjustment Base was increased from \$15,000 to \$16,000 as of July 1, 2015, to \$17,000 as of July 1, 2016, and to \$18,000 as of July 1, 2017.

**NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

*Plan Description* – The Town of Harwich administers a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through a single-employer defined Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial report. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on-behalf of its teacher retirees by the state. The state pays 85 – 90% of the total premium; the retiree's co-payment is 10 – 15% of the total premium as well as full payment for catastrophic illness coverage.

*Funding Policy* – The contribution requirements of plan members and the Town are established and may be amended by the Town. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 75% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 25% of their premium costs. For 2018, the Town's age-adjusted contribution to the plan totaled \$2.2 million, which includes \$203,000 in pre-funding as described below. For the year ended June 30, 2018, the Town's average contribution rate was 12.44% of covered-employee payroll.

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

During 2018, the Town pre-funded future OPEB liabilities totaling \$203,000 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, 2018, the balance of this fund totaled \$903,684.

***GASB Statement #74 – OPEB Plan Financial Reporting***

*Measurement Date* – GASB #74 requires the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

*Employees Covered by Benefit Terms* – The following table represents the Plan's membership at June 30, 2018:

Active members.....	156
Inactive members currently receiving benefits.....	<u>359</u>
Total.....	<u><u>515</u></u>

*Components of OPEB Liability* – The following table represents the components of the Plan's OPEB liability as of June 30, 2018:

Total OPEB liability.....	\$ 41,573,364
Less: OPEB plan's fiduciary net position.....	<u>(903,684)</u>
Net OPEB liability.....	<u><u>\$ 40,669,680</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	
	2.17%

*Significant Actuarial Methods and Assumptions* – The total OPEB liability in the June 30, 2016 actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement that was updated to June 30, 2018 to be in accordance with GASB #74:

Valuation date.....	June 30, 2016
Inflation rate.....	3.50%
Salary increases.....	Service-related increases for Group 1 (excluding Teachers) and Group 2 employees: 6.0% decreasing over 9 years to an ultimate level of 4.25%. Service-related increases for Group 4 employees: 7.0% decreasing over 5 years to an ultimate level of 4.75%. Service-related increases for Teachers: 7.5% decreasing over 20 years to an ultimate level of 4.0%.
Discount rate.....	5.24% as of June 30, 2018 and 5.08% as of June 30, 2017.
Investment rate of return.....	7.00%

## Health care trend rates:

CCMHG.....	Under 65: 10.5% for 1 year, then 7.0% decreasing by 0.5% each year to an ultimate level of 4.5% per year. Over 65: 1.9% for 1 year, then 7.0% decreasing by 0.5% each year to an ultimate level of 4.5% per year.
GIC.....	Under 65: 6.8% for 1 year, then 8.5% decreasing by 0.5% each year to an ultimate level of 5.0% per year. Over 65: 1.6% for 1 year, then 8.5% decreasing by 0.5% each year to an ultimate level of 4.5% per year.
Part B.....	4.50%
Contributions.....	Retiree contributions are expected to increase with respective trends shown above.

## Mortality rates:

Preretirement mortality rates.....	Healthy Non-Teachers: RP-2000 Employee Mortality Table projected generationally with Scale BB2D from 2009. Healthy Teachers: RP-2014 White Collar Employee Mortality Table projected generationally with Scale MP-2016.
Postretirement mortality rates.....	Healthy Non-Teachers: RP-2000 Healthy Annuitant Mortality Table projected generationally with Scaled BB2D from 2009. Healthy Teachers: RP-2014 White Collar Annuitant Mortality Table projected generationally with Scale MP-2016. Disabled Non-Teachers: RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB2D from 2015. Disabled Teachers: RP-2014 Healthy Annuitant Table set forward 4 years and projected generationally with Scale BB2D from 2014.

*Rate of return* – For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 4.12%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018 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.....	18.00%	6.15%
International developed markets equity...	16.00%	7.11%
International emerging markets equity....	6.00%	9.41%
Core fixed income.....	13.00%	1.68%
High Yield Fixed Income.....	10.00%	4.13%
Real estate.....	10.00%	4.90%
Commodities.....	4.00%	4.71%
Hedge fund, GTAA, Risk parity.....	13.00%	3.94%
Private equity.....	10.00%	10.28%
Total.....	100.00%	

*Discount rate* – The discount rate used to measure the total OPEB liability was 5.24% as of June 30, 2018 and 5.08% as of June 30, 2017.

*Sensitivity of the net OPEB liability to changes in the discount rate* – The following table presents the Plan's net OPEB liability, calculated using the discount rate of 5.24%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.24%) or 1-percentage-point higher (6.24%) than the current rate.

	1% Decrease (4.24%)	Current Discount Rate (5.24%)	1% Increase (6.24%)
Net OPEB liability.....	\$ 45,984,044	\$ 40,669,680	\$ 36,262,596

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

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 35,500,729	\$ 40,669,680	\$ 47,085,621

#### *Changes of Assumptions*

The discount rate was increased from 5.08% as of June 30, 2017 to 5.24% as of June 30, 2018.

*Changes in Plan Provisions* – None.

#### ***GASB Statement #75 – OPEB Employer Financial Reporting***

*Summary of Significant Accounting Policies* – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been



determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

*Measurement Date* – GASB Statement #75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

*Plan Membership* – The following table represents the Plan's membership at June 30, 2016:

Active members.....	156
Retired members of beneficiaries currently receiving benefits.....	<u>359</u>
Total.....	<u>515</u>

*Significant Actuarial Methods and Assumptions* – The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2017, to be in accordance with GASB Statement #75:

Valuation date.....	June 30, 2016
Actuarial cost method.....	Entry Age Normal-Level percentage of payroll.
Amortization method (a).....	Level percentage of payroll.
Remaining amortization period (a).....	30 years from July 1, 2016.
Salary increases.....	Service-related increases for Group 1 (excluding teachers) and Group 2 employees: 6.0% decreasing over 9 years to an ultimate level of 4.25%. Service-related increased for Group 4 employees: 7.0% decreasing over 5 years to an ultimate level of 4.75%. Service related increases for Teachers: 7.5% decreasing over 20 years to an ultimate level of 4.0%.
Investment rate of return.....	7.00%
Discount rate.....	5.08% as of June 30, 2017 and 4.66% as of June 30, 2016.

(a) Used to determine the actuarially determined contribution.

Asset valuation method.....	Market Value
Health care trend rates:	
CCMHG.....	Under 65: 10.5% for 1 year, then 7.0% decreasing by 0.5% each year to an ultimate level of 4.5% per year. Over 65: 1.9% for 1 year, then 7.0% decreasing by 0.5% each year to an ultimate level of 4.5% per year.
GIC.....	Under 65: 6.8% for 1 year, then 8.5% decreasing by 0.5% each year to an ultimate level of 5.0% per year. Over 65: 1.6% for 1 year, then 8.5% decreasing by 0.5% each year to an ultimate level of 4.5% per year.
Part B.....	4.50%
Contributions.....	Retiree contributions are expected to increase with respective trends shown above.
Mortality rates:	
Preretirement mortality rates.....	Healthy Non-Teachers: RP-2000 Employee Mortality Table projected generationally with Scale BB2D from 2009. Healthy Teachers: RP-2014 White Collar Employee Mortality Table projected generationally with Scale MP-2016.
Postretirement mortality rates.....	Healthy Non-Teachers: RP-2000 Healthy Annuitant Mortality Table projected generationally with Scaled BB2D from 2009.  Healthy Teachers: RP-2014 White Collar Annuitant Mortality Table projected generationally with Scale MP-2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of 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 target allocation as of June 30, 2017 and projected arithmetic real rates of return for each major asset class, after deduction inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized on the following page.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	18.00%	6.15%
International developed markets equity...	16.00%	7.11%
International emerging markets equity....	6.00%	9.41%
Core fixed income.....	13.00%	1.68%
High Yield Fixed Income.....	10.00%	4.13%
Real estate.....	10.00%	4.90%
Commodities.....	4.00%	4.71%
Hedge fund, GTAA, Risk parity.....	13.00%	3.94%
Private equity.....	10.00%	10.28%
Total.....	100.00%	

*Discount rate* – The discount rate used to measure the total OPEB liability was 5.08% as of June 30, 2017 and 4.66% as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments to current plan members.

#### *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, 2016.....	\$ 42,154,579	\$ 535,428	\$ 41,619,151
Changes for the year:			
Service cost.....	1,078,218	-	1,078,218
Interest.....	1,971,659	-	1,971,659
Changes in assumptions and other inputs.....	(2,139,815)	-	(2,139,815)
Contributions - employer.....	-	1,966,279	(1,966,279)
Net investment income.....	-	31,824	(31,824)
Benefit payments.....	(1,866,279)	(1,866,279)	-
Net change.....	(956,217)	131,824	(1,088,041)
Balances at June 30, 2017.....	\$ 41,198,362	\$ 667,252	\$ 40,531,110

*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 5.08%, 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 (4.08%) or 1-percentage-point higher (6.08%) than the current discount rate.

	1% Decrease (4.08%)	Current Discount Rate (5.08%)	1% Increase (6.08%)
Net OPEB liability.....	\$ 45,928,865	\$ 40,531,110	\$ 36,066,831

*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 of 5.08%, 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.....	\$ 35,657,221	\$ 40,531,110	\$ 46,575,392

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* – For the year ended June 30, 2017, the GASB Statement #75 measurement date, the Town recognized OPEB expense of \$2,475,774. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between projected and actual earnings, net.....	\$ 7,325	\$ -	\$ 7,325
Changes in assumptions.....	-	(1,604,861)	(1,604,861)
Contributions made subsequent to the measurement date.....	2,153,262	-	2,153,262
Total deferred outflows/(inflows) of resources.....	\$ 2,160,587	\$ (1,604,861)	\$ 555,726

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

Year ended June 30:

2019.....	\$ (533,123)
2020.....	(533,123)
2021.....	(533,122)
2022.....	1,832
Subtotal amortized deferred outflows/(inflows) of resources.....	(1,597,536)
Contributions made subsequent to the measurement date.....	2,153,262
Total deferred outflows/(inflows) of resources.....	\$ 555,726

*Changes of Assumptions*

The discount rate was increased from 4.66% as of June 30, 2016 to 5.08% as of June 30, 2017.

*Changes in Plan Provisions* – None.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

The regional vocational school, Cape Cod Technical Regional High School, received permission to construct a new high school on its existing campus in Harwich as approved in a district wide vote passed on October 24, 2017. The estimated cost of the project is \$127 million and the Massachusetts School Building Authority (MSBA) is estimated to reimburse 51% of eligible project costs up to a maximum of \$46,292,000. The regional high school will issue general obligation bonds of approximately \$81 million to finance the unreimbursed project costs. The cost of the annual debt service to repay the bonds will be allocated to the member communities based on their respective student enrollments each year. Harwich represents approximately 13% of the student enrollment in the regional school. The estimated annual budget impact to the Town is \$617,000 annually for 25 years. The Town held an election on October 24, 2017 to exempt this annual debt service assessment from the tax levy limitations of Proposition 2 ½ which successfully passed. Based on the Town's current assessed valuation of all property this equates to approximately \$0.12 on the tax rate.

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, 2018, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2018, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2018.

**NOTE 15 – REVISION OF PRIOR BALANCES**

Beginning net position of governmental activities, business-type activities and each applicable enterprise fund has been revised to reflect the implementation of GASB Statement #75. The revised balances are summarized in the following table.

	06/30/2017 Previously Reported Balances	Implementation of GASB #75	06/30/2017 Revised Balances
<b>Government-Wide Financial Statements</b>			
Governmental activities.....	\$ 38,740,215	\$ (19,753,749)	\$ 18,986,466
Business-type activities.....	14,257,861	(1,336,739)	12,921,122
Total.....	<u>\$ 52,998,076</u>	<u>\$ (21,090,488)</u>	<u>\$ 31,907,588</u>
<b>Business-type Activities - Enterprise Funds</b>			
Water Enterprise Fund.....	<u>\$ 14,257,861</u>	<u>\$ (1,336,739)</u>	<u>\$ 12,921,122</u>

**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 17, 2018, which is the date the financial statements were available to be issued.

**NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2018, the following GASB pronouncements were implemented:

- GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement.
- GASB Statement #81, *Irrevocable Split-Interest Agreements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #85, *Omnibus 2017*. This pronouncement did not impact the basic financial statements.
- GASB Statement #86, *Certain Debt Extinguishment Issues*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #83, *Certain Asset Retirement Obligations*, which is required to be implemented in 2019.
- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2019.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.
- The GASB issued Statement #88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is required to be implemented in 2019.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2021.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2020.

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

This page intentionally left blank.

# ***Required Supplementary Information***



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

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

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
<b>REVENUES:</b>							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 46,348,004	\$ 46,348,004	\$ 46,348,004	\$ 46,501,474	\$ -	\$ 153,470
Motor vehicle and other excise taxes.....	-	2,148,652	2,148,652	2,148,652	2,372,767	-	224,115
Hotel/motel tax.....	-	625,000	625,000	625,000	674,717	-	49,717
Meals tax.....	-	352,489	352,489	352,489	423,305	-	70,816
Charges for services.....	-	1,450,000	1,450,000	1,450,000	1,475,724	-	25,724
Penalties and interest on taxes and excise.....	-	268,000	268,000	268,000	381,742	-	113,742
Fees and rentals.....	-	230,158	230,158	230,158	167,890	-	(62,268)
Recreation fees.....	-	2,898,806	2,898,806	2,898,806	3,107,877	-	209,071
Sanitation fees.....	-	2,450,000	2,450,000	2,450,000	3,110,692	-	660,692
Payments in lieu of taxes.....	-	55,000	55,000	55,000	58,616	-	3,616
Licenses and permits.....	-	450,000	450,000	450,000	731,490	-	281,490
Intergovernmental - state aid.....	-	676,162	676,162	676,162	670,186	-	(5,976)
Departmental and other.....	-	807,800	807,800	807,800	550,465	-	(257,335)
Investment income.....	-	30,000	30,000	30,000	157,971	-	127,971
TOTAL REVENUES.....	-	58,790,071	58,790,071	58,790,071	60,384,916	-	1,594,845
<b>EXPENDITURES:</b>							
Current:							
General government							
Moderator							
Salaries.....	-	300	300	300	-	-	300
Selectmen							
Salaries.....	-	7,500	7,500	7,500	7,500	-	-
Expenditures.....	-	7,750	7,750	7,750	7,077	-	673
Selectmen Articles.....	18,504	102,643	121,147	121,147	102,363	280	18,504
Total.....	18,504	117,893	136,397	136,397	116,940	280	19,177
Finance Committee							
Salaries.....	-	3,500	3,500	3,500	745	-	2,755
Expenditures.....	-	450	450	810	809	-	1
Total.....	-	3,950	3,950	4,310	1,554	-	2,756
Finance Committee Reserve Fund.....	-	125,000	125,000	125,000	-	-	125,000
Town Accountant							
Salaries.....	-	237,985	237,985	237,985	234,292	-	3,693
Expenditures.....	146	3,600	3,746	3,746	3,772	-	(26)
Audit.....	-	36,000	36,000	37,900	37,900	-	-
Articles.....	2,245	2,878	5,123	15,623	15,154	-	469
Total.....	2,391	280,463	282,854	295,254	291,118	-	4,136
Assessor							
Salaries.....	-	187,465	187,465	187,465	153,113	-	34,352
Expenditures.....	33,777	105,860	139,637	139,637	102,043	34,300	3,294
Articles.....	-	-	-	100,000	75,000	25,000	-
Total.....	33,777	293,325	327,102	427,102	330,156	59,300	37,646
Town Collections							
Salaries.....	-	16,000	16,000	16,000	12,476	-	3,524
Expenditures.....	-	3,760	3,760	3,760	3,154	-	606
Total.....	-	19,760	19,760	19,760	15,630	-	4,130
Postage.....	-	56,160	56,160	56,160	46,452	-	9,708
Treasurer							
Salaries.....	-	230,612	230,612	236,984	236,984	-	-
Expenditures.....	39,422	112,650	152,072	127,650	112,761	5,900	8,989
Total.....	39,422	343,262	382,684	364,634	349,745	5,900	8,989
Medicare.....	-	200,700	200,700	217,300	217,264	-	36
Administration							
Salaries.....	-	433,889	433,889	422,517	418,242	-	4,275
Expenditures.....	-	80,950	80,950	80,950	75,449	-	5,501
Capital Outlay.....	-	5,000	5,000	5,000	4,958	-	42
Union Contracts.....	-	-	-	5,000	5,000	-	-
Articles.....	-	98,000	98,000	98,000	98,000	-	-
Total.....	-	617,839	617,839	611,467	601,649	-	9,818
Legal Services							
Expenditures.....	-	170,000	170,000	170,000	159,374	-	10,626
Claims and Suits.....	-	400	400	400	-	-	400
Total.....	-	170,400	170,400	170,400	159,374	-	11,026

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Information Technology							
Salaries.....	-	99,801	99,801	99,801	99,800	-	1
Expenditures.....	55,455	212,131	267,586	267,586	256,131	11,033	422
Articles.....	7,760	-	7,760	7,760	1,920	5,840	-
Total.....	63,215	311,932	375,147	375,147	357,851	16,873	423
IT Channel 18							
Salaries.....	-	112,417	112,417	112,417	106,301	-	6,116
Expenditures.....	-	31,000	31,000	31,000	24,791	-	6,209
Total.....	-	143,417	143,417	143,417	131,092	-	12,325
Constable							
Salaries.....	-	694	694	694	356	-	338
Town Clerk							
Salaries.....	-	202,485	202,485	203,157	203,156	-	1
Expenditures.....	-	29,190	29,190	70,014	35,558	34,526	(70)
Total.....	-	231,675	231,675	273,171	238,714	34,526	(69)
Conservation							
Salaries.....	-	105,633	105,633	111,533	111,527	-	6
Expenditures.....	-	9,746	9,746	9,746	6,841	3,347	(442)
Total.....	-	115,379	115,379	121,279	118,368	3,347	(436)
Town Planner							
Salaries.....	-	75,104	75,104	75,104	69,515	-	5,589
Expenditures.....	-	4,406	4,406	4,406	1,928	2,478	-
Total.....	-	79,510	79,510	79,510	71,443	2,478	5,589
Board of Appeals							
Expenditures.....	-	710	710	710	595	-	115
Buildings							
Albro House Expenditures.....	-	5,430	5,430	5,430	3,148	2,282	-
Old Recreation Building Expenditures.....	-	6,520	6,520	6,520	5,321	836	363
West Harwich School Expenditures.....	-	1,400	1,400	1,400	408	-	992
Total.....	-	13,350	13,350	13,350	8,877	3,118	1,355
Community Development.....							
Salaries.....	-	273,909	273,909	260,757	218,879	-	41,878
Expenditures.....	-	10,950	10,950	10,950	10,834	-	116
Total.....	-	284,859	284,859	271,707	229,713	-	41,994
Public Building Repair.....	-	2,133	2,133	2,133	-	-	2,133
Town Reports.....	-	10,000	10,000	10,000	7,658	-	2,342
Advertising.....	-	4,500	4,500	24,500	21,671	-	2,829
Total General Government.....	157,309	3,427,211	3,584,520	3,743,702	3,316,220	125,822	301,660
Public safety							
Police							
Salaries.....	-	3,746,910	3,746,910	3,746,910	3,567,872	-	179,038
Expenditures.....	39,300	618,979	658,279	653,279	578,605	920	73,754
Capital Outlay.....	-	126,000	126,000	126,000	121,482	-	4,518
Articles.....	26,815	203,829	230,644	230,644	222,077	8,567	-
Total.....	66,115	4,695,718	4,761,833	4,756,833	4,490,036	9,487	257,310
Fire							
Salaries.....	-	3,785,130	3,785,130	3,785,130	3,525,225	-	259,905
Expenditures.....	20,000	465,181	485,181	485,181	394,874	75	90,232
Articles.....	194,073	24,779	218,852	218,852	166,060	52,792	-
Total.....	214,073	4,275,090	4,489,163	4,489,163	4,086,159	52,867	350,137
Ambulance							
Salaries.....	-	181,634	181,634	181,634	112,767	-	68,867
Expenditures.....	-	139,882	139,882	139,882	136,314	-	3,568
Total.....	-	321,516	321,516	321,516	249,081	-	72,435
Total Public Safety.....	280,188	9,292,324	9,572,512	9,567,512	8,825,276	62,354	679,882

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
<b>School</b>							
Cape Cod Regional Technical High School.....	-	1,487,362	1,487,362	1,487,362	1,487,362	-	-
Monomoy Regional School District.....	-	24,759,749	24,759,749	24,759,749	24,759,749	-	-
Total School.....	-	26,247,111	26,247,111	26,247,111	26,247,111	-	-
<b>Public Works</b>							
<b>Building</b>							
Salaries.....	-	265,413	265,413	265,413	249,720	-	15,693
Expenditures.....	-	14,468	14,468	14,468	11,350	-	3,118
Total.....	-	279,881	279,881	279,881	261,070	-	18,811
<b>Emergency Management</b>							
Salaries.....	-	5,008	5,008	5,008	2,444	-	2,564
Expenditures.....	-	8,500	8,500	8,500	3,318	-	5,182
Total.....	-	13,508	13,508	13,508	5,762	-	7,746
<b>Natural Resources</b>							
Salaries.....	-	96,346	96,346	96,346	96,342	-	4
Expenditures.....	803	27,600	28,403	27,600	26,998	-	602
Total.....	803	123,946	124,749	123,946	123,340	-	606
Pleasant Bay Alliance.....	-	17,343	17,343	17,343	17,343	-	-
<b>Town Engineer</b>							
Salaries.....	-	174,932	174,932	174,932	174,256	-	676
Expenditures.....	-	25,620	25,620	25,620	9,831	15,232	557
Total.....	-	200,552	200,552	200,552	184,087	15,232	1,233
<b>Highway Department</b>							
Salaries.....	-	2,511,113	2,511,113	2,511,113	2,495,642	-	15,471
Expenditures.....	72,950	2,502,785	2,575,735	2,575,735	2,574,321	900	514
Articles.....	416,904	557,000	973,904	973,903	910,736	31,667	31,500
Total.....	489,854	5,570,898	6,060,752	6,060,751	5,980,699	32,567	47,485
<b>Snow &amp; Ice</b>							
Salaries.....	-	40,000	40,000	104,576	104,576	-	-
Expenditures.....	-	95,000	95,000	260,924	260,924	-	-
Total.....	-	135,000	135,000	365,500	365,500	-	-
Street Lights.....	-	35,000	35,000	35,000	31,372	-	3,628
<b>Cemetery Administration</b>							
Salaries.....	-	63,178	63,178	63,178	63,203	-	(25)
Expenditures.....	-	4,327	4,327	44,457	43,295	-	1,162
Total.....	-	67,505	67,505	107,635	106,498	-	1,137
Total Public Works.....	490,657	6,443,633	6,934,290	7,204,116	7,075,671	47,799	80,646
<b>Human services</b>							
<b>Board of Health</b>							
Salaries.....	-	197,895	197,895	197,895	170,173	-	27,722
Expenditures.....	2,300	15,638	17,938	16,210	16,210	-	-
Total.....	2,300	213,533	215,833	214,105	186,383	-	27,722
<b>Community Center</b>							
Salaries.....	-	164,820	164,820	165,500	165,498	-	2
Expenditures.....	-	115,026	115,026	131,026	131,306	-	(280)
Articles.....	-	57,724	57,724	57,724	38,800	-	18,924
Total.....	-	337,570	337,570	354,250	335,604	-	18,646
<b>Council on Aging</b>							
Salaries.....	-	368,070	368,070	372,470	372,404	-	66
Expenditures.....	-	75,282	75,282	75,282	63,691	-	11,591
Total.....	-	443,352	443,352	447,752	436,095	-	11,657
<b>Youth Counselor</b>							
Salaries.....	-	81,511	81,511	81,511	81,511	-	-
Expenditures.....	366	4,310	4,676	4,676	4,017	-	659
Total.....	366	85,821	86,187	86,187	85,528	-	659
<b>Veterans</b>							
Expenditures/Benefits.....	-	135,434	135,434	135,434	99,997	300	35,137

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Disability Rights							
Expenditures.....	-	300	300	300	-	-	300
Human Services.....	-	79,980	79,980	79,980	72,605	-	7,375
Total Human Services.....	2,666	1,295,990	1,298,656	1,318,008	1,216,212	300	101,496
Culture and Recreation							
Library							
Salaries.....	-	643,283	643,283	643,283	634,433	-	8,850
Expenditures.....	4,146	270,765	274,911	274,912	273,557	240	1,115
Articles.....	63,252	130,000	193,252	193,252	36,197	157,055	-
Total.....	67,398	1,044,048	1,111,446	1,111,447	944,187	157,295	9,965
Recreation and Youth							
Seasonal Salaries.....	-	177,070	177,070	177,070	174,725	-	2,345
Salaries.....	-	228,605	228,605	230,768	230,767	-	1
Expenditures.....	-	45,575	45,575	43,412	41,736	-	1,676
Capital Outlay.....	-	12,000	12,000	12,000	-	-	12,000
Articles.....	15,914	225,000	240,914	240,914	125,031	7,441	108,442
Total.....	15,914	688,250	704,164	704,164	572,259	7,441	124,464
Harbormaster							
Salaries.....	-	293,351	293,351	293,351	289,846	-	3,505
Expenditures.....	61,036	173,050	234,086	227,286	225,832	-	1,454
Articles.....	578,826	177,070	755,896	472,756	128,391	343,906	459
Total.....	639,862	643,471	1,283,333	993,393	644,069	343,906	5,418
Brooks Museum Commission							
Expenditures.....	-	12,194	12,194	12,194	10,754	-	1,440
Historical Commission							
Salaries.....	-	540	540	540	540	-	-
Expenditures.....	-	350	350	350	-	-	350
Articles.....	4,820	-	4,820	4,820	-	-	4,820
Total.....	4,820	890	5,710	5,710	540	-	5,170
Celebrations.....	-	1,600	1,600	1,600	1,299	-	301
Golf							
Salaries.....	-	882,529	882,529	882,529	799,834	-	82,695
Expense.....	-	697,019	697,019	697,019	621,383	-	75,636
Capital Outlays.....	-	73,000	73,000	73,000	66,277	-	6,723
Articles.....	49,099	82,000	131,099	131,099	106,319	23,180	1,600
Total.....	49,099	1,734,548	1,783,647	1,783,647	1,593,813	23,180	166,654
Electricity-CVEC.....	-	65,000	65,000	66,254	66,254	-	-
Total Culture and Recreation.....	777,093	4,190,001	4,967,094	4,678,409	3,833,175	531,822	313,412
Contributory Pension.....	-	2,681,194	2,681,194	2,681,194	2,681,194	-	-
Unemployment Compensation.....	-	20,000	20,000	7,748	5,087	-	2,661
Group Health Insurance.....	-	4,776,227	4,776,227	4,552,110	4,449,270	-	102,840
General Insurance.....	-	613,451	613,451	657,601	660,969	-	(3,368)
State and County Charges.....	-	682,351	682,351	682,351	682,359	-	(8)
Debt Service							
Debt Service Principal.....	-	2,208,508	2,208,508	1,792,357	1,782,356	-	10,001
Debt Service Interest.....	-	399,912	399,912	498,958	498,958	-	-
Total.....	-	2,608,420	2,608,420	2,291,315	2,281,314	-	10,001
TOTAL EXPENDITURES.....	1,707,913	62,277,913	63,985,826	63,631,177	61,273,858	768,097	1,589,222

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,707,913)	(3,487,842)	(5,195,755)	(4,841,106)	(888,942)	(768,097)	3,184,067
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in.....	-	1,861,086	1,861,086	1,861,086	1,861,530	-	444
Transfers out.....	(50,000)	(370,000)	(420,000)	(926,325)	(930,404)	-	(4,079)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(50,000)</b>	<b>1,491,086</b>	<b>1,441,086</b>	<b>934,761</b>	<b>931,126</b>	<b>-</b>	<b>(3,635)</b>
NET CHANGE IN FUND BALANCE.....	(1,757,913)	(1,996,756)	(3,754,669)	(3,906,345)	42,184	(768,097)	3,180,432
BUDGETARY FUND BALANCE, Beginning of year.....	-	7,881,546	7,881,546	7,881,546	7,881,546	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (1,757,913)	\$ 5,884,790	\$ 4,126,877	\$ 3,975,201	\$ 7,923,730	\$ (768,097)	\$ 3,180,432

See notes to required supplementary information.

(Concluded)

# ***Community Preservation Fund Budgetary Comparison Schedule***

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

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
<b>REVENUES:</b>							
Community preservation taxes.....	\$ -	\$ 1,036,622	\$ 1,036,622	\$ 1,036,622	\$ 1,371,737	\$ -	\$ 335,115
Community preservation state match.....	-	298,753	298,753	298,753	256,482	-	(42,271)
Penalties and interest.....	-	-	-	-	3,705	-	3,705
Investment income.....	-	-	-	-	23,446	-	23,446
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>1,335,375</b>	<b>1,335,375</b>	<b>1,335,375</b>	<b>1,655,370</b>	<b>-</b>	<b>319,995</b>
<b>EXPENDITURES:</b>							
Community preservation.....	942,620	254,300	1,196,920	1,089,895	163,205	898,410	28,280
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(942,620)</b>	<b>1,081,075</b>	<b>138,455</b>	<b>245,480</b>	<b>1,492,165</b>	<b>(898,410)</b>	<b>348,275</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in.....	-	51,991	51,991	51,991	51,991	-	-
Transfers out.....	-	(608,950)	(608,950)	(608,950)	(608,950)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>(556,959)</b>	<b>(556,959)</b>	<b>(556,959)</b>	<b>(556,959)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(942,620)</b>	<b>524,116</b>	<b>(418,504)</b>	<b>(311,479)</b>	<b>935,206</b>	<b>(898,410)</b>	<b>348,275</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>3,910,388</b>	<b>3,910,388</b>	<b>3,910,388</b>	<b>3,910,388</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (942,620)</b>	<b>\$ 4,434,504</b>	<b>\$ 3,491,884</b>	<b>\$ 3,598,909</b>	<b>\$ 4,845,594</b>	<b>\$ (898,410)</b>	<b>\$ 348,275</b>

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

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

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

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, 2017.....	4.493%	\$ 30,570,977	\$ 12,788,137	239.06%	61.86%
December 31, 2016.....	4.461%	31,340,183	12,620,687	248.32%	57.28%
December 31, 2015.....	4.228%	26,622,943	11,725,015	227.06%	58.10%
December 31, 2014.....	4.258%	24,040,696	11,169,369	215.24%	60.43%

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

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

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS**  
**BARNSTABLE COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

---

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2018.....	\$ 2,681,194	\$ (2,681,194)	\$ -	\$ 12,916,018	20.76%
June 30, 2017.....	2,528,468	(2,528,468)	-	12,746,894	19.84%
June 30, 2016.....	2,283,370	(2,283,370)	-	11,842,265	19.28%
June 30, 2015.....	2,217,735	(2,217,735)	-	11,281,063	19.66%

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

See notes to required supplementary information.

# ***Other Postemployment Benefit Plan Schedules***

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

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

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

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

.

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

	June 30, 2017	June 30, 2018
<b>Total OPEB Liability</b>		
Service Cost.....	\$ 1,078,218	\$ 1,013,395
Interest.....	1,971,659	2,095,434
Changes of benefit terms.....	-	-
Differences between expected and actual experience....	-	-
Changes of assumptions.....	(2,139,815)	(783,565)
Benefit payments.....	<u>(1,866,279)</u>	<u>(1,950,262)</u>
Net change in total OPEB liability.....	(956,217)	375,002
Total OPEB liability - beginning.....	<u>42,154,579</u>	<u>41,198,362</u>
Total OPEB liability - ending (a).....	<u>\$ 41,198,362</u>	<u>\$ 41,573,364</u>
<b>Plan fiduciary net position</b>		
Employer contributions to the trust.....	\$ 100,000	\$ 203,000
Employer contributions for OPEB payments.....	1,866,279	1,950,262
Net investment income.....	31,824	33,432
Benefit payments.....	<u>(1,866,279)</u>	<u>(1,950,262)</u>
Net change in plan fiduciary net position.....	131,824	236,432
Plan fiduciary net position - beginning of year.....	<u>535,428</u>	<u>667,252</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 667,252</u>	<u>\$ 903,684</u>
<b>Net OPEB liability - ending (a)-(b).....</b>	<b><u>\$ 40,531,110</u></b>	<b><u>\$ 40,669,680</u></b>
Plan fiduciary net position as a percentage of the total OPEB liability.....	1.62%	2.17%
Covered-employee payroll.....	\$ 15,514,239	\$ 17,311,507
Net OPEB liability as a percentage of covered-employee payroll.....	261.25%	234.93%

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

See notes to required supplementary information.

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

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2018.....	\$ 2,492,688	\$ (2,153,262)	\$ 339,426	\$ 17,311,507	12.44%
June 30, 2017.....	2,408,394	(1,966,279)	442,115	15,514,239	12.67%

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

See notes to required supplementary information.

**SCHEDULE OF INVESTMENT RETURNS**  
**OTHER POSTEMPLOYMENT BENEFIT PLAN**

---

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2018.....	4.12%
June 30, 2017.....	5.44%

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

See notes to required supplementary information.

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

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

Supplementary appropriations are voted at special town meetings.

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

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

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original 2018 approved budget for the General Fund includes \$62.6 million in current year appropriations and other amounts to be raised and \$1.8 million in encumbrances and appropriations carried over from previous years. During 2018, the Town approved various transfers within appropriation lines in the General Fund along with supplemental appropriations totaling \$152,000.

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

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

**B. Budgetary - GAAP Reconciliation**

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. The reconciliations of budgetary-basis to GAAP-basis results for the General Fund and the Community Preservation Fund for the year ended June 30, 2018, are presented on the following page.



*General Fund:*

Net change in fund balance - budgetary basis.....	\$ 42,184
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	(20,689)
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	363,000
Net change in recording 60 day receipts.....	<u>(40,022)</u>
Net change in fund balance - GAAP basis.....	\$ <u>344,473</u>

*Community Preservation Fund:*

Net change in fund balance - budgetary basis.....	\$ 935,206
<u>Basis of accounting differences:</u>	
Net change in revenue accrual.....	<u>48,124</u>
Net change in fund balance - GAAP basis.....	\$ <u>983,330</u>

C. Appropriation Deficits

Expenditures exceeded appropriations for town clerk, conservation, general insurance, state and county charges, and transfers out. The Town will raise these fund deficits in the subsequent fiscal year.

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

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

B. Schedule of the Town's Contributions

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

C. Changes in Assumptions:

The following assumption changes were reflected in the January 1, 2018 actuarial valuation:

- The mortality tables for non-disabled participants were changed from the RP-2000 Employee and Healthy Annuitant Mortality tables projected generationally using Scale BB2D from 2009 to the RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017.
- The mortality tables for disable participants were changed from the RP-2000 Healthy Annuitant Mortality Table projected generationally using Scale BB2D from 2015 to the RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward 1 year projected generationally using Scale MP-2017.
- The long-term salary increase assumption was lowered by 0.25%, to 4.00% for Group 1 participants, 4.25% for Group 2 participants, and 4.50% for Group 4 participants.
- The investment rate of return assumption was lowered from 7.625% to 7.375%.

D. Changes in Plan Provisions

The following plan provision change was reflected in the January 1, 2018 actuarial valuation:

- The Cost of Living Adjustment Base was increased from \$15,000 to \$16,000 as of July 1, 2015, to \$17,000 as of July 1, 2016, and to \$18,000 as of July 1, 2017.

**NOTE C – OTHER POSTEMPLOYMENT BENEFITS PLAN**

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

**The Other Postemployment Benefit Plan**A. The Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefit Liability

The Schedule of the Town's Proportionate Share of the Net Other Postemployment Benefit Liability details the Plan's net other postemployment benefit liability (asset) and the covered employee payroll. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

B. Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered employee payroll. Methods and assumptions used to determine contribution rates are presented on the following page.

Valuation date.....	June 30, 2016
Inflation rate.....	3.50%
Salary increases.....	<p>Service-related increases for Group 1 (excluding Teachers) and Group 2 employees: 6.0% decreasing over 9 years to an ultimate level of 4.25%.</p> <p>Service-related increases for Group 4 employees: 7.0% decreasing over 5 years to an ultimate level of 4.75%.</p> <p>Service-related increases for Teachers: 7.5% decreasing over 20 years to an ultimate level of 4.0%.</p>
Discount rate.....	5.24% as of June 30, 2018 and 5.08% as of June 30, 2017.
Investment rate of return.....	7.00%
Health care trend rates:	
CCMHG.....	<p>Under 65: 10.5% for 1 year, then 7.0% decreasing by 0.5% each year to an ultimate level of 4.5% per year.</p> <p>Over 65: 1.9% for 1 year, then 7.0% decreasing by 0.5% each year to an ultimate level of 4.5% per year.</p>
GIC.....	<p>Under 65: 6.8% for 1 year, then 8.5% decreasing by 0.5% each year to an ultimate level of 5.0% per year.</p> <p>Over 65: 1.6% for 1 year, then 8.5% decreasing by 0.5% each year to an ultimate level of 4.5% per year.</p>
Part B.....	4.50%
Contributions.....	Retiree contributions are expected to increase with respective trends shown above.
Mortality rates:	
Preretirement mortality rates.....	<p>Healthy Non-Teachers: RP-2000 Employee Mortality Table projected generationally with Scale BB2D from 2009.</p> <p>Healthy Teachers: RP-2014 White Collar Employee Mortality Table projected generationally with Scale MP-2016.</p>
Postretirement mortality rates.....	<p>Healthy Non-Teachers: RP-2000 Healthy Annuitant Mortality Table projected generationally with Scaled BB2D from 2009.</p> <p>Healthy Teachers: RP-2014 White Collar Annuitant Mortality Table projected generationally with Scale MP-2016.</p> <p>Disabled Non-Teachers: RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB2D from 2015.</p> <p>Disabled Teachers: RP-2014 Healthy Annuitant Table set forward 4 years and projected generationally with Scale BB2D from 2014.</p>

C. Schedule of Investment Return

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

D. Changes in Assumptions:

The discount rate was increased from 5.08% as of June 30, 2017 to 5.24% as of June 30, 2018.

E. Changes in Plan Provisions

There were no changes in plan provisions.

# ***Other Supplementary Information***

# ***Combining Fund Statements***

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

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

# ***Nonmajor Governmental Funds***

## Fund Description

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

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

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

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

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

- ***Miscellaneous Small Projects*** – accounts for nonmajor capital projects.
- ***Muddy Creek Culvert*** – accounts for the renovation of the Muddy Creek Culvert.
- ***Wychmere Pier*** – accounts for the renovation to Wychmere Pier.

### ***Permanent Funds***

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

- ***Library Trust Funds*** – accounts for library contributions and bequests for which only earnings may be expended to benefit the Town's libraries.
- ***Cemetery Trust Funds*** – accounts for cemetery contributions and bequests for which only earnings may be expended to benefit the Town's cemeteries.
- ***Other Trust Funds*** – 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, 2018

Special Revenue Funds						
	Federal Grants	State Grants	Local Gifts and Grant	Highway Improvement Grants	Revolving	Receipts Reserved for Appropriations
<b>ASSETS</b>						
Cash and cash equivalents.....	\$ 11,420	\$ 184,383	\$ 204,619	\$ 218,605	\$ 1,000,190	\$ 2,003,567
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Departmental and other.....	-	1,083	30,000	-	-	69,449
Intergovernmental - other.....	-	-	-	492,388	-	-
Special assessments.....	-	-	-	-	-	559,028
Inventory.....	-	-	-	-	54,403	-
<b>TOTAL ASSETS.....</b>	<b>\$ 11,420</b>	<b>\$ 185,466</b>	<b>\$ 234,619</b>	<b>\$ 710,993</b>	<b>\$ 1,054,593</b>	<b>\$ 2,632,044</b>
<b>LIABILITIES</b>						
Warrants payable.....	\$ -	\$ 8,077	\$ 30,000	\$ 215,871	\$ 11,437	\$ 7,890
Accrued payroll.....	143	438	-	-	2,412	-
Notes payable.....	-	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>143</b>	<b>8,515</b>	<b>30,000</b>	<b>215,871</b>	<b>13,849</b>	<b>7,890</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue.....	-	1,083	-	276,517	-	625,171
<b>FUND BALANCES</b>						
Nonspendable.....	-	-	-	-	54,403	-
Restricted.....	11,277	175,868	204,619	218,605	986,341	1,998,983
Unassigned.....	-	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>11,277</b>	<b>175,868</b>	<b>204,619</b>	<b>218,605</b>	<b>1,040,744</b>	<b>1,998,983</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 11,420</b>	<b>\$ 185,466</b>	<b>\$ 234,619</b>	<b>\$ 710,993</b>	<b>\$ 1,054,593</b>	<b>\$ 2,632,044</b>

Special Revenue Funds			Capital Project Funds			
Other Special Revenue	Special Revenue Trust Funds	Subtotal	Miscellaneous Small Projects	Muddy Creek Culvert	Wychmere Pier	Subtotal
\$ 67,958	\$ 87,307	\$ 3,778,049	\$ 33,624	\$ -	\$ 63,957	\$ 97,581
-	-	-	-	-	-	-
-	-	100,532	-	-	-	-
-	-	492,388	-	-	-	-
-	-	559,028	-	-	-	-
-	-	54,403	-	-	-	-
<u>\$ 67,958</u>	<u>\$ 87,307</u>	<u>\$ 4,984,400</u>	<u>\$ 33,624</u>	<u>\$ -</u>	<u>\$ 63,957</u>	<u>\$ 97,581</u>
\$ 657	\$ -	\$ 273,932	\$ -	\$ -	\$ -	\$ -
-	-	2,993	-	-	-	-
-	-	-	-	-	125,196	125,196
<u>657</u>	<u>-</u>	<u>276,925</u>	<u>-</u>	<u>-</u>	<u>125,196</u>	<u>125,196</u>
-	-	902,771	-	-	-	-
-	10,000	64,403	-	-	-	-
67,301	77,307	3,740,301	33,624	-	-	33,624
-	-	-	-	-	(61,239)	(61,239)
<u>67,301</u>	<u>87,307</u>	<u>3,804,704</u>	<u>33,624</u>	<u>-</u>	<u>(61,239)</u>	<u>(27,615)</u>
<u>\$ 67,958</u>	<u>\$ 87,307</u>	<u>\$ 4,984,400</u>	<u>\$ 33,624</u>	<u>\$ -</u>	<u>\$ 63,957</u>	<u>\$ 97,581</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

JUNE 30, 2018

	Permanent Funds				Total Nonmajor Governmental Funds
	Library Trust Funds	Cemetery Trust Funds	Other Trust Funds	Subtotal	
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ -	\$ 456,340	\$ 31,206	\$ 487,546	\$ 4,363,176
Investments.....	670,042	-	-	670,042	670,042
Receivables, net of uncollectibles:					
Departmental and other.....	-	-	-	-	100,532
Intergovernmental - other.....	-	-	-	-	492,388
Special assessments.....	-	-	-	-	559,028
Inventory.....	-	-	-	-	54,403
TOTAL ASSETS.....	\$ 670,042	\$ 456,340	\$ 31,206	\$ 1,157,588	\$ 6,239,569
<b>LIABILITIES</b>					
Warrants payable.....	\$ 10,462	\$ -	\$ -	\$ 10,462	\$ 284,394
Accrued payroll.....	-	-	-	-	2,993
Notes payable.....	-	-	-	-	125,196
TOTAL LIABILITIES.....	10,462	-	-	10,462	412,583
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue.....	-	-	-	-	902,771
<b>FUND BALANCES</b>					
Nonspendable.....	37,606	443,004	30,607	511,217	575,620
Restricted.....	621,974	13,336	599	635,909	4,409,834
Unassigned.....	-	-	-	-	(61,239)
TOTAL FUND BALANCES.....	659,580	456,340	31,206	1,147,126	4,924,215
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 670,042	\$ 456,340	\$ 31,206	\$ 1,157,588	\$ 6,239,569

(Concluded)

This page intentionally left blank.

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

YEAR ENDED JUNE 30, 2018

	Special Revenue Funds					
	Federal Grants	State Grants	Local Gifts and Grants	Highway Improvement Grants	Revolving	Receipts Reserved for Appropriations
<b>REVENUES:</b>						
Real estate and personal property taxes,						
Motor vehicle and other excise taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,872
Charges for services.....	-	-	-	-	19,588	-
Penalties and interest on taxes.....	-	-	-	-	-	19,600
Fees and rentals.....	-	-	-	-	-	96,524
Intergovernmental - other.....	28,478	78,350	-	847,476	-	7,587
Departmental and other.....	-	3,775	75,423	-	715,087	490,881
Special assessments.....	-	-	-	-	-	169,003
Contributions and donations.....	-	-	5,150	-	-	-
Investment income.....	-	-	38	-	-	-
<b>TOTAL REVENUES.....</b>	<b>28,478</b>	<b>82,125</b>	<b>80,611</b>	<b>847,476</b>	<b>734,675</b>	<b>809,467</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	-	-	43,030	-	-	-
Public safety.....	21,576	5,372	-	-	-	-
Public works.....	-	12,100	-	648,207	14,791	42,386
Human services.....	-	47,300	30,633	-	80,759	-
Culture and recreation.....	7,180	1,372	11,014	-	425,819	7,586
<b>TOTAL EXPENDITURES.....</b>	<b>28,756</b>	<b>66,144</b>	<b>84,677</b>	<b>648,207</b>	<b>521,369</b>	<b>49,972</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>						
<b>OVER (UNDER) EXPENDITURES.....</b>	<b>(278)</b>	<b>15,981</b>	<b>(4,066)</b>	<b>199,269</b>	<b>213,306</b>	<b>759,495</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of bonds.....	-	-	-	-	-	266,000
Premium from issuance of bonds.....	-	-	-	-	-	31,851
Transfers in.....	-	4,265	-	-	1,600	50,150
Transfers out.....	(13,508)	-	(10)	-	(82,706)	(612,145)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(13,508)</b>	<b>4,265</b>	<b>(10)</b>	<b>-</b>	<b>(81,106)</b>	<b>(264,144)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(13,786)</b>	<b>20,246</b>	<b>(4,076)</b>	<b>199,269</b>	<b>132,200</b>	<b>495,351</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>25,063</b>	<b>155,622</b>	<b>208,695</b>	<b>19,336</b>	<b>908,544</b>	<b>1,503,632</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 11,277</b>	<b>\$ 175,868</b>	<b>\$ 204,619</b>	<b>\$ 218,605</b>	<b>\$ 1,040,744</b>	<b>\$ 1,998,983</b>

Special Revenue Funds			Capital Project Funds			
Other Special Revenue	Special Revenue Trust Funds	Subtotal	Miscellaneous Small Projects	Muddy Creek Culvert	Wychmere Pier	Subtotal
\$ -	\$ -	\$ 25,872	\$ -	\$ -	\$ -	\$ -
-	-	19,588	-	-	-	-
-	-	19,600	-	-	-	-
-	-	96,524	-	-	-	-
4,400	-	966,291	-	-	-	-
26,499	118,575	1,430,240	-	-	-	-
-	-	169,003	-	-	-	-
-	-	5,150	-	-	-	-
1	669	708	-	-	-	-
30,900	119,244	2,732,976	-	-	-	-
-	258,068	301,098	-	-	-	-
4,116	37,034	68,098	-	-	-	-
-	-	717,484	-	393	-	393
-	-	158,692	-	-	-	-
22,153	-	475,124	-	-	-	-
26,269	295,102	1,720,496	-	393	-	393
4,631	(175,858)	1,012,480	-	(393)	-	(393)
-	-	266,000	-	350,500	-	350,500
-	-	31,851	-	33,188	3,956	37,144
3,000	-	59,015	-	-	106,150	106,150
-	(400)	(708,769)	-	-	-	-
3,000	(400)	(351,903)	-	383,688	110,106	493,794
7,631	(176,258)	660,577	-	383,295	110,106	493,401
59,670	263,565	3,144,127	33,624	(383,295)	(171,345)	(521,016)
\$ 67,301	\$ 87,307	\$ 3,804,704	\$ 33,624	\$ -	\$ (61,239)	\$ (27,615)

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Permanent Funds				Total Nonmajor Governmental Funds
	Library Trust Funds	Cemetery Trust Funds	Other Trust Funds	Subtotal	
<b>REVENUES:</b>					
Real estate and personal property taxes,					
Motor vehicle and other excise taxes.....	\$ -	\$ -	\$ -	\$ -	25,872
Charges for services.....	-	-	-	-	19,588
Penalties and interest on taxes.....	-	-	-	-	19,600
Fees and rentals.....	-	-	-	-	96,524
Intergovernmental - other.....	-	-	-	-	966,291
Departmental and other.....	-	-	-	-	1,430,240
Special assessments.....	-	-	-	-	169,003
Contributions and donations.....	-	3,960	-	3,960	9,110
Investment income.....	(4,446)	7,461	2,806	5,821	6,529
<b>TOTAL REVENUES.....</b>	<b>(4,446)</b>	<b>11,421</b>	<b>2,806</b>	<b>9,781</b>	<b>2,742,757</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	-	-	-	-	301,098
Public safety.....	-	-	-	-	68,098
Public works.....	-	3,813	-	3,813	721,690
Human services.....	-	-	-	-	158,692
Culture and recreation.....	33,184	-	-	33,184	508,308
<b>TOTAL EXPENDITURES.....</b>	<b>33,184</b>	<b>3,813</b>	<b>-</b>	<b>36,997</b>	<b>1,757,886</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>					
<b>OVER (UNDER) EXPENDITURES.....</b>	<b>(37,630)</b>	<b>7,608</b>	<b>2,806</b>	<b>(27,216)</b>	<b>984,871</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of bonds.....	-	-	-	-	616,500
Premium from issuance of bonds.....	-	-	-	-	68,995
Transfers in.....	-	27,624	-	27,624	192,789
Transfers out.....	-	-	(35)	(35)	(708,804)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>27,624</b>	<b>(35)</b>	<b>27,589</b>	<b>169,480</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(37,630)</b>	<b>35,232</b>	<b>2,771</b>	<b>373</b>	<b>1,154,351</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>697,210</b>	<b>421,108</b>	<b>28,435</b>	<b>1,146,753</b>	<b>3,769,864</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 659,580</b>	<b>\$ 456,340</b>	<b>\$ 31,206</b>	<b>\$ 1,147,126</b>	<b>\$ 4,924,215</b>

(Concluded)

# ***Agency Fund***

## Fund Description

Agency Fund is used to account for assets held in a purely custodial capacity. The Town's Agency Fund activity consists primarily of police and fire off duty details.



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

YEAR ENDED JUNE 30, 2018

	June 30, 2017	Additions	Deductions	June 30, 2018
<b>ASSETS</b>				
CURRENT:				
Cash and cash equivalents.....	\$ -	\$ 843,102	\$ (782,842)	\$ 60,260
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	98,751	-	(33,118)	65,633
TOTAL ASSETS.....	<u>\$ 98,751</u>	<u>\$ 843,102</u>	<u>\$ (815,960)</u>	<u>\$ 125,893</u>
<b>LIABILITIES</b>				
Accrued payroll.....	\$ 9,218	\$ 6,225	\$ (9,218)	\$ 6,225
Other liabilities.....	89,533	836,877	(806,742)	119,668
TOTAL LIABILITIES.....	<u>\$ 98,751</u>	<u>\$ 843,102</u>	<u>\$ (815,960)</u>	<u>\$ 125,893</u>

# ***Statistical Section***



Nantucket Sound - Harwich

# ***Statistical Section***

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

## ***Financial Trends***

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

## ***Revenue Capacity***

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

## ***Debt Capacity***

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

## ***Demographic and Economic Information***

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

## ***Operating Information***

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

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

**Net Position By Component**

**Last Ten Years**

	2009	2010	2011	2012	2013	2014	2015	2016	(as revised) 2017	2018
<b>Governmental activities</b>										
Net investment in capital assets.....	\$ 51,424,693	\$ 52,547,816	\$ 51,959,245	\$ 52,699,878	\$ 52,374,860	\$ 52,837,023	\$ 53,791,322	\$ 56,460,827	\$ 59,469,911	\$ 59,186,082
Restricted.....	13,112,203	8,181,034	8,040,807	8,131,884	6,087,680	7,767,504	8,549,230	8,370,616	5,722,339	6,980,230
Unrestricted.....	5,284,682	5,245,360	2,666,227	(3,113,601)	(6,512,217)	(8,670,952)	(31,243,743)	(27,808,099)	(46,205,784)	(47,758,544)
<b>Total governmental activities net position.....</b>	<b>\$ 69,821,578</b>	<b>\$ 65,974,210</b>	<b>\$ 62,666,279</b>	<b>\$ 57,718,161</b>	<b>\$ 51,950,323</b>	<b>\$ 51,933,575</b>	<b>\$ 31,096,809</b>	<b>\$ 37,023,344</b>	<b>\$ 18,986,466</b>	<b>\$ 18,407,768</b>
<b>Business-type activities</b>										
Net investment in capital assets.....	\$ 11,598,182	\$ 9,953,276	\$ 11,551,259	\$ 12,098,465	\$ 11,558,803	\$ 11,929,482	\$ 11,235,181	\$ 10,706,776	\$ 12,268,450	\$ 13,874,150
Unrestricted.....	1,792,824	2,562,450	3,078,139	3,530,953	4,145,597	3,750,094	5,149,897	3,509,809	652,672	(2,328,606)
<b>Total business-type activities net position.....</b>	<b>\$ 13,391,006</b>	<b>\$ 12,515,726</b>	<b>\$ 14,629,398</b>	<b>\$ 15,629,418</b>	<b>\$ 15,704,400</b>	<b>\$ 15,679,576</b>	<b>\$ 16,385,078</b>	<b>\$ 14,216,585</b>	<b>\$ 12,921,122</b>	<b>\$ 11,545,544</b>
<b>Primary government</b>										
Net investment in capital assets.....	\$ 63,022,875	\$ 62,501,092	\$ 63,510,504	\$ 64,798,343	\$ 63,933,663	\$ 64,766,505	\$ 65,026,503	\$ 67,167,603	\$ 71,738,361	\$ 73,060,232
Restricted.....	13,112,203	8,181,034	8,040,807	8,131,884	6,087,680	7,767,504	8,549,230	8,370,616	5,722,339	6,980,230
Unrestricted.....	7,077,506	7,807,810	5,744,366	417,352	(2,366,620)	(4,920,858)	(26,093,846)	(24,298,290)	(45,553,112)	(50,087,150)
<b>Total primary government net position.....</b>	<b>\$ 83,212,584</b>	<b>\$ 78,489,936</b>	<b>\$ 77,295,677</b>	<b>\$ 73,347,579</b>	<b>\$ 67,654,723</b>	<b>\$ 67,613,151</b>	<b>\$ 47,481,887</b>	<b>\$ 51,239,929</b>	<b>\$ 31,907,588</b>	<b>\$ 29,953,312</b>

FY2015 reflects the implementation of GASB 68.

FY2017 reflects the implementation of GASB 75.

**Changes in Net Position**

**Last Ten Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017 (a)	2018
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 5,581,198	\$ 5,787,671	\$ 5,911,252	\$ 6,294,029	\$ 4,477,098	\$ 4,529,058	\$ 4,188,411	\$ 5,179,542	\$ 5,290,047	\$ 5,898,460
Public safety.....	14,622,562	14,524,872	15,416,202	16,249,845	13,620,409	13,624,984	12,432,338	13,172,473	13,996,114	14,129,485
Education.....	20,297,057	20,234,651	21,090,133	21,699,049	21,789,074	22,751,503	22,333,529	25,225,308	26,444,962	26,979,835
Public works.....	9,142,334	8,765,415	8,811,754	9,618,093	8,562,148	9,968,987	10,357,930	9,545,765	10,085,199	12,455,355
Human services.....	2,604,627	2,566,832	2,059,364	2,150,044	2,314,405	2,014,775	1,825,742	1,805,606	1,857,258	2,005,125
Culture and recreation.....	5,511,686	5,438,952	5,230,583	5,931,980	7,698,789	5,272,952	4,664,382	5,161,159	5,108,459	5,814,554
Community preservation.....	-	-	-	-	-	-	-	-	97,390	88,219
Interest.....	1,230,993	1,119,991	1,000,510	874,085	688,728	662,307	624,347	518,438	451,254	485,291
Total government activities expenses.....	<u>58,990,457</u>	<u>58,438,384</u>	<u>59,519,798</u>	<u>62,817,125</u>	<u>59,150,651</u>	<u>58,824,566</u>	<u>56,426,679</u>	<u>60,608,291</u>	<u>63,330,683</u>	<u>67,856,324</u>
Business-type activities:										
Water.....	3,212,183	3,555,497	3,142,944	3,663,971	3,824,382	3,779,970	4,017,528	4,064,788	4,759,477	3,647,456
Total primary government expenses.....	<u>\$ 62,202,640</u>	<u>\$ 61,993,881</u>	<u>\$ 62,662,742</u>	<u>\$ 66,481,096</u>	<u>\$ 62,975,033</u>	<u>\$ 62,604,536</u>	<u>\$ 60,444,207</u>	<u>\$ 64,673,079</u>	<u>\$ 68,090,160</u>	<u>\$ 71,503,780</u>
<b>Program Revenues</b>										
Governmental activities:										
Education charges for services.....	\$ 654,542	\$ 661,318	\$ 797,810	\$ 624,645	\$ 39,857	\$ 2,216	\$ -	\$ -	\$ -	\$ -
Public works charges for services.....	1,434,028	1,527,456	1,778,065	1,709,337	1,553,597	2,030,989	2,111,827	2,663,526	2,979,259	3,443,227
Culture and recreation charges for services.....	2,831,325	2,868,662	2,901,935	3,395,224	3,089,454	3,754,561	3,127,083	3,336,146	3,555,448	3,854,106
Other charges for services.....	2,030,339	2,224,193	2,131,532	2,270,103	2,015,173	2,846,976	2,895,705	2,736,733	3,095,105	2,643,033
Operating grants and contributions.....	8,495,551	8,485,086	9,613,606	8,904,353	5,100,667	4,761,309	2,034,958	1,899,658	1,021,267	2,863,051
Capital grant and contributions.....	571,690	539,038	768,456	663,258	667,249	912,606	1,862,815	4,803,000	4,072,965	936,574
Total government activities program revenues.....	<u>16,017,475</u>	<u>16,305,753</u>	<u>17,991,404</u>	<u>17,566,920</u>	<u>12,465,997</u>	<u>14,308,657</u>	<u>12,032,388</u>	<u>15,439,063</u>	<u>14,724,044</u>	<u>13,739,991</u>
Business-type activities:										
Charges for services - water.....	2,600,964	2,675,606	3,747,650	3,535,581	3,894,809	3,784,821	4,722,072	4,948,020	4,800,457	2,922,056
Total primary government program revenues.....	<u>\$ 18,618,439</u>	<u>\$ 18,981,359</u>	<u>\$ 21,739,054</u>	<u>\$ 21,102,501</u>	<u>\$ 16,360,806</u>	<u>\$ 18,093,478</u>	<u>\$ 16,754,460</u>	<u>\$ 20,387,083</u>	<u>\$ 19,524,501</u>	<u>\$ 16,662,047</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (42,972,982)	\$ (42,132,631)	\$ (41,528,394)	\$ (45,250,205)	\$ (46,684,654)	\$ (44,515,909)	\$ (44,394,291)	\$ (45,169,228)	\$ (48,606,639)	\$ (54,116,333)
Business-type activities.....	(611,219)	(879,891)	604,706	(128,390)	70,427	4,851	704,544	883,232	40,980	(725,400)
Total primary government net expense.....	<u>\$ (43,584,201)</u>	<u>\$ (43,012,522)</u>	<u>\$ (40,923,688)</u>	<u>\$ (45,378,595)</u>	<u>\$ (46,614,227)</u>	<u>\$ (44,511,058)</u>	<u>\$ (43,689,747)</u>	<u>\$ (44,285,996)</u>	<u>\$ (48,565,659)</u>	<u>\$ (54,841,733)</u>
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 32,529,097	\$ 34,529,435	\$ 35,584,755	\$ 37,792,886	\$ 37,971,741	\$ 39,513,264	\$ 42,191,684	\$ 43,216,843	\$ 44,467,932	\$ 46,865,775
Motor vehicle and other excise taxes.....	1,536,069	1,409,183	1,569,078	1,549,898	1,740,250	1,833,844	1,619,573	2,211,927	2,297,637	2,387,732
Hotel/Motel tax.....	456,342	405,249	446,821	500,138	534,951	553,174	939,539	649,119	678,226	674,717
Meals tax.....	-	108,763	281,647	308,570	334,050	328,522	359,441	379,689	406,465	423,305
Community preservation tax.....	962,563	1,021,395	1,059,753	1,104,856	1,135,123	1,174,624	1,287,789	1,267,529	1,311,440	1,366,320
Penalties and interest on taxes and excise.....	188,956	259,200	324,661	219,427	285,346	374,774	325,349	314,847	432,405	405,047
Payments in lieu of taxes.....	45,483	55,603	52,430	52,025	57,482	54,851	54,873	58,319	56,741	58,616
Grants and contributions not restricted to specific programs.....	483,858	379,514	364,333	364,336	364,336	646,248	578,188	668,191	552,299	538,689
Unrestricted investment income.....	228,796	116,921	42,878	29,091	52,315	77,492	40,044	108,189	120,365	167,256
Miscellaneous.....	-	-	-	(76,924)	2,125	-	-	-	-	-
Transfers.....	-	-	(1,505,893)	-	(3,394)	-	-	-	-	650,178
Total governmental activities.....	<u>36,431,164</u>	<u>38,285,263</u>	<u>38,220,463</u>	<u>41,844,103</u>	<u>42,474,325</u>	<u>44,556,793</u>	<u>47,396,480</u>	<u>48,874,653</u>	<u>50,323,510</u>	<u>53,537,635</u>
Business-type activities:										
Investment income.....	20,725	4,611	3,073	776	1,161	-	958	963	296	-
Transfers.....	-	-	1,505,893	-	3,394	-	-	-	-	(650,178)
Total primary government.....	<u>\$ 36,451,889</u>	<u>\$ 38,289,874</u>	<u>\$ 39,729,429</u>	<u>\$ 41,844,879</u>	<u>\$ 42,478,880</u>	<u>\$ 44,556,793</u>	<u>\$ 47,397,438</u>	<u>\$ 48,875,616</u>	<u>\$ 50,323,806</u>	<u>\$ 52,887,457</u>
<b>Changes in Net Position</b>										
Governmental activities.....	\$ (6,541,818)	\$ (3,847,368)	\$ (3,307,931)	\$ (3,406,102)	\$ (4,210,329)	\$ 40,884	\$ 3,002,189	\$ 3,705,425	\$ 1,716,871	\$ (578,698)
Business-type activities.....	(590,494)	(875,280)	2,113,672	(127,614)	74,982	4,851	705,502	884,195	41,276	(1,375,578)
Total primary government.....	<u>\$ (7,132,312)</u>	<u>\$ (4,722,648)</u>	<u>\$ (1,194,259)</u>	<u>\$ (3,533,716)</u>	<u>\$ (4,135,347)</u>	<u>\$ 45,735</u>	<u>\$ 3,707,691</u>	<u>\$ 4,589,620</u>	<u>\$ 1,758,147</u>	<u>\$ (1,954,276)</u>

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

**Fund Balances, Governmental Funds**

**Last Ten Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved.....	\$ 2,329,398	\$ 2,971,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	2,226,910	2,389,593	-	-	-	-	-	-	-	-
Restricted.....	-	-	-	-	16,843	59,735	59,735	59,735	-	-
Committed.....	-	-	3,784,777	1,346,210	2,883,956	1,028,708	2,282,380	5,147,433	1,428,213	655,728
Assigned.....	-	-	824,110	334,782	351,706	16,253	165,245	191,116	2,044,375	230,369
Unassigned.....	-	-	1,891,757	3,228,630	2,358,533	4,387,532	5,638,148	4,312,454	7,149,286	10,080,250
<b>Total general fund.....</b>	<b>\$ 4,556,308</b>	<b>\$ 5,361,201</b>	<b>\$ 6,500,644</b>	<b>\$ 4,909,622</b>	<b>\$ 5,611,038</b>	<b>\$ 5,492,228</b>	<b>\$ 8,145,508</b>	<b>\$ 9,710,738</b>	<b>\$ 10,621,874</b>	<b>\$ 10,966,347</b>
<b>All Other Governmental Funds</b>										
Unreserved, reported in:										
Special revenue funds.....	\$ 6,813,556	\$ 5,694,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects funds.....	3,084,382	316,089	-	-	-	-	-	-	-	-
Permanent funds.....	1,152,859	1,085,623	-	-	-	-	-	-	-	-
Nonspendable.....	-	-	799,692	769,863	149,669	156,746	156,746	137,442	601,676	575,620
Restricted.....	-	-	5,128,801	6,414,440	5,283,083	6,569,076	8,035,820	7,814,281	7,889,698	10,142,796
Committed.....	-	-	10,541	19,713	40,224	371,107	296,927	450,958	-	-
Unassigned.....	-	-	(135,988)	(157,699)	(2,694,905)	(241,162)	(1,000,618)	(3,791,429)	(2,608,172)	(985,252)
<b>Total all other governmental funds....</b>	<b>\$ 11,050,797</b>	<b>\$ 7,096,597</b>	<b>\$ 5,803,046</b>	<b>\$ 7,046,317</b>	<b>\$ 2,778,071</b>	<b>\$ 6,855,767</b>	<b>\$ 7,488,875</b>	<b>\$ 4,611,252</b>	<b>\$ 5,883,202</b>	<b>\$ 9,733,164</b>

The Town implemented GASB 54 in year 2011, fund balances prior to year 2011 have been reported in the pre-GASB 54 format.

**Changes in Fund Balances, Governmental Funds**

	Last Ten Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 33,186,064	\$ 35,470,833	\$ 36,681,949	\$ 38,273,160	\$ 39,265,378	\$ 40,628,331	\$ 43,275,829	\$ 44,240,027	\$ 45,906,995	\$ 46,824,452
Motor vehicle and other excise taxes.....	1,574,145	1,404,171	1,536,396	1,571,572	1,660,920	1,929,747	1,972,008	2,106,253	2,350,985	2,398,639
Hotel/motel tax.....	456,342	405,249	446,821	500,138	534,951	553,174	589,322	649,119	678,226	674,717
Meals tax.....	-	108,763	281,647	308,570	334,050	328,522	359,441	379,689	406,465	423,305
Other fees and charges for services.....	978,530	969,105	1,116,161	1,202,708	1,513,922	1,767,977	2,096,797	2,119,239	2,082,057	1,495,312
Penalties and interest on taxes and excise.....	188,956	259,200	324,661	219,376	284,963	372,574	307,873	314,847	410,681	405,047
Fees and rentals.....	-	-	-	-	-	-	-	-	-	264,414
Recreation fees.....	2,402,789	2,461,139	2,454,198	2,536,230	2,511,958	2,556,706	1,770,473	1,875,887	2,898,807	3,107,877
Sanitation fees.....	1,430,433	1,532,262	1,667,582	1,699,684	1,713,368	1,931,322	2,156,538	2,455,995	2,749,461	3,110,692
Payments in lieu of taxes.....	45,483	55,603	52,430	52,025	57,482	54,851	55,962	58,319	56,741	58,616
Licenses and permits.....	712,256	747,673	739,693	821,559	848,300	975,256	1,688,049	1,777,026	694,880	731,490
Intergovernmental.....	10,140,462	10,192,396	10,272,151	10,320,518	6,212,743	6,725,263	4,140,679	7,005,754	5,173,694	3,548,977
Departmental and other.....	1,833,608	1,689,445	1,779,018	2,336,766	756,280	1,450,236	1,248,203	1,614,355	1,630,206	2,024,635
Community preservation taxes.....	-	-	-	-	-	-	-	-	-	1,371,737
Community preservation state match.....	-	-	-	-	-	-	-	-	-	304,606
Special assessments.....	-	-	-	-	-	-	-	-	106,661	169,003
Contributions and donations.....	44,361	72,056	67,754	197,454	63,492	42,338	117,968	38,733	38,664	9,110
Investment income.....	235,443	162,718	178,213	79,584	72,098	90,754	48,887	108,189	120,365	167,256
<b>Total revenues.....</b>	<b>53,228,872</b>	<b>55,530,613</b>	<b>57,598,674</b>	<b>60,119,344</b>	<b>55,829,905</b>	<b>59,407,051</b>	<b>59,828,029</b>	<b>64,743,432</b>	<b>65,304,888</b>	<b>67,089,885</b>
<b>Expenditures:</b>										
General government.....	3,423,686	3,776,288	4,184,821	3,226,562	2,328,162	2,815,828	2,688,988	3,097,869	3,217,922	3,683,572
Public safety.....	13,508,728	10,130,915	7,471,552	8,467,745	7,570,722	8,107,909	8,433,586	8,909,986	9,024,268	9,597,470
Education.....	19,314,363	19,258,353	20,090,937	20,905,851	20,915,309	21,759,572	21,343,766	24,235,546	25,495,354	26,247,111
Public works.....	5,145,397	4,660,207	4,762,220	5,132,324	5,147,687	6,278,572	9,054,635	13,411,113	8,774,422	11,045,317
Human services.....	1,798,541	1,738,820	1,184,779	1,256,566	1,660,018	1,397,057	1,302,963	1,247,826	1,232,738	1,374,904
Culture and recreation.....	3,295,975	3,152,939	2,936,863	3,969,709	5,879,033	3,968,526	3,394,215	5,094,883	4,130,106	14,594,041
Community preservation.....	-	-	-	-	-	-	-	-	948,441	163,205
Pension benefits.....	-	-	-	-	-	-	-	-	2,364,925	2,681,194
Employee benefits.....	10,166,406	10,511,933	11,822,414	12,523,989	9,732,233	9,621,497	6,106,443	6,469,592	4,124,629	5,115,326
State and county charges.....	572,347	549,542	563,373	579,642	626,146	627,779	642,174	536,513	646,442	682,359
Debt service:										
Principal.....	3,517,250	3,382,250	3,259,013	3,662,227	3,269,227	2,825,000	2,812,358	2,802,358	2,777,358	1,782,356
Interest.....	1,117,593	1,625,893	1,476,810	904,485	707,299	643,018	662,513	548,892	485,197	498,958
<b>Total expenditures.....</b>	<b>61,860,286</b>	<b>58,787,140</b>	<b>57,752,782</b>	<b>60,629,100</b>	<b>57,835,836</b>	<b>58,044,758</b>	<b>56,441,641</b>	<b>66,354,578</b>	<b>63,221,802</b>	<b>77,465,813</b>
Excess (deficiency) of revenues over (under) expenditures.....	(8,631,414)	(3,256,527)	(154,108)	(509,756)	(2,005,931)	1,362,293	3,386,388	(1,611,146)	2,083,086	(10,375,928)
<b>Other Financing Sources (Uses):</b>										
Issuance of bonds and notes.....	8,750,000	92,000	-	162,000	-	2,900,000	-	-	-	12,525,000
Issuance of refunding bonds.....	-	8,525,000	-	-	3,565,000	-	-	-	-	-
Premium from issuance of bonds and notes.....	-	-	-	-	-	-	-	-	-	1,395,185
Premium from issuance of refunding bonds.....	-	-	-	-	343,949	-	-	-	-	-
Payments to refunded bond escrow agent.....	-	(8,525,000)	-	-	(3,908,949)	-	-	-	-	-
Transfers in.....	3,101,183	2,961,936	2,547,809	1,155,330	1,825,159	1,188,549	2,024,960	1,498,095	2,465,537	2,898,336
Transfers out.....	(3,155,507)	(2,946,716)	(2,547,809)	(1,155,330)	(1,828,553)	(1,492,062)	(2,124,960)	(1,498,095)	(2,465,537)	(2,248,158)
<b>Total other financing sources (uses).....</b>	<b>8,695,676</b>	<b>107,220</b>	<b>-</b>	<b>162,000</b>	<b>(3,394)</b>	<b>2,596,487</b>	<b>(100,000)</b>	<b>-</b>	<b>-</b>	<b>14,570,363</b>
<b>Net change in fund balance.....</b>	<b>\$ 64,262</b>	<b>\$ (3,149,307)</b>	<b>\$ (154,108)</b>	<b>\$ (347,756)</b>	<b>\$ (2,009,325)</b>	<b>\$ 3,958,780</b>	<b>\$ 3,286,388</b>	<b>\$ (1,611,146)</b>	<b>\$ 2,083,086</b>	<b>\$ 4,194,435</b>
Debt service as a percentage of noncapital expenditures.....	7.49%	8.52%	8.20%	7.53%	6.88%	5.97%	6.16%	5.05%	5.61%	3.64%

**Notes:**

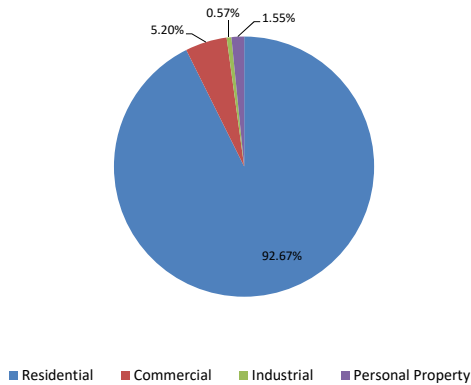
Beginning in fiscal year 2017 the Town has segregated special assessment revenue and community preservation and pension benefit expenditures.

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

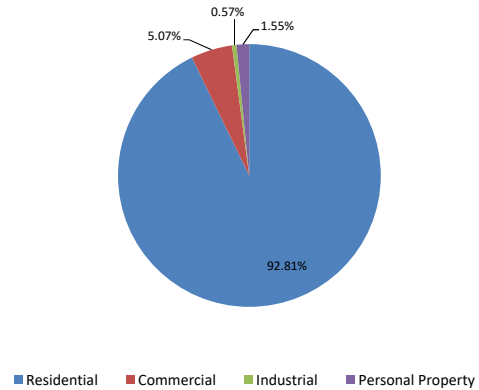
Last Ten Years

Year	Assessed and Actual Values and Tax Rates								
	Residential Value	Residential & Personal Property Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate (1)	Total Town Value
2009	\$4,863,309,939	\$6.25	\$281,477,201	\$34,247,500	\$60,282,580	\$376,007,281	\$6.25	\$6.25	\$5,239,317,220
2010	\$4,586,390,128	\$7.03	\$263,347,052	\$32,410,500	\$62,764,060	\$358,521,612	\$7.03	\$7.03	\$4,944,911,740
2011	\$4,302,286,678	\$7.70	\$254,909,182	\$30,476,500	\$64,157,150	\$349,542,832	\$7.70	\$7.70	\$4,651,829,510
2012	\$4,257,186,934	\$8.12	\$254,536,416	\$22,985,400	\$63,646,450	\$341,168,266	\$8.12	\$8.12	\$4,598,355,200
2013	\$4,154,166,443	\$8.58	\$237,620,107	\$18,169,700	\$69,888,320	\$325,678,127	\$8.58	\$8.58	\$4,479,844,570
2014	\$4,205,723,813	\$8.77	\$239,364,277	\$19,467,100	\$70,368,150	\$329,199,527	\$8.77	\$8.77	\$4,534,923,340
2015	\$4,362,218,987	\$8.97	\$245,771,003	\$19,809,600	\$72,314,360	\$337,894,963	\$8.97	\$8.97	\$4,700,113,950
2016	\$4,461,686,152	\$9.07	\$251,670,218	\$26,499,900	\$74,153,530	\$352,323,648	\$9.07	\$9.07	\$4,814,009,800
2017	\$4,617,995,392	\$8.97	\$259,151,168	\$28,645,900	\$77,454,040	\$365,251,108	\$8.97	\$8.97	\$4,983,246,500
2018	\$4,931,447,716	\$8.80	\$269,576,804	\$30,490,100	\$82,166,200	\$382,233,104	\$8.80	\$8.80	\$5,313,680,820

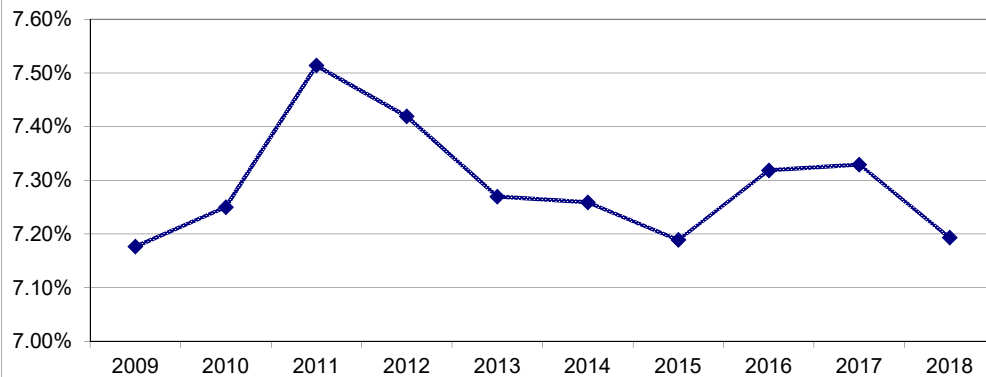
**Total Assessed Value by Classification  
Year Ended June 30, 2017**



**Total Assessed Value by Classification  
Year Ended June 30, 2018**



**Commercial Value as % of Total Value**



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

Source: Department of Revenue, Division of Local Services

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

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value.

The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.



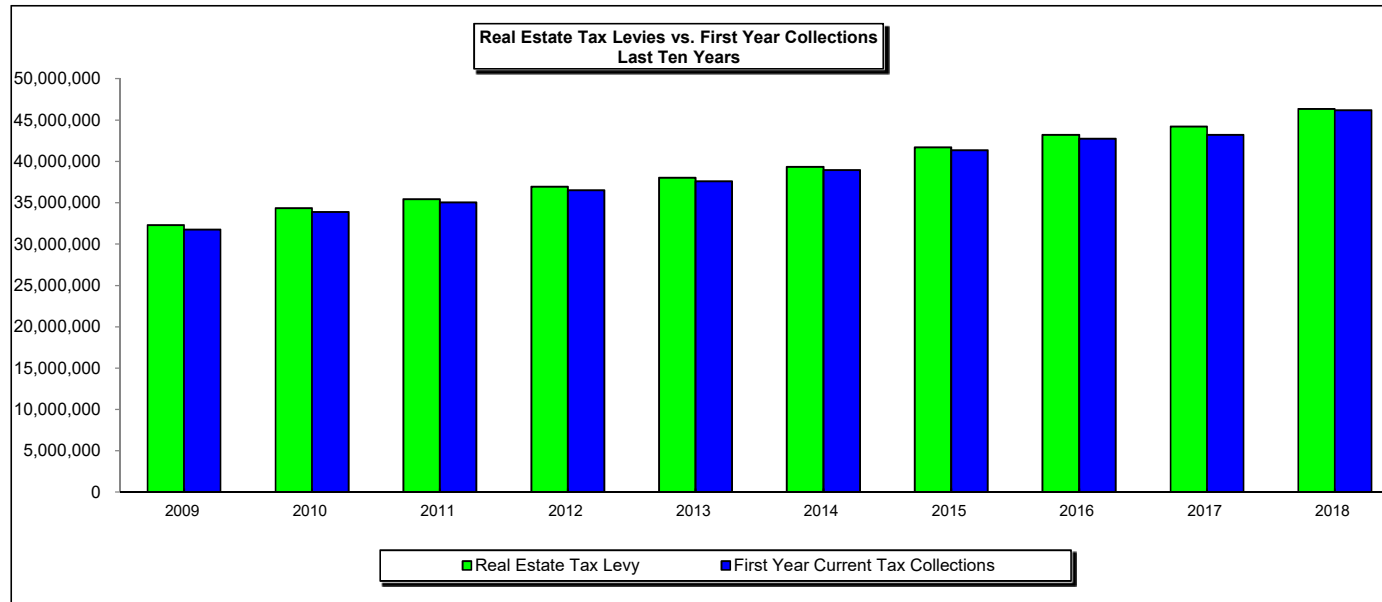
**Principal Taxpayers**  
**Current Year and Nine Years Ago**

Name	Nature of Business	2018			2009		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Wequasset Inn LLP	Inn	\$34,469,720	1	0.65%	\$24,816,000	2	0.47%
Nstar Service	Utility	\$20,202,190	2	0.38%	\$13,387,570	5	0.26%
WJG Realty Trust	Super Store/Stores	\$17,476,200	3	0.33%	\$17,538,700	3	0.33%
Colonial Gas	Utility	\$15,795,220	4	0.30%			
NPH Harwich LLC	Nursing Home	\$13,084,600	5	0.25%	\$14,027,700	4	0.27%
Wychmere Harbor R.E.	Inn	\$11,673,300	6	0.22%			
Individual	Individual Residence	\$9,869,900	7	0.19%	\$10,432,100	6	0.20%
TRT Harwich LLC	Super Market	\$8,650,000	8	0.16%	\$9,429,800	7	0.18%
Individual	Individual Residence	\$8,184,730	9	0.15%	\$8,981,290	9	0.17%
Linear Retail Harwich #1 LLC	Shopping Center	\$6,670,400	10	0.13%			
Individual	Inn				\$28,554,300	1	0.55%
Harwich East Plaza LLC	Stores				\$9,196,300	8	0.18%
Robert B. Our Co., Inc	Warehouse/Commercial Land				\$8,592,500	10	0.16%
	Totals	<u>\$146,076,260</u>		<u>2.75%</u>	<u>\$144,956,260</u>		<u>2.77%</u>
Source: Assessor's Department							

# Property Tax Levies and Collections

## Last Ten Years

Year	(1) Total Tax Levy	Less Reserve for Abatements & Exemptions	(1) Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy (2)
2009	\$32,745,733	\$450,000	\$32,295,733	98.63%	\$31,755,131	98.33%	\$418,222	\$32,173,353	99.62%
2010	\$34,762,730	\$400,000	\$34,362,730	98.85%	\$33,894,287	98.64%	\$319,621	\$34,213,908	99.57%
2011	\$35,819,087	\$400,000	\$35,419,087	98.88%	\$35,037,810	98.92%	\$290,882	\$35,328,692	99.74%
2012	\$37,338,644	\$400,000	\$36,938,644	98.93%	\$36,535,229	98.91%	\$325,236	\$36,860,465	99.79%
2013	\$38,437,066	\$420,000	\$38,017,066	98.91%	\$37,603,177	98.91%	\$377,041	\$37,980,218	99.90%
2014	\$39,771,278	\$430,000	\$39,341,278	98.92%	\$38,970,524	99.06%	\$372,296	\$39,342,820	100.00%
2015	\$42,160,022	\$440,000	\$41,720,022	98.96%	\$41,353,997	99.12%	\$283,280	\$41,637,277	99.80%
2016	\$43,663,069	\$451,039	\$43,212,030	98.97%	\$42,734,389	98.89%	\$415,253	\$43,149,642	99.86%
2017	\$44,699,721	\$467,623	\$44,232,098	98.95%	\$43,202,536	97.67%	\$315,232	\$43,517,768	98.39%
2018	\$46,761,271	\$413,262	\$46,348,009	99.12%	\$46,187,849	99.65%	\$0	\$46,187,849	99.65%



(1) Includes tax liens.

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

Source: Official Statements, Town of Harwich.

# Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities		Business-type Activities		Total Debt Outstanding	Percentage of Personal Income (2)	U. S. Census Population	Debt Per Capita
	General Obligation Bonds (1)		General Obligation Bonds (1)					
2009	\$ 33,930,255	\$	2,460,000	\$	36,390,255	8.04%	12,564	\$ 2,896
2010	30,205,003		3,845,000		34,050,003	7.57%	12,743	2,672
2011	26,510,990		3,655,000		30,165,990	7.84%	12,648	2,385
2012	23,010,763		8,265,000		31,275,763	7.24%	12,691	2,464
2013	19,696,536		7,905,000		27,601,536	6.24%	12,832	2,151
2014	19,754,271		7,430,000		27,184,271	6.38%	12,479	2,178
2015	16,941,913		8,838,232		25,780,145	6.07%	12,432	2,074
2016	14,434,369		8,568,638		23,003,007	4.32%	12,872	1,787
2017	11,584,637		7,999,249		19,583,886	3.68%	12,873	1,521
2018	23,660,458		7,427,194		31,087,652	5.82%	12,929	2,404

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

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

Source: Audited Financial Statements, U. S. Census

# **Ratios of General Bonded Debt Outstanding**

**Last Ten Years**

<b>Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
-------------	---	---	---------------------------

2009	\$ 36,390,255	0.69%	\$ 2,896
2010	34,050,003	0.69%	2,672
2011	30,165,990	0.65%	2,385
2012	31,275,763	0.68%	2,464
2013	27,601,536	0.62%	2,151
2014	27,184,271	0.60%	2,178
2015	25,780,145	0.55%	2,074
2016	23,003,007	0.48%	1,787
2017	19,583,886	0.39%	1,521
2018	31,087,652	0.59%	2,404

(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, 2018**

<u>Overlapping Entities</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Debt repaid with property taxes			
Barnstable County.....	\$ 22,854,734	6.26%	\$ 1,430,706
Monomoy Regional School District.....	24,400,000	73.48%	<u>17,929,120</u>
Subtotal, overlapping debt.....			19,359,826
Town direct debt.....			<u>23,660,458</u>
Total direct and overlapping debt.....			<u>\$ 43,020,284</u>

Source: Official Statements

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

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

**Computation of Legal Debt Margin**

**Last Ten Years**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Equalized Valuation.....	\$ <u>5,689,733,100</u>	\$ <u>5,372,328,900</u>	\$ <u>5,372,328,900</u>	\$ <u>4,982,071,300</u>	\$ <u>4,982,071,300</u>	\$ <u>4,818,012,600</u>	\$ <u>4,818,012,600</u>	\$ <u>5,172,756,600</u>	\$ <u>5,172,756,600</u>	\$ <u>5,697,974,900</u>
Debt Limit -5% of Equalized Valuation.....	\$ 284,486,655	\$ 268,616,445	\$ 268,616,445	\$ 249,103,565	\$ 249,103,565	\$ 240,900,630	\$ 240,900,630	\$ 258,637,830	\$ 258,637,830	\$ 284,898,745
Less:										
Outstanding debt applicable to limit.....	32,650,254	29,100,003	25,605,990	22,285,764	19,146,537	19,279,272	16,541,914	13,809,556	11,015,000	21,840,000
Authorized and unissued debt										
applicable to limit.....	<u>92,125</u>	<u>92,125</u>	<u>1,754,125</u>	<u>3,050,000</u>	<u>3,572,000</u>	<u>8,451,000</u>	<u>9,351,000</u>	<u>9,151,000</u>	<u>17,166,037</u>	<u>44,445,150</u>
Legal debt margin.....	\$ <u><u>251,744,276</u></u>	\$ <u><u>239,424,317</u></u>	\$ <u><u>241,256,330</u></u>	\$ <u><u>223,767,801</u></u>	\$ <u><u>226,385,028</u></u>	\$ <u><u>213,170,358</u></u>	\$ <u><u>215,007,716</u></u>	\$ <u><u>235,677,274</u></u>	\$ <u><u>230,456,793</u></u>	\$ <u><u>218,613,595</u></u>
Total debt applicable to the limit										
as a percentage of debt limit.....	11.51%	10.87%	10.19%	10.17%	9.12%	11.51%	10.75%	8.88%	10.90%	23.27%

Source: Assessor's Office

## Demographic and Economic Statistics

### Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2009	12,564	\$ 452,429,640	\$ 36,010 *	52.4 *	1,376	10.2%
2010	12,743	449,968,073	35,311 *	52.4 *	1,423	9.9%
2011	12,648	384,701,568	30,416	51.8	1,412	7.4%
2012	12,691	432,217,387	34,057	51.8	1,421	7.5%
2013	12,832	442,177,888	34,459 *	51.0 *	1,432	7.8%
2014	12,479	426,107,934	34,146	50.9	1,631	5.7%
2015	12,432	424,503,072	34,146	52.0	1,622	4.2%
2016	12,872	531,909,656	41,323	52.0	1,420	4.3%
2017	12,873	531,950,979	41,323	52.0	1,358	3.3%
2018	12,929	534,265,067	41,323	52.8	1,232	3.8%

Source: U. S. Census, Division of Local Services, and Annual Town Reports

Median age and personal income is estimated based on most recent census data

\* Five Year Average

**Principal Employers (excluding Town)**

**Current Year and Nine Years Ago**

Employer	Nature of Business	2018			2009		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Stop & Shop Supermarket	Grocery Store	200	1	2.74%	160	1	2.21%
Robert B. Our Co., Inc.	Construction	130	2	1.78%	70	2	0.97%
Epoch Senior Healthcare	Senior Health Care	120	3	1.65%			
Star Market	Grocery Store	90	4	1.23%	115	3	1.59%
Brax Landing	Restaurant	50	5	0.69%			
400 East	Restaurant	40	6	0.55%	45	4	0.62%
Rosewood Manor	Nursing Home	33	7	0.45%	40	5	0.55%
Hinckley Home Center	Lumber	30	8	0.41%	33	6	0.46%
Allen Harbor Marine Service, Inc.	Boatyard				25	7	0.34%
Friendly's	Restaurant				24	8	0.33%
Four Hundred Club	Restaurant				22	9	0.30%
Cape Cod Auto Mall	Automobile Dealer				20	10	0.28%
Totals		693		9.50%	554		7.65%

For 2018 only information on the 8 largest employers is available.

Source: Massachusetts Department of Employment and Training and Official Statements



**Full-time Equivalent Town Employees by Function**

**Last Ten Years**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function										
General government.....	21	22	22	23	23	27	28	28	29	29
Public safety.....	68	70	70	69	69	74	75	75	76	76
Education.....	332	300	320	-	-	-	-	-	-	-
Public works.....	41	42	45	47	46	49	50	51	52	52
Human services.....	6	7	8	8	7	8	10	11	11	11
Culture and recreation.....	21	20	20	19	20	20	22	23	22	22
Total .....	<u>489</u>	<u>461</u>	<u>485</u>	<u>166</u>	<u>165</u>	<u>178</u>	<u>185</u>	<u>188</u>	<u>190</u>	<u>190</u>

Source: Various Town Departments

Note: Beginning in fiscal year 2012, the Town joined a Regional School District.

### Operating Indicators by Function/Program

#### Last Ten Years

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Fire Department										
Total incidents.....	3,825	3,942	4,069	3,900	3,900	4,014	4,294	4,322	4,205	N/A
Rescue/EMS.....	2,632	2,600	1,917	1,917	1,939	2,204	2,274	2,492	2,318	N/A
Inspectional Services Department										
Number of building permits (quick and zoning)...	770	1,045	1,007	1,099	1,157	1,395	1,047	1,331	1,242	1,321
Number of plumbing/gas permits.....	N/A	N/A	N/A	N/A	1,218	1,146	1,208	1,199	1,176	1,320
Number of electrical permits.....	N/A	N/A	N/A	N/A	780	774	804	904	935	916
Water/Sewer										
Number of gallons pumped (millions).....	605	770	683	781	711	752	854	853	699	N/A
Number of new services added.....	30	37	16	35	32	32	42	36	40	N/A
Number of main improvements.....	-	6	2	1	-	11	14	3	5	N/A
Highway										
Number of work orders.....	297	268	315	207	403	571	507	507	498	N/A
Cemetery										
Burials.....	N/A	72	95	N/A	N/A	77	81	88	83	N/A
Recreation										
Number of programs added.....	N/A	N/A	N/A	10	9	9	12	13	11	9
Number of participants-winter.....	N/A	N/A	N/A	N/A	308	310	408	426	389	385
Number of participants-spring.....	N/A	N/A	N/A	N/A	203	200	203	230	229	229
Number of participants-summer.....	N/A	N/A	N/A	N/A	927	952	662	1,028	1,161	1,250
Number of participants-fall.....	N/A	N/A	N/A	N/A	249	274	274	357	373	402
Police Department										
Arrests/PCs.....	279	348	199	197	175	190	216	235	216	N/A
Summons Arrests.....	208	179	450	166	136	172	141	135	135	N/A
Total Calls for Service.....	18,580	18,337	17,952	19,711	19,018	17,168	18,118	16,879	16,872	N/A

Source: Various Town Departments

N/A - Information not available

Several operating indicators are maintained on a calendar year basis. As a result, 2018 information is not yet available.

## Capital Asset Statistics by Function/Program

### Last Ten Years

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government										
Number of buildings.....	1	1	1	1	1	1	1	1	1	1
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	2	2	2	2	2	2	2	2	2	2
Harbors										
Number of buildings.....	3	3	3	3	3	3	3	3	3	3
Public beaches.....	20	20	20	20	20	20	20	20	20	20
Public landings.....	3	3	3	3	3	3	3	3	3	3
Education										
Number of elementary schools.....	1	1	1	1	1	1	1	1	1	1
Number of middle schools.....	1	1	1	(A)	-	-	-	-	-	-
Number of high schools.....	1	1	1	1	1	(A)	-	-	-	-
Public Works										
Highway Department Building.....	1	1	1	1	1	1	1	1	1	1
Water pumping stations.....	14	14	14	14	14	14	14	14	14	14
Water corrosion facilities.....	5	5	5	5	5	5	5	5	5	5
Water storage tanks.....	3	3	3	3	3	3	3	3	3	3
Miles of water mains.....	210	210	210	210	210	210	210	210	210	210
Fire hydrants.....	1,310	1,333	1,349	1,349	1,349	1,360	1,360	1,360	1,360	1,360
Service connections.....	9,847	9,806	9,844	9,869	9,887	9,824	9,848	9,925	9,823	9,957
Water office buildings.....	1	1	1	1	1	1	1	1	1	1
Water service garage (4 bays).....	1	1	1	1	1	1	1	1	1	1
Water equipment garage (1 bay).....	1	1	1	1	1	1	1	1	1	1
Water storage garage (1 bay).....	1	1	1	1	1	1	1	1	1	1
Cemeteries.....	16	16	16	16	16	17	17	17	17	17
Human Services										
Community Center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Brooks Academy, Town Museum.....	1	1	1	1	1	1	1	1	1	1
Cultural Center.....	-	-	-	-	-	-	-	1	1	1
Parks.....	6	6	6	6	6	6	6	6	6	6
Athletic fields.....	5	5	5	5	5	7	7	7	7	7
Golf courses.....	1	1	1	1	1	1	1	1	1	1
Golf clubhouses.....	1	1	1	1	1	1	1	1	1	1
Golf course buildings.....	1	1	1	1	1	1	1	1	1	1
Town owned libraries.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

(A) The Town is now part of a Regional School District and these buildings are no longer utilized.



Saquatucket Harbor

## SAQUATUCKET MARINA RECONSTRUCTION PROJECT

Preservation and improved functionality were the impetus that led to the \$7 million Saquatucket Marina Reconstruction project. The scope of the construction included replacement of all existing floats, piles, electrical service, plumbing, fire suppression, bubbler system, wireless internet and ramps, in addition to dredging. Eleven boat slips were added as part of the marina redesign, bringing the total number of municipal slips to 202. The addition of a handicap accessible ramp system was an important part of the project, bringing the municipal marina into compliance with both the American with Disability Act and the Massachusetts Architectural Access Board requirements. Dredging of shoaled areas within the harbor to permitted depths was also a significant portion of the project; approximately 1,800 cubic yards of material was dredged from the harbor. A \$1 million Massachusetts Seaport Economic Council grant was awarded to the Town to fund the east dock portion of the project.