



**Powers &
Sullivan, LLC**
CPAs AND ADVISORS

TOWN OF ROCKLAND, MASSACHUSETTS

***REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS***

YEAR ENDED JUNE 30, 2023

TOWN OF ROCKLAND, MASSACHUSETTS
REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Rockland, Massachusetts

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2024, on our consideration of the Town of Rockland, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Rockland, Massachusetts' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Rockland, Massachusetts' internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Robert J. Sullivan". The signature is fluid and cursive, with the last name "Sullivan" being more prominent.

May 1, 2024

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Rockland (the Town), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2023. We encourage readers to consider the information presented in this report in conjunction with the Town's financial statements. All amounts, unless otherwise noted, are presented in whole dollars.

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

Financial Highlights

- The net position of the Town at the close of the most recent year was \$13.0 million.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$14.1 million. Total fund balance represents 17.7% of total general fund budgetary expenditures.
- The Town's total long-term debt was \$74.9 million at year end, a net decrease of \$4.7 million over the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Rockland'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. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the basic financial statements. This report also contains other required 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 the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (i.e. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental

activities include general government, public safety, education, public works, health and human services, culture and recreation, community preservation, and interest. The business-type activities include the activities of the sewer and water operations.

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

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

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

The Town of Rockland adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. The budgetary comparison statement is presented as required supplementary information after the notes to the basic financial statements.

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

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

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

The *other postemployment benefits trust fund* is used to account for retirement resources held in trust for members of the Plymouth County Retirement Association, as well as resources held in trust for future costs associated with other postemployment benefits.

The *private purpose trust fund* is used to account for resources held in trust for which principle and investment income exclusively benefit individuals or private organizations.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets exceeded and deferred outflows and deferred inflows of resources \$13.0 million at the close of 2023.

Net position of \$122.3 million reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position totaling \$6.9 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a year-end deficit of \$116.2 million. The primary reason for this deficit is the recognition of the net pension and net OPEB liabilities.

Governmental Activities

	2023	2022
Assets:		
Current assets.....	\$ 42,079,770	\$ 47,612,016
Capital assets, nondepreciable.....	71,745,507	60,525,249
Capital assets, net of accumulated depreciation....	97,049,353	97,978,399
Total assets.....	210,874,630	206,115,664
Deferred outflows of resources.....	16,776,292	19,244,690
Liabilities:		
Current liabilities (excluding debt).....	6,541,538	10,302,797
Noncurrent liabilities (excluding debt).....	136,810,381	132,359,540
Current debt.....	4,376,944	4,356,455
Noncurrent debt.....	66,815,747	71,192,691
Total liabilities.....	214,544,610	218,211,483
Deferred inflows of resources.....	23,008,153	27,303,702
Net position:		
Net investment in capital assets.....	103,373,164	94,188,920
Restricted.....	6,898,285	4,628,003
Unrestricted.....	(120,173,290)	(118,971,754)
Total net position.....	\$ (9,901,841)	\$ (20,154,831)

	2023	2022
Program Revenues:		
Charges for services..... \$	7,428,443	\$ 8,186,656
Operating grants and contributions.....	34,256,756	32,351,596
Capital grants and contributions.....	6,757,263	22,924,362
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	44,375,392	42,623,211
Motor vehicle and other excise taxes.....	2,825,608	2,638,574
Hotel/motel tax.....	600,985	474,327
Meals tax.....	411,875	354,490
Community preservation tax.....	528,816	486,855
Penalties and interest on taxes.....	387,626	454,954
Payments in lieu of taxes.....	23,642	19,431
Grants and contributions not restricted to specific programs.....	3,357,544	3,272,856
Unrestricted investment income.....	611,978	202,732
Total revenues.....	101,565,928	113,990,044
Expenses:		
General government.....	5,180,047	5,372,097
Public safety.....	18,697,002	14,552,986
Education.....	55,802,142	55,704,110
Public works.....	5,937,934	5,440,936
Health and human services.....	2,160,575	1,862,729
Culture and recreation.....	1,885,531	1,501,342
Community preservation.....	17,700	28,691
Interest.....	1,632,007	2,253,793
Total expenses.....	91,312,938	86,716,684
Excess (Deficiency) before transfers.....	10,252,990	27,273,360
Transfers.....	-	(19,075,636)
Change in net position.....	10,252,990	8,197,724
Net position, beginning of year.....	(20,154,831)	(28,352,555)
Net position, end of year..... \$	(9,901,841)	(20,154,831)

The governmental activities net position increased by \$10.3 million during the current year primarily due to the receipt of \$6.8 million in capital grants and contributions and the change in long-term obligations.

Governmental expenses totaled \$91.3 million of which \$48.4 million was directly supported by program revenues consisting of charges for services, operating and capital grants and contributions. General revenues totaled \$53.1 million, primarily coming from property taxes, excise taxes, and grants not restricted to specific programs.

Public safety expense increased due to an actuarially determined increase in proportion of the net OPEB liability. Public safety expense further increased in the current year, due to an increase in sick and vacation accruals.

Business-type Activities

The following summarizes the key financial components of the Town's business-type activities:

	2023	2022
Assets:		
Current assets.....	\$ 10,238,481	\$ 7,854,496
Noncurrent assets (excluding capital).....	15,000	-
Capital assets, non depreciable.....	384,633	384,633
Capital assets, net of accumulated depreciation....	22,242,334	22,877,047
Total assets.....	32,880,448	31,116,176
Deferred outflows of resources.....	747,395	895,846
Liabilities:		
Current liabilities (excluding debt).....	526,975	507,741
Noncurrent liabilities (excluding debt).....	2,433,930	2,082,268
Current debt.....	350,716	381,817
Noncurrent debt.....	6,686,548	7,955,209
Total liabilities.....	9,998,169	10,927,035
Deferred inflows of resources.....	768,991	1,322,500
Net position:		
Net investment in capital assets.....	18,907,436	19,160,332
Unrestricted.....	3,953,247	602,155
Total net position.....	\$ 22,860,683	\$ 19,762,487
	2023	2022
Program Revenues:		
Charges for services.....	\$ 8,880,072	\$ 7,242,377
Operating grants and contributions.....	16,437	17,638
Capital grants and contributions.....	315,222	-
Total revenues.....	9,211,731	7,260,015
Expenses:		
Water.....	2,148,824	3,260,709
Sewer.....	3,964,711	3,312,455
Total expenses.....	6,113,535	6,573,164
Excess (Deficiency) before transfers.....	3,098,196	686,851
Transfers.....	-	19,075,636
Change in net position.....	3,098,196	19,762,487
Net position, beginning of year.....	19,762,487	-
Net position, end of year.....	\$ 22,860,683	\$ 19,762,487

Business-type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$22.9 million at the close of 2023, an increase of \$3.1 million from the prior year.

Net position of \$18.9 million represents the investment in capital assets less any debt that was used to acquire those assets that are still outstanding. The balance of unrestricted net position was \$4.0 million at year end.

The water and sewer business-type activities reported net position of \$22.9 million, \$9.4 million, and \$13.5 million, respectively. This reflects an increase of \$3.1 million from the prior year. This increase is mainly attributed a \$1.6 million increase in user charges and a capital contribution of \$315,000 and a \$448,000 decrease in operating expenses. The Town established these two new enterprise funds in FY22.

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.

At the end of the current year, the Town's governmental funds reported combined ending fund balances of \$33.6 million, of which \$14.1 million is related to the general fund, \$5.8 million is related to the Elementary School Building Project fund and \$13.7 million is related to nonmajor governmental funds.

The general fund is the chief operating fund of the Town. At the end of the current year, unassigned fund balance of the general fund was \$12.9 million while total fund balance was \$14.1 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16.1% of the total general fund budgetary expenditures, while total fund balance represents 17.7% of that same amount. The general fund balance increased by \$1.0 million during the current year, which was primarily due to positive budgetary results.

The elementary school building project fund experienced a decrease of \$4.6 million. The Town spent \$11.2 million in the current year on the project and received \$6.6 million in reimbursement from the Massachusetts School Building Authority (MSBA) for eligible school construction costs.

The nonmajor funds experienced an increase of \$2.5 million, which was mainly attributed to the timing differences between the receipt and expenditure of proceeds from bonds, grants and capital projects.

General Fund Budgetary Highlights

The original 2023 approved budget authorized \$72.9 million in appropriations and other amounts to be raised, as well as \$858,000 of carryforwards from the prior year. During 2023, the Town approved \$4.6 million of supplemental appropriations.

Actual revenues received exceeded anticipated amounts by \$3.2 million during 2023 due to the receipts of real estate and personal property taxes and departmental and other revenue exceeding budgeted departmental revenues. Additionally, unexpended appropriations totaled \$1.2 million.

Capital Asset and Debt Administration

The Town's investment in capital assets as of June 30, 2023, amounts to \$191.4 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, vehicles, and infrastructure.

At the end of the year the Town's governmental activities had total bonded debt outstanding of \$71.2 million.

At the end of the year enterprise funds have total outstanding debt of \$3.7 million.

Please refer to the notes to the financial statements for further discussion of the major capital and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Town of Rockland'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 Town Hall, 242 Union Street, Rockland, Massachusetts 02370.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2023

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 33,618,263	\$ 6,307,242	\$ 39,925,505
Investments.....	160,671	-	160,671
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	865,250	-	865,250
Tax liens.....	2,344,145	-	2,344,145
Community preservation fund surtax.....	11,416	-	11,416
Motor vehicle and other excise taxes.....	467,423	-	467,423
User charges.....	707,118	3,916,239	4,623,357
Intergovernmental.....	3,905,484	15,000	3,920,484
Total current assets.....	42,079,770	10,238,481	52,318,251
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	-	15,000	15,000
Capital assets, nondepreciable.....	71,745,507	384,633	72,130,140
Capital assets, net of accumulated depreciation.....	97,049,353	22,242,334	119,291,687
Total noncurrent assets.....	168,794,860	22,641,967	191,436,827
TOTAL ASSETS.....	210,874,630	32,880,448	243,755,078
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	5,407,887	369,153	5,777,040
Deferred outflows related to other postemployment benefits.....	11,368,405	378,242	11,746,647
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	16,776,292	747,395	17,523,687
LIABILITIES			
CURRENT:			
Warrants payable.....	2,459,699	330,849	2,790,548
Accrued payroll.....	247,410	32,079	279,489
Tax refunds payable.....	344,994	-	344,994
Due to other governments.....	-	79	79
Accrued interest.....	793,818	53,326	847,144
Other liabilities.....	366,334	741	367,075
Unearned revenue.....	787,242	-	787,242
Customer deposits.....	38,982	-	38,982
Landfill closure.....	51,450	-	51,450
Compensated absences.....	1,451,609	109,901	1,561,510
Bonds payable.....	4,376,944	350,716	4,727,660
Total current liabilities.....	10,918,482	877,691	11,796,173
NONCURRENT:			
Landfill closure.....	1,710,759	-	1,710,759
Compensated absences.....	3,222,664	229,630	3,452,294
Net pension liability.....	32,291,794	2,204,300	34,496,094
Net other postemployment benefits liability.....	99,585,164	3,317,733	102,902,897
Bonds payable.....	66,815,747	3,368,815	70,184,562
Total noncurrent liabilities.....	203,626,128	9,120,478	212,746,606
TOTAL LIABILITIES.....	214,544,610	9,998,169	224,542,779
DEFERRED INFLOWS OF RESOURCES			
Taxes paid in advance.....	48,666	-	48,666
Deferred inflows related to pensions.....	145,703	9,946	155,649
Deferred inflows related to other postemployment benefits.....	22,813,784	759,045	23,572,829
TOTAL DEFERRED INFLOWS OF RESOURCES.....	23,008,153	768,991	23,777,144
NET POSITION			
Net investment in capital assets.....	103,373,164	18,907,436	122,280,600
Permanent funds:			
Expendable.....	438,005	-	438,005
Nonexpendable.....	126,107	-	126,107
Gifts and grants.....	4,215,758	-	4,215,758
Community preservation.....	2,118,415	-	2,118,415
Unrestricted.....	(120,173,290)	3,953,247	(116,220,043)
TOTAL NET POSITION.....	\$ (9,901,841)	\$ 22,860,683	\$ 12,958,842

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
Primary Government:						
<i>Governmental Activities:</i>						
General government.....	\$ 5,180,047	\$ 1,755,700	\$ 1,408,074	\$ -	\$ (2,016,273)	
Public safety.....	18,697,002	2,948,553	788,146	-	(14,960,303)	
Education.....	55,802,142	737,317	30,069,571	6,571,400	(18,423,854)	
Public works.....	5,937,934	1,951,875	1,002,294	-	(2,983,765)	
Health and human services.....	2,160,575	30,795	704,866	-	(1,424,914)	
Culture and recreation.....	1,885,531	4,203	283,805	-	(1,597,523)	
Community preservation.....	17,700	-	-	185,863	168,163	
Interest.....	1,632,007	-	-	-	(1,632,007)	
Total Governmental Activities.....	91,312,938	7,428,443	34,256,756	6,757,263	(42,870,476)	
<i>Business-Type Activities:</i>						
Water.....	2,148,824	5,217,169	1,785	-	3,070,130	
Sewer.....	3,964,711	3,662,903	14,652	315,222	28,066	
Total Business-Type Activities.....	6,113,535	8,880,072	16,437	315,222	3,098,196	
Total Primary Government.....	\$ 97,426,473	\$ 16,308,515	\$ 34,273,193	\$ 7,072,485	\$ (39,772,280)	

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (continued)

YEAR ENDED JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page..... \$	(42,870,476)	\$ 3,098,196	\$ (39,772,280)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	44,375,392	-	44,375,392
Motor vehicle and other excise taxes.....	2,825,608	-	2,825,608
Hotel/motel tax.....	600,985	-	600,985
Meals tax.....	411,875	-	411,875
Community preservation tax.....	528,816	-	528,816
Penalties and interest on taxes.....	387,626	-	387,626
Payments in lieu of taxes.....	23,642	-	23,642
Grants and contributions not restricted to specific programs.....	3,357,544	-	3,357,544
Unrestricted investment income.....	611,978	-	611,978
Total general revenues and transfers.....	53,123,466	-	53,123,466
Change in net position.....	10,252,990	3,098,196	13,351,186
<i>Net position:</i>			
Beginning of year.....	(20,154,831)	19,762,487	(392,344)
End of year..... \$	(9,901,841)	\$ 22,860,683	\$ 12,958,842

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2023

	General	Elementary School Building Project	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 16,125,376	\$ 3,679,967	\$ 13,812,920	\$ 33,618,263
Investments.....	-	-	160,671	160,671
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	865,250	-	-	865,250
Tax liens.....	2,344,145	-	-	2,344,145
Community preservation fund surtax.....	-	-	11,416	11,416
Motor vehicle and other excise taxes.....	467,423	-	-	467,423
User charges.....	707,118	-	-	707,118
Intergovernmental.....	277,402	2,818,144	809,938	3,905,484
TOTAL ASSETS.....	\$ 20,786,714	\$ 6,498,111	\$ 14,794,945	\$ 42,079,770
LIABILITIES				
Warrants payable.....	\$ 1,507,341	\$ 682,511	\$ 269,847	\$ 2,459,699
Accrued payroll.....	207,102	-	40,308	247,410
Tax refunds payable.....	344,994	-	-	344,994
Other liabilities.....	365,626	-	708	366,334
Unearned revenue.....	-	-	787,242	787,242
Customer deposits.....	38,982	-	-	38,982
TOTAL LIABILITIES.....	2,464,045	682,511	1,098,105	4,244,661
DEFERRED INFLOWS OF RESOURCES				
Taxes paid in advance.....	47,992	-	674	48,666
Unavailable revenue.....	4,162,069	-	40,244	4,202,313
TOTAL DEFERRED INFLOWS OF RESOURCES.....	4,210,061	-	40,918	4,250,979
FUND BALANCES				
Nonspendable.....	-	-	126,107	126,107
Restricted.....	-	5,815,600	13,529,815	19,345,415
Committed.....	881,644	-	-	881,644
Assigned.....	330,888	-	-	330,888
Unassigned.....	12,900,076	-	-	12,900,076
TOTAL FUND BALANCES.....	14,112,608	5,815,600	13,655,922	33,584,130
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 20,786,714	\$ 6,498,111	\$ 14,794,945	\$ 42,079,770

See notes to basic financial statements.

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

JUNE 30, 2023

Total governmental fund balances.....	\$ 33,584,130
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	168,794,860
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	4,202,313
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.....	(6,183,195)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(793,818)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(71,192,691)
Net pension liability.....	(32,291,794)
Net other postemployment benefits liability.....	(99,585,164)
Landfill closure.....	(1,762,209)
Compensated absences.....	(4,674,273)
Net effect of reporting long-term liabilities.....	<u>(209,506,131)</u>
Net position of governmental activities.....	<u>\$ (9,901,841)</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	General	Elementary School Building Project	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 44,578,336	\$ -	\$ -	\$ 44,578,336
Motor vehicle and other excise taxes.....	2,794,202	-	-	2,794,202
Hotel/motel tax.....	600,985	-	-	600,985
Meals tax.....	411,875	-	-	411,875
Charges for services.....	2,176,510	-	449,948	2,626,458
Penalties and interest on taxes.....	387,147	-	1,643	388,790
Fees and rentals.....	187,692	-	-	187,692
Payments in lieu of taxes.....	23,642	-	-	23,642
Licenses and permits.....	462,995	-	-	462,995
Intergovernmental - Teachers Retirement.....	5,065,953	-	-	5,065,953
Intergovernmental.....	20,252,075	6,571,400	8,311,102	35,134,577
Departmental and other.....	2,825,007	-	4,887,287	7,712,294
Community preservation taxes.....	-	-	528,993	528,993
Community preservation state match.....	-	-	185,863	185,863
Contributions and donations.....	-	-	994,897	994,897
Investment income.....	568,963	-	42,255	611,218
TOTAL REVENUES.....	80,335,382	6,571,400	15,401,988	102,308,770
EXPENDITURES:				
Current:				
General government.....	3,207,041	-	1,077,835	4,284,876
Public safety.....	10,194,006	-	1,395,400	11,589,406
Education.....	30,410,935	11,220,258	8,004,846	49,636,039
Public works.....	4,992,404	-	1,179,054	6,171,458
Health and human services.....	1,128,119	-	576,228	1,704,347
Culture and recreation.....	1,083,553	-	59,803	1,143,356
Community preservation.....	-	-	17,700	17,700
Pension benefits.....	4,465,798	-	-	4,465,798
Pension benefits - Teachers Retirement.....	5,065,953	-	-	5,065,953
Employee benefits.....	9,638,860	-	-	9,638,860
State and county charges.....	3,452,149	-	-	3,452,149
Debt service:				
Principal.....	3,420,000	-	-	3,420,000
Interest.....	2,869,328	-	-	2,869,328
TOTAL EXPENDITURES.....	79,928,146	11,220,258	12,310,866	103,459,270
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	407,236	(4,648,858)	3,091,122	(1,150,500)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	633,000	-	30,147	663,147
Transfers out.....	(11,086)	-	(652,061)	(663,147)
TOTAL OTHER FINANCING SOURCES (USES).....	621,914	-	(621,914)	-
NET CHANGE IN FUND BALANCES.....	1,029,150	(4,648,858)	2,469,208	(1,150,500)
FUND BALANCES AT BEGINNING OF YEAR.....	13,083,458	10,464,458	11,186,714	34,734,630
FUND BALANCES AT END OF YEAR.....	\$ 14,112,608	\$ 5,815,600	\$ 13,655,922	\$ 33,584,130

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds.....		\$ (1,150,500)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay.....	14,588,313	
Depreciation expense.....	<u>(4,297,101)</u>	
Net effect of reporting capital assets.....		10,291,212
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.....		
		(745,252)
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.		
Net amortization of premium from issuance of bonds.....	936,455	
Debt service principal payments.....	<u>3,420,000</u>	
Net effect of reporting long-term debt.....		4,356,455
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Net change in compensated absences accrual.....	237,944	
Net change in accrued interest on long-term debt.....	300,866	
Net change in deferred outflow/(inflow) of resources related to pensions.....	8,778,456	
Net change in net pension liability.....	(8,249,588)	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	(7,268,612)	
Net change in net other postemployment benefits liability.....	3,652,169	
Net change in landfill closure.....	<u>49,840</u>	
Net effect of recording long-term liabilities.....		<u>(2,498,925)</u>
Change in net position of governmental activities.....		<u>\$ 10,252,990</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2023

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 4,018,476	\$ 2,288,766	\$ 6,307,242
Receivables, net of allowance for uncollectibles:			
User charges.....	2,341,207	1,575,032	3,916,239
Intergovernmental - other.....	-	15,000	15,000
Total current assets.....	6,359,683	3,878,798	10,238,481
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental - other.....	-	15,000	15,000
Capital assets, non depreciable.....	79,381	305,252	384,633
Capital assets, net of accumulated depreciation.....	12,456,716	9,785,618	22,242,334
Total noncurrent assets.....	12,536,097	10,105,870	22,641,967
TOTAL ASSETS.....	18,895,780	13,984,668	32,880,448
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	328,136	41,017	369,153
Deferred outflows related to other postemployment benefits.....	357,098	21,144	378,242
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	685,234	62,161	747,395
LIABILITIES			
CURRENT:			
Warrants payable.....	258,446	72,403	330,849
Accrued payroll.....	30,627	1,452	32,079
Due to other governments.....	79	-	79
Accrued interest.....	53,097	229	53,326
Other liabilities.....	741	-	741
Compensated absences.....	106,857	3,044	109,901
Bonds payable.....	335,716	15,000	350,716
Total current liabilities.....	785,563	92,128	877,691
NONCURRENT:			
Compensated absences.....	226,671	2,959	229,630
Net pension liability.....	1,959,378	244,922	2,204,300
Net other postemployment benefits liability.....	3,128,052	189,681	3,317,733
Bonds payable.....	3,353,815	15,000	3,368,815
Total noncurrent liabilities.....	8,667,916	452,562	9,120,478
TOTAL LIABILITIES.....	9,453,479	544,690	9,998,169
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	8,841	1,105	9,946
Deferred inflows related to other postemployment benefits.....	716,614	42,431	759,045
TOTAL DEFERRED INFLOWS OF RESOURCES.....	725,455	43,536	768,991
NET POSITION			
Net investment in capital assets.....	8,846,566	10,060,870	18,907,436
Unrestricted.....	555,514	3,397,733	3,953,247
TOTAL NET POSITION.....	\$ 9,402,080	\$ 13,458,603	\$ 22,860,683

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES:			
Charges for services.....	\$ 5,218,954	\$ 3,662,903	\$ 8,881,857
OPERATING EXPENSES:			
Cost of services and administration.....	634,074	3,167,797	3,801,871
Salaries and wages.....	915,331	113,156	1,028,487
Depreciation.....	477,603	669,414	1,147,017
TOTAL OPERATING EXPENSES.....	2,027,008	3,950,367	5,977,375
OPERATING INCOME (LOSS).....	3,191,946	(287,464)	2,904,482
NONOPERATING REVENUES (EXPENSES):			
Interest expense.....	(121,816)	(14,344)	(136,160)
Intergovernmental - other.....	-	14,652	14,652
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(121,816)	308	(121,508)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS.....	3,070,130	(287,156)	2,782,974
CAPITAL CONTRIBUTIONS.....	-	315,222	315,222
CHANGE IN NET POSITION.....	3,070,130	28,066	3,098,196
NET POSITION AT BEGINNING OF YEAR.....	6,331,950	13,430,537	19,762,487
NET POSITION AT END OF YEAR.....	\$ 9,402,080	\$ 13,458,603	\$ 22,860,683

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users.....	\$ 4,439,047	\$ 3,520,445	\$ 7,959,492
Payments to vendors.....	(1,450,559)	(3,167,124)	(4,617,683)
Payments to employees.....	(1,045,797)	(110,213)	(1,156,010)
NET CASH FROM OPERATING ACTIVITIES.....	1,942,691	243,108	2,185,799
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions.....	-	315,222	315,222
Acquisition and construction of capital assets.....	(223,676)	(288,628)	(512,304)
Principal payments on bonds and notes.....	(366,817)	(15,000)	(381,817)
Interest expense.....	(127,200)	(30,055)	(157,255)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(717,693)	(18,461)	(736,154)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	1,224,998	224,647	1,449,645
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	2,793,478	2,064,119	4,857,597
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 4,018,476	\$ 2,288,766	\$ 6,307,242
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH			
FROM OPERATING ACTIVITIES:			
Operating income (loss).....	\$ 3,191,946	\$ (287,464)	\$ 2,904,482
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation.....	477,603	669,414	1,147,017
Deferred (outflows)/inflows related to pensions.....	(548,232)	(66,314)	(614,546)
Deferred (outflows)/inflows related to other postemployment benefits.....	195,158	14,330	209,488
Changes in assets and liabilities:			
User charges.....	(776,882)	(142,458)	(919,340)
Warrants payable.....	79,324	(30,582)	48,742
Accrued payroll.....	30,627	1,452	32,079
Due to other governments.....	(3,025)	-	(3,025)
Compensated absences.....	(161,093)	1,491	(159,602)
Net pension liability.....	394,043	64,406	458,449
Other postemployment benefits.....	(936,778)	18,833	(917,945)
Total adjustments.....	(1,249,255)	530,572	(718,683)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,942,691	\$ 243,108	\$ 2,185,799
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Intergovernmental subsidy of debt service.....	-	14,652	14,652

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ 1,080,584	\$ 66,779
Investments:		
Other investments.....	-	1,244,935
TOTAL ASSETS.....	1,080,584	1,311,714
LIABILITIES		
Other liabilities.....	-	1,079
NET POSITION		
Restricted for other postemployment benefits.....	1,080,584	-
Held in trust for other purposes.....	-	1,310,635
TOTAL NET POSITION.....	\$ 1,080,584	\$ 1,310,635

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2023

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 175,000	\$ -
Employer contributions for other postemployment benefit payments.....	3,455,160	-
Private donations.....	-	26,439
	<u>3,630,160</u>	<u>26,439</u>
Total contributions.....		
	<u>3,630,160</u>	<u>26,439</u>
Net investment income:		
Investment income.....	6,586	58,747
	<u>6,586</u>	<u>58,747</u>
TOTAL ADDITIONS.....	<u>3,636,746</u>	<u>85,186</u>
DEDUCTIONS:		
Other postemployment benefit payments.....	3,455,160	-
Educational scholarships.....	-	49,549
	<u>3,455,160</u>	<u>49,549</u>
TOTAL DEDUCTIONS.....	<u>3,455,160</u>	<u>49,549</u>
NET INCREASE (DECREASE) IN NET POSITION.....	181,586	35,637
NET POSITION AT BEGINNING OF YEAR.....	<u>898,998</u>	<u>1,274,998</u>
NET POSITION AT END OF YEAR.....	<u>\$ 1,080,584</u>	<u>\$ 1,310,635</u>

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town is a municipal corporation that is governed by an elected Board of Selectmen. As required by GAAP, these basic financial statements present the government and its component units, entities for which the Town is considered to be financially accountable.

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

Joint Ventures

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The following is a list of the Town's significant joint ventures, their purpose, and the annual assessments or fees paid for services rendered during the fiscal year 2023:

Joint Venture	Purpose	FY23 Amounts Paid
Abington/Rockland Joint Water Works.....	To provide water distribution system.	\$ 2,362,306
South Shore Regional School District.....	To provide vocational education services.	1,820,687
READS Collaborative.....	To provide special education services.	111,009
South Shore Educational Collaborative.....	To provide special education related services.	107,393
North River Collaborative.....	To provide special education related services.	77,300
Massachusetts Bay Transit Authority.....	To provide regional transportation.	67,199
Pilgrim Area Collaborative.....	To provide special education services.	63,419
Brockton Area Transit Authority.....	To provide regional transportation services.	57,420
Old Colony Library Network.....	To provide enhanced services to members.	20,755

The Abington/Rockland Joint Water Works, established pursuant to Chapter 139 of the Acts of 1886 and amendments thereafter, allows for the Towns of Abington and Rockland to jointly supply water to the member towns. The joint water board is comprised of members of the water commissioners of each town. Costs associated with joint water expenses are billed to the Town of Abington on a monthly basis. Major capital outlays acquired through debt issuance are equally shared between the towns. Additional information surrounding the Joint Water works can be obtained by contacting the Town.

Legislation approved on August 20, 2014, Chapter 291 of the Acts of 2014, reconstituted the South Shore Tri-Town Development Corporation as the Southfield Redevelopment Authority (the Authority). Pursuant to this Act, the participating towns of Rockland, Weymouth and Abington became responsible for providing services and the corresponding assessing and collection of property taxes for land and development within each town's borders within the former Naval Air Station (NAS) South Weymouth. Each town collects a property tax rate equal to the base rate plus the Southfield rate. Within thirty days after each fiscal quarter the towns are required to remit to the Authority the Southfield rate portion of the revenue collected (District tax) by the town in the preceding quarter. At the May 2016 Annual Town Meeting, the Town of Rockland voted a zoning amendment, pursuant to an agreement with Town and the Southfield Redevelopment Authority's master developer LStar Southfield, LLC for commercial development and certain open space restrictions. For fiscal year 2023, the Town did make a payment to LStar Southfield.

The South Shore Regional School District (District) was established by an agreement between the member towns of Abington, Cohasset, Hanover, Norwell, Rockland, Scituate, and Whitman, pursuant to MGL Chapter 71 to provide vocational technical education for students grades 9-12. The District is governed by a Regional School Committee, elected from each town at respective town elections. Annually the District School committee apportions operating and capital costs to the member towns pursuant to MGL and the agreement. The annual assessment must be accepted by each Town's electorate.

Educational collaboratives are public entities formed by agreements of member governmental entities pursuant to the provisions of Massachusetts General Law Chapter 40, Section 4E. The Town pays the educational collaboratives for educational programs and services on an as needed basis for students.

Related Organizations

Board members for the Rockland Housing Authority are elected by Town voters; thus, the Town has no accountability for this organization.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

Fiduciary funds are reported by fund type.

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

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

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

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the

transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

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

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

The following major governmental funds are reported:

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

The *elementary school building project fund* is a capital project fund used to account for financial resources to be used to fund constructions and repairs to the town's elementary school. Resources consist primarily of debt proceeds when issued.

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

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

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

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

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

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

The following major proprietary funds are reported:

The *water enterprise fund* is used to account for the water activities.

The *sewer enterprise fund* is used to account for the sewer activities.

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

The following fiduciary fund types are reported:

The *other postemployment benefits trust fund* is used to account for the activities of the Other Postemployment Benefit trust fund, which accumulates resources to provide other postemployment benefits to eligible retirees and their beneficiaries.

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 allow the trustees to approve spending of the realized investment earnings. The Town mainly uses this fund to account for educational scholarships.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

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 classification 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, Real Estate Tax Deferrals, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessors for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate tax liens are processed by the last day in September following the last billing cycle on delinquent properties. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed six months 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 of uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle and Other Excise Taxes

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

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

Community Preservation Surcharges

In fiscal year 2018, the Town adopted a Community Preservation Fund, in accordance with Massachusetts General Laws, which mandates these funds be spent in the following areas: open space, affordable housing and historic resources. Appropriations are made via Town Meeting vote. A 1.5% surcharge is added to the real estate tax bill (with exceptions), and contributions are potentially available from the state annually. During fiscal year 2023, the Town collected approximately \$529,000 associated with this surcharge. The Town has incurred expenditures related to many associated projects in fiscal year 2023.

User Charges

User fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and Sewer liens are processed in December of every year and included as a lien on the property owner's tax bill. Water and Sewer charges and liens are recorded as receivables in the year of the levy.

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

Departmental and Other

Departmental and other receivables consist primarily of receivables related to the ambulance charges and are recorded as receivables in the year accrued.

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

Intergovernmental

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

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

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

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

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

Capital assets, which include land, land improvements, buildings, machinery and equipment, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

Capital Asset Type	Estimated Useful Life (in years)
Buildings.....	25-50
Improvements.....	10-50
Machinery and equipment.....	3-20
Utility System.....	25-50
Infrastructure.....	25-50

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents assets that have 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 fund balance sheet.

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

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. 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.

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:

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

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

“Gifts and grants” represents restrictions placed on assets from outside parties such as state and federal grants.

“Community Preservation” represents amounts restricted for affordable housing, open space and historic 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 town meeting. Town meeting can, by adoption of a Town Meeting warrant article, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

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

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

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

M. Long-term debt*Government-Wide and Proprietary Fund Financial Statements*

Long-term debt is reported as liabilities in the government-wide 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.

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plymouth County Regional Retirement Association and additions to/deductions from the Association's fiduciary net position have been determined on the same basis as they are reported by the Association. 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. 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).

P. 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.

Q. 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.

R. 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 combined balance sheet as "Cash and cash equivalents." The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth. The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares. MMDT maintains a cash portfolio with average maturities of approximately 3 months.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. At year-end, the carrying amount of deposits totaled \$41,060,049 and the bank balance totaled \$41,879,047. Of the bank balance, \$1,500,038 was covered by Federal Depository Insurance, \$8,594,907 was covered by the Depositors Insurance Fund (DIF), and \$17,418,032 was covered by collateralization agreements, and the remaining \$14,366,070 was uninsured and uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The Town has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates for most investment types; however, at June 30, 2023, the Town did not have any investments that were subject to interest rate risk.

As of June 30, 2023, the Town has the following investments and maturities:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 186,721	\$ 43,877	\$ 115,080	\$ 27,764
Government sponsored enterprises.....	66,648	-	66,648	-
Corporate bonds.....	95,995	14,791	56,364	24,840
Total debt securities.....	349,364	\$ 58,668	\$ 238,092	\$ 52,604
<u>Other investments:</u>				
Equity securities.....	845,928			
Fixed income mutual funds.....	210,314			
Money market mutual funds.....	12,819			
Total investments.....	\$ 1,418,425			

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town is subject to custodial credit risk exposure for investments at year end.

Of the Town's investments, \$66,648 of government sponsored enterprises, and \$845,928 of equity securities are subject to custodial credit risk.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to meet its obligations. Below are the credit ratings for the Town's investments:

Quality Rating	Government Sponsored Enterprises	Corporate Bonds
AA+.....	\$ 66,648	\$ -
AA-.....	-	14,791
A-.....	-	14,891
BBB+.....	-	53,420
BBB.....	-	12,893
Total.....	\$ 66,648	\$ 95,995

The Town's investment in money market mutual funds and MMDT is unrated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a government's investment in a single issuer. With the exception of the Town's investment in MMDT, the Town did not maintain any single investment which exceeded 5% of the total investments.

Fair Value Measurement

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 narrative format for the fair value disclosure.

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; and Level 3 inputs are significant unobservable inputs.

The Town had the following recurring fair value measurements as of June 30, 2023:

Investment Type	June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 186,721	\$ 186,721	\$ -	\$ -
Government sponsored enterprises.....	66,648	66,648	-	-
Corporate bonds.....	95,995	-	95,995	-
Total debt securities.....	349,364	253,369	95,995	-
<u>Other investments:</u>				
Equity securities.....	845,928	845,928	-	-
Fixed income mutual funds.....	210,314	210,314	-	-
Money market mutual funds.....	12,819	12,819	-	-
Total other investments.....	1,069,061	1,069,061	-	-
Total investments measured at fair value.....	1,418,425	\$ 1,322,430	\$ 95,995	\$ -
Total investments.....	\$ 1,418,425			

Equity mutual funds, fixed income mutual funds and money market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

NOTE 3 – RECEIVABLES

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 912,236	\$ (46,986)	\$ 865,250
Tax liens.....	2,344,145	-	2,344,145
Community preservation fund surtax.....	11,416	-	11,416
Motor vehicle and other excise taxes.....	502,850	(35,427)	467,423
User charges.....	707,118	-	707,118
Intergovernmental - other.....	3,905,484	-	3,905,484
Total.....	<u>\$ 8,383,249</u>	<u>\$ (82,413)</u>	<u>\$ 8,300,836</u>

Receivables for the water and sewer enterprise funds at June 30, 2023, consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user charges.....	\$ 2,341,207	\$ -	\$ 2,341,207
Sewer user charges.....	1,575,032	-	1,575,032
Sewer intergovernmental - other.....	30,000	-	30,000
Total.....	<u>\$ 3,946,239</u>	<u>\$ -</u>	<u>\$ 3,946,239</u>

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

	General Fund	Other Governmental Funds	Total
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 643,383	\$ -	\$ 643,383
Tax liens.....	2,344,145	-	2,344,145
Community preservation fund surtax.....	-	11,416	11,416
Motor vehicle and other excise taxes.....	467,423	-	467,423
User charges.....	707,118	-	707,118
Intergovernmental.....	-	28,828	28,828
Total.....	<u>\$ 4,162,069</u>	<u>\$ 40,244</u>	<u>\$ 4,202,313</u>

NOTE 4 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 6,990,302	\$ -	\$ -	\$ 6,990,302
Construction in progress.....	53,534,947	11,220,258	-	64,755,205
Total capital assets not being depreciated.....	60,525,249	11,220,258	-	71,745,507
<u>Capital assets being depreciated:</u>				
Land improvements.....	24,505	-	-	24,505
Buildings and improvements.....	102,056,077	164,955	-	102,221,032
Machinery and equipment.....	5,541,033	1,911,917	-	7,452,950
Infrastructure.....	54,040,128	1,291,183	-	55,331,311
Total capital assets being depreciated.....	161,661,743	3,368,055	-	165,029,798
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(9,088)	(1,476)	-	(10,564)
Buildings and improvements.....	(29,917,362)	(2,411,181)	-	(32,328,543)
Machinery and equipment.....	(8,883,887)	(838,354)	-	(9,722,241)
Infrastructure.....	(24,873,007)	(1,046,090)	-	(25,919,097)
Total accumulated depreciation.....	(63,683,344)	(4,297,101)	-	(67,980,445)
Total capital assets being depreciated, net.....	97,978,399	(929,046)	-	97,049,353
Total governmental activities capital assets, net.....	\$ 158,503,648	\$ 10,291,212	\$ -	\$ 168,794,860

	Beginning Balance	Increases	Decreases	Ending Balance
Water:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 79,381	\$ -	\$ -	\$ 79,381
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	4,024	-	-	4,024
Machinery and equipment.....	16,328,794	223,676	-	16,552,470
50% Joint Water Works.....	8,583,030	-	-	8,583,030
Total capital assets being depreciated.....	24,915,848	223,676	-	25,139,524
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(1,567)	(80)	-	(1,647)
Machinery and equipment.....	(7,878,446)	(302,328)	-	(8,180,774)
50% Joint Water Works.....	(4,325,192)	(175,195)	-	(4,500,387)
Total accumulated depreciation.....	(12,205,205)	(477,603)	-	(12,682,808)
Total capital assets being depreciated, net.....	12,710,643	(253,927)	-	12,456,716
Total water activities capital assets, net.....	\$ 12,790,024	\$ (253,927)	\$ -	\$ 12,536,097
	Beginning Balance	Increases	Decreases	Ending Balance
Sewer:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 305,252	\$ -	\$ -	\$ 305,252
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	9,695,658	-	-	9,695,658
Machinery and equipment.....	1,852,021	288,628	-	2,140,649
Infrastructure.....	18,568,180	-	-	18,568,180
Total capital assets being depreciated.....	30,115,859	288,628	-	30,404,487
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(8,114,821)	(177,217)	-	(8,292,038)
Machinery and equipment.....	(1,805,785)	(101,735)	-	(1,907,520)
Infrastructure.....	(10,028,849)	(390,462)	-	(10,419,311)
Total accumulated depreciation.....	(19,949,455)	(669,414)	-	(20,618,869)
Total capital assets being depreciated, net.....	10,166,404	(380,786)	-	9,785,618
Total sewer activities capital assets, net.....	\$ 10,471,656	\$ (380,786)	\$ -	\$ 10,090,870

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

Governmental Activities:	
General government.....	\$ 302,639
Public safety.....	457,183
Education.....	2,431,891
Public works.....	925,460
Health and human services.....	99,857
Culture and recreation.....	80,071
Water and Sewer.....	<u>1,147,017</u>
Total depreciation expense - governmental activities.....	\$ <u>5,444,118</u>
Business-Type Activities:	
Water.....	\$ 477,603
Sewer.....	<u>669,414</u>
Total depreciation expense - business-type activities.....	\$ <u>1,147,017</u>

NOTE 5 – TRANSFERS

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

Transfers Out:	Transfers In:			
	General fund	Nonmajor governmental funds	Total	
General fund.....	\$ -	\$ 11,086	\$ 11,086	(1)
Nonmajor governmental funds.....	<u>633,000</u>	<u>19,061</u>	<u>652,061</u>	(2)
Total.....	\$ <u>633,000</u>	\$ <u>30,147</u>	\$ <u>663,147</u>	

(1) Represents budgeted transfers from the general fund to the nonmajor governmental funds.

(2) Represents budgeted transfers from the dog receipt fund and host community trust fund to the general fund. As well as a transfer out of the State and local Fiscal Recovery grant fund to various non-major funds.

NOTE 6 – SHORT-TERM FINANCING

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

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

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

The Town had no short-term debt activity throughout the year.

NOTE 7 – LONG-TERM DEBT

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

Details related to the outstanding indebtedness at June 30, 2023, 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, 2023
2014 Senior Center Construction.....	2034	\$ 3,000,000	2.00-4.00	\$ 1,650,000
2014 Road Improvements.....	2027	4,500,000	2.00-5.00	1,370,000
2014 High School & Rogers Middle School	2034	4,700,000	2.00-5.00	2,585,000
2015 Road Improvements.....	2029	1,800,000	3.00	820,000
2015 High School and Middle School	2036	1,954,000	3.00-3.25	1,250,000
2018 Library Roof Replacement.....	2033	134,000	3.00-5.00	70,000
2018 Roads I.....	2033	4,532,000	3.00-5.00	3,010,000
2018 Roads II.....	2032	1,350,000	3.00-5.00	855,000
2018 Memorial Park Stadium Roof Repair.....	2038	1,545,000	3.00-5.00	1,145,000
2020 Rockland Community Center Repairs.....	2041	300,000	2.00-5.00	270,000
2020 Union St Construction.....	2035	530,000	2.00-5.00	450,000
2020 Elementary School Construction.....	2051	27,735,000	2.00-5.00	26,760,000
2022 Cur Ref Nov 15 2011- HS & Rogers MS.....	2034	16,688,000	2.00-5.00	15,950,000
2022 Elementary School Construction.....	2052	9,737,000	2.00-5.00	9,410,000
Total Bonds Payable.....				65,595,000
Add: Unamortized premium on bonds.....				5,597,691
Total Bonds Payable, net.....				\$ 71,192,691

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

Year	General Obligation Bonds		
	Principal	Interest	Total
2024.....	\$ 3,710,000	\$ 2,909,095	\$ 6,619,095
2025.....	3,775,000	2,684,872	6,459,872
2026.....	3,900,000	2,468,159	6,368,159
2027.....	3,990,000	2,239,184	6,229,184
2028.....	3,840,000	1,994,394	5,834,394
2029.....	3,910,000	1,746,064	5,656,064
2030.....	3,840,000	1,492,483	5,332,483
2031.....	3,920,000	1,233,204	5,153,204
2032.....	3,995,000	995,791	4,990,791
2033.....	3,960,000	782,204	4,742,204
2034.....	3,695,000	590,782	4,285,782
2035.....	1,540,000	482,997	2,022,997
2036.....	1,495,000	450,555	1,945,555
2037.....	1,405,000	419,960	1,824,960
2038.....	1,405,000	390,830	1,795,830
2039.....	1,330,000	361,602	1,691,602
2040.....	1,330,000	335,002	1,665,002
2041.....	1,330,000	308,198	1,638,198
2042.....	1,315,000	280,599	1,595,599
2043.....	1,310,000	252,463	1,562,463
2044.....	1,310,000	224,177	1,534,177
2045.....	1,310,000	195,687	1,505,687
2046.....	1,310,000	166,993	1,476,993
2047.....	1,310,000	137,647	1,447,647
2048.....	1,310,000	107,850	1,417,850
2049.....	1,310,000	78,055	1,388,055
2050.....	1,305,000	48,333	1,353,333
2051.....	1,115,000	20,754	1,135,754
2052.....	320,000	4,000	324,000
Total.....	\$ 65,595,000	\$ 23,401,934	\$ 88,996,934

The Commonwealth has approved school construction assistance to the Town. Under the program assistance is paid to support construction costs and reduce the total debt service of the Town. The Town has been approved for the Jefferson Elementary school project. Through the end of 2023, the city has received \$32.5 million of capital grant reimbursements from the MSBA which is equal to the 67.08% of approved construction costs incurred to date for the new elementary school. The Town anticipates receiving an additional \$3.1 million of grant proceeds in future years.

Bonds and Notes Payable Schedule – Enterprise Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
General Obligation Bonds Payable:				
2018 Water Main Repairs.....	2038	\$ 2,614,000	3.00-5.00	\$ 1,950,000
2020 Water Main Repairs.....	2041	175,000	2.00-5.00	155,000
Subtotal General Obligation Bonds Payable.....				2,105,000
Direct Borrowings Payable:				
2006 MCWT CW-04-02	2025	216,638	2.00	30,000
2007 MCWT DW-04-18.....	2026	322,668	2.00	62,154
2009 MCWT DW-04-18-A	2029	177,933	2.00	60,819
2009 MCWT DW-04-18-B.....	2026	27,391	2.00	5,515
2010 MCWT DWS-08-27.....	2031	1,008,302	2.00	452,209
2012 MCWT DW-06-14.....	2031	509,790	2.00	238,325
2012 MCWT DW-06-14-A.....	2031	1,175,991	2.00	549,898
2015 MCWT DW-08-27.....	2033	357,657	2.00	215,611
Subtotal Direct Borrowings Payable.....				1,614,531
Total Bonds Payable.....				\$ 3,719,531

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

Year	General Obligation Bonds			Direct Borrowings			Total
	Principal	Interest	Subtotal	Principal	Interest	Subtotal	
2024.....	\$ 140,000	\$ 84,426	\$ 224,426	\$ 210,716	\$ 29,929	\$ 240,645	\$ 465,071
2025.....	140,000	77,426	217,426	214,693	25,980	240,673	458,099
2026.....	140,000	70,426	210,426	203,753	21,950	225,703	436,129
2027.....	140,000	63,426	203,426	184,422	18,070	202,492	405,918
2028.....	140,000	56,426	196,426	188,173	14,351	202,524	398,950
2029.....	140,000	49,426	189,426	192,003	10,554	202,557	391,983
2030.....	140,000	42,424	182,424	185,044	6,786	191,830	374,254
2031.....	140,000	35,424	175,424	188,811	3,053	191,864	367,288
2032.....	140,000	31,124	171,124	23,211	938	24,149	195,273
2033.....	140,000	26,926	166,926	23,705	474	24,179	191,105
2034.....	140,000	22,610	162,610	-	-	-	162,610
2035.....	140,000	18,348	158,348	-	-	-	158,348
2036.....	140,000	13,924	153,924	-	-	-	153,924
2037.....	135,000	9,386	144,386	-	-	-	144,386
2038.....	135,000	4,898	139,898	-	-	-	139,898
2039.....	5,000	250	5,250	-	-	-	5,250
2040.....	5,000	150	5,150	-	-	-	5,150
2041.....	5,000	50	5,050	-	-	-	5,050
Total.....	\$ 2,105,000	\$ 607,070	\$ 2,712,070	\$ 1,614,531	\$ 132,085	\$ 1,746,616	\$ 4,458,686

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

Purpose	Amount
Library Roof Replacement.....	\$ 560
Memorial Park Stadium Repair.....	264
Rockland Elementary School.....	12,922,221
Water Treatment Plant.....	13,000,000
Wastewater Treatment Improvements.....	1,500,000
Total.....	<u>\$ 27,423,045</u>

Changes in Long-term Liabilities

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

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 69,015,000	\$ -	\$ (3,420,000)	\$ -	\$ -	\$ 65,595,000	\$ 3,710,000
Add: Unamortized premium on bonds.....	6,534,146	-	-	-	(936,455)	5,597,691	666,944
Total bonds payable.....	75,549,146	-	(3,420,000)	-	(936,455)	71,192,691	4,376,944
Landfill closure.....	1,812,049	-	-	-	(49,840)	1,762,209	51,450
Compensated absences.....	4,912,217	-	-	1,356,481	(1,594,425)	4,674,273	1,451,609
Net pension liability.....	24,042,206	-	-	11,157,548	(2,907,960)	32,291,794	-
Net other postemployment benefits liability..	103,237,333	-	-	6,327,617	(9,979,786)	99,585,164	-
Total governmental activity long-term liabilities.....	<u>\$ 209,552,951</u>	<u>\$ -</u>	<u>\$ (3,420,000)</u>	<u>\$ 18,841,646</u>	<u>\$ (15,468,466)</u>	<u>\$ 209,506,131</u>	<u>\$ 5,880,003</u>
Business-Type Activities:							
Long-term bonds payable.....	\$ 2,280,000	\$ -	\$ (175,000)	\$ -	\$ -	\$ 2,105,000	\$ 140,000
From direct borrowings and placements.....	1,821,348	-	(206,817)	-	-	1,614,531	210,716
Total bonds payable.....	4,101,348	-	(381,817)	-	-	3,719,531	350,716
Compensated absences.....	499,133	-	-	3,114	(162,716)	339,531	109,901
Net pension liability.....	1,745,851	-	-	672,263	(213,814)	2,204,300	-
Net other postemployment benefits liability..	4,235,678	-	-	210,529	(1,128,474)	3,317,733	-
Total business-type activity long-term liabilities.....	<u>\$ 10,582,010</u>	<u>\$ -</u>	<u>\$ (381,817)</u>	<u>\$ 885,906</u>	<u>\$ (1,505,004)</u>	<u>\$ 9,581,095</u>	<u>\$ 460,617</u>

The governmental activities long-term liabilities are generally liquidated by the general fund.

NOTE 8 – 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 balances, GASB Statement #54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

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

As of June 30, 2023, the governmental fund balances consisted of the following:

	General	Elementary School Building Project	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 126,107	\$ 126,107
Restricted for:				
Elementary School Building Project.....	-	5,815,600	-	5,815,600
School Revolving.....	-	-	1,451,072	1,451,072
Revolving Funds.....	-	-	1,078,873	1,078,873
Gifts and Donations.....	-	-	1,272,275	1,272,275
School Lunch.....	-	-	571,319	571,319
School Federal and State Grants.....	-	-	765,817	765,817
Other Special Revenue.....	-	-	684,459	684,459
Community Preservation.....	-	-	2,107,673	2,107,673
Other Federal and State Grants.....	-	-	1,606,347	1,606,347
Capital Projects School.....	-	-	3,553,975	3,553,975
Cemetery Perpetual Care.....	-	-	249,836	249,836
Conservation.....	-	-	12,831	12,831
Expendable Trust Funds.....	-	-	175,338	175,338
Committed to:				
Articles and continuing appropriations:				
General government.....	177,196	-	-	177,196
Public safety.....	357,989	-	-	357,989
Education.....	11,750	-	-	11,750
Public works.....	210,572	-	-	210,572
Health and human services.....	67,832	-	-	67,832
Culture and recreation.....	56,305	-	-	56,305
Assigned to:				
General government.....	166,125	-	-	166,125
Public safety.....	7,900	-	-	7,900
Education.....	8,436	-	-	8,436
Public works.....	61,624	-	-	61,624
Health and human services.....	70	-	-	70
Culture and recreation.....	2,658	-	-	2,658
Employee benefits.....	84,075	-	-	84,075
Unassigned.....	12,900,076	-	-	12,900,076
Total Fund Balances.....	\$ 14,112,608	\$ 5,815,600	\$ 13,655,922	\$ 33,584,130

In addition to the nonspendable fund balance, spendable fund balances are classified based on a hierarchy of spending constraints. Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to or appropriations from the fund require a two-thirds vote of the legislative body. At year end the balance of the

General Stabilization fund is \$1,623,498. The balance of the stabilization fund is reported as unassigned fund balance within the general fund.

NOTE 9 – RISK FINANCING

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

The Town is self-insured for workers compensation related to the police and fire departments and has a premium based plan for all other departments. The estimated future workers' compensation liability is based on history and injury type. At June 30, 2023, the amount of the liability of the workers' compensation claims is immaterial and is therefore not reported.

NOTE 10 – PENSION PLAN

Plan Descriptions

The Town is a member of the Plymouth County Retirement Association (PCRA), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the member units. The Association 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 Association issues a publicly available audited financial report. That report may be obtained by contacting the Association located at 10 Cordage Circle, Suite 234, Plymouth, Massachusetts 02360 or by visiting www.pcr-ma.org/ or www.mass.gov/perac.

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

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement #68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2022. The Town portion of the collective pension expense, contributed by the Commonwealth, of \$5,065,983 is reported in the general fund as intergovernmental revenue and pension benefits in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$61,584,826 as of the measurement date.

Benefits Provided

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

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

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

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the Association at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the PCRA a legislatively mandated actuarially determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2022, which was \$4,971,554, 28.13% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2023, the Town reported a liability of \$34,496,094 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2022 and at December 31, 2021, the Town's proportion was 5.51%.

Pension Expense

For the year ended June 30, 2023, the Town recognized pension expense of \$4,286,589. At June 30, 2023, the Town reported deferred outflows of resources related to pensions and deferred inflows of resources related to pensions of \$5,777,040 and \$155,649, respectively.

The balances of deferred outflows and inflows at June 30, 2023, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 1,396,697	\$ -	\$ 1,396,697
Net difference between projected and actual investment earnings.....	3,957,873	-	3,957,873
Changes in proportion and proportionate share of contributions.....	422,470	(155,649)	266,821
Total deferred outflows/(inflows) of resources.....	\$ 5,777,040	\$ (155,649)	\$ 5,621,391

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

Year ended June 30:

2024.....	\$ 411,894
2025.....	1,260,052
2026.....	1,493,236
2027.....	2,456,209
Total deferred outflows/(inflows) of resources.....	\$ 5,621,391

Actuarial Assumptions

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

Valuation date.....	January 1, 2022
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset valuation method.....	Assets held by the fund are valued at fair value as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value of assets is determined using a five-year smoothing of asset returns greater than or less than the assumed rate of return, with a 20% corridor.
Investment rate of return/Discount rate.....	7.875% nominal rate, net of investment expense.
Projected salary increases.....	3.75% per year.
Cost of living adjustments.....	3.0% of the first \$16,000 of retirement income.
Rates of disability.....	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).

Mortality rates.....	It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2016, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and three years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward three years for males, and six years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward six years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2016.
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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 December 31, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	23.00%	6.80%
International developed equity.....	3.00%	7.50%
Emerging markets equity.....	9.00%	4.60%
Global equity.....	11.00%	7.20%
Core bonds.....	10.00%	2.40%
Value-added fixed income.....	7.00%	4.00%
Hedge funds.....	7.00%	4.40%
Real estate.....	10.00%	7.40%
Private equity.....	12.00%	7.30%
Real assets.....	6.00%	7.70%
Cash and cash equivalent.....	2.00%	1.70%
Total.....	100.00%	

Rate of return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -6.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

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

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

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

	1% Decrease (6.875%)	Current Discount (7.875%)	1% Increase (8.875%)
The Town's proportionate share of the net pension liability.....	\$ 45,338,974	\$ 34,496,094	\$ 25,247,930

Changes in Assumptions and Changes in Plan Provisions

- None.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Town administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both the active members and the retired members. 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 Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

Contribution requirements are established through agreements with Town employee unions, and in accordance with overall Town policy. Retirees contribute 10%-25% of the calculated contribution for health insurance and the remainder of the cost is funded by the Town. Retirees contribute 50% of the premiums for life insurance and dental insurance and the remainder of the cost is funded by the Town. For the year ended June 30, 2023, the Town’s average contribution rate was 8.26% of covered-employee payroll.

The Commonwealth of Massachusetts passed legislation that has allowed the Town to establish the postemployment benefit trust fund to begin pre-funding its OPEB liabilities. During 2023, the town pre-funded future OPEB liabilities totaling approximately \$175,000 by contributing funds to the OPEB Trust Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2023, the balance of this fund totaled \$1,080,584. The Town has not formally adopted a policy of pre-funding future OPEB liabilities.

Plan Membership

The following table represents the Plan's membership at June 30, 2023:

Active members.....	539
Inactive members currently receiving benefits.....	<u>532</u>
Total.....	<u>1,071</u>

Components of OPEB Liability

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

Total OPEB liability.....	\$ 103,983,481
Less: OPEB plan's fiduciary net position.....	<u>(1,080,584)</u>
Net OPEB liability.....	<u>\$ 102,902,897</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	1.04%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined by using the following actuarial assumptions, applied to all periods including the measurement date that was updated to June 30, 2023:

Valuation date.....	July 1, 2022
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset valuation method.....	Fair Value of Assets as of the Measurement Date, June 30, 2023.
Investment rate of return.....	2.50%, net of OPEB plan investment expense, including inflation.
Discount rate.....	4.13%, net of OPEB plan investment expense, including inflation.
Inflation rate.....	2.50% as of June 30, 2023 and for future periods.
Salary increases.....	3.00% annually as of June 30, 2023 and for future periods.

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

Rate of return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 0.62%. 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 rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return 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, 2023, and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized below:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity - large cap.....	0.00%	4.10%
Domestic equity - small/mid cap.....	0.00%	4.55%
International equity - developed market..	0.00%	4.64%
International equity - emerging market...	0.00%	5.45%
Domestic fixed income.....	0.00%	1.05%
International fixed income.....	0.00%	0.96%
Alternatives.....	0.00%	5.95%
Real estate.....	0.00%	6.25%
Cash.....	100.00%	0.00%
Total.....	100.00%	

Discount rate

The discount rate used to measure the total OPEB liability was 4.13% as of June 30, 2023 and 4.09% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments to current plan members. Therefore the long-term expected rate of return on the OPEB plan assets was applied to the first seven period of projected future benefit payments, and the 4.13% municipal bond rate, based on the Bond Buyer 20-Bond Go Index published on June 30, 2023, was applied to all periods thereafter to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022.....	\$ 108,372,009	\$ 898,998	\$ 107,473,011
Changes for the year:			
Service cost.....	2,854,893	-	2,854,893
Interest.....	4,479,230	-	4,479,230
Differences between expected and actual experience.....	(11,013,504)	-	(11,013,504)
Changes in assumptions.....	2,746,013	-	2,746,013
Benefit payments.....	(3,455,160)	-	(3,455,160)
Contributions - employer.....	-	3,630,160	(3,630,160)
Benefit payments withdrawn from trust.....	-	(3,455,160)	3,455,160
Net investment income.....	-	6,586	(6,586)
Net change.....	(4,388,528)	181,586	(4,570,114)
Balances at June 30, 2023.....	\$ 103,983,481	\$ 1,080,584	\$ 102,902,897

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

The following table presents the net OPEB liability, calculated using the discount rate of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Net OPEB liability.....	\$ 119,205,168	\$ 102,902,897	\$ 89,779,191

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

The following table presents the net OPEB liability, calculated using the current healthcare trend rate, as well as what the net OPEB 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.....	\$ 88,468,753	\$ 102,902,897	\$ 121,208,386

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the financial reporting year ended June 30, 2023, the Town recognized OPEB expense of \$6,538,146 and reported deferred outflows/(inflows) of resources related to OPEB from the sources as follows:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between actual and expected experience.....	\$ 2,394,820	\$ (9,167,833)	\$ (6,773,013)
Difference between projected and actual earnings, net.....	35,808	-	35,808
Changes of assumptions.....	9,316,019	(14,404,996)	(5,088,977)
Total deferred outflows/(inflows) of resources.....	\$ 11,746,647	\$ (23,572,829)	\$ (11,826,182)

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

Year ended June 30:

2024.....	\$ (1,749,440)
2025.....	(1,730,072)
2026.....	(3,665,393)
2027.....	(3,420,136)
2028.....	(1,261,141)
Total deferred outflows/(inflows) of resources.....	\$ (11,826,182)

Changes in Assumptions

- The discount rate increased from 4.09% to 4.13%.

Changes in Plan Provisions

- None.

NOTE 12 – LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and Federal laws and regulations required 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. As of June 30, 2023, \$1.8 million has been reported on the Town's statement of net position as an estimated remaining liability for post-closure monitoring costs of the landfill. As of June 30, 2023, the Town anticipates 27 years of post-closure monitoring remaining. Actual costs in future periods associated with post-closure monitoring may change due to the finalizing of regulations with regulatory authorities, changing technology, and inflation.

NOTE 13 – COMMITMENTS

The Town maintains various contractual arrangements for goods and services. The Town maintains a five-year contract, subject to renewal, with a third-party vendor for the operation of its sewer plant which payments totaled approximately \$2.8 million for fiscal year 2023. Other significant ongoing contractual arrangements provide for annual services for solid waste disposal, student transportation and stadium renovation, the cost of which for fiscal year 2023 was approximately \$1.1 million, \$1.4 million and \$3,000 respectively. As of June 30, 2023, the Town had ongoing projects related to road construction.

NOTE 14 – CONTINGENCIESFederal Award Programs

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

Legal Matters

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2023.

Per-and Poly Fluoroalkyl Substances

The Town is in the process of conducting vigorous research regarding the extent and remediation of potential Per-and Poly Fluoroalkyl Substances (PFAS) in the Town's water supply. The Town expects to use proceeds from long term debt through MCWT and federal grant funding from the American Rescue Plan Act (ARPA) to offset costs incurred for PFAS remediation efforts. The Town is also in the process of designing a new water treatment plant to replace the existing plant. The plans for the new plant are intended to not only upgrade its current system, but to address additional supply and regulatory needs regarding PFAS remediation.

It is possible that the Town may be responsible for additional costs associated with PFAS remediation, and these future costs may be significant. While the amounts may be substantial the ultimate liability cannot be determined because of the considerable contingencies existing as of June 30, 2023. The full extent of the financial impact cannot be determined at the date of the financial statements.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 1, 2024, which is the date the financial statements were available to be issued.

NOTE 16 – FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS

During 2023, the following GASB pronouncements were implemented:

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

The following GASB pronouncements will be implemented in the future:

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

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

Required Supplementary Information

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
<u>REVENUES:</u>							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 44,084,280	\$ 44,084,280	\$ 44,084,280	\$ 45,065,348	\$ -	\$ 981,068
Motor vehicle and other excise taxes.....	-	2,880,000	2,880,000	2,880,000	2,794,202	-	(85,798)
Hotel/motel tax.....	-	320,000	320,000	320,000	600,985	-	280,985
Meals tax.....	-	200,000	200,000	200,000	411,875	-	211,875
Charges for services.....	-	1,670,000	1,670,000	1,670,000	2,176,510	-	506,510
Penalties and interest on taxes.....	-	377,000	377,000	377,000	387,147	-	10,147
Fees and rentals.....	-	231,112	231,112	231,112	187,692	-	(43,420)
Payments in lieu of taxes.....	-	20,000	20,000	20,000	23,642	-	3,642
Licenses and permits.....	-	368,800	368,800	368,800	462,995	-	94,195
Intergovernmental - state aid.....	-	20,078,116	20,078,116	20,078,116	20,252,075	-	173,959
Departmental and other.....	-	2,154,000	2,154,000	2,154,000	2,825,007	-	671,007
Investment income.....	-	200,000	200,000	200,000	548,749	-	348,749
TOTAL REVENUES.....	-	72,583,308	72,583,308	72,583,308	75,736,227	-	3,152,919
<u>EXPENDITURES:</u>							
Current:							
General government.....	356,152	3,677,322	4,033,474	3,899,622	3,207,041	343,321	349,260
Public safety.....	72,894	9,362,506	9,435,400	10,756,287	10,194,006	365,889	196,392
Education.....	714	30,058,950	30,059,664	30,493,664	30,410,935	20,186	62,543
Public works.....	328,544	3,245,992	3,574,536	5,319,277	4,992,404	272,196	54,677
Health and human services.....	66,111	1,130,671	1,196,782	1,272,023	1,128,119	67,902	76,002
Culture and recreation.....	33,097	1,058,204	1,091,301	1,189,481	1,083,553	58,963	46,965
Pension benefits.....	-	4,465,798	4,465,798	4,465,798	4,465,798	-	-
Employee benefits.....	-	9,928,603	9,928,603	10,882,795	10,628,613	84,075	170,107
State and county charges.....	-	3,619,277	3,619,277	3,707,648	3,452,149	-	255,499
Debt service:							
Principal.....	-	3,420,000	3,420,000	3,420,000	3,420,000	-	-
Interest.....	-	2,889,348	2,889,348	2,894,328	2,869,328	-	25,000
TOTAL EXPENDITURES.....	857,512	72,856,671	73,714,183	78,300,923	75,851,946	1,212,532	1,236,445
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(857,512)	(273,363)	(1,130,875)	(5,717,615)	(115,719)	(1,212,532)	4,389,364
<u>OTHER FINANCING SOURCES (USES):</u>							
Use of prior year reserves.....	857,512	-	857,512	857,512	-	-	(857,512)
Use of free cash.....	-	-	-	3,309,747	-	-	(3,309,747)
Use of overlay.....	-	-	-	400,000	-	-	(400,000)
Other amounts raised.....	-	59,697	59,697	303,689	-	-	(303,689)
Transfers in.....	-	213,666	213,666	846,667	846,667	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	857,512	273,363	1,130,875	5,717,615	846,667	-	(4,870,948)
NET CHANGE IN FUND BALANCE.....	-	-	-	-	730,948	(1,212,532)	(481,584)
BUDGETARY FUND BALANCE, Beginning of year.....	-	11,881,598	11,881,598	11,881,598	11,881,598	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ -	\$ 11,881,598	\$ 11,881,598	\$ 11,881,598	\$ 12,612,546	\$ (1,212,532)	\$ (481,584)

See notes to required supplementary information.

Pension Plan Schedules

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

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

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

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

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT 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, 2022.....	5.51%	\$ 34,496,094	\$ 17,324,738	199.11%	68.00%
December 31, 2021.....	5.51%	25,788,057	17,324,738	148.85%	75.49%
December 31, 2020.....	5.30%	31,091,860	15,398,021	201.92%	67.90%
December 31, 2019.....	5.45%	37,151,654	15,999,901	232.20%	61.61%
December 31, 2018.....	5.36%	39,383,272	15,062,375	261.47%	56.11%
December 31, 2017.....	5.47%	29,499,523	14,835,033	198.85%	65.56%
December 31, 2016.....	5.42%	34,338,665	14,264,455	240.73%	58.32%
December 31, 2015.....	5.55%	35,165,926	13,000,000	270.51%	56.76%
December 31, 2014.....	5.55%	32,320,486	13,000,000	248.62%	58.88%

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

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

See notes to required supplementary information.

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

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2023.....	\$ 4,971,554	\$ (4,971,554)	\$ -	\$ 17,671,233	28.13%
June 30, 2022.....	4,601,255	(4,601,255)	-	17,671,233	26.04%
June 30, 2021.....	4,263,777	(4,263,777)	-	15,705,981	27.15%
June 30, 2020.....	4,018,752	(4,018,752)	-	16,319,899	24.62%
June 30, 2019.....	3,893,717	(3,893,717)	-	15,363,623	25.34%
June 30, 2018.....	3,749,072	(3,749,072)	-	15,131,734	24.78%
June 30, 2017.....	3,619,099	(3,619,099)	-	14,549,744	24.87%
June 30, 2016.....	3,476,580	(3,476,580)	-	13,260,000	26.22%
June 30, 2015.....	3,216,527	(3,216,527)	-	13,260,000	24.26%

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

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

See notes to required supplementary information.

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

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

Year		Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2023.....	\$	61,584,826	\$ 5,065,983	57.75%
2022.....		54,334,662	4,360,130	62.03%
2021.....		67,696,870	8,361,533	50.67%
2020.....		59,854,537	7,258,401	53.95%
2019.....		54,781,349	5,551,186	54.84%
2018.....		52,240,132	5,452,455	54.25%
2017.....		50,369,298	5,137,999	52.73%
2016.....		45,540,139	3,693,711	55.38%
2015.....		35,204,329	2,445,814	61.64%

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

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

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

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

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

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

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

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Total OPEB Liability							
Service cost.....	\$ 3,108,741	\$ 3,115,427	\$ 3,070,536	\$ 3,183,650	\$ 3,305,732	\$ 4,206,630	\$ 2,854,893
Interest.....	2,959,412	3,307,095	3,287,217	2,807,882	2,881,459	3,553,490	4,479,230
Changes of benefit terms.....	-	-	-	-	-	-	-
Differences between expected and actual experience.....	-	-	(11,494,689)	(105,116)	5,280,142	-	(11,013,504)
Changes of assumptions.....	(3,308,261)	(4,027,532)	16,397,807	1,164	15,511,339	(22,660,006)	2,746,013
Benefit payments.....	<u>(2,587,323)</u>	<u>(2,705,751)</u>	<u>(3,134,010)</u>	<u>(3,240,348)</u>	<u>(3,429,188)</u>	<u>(3,455,160)</u>	<u>(3,455,160)</u>
Net change in total OPEB liability.....	172,569	(310,761)	8,126,861	2,647,232	23,549,484	(18,355,046)	(4,388,528)
Total OPEB liability - beginning.....	<u>92,541,670</u>	<u>92,714,239</u>	<u>92,403,478</u>	<u>100,530,339</u>	<u>103,177,571</u>	<u>126,727,055</u>	<u>108,372,009</u>
Total OPEB liability - ending (a).....	<u>\$ 92,714,239</u>	<u>\$ 92,403,478</u>	<u>\$ 100,530,339</u>	<u>\$ 103,177,571</u>	<u>\$ 126,727,055</u>	<u>\$ 108,372,009</u>	<u>\$ 103,983,481</u>
Plan fiduciary net position							
Employer contributions.....	\$ 124,004	\$ 303,066	\$ 279,918	\$ 100,000	\$ 75,000	\$ 55,000	\$ 175,000
Employer contributions for OPEB payments.....	2,587,323	2,705,751	3,134,010	3,240,348	3,429,188	3,455,160	3,455,160
Net investment income.....	7,626	18,976	30,718	16,543	3,783	1,456	6,586
Benefit payments.....	<u>(2,587,323)</u>	<u>(2,705,751)</u>	<u>(3,134,010)</u>	<u>(3,240,348)</u>	<u>(3,429,188)</u>	<u>(3,455,160)</u>	<u>(3,455,160)</u>
Direct postemployment benefit payment.....	-	-	-	-	<u>(250,000)</u>	-	-
Net change in plan fiduciary net position.....	131,630	322,042	310,636	116,543	(171,217)	56,456	181,586
Plan fiduciary net position - beginning of year.....	<u>132,908</u>	<u>264,538</u>	<u>586,580</u>	<u>897,216</u>	<u>1,013,759</u>	<u>842,542</u>	<u>898,998</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 264,538</u>	<u>\$ 586,580</u>	<u>\$ 897,216</u>	<u>\$ 1,013,759</u>	<u>\$ 842,542</u>	<u>\$ 898,998</u>	<u>\$ 1,080,584</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 92,449,701</u>	<u>\$ 91,816,898</u>	<u>\$ 99,633,123</u>	<u>\$ 102,163,812</u>	<u>\$ 125,884,513</u>	<u>\$ 107,473,011</u>	<u>\$ 102,902,897</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.29%	0.63%	0.89%	0.98%	0.66%	0.83%	1.04%
Covered-employee payroll.....	\$ 30,190,899	\$ 31,096,626	\$ 35,851,297	\$ 36,926,835	\$ 38,434,691	\$ 38,434,691	\$ 43,949,443
Net OPEB liability as a percentage of covered-employee payroll.....	306.22%	295.26%	277.91%	276.67%	327.53%	279.63%	234.14%

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

See notes to required supplementary information.

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

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2023.....	\$ 6,855,093	\$ (3,630,160)	\$ 3,224,933	\$ 43,949,443	8.26%
June 30, 2022.....	8,362,556	(3,510,160)	4,852,396	38,434,691	9.13%
June 30, 2021.....	7,355,702	(3,254,188)	4,101,514	38,434,691	8.47%
June 30, 2020.....	8,093,918	(3,340,348)	4,753,570	36,926,835	9.05%
June 30, 2019.....	7,859,172	(3,413,928)	4,445,244	35,851,297	9.52%
June 30, 2018.....	7,938,815	(3,008,817)	4,929,998	31,096,626	9.68%
June 30, 2017.....	7,654,956	(2,711,327)	4,943,629	30,190,899	8.98%

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

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

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Year	Annual money-weighted rate of return, net of investment expense
June 30, 2023.....	0.62%
June 30, 2022.....	0.17%
June 30, 2021.....	0.44%
June 30, 2020.....	1.67%
June 30, 2019.....	2.33%
June 30, 2018.....	1.28%
June 30, 2017.....	3.09%

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 ACCOUNTINGBudgetary Information

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

Increases or transfers between and within departments subsequent to the approval of the annual budget require approval.

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 Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by the Town.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2023 approved budget authorized \$72.9 million in appropriations and other amounts to be raised, as well as \$858,000 of carryforwards from the prior year. During 2023, the Town approved \$4.6 million of supplemental appropriations.

The Accounting office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

Budgetary – GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2023, is presented below:

Net change in fund balance - budgetary basis.....	\$ 730,948
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	785,214
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	(252,994)
Net change in recording 60 day receipts.....	(234,018)
Recognition of revenue for on-behalf payments.....	5,065,953
Recognition of expenditures for on-behalf payments.....	(5,065,953)
Net change in fund balance - GAAP basis.....	<u>\$ 1,029,150</u>

NOTE B – PENSION PLAN***Pension Plan Schedules***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 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.

Schedule of Town's Contributions

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

Schedule of the Special Funding Amounts of the Net Pension Liability

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

Changes of Assumptions

- None.

Changes in Plan Provisions

- None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the Town's health insurance plan, which covers both active and retired members, including teachers. Additionally, all active and retired members 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**Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios**

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

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 contributions made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll. Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Valuation date.....	July 1, 2022
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset valuation method.....	Fair Value of Assets as of the Measurement Date, June 30, 2023.
Investment rate of return.....	2.50%, net of OPEB plan investment expense, including inflation.
Discount rate.....	4.13%, net of OPEB plan investment expense, including inflation.
Inflation rate.....	2.50% as of June 30, 2023 and for future periods.
Salary increases.....	3.00% annually as of June 30, 2023 and for future periods.
Pre-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.
Post-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.
Disabled mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

Schedule of Investment Returns

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

Changes in Assumptions

- The discount rate increased from 4.09% to 4.13%.

Changes in Plan Provisions

- None.