

TOWN OF FALMOUTH, MASSACHUSETTS



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
For the Fiscal Year
July 1, 2023 – June 30, 2024**



On the cover: Falmouth Heights Beach is a popular beach in Falmouth. It is located on Nantucket Sound and is known for its yellow sand and views of sailboats.



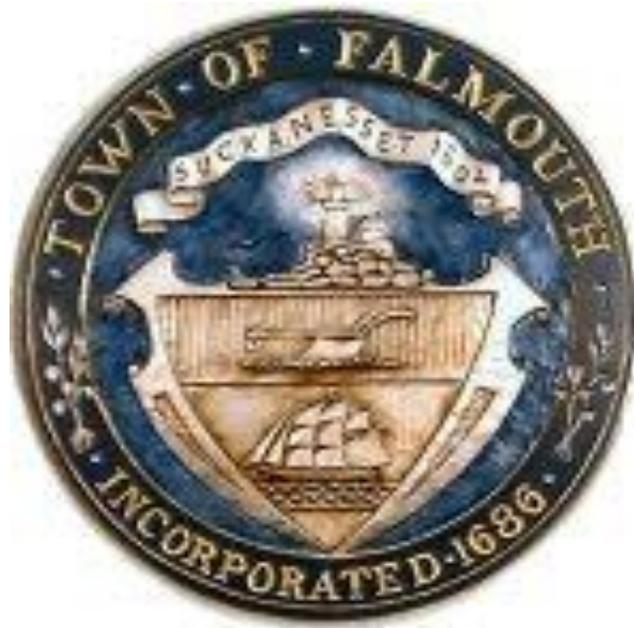
Above: The patrons at the Falmouth Senior Center, celebrate National Senior Center Month with an even that includes refreshments special speakers.

TOWN OF FALMOUTH, MASSACHUSETTS

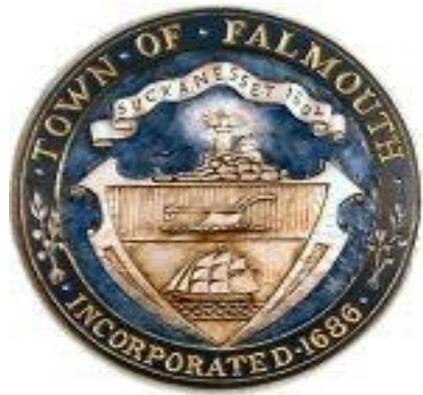
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

Michael Renshaw, Town Manager



*Prepared by the Finance Department
Laura Sitrin, Director of Finance*



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**TOWN OF FALMOUTH, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024**

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INTRODUCTORY SECTION

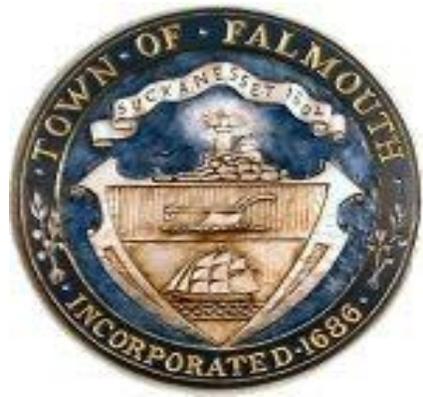


On the left: Falmouth Fire Rescue completing equipment testing at the fire station.

On the right: Falmouth Police participate in an open house at the joint Base on Cape Cod



On the left: The Harbormaster removing navigations to aids for the Winter.



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Town of Falmouth Select Board

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Scott Zylinski, Vice Chairman
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Michael Renshaw
Town Manager

Letter of Transmittal

January 10, 2025

Honorable Select Board and Citizens of the Town of Falmouth, Massachusetts:

We are pleased to acknowledge that the Town of Falmouth has completed its ninth *Annual Comprehensive Financial Report* (ACFR). The report, which was prepared by the Town's Department of Municipal Finance, is for the fiscal year ended June 30, 2024, and we are proud to be one of only about 50 communities in Massachusetts to accomplish this. This transmission is the continuation of what we are confident will continue to be an annual endeavor.

The Town is responsible for the accuracy, completeness and fairness of the data presented in the ACFR. This letter of transmittal and the **management's discussion and analysis**, located in the financial section of the ACFR, provide a comprehensive financial overview of the Town and ensure that the financial and general operations of Town government remain transparent, and therefore open for easy viewing.

The ACFR represents a complete set of financial statements prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America, that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This ACFR meets and exceeds those requirements and presents itself as an informative resource for all those interested in the financial activities of the Town.

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and rating agencies as well as its citizens and taxpayers. Since the report consists of management's representations concerning the finances of the Town, management assumes full responsibility for the completeness and reliability of all of the information presented. In addition, management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Falmouth's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. *Throughout this report the Town's water utility services are identified as an Enterprise Fund. The Town has not formally authorized its water utility services as an Enterprise Fund; however, these activities meet the guidelines for such treatment under GASB 34.*

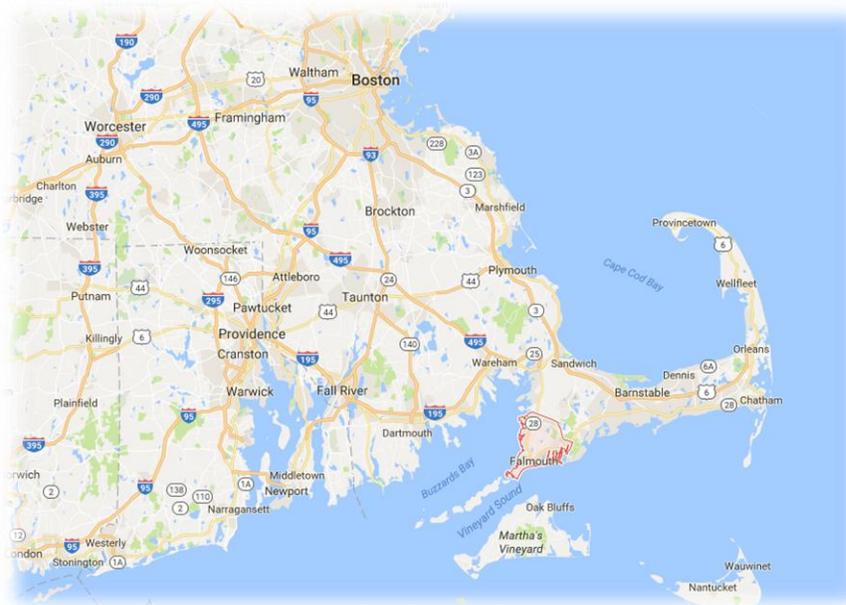
The Town of Falmouth’s financial statements have been audited by Roselli, Clark and Associates, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town’s financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town is part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town’s separately issued Single Audit Reports Pursuant to Title 2 of the US “Code of Federal Regulations” (CFR) Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”.

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

Profile of the Town

Falmouth is situated on Cape Cod, 72 miles southeast of Boston, 69 miles southwest of Providence and 239 miles northeast of New York City. Its proximity to these major hubs that are designated as Metropolitan Statistical Areas in addition to being located in Barnstable County, which is also designated as a Metropolitan Statistical Area provides significant economic benefits to the Town. Located



on the southwest end of Cape Cod, it is bordered on the south by both Vineyard and Nantucket Sounds and on the west by Buzzards Bay. The Towns of Bourne and Sandwich border Falmouth to the North and the Town of Mashpee borders it on the East. It occupies a total area of 54 square miles of which 45 square miles is land and is broken up into eight villages consisting of East Falmouth, Falmouth Village, North Falmouth, Teaticket, West Falmouth, Woods Hole, Hatchville and Waquoit.



The principal highways serving the Town include State routes 28, 28A and 151. Route 28 provides a direct connection to Interstate highway 495 to Worcester, Interstate 195 to Providence and State route 3 directly to Boston. Local transportation is available through the Cape Cod Regional Transit Authority which provides bus service to fifteen towns on Cape Cod including Falmouth. Private bus companies are available for transportation off Cape Cod, primarily to Providence, Boston and New York City. The Hyannis Municipal Airport,

which is located in Barnstable, provides daily air service to Boston's Logan Airport and New York City's John F. Kennedy International Airport. Transportation is also available via ferry service on the Woods Hole Martha's Vineyard and Nantucket Steamship Authority which provides water transportation to the nearby islands of Nantucket and Martha's Vineyard.

Falmouth is primarily a residential resort community with a high stable summer population. A substantial portion of its summer residents either own property in Falmouth or are perennial visitors. The population of the Town increases from about 32,000, year-round to approximately 100,000 in the summer.

Falmouth was first settled by English colonists in 1660 and was officially incorporated in 1686. The settlement was named by explorer Bartholomew Gosnold after Falmouth, Cornwall, England his home port. Early principal activities were farming, salt works, shipping, whaling, and sheep husbandry, which was very popular due to the introduction of Merino sheep. The beginnings of water-powered mills could process the wool thus making the process efficient for its time. In 1837, Falmouth averaged about 50 sheep per square mile.

By the 1870s train travel had been introduced to Falmouth, and some of the first summer homes were constructed. Shortly thereafter, cranberries were grown in commercial quantity and strawberries were raised for the Boston market. By the 20th century the beginning of large-scale dairying in interior regions became popular and continued to be a significant industry until after World War II. Improvements in highways combined with the heavy use of neighboring Otis Air National Guard Base during World War II, led to significant population growth (400% from 1950 to 2000). Homebuilding booms which began in the 1970s and 1980s, continue today. In fact, the Town's aggregate equalized valuation is consistently ranked amongst the top ten in Massachusetts behind communities like Boston, Cambridge and Brookline.

The Town provides a full range of traditional municipal services including police and fire protection, education, ambulance, maintenance of streets, residential curbside trash, recycling, water and sewer services, marine environmental services, senior center, parks and recreational facilities and three libraries.

There are currently seven Town administered schools in Falmouth:

1. Falmouth High School (grades 9 – 12)
2. Lawrence School (grades 7 – 8)
3. Morse Pond (grades 5 – 6)
4. East Falmouth Elementary (grades Pre K – 4)
5. Mullen-Hall (grades K – 4)
6. North Falmouth Elementary (grades K – 4)
7. Teaticket Elementary (grades Pre K – 4)



Falmouth High School



Lawrence Middle School



Morse Pond



Teaticket Elementary
Elementary



Mullen-Hall



North Falmouth Elementary



East Falmouth Elementary

Falmouth prides itself on the quality of its school system. The Mission of the Falmouth Public Schools is “to educate students so that they are engaged in their education in a way which develops their capacity to pursue their goals and fosters life-long learning”.

Since 1999, Falmouth has built or completely renovated four of its seven schools. These are state-of-the-art technology-infused schools aimed at preparing its students for the jobs of the new economy. The capstone of the school rebuilding effort was the \$80 million renovation of Falmouth High School, a multi-phased project completed in 2011. Total school construction costs were over \$100 million and were made possible through a partnership with the Commonwealth of Massachusetts which reimbursed the Town approximately 60% of eligible construction costs through the Massachusetts School Building Authority.

During fiscal year 2019 a new High School Athletic Field was built costing approximately \$3 million. The synthetic field is home to football, boys and girls’ soccer and lacrosse and field hockey.



The executive branch of the public schools consists of a nine-member School Committee elected to three-year terms on a staggered basis. The School Committee is the policy setting board. The Superintendent of Schools acts as the Chief Executive Officer responsible for enforcing the policies of the School Committee, and the Director of Finance and Facilities acts as the Chief Financial Officer.



School enrollment for fiscal year 2024 was 2,910 and funding for schools is provided via taxation and governmental revenues based on a minimum net school spending formula established by the Massachusetts Department of Elementary and Secondary Education (ESE). The Town currently spends above the minimum legal requirement on each student.

The Town operates under a Select Board, Town Manager and an elected representative Town Meeting form of government. Each of the Town’s 9 precincts elects 27 members. The five elected Select Board members make policy decisions, and the Town Manager is responsible for carrying out and enforcing the policies of the Select Board and for managing the day-to-day operations of the Town. The Finance Director acts as the Town’s Chief Financial Officer.

An annual operating budget is approved by Town Meeting in April. This annual budget serves as the foundation for the Town’s financial planning and control. The budget is prepared by fund, function (e.g. general government), department (e.g. finance) and category (e.g. Human Resources, Purchase of Services, Supplies, Other Charges & Expenses) allowing the department heads to allocate resources within the department. Transfers between categories need approval from Town Meeting unless specifically exempted by State Statute.

Factors Affecting Economic Condition

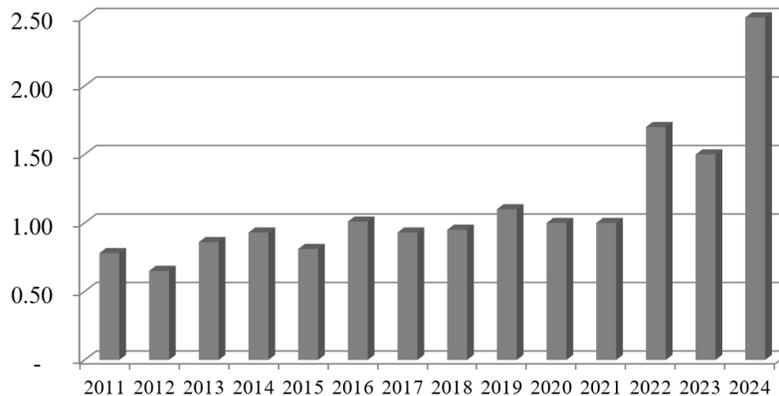
Property Taxes

The growth of the Town’s main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden through a vote of Town Meeting and a ballot vote by the voters. While revenue increases have been limited in recent years, fixed costs, including health insurance and pension costs, have increased more proportionally. As a result, balancing the annual budget can be a challenge. Given its geographical location on Cape Cod, the Town does not have a large commercial and industrial property tax base, so it relies heavily on residential property taxes. Approximately 92.8% of the Town’s property taxes are derived from residential taxes therefore new growth is essential to revenue growth and the ability to sustain the Town’s annual costs.

The following tables summarize the Town’s building activity growth in assessed values and tax dollars over the prior several calendar years:

Calendar Year	Building Permits						Totals	
	Residential		Non-residential		Additions		Number	Value
2023	121	\$ 57,677,733	7	26,770,504	3,426	129,009,020	3,554	213,457,257
2022	126	58,421,022	12	16,744,587	2,821	124,488,458	2,959	199,654,067
2021	104	70,461,938	13	11,077,825	2,583	98,356,773	2,700	179,896,536
2020	145	59,602,655	10	24,158,143	2,563	71,957,528	2,718	155,718,326
2019	96	43,180,442	17	17,311,242	2,857	74,629,826	2,970	135,121,510
2018	115	41,259,285	3	8,937,909	2,857	80,342,502	2,975	130,539,696
2017	85	25,604,952	6	1,095,000	1,929	94,306,811	2,020	121,006,763
2016	71	27,769,500	7	3,454,063	2,759	65,840,769	2,837	97,064,332
2015	82	34,557,243	16	137,760,225	2,981	58,236,725	3,079	230,554,193
2014	85	41,408,041	6	3,892,941	2,785	73,345,636	2,876	118,646,618
2013	59	17,451,000	1	3,000,000	2,244	50,224,978	2,304	70,675,978
2012	69	26,628,430	3	5,309,500	2,404	50,544,530	2,476	82,482,460
2011	87	39,480,682	5	17,397,000	2,226	44,678,622	2,318	101,556,304
Total	1,245	543,502,923	106	276,908,939	34,435	\$ 1,015,962,178	35,786	\$ 1,836,374,040

New Growth (in millions - tax dollars)



While property taxes are capped under proposition 2 ½ the Town’s voters have periodically elected to exceed the cap and provide additional taxes to be used to offset the Town’s debt burden related to its capital projects. For fiscal year 2024, the voters provided additional taxes of \$10.1 million in that regard. Total revenues provided from taxes during fiscal year 2024 were almost \$125.5 million.

Tourism

Tourism represents a significant portion of the Town’s private employment as almost 2,500 jobs are devoted to leisure and hospitality, which is, the second largest industry group representing 17% of the Town’s employment base. A significant portion of the Town’s local revenues are directly tied to tourism; these include hotel and room occupancy excise, meals excise, beach charges and marine fees which in aggregate provided the Town with \$4 - \$6 million in revenues in each of the last five fiscal years.

To that end the Town has a number of attractions and events designed with entertainment, recreation and tourism as the driving factors.



Falmouth Road Race



Christmas Parade



Independence Day Fireworks



Beaches



Cape Cod Summer League Baseball

Economic Development

The Town has been very active on the economic development front. Completing industrial and technological projects that produce a positive and sustainable economic impact for the Town has been a goal for a number of years.

To that end the Town's economic development mission is to:

- Maintain strong residential values.
- Sustain four season community and promote continued investment.
- Maintain low vacancy rate and turnover in commercial property.
- Aggressively compete with other family destinations.
- Improve the appearance of property and the Town.
- Stimulate future investment in the community.

The Falmouth Economic Development Industrial Corporation (Falmouth EDIC) is the Town of Falmouth's primary agency responsible for creating and developing increased economic opportunities for both the present and the future. The EDIC's goal is a clean, diverse, economic climate that maintains and enhances Falmouth's intellectual and creative capacities, workplace opportunities, and natural resources.

With the support of the Town, the Falmouth EDIC has generated new, quality jobs by improving the infrastructure supporting industry in Falmouth.

The following projects and initiatives completed by the EDIC have supported their mission:

- **Falmouth Technology Park** - 106-acre technology park providing 400 jobs.
- **Solar Array** - solar energy facility developed on the old Town Landfill – currently provides significant energy savings and revenues to the Town.
- **Falmouth Station** - Renovation and update of the old Falmouth Railroad Station; provides stops for Peter Pan bus lines and the Cape Cod Transit Authority.
- **Raymond Park** – ten-lot industrial subdivision partially owned by EDIC who is holding their lots for sale.



Solar Array



Falmouth Station



Raymond Park

Falmouth Business Gigabit Project

During 2020, Falmouth EDIC and the Falmouth Chamber of Commerce approached OpenCape on behalf of Falmouth Main Street merchants who were having consistent difficulties related to internet connectivity. At times unable to even run credit cards for sales, these local businesses were suffering due to slow or intermittent internet.

Together, solutions to connect existing and new businesses to OpenCape’s 100% fiber network were reviewed. As part of OpenCape’s Main Streets Initiative, the Falmouth Business Gigabit Project, so called because connected businesses will have access to a shared Gigabit of Internet, includes connections to the downtown area and is also scalable for all of the Falmouth region, including Woods Hole, to support a wide swath of Falmouth Chamber of Commerce members.

After researching a variety of funding opportunities to make the initiative affordable to the business community, a collaboration was reached with MassDevelopment to be their initial recipients of a newly launched loan program, TechDollars, which helps nonprofit organizations in the state implement regional technology initiatives. In addition, the partnership worked with Falmouth’s statehouse delegation to secure a grant from the Executive Office of Housing and Economic Development’s Mass Office of Business Development to complete the necessary funding package.

OpenCape, Falmouth EDIC and the Falmouth Chamber of Commerce have done an extensive amount of development, planning and community outreach to be able to embark on the Falmouth Business Gigabit Project bringing progressive connectivity to Falmouth area business, reliably and at an affordable price since September 2019.

Route 28 Master Plan

The Town also initiates projects outside the Falmouth EDIC through its own Planning Department in collaboration with the Department of Public Works. Most recently the Town has undertaken a Transportation Master Plan (TMP) focusing on the development of long and short-term improvements for Route 28. Route 28 is a major arterial that travels in the north/south direction through eastern Massachusetts that provides connections to Boston/Providence and Orleans. Route 28 generally runs in the east-west direction through Falmouth and provides access to a variety of land uses including residential, commercial, and the downtown area. A portion of Route 28 also runs in the north-south direction towards the Town of Bourne.



As a primary route in the Town of Falmouth, Route 28 serves both through traffic and local traffic and the efficiency of this route is critical to commerce, tourism and residents and their connectivity to the downtown.

The TMP will summarize the existing amenities available for all modes of transportation traveling through the corridor, determine deficiencies, and provide recommendations and alternatives to improve traffic operations, circulation, signage, parking and pedestrian and bicycle amenities.

This report was developed in coordination with the Town of Falmouth Planning Department and Engineering division of public works, as well as the Planning Board and Select Board, and will serve as a guide for capital planning and budgeting needs for potential future short term and long-term transportation improvement projects on Route 28.

Water and Wastewater System

The Town has currently completed major improvements to its water and wastewater systems.

The Little Pond Sewer Service Area (LPSSA) Project is complete. The goal of this project was to improve water quality in Little Pond. The project includes connection of approximately 1,400 properties on the Maravista peninsula and the eastern portion of Falmouth Heights to the existing Town sewer system, construction of approximately 16 miles of sewer pipe (gravity main, low pressure main, and force main), and construction of two new sewer lift stations, one at the end of Alphonse Street and one on Spring Bars Road. The entire Little Pond Sewer Service Area is now available for sewer connection.



In addition to the Little Pond Sewer Service Area Project, three other related projects are also completed: construction of two new treated wastewater recharge beds north of the existing recharge beds at the Town's main Wastewater Treatment Plant at 154 Blacksmith Shop Road, construction of upgrades to the Main Wastewater Treatment Plant, and construction of upgrades at the three existing wastewater lift stations affected by the Little Pond Sewer Service Area flow.

Improvements to the Town's wastewater system resulted in increased property value and growth, expedite commercial redevelopment and expand footprints and bedrooms for homes previously restricted under Title V.

Town Meeting voted in strong support of this \$50 million project, including the establishment of a 70% betterment for the cost of the collection system to be recovered from abutters whose property is directly benefiting from this project.

The Town also recently set into operation a \$46.5 million water filtration system that pumps eight million of the 11 million gallons of water the Town uses daily. More specifically, in October 2017 the Long Pond Water Treatment Plant began pumping water into the distribution system. The plant takes water from Long Pond, removes the algae, ozonates the water, filters the water through activated carbon and disinfects it with sodium hypochlorite. The treatment plant replaced an 1890's era facility that operated under a filtration waiver.

The Long Pond Water Treatment Plant received an ENR New England 2017 Best Project Award in the Water/Environment category, and an Associated Builders & Contractors of Massachusetts Eagle Award in the Public Works – Environmental category.

These major improvements to these vital services are a critical step for the Town as it continues to strive to be on the cutting edge of the delivery of basic utility infrastructure services that are environmentally advanced with respect to other Cape Cod communities. A significant portion of the non-betterment related funding for these projects is provided through loans from the Massachusetts Clean Water Trust at interest rates ranging from 0% to 2%.

Water Main Upgrades

Recently, the Town approved \$7.6M in water main upgrades along the Main Street / Route 28 corridor. Relative to that approval, in the spring of 2019, the Town started replacing 18,000 linear feet of water mains that dated back to 1898.

This project improved reliability, water quality and fire protection along this vital corridor. The Town has also submitted design plans and made application-for a \$10 million roadway improvement project along this same corridor through the regional Transportation Improvement Program (TIP). This roadway project would be grant-eligible with State funding and improve safety for vehicles, pedestrians and bicycles.

Senior Center

In December 2019, construction was completed on a new 17,500 square foot senior center located between the police station and recreation/community center in the Town center. This facility replaced an outmoded 4,000 square foot facility that was much too small to serve the needs of the year-round community let alone the summer population.

The new senior center includes a large multi-purpose room, a commercial kitchen and a café space for social and recreational activities on the first floor. The second floor has multiple activity rooms, meeting rooms for professional counseling and health insurance and tax preparation assistance, as well as a fully equipped fitness room.



Total cost for the project was approximately \$9.5 million.

Coonamessett River Restoration

The Conservation Commission continues its involvement with the Coonamessett River Restoration Project, which is overseen by a technical team drawn from State and Federal agencies, the Falmouth Conservation Commission, local non-profit organizations, citizen volunteers and engineering consultants.



All permits were obtained and all funding for Phase 2 construction have been secured from Federal and State grants: NOAA (\$670,000 remaining); NRCS (\$666,667 John Parker culvert replacement); Division of Ecological Restoration (\$360,000); and the Municipal Vulnerability Preparedness Program (\$760,000).

An RFP was issued, and the contract was awarded to SumCo, who began construction in late fall 2019; this construction included bog restoration, removal of middle dam and the replacement of failing culverts at John Parker Road with a bridge.

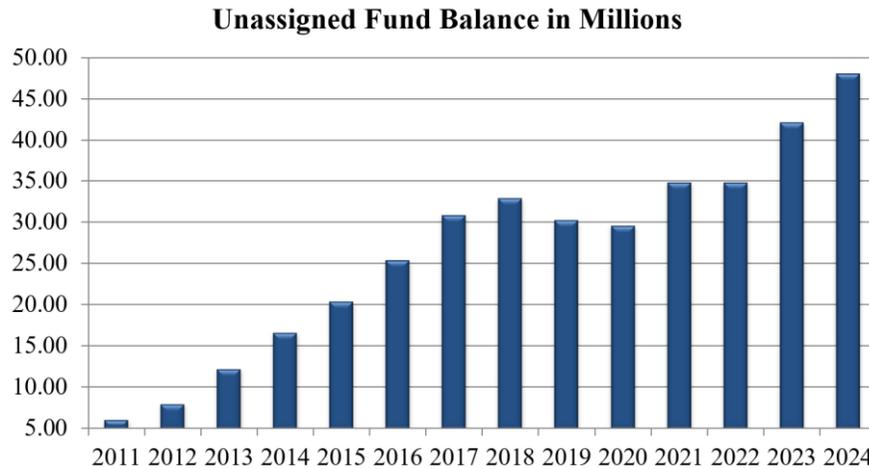
The project was completed in fiscal 2022 at a total cost of \$3.5 million.

Conservation Commissioners joined with members of the Coonamessett River Trust and The 300 Committee to lead field trips for over 400 elementary school students to learn about the importance of

wetlands, herring and how the restoration will improve resiliency in the face of change due to global warming and its effect on the climate.

Unassigned General Fund Balance

One of the methods the Town uses to maintain reserves from year to year is to conservatively forecast revenues. This allows the Town to use free cash (surplus) for reserves, capital projects or other non-operating one-time expenses. In addition, spending controls such as monthly budget monitoring has resulted in turn-backs which also assisted the Town in this process. As a result, the Town has been able to responsibly maintain and/or increase reserves from year to year as illustrated below:



Long-term Financial Planning

The Town prepares rolling five-year operating budget projections. The Town believes this will (1) provide better insight when preparing annual budgets; (2) alert the Town to any potential budget issues far ahead of when these situations become real; and (3) allow the Town to determine when available financing for its capital needs can be provided or if a need for borrowing to finance projects is required.

The following represents the Town’s five-year revenue projections:

	2025	2026	2027	2028	2029
Real Estate and Personal Property Taxes	\$ 129,067,544	\$ 132,939,570	\$ 136,927,757	\$ 141,035,590	\$ 145,266,658
Intergovernmental Revenue - Local Aid	13,122,550	13,122,550	13,122,550	13,122,550	13,122,550
Local Receipts	27,396,248	27,944,173	28,503,056	29,073,118	29,654,580
Recurring transfers from special revenue	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Revenues	\$ 172,086,342	\$ 176,506,293	\$ 181,053,364	\$ 185,731,258	\$ 190,543,788

The Town expects that annual budget sources as forecasted will be sufficient to fund annual appropriations.

Capital Improvements

The Town continues to invest aggressively in capital improvements. Since 2005 the Town has invested approximately \$250 million in improving facilities and adding much needed infrastructure as follows:

- Library renovation - \$10.0 million;
- Improvements to schools; almost \$80 million;
- Improvements to road infrastructure: almost \$12 million;
- Improvements to wastewater infrastructure: over \$64 million;
- Improvements to water infrastructure: over \$48 million;
- Fire Department additions: almost \$4 million;
- Marina infrastructure; \$2.8 million;
- Land purchases almost \$4 million;
- Public Works buildings; \$6 million;
- Public Works equipment and machinery; \$3 million;
- Recreation improvements; \$1.1 million;
- Senior Center; \$9.5 million;
- High School Athletic Field; \$3 million
- Police equipment and vehicles; \$2 million.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. This is a very prestigious award and in order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report will meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for this certificate.

The GFOA awarded this Certificate of Achievement for Excellence in Financial Reporting to the Town of Falmouth for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the eighth year that the Town has received this prestigious award.

The publication of this ACFR represents an important achievement in the ability of the Town of Falmouth to provide enhanced financial information and accountability to its citizens, elected and appointed officials, and investors. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Office. Special thanks also go to the certified public accounting firm of Roselli, Clark and Associates for their advice and assistance in the preparation of this report.

Respectfully submitted,


Town Manager


Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Falmouth
Massachusetts**

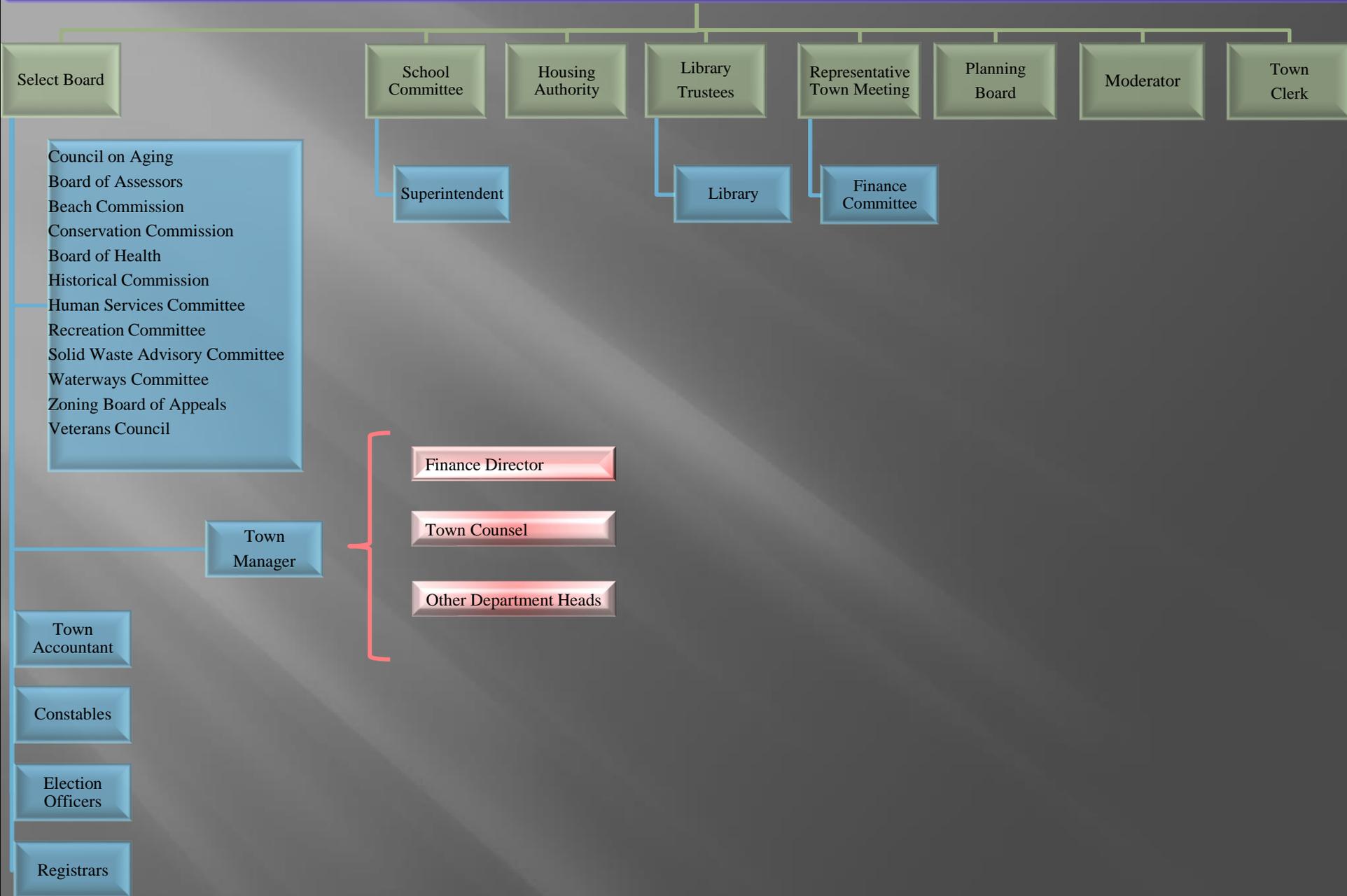
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Falmouth Voters



**PRINCIPAL TOWN OFFICIALS
As of June 30, 2024**

Elected Officials

Select Board	Nancy Taylor, Chairman Scott Zylinski, Vice Chairman Robert Mascali Heather Goldstone Douglas C. Brown
Moderator	David Vieira
Town Clerk	Michael Palmer
School Committee	Kelly Welch, Chairperson Terri Medeiros, Vice Chairperson Melissa Keefe, Secretary Susan Augusta Glenda Cohen Michael Heylin Katrina Nevin Christopher Lumping Margaret Souza

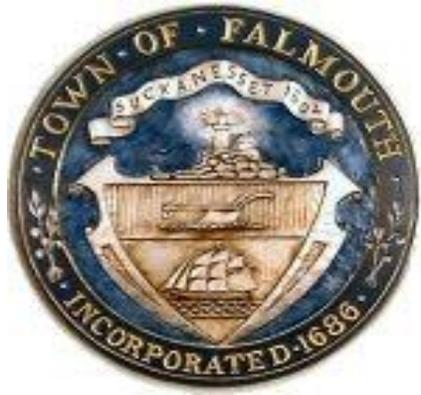
Appointed Officials

Finance Committee	Keith Schwegel - Chairperson Kathleen Beriau - Vice Chairperson Susan P. Smith - Secretary Judith P. Magnani Eileen Miskell Jason Cullinane Ron Dyer Peter Hargraves	Mary Harris Wendy Vogel Russell Murphy Tim Gordon Joseph Lemay Lee Bordick Robert B. Dugan
Town Manager	Michael Renshaw	
Assistant Town Manager	Peter Johnson-Staub	
Superintendent of Schools	Lori S. Duerr	
Director of Finance	Laura Sitrin	
Town Counsel	Maura O'Keefe	
Town Accountant	Victoria Rose	
Treasurer/Collector	Patricia O'Connell	

FINANCIAL SECTION



Above: Fleet Maintenance takes delivery of a replacement vehicle.



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ROSELLI, CLARK & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

500 West Cummings Park
Suite 4900
Woburn, MA 01801

Telephone: (781) 933-0073

www.roselliclark.com

INDEPENDENT AUDITORS' REPORT

The Honorable Members of the Select Board
Town of Falmouth, Massachusetts
Falmouth, Massachusetts

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Falmouth, Massachusetts, (the "Town") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents, (except for the Pension Trust Fund and the Falmouth Economic Development Corporation which are as of December 31, 2023).

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Town as of June 30, 2024, (except for the Pension Trust Fund and the Falmouth Economic Development Corporation which are as of December 31, 2023) and the respective changes in financial position and 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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's 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.

Auditors' 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 auditors' 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's 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's 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 the schedules listed under the required supplementary information section in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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 combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

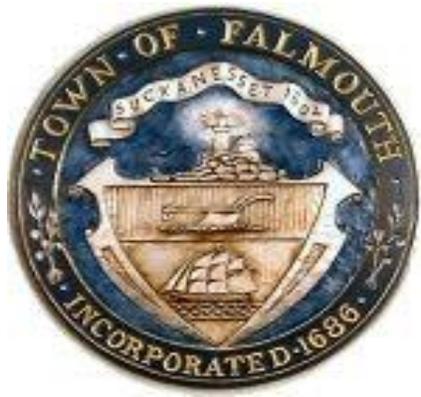
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract, 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's 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's internal control over financial reporting and compliance.

Roselli, Clark & Associates

Roselli, Clark and Associates
Certified Public Accountants
Woburn, Massachusetts 01801
January 10, 2025



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Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the Town of Falmouth, Massachusetts (The Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with their review of the basic financial statements, notes to the basic financial statements and required supplementary information found in this report.

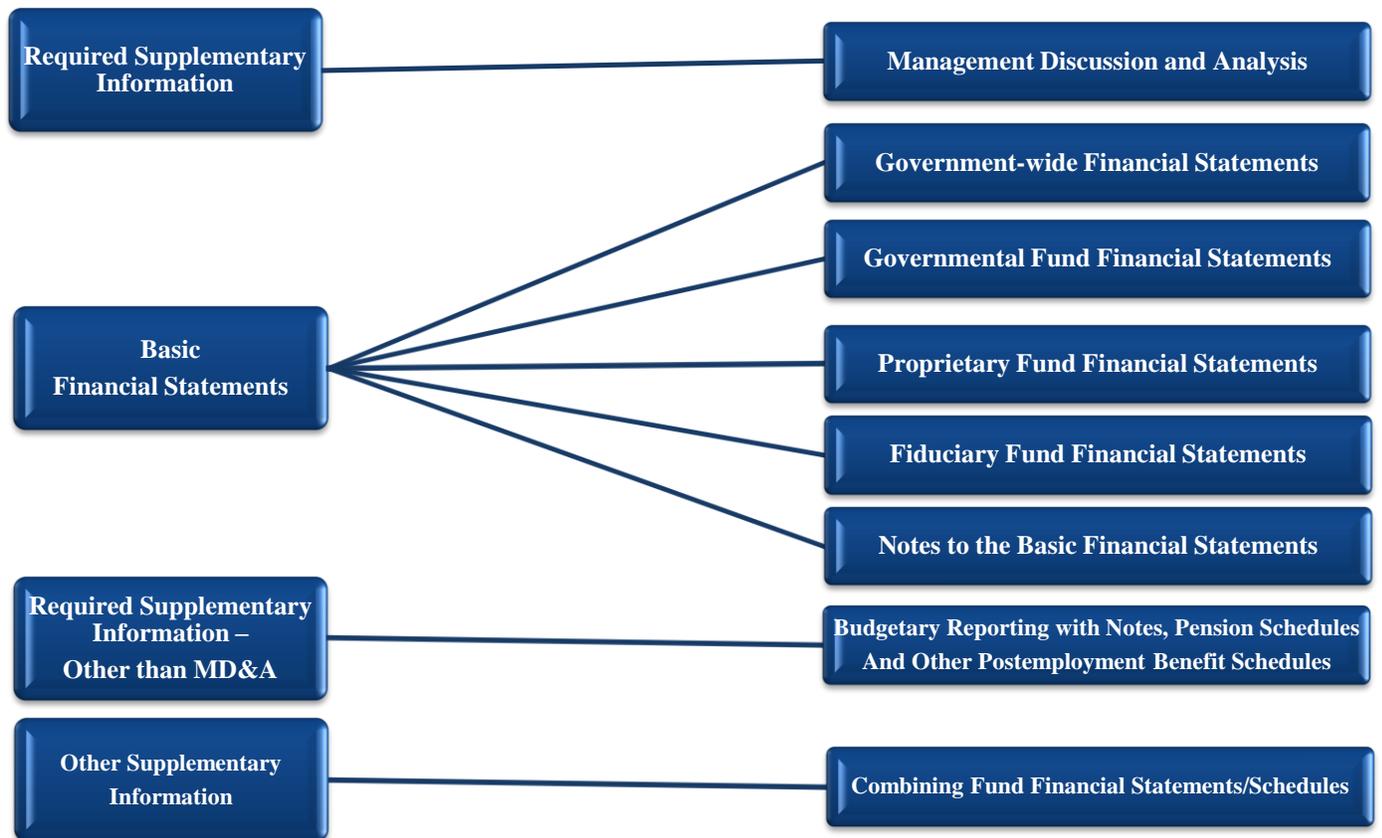
Financial Highlights

- The assets and deferred outflows of financial resources of the Town exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by almost \$224.4 million (*total net position*). Almost \$162.2 million represented net position of governmental activities and approximately \$62.2 million represented net position of the business-type activities.
- The government's total net position increased by nearly \$28.2 million which was isolated almost completely to governmental activities as the business-type activities were relatively flat as compared to the prior year.
- The Town's Unassigned Fund Balance reported in the General Fund was approximately \$47.9 million (about 27.8% of General Fund expenditures), while total fund balance in the General Fund was approximately \$69.8 million (40.6% of General Fund expenditures).
- The Town reported restricted fund balances of approximately \$11.0 million, \$10.3 million, \$5.2 million, and \$16.7 million in the Receipts Reserved for Appropriation, Community Preservation Fund, Capital Projects Fund, and the combined Nonmajor Governmental Funds, respectively. A trivial amount is included as nonspendable in the Nonmajor Governmental Funds and a deficit of \$1.8 million is reported as unassigned in the Sewer Capital Projects Fund.
- The Town's debt (including premium) increased by over \$0.7 million. Details of the transactions that contributed to this change are summarized in the long-term debt section of this Management, Discussion and Analysis.

Overview of the Financial Statements

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

The layout and relationship of the financial statements and supplementary information is visually illustrated in the diagram on the following page.



Government-wide Financial Statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the Town’s finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the Town’s assets, deferred outflows, liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The *statement of activities* presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

Both government-wide financial statements distinguish functions of the Town 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 of the Town include general government, public safety, highways and streets, education, health and human services, sewer services, debt service, fringe benefits and culture and recreation. The business-type activities of the Town are comprised completely of the water utility services fund.

Fund Financial Statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state

and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Accounting guidelines distinguish fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Restricted—amounts constrained by external parties, constitutional provision, or enabling legislation
- Committed—amounts constrained by a government using its highest level of decision-making authority
- Assigned—amounts a government intends to use for a particular purpose
- Unassigned—amounts that are not constrained at all will be reported in the general fund or in other major funds if negative

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 financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal 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.

The Town maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Receipts Reserved for Appropriation, Community Preservation Fund, Capital Projects Fund and Sewer Capital Projects Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these Nonmajor governmental funds is provided in the form of combining statements.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. This schedule has been prepared as required supplementary information and can be found along with the corresponding notes after the footnotes to the financial statements.

Proprietary Funds – The Town maintains only 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 Proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The Town uses a proprietary fund to account for its water utility services.

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 statement

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 System is a Pension Trust that is a legally separate entity reported as a fiduciary fund. Because the System services almost entirely the Town, it is presented as if it were part of the primary government as a fiduciary fund due to the significance of its operations.

Notes to the 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.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning:

- The Town's proportionate share of net pension liability (NPL)
- Contributions to its pension plan
- The Commonwealth's collective share of NPL to the Massachusetts Teachers' Retirement System
- The Schedule of Net Other Postemployment Benefits Liability and Related Ratios,
- The Schedule of Contributions to its Other Postemployment Benefits Plan
- The Schedule of Investment Returns – Other Postemployment Benefits Plan
- The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund and notes to this schedule.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$224.4 million at the close of the most recent fiscal year.

Data regarding net position is presented as follows:

	Governmental activities		Business-type activities		Total	
	June 30		June 30		June 30	
	2024	2023	2024	2023	2024	2023
<u>Assets</u>						
Current and other assets	\$ 157,171,836	\$ 146,292,928	\$ 3,523,953	\$ 3,748,307	\$ 160,695,789	\$ 150,041,235
Capital assets, net	321,677,932	312,884,618	96,773,402	97,864,966	418,451,334	410,749,584
Total assets	478,849,768	459,177,546	100,297,355	101,613,273	579,147,123	560,790,819
<u>Deferred Outflows of Resources</u>						
	18,756,429	27,921,351	606,658	949,156	19,363,087	28,870,507
<u>Liabilities</u>						
Long-term liabilities	287,446,843	285,043,340	38,024,643	40,863,520	325,471,486	325,906,860
Other liabilities	22,374,548	21,200,589	231,557	167,316	22,606,105	21,367,905
Total liabilities	309,821,391	306,243,929	38,256,200	41,030,836	348,077,591	347,274,765
<u>Deferred Inflows of Resources</u>						
	25,587,918	45,391,931	451,645	832,011	26,039,563	46,223,942
<u>Net Position</u>						
Net investment in capital assets	237,064,667	231,987,490	62,790,555	63,200,556	299,855,222	295,188,046
Restricted	41,464,281	42,292,154	-	-	41,464,281	42,292,154
Unrestricted	(116,332,060)	(138,816,607)	(594,387)	(2,500,974)	(116,926,447)	(141,317,581)
Net position	\$ 162,196,888	\$ 135,463,037	\$ 62,196,168	\$ 60,699,582	\$ 224,393,056	\$ 196,162,619

By far, the largest portion (almost \$299.9 million) of the Town's net position reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment); less any related debt used

to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, 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 (nearly \$41.5 million) represents resources that are subject to external restriction on how they may be used.

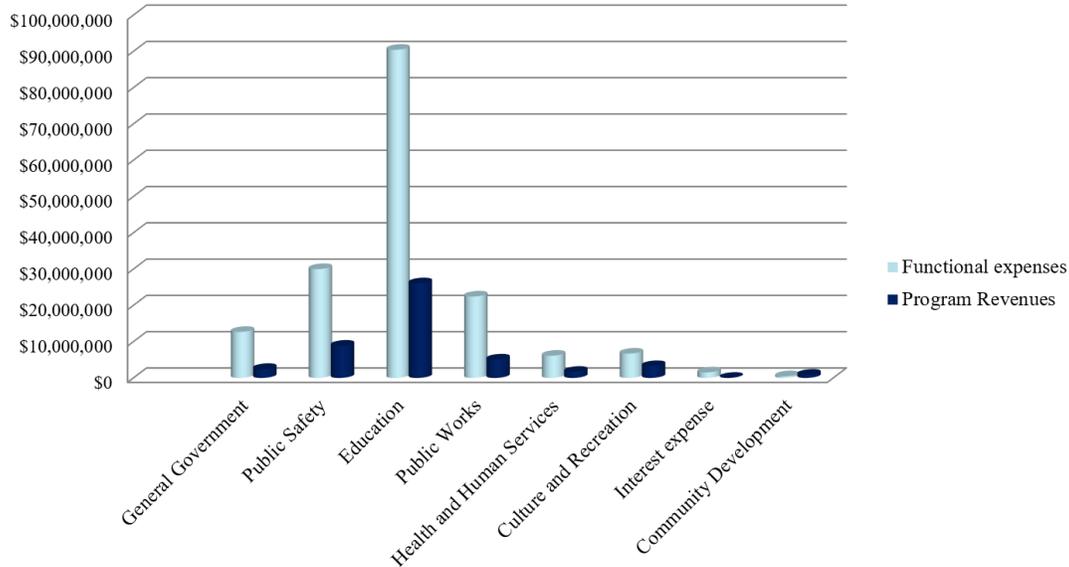
Unrestricted net position is reported as a deficit, of over \$116.9 million. This is due to the implementation of GASB 68 and GASB 75 which resulted in significant related net pension and net OPEB liabilities. This deficit is expected to increase from year to year until the Town adopts an adequate funding schedule for the net OPEB liability. The net pension liability is funded by statute on an annual basis and is currently expected to be fully funded in approximately 10 years.

The condensed statement of changes is as follows:

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	June 30		June 30		June 30	
	2024	2023	2024	2023	2024	2023
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 18,435,689	\$ 17,198,785	\$ 7,649,211	\$ 6,879,289	\$ 26,084,900	\$ 24,078,074
Operating grants and contributions	27,359,867	26,764,511	-	-	27,359,867	26,764,511
Capital grants and contributions	2,626,519	4,839,522	723,483	97,351	3,350,002	4,936,873
General revenues:						
Property taxes	128,391,313	122,271,044	-	-	128,391,313	122,271,044
Intergovernmental	2,448,134	2,265,351	-	-	2,448,134	2,265,351
Other	19,655,722	14,978,890	(2,807)	32,359	19,652,915	15,011,249
Total Revenues	198,917,244	188,318,103	8,369,887	7,008,999	207,287,131	195,327,102
<u>Expenses</u>						
General government	12,683,652	14,489,112	-	-	12,683,652	14,489,112
Public safety	30,004,005	33,856,604	-	-	30,004,005	33,856,604
Education	90,439,512	89,463,081	-	-	90,439,512	89,463,081
Public works	22,443,715	18,297,310	-	-	22,443,715	18,297,310
Health and human services	6,126,792	6,512,747	-	-	6,126,792	6,512,747
Culture and recreation	6,712,040	7,163,241	-	-	6,712,040	7,163,241
Debt service	1,526,313	1,312,500	-	-	1,526,313	1,312,500
Community preservation	456,564	452,045	-	-	456,564	452,045
Water	-	-	8,664,101	9,085,491	8,664,101	9,085,491
Total Expenses	170,392,593	171,546,640	8,664,101	9,085,491	179,056,694	180,632,131
Change in net position before transfers	28,524,651	16,771,463	(294,214)	(2,076,492)	28,230,437	14,694,971
Transfers	(1,790,800)	(1,642,033)	1,790,800	1,642,033	-	-
Change in net position	26,733,851	15,129,430	1,496,586	(434,459)	28,230,437	14,694,971
Net position, beginning of year	135,463,037	120,333,607	60,699,582	61,134,041	196,162,619	181,467,648
Net position, end of year	\$ 162,196,888	\$ 135,463,037	\$ 62,196,168	\$ 60,699,582	\$ 224,393,056	\$ 196,162,619

Governmental Activities – The governmental activities increased net position by approximately \$26.7 million versus an increase of approximately \$15.1 million in the prior year. This operating result was consistent with an expected increase in property taxes of \$6.1 million while operating expenses were almost \$1.2 million lower than the prior year. In addition, investment income and excise (hotel, motel, meals and motor vehicle) were greater across the board.

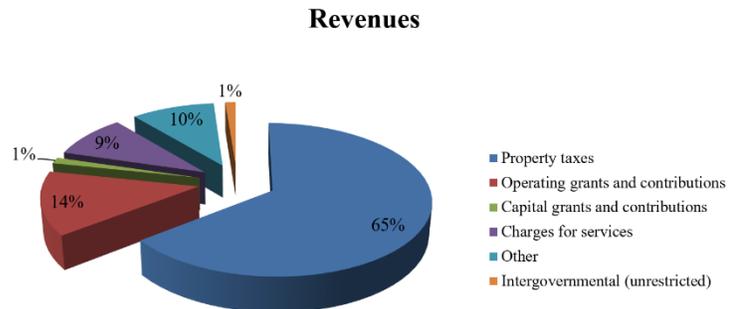
Fiscal Year 2024 Expenses and Program Revenues – governmental activities are graphically presented as follows:



Major revenue sources of governmental activities consist of revenue from:

(1) Property taxes which represented 64.5% of total revenues and reflected an increase of \$6.1 million over the prior year. This is reasonable as under Massachusetts General Laws, communities are allowed to assess taxes at 2 ½% of the prior year plus any new growth which was approximately \$2.5 million due to the continued building boom in Town in 2024. Therefore, this increase met an increase that was expected from year to year.

(2) Operating grants which comprised approximately 13.7% of the total governmental activity revenues, was consistent in amount with the prior year. The Town continues to be the beneficiary of operating grants from the Federal and State Government which included ARPA grants related to the pandemic in addition to pass through pension benefits for the Town’s teachers who belong to the Massachusetts Teacher’s Retirement System. The latter is a special funding situation as defined under GASB 68.



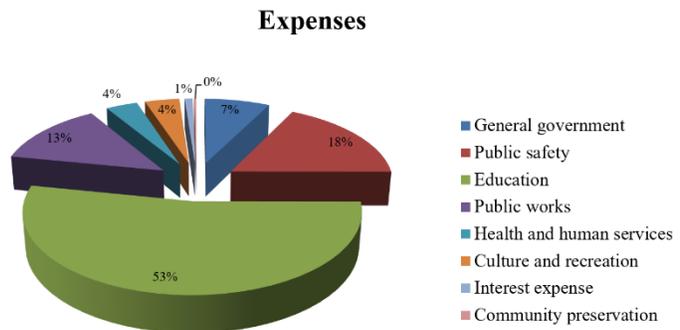
(3) The remainder of the Town’s revenues were either consistent with the prior year or not material in relation to the revenues as a whole except for the other category which includes increases in investment income of over \$2 million due to robust market conditions and increasing cash balances in addition to increases in excise across the board as residents are purchasing new vehicles and tourism remains robust which positively impacts rooms and meals excise.

The Town's total expenses were consistent with the prior year (down under 1%).

Major expenses consist of the following:

Education costs represent the Town's largest expense category as it continues to be an area which the Town devotes substantial resources. Approximately 53% of the Town's total disbursements are related to education. During the fiscal year, there was a minor increase in education costs primarily related to an increase in pension expense as calculated under GASB 68.

Public Safety 17.1% and Public Works 13.1% fluctuated due to the treatment of capital related articles in alternate years that did or did not meet the criteria for capitalizing. General operations were consistent in these functional categories.



All other functional expense categories combined were less than 10% and their impacts are not material to the overall operating discussion.

Business-type Activities – Net position of the business-type activities increased when compared to the prior year. This was expected as rates are compiled consistent with usage and expense activity and seldom deviate from one another. In the current year, there were also transfers from the general fund to subsidize capital assets.

Fund-wide Financial Analysis of the Governmental Funds

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

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

The following discussion summarizes the highlights in Governmental Funds:

General Fund – The General Fund is the Town's operating fund. Typically, the operating fund is designed for revenues to equal expenditures. Given the robust economy in Massachusetts particularly in Barnstable County, which is designated as a Metropolitan Statistical Area, operating funds have been generating a surplus for the last several years.

Revenues in the General Fund exceeded forecasts by nearly \$15.9 million. This was observed in all revenue categories. The Town has chosen to forecast in a conservative manner since the pandemic, however revenues have surprisingly maintained their robust pace due mostly in part to the significant stimulus injected into the economy by the Federal Government. Investment income far outpaced projections due to increased interest yields and excise, user charges, licenses, and permits all outpaced their forecasts primarily due to continued strength in tourism. Since zero based budgeting is Massachusetts General Law, any favorable variances directly lead to increases in fund balances.

Strong budget management and conservative estimates had a similar impact on expenditures. Across the board favorable results caused expenditures to end below budget by about \$3.6 million. These savings were observed in many categories with benefits, public safety, public works and general government being the largest beneficiaries.

This favorable operating budget result of \$19.4 million was offset by appropriations from surplus, mostly for capital which led to the General Fund increasing over the prior year by about \$10.9 million.

The Town's Unassigned Fund Balance reported in the General Fund was about \$47.9 million (27.9% of General Fund expenditures). Total Fund Balance in the General Fund was approximately \$69.8 million (40.6% of General Fund expenditures).

Receipts Reserved for Appropriation was consistent with the prior year with a slight increase as revenues generated were transferred to the General Fund. Fund balance of nearly \$11 million is classified as restricted in this fund.

Community Preservation Fund operations increased fund balance by over \$1.6 million. This fund is used to accumulate balances that will be used for open space purchases and historical preservation. Sources of revenue are from property taxes, intergovernmental receipts and interest income. The restricted fund balance is almost about \$10.3 million, and the increase is due to the timing of certain projects versus when the revenue was received.

Capital Projects Fund increased by over \$3.9 million. This was primarily related to the issuance of a bond whose expenditures will be incurred over multiple years. So essentially due to timing. The restricted fund balance is over \$5.2 million at year-end.

Sewer Capital Projects Fund decreased by over \$3.4 million. This was due to expenditures incurred against a bond anticipation note which is not considered an "other financing source" until it is permanently financed in the future. This resulted in a deficit of nearly \$1.8 million which is reflected as unassigned.

Nonmajor Governmental Funds decreased by over \$0.6 million. The majority of this decrease was due to timing of revenues and expenditures, since these funds are for the most part designed to accommodate money in, equals money out. The majority of the fund balance, nearly \$16.7 million, is restricted with a trivial balance included as nonspendable.

Proprietary Funds – The Town's proprietary funds consist completely of the Water Utility Services Fund which provides the same type of information found in the government-wide financial statements under Business-type activities. At the end of the year, net position of the Water Fund was approximately \$62.2 million, which is slight increase over the prior year due to rate increases.

Fiduciary Funds – The Town's fiduciary funds are comprised of the Town's Private Purpose Trust Funds, its Other Postemployment Benefits Trust and its Pension Trust Fund. Total Net Position of these funds is over \$205.7 million.

The Pension Fund is used to pay pension benefits to retirees. The net position at the end of the year was about \$200.6 million or about \$19 million greater than the prior year. This was primarily due to robust market conditions during the year ended December 31, 2023.

The Private Purpose Trust Funds make up about \$1.8 million of the net position balance at year-end; These assets are used strictly for purposes outside of the public domain such as scholarships and public assistance and decreased slightly due to scholarships distributed exceeding earnings from investments.

In addition, the Town has elected to establish a trust under Chapter 32B Section 20 of the MGL whose sole purpose will be to accumulate funds to reduce the Town's unfunded net postemployment liability. This fund increased by approximately \$2.7 million to about \$5.2 million due to increased contributions and positive investment returns. The Town anticipates the continued use of an annual dedicated budget source to fund a portion of the annually determined contribution in future years.

General Fund Budgetary Highlights

The final amended budget included increases of approximately \$3.1 million, \$5.0 million, 2.2 million and \$7.5 million to general government, public safety, education and public works respectively.

Major budget to actual differences on the revenue side were experienced in all revenue categories as actual revenues exceeded forecasted revenues by \$15.9 million. Continued conservative forecasting, in addition to robust economic activities led to this unusual situation.

The Town also experienced favorable variances in almost all budget categories as budget monitoring controls implemented in the prior year were very effective. The largest beneficiaries were general government, public works, public safety and benefits, which were approximately \$0.6 million, \$0.8 million \$0.7 million, and \$0.5 million better than budget respectively.

Further detail of budget to actual comparisons may be reviewed as part of the Required Supplementary Information following the footnotes to this report.

Capital Asset and Debt Administration

Capital Assets – The Town's investment in capital assets for its governmental and business type activities amounts to approximately \$418.5 million (net of accumulated depreciation) an increase from the previous year's balance of almost \$7.8 million. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery, and equipment. The total increase is primarily due to infrastructure improvements for water and sewer and multiple other projects exceeding depreciation.

The Town has undergone significant capital improvements over the past several years. These include major improvements and additions to infrastructure assets, more specifically roads, water distribution components and sewer infrastructure; along with municipal facilities, fire-fighting equipment, vehicles and major purchases to preserve open space. Additional information on the Town capital assets can be found in Note II. Subsection D, of this report.

Long-Term Debt – At the end of the current fiscal year, the Town had total debt outstanding, inclusive of unamortized premiums, of approximately \$117.2 million (over \$84.7 million Governmental activities and over \$32.5 million Business-type activities). The entire amount comprises debt backed by the full faith and credit of the government. The Town's credit rating from Standard and Poor was maintained at "AAA". This is the highest investment grade issued by this agency.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5.0 % of its total assessed valuation. The current debt limitation for the Town is approximately \$772.5 million, which is significantly in excess of the Town's outstanding general obligation debt classified as inside the debt limit. The Town also holds a proportionate share of debt of other governmental units that provide

services within the Town’s boundaries. The debt service from such arrangements is assessed annually to the Town.

The decrease in long-term debt from the prior year to the current year is summarized as follows:

Additions:	
Governmental Activities	\$ 12,065,000
Business-Type Activities	-
Regular Scheduled Maturities:	
Governmental Activities	(8,422,529)
Business-Type Activities	(2,509,919)
Bond Premiums Received:	
Governmental Activities	582,888
Business-Type Activities	-
Amortization of Bond Premium	
Governmental Activities	(901,122)
Business-Type Activities	(75,096)
	<u>\$ 739,222</u>

Additional information on the Town’s short-term and long-term debt can be found in Note E. and F. of this report.

Economic Factors and Next Year’s Budgets and Rates

- The Town’s real estate tax base is made up predominantly of residential taxes, which in 2025 will comprise nearly 93% of the Town’s real estate tax base. The Town also relies to a lesser but moderate extent on its commercial and industrial real estate tax base, which in aggregate comprise 5% of the Town’s real estate tax base. The remainder of the Town’s tax base is made up of personal property taxes. In addition, Chapter 580 of the Acts of 1980, more commonly referred to as Proposition 2 ½, limits the Town’s ability to increase taxes in any one year by more than two and one-half percent (2 ½%) of the previous year tax levy.
- The Town’s housing market has been very strong for the past several years. This has been bolstered by mortgage rates at historic lows. Current actions by the Federal Open Market Committee to soften the economy due to inflation caused mortgage rates to spike during fiscal year 2023 and stabilize in the first part of fiscal 2024. The Town is monitoring the trends as these could effect the housing market.
- Inflation is peaking near 40-year historic highs and just now beginning to stabilize. This is having adverse impacts to wages, goods, services, energy and construction. The Town continues to monitor this situation during its budget process.
- The Town anticipates state aid for 2025 to remain consistent or greater than the prior year.
- Tourism in the area remains robust and contributes to the Town operations; valuation growth engenders a strong tax base for which the Town ranks in the top 10 in the Commonwealth.

All of the above items were considered when the Town developed its budget for fiscal year 2025. The budget was adopted in April 2024 and the tax rate was approved in December 2024.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 59 Town Hall Square, Falmouth, Massachusetts 02540.

Complete standalone financial statements of the Falmouth Economic Development and Industrial Corporation can be obtained from the Falmouth EDIC, 59 Town Hall Square, Falmouth, Massachusetts 02540.

Complete standalone financial statements of the Falmouth Contributory Retirement System can be obtained from the Retirement Office, 80 Davis Straits Suite 102, Falmouth, Massachusetts 02540.

Basic Financial Statements

TOWN OF FALMOUTH, MASSACHUSETTS

STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		Total	(December 31, 2023)
	Governmental Activities	Business-Type Activities		Component Unit
Assets				
Cash and cash equivalents	\$ 92,904,389	\$ 1,934,270	\$ 94,838,659	\$ 296,521
Investments	37,341,986	70,788	37,412,774	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes	1,172,387	-	1,172,387	-
Tax liens and deferrals	1,738,548	-	1,738,548	-
Excise	1,245,782	-	1,245,782	-
User fees	-	1,442,244	1,442,244	-
Special assessments	15,823,587	40,607	15,864,194	-
Departmental and other	906,184	-	906,184	41,183
Lease receivable	2,291,548	-	2,291,548	3,781,952
Intergovernmental	3,631,326	36,044	3,667,370	66,176
Prepaid items	-	-	-	4,520
Other assets	116,099	-	116,099	-
Property held for sale	-	-	-	85,763
Right to use assets, not being amortized	-	-	-	2,586,405
Capital assets, not being depreciated	107,573,569	2,720,114	110,293,683	-
Capital assets, net of accumulated depreciation	214,104,363	94,053,288	308,157,651	-
Total Assets	478,849,768	100,297,355	579,147,123	6,862,520
Deferred Outflows of Resources				
Related to net other postemployment benefits liability	7,669,125	139,779	7,808,904	-
Related to net pension liability	10,478,682	466,879	10,945,561	-
Deferred charge on refunding	608,622	-	608,622	-
Total Deferred Outflows of Resources	18,756,429	606,658	19,363,087	-
Liabilities				
Warrants and accounts payable	6,777,414	171,726	6,949,140	8,868
Accrued payroll	8,196,217	59,831	8,256,048	4,253
Retainage payable	546,155	-	546,155	-
Other liabilities	853,560	-	853,560	-
Unearned revenue	179,435	-	179,435	-
Interest expense	962,479	-	962,479	-
Bond anticipation notes payable	4,859,288	-	4,859,288	-
Long-term liabilities:				
Due within one year	9,549,204	2,632,560	12,181,764	83,943
Due in more than one year	277,897,639	35,392,083	313,289,722	1,657,807
Total Liabilities	309,821,391	38,256,200	348,077,591	1,754,871
Deferred Inflows of Resources				
Related to leases	2,291,548	-	2,291,548	3,781,952
Related to net other postemployment benefits liability	22,269,382	405,887	22,675,269	-
Related to net pension liability	1,026,988	45,758	1,072,746	-
Total Deferred Inflows of Resources	25,587,918	451,645	26,039,563	3,781,952
Net Position				
Net investment in capital assets	237,064,667	62,790,555	299,855,222	844,655
Restricted:				
Nonexpendable permanent funds	25,000	-	25,000	-
Expendable permanent funds	11,022,111	-	11,022,111	-
Community preservation	10,349,406	-	10,349,406	-
Federal and State grants	1,547,398	-	1,547,398	-
Debt service	17,991,293	-	17,991,293	-
Gift funds	529,073	-	529,073	-
Property held for sale	-	-	-	85,763
Unrestricted	(116,332,060)	(594,387)	(116,926,447)	395,279
Total Net Position	\$ 162,196,888	\$ 62,196,168	\$ 224,393,056	\$ 1,325,697

See accompanying notes to basic financial statements.

TOWN OF FALMOUTH, MASSACHUSETTS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			(December 31, 2023) Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government:								
<i>Governmental Activities:</i>								
General government	\$ 12,683,652	\$ 2,339,537	\$ 11,396	\$ 135,000	\$ (10,197,719)		\$ (10,197,719)	\$ -
Public safety	30,004,005	8,791,593	106,284	-	(21,106,128)		(21,106,128)	-
Education	90,439,512	859,345	25,173,571	45,769	(64,360,827)		(64,360,827)	-
Public works	22,443,715	2,951,955	563,392	1,563,861	(17,364,507)		(17,364,507)	-
Health and human services	6,126,792	937,990	752,706	-	(4,436,096)		(4,436,096)	-
Culture and recreation	6,712,040	2,555,269	712,570	-	(3,444,201)		(3,444,201)	-
Interest expense	1,526,313	-	39,948	-	(1,486,365)		(1,486,365)	-
Community development	456,564	-	-	881,889	425,325		425,325	-
Total Governmental Activities	170,392,593	18,435,689	27,359,867	2,626,519	(121,970,518)		(121,970,518)	-
<i>Business-Type Activities:</i>								
Water	8,664,101	7,649,211	-	723,483		\$ (291,407)	(291,407)	-
Total Business-type Activities	8,664,101	7,649,211	-	723,483		(291,407)	(291,407)	-
Total Primary Government	\$ 179,056,694	\$ 26,084,900	\$ 27,359,867	\$ 3,350,002	(121,970,518)	(291,407)	(122,261,925)	-
Component Unit:								
Falmouth EDIC	\$ 366,818	\$ 352,737	\$ 111,240	\$ -				\$ 97,159
Total Component Unit	\$ 366,818	\$ 352,737	\$ 111,240	\$ -				\$ 97,159
General Revenues:								
Real and personal property taxes					128,391,313	-	128,391,313	-
Motor vehicle and other excise					13,184,468	-	13,184,468	-
Grants and contributions not restricted to specific programs					2,448,134	-	2,448,134	-
Penalties and interest on taxes					1,176,641	-	1,176,641	-
Unrestricted investment income (loss)					5,294,613	(2,807)	5,291,806	2,190
Transfers (net)					(1,790,800)	1,790,800	-	-
Total General Revenues and Transfers					148,704,369	1,787,993	150,492,362	2,190
Change in Net Position					26,733,851	1,496,586	28,230,437	99,349
Net Position:								
Beginning of year					135,463,037	60,699,582	196,162,619	1,226,348
End of year					\$ 162,196,888	\$ 62,196,168	\$ 224,393,056	\$ 1,325,697

See accompanying notes to basic financial statements.

TOWN OF FALMOUTH, MASSACHUSETTS

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024

	General	Receipts Reserved for Appropriation	Community Preservation	Capital Projects	Sewer Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Assets:							
Cash and cash equivalents	\$52,058,985	\$ 10,843,538	\$10,512,571	\$ 8,081,059	\$ 5,069,404	\$ 6,338,832	\$ 92,904,389
Investments	26,749,891	-	-	-	-	10,592,095	37,341,986
Receivables, net of allowance for uncollectibles:							
Real estate and personal property taxes	1,142,037	-	30,350	-	-	-	1,172,387
Tax liens and deferrals	1,698,390	-	40,158	-	-	-	1,738,548
Excise	1,245,782	-	-	-	-	-	1,245,782
Special assessments	56,156	15,386,926	-	380,505	-	-	15,823,587
Leases	2,291,548	-	-	-	-	-	2,291,548
Other	831,187	-	-	-	-	74,997	906,184
Intergovernmental	3,062,041	-	-	141,580	-	427,705	3,631,326
Other assets	-	116,099	-	-	-	-	116,099
Total Assets	89,136,017	26,346,563	10,583,079	8,603,144	5,069,404	17,433,629	157,171,836
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$89,136,017	\$ 26,346,563	\$10,583,079	\$ 8,603,144	\$ 5,069,404	\$ 17,433,629	\$ 157,171,836
Liabilities:							
Warrants and accounts payable	\$ 1,598,278	\$ -	\$ 231,952	\$ 2,593,488	\$ 1,841,601	\$ 512,095	\$ 6,777,414
Accrued payroll and withholdings	8,118,232	-	1,721	-	-	76,264	8,196,217
Retainage payable	-	-	-	398,409	147,746	-	546,155
Unearned revenue	-	-	-	-	-	179,435	179,435
Other liabilities	853,560	-	-	-	-	-	853,560
Bond anticipation notes payable	-	-	-	-	4,859,288	-	4,859,288
Total Liabilities	10,570,070	-	233,673	2,991,897	6,848,635	767,794	21,412,069
Deferred Inflows of Resources:							
Unavailable revenues - property taxes	2,445,267	-	70,508	-	-	-	2,515,775
Unavailable revenues - excise taxes	1,245,782	-	-	-	-	-	1,245,782
Unavailable revenues - special assessments	56,156	15,386,926	-	380,505	-	-	15,823,587
Unavailable revenues - leases	2,291,548	-	-	-	-	-	2,291,548
Unavailable revenues - other	831,187	-	-	-	-	-	831,187
Unavailable revenues - intergovernmental	1,930,327	-	-	-	-	-	1,930,327
Total Deferred Inflows of Resources	8,800,267	15,386,926	70,508	380,505	-	-	24,638,206
Fund Balances:							
Nonspendable	-	-	-	-	-	25,000	25,000
Restricted	616,818	10,959,637	10,278,898	5,230,742	-	16,640,835	43,726,930
Committed	20,090,694	-	-	-	-	-	20,090,694
Assigned	1,199,447	-	-	-	-	-	1,199,447
Unassigned	47,858,721	-	-	-	(1,779,231)	-	46,079,490
Total Fund Balances	69,765,680	10,959,637	10,278,898	5,230,742	(1,779,231)	16,665,835	111,121,561
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$89,136,017	\$ 26,346,563	\$10,583,079	\$ 8,603,144	\$ 5,069,404	\$ 17,433,629	\$ 157,171,836

See accompanying notes to basic financial statements.

TOWN OF FALMOUTH, MASSACHUSETTS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Governmental Fund Balances		\$ 111,121,561
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		321,677,932
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds		24,638,206
In the Statement of Activities, interest is accrued on outstanding long-term debt whereas in the governmental funds, interest is not reported until due.		(962,479)
Deferred outflows and inflows of resources to be recognized in future expense are not available resources and, therefore, are not reported in the funds:		
Deferred charge on refunding transactions	608,622	
Deferred outflows related to net other postemployment benefits liability	7,669,125	
Deferred outflows related to net pension liability	10,478,682	
Deferred inflows related to leases	(2,291,548)	
Deferred inflows related to net other postemployment benefits liability	(22,269,382)	
Deferred inflows related to net pension liability	<u>(1,026,988)</u>	
Net effect of reporting deferred outflows and inflows of resources		(6,831,489)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the government funds:		
Bonds and notes payable	(81,003,890)	
Unamortized premiums on bonds	(3,662,691)	
Landfill monitoring	(210,000)	
Compensated absences	(1,877,928)	
Net pension liability	(66,094,840)	
Net other postemployment benefits liability	<u>(134,597,494)</u>	
Net effect of reporting long-term liabilities		<u>(287,446,843)</u>
Net Position of Governmental Activities		<u><u>\$ 162,196,888</u></u>

See accompanying notes to basic financial statements.

TOWN OF FALMOUTH, MASSACHUSETTS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024

	General	Receipts Reserved for Appropriation	Community Preservation	Capital Projects	Sewer Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Real and personal property taxes	\$ 125,453,487	\$ -	\$ 3,685,695	\$ -	\$ -	\$ -	\$ 129,139,182
Intergovernmental	23,580,916	375,200	781,889	215,824	-	7,605,985	32,559,814
Motor vehicle and other excises	13,071,289	-	-	-	-	-	13,071,289
Licenses and permits	3,186,919	-	-	-	-	-	3,186,919
Departmental and other	2,149,061	2,312,208	-	-	-	2,641,788	7,103,057
User charges	7,696,455	-	-	-	-	-	7,696,455
Special assessments	904,426	138,779	-	79,405	-	-	1,122,610
Penalties and interest on taxes	1,160,254	-	16,387	-	-	-	1,176,641
Fines and forfeitures	174,499	-	-	-	-	-	174,499
Investment income (loss)	4,239,542	8,802	309,646	-	-	736,623	5,294,613
Contributions and donations	-	-	100,000	-	-	99,417	199,417
Total Revenues	181,616,848	2,834,989	4,893,617	295,229	-	11,083,813	200,724,496
Expenditures:							
Current:							
General government	9,825,578	-	16,480	135,489	-	333,654	10,311,201
Public safety	23,211,684	-	-	7,209,725	-	1,024,403	31,445,812
Education	61,932,705	-	-	212,864	-	7,022,575	69,168,144
Public works	16,347,785	-	3,945	329,858	3,846,359	1,840,984	22,368,931
Health and human services	2,158,263	-	-	-	-	2,878,356	5,036,619
Culture and recreation	4,064,517	-	1,709,693	-	-	377,953	6,152,163
Pension and fringe benefits	38,892,196	-	-	-	-	-	38,892,196
Community development	-	-	456,564	-	-	-	456,564
State and county tax assessments	4,975,598	-	-	-	-	-	4,975,598
Debt service:							
Principal	8,422,529	-	-	-	-	-	8,422,529
Interest	2,094,494	-	-	-	-	-	2,094,494
Total Expenditures	171,925,349	-	2,186,682	7,887,936	3,846,359	13,477,925	199,324,251
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,691,499	2,834,989	2,706,935	(7,592,707)	(3,846,359)	(2,394,112)	1,400,245
Other Financing Sources (Uses)							
Transfers in	4,024,602	137,429	-	-	-	1,700,117	5,862,148
Transfers out	(2,853,229)	(2,783,241)	(1,145,536)	(870,942)	-	-	(7,652,948)
Premiums on bonds and notes	-	-	-	442,164	4,441	136,283	582,888
Issuance of bonds and notes	-	-	-	11,967,000	98,000	-	12,065,000
Total Other Financing Sources (Uses)	1,171,373	(2,645,812)	(1,145,536)	11,538,222	102,441	1,836,400	10,857,088
Net Change in Fund Balances	10,862,872	189,177	1,561,399	3,945,515	(3,743,918)	(557,712)	12,257,333
Fund Balances, Beginning	58,902,808	10,770,460	8,717,499	1,285,227	1,964,687	17,223,547	98,864,228
Fund Balances, Ending	\$ 69,765,680	\$ 10,959,637	\$ 10,278,898	\$ 5,230,742	\$ (1,779,231)	\$ 16,665,835	\$ 111,121,561

See accompanying notes to basic financial statements.

TOWN OF FALMOUTH, MASSACHUSETTS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Fund Balances **\$ 12,257,333**

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. In addition, when a capital asset is disposed of, a gain or loss is calculated and reported in the Statement of Activities whereas in the governmental funds, proceeds are reported as revenues. The net amounts are reflected here as reconciling items:

Capital outlays	\$ 20,055,513	
Depreciation expense	(11,262,199)	
Net effect of reporting capital assets		8,793,314

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 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 amortized in the Statement of Activities. The net amounts are reflected here as reconciling items:

Premiums from bonds and notes	(582,888)	
Amortization of deferred charge on refunding	(61,622)	
Amortization of premiums on bonds and notes payable	901,122	
Issuance of bonds and notes	(12,065,000)	
Repayments of debt	8,422,529	
Net effect of reporting long-term debt		(3,385,859)

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. The amount presented represents the following differences derived from unavailable revenue.

(1,807,252)

In the Statement of Activities, interest is accrued on outstanding long-term debt; whereas in governmental funds interest is not reported until due. The net amount presented here as a reconciling item represents the difference in accruals between this year and the prior year.

(271,319)

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:

Compensated absences	(209,262)	
Other postemployment benefits	7,599,049	
Pension benefits	3,727,847	
Landfill liability	30,000	

Net effect of reporting long-term liabilities 11,147,634

Change in Net Position of Governmental Activities **\$ 26,733,851**

See accompanying notes to basic financial statements.

TOWN OF FALMOUTH, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Business-type Activities - Enterprise Funds
	Water Enterprise
Assets:	
Current Assets:	
Cash and cash equivalents	\$ 1,934,270
Investments	70,788
Receivables (net)	
User fees	1,442,244
Special assessments	465
Intergovernmental	5,711
Total Current Assets	3,453,478
Noncurrent Assets:	
Receivables (net):	
Special assessments	40,142
Intergovernmental	30,333
Capital assets, not being depreciated	2,720,114
Capital assets, net of accumulated depreciation	94,053,288
Total Noncurrent Assets	96,843,877
Total Assets	100,297,355
Deferred Outflows of Resources:	
Related to net other postemployment benefits liability	139,779
Related to net pension liability	466,879
Total Deferred Outflows of Resources	606,658
Liabilities:	
Current Liabilities:	
Warrants and accounts payable	171,726
Accrued payroll and withholdings	59,831
Compensated absences	19,421
Bonds and notes payable	2,613,139
Total Current Liabilities	2,864,117
Noncurrent Liabilities:	
Compensated absences	58,262
Bonds and notes payable	29,935,748
Net pension liability	2,944,865
Net other postemployment benefits liability	2,453,208
Total Noncurrent Liabilities	35,392,083
Total Liabilities	38,256,200
Deferred Inflows of Resources:	
Related to net other postemployment benefits liability	405,887
Related to net pension liability	45,758
Total Deferred Inflows of Resources	451,645
Net Position:	
Net investment in capital assets	62,790,555
Unrestricted	(594,387)
Total Net Position	\$ 62,196,168

See accompanying notes to basic financial statements.

TOWN OF FALMOUTH, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024**

	Business-type Enterprise Funds
	Water Enterprise
Operating Revenues:	
Charges for services	\$ 7,649,211
Total Operating Revenues	7,649,211
Operating Expenses:	
Operating costs	4,571,108
Depreciation	3,339,407
Total Operating Expenses	7,910,515
Total Operating Income	(261,304)
Nonoperating Revenues (Expenses):	
Interest expense	(753,586)
Interest income (loss)	(2,807)
Total Nonoperating Revenues (Expenses)	(756,393)
Income Before Capital Contributions and Transfers	(1,017,697)
Capital contributions	723,483
Transfers in	1,790,800
Change in Net Position	1,496,586
Net Position at Beginning of Year	60,699,582
Net Position at End of Year	\$ 62,196,168

See accompanying notes to basic financial statements.

TOWN OF FALMOUTH, MASSACHUSETTS

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>Business-type Activities - Enterprise Funds</u> Water Enterprise
Cash Flows from Operating Activities:	
Receipts from users	\$ 7,597,723
Payments to vendors	(2,970,450)
Payments to employees	(1,828,147)
Net Cash Provided by Operating Activities	<u>2,799,126</u>
Cash Flows from Noncapital Financing Activities:	
Transfers in	1,790,800
Net Cash Provided by Noncapital Financing Activities	<u>1,790,800</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from capital grants	723,483
Proceeds from capital assessments	15,731
Acquisition and construction of capital assets	(2,247,843)
Principal payments on bonds and notes	(2,504,321)
Interest expense	(828,682)
Net Cash Used for Capital and Related Financing Activities	<u>(4,841,632)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment of operating cash, net	603,814
Investment income (loss)	(2,807)
Net Cash Provided by Investing Activities	<u>601,007</u>
Net Change in Cash and Cash Equivalents	349,301
Cash and Cash Equivalents:	
Beginning of Year	<u>1,584,969</u>
End of Year	<u><u>\$ 1,934,270</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income	\$ (261,304)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	3,339,407
Changes in assets, deferred outflows, liabilities and deferred inflows:	
User fees receivable	(51,488)
Deferred outflows of resources	342,498
Warrants and accounts payable	56,253
Accrued payroll and withholdings	7,988
Compensated absences	12,867
Net pension liability	(417,445)
Net other postemployment benefits liability	150,716
Deferred inflows of resources	(380,366)
Net Cash Provided by Operating Activities	<u><u>\$ 2,799,126</u></u>
Noncash capital and related financing activities:	
Amortization of bond premium	\$ 75,096
Governmental debt subsidies	5,598
Change in fair value of investments	(29,525)

See accompanying notes to basic financial statements.

TOWN OF FALMOUTH, MASSACHUSETTS

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS**

JUNE 30, 2024

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds
Assets:		
Cash and Cash Equivalents	\$ 1,075,826	\$ -
Investments (at fair value):		
Equity securities	22,234,476	1,975,716
Domestic equity mutual funds	61,545,712	-
International equity mutual funds	18,792,433	-
Fixed income mutual funds	37,381,650	-
Private equity funds	15,555,352	-
Real estate funds	10,741,137	-
PRIT	38,476,240	-
Total Investments	204,727,000	1,975,716
Receivables:		
Other receivables	30,251	-
Total Receivables	30,251	-
Total Assets	205,833,077	1,975,716
Liabilities:		
Warrants and accounts payable	125,892	-
Total Liabilities	125,892	-
Net Position:		
Restricted for pensions	200,551,782	-
Restricted for other postemployment benefits	5,155,403	-
Held in trust for private purposes	-	1,975,716
Total Net Position	\$ 205,707,185	\$ 1,975,716

See accompanying notes to basic financial statements.

TOWN OF FALMOUTH, MASSACHUSETTS

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Private Purpose Trust Funds</u>
Additions		
Contributions:		
Employer	\$ 18,290,945	\$ -
Employee	3,914,736	-
Other	<u>1,196,415</u>	<u>-</u>
Total Contributions	23,402,096	-
Other income	43,187	-
Investment income:		
Interest and dividends	2,703,078	-
Net appreciation in fair value of investments	18,579,740	122,281
Less - investment management fees	<u>(1,199,816)</u>	<u>-</u>
Net investment earnings	<u>20,083,002</u>	<u>122,281</u>
Total Additions (net)	<u>43,528,285</u>	<u>122,281</u>
Deductions		
Benefit payments to pensioners and beneficiaries	19,924,372	-
Member refunds	448,978	-
Transfers and reimbursements to other systems	1,119,164	-
Payroll expenses of the System	229,733	-
Other administrative expenses	187,839	-
Scholarships	<u>-</u>	<u>189,793</u>
Total Deductions	<u>21,910,086</u>	<u>189,793</u>
CHANGE IN NET POSITION	21,618,199	(67,512)
NET POSITION AT BEGINNING OF YEAR	<u>184,088,986</u>	<u>2,043,228</u>
NET POSITION AT END OF YEAR	<u>\$ 205,707,185</u>	<u>\$ 1,975,716</u>

See accompanying notes to basic financial statements.

TOWN OF FALMOUTH, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024

I. Summary of Significant Accounting Policies

The accompanying basic financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for state and local government entities. The following is a summary of the more significant policies and practices used by the Town:

A. Reporting Entity

The Town of Falmouth is situated on 44.5 square miles, located in Barnstable County, Massachusetts. Falmouth was incorporated as a town in 1686. An elected five-member Select Board serves as the chief executive goal-setting and policy making authority of the Town and the Town Manager serves as the Chief Administrative Officer implementing policies and goals on behalf of the Board. The Town provides governmental services for the territory within its boundaries, including police and fire protection, disposal of rubbish, public education in grades K-12, water and sewer services, street maintenance, waterways oversight, parks and recreational facilities.

Component units, while separate entities, are in substance part of the governmental operations if the significance of their operations and/or financial relationship with the Town meet certain criteria including: being financially accountable, and able to impose its will; appointing a voting majority of the component units' governing body and if the potential for the component unit to provide specific financial benefits or to impose specific financial burdens on the Town.

The following component unit is included in the Town's reporting entity because of the significance of its operations. Data is blended with the fiduciary funds of the primary government.

Falmouth Contributory Retirement System - The System was established to provide retirement benefits to Town employees, the Falmouth Housing Authority employees and their beneficiaries. While legally separate, the System provides services almost entirely to the Town and is reported as a pension trust fund in the fiduciary fund financial statements. A stand-alone audited financial report for the year ended December 31, 2023, was issued and is available at the Retirement Office, 80 Davis Straits, Suite 102, Falmouth, Massachusetts.

The following component unit is included in the Town's reporting entity because the Town is financially accountable for, and can impose its will on, the organization. Data is presented discretely in a separate column.

Discretely Presented Component Unit – The Falmouth Economic Development and Industrial Corporation (the EDIC) is a municipal corporation established on April 7, 1981, through Article 39 of the Annual Town Meeting called by the Town, in accordance with the provisions of Massachusetts General Law Chapter 121C. The Corporation’s purpose is to improve local economic conditions and promote private employment with Falmouth, Massachusetts. A Town appointed, volunteer Board of Directors (“the Board”) governs the Corporation. The Board may legally consist of up to seven members; currently, the Board has all seven-member positions filled. A stand-alone audit financial report for the year ended December 31, 2023, was issued and is available from the Board of Directors, Falmouth EDIC, 59 Town Hall Square, Falmouth, MA 02540.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

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

Major Fund Criteria – Major funds must be reported if both of the following criteria are met:

- 1) The total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type, and
- 2) The total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding element for all governmental and enterprise funds combined.

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

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

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 a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e. measurable and available). Revenues are considered to be *available* when they are 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, certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

The Town considers property tax revenues to be available if they are collected within 60 days after the end of the fiscal year and are material. Investment income associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received and are recognized as revenue at that time.

The government reports the following major Governmental Funds:

General Fund – is the government’s primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Receipts Reserved For Appropriation Fund – is used to account for monies received by the Town from various specific purposes that may only be used subject to appropriation by Town Meeting.

Community Preservation Fund – is used to account for specific activities that engender development of community housing, and recreation land as well as preservation of historic resources and open space acquisitions.

Capital Projects Fund – is used to account for all financial resources that are restricted, committed or assigned for the acquisition or construction of capital facilities and other capital assets of the governmental funds.

Sewer Capital Project Fund – is used to account for financial resources to be used for the acquisition or construction of sewer facilities and infrastructure.

Nonmajor Governmental Funds – consist of other special revenue and permanent funds that are aggregated and presented in the Nonmajor Governmental Funds column on the Governmental Funds financial statements. The following describes the general use of these fund types:

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The *Permanent Funds* are used to account for financial resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major proprietary fund:

Water Enterprise Fund – is used to account for the operation of the water department. Cost associated with maintaining the related infrastructure and providing services to the general public on a continuing basis, including depreciation, are financed or recovered primarily through user charges.

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

The government reports the following fiduciary funds:

Pension and Other Employee Benefit Trust Funds – is used to account for the activities of the System, which accumulates resources for pension benefits to retired Town employees and to accumulate funds for future payments of other postemployment benefits for retirees, such as health and life insurance.

Private-Purpose Trust Fund – is used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments. This fund is used for educational scholarships and needy citizen benefit funds.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments – The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the Town are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables – Real estate and personal property taxes are assessed on January 1 every year. Bills are due in four installments on August 1, November 1, February 1, and May 1, or thirty days subsequent to the mailing date. Interest accrues on delinquent taxes at the rate of 14% per annum. Property taxes levied are recorded as receivables in the fiscal year of the levy. The Town is allowed to take delinquent taxes into tax title fourteen days subsequent to the mailing of a demand for payment of the delinquent taxes.

User fees consist of water fees. Water user fees are levied twice a year for residential user and quarterly for industrial users and are based on individual meter readings. They are subject to penalties and interest if they are not paid by the respective due date.

Real estate taxes and water and sewer user fees may be secured through a lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible balances for these receivables is not reported. All personal property tax, excise tax and other departmental receivables are shown net of an allowance for uncollectible balances comprised of those outstanding amounts greater than five years old. Departmental and other receivables primarily consist of ambulance receivables and are shown net of allowance for uncollectible balances based on historical trends and specific account analysis.

Lease receivables are measured at the present value of lease payments expected to be received during the lease terms. The payments are recorded as an inflow of resources in the period the payments are received. Deferred inflows are recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized using the effective interest method over the terms of the leases.

Inventories and Prepaid Items – Inventories, which are not material to the basic financial statements, are considered to be expenditures at the time of purchase. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets – Capital assets which include land, buildings and improvements, machinery and equipment, vehicles, and infrastructure (e.g. roads, water and sewer mains, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are recorded at historical cost or estimated historical cost if purchased and constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Net interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected lives of greater than two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets (excluding land and construction-in-process) are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	40 years
Machinery and equipment	5-10 years
Vehicles	5-10 years

Interfund Balances – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either *due to/from other funds* or *advances to/from other funds*. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Interfund Transfers – During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out in the individual fund statements. Transfers between and within governmental and fiduciary funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and the business –type activities are reported in the statement of activities as *transfers, net*.

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 state law. Investment income of the proprietary fund is retained in the fund.

Compensated Absences – It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting the payroll and related expenditures. Amounts related to these benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in Governmental Funds only if they have matured.

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

In the governmental fund financial statements, the face amount of long-term debt issued is reported as other financing sources. Premiums received on a debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are exclusively reported as general government expenditures regardless of whether they are withheld from the actual proceeds.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has three types of items that are reported on the government-wide statement of net position which relate to outflows from changes in the net pension and the net other postemployment benefit liabilities and outflows which related to debt refunding’s. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection C. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price and is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial 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 and so will not be recognized as an inflow of resources (revenue) until that time. The Town has four items that are reported as deferred inflows of resources. The first arises only under a modified accrual basis of accounting and, accordingly, the item *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from six sources: property taxes, excise taxes, intergovernmental, special assessments, leases and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are reported on the government-wide statement of net position and relate to inflows from leases, changes in the net pension liability and the net other postemployment benefit liability. The deferred lease revenues will be recognized in charges for services and investment income in future years as more fully described in Note II, subsection B. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection C.

Net Position – In the government-wide financial statements, 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 related debt.

Net position are reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific use. Net position has been *restricted for* the following:

Nonexpendable permanent funds represent the endowment portion of donor restricted trusts that support governmental programs.

Expendable permanent funds represent amounts held in trust whereby expenditures are subject to various trust agreements.

Community preservation represents assets that are restricted by State Law for the purpose of acquiring or developing open space and recreational facilities, historic resources and affordable housing associated with the Massachusetts Community Preservation Act.

Federal and State grants represent assets that have restrictions placed on them from federal and state granting agencies.

Debt service represents capital grants and contributions used to fund a portion of debt service on outstanding capital related debt of various Town functions.

Gift funds represent assets that are restricted by donors for specific governmental programs and uses.

Fund Balance – In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent in which the Town is required to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned as described below:

Nonspendable represents amounts that cannot be spent because they are either (a) not in spendable form (i.e. inventory or prepaid) or (b) legally or contractually required to be maintained intact such as the corpus of an endowment

Restricted represents amounts that have constraints placed either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Town to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authority, which consists of the Town Meeting members through Town Meeting Votes. Those committed amounts cannot be used for any other purpose unless the Town Meeting removes or changes the specified use by taking the same type of action (through Town Meeting Votes) it employed previously to commit those amounts.

Assigned represents amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. The Select Board has by ordinance authorized the Town Accountant to assign fund balance. The Town Meeting may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned represents amounts that have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the General Fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the Town's policy to use committed resources first, then assigned, and then unassigned as they are needed.

As part of the Town's financial policies and procedures, the Select Board annually vote to establish minimum fund balance amounts for the general and stabilization funds.

Stabilization Funds – The Town maintains a general stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B. The fund may be used for any municipal purpose upon the condition of a two-thirds vote of the Town Meeting. The balance of the fund totals \$8,067,149 at June 30, 2024 and is reported as unassigned fund balance in the General Fund. There are no requirements for additions.

The Town maintains a fire stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B. The fund may be used for fire department costs upon a two-thirds vote of the Town Meeting. The balance of the fund totals \$370,917 at June 30, 2024 and is reported as unassigned fund balance in the General Fund. There are no requirements for additions.

The Town maintains a capital improvement stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B. The fund may be used for capital outlays upon a two-thirds vote of the Town Meeting. The balance of the fund totals \$10,889,567 at June 30, 2024 and is reported as unassigned fund balance in the General Fund. There are no requirements for additions.

The Town maintains a special education stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B. The fund may be used for providing special education services upon a two-thirds vote of the Town Meeting. The balance of the fund totals \$318,368 at June 30, 2024 and is reported as unassigned fund balance in the General Fund. There are no requirements for additions.

The Town maintains a debt stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B. The fund may be used for debt related activity upon a two-thirds vote of the Town Meeting. The balance of the fund totals \$1,561,076 at June 30, 2024 and is reported as unassigned fund balance in the General Fund. There are no requirements for additions.

Encumbrances and carryforwards – The Town’s encumbrance and carryforward policy regarding the General Fund is to (1) classify encumbrances that arise from normal purchasing activity approved by the Town Accountant as assigned, and (2) classify carryforwards that result from an action of the Town Meeting as committed. Encumbrances of funds already restricted or committed are included within the classification of those fund balances and not reported separately. The Town reports \$1,199,447 of encumbrances from normal purchasing activity in the General Fund as assigned and \$20,090,694 of carryforwards from Town Meeting votes in the General Fund as committed. Encumbrances have been assigned for specific purposes for which resources already have been allocated. There are no encumbrances reported in any other fund.

The following table reflects the Town's fund balance categorizations:

	General	Receipts Reserved for Appropriation	Community Preservation	Capital Projects	Sewer Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable:							
Perpetual permanent funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Restricted:							
Ferry fee receipts	-	1,301,076	-	-	-	-	1,301,076
Title V program	-	30,460	-	-	-	-	30,460
Golf course	-	1,923,403	-	-	-	-	1,923,403
Waterways	-	1,761,484	-	-	-	-	1,761,484
Energy revolving	-	2,849,756	-	-	-	-	2,849,756
Parking meter receipts	-	321,351	-	-	-	-	321,351
Debt service	237,379	-	-	-	-	-	237,379
Town federal and state grants	-	-	-	-	-	622,861	622,861
School federal and state grants	-	-	-	-	-	419,604	419,604
Transfer station revolving fund	-	-	-	-	-	364,135	364,135
Other town revolving funds	-	-	-	-	-	959,357	959,357
School revolving funds	-	-	-	-	-	2,723,694	2,723,694
Town gift funds	-	-	-	-	-	504,836	504,836
School gift funds	-	-	-	-	-	24,237	24,237
Capital outlay - special assessments	-	2,273,542	-	662,082	-	-	2,935,624
Capital outlay - schools	-	-	-	144,528	-	-	144,528
Capital outlay - police station	-	-	-	232,637	-	-	232,637
Capital outlay - senior center	-	-	-	10,481	-	-	10,481
Capital outlay - coastal erosion	-	-	-	1,483,066	-	-	1,483,066
Capital outlay - other purposes	-	-	-	2,697,948	-	-	2,697,948
Community preservation	-	-	10,278,898	-	-	-	10,278,898
Employee benefits	379,439	-	-	-	-	-	379,439
Affordable housing trust	-	-	-	-	-	10,514,731	10,514,731
Conservation trust	-	-	-	-	-	327,175	327,175
Other trust funds	-	-	-	-	-	180,205	180,205
Other purposes	-	498,565	-	-	-	-	498,565
Committed:							
Cable access	280,144	-	-	-	-	-	280,144
Opioid mitigation	289,826	-	-	-	-	-	289,826
Recycling toter bins	500,000	-	-	-	-	-	500,000
Opioid mitigation	1,137,000	-	-	-	-	-	1,137,000
Town owned building study	150,000	-	-	-	-	-	150,000
Financial management conversion	154,100	-	-	-	-	-	154,100
Facilities maintenance	1,030,321	-	-	-	-	-	1,030,321
Information technology	240,182	-	-	-	-	-	240,182
Conservation projects	102,302	-	-	-	-	-	102,302
Other general government articles	1,105,616	-	-	-	-	-	1,105,616
Police equipment	1,160,755	-	-	-	-	-	1,160,755
Fire equipment	2,618,819	-	-	-	-	-	2,618,819
Dispatch equipment	2,388,289	-	-	-	-	-	2,388,289
Marine services	814,002	-	-	-	-	-	814,002
Education	2,662,923	-	-	-	-	-	2,662,923
Public works infrastructure	3,146,544	-	-	-	-	-	3,146,544
Public works equipment	242,000	-	-	-	-	-	242,000
Other public works	1,300,826	-	-	-	-	-	1,300,826
Recreation	637,772	-	-	-	-	-	637,772
Other purposes	129,273	-	-	-	-	-	129,273
Assigned:							
Education	448,248	-	-	-	-	-	448,248
Solid waste	422,573	-	-	-	-	-	422,573
Other purposes	328,626	-	-	-	-	-	328,626
Unassigned	47,858,721	-	-	-	(1,779,231)	-	46,079,490
Total Fund Balances	\$ 69,765,680	\$ 10,959,637	\$ 10,278,898	\$ 5,230,742	\$ (1,779,231)	\$ 16,665,835	\$ 111,121,561

E. Excess of Expenditures Over Appropriations and Deficits

During fiscal year 2024, the Town incurred deficits totaling \$1,779,231 in the Sewer Capital Projects major fund. These deficits will be funded through future available revenues, debt proceeds and grant funds in future years.

F. Use of Estimates

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 fiscal year. Actual results could vary from estimates that were used.

II. Detailed Notes to All Funds

A. Deposits and Investments

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

State laws and regulations require the Town and System to invest funds only in pre-approved investment instruments which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, and State Treasurer's investment pool ("the Pool"). In addition, the statutes impose various limitations on the amount and length of investments and deposits. Repurchase agreements cannot be for a period of over ninety days, and the underlying security must be a United States obligation.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (the MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk: Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town maintains a deposit policy for custodial credit risk relative to cash holdings which includes the assessment of the financial stability of the institutions where deposits are held. At year-end, the carrying amount of the Town's deposits was \$85,621,248 and the bank balance was \$88,506,130. Of the Town's bank balance, \$54,115,873 was covered by either federal depository insurance or by the Depositors' Insurance Fund (DIF), and the remainder was collateralized. The carrying amount of cash includes \$25,000 of bank certificates of deposit with maturities of less than one year that are considered cash and cash equivalents.

Custodial Credit Risk: Investments – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the Town may not be able to recover the full amount of its principal investment and/or investment earnings. The Town maintains investment policies related to custodial credit risk which includes the assessment of the financial stability of the institutions where investments are held.

The Town's investments in the MMDT are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The Town's investments in United States governmental obligations, corporate bond holdings, equity securities, and bond mutual funds are exposed to custodial credit risk because the related securities are uninsured, unregistered and are held by the counterparty. The Town's investments in negotiable certificates of deposit are fully insured by federal depository insurance.

Fair Value of Investments – The Town reports its investments at fair value. When actively quoted observable prices are not available, the Town generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- *Level 3* – Inputs reflect the Town’s best estimate of what market participants would use in pricing the investment at the measurement date.

The following table presents the Town’s investments carried at fair value on a recurring basis in the statement of net position at June 30, 2024:

	Fair value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
U.S. Government obligations	\$ 11,508,176	\$ 10,257,502	\$ 1,250,674	\$ -
Corporate bonds	17,321,145	-	17,321,145	-
Fixed income ETFs	263,073	-	263,073	-
Bond mutual funds	2,031,238	-	2,031,238	-
Repurchase agreements	8,104,090	-	8,104,090	-
Total debt securities	39,227,722	10,257,502	28,970,220	-
Equity securities:				
Common stock	11,062,634	11,062,634	-	-
Equity mutual funds	2,331,719	-	2,331,719	-
Total equity securities	13,394,353	11,062,634	2,331,719	-
Total investments by fair value level	\$ 52,622,075	\$ 21,320,136	\$ 31,301,939	\$ -
Investments measured at amortized cost				
MMDT	172,169			
Money market mutual funds	967,059			
Total investments	\$ 53,761,303			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. U.S. Government obligations, corporate bonds, fixed income ETFs, bond mutual funds and repurchase agreements classified in Level 2 are valued using matrix pricing based on the securities’ relationship to benchmark quoted prices. The State Treasurer’s investment pool (MMDT) is valued at amortized cost. The MMDT’s investment advisor may

value the pool using an alternative valuation method that more accurately reflects the fair value in accordance with the pools fair value pricing policies should amortized cost not approximate the fair value of the pool. There are no restrictions or limits on withdrawals from the pool and no direct fees are charged to participants.

Interest Rate Risk: Investments – Debt securities are subject to interest rate risk. Such securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of individual debt instruments, through fair value losses arising from increasing interest rates. The Town does not have formal investment policies related to interest rate risk.

At June 30, 2024, the Town’s investments had the following maturities:

Investments	Fair value	Time Until Maturity (Years)		
		< 1	1-5	6 - 10 Years
U.S. Government obligations	\$ 11,508,176	\$ 1,695,337	\$ 9,812,839	\$ -
Corporate bonds	17,321,145	1,470,327	15,850,818	-
Fixed income ETFs	263,073	263,073	-	-
Bond mutual funds	2,031,238	-	2,031,238	-
Repurchase agreements	8,104,090	8,104,090	-	-
Certificates of deposit	25,000	25,000	-	-
MMDT	172,169	172,169	-	-
Total Town Investments with Maturities	<u>\$ 39,424,891</u>	<u>\$ 11,729,996</u>	<u>\$ 27,694,895</u>	<u>\$ -</u>

The time until maturity for repurchase agreements, money market mutual funds and MMDT is based on the weighted average maturity of the underlying investments.

Concentration of Credit Risk – The Town does not place a limit on the amount that may be invested in any one issuer. The Town has 36% of its investments in U.S. Government or US. Government agency securities.

At June 30, 2024, the credit quality ratings of the Town’s investments were as follows:

Investments	Quality Ratings (Moody's)				
	Aaa	A1	A2	Baa1	Baa2
U.S. Government obligations	\$ 11,508,176	\$ -	\$ -	\$ -	\$ -
Corporate bonds	2,239,888	6,381,921	2,695,528	1,018,441	4,985,367
Repurchase agreements	8,104,090	-	-	-	-
Total	<u>\$ 21,852,154</u>	<u>\$ 6,381,921</u>	<u>\$ 2,695,528</u>	<u>\$ 1,018,441</u>	<u>\$ 4,985,367</u>

The Town’s investments in fixed income EFTs, bond and money market mutual funds and MMDT are unrated.

The System

Massachusetts General Laws Chapter 32 and PERAC regulations require the System to invest funds only in pre-approved investment instruments, which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, certain corporate bonds and equities and investment pools.

Custodial Credit Risk: Deposits – Deposits are subject to the risk of bank failure. The System may be unable to recover the full amount of its deposits in any one bank institution in the event of a bank failure. The System’s policy for custodial credit risk of deposits is to rely on Federal Deposit Insurance Corporation insurance coverage for the first \$250,000 of deposits held at each financial institution. All of the System’s bank deposits were fully insured at December 31, 2023.

Custodial Credit Risk: Investments – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The System’s policy for custodial credit risk of investments intends that all investments are either insured and/or registered in the name of the System. At December 31, 2023, the System was not exposed to custodial credit risk on its investments.

Interest Rate Risk: Deposits – This is the risk that fair value losses may arise due to increasing interest rates. Such risk is reduced by the fact that the System maintains its excess funds in highly liquid bank accounts; thereby, allowing for timely reallocation should the need arise.

Fair Value of Investments – The following table presents the fair value of the System’s investments by type as of December 31, 2023:

<u>Investments by Fair Value Level</u>	December 31, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Equity securities	\$ 21,467,938	\$ 21,467,938	\$ -	\$ -
Mutual funds:				
Domestic fixed income mutual funds	35,350,412	-	35,350,412	-
Domestic equity mutual funds	59,213,993	-	59,213,993	-
International equity mutual funds	<u>18,792,433</u>	<u>-</u>	<u>18,792,433</u>	<u>-</u>
Total investments by fair value level	<u>134,824,776</u>	<u>\$ 21,467,938</u>	<u>\$ 113,356,838</u>	<u>\$ -</u>
Investments measured at NAV:				
Private equity funds	15,555,352			
Real estate funds	10,741,137			
PRIT funds	<u>38,476,240</u>			
Total investments measured at the NAV	<u>64,772,729</u>			
Total investments measured at fair value	<u>\$ 199,597,505</u>			

Equity securities, domestic fixed income funds and mutual funds classified in Level 1 are valued using prices quoted in active markets for those securities.

<u>Investments Measured at NAV</u>		Unfunded
<u>By Asset Class</u>	<u>Fair Value</u>	<u>Commitments</u>
Private equity funds	\$ 15,555,352	\$ 1,181,043
Real estate funds	10,741,137	120,000
PRIT funds	<u>38,476,240</u>	<u>4,123,405</u>
	<u>\$ 64,772,729</u>	<u>\$ 5,424,448</u>

Investments measured at NAV include comingled/pooled funds in private equity or venture funds, real estate and investments in PRIT.

Interest Rate Risk: Investments – Debt securities are subject to interest rate risk. Debt securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of individual debt instruments. The System does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: Investments – This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. As previously noted, MGL and PERAC have enacted regulations to reduce this risk. In evaluating its credit risk, the System relies on credit ratings assigned by nationally recognized credit rating agencies like Moody’s Investors Services and Standard and Poor’s Financial Services. The System does voluntarily self-impose certain investment restrictions; however, those can be changed at the Board’s discretion. None of the System’s investments were subject to credit quality ratings from leading credit rating agencies.

At December 31, 2023, uninsured short-term investment funds with fair values of \$966,765 were reported as cash equivalents. These funds represent temporary holdings of excess cash resources. The System intends to reinvest these amounts in less than one year. Accordingly, the fair values of these amounts have been classified as cash equivalents in these financial statements.

Concentration of Credit Risk: Investments – The following investments held by the System at December 31, 2023 represent approximately 59.0% of the System’s total investments:

SSGA Passive Bond Market Index SL Fund	13.9%
PRIT Hedge Fund	10.6%
LMCG Mid-Cap Core Fund	9.7%
Rhumblin Russell 1000 Value Index	6.6%
HGK Trinity Street International Equity Fund GP, LLC	6.4%
Dimensional Fund Advisors Global Real Estate Securities Portfolio	6.3%
Rhumblin Russell 1000 Growth Index	5.5%

Discretely Presented Component Unit – Falmouth EDIC

Custodial Credit Risk: Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Corporation does not have a deposit policy for custodial credit risk relative to cash withholdings. At year-end, the carrying amount of the Corporation’s deposits was \$296,521 and the bank balance was \$328,452. The Corporation carries deposits that are fully insured through a combination of coverages provided by the Federal Deposit Insurance Corporation, as well as the Depositors Insurance Fund.

Fair Value of Investments – The Corporation reports its investments at fair value. When actively quoted observable prices are not available, the Corporation generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The Corporation categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. As of December 31, 2023, the Corporation carried no investments which required categorization.

Interest Rate Risk: Deposits – This is the risk that fair value losses may arise due to increasing interest rates. The Corporation does not have a formal investment policy that limits investment maturity periods as a way of managing its exposure to fair value losses arising from rising interest rates.

Concentration of Credit Risk – The Corporation maintains no financial holdings that classified as investments at December 31, 2023; therefore, no concentration credit risk existed at that time.

Credit Risk – The Corporation has not adopted a formal policy related to credit risk. As of December 31, 2023, none of the Corporations monetary assets were invested in or subject to credit quality ratings or risk.

B. Receivables

Receivables as of year-end for the Town’s individual major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real estate and personal property taxes	\$ 1,142,037	\$ -	\$ 1,142,037
Tax liens and deferrals	1,738,548	-	1,738,548
Motor vehicle and boat excise	1,245,782	-	1,245,782
Ambulance user charges	867,587	(187,137)	680,450
Sewer user charges	150,737	-	150,737
Sewer assessments	15,437,245	-	15,437,245
Street assessments	380,505	-	380,505
Title V assessments	5,837	-	5,837
Community Preservation tax	30,350	-	30,350
Leases	2,291,548	-	2,291,548
Other	74,997	-	74,997
Intergovernmental	3,631,326	-	3,631,326
Total	\$ 26,996,499	\$ (187,137)	\$ 26,809,362

Receivables as of year-end for the Town’s proprietary funds are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Water user fees	\$ 1,442,244	\$ -	\$ 1,442,244
Water assessments	40,607	-	40,607
Intergovernmental	36,044	-	36,044
Total	\$ 1,518,895	\$ -	\$ 1,518,895

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are considered unavailable to liquidate liabilities of the current period. The following identifies the components of deferred inflows of resources in the governmental funds:

Receivable type:	General	Other	Total
	Fund	Governmental Funds	
Real estate and personal property taxes	\$ 746,877	\$ 30,350	\$ 777,227
Tax liens	1,698,390	40,158	1,738,548
Motor vehicle and boat excise	1,245,782	-	1,245,782
Ambulance user charges	680,450	-	680,450
Sewer user charges	150,737	-	150,737
Sewer assessments	56,156	15,381,089	15,437,245
Street assessments	-	380,505	380,505
Title V assessments	-	5,837	5,837
Leases	2,291,548	-	2,291,548
Intergovernmental	1,930,327	-	1,930,327
Total	\$ 8,800,267	\$ 15,837,939	\$ 24,638,206

Massachusetts Clean Water Trust – The Town has entered into various loan agreements with the Massachusetts Clean Water Trust (MCWT). Under these agreements, it is expected that the Town will be subsidized by MCWT on a periodic basis for principal in the amount of \$1,966,371 (\$1,930,327 for governmental activities and \$36,044 for business-type activities) and interest in the amount of \$251,480 until the maturities of these agreements. GAAP requires the recognition of gross debt relative to these agreements; therefore, a receivable totaling \$1,930,327 has been reported in the General Fund of the Town and a receivable totaling \$36,044 has been reported in the Water Enterprise Fund.

Leases – The Town has entered into an agreement for the operations of the Town’s golf course. Under the agreement, the lessee pays the Town annual base fees of \$400,000 for a term of five years ending in fiscal year 2024. The agreement also includes revenue sharing of 50% of the golf revenue and 10% of golf shop and food and beverage revenue that exceed annual thresholds. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease terms at a discount rate of 2.25%. In fiscal year 2024, the Town recognized \$391,198 of lease revenue and \$8,802 of interest revenue under the lease. In addition, the Town received \$567,705 of variable payments related to this lease that are not included in the measurement of the lease receivable.

The Town has entered into two lease agreements with the Falmouth EDIC for the use of Town land for solar photovoltaic systems. Under the first lease, the Falmouth EDIC pays the Town an annual base rent of \$33,000 which increases annually by 2.0% for a term of twenty-five years ending in fiscal year 2042. Under the second lease, the Falmouth EDIC pays the Town an annual base rent of \$88,825 for a term of twenty-five years ending in fiscal year 2046. The lease receivables are measured as the present value of the future minimum payments expected to be received during the lease terms at discount rates of 2.52% and 1.61%. In fiscal year 2024, the Town recognized \$82,615 of lease revenue and \$43,750 of interest revenue under these leases.

Future minimum lease payments as of June 30, 2024, are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 84,902	\$ 42,211	\$ 127,113
2026	84,902	42,211	127,113
2027	87,256	40,625	127,881
2028	89,674	38,987	128,661
2029	92,161	37,296	129,457
2030-2034	500,611	159,208	659,819
2035-2039	574,090	108,170	682,260
2040-2044	603,222	49,135	652,357
2045-2046	259,632	6,843	266,475
Total	<u>\$2,376,450</u>	<u>\$524,686</u>	<u>\$2,901,136</u>

Discretely Presented Component Unit – Falmouth EDIC

The following reflect the receivables for the Corporation as of December 31, 2023:

Receivable Type	Gross Amount	Allowance for Uncollectibles	Net Amount
Rental income	\$ 41,183	\$ -	\$ 41,183
Leases	3,781,952	-	3,781,952
Intergovernmental	66,176	-	66,176
Totals	<u>\$ 3,889,311</u>	<u>\$ -</u>	<u>\$ 3,889,311</u>

Leases - The Corporation has entered into two lease agreements with Falmouth Landfill Solar, LLC for the use of Town land for solar photovoltaic systems. Under the first lease, Falmouth Landfill Solar, LLC pays the Corporation an annual base rent of \$66,666 which increases annually by 2.0% for a term of twenty years ending in fiscal year 2037. Under the second lease, Falmouth Landfill Solar, LLC pays the Corporation an annual base rent of \$177,650 for a term of twenty years ending in fiscal year 2041. The lease receivables are measured as the present value of the future minimum payments expected to be received during the lease terms at the same discount rate of 2.52%. During the fiscal year, the Corporation recognized \$162,243 of rental income and \$90,116 of interest income under these leases.

The Corporation has entered into a lease agreement with Peter Pan Bus Lines, Inc for the use of a bus terminal, with ticketing and waiting areas. Under the lease, Peter Pan Bus Lines, Inc pays the Corporation an annual base rent of \$48,000 for years one through three, \$50,400 for year four, \$52,200 for year five, then 3% increases from years six to ten. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease terms at a discount rate of 2.25%. During the fiscal year, the Corporation recognized \$43,893 of rental income and \$7,257 of interest income under this lease.

The Corporation has entered into a lease agreement with Falmouth Station Cafe for the use of approximately 450 square feet of Falmouth Station for the sale of food and non-alcoholic beverages. Under lease, Falmouth Station Cafe pays the Corporation a monthly base rent of \$850

per month for the first three months, \$1,150 for months four through twelve and \$1,250 for months thirteen to twenty-four. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease term at a discount rate of 2.52%. During the fiscal year, the Corporation recognized \$14,797 of rental income and \$203 of interest income under these leases. The Corporation did not renew this lease as of 1/1/2024.

Future minimum lease payments as of June 30, 2024, are as follows:

Year Ending			
December 31	Principal	Interest	Total
2024	\$ 214,595	\$ 92,208	\$ 306,803
2025	223,291	86,836	310,127
2026	232,231	81,250	313,481
2027	241,423	75,444	316,867
2028	250,873	69,411	320,284
2029-2033	1,099,177	262,610	1,361,787
2034-2038	1,076,503	120,311	1,196,814
2039-2041	443,859	15,070	458,929
Total	<u>\$3,781,952</u>	<u>\$803,140</u>	<u>\$4,585,092</u>

C. Interfund Receivables, Payables and Transfers

The composition of interfund transfers for the fiscal year ended June 30, 2024, was as follows:

Transfers Out	Transfers In				Total
	General Fund	Receipts Reserved for Appropriation	Nonmajor Governmental Funds	Water Enterprise Fund	
General Fund	\$ -	\$ 137,429	\$ 925,000	\$ 1,790,800	\$ 2,853,229 (1)
Receipts Reserved for Appropriation	2,783,241	-	-	-	2,783,241 (2)
Community Preservation Fund	370,419	-	775,117	-	1,145,536 (3)
Capital Projects	870,942	-	-	-	870,942 (4)
Total	<u>\$ 4,024,602</u>	<u>\$ 137,429</u>	<u>\$ 1,700,117</u>	<u>\$ 1,790,800</u>	<u>\$ 7,652,948</u>

- (1) Transfers to receipts reserved for appropriation for waterways projects and cable purposes, transfers to nonmajor funds for affordable housing purposes and transfers to water enterprise to supplement operations
- (2) Transfers to general fund to supplement operating budgets
- (3) Transfers to general fund to supplement operating budgets and transfer to nonmajor governmental funds for affordable housing purposes
- (4) Transfers to general fund to supplement budgeted capital outlays

D. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental Activities:</i>				
Capital assets not being depreciated:				
Land	\$ 86,528,047	\$ -	\$ -	\$ 86,528,047
Construction in process	7,340,995	13,704,527	-	21,045,522
Total capital assets not being depreciated	93,869,042	13,704,527	-	107,573,569
Capital assets being depreciated:				
Buildings and improvements	181,615,758	846,950	-	182,462,708
Improvements other than buildings	30,773,228	86,524	-	30,859,752
Infrastructure	167,121,068	2,582,090	-	169,703,158
Machinery and equipment	34,443,398	2,835,422	-	37,278,820
Vehicles	17,007,859	-	-	17,007,859
Total capital assets being depreciated	430,961,311	6,350,986	-	437,312,297
Less accumulated depreciation for:				
Buildings and improvements	(83,584,134)	(4,060,694)	-	(87,644,828)
Improvements other than buildings	(13,160,077)	(887,080)	-	(14,047,157)
Infrastructure	(76,396,568)	(3,384,221)	-	(79,780,789)
Machinery and equipment	(23,206,377)	(2,565,364)	-	(25,771,741)
Vehicles	(15,598,579)	(364,840)	-	(15,963,419)
Total accumulated depreciation	(211,945,735)	(11,262,199)	-	(223,207,934)
Total capital assets being depreciated, net	219,015,576	(4,911,213)	-	214,104,363
Governmental activities capital assets, net	\$ 312,884,618	\$ 8,793,314	\$ -	\$ 321,677,932
<i>Business-type Activities: Water</i>				
Capital assets not being depreciated:				
Land	\$ 1,486,126	\$ -	\$ -	\$ 1,486,126
Construction in process	-	1,233,988	-	1,233,988
Total capital assets not being depreciated	1,486,126	1,233,988	-	2,720,114
Capital assets being depreciated:				
Buildings and improvements	1,585,869	-	-	1,585,869
Improvements other than buildings	239,301	-	-	239,301
Infrastructure	153,789,227	554,879	-	154,344,106
Machinery and equipment	1,336,917	458,976	-	1,795,893
Total capital assets being depreciated	156,951,314	1,013,855	-	157,965,169
Less accumulated depreciation for:				
Buildings and improvements	(252,364)	(35,551)	-	(287,915)
Improvements other than buildings	(41,640)	(6,406)	-	(48,046)
Infrastructure	(59,410,773)	(3,199,193)	-	(62,609,966)
Machinery and equipment	(867,697)	(98,257)	-	(965,954)
Total accumulated depreciation	(60,572,474)	(3,339,407)	-	(63,911,881)
Total capital assets being depreciated, net	96,378,840	(2,325,552)	-	94,053,288
Business-type activities capital assets, net	\$ 97,864,966	\$ (1,091,564)	\$ -	\$ 96,773,402

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 522,059
Public safety	1,579,943
Education	3,350,018
Public works	4,406,685
Health and human services	239,371
Culture and recreation	1,164,123
Total Governmental Activities	<u>\$ 11,262,199</u>
Business-Type Activities:	
Water	\$ 3,339,407
Total Business-Type Activities	<u>\$ 3,339,407</u>

Discretely Presented Component Unit – Falmouth EDIC

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Right to use assets, not being amortized				
Land	\$ 2,586,405	\$ -	\$ -	\$ 2,586,405
	<u>2,586,405</u>	<u>-</u>	<u>-</u>	<u>2,586,405</u>
Total capital assets, net	<u>\$ 2,586,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,586,405</u>

E. Temporary Debt

The Town is authorized to borrow on a temporary basis to fund the following:

Current Operating Costs – Prior to collection of revenues, expenditures may be financed through the issuance of revenue or tax anticipation notes (RANS or TANS).

Capital Projects and Other Approved Costs – Projects may be temporarily funded through the issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS). In certain cases, prior to the issuance of these temporary notes, the governing body must take the necessary legal steps to authorize the issuance of the general obligation bonds. Temporary notes may not exceed the aggregate amount of bonds authorized or the grant award amount and carry maturity dates that are limited by state law. Interest expenditures and expenses for temporary borrowings are accounted for in the general fund and enterprise funds, respectively.

Temporary notes outstanding at June 30, 2024, are payable as follows:

Type	Interest Rate	Maturity Date	Beginning Balance	Additions	Retirements	Ending Balance
BAN	5.00%	matured	\$ 4,911,485	\$ -	\$ (4,911,485)	\$ -
BAN	4.00%	matured	-	3,972,250	-	3,972,250
MCWT	0.00%	12/31/25	-	887,038	-	887,038
Total Governmental Notes			<u>\$ 4,911,485</u>	<u>\$ 4,859,288</u>	<u>\$ (4,911,485)</u>	<u>\$ 4,859,288</u>

BAN's outstanding at year-end were issued for wastewater projects.

F. Long-Term Obligations

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes have been issued for both governmental and business-type activities. Additionally, the Town incurs various other long-term obligations relative to associated personnel costs.

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5.0 percent of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, the Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

The following reflects the current year activity in the long-term liability accounts:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
General obligation bonds	\$ 46,845,000	\$ 12,065,000	\$ (5,750,000)	\$ 53,160,000	\$ 6,030,000
Unamortized bond premium	3,980,925	582,888	(901,122)	3,662,691	707,914
Notes from direct borrowings and placements	30,516,419	-	(2,672,529)	27,843,890	2,311,808
Landfill closure	240,000	-	(30,000)	210,000	30,000
Compensated absences	1,668,666	626,429	(417,167)	1,877,928	469,482
Net pension liability	75,464,004	17,340,154	(26,709,318)	66,094,840	-
Net other postemployment benefits liability	126,328,326	38,137,598	(29,868,430)	134,597,494	-
Total Governmental Activities	<u>\$ 285,043,340</u>	<u>\$ 68,752,069</u>	<u>\$ (66,348,566)</u>	<u>\$ 287,446,843</u>	<u>\$ 9,549,204</u>
<i>Business-type Activities: Water</i>					
General obligation bonds	\$ 5,935,000	\$ -	\$ (720,000)	\$ 5,215,000	\$ 720,000
Unamortized bond premium	447,817	-	(75,096)	372,721	64,327
Notes from direct borrowings and placements	28,751,085	-	(1,789,919)	26,961,166	1,828,812
Compensated absences	64,816	29,071	(16,204)	77,683	19,421
Net pension liability	3,362,310	772,593	(1,190,038)	2,944,865	-
Net other postemployment benefits liability	2,302,492	695,105	(544,389)	2,453,208	-
Total Business-type Activities	<u>\$ 40,863,520</u>	<u>\$ 1,496,769</u>	<u>\$ (4,335,646)</u>	<u>\$ 38,024,643</u>	<u>\$ 2,632,560</u>

The governmental activities liabilities will be liquidated by the General Fund. The business-type liabilities will be liquidated by the Water Enterprise Fund.

The following is a summary of outstanding long-term debt obligations as of June 30, 2024:

Description of Issue	Interest Rate	Beginning Balance	Additions	Maturities	Ending Balance
<i><u>Governmental Activities</u></i>					
General obligation bonds	2.00 - 6.00%	\$ 22,160,000	\$ 12,065,000	\$ (1,805,000)	\$ 32,420,000
Refunding bonds	2.00 - 5.00%	15,185,000	-	(2,560,000)	12,625,000
Advanced refunding bonds	2.00 - 5.00%	9,500,000	-	(1,385,000)	8,115,000
Total General Obligation Bonds		46,845,000	12,065,000	(5,750,000)	53,160,000
Add: Unamortized bond premium		3,980,925	582,888	(901,122)	3,662,691
Total General Obligation Bonds, net		50,825,925	12,647,888	(6,651,122)	56,822,691
Massachusetts Clean Water Trust	0% - 5.5%	30,516,419	-	(2,672,529)	27,843,890
Total notes from direct borrowings and placements		30,516,419	-	(2,672,529)	27,843,890
Total Governmental Activities debt		\$ 81,342,344	\$ 12,647,888	\$ (9,323,651)	\$ 84,666,581
<i><u>Business-type Activities - Water</u></i>					
General obligation bonds	2.00 - 6.00%	\$ 4,595,000	\$ -	\$ (330,000)	\$ 4,265,000
Refunding bonds	1.00 - 4.00%	655,000	-	(160,000)	495,000
Advanced refunding bonds	2.00 - 5.00%	685,000	-	(230,000)	455,000
Total General Obligation Bonds		5,935,000	-	(720,000)	5,215,000
Add: Unamortized bond premium		447,817	-	(75,096)	372,721
Total General Obligation Bonds, net		6,382,817	-	(795,096)	5,587,721
Massachusetts Clean Water Trust	0% - 2.0%	28,751,085	-	(1,789,919)	26,961,166
Total notes from direct borrowings and placements		28,751,085	-	(1,789,919)	26,961,166
Total Business-type Activities - Water debt		\$ 35,133,902	\$ -	\$ (2,585,015)	\$ 32,548,887

Massachusetts Clean Water Trust (MCWT)

The Town has fifteen outstanding notes from direct borrowings and placements issued to the MCWT as follows:

Governmental Activities			Business-type Activities - Water		
Date of Issue	Date of Maturity	Original Amount	Date of Issue	Date of Maturity	Original Amount
11/23/04	08/01/24	\$ 185,254	02/23/10	07/15/29	105,000
11/16/05	07/15/25	200,000	02/11/16	01/15/36	16,126,207
12/01/04	08/01/29	3,018,332	04/13/17	01/15/37	15,320,673
02/23/10	07/15/29	4,865,000	09/12/18	07/15/38	7,281,031
11/01/03	08/01/23	12,346,237			\$ 38,832,911
03/18/09	07/15/25	250,000			
03/18/09	07/15/28	7,775,000			
02/11/16	01/15/46	4,284,956			
02/11/16	01/15/46	11,140,583			
04/13/17	01/15/47	20,869,482			
		\$ 64,934,844			

The financing agreements with the MCWT contain a provision that in the event of default, outstanding amounts due and payable shall be paid from any undisbursed proceeds on account or be deducted from any state local aid distributions owed to the Town. This provision also allows the MCWT to declare the entire outstanding principal amount due immediately.

Payments on outstanding bonds and note balances due in future years consist of the following:

Year Ending June 30	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
	<i>Governmental Activities</i>			
2025	\$ 6,030,000	\$ 2,311,808	\$ 1,849,622	\$ 49,441
2026	5,215,000	1,871,673	1,856,830	40,780
2027	5,105,000	1,642,527	1,841,692	32,144
2028	4,025,000	1,423,188	1,853,783	23,409
2029	3,805,000	1,243,322	1,865,991	14,300
2030-2034	15,550,000	4,073,561	5,593,402	4,813
2035-2039	8,635,000	1,678,974	5,164,544	-
2040-2044	4,795,000	466,716	5,203,423	-
2045-2047	-	-	2,614,602	-
Total	<u>\$ 53,160,000</u>	<u>\$ 14,711,769</u>	<u>\$ 27,843,890</u>	<u>\$ 164,887</u>

Year Ending June 30	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
	<i>Business-Type Activities - Water</i>			
2025	\$ 720,000	\$ 179,081	\$ 1,828,812	\$ 535,223
2026	715,000	148,981	1,868,549	498,690
2027	505,000	124,131	1,909,151	461,363
2028	325,000	107,932	1,950,634	423,224
2029	325,000	95,481	1,993,020	384,257
2030-2034	1,625,000	297,214	10,607,272	1,306,476
2035-2039	865,000	77,119	6,803,728	276,782
2040	135,000	3,543	-	-
Total	<u>\$ 5,215,000</u>	<u>\$ 1,033,482</u>	<u>\$ 26,961,166</u>	<u>\$ 3,886,015</u>

Authorized and Unissued Debt – At June 30, 2024, the Town had authorized and unissued debt as follows:

<u>Project</u>	<u>Amount</u>
Wastewater management	\$ 10,725,946
WWTF design & construction	32,600,000
School roof	271,146
Wild Harbor bulkhead	200,000
Other	128,000
Total authorized and unissued	<u>\$ 43,925,092</u>

III. Other Information

A. Retirement System

Retirement System Description – The Town contributes to the Town of Falmouth Contributory Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan for the Town and Falmouth Housing Authority. The System was established under Chapter 32 of the General Laws of the Commonwealth of Massachusetts. The System is administered by the Town of Falmouth and is part of the reporting entity. Standalone audited financial statements for the year ended December 31, 2023, were issued and are available at the Retirement Office, 80 Davis Straits, Suite 102, Falmouth, Massachusetts 02540. Disclosures applicable to the Falmouth Housing Authority are not material.

Membership – Membership in the System as of December 31, 2023, was as follows:

Retirees and beneficiaries receiving benefits	470
Active plan members	629
Inactive plan members	<u>250</u>
Total	<u>1,349</u>

Benefit Terms – Membership in the System is mandatory for all full-time employees and non-seasonal, part-time employees who, in general, regularly work more than twenty hours per week. Teachers and certain administrative personnel employed by the Town’s school department participate in a separate pension plan administered by the Massachusetts Teachers’ Retirement System, which is the legal responsibility of the Commonwealth of Massachusetts. Members of the System do not participate in the federal Social Security retirement system.

Massachusetts contributory retirement system benefits are uniform from retirement system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest three-year or five-year average annual rate of regular compensation, depending on the participant’s date of hire. Benefit payments are based upon a participant’s age, length of creditable service, level of compensation and job classification.

The most common benefits paid by the System include normal retirement, disability retirement and survivor benefits.

Generally, normal retirement occurs between ages 65 and 67. However, most participants with a hire date before April 2, 2012, may retire after twenty years of service or at any time after attaining age 55. For most participants hired on or after April 2, 2012, they must attain

the age of 60 before they can retire. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years' creditable service in order to retire at age 55 or 60, as applicable. Participants become vested after ten years of service. Benefits commencing before age 65 are generally provided at a reduced rate. However, members working in certain occupations may retire with full benefits earlier than age 65.

Participants who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 may request a refund of their accumulated total contributions. In addition, depending on the number of years of creditable service, these employees may be entitled to interest that has accrued on their contributions. A vested employee under the age of 55 who elects to leave his accumulated contributions on deposit may apply for pension benefits upon reaching his eligible retirement age.

The System provides for both an ordinary disability retirement, where a participant is permanently incapacitated from a cause unrelated to employment, and an accidental disability retirement, where the disability is the result of an injury or illness received or aggravated in the performance of one's duty. The amount of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of service, average compensation and veteran status. In addition, certain provisions are in place relative to death benefits for beneficiaries of employees who die in active service.

Cost-of-living adjustments granted to members of Massachusetts retirement systems granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth during those years have been the financial responsibility of the Commonwealth. Beginning in 1998, the funding of cost-of-living amounts became the responsibility of the participating units like the System.

The System may be amended or terminated in whole or in part at any time by the Massachusetts Legislature, provided that no such modification, amendment or termination shall be made that would deprive a current member of superannuation pension rights or benefits provided under applicable laws of Massachusetts, if such member has paid the stipulated contributions specified in sections or provisions of such laws.

Contributions Requirements – The Town has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method.

Employer contributions to the System totaled \$11,326,160 for the year ended December 31, 2023. The Town contributed \$11,061,128 to the System in fiscal year 2024, which equaled the actuarially determined contribution requirement for the fiscal year. The Town's contributions as a percentage of covered payroll was approximately 31.2%.

Net Pension Liability – The components of the net pension liability of the System at December 31, 2024, (dollar amounts in thousands) were as follows:

Total pension liability	\$ 271,217
Plan fiduciary net position	<u>(200,552)</u>
Net pension liability	<u>\$ 70,665</u>
Plan fiduciary net position as a percentage of the total pension liability	73.9%

At June 30, 2024, the Town reported a liability of \$69,039,705 for its proportionate share of the net pension liability. The net pension liability was measured as of January 1, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. These figures were rolled forward by the independent actuary to December 31, 2023. The most significant chances were to the actuarial mortality tables.

The Town’s proportion of the net pension liability is based on a projection of the Town’s long-term share of contributions to the System relative to the projected contributions of all employers. The Town’s proportion was approximately 97.7% at December 31, 2023, which was consistent with the proportion measured at January 1, 2022.

Fiduciary Net Position – The elements of the System’s basic financial statements (that is, all information about the System’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position) can be found in the fiduciary fund financial statements. The System’s full audited financial statements as of and for the year ended December 31, 2023, can be obtained by contacting the Retirement Board.

The System’s fiduciary net position was determined using the accrual basis of accounting. The System’s accounting records are maintained on a calendar-year basis in accordance with the standards and procedures established by PERAC. Contributions from employers and employees are recognized in the period in which they become due pursuant to formal commitments, statutory or contractual requirements. Benefit payments (including refunds of employee contributions) are recorded when incurred, regardless of the timing of payment. Investments are reported at fair value; fair value is determined as the price one would receive in an orderly transaction between market participants at a measurement date.

Pension Expense – The Town recognized \$7,167,186 in pension expense in the statement of activities in fiscal year 2024.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,257,847	\$ 1,072,746
Net differences between projected and actual earnings on pension plan investments	5,716,427	-
Changes of assumptions	2,961,287	-
Changes in proportion and differences between employers' contributions and proportionate share of contributions	10,000	-
Total	\$ 10,945,561	\$ 1,072,746

The deferred outflows of resources and deferred inflows of resources are expected to be recognized in the Town's pension expense as follows:

Year Ended June 30,	Amounts
2025	\$ 1,419,420
2026	3,041,470
2027	6,468,062
2028	(1,056,137)
Total	\$ 9,872,815

Actuarial Valuation – The measurement of the Retirement System's total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2022, and rolled forward to December 31, 2023. The significant actuarial assumptions used in the actuarial valuation included:

Actuarial cost method	Individual entry age normal
Amortization method	Top payments increase 9.34% in fiscal year 2024 and then 6.54% per year until fiscal year 2033.
Remaining amortization period	10 years from July 1, 2023
Asset valuation method	Market value
Investment rate of return	7.00% per annum
Projected salary increases	Service based table with ultimate ranges of 4.25%, and 4.75% for groups 1 and 4, respectively
Cost of living adjustments	3.0% of the first \$16,000 of benefits (previous base was \$14,000)
Mortality rates:	
Pre-retirement	RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020 (gender distinct)
Post-retirement	RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020 (gender distinct)
Disabled retiree	RP-2014 Blue Collar Healthy Annuitant table set forward one year and projected generationally with Scale MP-2020 (gender distinct)

The investment rate of return assumption is a long-term assumption and is based on capital market expectations by asset class, historical returns and professional judgment. The market expectations analysis used a building-block approach, which included expected returns by asset class and the target asset allocation. The target allocation and best estimates of arithmetic real returns for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.0% - 43.0%	7.1% - 8.5%
International equity	10.0% - 20.0%	7.5%
Fixed income	14.5% - 24.5%	3.8% - 5.9%
Real estate / real assets	7.5% - 12.5%	7.2%
Private equity	5.0% - 10.0%	10.0%
Hedge funds	7.5% - 12.5%	8.8%
Cash	0.0% - 3.0%	2.60%

Discount Rate – The discount rate used to measure the total pension liability in the January 1, 2022 actuarial valuation report was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the System’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 Analysis – The following presents net pension liability of the System calculated using the discount rate of 7.00% as well as the System’s net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate (dollar amounts in thousands):

Current Rate	System Net Pension Liability at		
	1% Decrease	Current	1% Increase
7.00%	\$ 100,700	\$ 70,665	\$ 45,200

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.00% as well as the Town’s proportionate share of the net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate (dollar amounts in thousands):

Current Rate	Town's Proportionate Net Pension Liability at		
	1% Decrease	Current	1% Increase
7.00%	\$ 98,384	\$ 69,040	\$ 44,160

B. Massachusetts Teachers’ Retirement System

Teachers and certain administrative employees of the Town’s school department participate in the Massachusetts Teachers’ Retirement System (“MTRS”), a cost-sharing multiple employer defined

benefit pension plan. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. Like the Retirement System, MTRS was established under Chapter 32 of Massachusetts General Laws. The Commonwealth’s legislature has the authority to amend or modify the MTRS’s funding policies.

The Commonwealth is a nonemployer contributor to the MTRS and is legally responsible by statute for all actuarially determined employer contributions and future benefit requirements of the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

For the year ended June 30, 2024, the Commonwealth contributed \$8,903,477 to the MTRS on behalf of the Town. The Town’s proportionate share of the collective MTRS net pension liability at this reporting date was 0.4143370%, which was based on the actual, actuarially determined contribution made by the Commonwealth on behalf of the Town as a percentage of the total annual contribution made by the Commonwealth on behalf of all employers.

The table below presents the Town’s proportionate share of the following:

	Commonwealth Portion	Paid (or Assumed) On Behalf of the Town	Town Portion
Net pension liability	\$ 108,939,095	\$ (108,939,095)	\$ -
Pension expense	10,171,658	(10,171,658)	-

The Town has recognized intergovernmental revenue and pension expense of \$10,171,658 associated with this arrangement.

C. Other Postemployment Benefits

The Town administers a single employer, defined benefit healthcare plan (the “OPEB Plan”). The OPEB Plan provides health, dental and life insurance benefits (other postemployment benefits) to current and future retirees, their dependents and beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B.

Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and Town ordinance. All benefits are provided through the Town’s premium-based insurance program. The OPEB Plan does not issue a stand-alone financial report and is presented as a fiduciary fund in the Town’s financial statements.

OPEB Plan disclosures that impact the Town’s net OPEB liability using a measurement date of June 30, 2024, are summarized as follows:

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of the June 30, 2022, actuarial valuation date:

Retirees and beneficiaries currently receiving benefits	854
Inactive employees	611
Total	1,465

Contributions – The contribution requirements of Plan members and the Town are established and may be amended by the Town, through negotiation with the Town employee unions. Retirees contribute 50-65 percent of the calculated contribution through pension benefit deductions. The remainder of the cost is funded by the Town. The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis plus additional contributions which vary annually. The costs of administering the Plan are paid by the Town.

Net OPEB Liability – The Town’s net OPEB liability was measured as of June 30, 2024, using an actuarial valuation as of June 30, 2022. The components of the net OPEB liability of the Town were as follows:

Total OPEB Liability	\$ 142,206,105
Plan fiduciary net position	<u>(5,155,403)</u>
Net OPEB liability	<u>\$ 137,050,702</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 3.63%

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	6.5%, net of OPEB plan investment expense, including inflation
Municipal bond rate	3.93% as of June 30, 2024
Discount rate	3.93% as of June 30, 2024
Inflation	3.00%
Health care trend rate	6.75% decreasing to 4.5% at a rate of 0.25% per year
Salary increases	3.25%
Pre-retirement mortality	Non-teachers: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 Teachers: Pub-2010 Teachers Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2021
Post-retirement mortality	Non-teachers: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 Teachers: Pub-2010 Teachers Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2021
Disabled mortality	Non-teachers: RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021 Teachers: Pub-2010 Teachers Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2021
Actuarial cost method	Individual entry age normal - level percentage of payroll

Discount Rate – The discount rate used to measure the total OPEB liability was 3.93%. A key change in assumptions from the prior year was the increase of this discount rate from 3.65%.

Long Term Expected Rate of Return – The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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.

The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table and are part of the Town’s OPEB investment policy:

Asset Class	Target Allocation	Expected Real Investment Rate of Return
Domestic Equity	29.00%	4.24%
International developed markets equity	19.00%	5.34%
Domestic fixed income bonds	26.00%	1.84%
International fixed income bonds	6.00%	1.68%
Alternatives	20.00%	5.10%
Private equity	0.00%	7.90%
Real estate	0.00%	1.50%
	100.00%	

Sensitivity Analyses – The following presents the Town’s net OPEB liability as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate as well as if the healthcare cost trend rates are 1% lower or higher than the current healthcare cost trend rates:

<i>Discount Rate</i>			
Current Rate	1% Decrease	Current	1% Increase
3.93%	\$ 158,366,741	\$ 137,050,702	\$ 119,750,141

<i>Health Care Trend Rate</i>			
Current Rate	1% Decrease	Current	1% Increase
6.75% trending to 4.50%	\$ 115,997,389	\$ 137,050,702	\$ 163,694,041

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 1, 2023	\$ 131,117,998	\$ 2,487,180	\$ 128,630,818
Changes for the year:			
Service cost	4,653,299	-	4,653,299
Interest	4,870,997	-	4,870,997
Changes in assumptions	6,244,396	-	6,244,396
Net investment income	-	384,023	(384,023)
Employer contributions	-	6,964,785	(6,964,785)
Benefit payments withdrawn from trust	-	(4,680,585)	4,680,585
Benefit payments	(4,680,585)	-	(4,680,585)
Net changes	11,088,107	2,668,223	8,419,884
Balances at June 30, 2024	<u>\$ 142,206,105</u>	<u>\$ 5,155,403</u>	<u>\$ 137,050,702</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – The Town recognized OPEB income of \$772,765. Deferred outflows of resources and deferred inflows of resources related to OPEB were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 4,995,516	\$ 18,856,629
Differences between projected and actual earnings	-	26,184
Differences between actual and expected experience	2,813,388	3,792,456
Totals	<u>\$ 7,808,904</u>	<u>\$ 22,675,269</u>

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

Year Ended June 30,	Recognition Amount
2025	\$ (15,968,639)
2026	(1,324,036)
2027	1,207,055
2028	1,219,255
Total	<u>\$ (14,866,365)</u>

Investment Custody – In accordance with Massachusetts General Laws, the Town Treasurer is the custodian of the OPEB Plan and since the Town has not designated a Board of Trustees, the Town Treasurer is also the Trustee and as such is responsible for the general supervision of the management, investment and reinvestment of the OPEB Plan assets. OPEB Plan assets may be invested and reinvested by the custodian consistent with the prudent investor rule established in Chapter 203C and may, with the approval of the State Retiree Benefits Trust Fund Board of Trustees, be invested in the State Retiree Benefits Trust Fund established in Section 24 of Chapter 32A. OPEB Plan assets must be segregated from other funds and not be subject to the claims of any general creditor of the Town.

Investment Policy – The OPEB Plan follows the same investment policies that apply to all other Town trust funds. Notably, it can be invested in accordance with State Statutes that govern the Trust investments including PRIM, which is an external investment pool managed by the State.

Investment Rate of Return – For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 10.43%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Pension and Other Employee Benefit Trust Funds

The Town reports two pension and other employee benefit trust funds in a single column in the Statement of Net Position and Statement of Changes in Net Position in the Fiduciary Funds. The Town's Other Postemployment Benefits Trust Fund does not issue stand-alone financial statements and must be reported separately.

The Statement of Net Position of the Town's pension and other employee benefit trust funds are as follows:

	Pension Trust Fund (December 31, 2023)	Other Postemployment Benefits Trust Fund	Total
Assets:			
Cash and Cash Equivalents	\$ 1,049,918	\$ 25,908	\$ 1,075,826
Investments (at fair value):			
Equity securities	21,467,938	766,538	22,234,476
Domestic equity mutual funds	59,213,993	2,331,719	61,545,712
International equity mutual funds	18,792,433	-	18,792,433
Fixed income mutual funds	35,350,412	2,031,238	37,381,650
Private equity funds	15,555,352	-	15,555,352
Real estate funds	10,741,137	-	10,741,137
PRIT	38,476,240	-	38,476,240
Total Investments	199,597,505	5,129,495	204,727,000
Receivables:			
Employer and employee contributions	30,251	-	30,251
Total Receivables	30,251	-	30,251
Total Assets	200,677,674	5,155,403	205,833,077
Liabilities:			
Warrants and accounts payable	125,892	-	125,892
Total Liabilities	125,892	-	125,892
Net Position:			
Restricted for pensions	200,551,782	-	200,551,782
Restricted for other postemployment benefits	-	5,155,403	5,155,403
Total Net Position	\$ 200,551,782	\$ 5,155,403	\$ 205,707,185

The Statement of Changes in Net Position of the Town's pension and other employee benefit trust funds are as follows:

	Pension Trust Fund (December 31, 2023)	Other Postemployment Benefits Trust Fund	Total
Additions			
Contributions:			
Employer	\$ 11,326,160	\$ 6,964,785	\$ 18,290,945
Employee	3,914,736	-	3,914,736
Other	1,196,415	-	1,196,415
Total Contributions	<u>16,437,311</u>	<u>6,964,785</u>	<u>23,402,096</u>
Other income	43,187	-	43,187
Investment income:			
Interest and dividends	2,703,078	-	2,703,078
Net appreciation/(decline) in fair value of investments	18,195,717	384,023	18,579,740
Less - investment management fees	(1,199,816)	-	(1,199,816)
Net investment earnings	<u>19,698,979</u>	<u>384,023</u>	<u>20,083,002</u>
Total Additions (net)	<u>36,179,477</u>	<u>7,348,808</u>	<u>43,528,285</u>
Deductions			
Benefit payments to pensioners and beneficiaries	15,243,787	4,680,585	19,924,372
Member refunds	448,978	-	448,978
Transfers and reimbursements to other systems	1,119,164	-	1,119,164
Payroll expenses of the System	229,733	-	229,733
Other administrative expenses	187,839	-	187,839
Total Deductions	<u>17,229,501</u>	<u>4,680,585</u>	<u>21,910,086</u>
CHANGE IN NET POSITION	18,949,976	2,668,223	21,618,199
NET POSITION AT BEGINNING OF YEAR	<u>181,601,806</u>	<u>2,487,180</u>	<u>184,088,986</u>
NET POSITION AT END OF YEAR	<u>\$ 200,551,782</u>	<u>\$ 5,155,403</u>	<u>\$ 205,707,185</u>

E. 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; natural disasters and various employee benefits including health, workers' compensation and unemployment compensation. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town is a part of a premium-based self-insurance group, which insures for worker's compensation, general and personal liability, through the Massachusetts Inter-local Insurance Association (MIIA). Additionally, the Town is part of a premium-based health insurance group, Cape Cod Municipal Health Group, which serves over sixty cities, towns, and school systems. The Town essentially transfers its risk through payment of its annual assessment, which is adjusted according to the Town's experience history.

F. Landfill Closure and Post-closure Care Costs

The Town's landfill was closed during fiscal year 2000 and a final cover was installed in accordance with Federal and State laws and regulations. Those laws and regulations require the Town to perform certain maintenance and monitoring functions (post-closure care) at the site for 30 years after the landfill cover is installed. The liability for closure and post-closure care is based on current costs which are subject to changes due to inflation, deflation, changes in technology or applicable laws and regulations. In accordance with generally accepted accounting principles, the estimated cost of closure and post-closure care costs of \$210,000 has been accrued in the liabilities of the Governmental Funds.

G. Commitments and Contingencies

The Town has recorded a contingent liability of approximately \$2.4 million related to the decommissioning of its two wind turbines in response to recent court judgements against the Town that required their removal. This amount is reported in the Capital Projects major fund and represents the remaining balance set aside to pay for the decommissioning. Under existing agreements with the granting authority that assisted with the initial funding of the wind turbines, any amounts remaining after paying the cost of decommissioning must be remitted to the granting authority.

The Town is also party to other certain legal claims that arise in the normal course of operations which are subject to many uncertainties. The outcome of individual litigation matters is not always predictable with assurance; although the amount of liability, if any, at June 30, 2024, cannot be ascertained, management believes that any resulting liability, if any for these other claims, should not materially affect the basic financial statements of the Town at June 30, 2024.

Grant Compliance – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Arbitrage – The Town is subject to certain Federal arbitrage laws in accordance with long-term borrowing agreements. Failure to comply with the rules could result in the payment of penalties. The amount of penalties, if any, cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

H. Implementation of New GASB Pronouncements

Current Year Implementations –

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making or assessing accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2023 (fiscal year 2024). The adoption of this standard did not have a material impact on the Town’s financial statements.

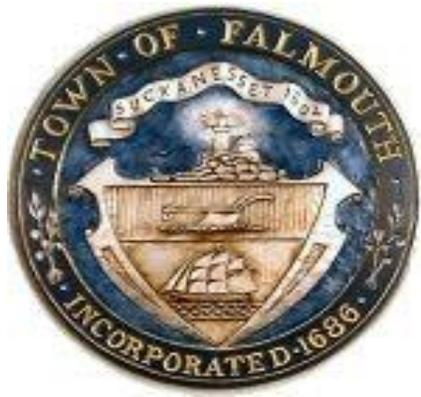
Future Implementations –

In June 2022, the GASB issued GASB Statement No. 101, *Compensate Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2023 (fiscal year 2025). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In December 2023, the GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2024 (fiscal year 2025). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2025 (fiscal year 2026). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

Required Supplementary Information



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TOWN OF FALMOUTH, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
YEARS ENDED JUNE 30, 2024

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended December 31,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	97.70%	\$ 69,039,705	\$ 34,893,858	197.86%	73.90%
2022	97.70%	78,826,314	34,886,695	225.95%	69.20%
2021	97.60%	41,632,256	31,395,968	132.60%	82.40%
2020	97.70%	62,262,256	31,428,136	198.11%	72.90%
2019	97.80%	72,217,476	29,292,078	246.54%	68.00%
2018	97.30%	85,546,160	29,142,323	293.55%	60.30%
2017	97.30%	59,897,880	27,649,741	216.63%	70.10%
2016	97.10%	69,211,000	27,592,907	250.83%	64.10%
2015	97.10%	64,484,000	26,681,138	241.68%	63.80%
2014	96.90%	56,559,000	26,626,182	212.42%	66.90%

SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO PENSION PLAN

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 11,061,128	\$ 11,061,128	\$ -	\$ 35,417,266	31.23%
2023	10,122,735	10,122,735	-	35,409,995	28.59%
2022	9,510,209	9,510,209	-	31,866,908	29.84%
2021	8,952,150	8,952,150	-	31,899,558	28.06%
2020	8,431,144	8,431,144	-	29,731,459	28.36%
2019	7,890,000	7,890,000	-	29,579,458	26.67%
2018	7,450,583	7,450,583	-	28,064,487	26.55%
2017	7,082,000	7,082,000	-	28,006,801	25.29%
2016	6,748,000	6,748,000	-	27,081,355	24.92%
2015	6,416,000	6,416,000	-	27,025,575	23.74%

This schedule is presented to illustrate the requirement to show information for ten years.

See accompanying independent auditors' report.

TOWN OF FALMOUTH, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - MTRS PENSIONS
YEARS ENDED JUNE 30, 2024

SCHEDULE OF THE COMMONWEALTH'S COLLECTIVE SHARE OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHER'S RETIREMENT SYSTEM (MTRS)

Year Ended June 30, *	Commonwealth's		Town's		Commonwealth's	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	Proportionate Share of the Collective Net Pension Liability	Proportion Share of the Collective Net Pension Liability	Proportionate Share of the Net Pension Liability Associated with the Town	Proportionate Share of the Net Pension Liability Associated with the Town			
2024	100.0%	0.0%	\$	108,939,095	\$	10,171,658	58.48%
2023	100.0%	0.0%		105,627,758		8,688,914	57.75%
2022	100.0%	0.0%		95,626,620		7,673,638	62.03%
2021	100.0%	0.0%		116,204,203		14,352,884	50.67%
2020	100.0%	0.0%		106,322,988		12,893,508	53.95%
2019	100.0%	0.0%		100,443,487		10,178,493	54.84%
2018	100.0%	0.0%		98,083,792		10,237,291	54.25%
2017	100.0%	0.0%		98,984,079		10,097,025	52.73%
2016	100.0%	0.0%		88,409,556		7,170,802	55.38%
2015	100.0%	0.0%		69,175,470		4,805,952	61.64%

* Amounts determined for the previous year ended June 30.

Contributions to the MTRS are the responsibility of the Commonwealth of Massachusetts. Accordingly, the Town has not recognized any portion of the net pension liability relative to Town employees covered under the MTRS pension plan.

These schedules are presented to illustrate the requirement to show information for ten years.

See accompanying independent auditors' report.

TOWN OF FALMOUTH, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEAR ENDED JUNE 30, 2024

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:								
Service cost	\$ 4,653,299	\$ 4,473,858	\$ 6,193,632	\$ 7,964,240	\$ 5,246,823	\$ 4,438,998	\$ 4,361,404	\$ 5,054,578
Interest	4,870,997	4,914,625	3,582,507	4,294,247	5,453,924	4,980,915	4,620,284	3,955,895
Differences between expected and actual experience	-	5,626,775	-	(18,962,281)	-	(1,464,900)	-	-
Changes of assumptions	6,244,396	(16,100,550)	(30,701,041)	(15,655,466)	29,507,561	23,159,362	(4,996,304)	(14,107,391)
Benefit payments	(4,680,585)	(4,270,982)	(4,503,922)	(4,143,795)	(4,763,460)	(4,794,266)	(4,046,371)	(3,872,125)
Net change in total OPEB liability	11,088,107	(5,356,274)	(25,428,824)	(26,503,055)	35,444,848	26,320,109	(60,987)	(8,969,043)
Total OPEB liability - beginning of year	131,117,998	136,474,272	161,903,096	188,406,151	152,961,303	126,641,194	126,702,181	135,671,224
Total OPEB liability - end of year (a)	<u>\$ 142,206,105</u>	<u>\$ 131,117,998</u>	<u>\$ 136,474,272</u>	<u>\$ 161,903,096</u>	<u>\$ 188,406,151</u>	<u>\$ 152,961,303</u>	<u>\$ 126,641,194</u>	<u>\$ 126,702,181</u>
Plan fiduciary net position:								
Contributions - employer	\$ 6,964,785	\$ 4,770,982	\$ 5,003,922	\$ 4,143,795	\$ 5,263,460	\$ 4,894,266	\$ 4,146,371	\$ 3,972,125
Net investment income	384,023	193,817	(315,911)	319,269	40,151	89,906	(6,526)	10,103
Benefit payments	(4,680,585)	(4,270,982)	(4,503,922)	(4,143,795)	(4,763,460)	(4,794,266)	(4,046,371)	(3,872,125)
Net change in Plan fiduciary net position	2,668,223	693,817	184,089	319,269	540,151	189,906	93,474	110,103
Plan fiduciary net position - beginning of year	2,487,180	1,793,363	1,609,274	1,290,005	749,854	559,948	466,474	356,371
Plan fiduciary net position - end of year (b)	<u>\$ 5,155,403</u>	<u>\$ 2,487,180</u>	<u>\$ 1,793,363</u>	<u>\$ 1,609,274</u>	<u>\$ 1,290,005</u>	<u>\$ 749,854</u>	<u>\$ 559,948</u>	<u>\$ 466,474</u>
Net OPEB liability - end of year (a) - (b)	<u>\$ 137,050,702</u>	<u>\$ 128,630,818</u>	<u>\$ 134,680,909</u>	<u>\$ 160,293,822</u>	<u>\$ 187,116,146</u>	<u>\$ 152,211,449</u>	<u>\$ 126,081,246</u>	<u>\$ 126,235,707</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.63%	1.90%	1.31%	0.99%	0.68%	0.49%	0.44%	0.37%
Covered-employee payroll	\$ 81,586,000	\$ 81,286,000	\$ 76,513,000	\$ 73,578,000	\$ 67,672,000	\$ 67,328,937	\$ 65,500,750	\$ 65,013,809
Net OPEB liability as a percentage of covered-employee payroll	167.98%	158.24%	176.02%	217.86%	276.50%	226.07%	192.49%	N/A

N/A - Information not available

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

TOWN OF FALMOUTH, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB
 YEAR ENDED JUNE 30, 2024

SCHEDULE OF CONTRIBUTIONS

	Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially-determined contribution	\$ 7,880,577	\$ 7,628,893	\$ 7,256,414	\$ 6,780,344	\$ 8,096,104	\$ 7,841,263	\$ 6,560,565	\$ 8,695,228
Contributions in relation to the actuarially-determined contribution	(6,964,785)	(4,770,982)	(5,003,922)	(4,143,795)	(5,263,460)	(4,894,266)	(4,146,371)	(3,972,125)
Contribution deficiency (excess)	\$ 915,792	\$ 2,857,911	\$ 2,252,492	\$ 2,636,549	\$ 2,832,644	\$ 2,946,997	\$ 2,414,194	\$ 4,723,103
Covered-employee payroll	\$ 81,586,000	\$ 81,286,000	\$ 76,513,000	\$ 73,578,000	\$ 67,672,000	\$ 67,328,937	\$ 65,500,750	\$ 65,013,809
Contribution as a percentage of covered-employee payroll	8.54%	5.87%	6.54%	5.63%	7.78%	7.27%	6.33%	6.11%
Valuation date	June 30, 2022	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016
Amortization period	23 years	24 years	26 years	26 years	28 years	28 years	30 years	30 years
Investment rate of return	6.50%	6.50%	6.50%	6.50%	7.00%	7.00%	7.00%	7.00%
Municipal bond rate	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.45%	3.13%
Single equivalent discount rate	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%
Inflation	3.00%	3.00%	3.00%	3.25%	3.25%	3.25%	3.50%	3.50%
Healthcare cost trend rates	6.75% > 4.5%	6.75% > 4.5%	6.75% > 4.5%	6.75% > 4.5%	7.0% > 4.5%	7.0% > 4.5%	7.0% > 4.5%	7.0% > 4.5%
Salary increases	3.25%	3.25%	3.25%	3.25%	7.5% > 4.0%	7.5% > 4.0%	7.5% > 4.0%	7.5% > 4.0%
Actuarial Cost Method	Individual Entry Age Normal (for all years presented)							
Asset Valuation Method	Market Value of Assets as of Reporting Date (for all years presented)							

SCHEDULE OF INVESTMENT RETURNS

	Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	10.43%	8.14%	-14.64%	22.02%	0.80%	13.89%	-1.40%	2.25%

Note: These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

TOWN OF FALMOUTH, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
Revenues:						
<i>Taxes:</i>						
Real estate taxes	\$ 119,870,775	\$ 122,086,325	\$ 122,372,547	\$ -	\$ 122,372,547	\$ 286,222
Personal property taxes	2,488,827	2,488,827	2,478,486	-	2,478,486	(10,341)
Tax title	-	-	605,917	-	605,917	605,917
Motor vehicle excise	4,025,000	4,025,000	6,220,547	-	6,220,547	2,195,547
Boat excise	85,000	85,000	191,225	-	191,225	106,225
Meals excise	715,000	715,000	1,313,280	-	1,313,280	598,280
Room occupancy excise	2,550,000	2,550,000	4,621,658	-	4,621,658	2,071,658
	<u>129,734,602</u>	<u>131,950,152</u>	<u>137,803,660</u>	<u>-</u>	<u>137,803,660</u>	<u>5,853,508</u>
<i>Intergovernmental:</i>						
State aid - chapter 70	9,322,909	9,322,909	9,322,909	-	9,322,909	-
State aid - state owned land	790,777	790,777	790,777	-	790,777	-
State aid - unrestricted	1,657,357	1,657,357	1,657,357	-	1,657,357	-
State aid - veterans benefits	271,853	271,853	210,114	-	210,114	(61,739)
State aid - charter school tuition	264,302	264,302	398,427	-	398,427	134,125
State aid - other	154,440	154,440	15,682	-	15,682	(138,758)
Federal revenue through State	40,000	40,000	187,198	-	187,198	147,198
	<u>12,501,638</u>	<u>12,501,638</u>	<u>12,582,464</u>	<u>-</u>	<u>12,582,464</u>	<u>80,826</u>
<i>User charges:</i>						
Ambulance user charges	2,050,000	2,050,000	3,122,814	-	3,122,814	1,072,814
Town marina user charges	715,000	715,000	759,832	-	759,832	44,832
Solid waste disposal user charges	110,000	110,000	234,953	-	234,953	124,953
Sewer user charges	2,000,000	2,000,000	2,208,500	-	2,208,500	208,500
Water user charges	6,154,500	6,154,500	7,190,154	-	7,190,154	1,035,654
Beach user charges	980,500	980,500	1,370,356	-	1,370,356	389,856
	<u>12,010,000</u>	<u>12,010,000</u>	<u>14,886,609</u>	<u>-</u>	<u>14,886,609</u>	<u>2,876,609</u>
<i>Departmental fees and other:</i>						
Payments in lieu of taxes	165,000	165,000	240,508	-	240,508	75,508
Municipal lien fees	75,000	75,000	73,350	-	73,350	(1,650)
Recreation fees	40,000	40,000	109,152	-	109,152	69,152
Rental of municipal property	98,000	98,000	140,491	-	140,491	42,491
Police private detail charges	50,000	50,000	56,183	-	56,183	6,183
Fire inspection fees	45,000	45,000	43,555	-	43,555	(1,445)
Other fire revenue	12,000	12,000	416,060	-	416,060	404,060
Treasurer's miscellaneous	850	850	293,082	-	293,082	292,232
Collector's miscellaneous	12,400	12,400	42,504	-	42,504	30,104
Other miscellaneous	116,531	116,531	1,145,554	-	1,145,554	1,029,023
	<u>614,781</u>	<u>614,781</u>	<u>2,560,439</u>	<u>-</u>	<u>2,560,439</u>	<u>1,945,658</u>
<i>Licenses and permits:</i>						
Liquor licenses	100,000	100,000	165,255	-	165,255	65,255
Building permits	1,540,000	1,540,000	2,688,074	-	2,688,074	1,148,074
Board of Health licenses and permits	95,000	95,000	138,046	-	138,046	43,046
Other licenses and permits	105,000	105,000	195,544	-	195,544	90,544
	<u>1,840,000</u>	<u>1,840,000</u>	<u>3,186,919</u>	<u>-</u>	<u>3,186,919</u>	<u>1,346,919</u>
<i>Fines and forfeitures:</i>						
Parking violations	70,000	70,000	138,857	-	138,857	68,857
Other fines	10,000	10,000	33,193	-	33,193	23,193
	<u>80,000</u>	<u>80,000</u>	<u>172,050</u>	<u>-</u>	<u>172,050</u>	<u>92,050</u>
<i>Special Assessments</i>	<u>900,000</u>	<u>900,000</u>	<u>922,507</u>	<u>-</u>	<u>922,507</u>	<u>22,507</u>
<i>Penalties and interest on taxes</i>	<u>575,000</u>	<u>575,000</u>	<u>1,197,845</u>	<u>-</u>	<u>1,197,845</u>	<u>622,845</u>
<i>Interest and investment income</i>	<u>43,000</u>	<u>43,000</u>	<u>3,090,570</u>	<u>-</u>	<u>3,090,570</u>	<u>3,047,570</u>
Total Revenues	<u>158,299,021</u>	<u>160,514,571</u>	<u>176,403,063</u>	<u>-</u>	<u>176,403,063</u>	<u>15,888,492</u>

TOWN OF FALMOUTH, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
Expenditures:						
<i>General Government:</i>						
Town Meeting:						
Salary and wages	2,000	2,000	1,511	-	1,511	489
Other expenses	40,000	40,000	38,152	-	38,152	1,848
	<u>42,000</u>	<u>42,000</u>	<u>39,663</u>	<u>-</u>	<u>39,663</u>	<u>2,337</u>
Town Moderator:						
Salary and wages	1,500	1,500	1,500	-	1,500	-
	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Select Board/Town Manager:						
Salary and wages	696,246	664,466	592,176	-	592,176	72,290
Specific departmental expenses	42,720	42,720	23,420	-	23,420	19,300
Other expenses	69,847	144,847	121,729	12,262	133,991	10,856
Article expenses	1,974,121	2,740,347	568,697	2,134,246	2,702,943	37,404
	<u>2,782,934</u>	<u>3,592,380</u>	<u>1,306,022</u>	<u>2,146,508</u>	<u>3,452,530</u>	<u>139,850</u>
Finance Department:						
Salary and wages	139,637	148,156	147,603	-	147,603	553
Other expenses	3,112	3,112	2,476	-	2,476	636
Article expenses	-	1,137,000	-	1,137,000	1,137,000	-
	<u>142,749</u>	<u>1,288,268</u>	<u>150,079</u>	<u>1,137,000</u>	<u>1,287,079</u>	<u>1,189</u>
Town Accountant:						
Salary and wages	212,971	232,215	226,981	-	226,981	5,234
Specific departmental expenses	65,000	65,000	52,500	-	52,500	12,500
Other expenses	2,725	2,725	2,670	-	2,670	55
	<u>280,696</u>	<u>299,940</u>	<u>282,151</u>	<u>-</u>	<u>282,151</u>	<u>17,789</u>
Assessing Department:						
Salary and wages	435,187	443,741	425,542	-	425,542	18,199
Other expenses	35,690	35,690	32,201	249	32,450	3,240
Article expenses	200,000	200,000	45,900	154,100	200,000	-
	<u>670,877</u>	<u>679,431</u>	<u>503,643</u>	<u>154,349</u>	<u>657,992</u>	<u>21,439</u>
Town Treasurer:						
Salary and wages	456,479	481,671	475,656	-	475,656	6,015
Other expenses	222,923	222,923	190,713	-	190,713	32,210
	<u>679,402</u>	<u>704,594</u>	<u>666,369</u>	<u>-</u>	<u>666,369</u>	<u>38,225</u>
Personnel Department:						
Salary and wages	255,345	334,808	312,529	-	312,529	22,279
Other expenses	75,245	85,245	75,608	600	76,208	9,037
	<u>330,590</u>	<u>420,053</u>	<u>388,137</u>	<u>600</u>	<u>388,737</u>	<u>31,316</u>
Legal Department:						
Salary and wages	337,914	355,850	339,044	-	339,044	16,806
Specific departmental expenses	168,529	213,529	213,496	-	213,496	33
Other expenses	64,470	64,470	46,696	-	46,696	17,774
	<u>570,913</u>	<u>633,849</u>	<u>599,236</u>	<u>-</u>	<u>599,236</u>	<u>34,613</u>
Finance Committee:						
Reserve fund	326,000	-	-	-	-	-
	<u>326,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

TOWN OF FALMOUTH, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
Information Technology:						
Salary and wages	614,539	490,000	430,641	-	430,641	59,359
Specific departmental expenses	22,000	228,000	224,664	-	224,664	3,336
Other expenses	712,578	712,578	634,201	20,178	654,379	58,199
Article expenses	174,149	367,149	126,967	240,182	367,149	-
	<u>1,523,266</u>	<u>1,797,727</u>	<u>1,416,473</u>	<u>260,360</u>	<u>1,676,833</u>	<u>120,894</u>
Geographical Information Systems:						
Salary and wages	90,452	96,131	95,763	-	95,763	368
Other expenses	21,750	21,750	18,751	-	18,751	2,999
Article expenses	7,000	7,000	-	-	-	7,000
	<u>119,202</u>	<u>124,881</u>	<u>114,514</u>	<u>-</u>	<u>114,514</u>	<u>10,367</u>
Town Clerk:						
Salary and wages	336,602	352,530	347,463	-	347,463	5,067
Other expenses	38,300	38,300	38,234	-	38,234	66
Article expenses	60,809	60,809	10,550	50,259	60,809	-
	<u>435,711</u>	<u>451,639</u>	<u>396,247</u>	<u>50,259</u>	<u>446,506</u>	<u>5,133</u>
Elections:						
Salary and wages	55,000	58,000	57,616	-	57,616	384
Other expenses	45,500	45,500	43,799	544	44,343	1,157
	<u>100,500</u>	<u>103,500</u>	<u>101,415</u>	<u>544</u>	<u>101,959</u>	<u>1,541</u>
Conservation Commission:						
Salary and wages	323,682	348,970	343,974	-	343,974	4,996
Specific departmental expenses	8,200	8,200	7,105	-	7,105	1,095
Other expenses	18,045	18,045	11,336	-	11,336	6,709
Article expenses	106,939	106,939	4,637	102,302	106,939	-
	<u>456,866</u>	<u>482,154</u>	<u>367,052</u>	<u>102,302</u>	<u>469,354</u>	<u>12,800</u>
Planning Department:						
Salary and wages	362,543	385,110	385,109	-	385,109	1
Other expenses	11,000	11,000	9,581	-	9,581	1,419
Article expenses	49,863	114,863	13,782	101,081	114,863	-
	<u>423,406</u>	<u>510,973</u>	<u>408,472</u>	<u>101,081</u>	<u>509,553</u>	<u>1,420</u>
Zoning Board of Appeals:						
Salary and wages	160,571	163,899	163,292	-	163,292	607
Specific departmental expenses	600	30,600	7,154	4,401	11,555	19,045
Other expenses	8,500	8,500	4,172	-	4,172	4,328
Article expenses	-	40,000	-	40,000	40,000	-
	<u>169,671</u>	<u>242,999</u>	<u>174,618</u>	<u>44,401</u>	<u>219,019</u>	<u>23,980</u>
Facilities Maintenance:						
Salary and wages	795,453	877,500	830,528	-	830,528	46,972
Specific departmental expenses	142,016	142,016	133,115	6,404	139,519	2,497
Capital expenses	106,000	106,000	69,077	22,381	91,458	14,542
Other expenses	166,618	177,158	133,388	6,782	140,170	36,988
Article expenses	506,734	1,163,734	128,504	1,030,321	1,158,825	4,909
	<u>1,716,821</u>	<u>2,466,408</u>	<u>1,294,612</u>	<u>1,065,888</u>	<u>2,360,500</u>	<u>105,908</u>
Court Judgments:						
Specific departmental expenses	500	500	-	-	-	500
	<u>500</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Town Insurance:						
Other expenses	1,813,913	1,888,913	1,869,942	-	1,869,942	18,971
	<u>1,813,913</u>	<u>1,888,913</u>	<u>1,869,942</u>	<u>-</u>	<u>1,869,942</u>	<u>18,971</u>
<i>Total General Government</i>	<u>12,587,517</u>	<u>15,731,709</u>	<u>10,080,145</u>	<u>5,063,292</u>	<u>15,143,437</u>	<u>588,272</u>

TOWN OF FALMOUTH, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Encumbrances	Actual	Variance Positive (Negative)
	Original Budget	Final Budget	Budgetary Amounts		Budgetary Adjusted	
<i>Public Safety:</i>						
Police Department:						
Salary and wages	7,305,591	7,325,184	6,821,650	-	6,821,650	503,534
Specific departmental expenses	12,000	12,000	10,417	-	10,417	1,583
Capital expenses	250,000	250,000	250,000	-	250,000	-
Other expenses	710,057	750,057	726,673	17,417	744,090	5,967
Article expenses	421,153	1,594,153	335,756	1,160,755	1,496,511	97,642
	<u>8,698,801</u>	<u>9,931,394</u>	<u>8,144,496</u>	<u>1,178,172</u>	<u>9,322,668</u>	<u>608,726</u>
Fire Department:						
Salary and wages	8,976,523	9,141,168	9,132,262	-	9,132,262	8,906
Specific departmental expenses	36,571	44,341	30,803	-	30,803	13,538
Other expenses	790,236	830,236	748,132	75,347	823,479	6,757
Article expenses	2,868,331	3,798,331	1,177,950	2,618,819	3,796,769	1,562
	<u>12,671,661</u>	<u>13,814,076</u>	<u>11,089,147</u>	<u>2,694,166</u>	<u>13,783,313</u>	<u>30,763</u>
Building Department:						
Salary and wages	772,359	805,845	795,329	-	795,329	10,516
Other expenses	165,650	165,650	74,249	10,153	84,402	81,248
	<u>938,009</u>	<u>971,495</u>	<u>869,578</u>	<u>10,153</u>	<u>879,731</u>	<u>91,764</u>
Consolidated Communication Department:						
Salary and wages	796,280	1,029,780	1,029,151	-	1,029,151	629
Other expenses	116,724	116,724	115,163	-	115,163	1,561
Article expenses	541,766	2,541,766	153,476	2,388,289	2,541,765	1
	<u>1,454,770</u>	<u>3,688,270</u>	<u>1,297,790</u>	<u>2,388,289</u>	<u>3,686,079</u>	<u>2,191</u>
Marine and Environmental Services:						
Salary and wages	872,701	872,701	819,948	-	819,948	52,753
Specific departmental expenses	63,084	63,084	62,810	183	62,993	91
Other expenses	205,173	205,173	174,364	9,050	183,414	21,759
Article expenses	1,264,834	1,579,245	753,551	814,002	1,567,553	11,692
	<u>2,405,792</u>	<u>2,720,203</u>	<u>1,810,673</u>	<u>823,235</u>	<u>2,633,908</u>	<u>86,295</u>
<i>Total Public Safety</i>	<u>26,169,033</u>	<u>31,125,438</u>	<u>23,211,684</u>	<u>7,094,015</u>	<u>30,305,699</u>	<u>819,739</u>
<i>Education:</i>						
School Department:						
Salary and other expenses	59,519,118	59,637,402	54,648,730	4,988,469	59,637,199	203
Article expenses	3,007,308	5,084,827	2,421,904	2,662,923	5,084,827	-
	<u>62,526,426</u>	<u>64,722,229</u>	<u>57,070,634</u>	<u>7,651,392</u>	<u>64,722,026</u>	<u>203</u>
Upper Cape Vocational School:						
Other expenses	3,498,176	3,498,176	3,498,176	-	3,498,176	-
	<u>3,498,176</u>	<u>3,498,176</u>	<u>3,498,176</u>	<u>-</u>	<u>3,498,176</u>	<u>-</u>
<i>Total Education</i>	<u>66,024,602</u>	<u>68,220,405</u>	<u>60,568,810</u>	<u>7,651,392</u>	<u>68,220,202</u>	<u>203</u>
<i>Public Works:</i>						
Admin/Engineering:						
Salary and wages	854,065	888,770	873,802	-	873,802	14,968
Specific departmental expenses	1,700	1,700	-	-	-	1,700
Other expenses	104,700	104,700	90,885	4,000	94,885	9,815
Article expenses	1,650,265	3,038,265	986,142	2,052,122	3,038,264	1
	<u>2,610,730</u>	<u>4,033,435</u>	<u>1,950,829</u>	<u>2,056,122</u>	<u>4,006,951</u>	<u>26,484</u>

(continued)

TOWN OF FALMOUTH, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
Highway:						
Salary and wages	1,327,339	1,329,865	1,224,863	-	1,224,863	105,002
Specific departmental expenses	124,338	124,338	111,542	7,071	118,613	5,725
Other expenses	288,339	288,339	266,874	3,050	269,924	18,415
Article expenses	1,216,373	2,906,373	1,924,177	982,196	2,906,373	-
	<u>2,956,389</u>	<u>4,648,915</u>	<u>3,527,456</u>	<u>992,317</u>	<u>4,519,773</u>	<u>129,142</u>
Snow and Ice Control:						
Salary and wages	180,000	180,000	70,623	-	70,623	109,377
Other expenses	195,000	282,500	391,875	-	391,875	(109,375)
	<u>375,000</u>	<u>462,500</u>	<u>462,498</u>	<u>-</u>	<u>462,498</u>	<u>2</u>
Street Lighting:						
Other expenses	109,288	109,288	96,028	3,000	99,028	10,260
	<u>109,288</u>	<u>109,288</u>	<u>96,028</u>	<u>3,000</u>	<u>99,028</u>	<u>10,260</u>
Vehicle Gasoline:						
Other expenses	500,000	500,000	400,002	-	400,002	99,998
	<u>500,000</u>	<u>500,000</u>	<u>400,002</u>	<u>-</u>	<u>400,002</u>	<u>99,998</u>
Fleet Services:						
Salary and wages	293,603	296,798	264,427	-	264,427	32,371
Other expenses	267,363	267,363	261,457	-	261,457	5,906
Article expenses	372,270	921,270	664,348	242,000	906,348	14,922
	<u>933,236</u>	<u>1,485,431</u>	<u>1,190,232</u>	<u>242,000</u>	<u>1,432,232</u>	<u>53,199</u>
Waste Management Facility:						
Salary and wages	180,236	180,236	176,464	-	176,464	3,772
Other expenses	213,432	213,432	187,728	5,647	193,375	20,057
	<u>393,668</u>	<u>393,668</u>	<u>364,192</u>	<u>5,647</u>	<u>369,839</u>	<u>23,829</u>
Solid Waste Collection:						
Specific departmental expenses	5,195,044	5,195,044	4,721,828	422,573	5,144,401	50,643
	<u>5,195,044</u>	<u>5,195,044</u>	<u>4,721,828</u>	<u>422,573</u>	<u>5,144,401</u>	<u>50,643</u>
Wastewater Utilities:						
Salary and wages	748,112	755,545	746,156	-	746,156	9,389
Other expenses	1,112,461	1,237,461	1,151,203	85,808	1,237,011	450
Article expenses	713,659	1,688,659	235,563	1,356,321	1,591,884	96,775
	<u>2,574,232</u>	<u>3,681,665</u>	<u>2,132,922</u>	<u>1,442,129</u>	<u>3,575,051</u>	<u>106,614</u>
Water Utilities:						
Salary and wages	1,642,478	1,653,142	1,573,580	-	1,573,580	79,562
Specific departmental expenses	520,396	520,396	436,639	-	436,639	83,757
Other expenses	1,625,857	1,625,857	1,594,158	91,424	1,685,582	(59,725)
Article expenses	1,003,932	3,444,939	1,893,143	1,551,797	3,444,940	(1)
	<u>4,792,663</u>	<u>7,244,334</u>	<u>5,497,520</u>	<u>1,643,221</u>	<u>7,140,741</u>	<u>103,593</u>
Parks:						
Salary and wages	1,118,027	1,119,614	1,033,514	-	1,033,514	86,100
Specific departmental expenses	19,900	19,900	17,404	-	17,404	2,496
Other expenses	317,929	317,929	293,543	1,560	295,103	22,826
Article expenses	82,072	214,072	157,337	56,731	214,068	4
	<u>1,537,928</u>	<u>1,671,515</u>	<u>1,501,798</u>	<u>58,291</u>	<u>1,560,089</u>	<u>111,426</u>
<i>Total Public Works</i>	<u>21,978,178</u>	<u>29,425,795</u>	<u>21,845,305</u>	<u>6,865,300</u>	<u>28,710,605</u>	<u>715,190</u>

TOWN OF FALMOUTH, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
<i>Health and Human Services:</i>						
Health Inspection:						
Salary and wages	409,554	423,996	376,972	-	376,972	47,024
Specific departmental expenses	98,381	98,381	85,856	-	85,856	12,525
Other expenses	16,286	16,286	13,679	-	13,679	2,607
	<u>524,221</u>	<u>538,663</u>	<u>476,507</u>	<u>-</u>	<u>476,507</u>	<u>62,156</u>
Clinics and Nurses:						
Specific departmental expenses	45,980	45,980	31,242	-	31,242	14,738
	<u>45,980</u>	<u>45,980</u>	<u>31,242</u>	<u>-</u>	<u>31,242</u>	<u>14,738</u>
Council on Aging:						
Salary and wages	481,415	501,890	415,865	-	415,865	86,025
Other expenses	130,075	130,075	92,896	-	92,896	37,179
Article expenses	10,932	10,932	1,439	-	1,439	9,493
	<u>622,422</u>	<u>642,897</u>	<u>510,200</u>	<u>-</u>	<u>510,200</u>	<u>132,697</u>
Veterans Services:						
Salary and wages	159,388	163,146	162,319	-	162,319	827
Specific departmental expenses	456,200	456,200	353,800	-	353,800	102,400
Other expenses	5,750	5,750	915	-	915	4,835
	<u>621,338</u>	<u>625,096</u>	<u>517,034</u>	<u>-</u>	<u>517,034</u>	<u>108,062</u>
Commission on Disabilities:						
Other expenses	250	250	33	-	33	217
	<u>250</u>	<u>250</u>	<u>33</u>	<u>-</u>	<u>33</u>	<u>217</u>
Human Services:						
Salary and wages	408,025	433,206	431,547	-	431,547	1,659
Specific departmental expenses	150,000	150,000	149,527	-	149,527	473
Other expenses	46,609	46,609	42,173	120	42,293	4,316
	<u>604,634</u>	<u>629,815</u>	<u>623,247</u>	<u>120</u>	<u>623,367</u>	<u>6,448</u>
<i>Total Health and Human Services</i>	<u>2,418,845</u>	<u>2,482,701</u>	<u>2,158,263</u>	<u>120</u>	<u>2,158,383</u>	<u>324,318</u>
<i>Culture and Recreation:</i>						
Falmouth Public Library:						
Salary and wages	1,685,891	1,769,001	1,615,724	-	1,615,724	153,277
Specific departmental expenses	334,458	334,458	332,536	-	332,536	1,922
Other expenses	253,925	253,925	236,834	71	236,905	17,020
Article expenses	48,596	48,596	48,596	-	48,596	-
	<u>2,322,870</u>	<u>2,405,980</u>	<u>2,233,690</u>	<u>71</u>	<u>2,233,761</u>	<u>172,219</u>
Recreation:						
Salary and wages	435,049	451,810	436,422	-	436,422	15,388
Specific departmental expenses	96,091	96,091	81,650	200	81,850	14,241
Other expenses	90,717	90,717	72,445	1,701	74,146	16,571
Article expenses	571,616	871,616	233,844	637,772	871,616	-
	<u>1,193,473</u>	<u>1,510,234</u>	<u>824,361</u>	<u>639,673</u>	<u>1,464,034</u>	<u>46,200</u>
Beach Department:						
Salary and wages	819,317	870,317	865,271	-	865,271	5,046
Capital expenses	25,000	25,000	24,990	-	24,990	10
Other expenses	89,823	114,323	104,205	1,541	105,746	8,577
Article expenses	78,745	145,745	12,000	129,273	141,273	4,472
	<u>1,012,885</u>	<u>1,155,385</u>	<u>1,006,466</u>	<u>130,814</u>	<u>1,137,280</u>	<u>18,105</u>
Bikeways Committee:						
Other expenses	2,000	2,000	-	-	-	2,000
	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
<i>Total Culture and Recreation</i>	<u>4,531,228</u>	<u>5,073,599</u>	<u>4,064,517</u>	<u>770,558</u>	<u>4,835,075</u>	<u>238,524</u>

(continued)

TOWN OF FALMOUTH, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
<i>State and County Assessments:</i>						
County assessments	534,475	534,475	534,475	-	534,475	-
Cape Cod Commission	573,032	573,032	573,032	-	573,032	-
State assessments and charges	467,959	467,959	467,914	-	467,914	45
Transportation authorities assessments	207,581	207,581	207,581	-	207,581	-
Tuition assessments	3,503,141	3,503,141	3,192,596	-	3,192,596	310,545
<i>Total State and County Assessments</i>	<u>5,286,188</u>	<u>5,286,188</u>	<u>4,975,598</u>	<u>-</u>	<u>4,975,598</u>	<u>310,590</u>
<i>Pension and Fringe Benefits:</i>						
Retirement:						
Non-contributory pension	18,025	9,025	567	-	567	8,458
Contributory pension	11,061,128	11,070,128	11,070,101	-	11,070,101	27
	<u>11,079,153</u>	<u>11,079,153</u>	<u>11,070,668</u>	<u>-</u>	<u>11,070,668</u>	<u>8,485</u>
Unemployment:						
Other expenses	164,224	239,224	208,475	28,763	237,238	1,986
	<u>164,224</u>	<u>239,224</u>	<u>208,475</u>	<u>28,763</u>	<u>237,238</u>	<u>1,986</u>
Health Insurance:						
Other expenses	15,145,305	15,027,035	14,613,880	-	14,613,880	413,155
	<u>15,145,305</u>	<u>15,027,035</u>	<u>14,613,880</u>	<u>-</u>	<u>14,613,880</u>	<u>413,155</u>
Life Insurance:						
Other expenses	7,000	7,000	4,276	-	4,276	2,724
	<u>7,000</u>	<u>7,000</u>	<u>4,276</u>	<u>-</u>	<u>4,276</u>	<u>2,724</u>
Medicare Insurance:						
Specific departmental expenses	1,076,793	1,176,793	1,129,314	-	1,129,314	47,479
	<u>1,076,793</u>	<u>1,176,793</u>	<u>1,129,314</u>	<u>-</u>	<u>1,129,314</u>	<u>47,479</u>
Other Employee Benefits:						
Specific departmental expenses	214,550	214,550	147,129	143	147,272	67,278
	<u>214,550</u>	<u>214,550</u>	<u>147,129</u>	<u>143</u>	<u>147,272</u>	<u>67,278</u>
<i>Total Pension and Fringe Benefits</i>	<u>27,687,025</u>	<u>27,743,755</u>	<u>27,173,742</u>	<u>28,906</u>	<u>27,202,648</u>	<u>541,107</u>
<i>Debt Service:</i>						
Long Term Excluded Debt:						
Principal payments	7,984,432	7,984,432	7,984,432	-	7,984,432	-
Interest payments	2,029,833	2,029,833	2,029,831	-	2,029,831	2
	<u>10,014,265</u>	<u>10,014,265</u>	<u>10,014,263</u>	<u>-</u>	<u>10,014,263</u>	<u>2</u>
Long Term Non-Excluded Debt:						
Principal payments	2,560,257	2,560,257	2,560,257	-	2,560,257	-
Interest payments	672,487	672,487	672,487	-	672,487	-
	<u>3,232,744</u>	<u>3,232,744</u>	<u>3,232,744</u>	<u>-</u>	<u>3,232,744</u>	<u>-</u>
Short Term Debt:						
Interest payments	200,000	200,000	175,313	-	175,313	24,687
	<u>200,000</u>	<u>200,000</u>	<u>175,313</u>	<u>-</u>	<u>175,313</u>	<u>24,687</u>
<i>Total Debt Service</i>	<u>13,447,009</u>	<u>13,447,009</u>	<u>13,422,320</u>	<u>-</u>	<u>13,422,320</u>	<u>24,689</u>
Total Expenditures	<u>180,129,625</u>	<u>198,536,599</u>	<u>167,500,384</u>	<u>27,473,583</u>	<u>194,973,967</u>	<u>3,562,632</u>

TOWN OF FALMOUTH, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
Other Financing Sources (Uses)						
Transfers in	2,284,594	6,835,418	6,843,816		6,843,816	8,398
Transfers out	(1,923,795)	(8,348,795)	(8,444,508)		(8,444,508)	(95,713)
Total Other Financing Sources (Uses)	<u>360,799</u>	<u>(1,513,377)</u>	<u>(1,600,692)</u>		<u>\$ (1,600,692)</u>	<u>(87,315)</u>
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures/Uses Of Prior Year Budgetary Fund Balance</i>	<u>(21,469,805)</u>	<u>(39,535,405)</u>	<u>\$ 7,301,987</u>			<u>\$ 19,363,809</u>
Other Budgetary Items						
Use of unassigned fund balance (free cash)	\$ -	\$ 18,065,600				
Prior year encumbrances	<u>20,519,805</u>	<u>20,519,805</u>				
Total Other Budgetary Items	<u>20,519,805</u>	<u>38,585,405</u>				
Net budget and actual	<u>\$ (950,000)</u>	<u>\$ (950,000)</u>				

(Concluded)

The notes to the financial statements are an integral part of this statement.

The notes to the required supplementary information are and integral part of this statement.

TOWN OF FALMOUTH, MASSACHUSETTS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2024

I. Pension Plan

Pension Contributions – The Town has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method. The pension appropriations are established by the Public Employee Retirement Administration Commission (PERAC) based on a funding schedule approved by the System.

Changes in Assumptions – None.

II. Other Postemployment Benefit Plan

The Town administers a single employer defined benefit healthcare plan that provides health, dental and life insurance benefits (other postemployment benefits) to retirees and their dependents/beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B. The Town is not required to fully fund the actuarially determined contribution. Methods and assumptions used to determine contribution rates are as follows:

Investment rate of return	6.5%, net of OPEB plan investment expense, including inflation
Municipal bond rate	3.93% as of June 30, 2024
Discount rate	3.93% as of June 30, 2024
Inflation	3.00%
Health care trend rate	6.75% decreasing to 4.5% at a rate of 0.25% per year
Salary increases	3.25%
Pre-retirement mortality	Non-teachers: RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021 Teachers: Pub-2010 Teachers Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2021
Post-retirement mortality	Non-teachers: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021 Teachers: Pub-2010 Teachers Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2021
Disabled mortality	Non-teachers: RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021 Teachers: Pub-2010 Teachers Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2021
Actuarial cost method	Individual entry age normal - level percentage of payroll

Changes in Assumptions –The only change in assumptions from the prior year was the increase of the discount rate from 3.65%. to 3.93%.

III. Budgetary Basis of Accounting

Budgetary Information – An annual budget is legally adopted for the General Fund. Financial orders are initiated by department heads, recommended by the Finance Committee and approved by the taxpayers at the Town’s annual meeting in May. Expenditures may legally exceed appropriations at the department level. Department heads may transfer, without Town meeting approval, appropriation balances from one expenditure account to another within their department or budget. The Town meeting however must approve any transfer of unencumbered appropriation balances between departments or agencies. At the close of each fiscal year, unencumbered appropriation balances lapse or reverts to unassigned fund balance. The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The Town Accountant has the responsibility to ensure that budgetary control is maintained in the manner in which the appropriations were voted at Town Meeting. Budgetary control is exercised through the Town’s accounting system.

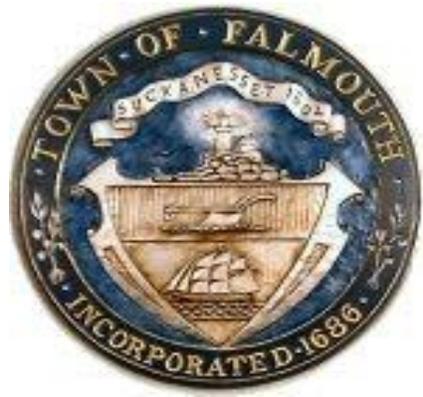
The Town Meeting increased the original budget by approximately \$24.8 million for capital improvements (\$16.0 million), various other non-capital improvements (\$0.4 million), employee benefits (\$0.5 million), affordable housing (\$0.9 million), stabilization reserves (\$6.3 million) and other purposes (\$0.7 million).

Budgetary-to-GAAP Reconciliation – The Town’s General Fund is prepared on a basis of accounting other than GAAP to conform to the Uniform Municipal Accounting System basis of accounting as prescribed by the Massachusetts Department of Revenue.

A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2024, is as follows:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenue on a budgetary basis			\$ 176,403,063
MTRS on-behalf pension payments	\$ 10,171,658	\$ -	10,171,658
Revenue recognition differences	1,128,251	-	1,128,251
Stabilization investment income	-	1,082,746	1,082,746
Workers' compensation investment income	-	22,476	22,476
MCWT debt subsidy recognition	427,706	-	427,706
Water revenues	-	(7,619,052)	(7,619,052)
Revenue on a GAAP basis	<u>\$ 11,727,615</u>	<u>\$ (6,513,830)</u>	<u>\$ 181,616,848</u>
Expenditures on a budgetary basis			\$ 167,500,384
MTRS on-behalf pension payments	\$ 10,171,658	\$ -	10,171,658
OPEB funding contributions	-	2,284,199	2,284,199
Expenditure recognition differences	1,363,895	-	1,363,895
MCWT debt subsidy recognition	427,706	-	427,706
Water expenditures	-	(9,822,493)	(9,822,493)
Expenditures on a GAAP basis	<u>\$ 11,963,259</u>	<u>\$ (7,538,294)</u>	<u>\$ 171,925,349</u>

	Basis of Accounting Differences	Fund Perspective Differences	Total
Other financing sources (uses) on a budgetary basis			\$ (1,600,692)
Stabilization fund transfers	\$ -	\$ 3,304,481	3,304,481
Debt premium fund transfers	-	(14,808)	(14,808)
OPEB funding contributions	-	2,284,199	2,284,199
Water capital article funding transfers	-	(1,011,007)	(1,011,007)
Water surplus (deficit) activity transfer	-	(1,790,800)	(1,790,800)
Other financing sources (uses) on a GAAP basis	<u>\$ -</u>	<u>\$ 2,772,065</u>	<u>\$ 1,171,373</u>



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Combining Statements

Nonmajor Governmental Fund

Special Revenue Funds –

Special revenue funds are used to account for certain revenue generating activities that are legally and/or programmatically restricted to expenditures for a specific purpose. From the Town's financial ledgers, these activities can be distinctly categorized into the following groupings:

Town Federal Grants – This fund accounts for non-school grant programs received either directly from federal or indirectly through pass-through entities.

School Federal Grants – This fund accounts for educational-based grant programs received either directly from federal agencies or indirectly through pass-through entities.

Town State Grants – This fund accounts for non-school grant programs received directly from State agencies.

School State Grants – This fund accounts for educational-based grant programs received directly from State agencies.

School Lunch Fund – This segregated revolving fund accounts for the activities of the child nutrition programs; amounts collected from services include federal and state meal reimbursements and meal charges.

Town Revolving Funds – This fund accounts for the non-school related activity within revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and other applicable statutes.

School Revolving Funds – This fund accounts for educational-based activities within revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and Chapter 71.

Donations – This fund accounts for donated monies which relate to all Town activities.

Other Municipal Funds – This fund accounts for miscellaneous other monies that are not specifically categorized in any of the previous accounts.

Permanent Funds –

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

Cemetery Trust Funds – This fund accounts for contributions earmarked for the perpetual care and maintenance of cemetery facilities and property.

Affordable Housing Trust – Created under the provisions of Massachusetts General Laws Chapter 44, Section 55C, this Trust provides for the creation and preservation of affordable housing.

Conservation Trust – This fund accounts for contributions earmarked for the preservation of conservation in the Town.

Other Trust Funds – This fund accounts for all contributions including: gifts, donations, and bequests for which only earnings on the original trust corpus may be expended to benefit government approved programs, other than those associated with cemetery and library activities.

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2024

	Special Revenue Funds			
	Town Federal Grants	School Federal Grants	Town State Grants	School State Grants
Assets:				
Cash and short-term investments	\$ 199,223	\$ 250,358	\$ 449,791	\$ 227,947
Investments	-	-	-	-
Receivables, net of allowance for uncollectibles				
Departmental and other	-	-	-	-
Intergovernmental	27,931	87,766	232,468	-
Total Assets	<u>227,154</u>	<u>338,124</u>	<u>682,259</u>	<u>227,947</u>
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 227,154</u>	<u>\$ 338,124</u>	<u>\$ 682,259</u>	<u>\$ 227,947</u>
Liabilities:				
Warrants and accounts payable	\$ 3,787	\$ 114,196	\$ 93,344	\$ 14,920
Accrued payroll and withholdings	407	12,372	9,579	4,979
Unearned revenue	179,435	-	-	-
Total Liabilities	<u>183,629</u>	<u>126,568</u>	<u>102,923</u>	<u>19,899</u>
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	43,525	211,556	579,336	208,048
Total Fund Balances	<u>43,525</u>	<u>211,556</u>	<u>579,336</u>	<u>208,048</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 227,154</u>	<u>\$ 338,124</u>	<u>\$ 682,259</u>	<u>\$ 227,947</u>

<u>School Lunch Fund</u>	<u>Town Revolving Funds</u>	<u>School Revolving Funds</u>	<u>Donation Funds</u>	<u>Other Municipal Funds</u>	<u>Sub-total Special Revenue Funds</u>
\$ 1,345,395	\$ 1,021,531	\$ 1,358,997	\$ 532,080	\$ 364,135	\$ 5,749,457
-	-	-	-	-	-
-	74,997	-	-	-	74,997
<u>79,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,705</u>
<u>1,424,935</u>	<u>1,096,528</u>	<u>1,358,997</u>	<u>532,080</u>	<u>364,135</u>	<u>6,252,159</u>
-	-	-	-	-	-
<u>\$ 1,424,935</u>	<u>\$ 1,096,528</u>	<u>\$ 1,358,997</u>	<u>\$ 532,080</u>	<u>\$ 364,135</u>	<u>\$ 6,252,159</u>
\$ 14,332	\$ 120,643	\$ 15,866	\$ 3,007	\$ -	\$ 380,095
14,124	16,528	15,916	-	-	73,905
-	-	-	-	-	179,435
<u>28,456</u>	<u>137,171</u>	<u>31,782</u>	<u>3,007</u>	<u>-</u>	<u>633,435</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,396,479</u>	<u>959,357</u>	<u>1,327,215</u>	<u>529,073</u>	<u>364,135</u>	<u>5,618,724</u>
<u>1,396,479</u>	<u>959,357</u>	<u>1,327,215</u>	<u>529,073</u>	<u>364,135</u>	<u>5,618,724</u>
<u>\$ 1,424,935</u>	<u>\$ 1,096,528</u>	<u>\$ 1,358,997</u>	<u>\$ 532,080</u>	<u>\$ 364,135</u>	<u>\$ 6,252,159</u>

(Continued)

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2024

	Permanent Funds			
	Cemetery Funds	Affordable Housing Trust	Conservation Trust	Other Trust Funds
Assets:				
Cash and short-term investments	\$ 2,000	\$ 576,590	\$ 2,359	\$ 8,426
Investments	155,968	10,068,141	327,175	40,811
Receivables, net of allowance for uncollectibles				
Departmental and other	-	-	-	-
Intergovernmental	-	-	-	-
Total Assets	<u>157,968</u>	<u>10,644,731</u>	<u>329,534</u>	<u>49,237</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 157,968</u>	<u>\$ 10,644,731</u>	<u>\$ 329,534</u>	<u>\$ 49,237</u>
Liabilities:				
Warrants and accounts payable	\$ 2,000	\$ 130,000	\$ -	\$ -
Accrued payroll and withholdings	-	-	2,359	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>2,000</u>	<u>130,000</u>	<u>2,359</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	25,000
Restricted	155,968	10,514,731	327,175	24,237
Total Fund Balances	<u>155,968</u>	<u>10,514,731</u>	<u>327,175</u>	<u>49,237</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 157,968</u>	<u>\$ 10,644,731</u>	<u>\$ 329,534</u>	<u>\$ 49,237</u>

<u>Sub-total Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 589,375	\$ 6,338,832
10,592,095	10,592,095
-	74,997
-	427,705
<u>11,181,470</u>	<u>17,433,629</u>
-	-
<u>\$ 11,181,470</u>	<u>\$ 17,433,629</u>
\$ 132,000	\$ 512,095
2,359	76,264
-	179,435
<u>134,359</u>	<u>767,794</u>
-	-
25,000	25,000
11,022,111	16,640,835
<u>11,047,111</u>	<u>16,665,835</u>
<u>\$ 11,181,470</u>	<u>\$ 17,433,629</u>

(Concluded)

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	Town Federal Grants	School Federal Grants	Town State Grants	School State Grants
Revenues:				
Intergovernmental	\$ 1,688,973	\$ 1,729,963	\$ 916,181	\$ 388,268
Departmental and other	-	-	-	-
Investment income (loss)	-	-	-	-
Contributions and donations	4,983	-	-	-
Total Revenues	<u>1,693,956</u>	<u>1,729,963</u>	<u>916,181</u>	<u>388,268</u>
Expenditures:				
General government	135,000	-	398	-
Public safety	27,905	-	80,647	-
Education	-	2,436,605	-	359,744
Public works	1,433,871	-	264,851	-
Health and human services	-	-	219,837	-
Culture and recreation	91,601	-	198,948	-
Total Expenditures	<u>1,688,377</u>	<u>2,436,605</u>	<u>764,681</u>	<u>359,744</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,579	(706,642)	151,500	28,524
Other Financing Sources (Uses):				
Premiums from bond issuance	-	-	-	-
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	5,579	(706,642)	151,500	28,524
Fund Balances - Beginning of Year	<u>37,946</u>	<u>918,198</u>	<u>427,836</u>	<u>179,524</u>
Fund Balances - End of Year	<u>\$ 43,525</u>	<u>\$ 211,556</u>	<u>\$ 579,336</u>	<u>\$ 208,048</u>

School Lunch Fund	Town Revolving Funds	School Revolving Funds	Donation Funds	Other Municipal Funds	Sub-total Special Revenue Funds
\$ 1,329,392	\$ -	\$ 1,553,208	\$ -	\$ -	\$ 7,605,985
67,442	1,821,144	706,189	-	47,013	2,641,788
-	-	-	-	-	-
-	323	6,574	87,537	-	99,417
<u>1,396,834</u>	<u>1,821,467</u>	<u>2,265,971</u>	<u>87,537</u>	<u>47,013</u>	<u>10,347,190</u>
-	194,256	-	4,000	-	333,654
-	874,003	-	7,970	-	990,525
1,235,503	-	2,987,446	3,277	-	7,022,575
-	64,910	-	26,126	43,348	1,833,106
-	352,830	-	2,056	-	574,723
-	42,686	-	44,718	-	377,953
<u>1,235,503</u>	<u>1,528,685</u>	<u>2,987,446</u>	<u>88,147</u>	<u>43,348</u>	<u>11,132,536</u>
161,331	292,782	(721,475)	(610)	3,665	(785,346)
-	136,283	-	-	-	136,283
-	-	-	-	-	-
-	136,283	-	-	-	136,283
161,331	429,065	(721,475)	(610)	3,665	(649,063)
<u>1,235,148</u>	<u>530,292</u>	<u>2,048,690</u>	<u>529,683</u>	<u>360,470</u>	<u>6,267,787</u>
<u>\$ 1,396,479</u>	<u>\$ 959,357</u>	<u>\$ 1,327,215</u>	<u>\$ 529,073</u>	<u>\$ 364,135</u>	<u>\$ 5,618,724</u>

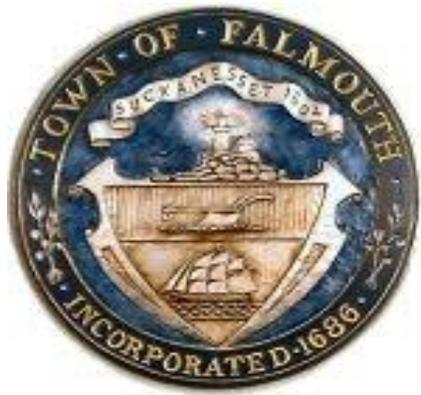
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NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024

	Permanent Funds			
	Cemetery Funds	Affordable Housing Trust	Conservation Trust	Other Trust Funds
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Departmental and other	-	-	-	-
Investment income (loss)	9,022	704,674	19,846	3,081
Contributions and donations	-	-	-	-
Total Revenues	<u>9,022</u>	<u>704,674</u>	<u>19,846</u>	<u>3,081</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	25,479	8,399
Education	-	-	-	-
Public works	7,878	-	-	-
Health and human services	-	2,303,633	-	-
Culture and recreation	-	-	-	-
Total Expenditures	<u>7,878</u>	<u>2,303,633</u>	<u>25,479</u>	<u>8,399</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,144	(1,598,959)	(5,633)	(5,318)
Other Financing Sources (Uses):				
Premiums from bond issuance	-	-	-	-
Transfers in	-	1,700,117	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,700,117</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,144	101,158	(5,633)	(5,318)
Fund Balances - Beginning of Year	<u>154,824</u>	<u>10,413,573</u>	<u>332,808</u>	<u>54,555</u>
Fund Balances - End of Year	<u>\$ 155,968</u>	<u>\$ 10,514,731</u>	<u>\$ 327,175</u>	<u>\$ 49,237</u>

	Total	
Sub-total Permanent Funds	Nonmajor Governmental Funds	
\$ -	\$ 7,605,985	
-	2,641,788	
736,623	736,623	
-	99,417	
736,623	11,083,813	
-	333,654	
33,878	1,024,403	
-	7,022,575	
7,878	1,840,984	
2,303,633	2,878,356	
-	377,953	
2,345,389	13,477,925	
(1,608,766)	(2,394,112)	
-	136,283	
1,700,117	1,700,117	
1,700,117	1,836,400	
91,351	(557,712)	
10,955,760	17,223,547	
\$ 11,047,111	\$ 16,665,835	
	(Concluded)	

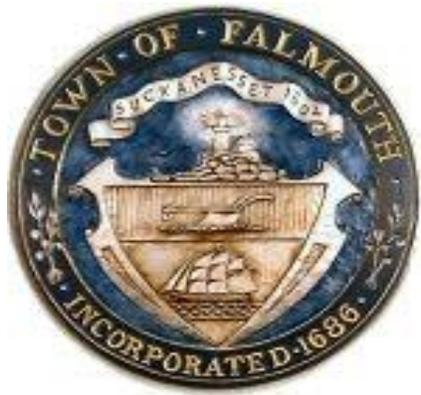


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STATISTICAL SECTION



Above: Installation of a new culvert on Sippewisset Road.



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Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the financial statements for the relevant year.

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	2015 (1)	2016	2017	2018 (2)	2019	2020 (2)	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets.....	\$ 165,150,084	\$ 176,245,491	\$ 177,614,636	\$ 186,811,470	\$ 195,917,472	\$ 212,130,408	\$ 222,664,569	\$ 225,123,081	\$ 231,987,490	\$ 237,064,667
Restricted.....	32,735,154	31,226,719	29,509,733	44,740,958	43,898,903	40,993,285	38,989,027	43,819,475	42,292,154	41,464,281
Unrestricted.....	(51,201,695)	(52,217,343)	(52,593,987)	(134,251,060)	(143,995,689)	(169,317,155)	(169,953,621)	(148,608,949)	(138,816,607)	(116,332,060)
Total governmental activities net position.....	\$ 146,683,543	\$ 155,254,867	\$ 154,530,382	\$ 97,301,368	\$ 95,820,686	\$ 83,806,538	\$ 91,699,975	\$ 120,333,607	\$ 135,463,037	\$ 162,196,888
Business-type activities:										
Net investment in capital assets.....	\$ 53,809,467	\$ 57,809,742	\$ 56,579,087	\$ 57,486,346	\$ 63,052,501	\$ 63,240,739	\$ 64,735,526	\$ 64,067,623	\$ 63,200,556	\$ 62,790,555
Restricted.....	-	-	-	-	-	-	-	-	-	-
Unrestricted.....	(637,681)	(2,307,741)	(294,471)	(1,918,595)	(2,529,313)	(1,424,260)	(3,549,633)	(2,933,581)	(2,500,974)	(594,387)
Total business-type activities net position.....	\$ 53,171,786	\$ 55,502,001	\$ 56,284,616	\$ 55,567,751	\$ 60,523,188	\$ 61,816,479	\$ 61,185,893	\$ 61,134,042	\$ 60,699,582	\$ 62,196,168
Primary government:										
Net investment in capital assets.....	\$ 218,959,551	\$ 234,055,233	\$ 234,193,723	\$ 244,297,816	\$ 258,969,973	\$ 275,371,147	\$ 287,400,095	\$ 289,190,704	\$ 295,188,046	\$ 299,855,222
Restricted.....	32,735,154	31,226,719	29,509,733	44,740,958	43,898,903	40,993,285	38,989,027	43,819,475	42,292,154	41,464,281
Unrestricted.....	(51,839,376)	(54,525,084)	(52,888,458)	(136,169,655)	(146,525,002)	(170,741,415)	(173,503,254)	(151,542,530)	(141,317,581)	(116,926,447)
Total primary government net position.....	\$ 199,855,329	\$ 210,756,868	\$ 210,814,998	\$ 152,869,119	\$ 156,343,874	\$ 145,623,017	\$ 152,885,868	\$ 181,467,649	\$ 196,162,619	\$ 224,393,056

(1) Unrestricted governmental and business-type activities were restated for the net pension liability.

(2) Unrestricted governmental and business-type activities were restated for the net OPEB liability.

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses -										
Governmental activities:										
General government.....	\$ 10,301,494	\$ 11,462,941	\$ 19,773,863	\$ 11,820,927	\$ 15,246,101	\$ 12,920,940	\$ 14,857,557	\$ 13,413,511	\$ 14,489,112	\$ 12,683,652
Public safety.....	20,732,257	22,825,200	22,810,827	23,870,579	28,338,433	29,281,207	28,537,068	24,454,193	33,856,604	30,004,005
Education.....	70,537,645	74,932,839	78,308,426	78,668,134	81,536,717	90,350,751	92,488,969	84,989,371	89,463,081	90,439,512
Public works.....	15,631,092	14,355,349	14,660,542	15,199,826	16,580,231	17,324,213	16,292,029	15,486,683	18,297,310	22,443,715
Health and human services.....	3,217,921	3,348,856	3,286,793	2,911,949	2,807,955	4,825,910	4,111,921	3,710,011	6,512,747	6,126,792
Culture and recreation.....	5,017,085	5,060,356	5,139,478	5,540,743	6,089,325	6,085,455	5,255,242	4,636,700	7,163,241	6,712,040
Interest expense.....	3,993,134	3,612,355	3,444,397	3,143,954	2,816,838	3,002,258	2,173,503	1,839,212	1,312,500	1,526,313
Community development.....	506,772	1,500,974	1,739,406	303,282	551,127	1,546,127	426,216	519,799	452,045	456,564
Total government activities expenses.....	129,937,400	137,098,870	149,163,732	141,459,394	153,966,727	165,336,861	164,142,505	149,049,480	171,546,640	170,392,593
Business-type activities:										
Water.....	5,423,941	5,262,307	6,112,808	6,523,023	7,525,174	8,214,702	8,310,687	7,979,074	9,085,491	8,664,101
Total business-type activities expenses.....	5,423,941	5,262,307	6,112,808	6,523,023	7,525,174	8,214,702	8,310,687	7,979,074	9,085,491	8,664,101
Total primary government expenses.....	\$ 135,361,341	\$ 142,361,177	\$ 155,276,540	\$ 147,982,417	\$ 161,491,901	\$ 173,551,563	\$ 172,453,192	\$ 157,028,554	\$ 180,632,131	\$ 179,056,694
Program Revenues -										
Governmental activities:										
Charges for services:										
General government.....	\$ 2,438,643	\$ 1,758,955	\$ 1,323,350	\$ 1,718,710	\$ 2,129,645	\$ 1,994,735	\$ 1,869,636	\$ 2,224,586	\$ 3,170,650	\$ 2,339,537
Public safety.....	4,303,971	4,423,791	4,899,474	5,607,636	5,477,552	5,884,722	6,995,803	7,485,034	7,735,614	8,791,593
Education.....	1,486,248	1,551,504	1,533,283	1,274,973	1,721,817	771,944	291,712	801,067	732,786	859,345
Public works.....	1,753,055	1,319,977	1,559,807	1,778,774	1,972,319	2,368,431	2,654,161	2,713,365	2,704,172	2,951,955
Health and human services.....	112,970	108,510	126,900	141,775	177,909	162,740	179,540	465,164	554,602	937,990
Culture and recreation.....	1,531,051	1,574,057	1,728,584	1,583,136	1,765,707	1,688,780	1,903,489	1,990,598	2,300,961	2,555,269
Operating grants and contributions.....	18,310,318	21,664,218	23,132,970	23,271,332	24,195,111	26,252,473	31,715,100	27,224,086	26,764,511	27,359,867
Capital grants and contributions.....	2,383,721	4,581,385	3,071,927	25,072,885	2,860,500	6,401,056	3,702,214	4,222,363	4,839,522	2,626,519
Total government activities program revenues.....	32,319,977	36,982,397	37,376,295	60,449,221	40,300,560	45,524,881	49,311,655	47,126,263	48,802,818	48,422,075
Business-type activities:										
Charges for services.....	6,469,282	6,678,829	7,720,631	7,086,150	6,857,045	6,651,037	6,496,361	6,549,999	6,879,289	7,649,211
Capital grants and contributions.....	-	3,153,120	383,112	39,385	35,086	33,542	5,272	5,379	97,351	723,483
Total business-type activities program revenues.....	6,469,282	9,831,949	8,103,743	7,125,535	6,892,131	6,684,579	6,501,633	6,555,378	6,976,640	8,372,694
Total primary government program revenues.....	\$ 38,789,259	\$ 46,814,346	\$ 45,480,038	\$ 67,574,756	\$ 47,192,691	\$ 52,209,460	\$ 55,813,288	\$ 53,681,641	\$ 55,779,458	\$ 56,794,769
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (97,617,423)	\$ (100,116,473)	\$ (111,787,437)	\$ (81,010,173)	\$ (113,666,167)	\$ (119,811,980)	\$ (114,830,850)	\$ (101,923,217)	\$ (122,743,822)	\$ (121,970,518)
Business-type activities.....	1,045,341	4,569,642	1,990,935	602,512	(633,043)	(1,530,123)	(1,809,054)	(1,423,696)	(2,108,851)	(291,407)
Total primary government net (expense)/program revenue.....	\$ (96,572,082)	\$ (95,546,831)	\$ (109,796,502)	\$ (80,407,661)	\$ (114,299,210)	\$ (121,342,103)	\$ (116,639,904)	\$ (103,346,913)	\$ (124,852,673)	\$ (122,261,925)

(continued)

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Revenues and other Changes in Net Position - Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 92,751,993	\$ 96,257,765	\$ 99,217,665	\$102,520,551	\$ 105,905,904	\$ 109,628,166	\$ 114,403,455	\$ 118,784,076	\$ 122,271,044	\$ 128,391,313
Motor vehicle and other excise taxes.....	6,533,319	7,077,239	7,296,890	7,497,678	7,217,497	7,760,411	8,648,237	10,265,837	11,262,237	13,184,468
Penalties and interest on taxes.....	869,751	938,734	731,749	621,244	636,734	765,150	870,021	766,274	931,413	1,176,641
Grants and contributions not restricted to specific programs.....	1,233,630	1,302,904	2,072,280	2,123,564	2,172,038	1,651,911	1,945,401	2,037,389	2,265,351	2,448,134
Unrestricted investment income.....	303,354	837,876	523,711	71,512	1,808,183	1,227,157	1,565,795	76,304	2,785,240	5,294,613
Transfers.....	(969,071)	2,273,279	1,220,657	(356,817)	(5,554,871)	(2,921,077)	(1,132,720)	(1,373,031)	(1,642,033)	(1,790,800)
Total governmental activities.....	<u>100,722,976</u>	<u>108,687,797</u>	<u>111,062,952</u>	<u>112,477,732</u>	<u>112,185,485</u>	<u>118,111,718</u>	<u>126,300,189</u>	<u>130,556,849</u>	<u>137,873,252</u>	<u>148,704,369</u>
Business-type activities:										
Unrestricted investment income (loss).....	9,168	33,852	12,337	(6,033)	33,609	14,748	45,748	(1,186)	32,359	(2,807)
Transfers.....	969,071	(2,273,279)	(1,220,657)	356,817	5,554,871	2,921,077	1,132,720	1,373,031	1,642,033	1,790,800
Total business-type activities.....	<u>978,239</u>	<u>(2,239,427)</u>	<u>(1,208,320)</u>	<u>350,784</u>	<u>5,588,480</u>	<u>2,935,825</u>	<u>1,178,468</u>	<u>1,371,845</u>	<u>1,674,392</u>	<u>1,787,993</u>
Total primary government general revenues and other changes in net position.....	<u>\$ 101,701,215</u>	<u>\$ 106,448,370</u>	<u>\$ 109,854,632</u>	<u>\$ 112,828,516</u>	<u>\$ 117,773,965</u>	<u>\$ 121,047,543</u>	<u>\$ 127,478,657</u>	<u>\$ 131,928,694</u>	<u>\$ 139,547,644</u>	<u>\$ 150,492,362</u>
Changes in Net Position										
Governmental activities.....	\$ 3,105,553	\$ 8,571,324	\$ (724,485)	\$ 31,467,559	\$ (1,480,682)	\$ (1,700,262)	\$ 11,469,339	\$ 28,633,632	\$ 15,129,430	\$ 26,733,851
Business-type activities.....	<u>2,023,580</u>	<u>2,330,215</u>	<u>782,615</u>	<u>953,296</u>	<u>4,955,437</u>	<u>1,405,702</u>	<u>(630,586)</u>	<u>(51,851)</u>	<u>(434,459)</u>	<u>1,496,586</u>
Total primary government changes in net position.....	<u>\$ 5,129,133</u>	<u>\$ 10,901,539</u>	<u>\$ 58,130</u>	<u>\$ 32,420,855</u>	<u>\$ 3,474,755</u>	<u>\$ (294,560)</u>	<u>\$ 10,838,753</u>	<u>\$ 28,581,781</u>	<u>\$ 14,694,971</u>	<u>\$ 28,230,437</u>

(concluded)

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted.....	1,125,122	1,208,751	1,115,435	872,359	900,235	729,687	686,020	605,551	609,150	616,818
Committed.....	7,768,355	9,077,570	8,045,314	10,936,681	12,152,907	12,336,381	9,725,266	14,980,412	15,328,103	20,090,694
Assigned.....	1,074,035	761,367	1,459,796	1,129,906	1,307,788	1,222,125	1,988,071	1,313,850	970,491	1,199,447
Unassigned.....	20,397,223	25,304,234	30,774,762	32,789,666	30,216,724	29,527,652	34,723,707	34,726,408	41,995,064	47,858,721
Total general fund.....	<u>\$ 30,364,735</u>	<u>\$ 36,351,922</u>	<u>\$ 41,395,307</u>	<u>\$ 45,728,612</u>	<u>\$ 44,577,654</u>	<u>\$ 43,815,845</u>	<u>\$ 47,123,064</u>	<u>\$ 51,626,221</u>	<u>\$ 58,902,808</u>	<u>\$ 69,765,680</u>
All Other Governmental Funds:										
Nonspendable.....	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Restricted.....	20,671,283	20,892,447	30,710,789	30,392,226	25,701,966	31,343,343	33,042,061	41,744,096	43,750,518	43,110,112
Unassigned.....	(1,580,820)	(6,423,618)	-	-	(6,985,440)	-	-	(573,205)	(3,814,098)	(1,779,231)
Total all other governmental funds.....	<u>\$ 19,115,463</u>	<u>\$ 14,493,829</u>	<u>\$ 30,735,789</u>	<u>\$ 30,417,226</u>	<u>\$ 18,741,526</u>	<u>\$ 31,368,343</u>	<u>\$ 33,067,061</u>	<u>\$ 41,195,891</u>	<u>\$ 39,961,420</u>	<u>\$ 41,355,881</u>

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 93,207,932	\$ 96,483,363	\$ 99,341,261	\$ 102,678,006	\$ 105,641,420	\$ 109,060,137	\$ 114,726,105	\$ 118,747,880	\$ 122,655,717	\$ 129,139,182
Intergovernmental.....	22,552,993	28,309,281	29,494,958	29,340,010	28,939,936	34,963,020	36,630,213	33,277,813	34,145,676	32,559,814
Motor vehicle and boat excise.....	6,537,926	7,111,477	7,182,338	7,567,368	7,578,503	7,748,576	8,763,557	10,100,905	11,132,711	13,071,289
Licenses and permits.....	1,533,147	1,586,794	1,599,548	1,902,911	1,838,477	2,116,063	2,371,118	2,713,198	2,731,387	3,186,919
Departmental and other.....	5,370,356	4,476,309	4,103,869	4,307,193	5,887,826	4,287,485	4,655,874	6,042,850	7,031,042	7,103,057
User charges.....	4,454,984	4,368,924	4,981,417	5,468,989	5,692,621	6,277,380	6,418,657	6,700,306	7,714,499	7,696,455
Special assessments.....	676,290	595,922	574,957	2,673,785	1,267,535	1,231,949	1,370,735	1,322,457	1,152,582	1,122,610
Penalties and interest on taxes.....	869,751	938,734	731,749	621,244	636,734	765,150	870,021	766,274	931,413	1,176,641
Fines and forfeitures.....	182,135	149,664	173,772	216,884	194,492	181,661	161,480	233,560	189,636	174,499
Investment income.....	303,354	837,876	523,711	71,512	1,808,183	1,227,157	1,565,795	76,304	2,785,240	5,294,613
Contributions.....	188,013	124,845	130,466	93,293	154,442	455,883	146,132	459,257	57,542	199,417
Total Revenue.....	<u>135,876,881</u>	<u>144,983,189</u>	<u>148,838,046</u>	<u>154,941,195</u>	<u>159,640,169</u>	<u>168,314,461</u>	<u>177,679,687</u>	<u>180,440,804</u>	<u>190,527,445</u>	<u>200,724,496</u>
Expenditures:										
General government.....	7,157,171	7,903,574	8,568,812	8,413,665	10,067,363	7,680,786	10,446,266	10,407,349	10,448,138	9,425,551
Public safety.....	13,819,385	14,328,228	13,275,575	15,032,777	15,808,560	16,510,163	18,908,407	18,925,557	23,321,029	22,434,725
Education.....	50,703,445	52,834,990	52,907,941	53,841,918	55,450,860	55,407,467	58,366,609	62,034,156	66,603,429	66,658,972
Public works.....	11,735,478	10,112,969	9,755,016	10,171,488	9,810,067	10,317,173	9,925,912	10,131,575	11,354,647	16,396,121
Health and human services.....	2,018,716	2,018,065	1,888,921	1,570,920	1,662,623	3,548,256	2,924,539	2,803,150	5,266,195	5,036,619
Culture and recreation.....	2,884,538	2,673,272	2,581,246	3,130,854	2,987,595	2,990,124	2,726,286	2,845,744	4,209,603	4,475,369
Pension and fringe benefits.....	22,724,129	25,802,885	29,928,369	31,480,427	32,375,846	36,189,561	38,204,679	31,745,401	34,867,362	38,892,196
Community development.....	506,772	1,500,974	1,739,406	303,282	551,127	1,546,127	426,216	519,799	452,045	456,564
State and county charges.....	2,769,084	2,668,658	2,852,594	3,094,656	3,632,780	4,088,464	4,306,215	4,821,128	5,020,324	4,975,598
Capital outlay and other.....	6,720,713	29,025,155	22,711,719	9,800,626	16,107,831	17,581,706	12,839,901	10,403,778	10,231,009	20,055,513
Debt service:										
Principal.....	8,324,354	8,710,279	8,906,961	10,184,535	15,568,683	9,606,092	9,511,377	9,448,680	8,905,549	8,422,529
Interest.....	3,975,218	3,737,405	3,684,898	3,544,488	2,888,621	2,796,775	3,065,100	2,473,211	2,227,098	2,094,494
Total Expenditures.....	<u>133,339,003</u>	<u>161,316,454</u>	<u>158,801,458</u>	<u>150,569,636</u>	<u>166,911,956</u>	<u>168,262,694</u>	<u>171,651,507</u>	<u>166,559,528</u>	<u>182,906,428</u>	<u>199,324,251</u>
Excess of revenues over (under) expenditures.....	<u>2,537,878</u>	<u>(16,333,265)</u>	<u>(9,963,412)</u>	<u>4,371,559</u>	<u>(7,271,787)</u>	<u>51,767</u>	<u>6,028,180</u>	<u>13,881,276</u>	<u>7,621,017</u>	<u>1,400,245</u>
Other Financing Sources (Uses):										
Issuances from bonds and notes.....	3,975,000	15,425,539	29,684,482	-	-	14,410,000	-	-	-	12,065,000
Issuances from refunding bonds.....	21,441,445	-	3,025,000	-	-	8,770,410	-	10,340,000	-	-
Premiums from debt issuances.....	1,263,542	-	594,773	-	-	3,463,041	-	2,114,101	63,132	582,888
Payments to refunded bond escrow agent.....	(22,181,914)	-	(3,276,155)	-	-	(11,909,133)	-	(12,330,359)	-	-
Transfers in.....	6,062,887	9,815,137	7,620,345	3,955,743	5,002,042	6,192,853	7,161,591	10,337,351	8,237,349	5,862,148
Transfers out.....	(7,031,958)	(7,541,858)	(6,399,688)	(4,312,560)	(10,556,913)	(9,113,930)	(8,294,311)	(11,710,382)	(9,879,382)	(7,652,948)
Total other financing sources (uses).....	<u>3,529,002</u>	<u>17,698,818</u>	<u>31,248,757</u>	<u>(356,817)</u>	<u>(5,554,871)</u>	<u>11,813,241</u>	<u>(1,132,720)</u>	<u>(1,249,289)</u>	<u>(1,578,901)</u>	<u>10,857,088</u>
Net change in fund balance.....	<u>\$ 6,066,880</u>	<u>\$ 1,365,553</u>	<u>\$ 21,285,345</u>	<u>\$ 4,014,742</u>	<u>\$ (12,826,658)</u>	<u>\$ 11,865,008</u>	<u>\$ 4,895,460</u>	<u>\$ 12,631,987</u>	<u>\$ 6,042,116</u>	<u>\$ 12,257,333</u>
Debt service as a percentage of noncapital expenditures.....	9.71%	9.41%	9.25%	9.75%	12.24%	8.23%	7.92%	7.63%	6.45%	5.87%

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASSIFICATION AND TAX RATES

LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value							State Equalized Value	Ratio of Assessed to Equalized Value	Tax Rates	
	Residential Value	Open Space Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Total Town Value			Residential Tax Rate	Commercial Tax Rate
2015	\$ 10,163,699,470	\$ 3,425,200	\$ 605,660,141	\$ 79,392,800	\$ 193,320,043	\$ 878,372,984	\$ 11,045,497,654	\$ 11,548,755,700	95.64%	8.19	8.19
2016	10,268,959,256	3,232,100	604,755,692	77,683,600	239,818,381	922,257,673	11,194,449,029	11,548,755,700	96.93%	8.37	8.37
2017	10,384,849,550	3,251,100	607,421,068	80,184,800	244,381,580	931,987,448	11,320,088,098	11,892,819,800	95.18%	8.53	8.53
2018	10,660,098,706	3,331,200	631,222,433	87,507,900	236,231,350	954,961,683	11,618,391,589	11,892,819,800	97.69%	8.60	8.60
2019	11,070,546,608	3,416,600	646,700,900	92,135,700	237,702,590	976,539,190	12,050,502,398	12,342,275,400	97.64%	8.56	8.56
2020	11,418,879,547	3,776,900	662,261,694	94,223,900	243,506,810	999,992,404	12,422,648,851	12,342,275,400	100.65%	8.59	8.59
2021	12,101,498,842	3,896,100	666,341,556	96,533,500	242,757,370	1,005,632,426	13,111,027,368	13,186,717,700	99.43%	8.50	8.50
2022	13,270,394,683	4,082,700	702,975,407	99,710,000	296,782,030	1,099,467,437	14,373,944,820	13,186,717,700	109.00%	8.05	8.05
2023	15,985,752,782	4,047,900	787,964,126	107,516,400	338,255,500	1,233,736,026	17,223,536,708	15,449,979,300	111.48%	6.92	6.92
2024	18,484,959,737	4,402,900	908,755,561	124,811,100	396,309,960	1,429,876,621	19,919,239,258	15,449,979,300	128.93%	6.28	6.28

Source: Official Statements, State Division of Local Services

Note: All property in the Commonwealth of Massachusetts is assessed at 100% of full and fair cash value. The State estimates this "equalized valuation" for all municipalities every two years. Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2% of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2%, subject to an exception for property added to the tax rolls and for certain valuation increases. This secondary limit may be exceeded in any fiscal year by majority approval of the voters, however, it cannot exceed the primary limitation.

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Nature of Business	2024			2015*		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Eversource (Nstar Services Company)	Utility	\$ 203,171,840	1	1.02%	\$ 61,450,210	1	0.56%
Woods Hole Oceanographic Institution	Scientific	118,208,600	2	0.59%	21,550,300	5	0.20%
National Grid, Colonial Gas	Utility	50,716,390	3	0.25%	22,456,120	4	0.20%
TA Falmouth	Shopping Center	49,657,200	4	0.25%	25,736,700	3	0.23%
Anastasios Parafestas, Trustee	Residential	39,799,400	5	0.20%	15,633,600	9	0.14%
Falmouth Resort Owners LLC	Hotel	36,698,000	6	0.18%	29,877,500	2	0.27%
Mellon Bank, Trustee	Residential	31,979,900	7	0.16%			
Woodbriar	Assisted Living	26,748,100	8	0.13%	18,315,100	7	0.17%
Coates Trustee	Residential	20,875,800	9	0.10%			
Fenn, Peter R.	Residential	20,356,000	10	0.10%			
Sea Scout	Resort				20,554,300	6	0.19%
Verizon	Utility				15,872,500	8	0.14%
Clarkson, LLC	Residential				12,584,500	10	0.11%
	Totals	<u>\$ 598,211,230</u>		<u>3.00%</u>	<u>\$ 244,030,830</u>		<u>2.21%</u>

* Amounts presented are from ten years ago as fiscal year 2015 assessed valuation information was not available.

Source: Official Statements

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy			Collections				Percent of Total Tax Collections to Net Tax Levy
	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	
2015	\$ 90,462,626	\$ 788,916	\$ 89,673,710	\$ 87,309,039	97.36%	\$ 2,364,671	\$ 89,673,710	100.00%
2016	93,697,538	636,256	93,061,282	91,510,034	98.33%	1,367,056	92,877,090	99.80%
2017	96,560,351	689,371	95,870,980	94,710,332	98.79%	1,160,648	95,870,980	100.00%
2018	99,918,168	510,763	99,407,405	98,420,117	99.01%	768,862	99,188,979	99.78%
2019	103,152,301	553,721	102,598,580	101,440,963	98.87%	1,005,644	102,446,607	99.85%
2020	106,710,554	423,826	106,286,728	103,687,929	97.55%	2,341,379	106,029,308	99.76%
2021	111,443,733	368,240	111,075,493	109,718,521	98.78%	1,046,002	110,764,523	99.72%
2022	115,710,256	281,273	115,428,983	113,465,196	98.30%	1,593,175	115,058,371	99.68%
2023	119,186,874	596,141	118,590,733	117,437,306	99.03%	1,049,081	118,486,387	99.91%
2024	125,092,823	517,671	124,575,152	123,528,941	99.16%	-	123,528,941	99.16%

Source: Accounting Records and Official Statements

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities		Total Outstanding Debt	Personal Income	Percentage of Personal Income	U.S Census Population	Debt Per Capita
	General Obligation Bonds (1)	Direct Placements	General Obligation Bonds (1)	Direct Placements					
2015	\$ 86,321,987	\$ 18,484,699	\$ 11,072,438	\$ 82,615	\$ 115,961,739	\$ 1,208,709,354	9.6%	31,531	\$ 3,678
2016	78,817,277	32,504,754	9,995,351	16,204,052	137,521,434	1,208,709,354	11.4%	31,531	4,361
2017	80,883,428	51,430,925	9,008,881	30,867,537	172,190,771	1,208,709,354	14.2%	31,531	5,461
2018	73,113,796	48,771,390	7,978,777	36,857,368	166,721,331	1,208,709,354	13.8%	31,531	5,288
2019	65,218,589	40,899,707	6,949,828	35,538,113	148,606,237	1,208,709,354	12.3%	31,531	4,713
2020	72,955,558	38,358,615	9,070,254	33,895,668	154,280,095	1,208,709,354	12.8%	31,531	4,893
2021	65,312,908	35,775,648	8,126,922	32,217,535	141,433,013	1,208,709,354	11.7%	31,531	4,486
2022	57,962,972	33,166,968	7,208,681	30,502,938	128,841,559	1,208,709,354	10.7%	31,531	4,086
2023	50,825,925	30,516,419	6,382,817	28,751,085	116,476,246	1,246,506,678	9.3%	32,517	3,582
2024	56,822,691	27,843,890	5,587,721	26,961,166	117,215,468	1,246,506,678	9.4%	32,517	3,605

Source: U. S. Census, State Division of Local Services

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

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Less: Amounts Available (2)</u>	<u>Total</u>	<u>Assessed Value</u>	<u>Percentage of Assessed Value</u>	<u>U.S Census Population</u>	<u>Debt Per Capita</u>
2015	\$ 97,394,425	\$ (11,449,923)	\$ 85,944,502	\$ 11,045,497,654	0.78%	31,531	\$ 2,726
2016	88,812,628	(10,260,358)	78,552,270	11,194,449,029	0.70%	31,531	2,491
2017	89,892,309	(8,651,416)	81,240,893	11,320,088,098	0.72%	31,531	2,577
2018	81,092,573	(30,884,116)	50,208,457	11,618,391,589	0.43%	31,531	1,592
2019	72,168,417	(29,666,164)	42,502,253	12,050,502,398	0.35%	31,531	1,348
2020	82,025,812	(26,593,574)	55,432,238	12,422,648,851	0.45%	31,531	1,758
2021	73,439,830	(22,388,225)	51,051,605	13,111,027,368	0.39%	31,531	1,619
2022	65,171,653	(20,934,910)	44,236,743	14,373,944,820	0.31%	31,531	1,403
2023	57,208,742	(16,888,748)	40,319,994	17,223,536,708	0.23%	32,517	1,240
2024	62,410,412	(15,823,587)	46,586,825	19,919,239,258	0.23%	32,517	1,433

Source: U. S. Census, State Division of Local Services

- (1) General obligation bonds consist of debt of both governmental and business-type activities, net of original issuance discounts and premiums.
- (2) These are restricted resources from the Massachusetts School Building Authority for debt principal on school construction, future principal subsidies on long-term debt issued with the Massachusetts Clean Water Trust and amounts restricted by Massachusetts General Law for debt service.

COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Equalized Valuation.....	\$ 11,548,755,700	\$ 11,548,755,700	\$ 11,892,819,800	\$ 11,892,819,800	\$ 12,342,275,400	\$ 12,342,275,400	\$ 13,186,717,700	\$ 13,186,717,700	\$ 15,449,979,300	\$ 15,449,979,300
Debt Limit.....	577,437,785	577,437,785	594,640,990	594,640,990	617,113,770	617,113,770	659,335,885	659,335,885	772,498,965	772,498,965
Outstanding long-term debt.....	115,961,739	137,521,434	172,190,771	166,721,331	148,606,237	154,280,095	141,433,013	128,841,559	116,476,246	117,215,468
Authorized and unissued debt.....	40,970,404	17,670,404	22,011,504	25,411,504	12,821,734	9,721,734	14,297,162	52,020,426	56,978,614	43,925,092
Debt not applicable to debt limit.....	(30,437,916)	(59,813,748)	(91,385,312)	(86,476,081)	(89,401,483)	(90,581,865)	(85,235,466)	(79,794,545)	(74,370,618)	(71,141,893)
Legal debt margin.....	\$ 450,943,558	\$ 482,059,695	\$ 491,824,027	\$ 488,984,236	\$ 545,087,282	\$ 543,693,806	\$ 588,841,176	\$ 558,268,445	\$ 673,414,723	\$ 682,500,298
Total debt applicable to the limit as a percentage of debt limit.....	21.91%	16.52%	17.29%	17.77%	11.67%	11.90%	10.69%	15.33%	12.83%	11.65%

Source: State Division of Local Services, Accounting Records

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2024

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Barnstable County.....	\$ 15,189,470 (a)	21.90% (b)	\$ 3,326,494
Subtotal, overlapping debt.....			3,326,494
Town direct debt.....			<u>84,666,581</u>
Total direct and overlapping debt.....			<u>\$ 87,993,075</u>

(a) Debt outstanding as of June 30, 2023.

(b) Based on the 2010 equalized valuations of Town's in the County.

Source: Official Statements, Accounting Records

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2015	31,531	\$ 1,208,709,354	\$ 38,334	50.8	3,547	5.40%
2016	31,531	1,208,709,354	38,334	50.8	3,515	4.20%
2017	31,531	1,208,709,354	38,334	50.8	3,414	3.70%
2018	31,531	1,208,709,354	38,334	50.8	3,423	3.20%
2019	31,531	1,208,709,354	38,334	50.8	3,351	3.60%
2020	31,531	1,208,709,354	38,334	50.8	3,050	10.10%
2021	31,531	1,208,709,354	38,334	50.8	3,090	5.50%
2022	31,531	1,208,709,354	38,334	50.8	3,050	4.60%
2023	32,517	1,246,506,678	38,334	50.8	2,949	N/A
2024	32,517	1,246,506,678	38,334	50.8	2,910	N/A

Source: U. S. Census, Division of Local Services, Massachusetts
Department of Elementary and Secondary Education

PRINCIPAL EMPLOYERS (EXCLUDING TOWN)

CURRENT YEAR AND NINE YEARS AGO

Employer	Nature of Business	2024			2015*		
		Approximate Number of Employees	Rank	Percentage of Total Town Employment	Approximate Number of Employees	Rank	Percentage of Total Town Employment
Woods Hole Oceanographic Institute	Oceanographic Research	3,000	1	21.18%	3,000	1	20.89%
Joint Base Cape Cod (1)	Military Base	1,833	2	12.94%	1,833	2	12.76%
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority	Ferry Service	750	3	5.30%	750	3	5.22%
Falmouth Hospital	General Hospital	750	3	5.30%	350	4	2.44%
Marine Biological Laboratory	Biological Research	350	5	2.47%	350	4	2.44%
JML Care Center Rehabilitation	Rehabilitation	350	5	2.47%	175	8	1.22%
Visiting Nurse Association of Cape Cod	Home Health Services	350	5	2.47%			
Sea Crest Hotel & Motor Inn.	Convention Motel	175	8	1.24%	350	4	2.44%
Royal Nursing Center	Nusing Center	175	8	1.24%	175	8	1.22%
Lawrence-Lynch Corp.	Paving Contractor	175	8	1.24%			
Windfall Market	Restaurant/Inn				350	4	2.44%
Franciso Tavares Inc.	Landscape Construction				175	8	1.22%
	Totals	<u>7,908</u>		<u>55.84%</u>	<u>7,508</u>		<u>52.27%</u>

* Amounts presented are from ten years ago as fiscal year 2015 employer information was not available.

(1) The joint base is partially located in Falmouth and each of the towns of Mashpee, Bourne and Sandwich. Represents full-time positions only. The number of reserve personnel reporting on weekends ranges from 0 to 3,000. Approximately 80% of the full-time employees live on base and the balance are residents of Falmouth or the surrounding towns.

Source: Town records and Official Statements

FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government.....	39	39	39	36	38	38	38	39	39	41
Public safety.....	151	151	162	152	152	166	166	166	166	180
Education.....	563	563	563	564	564	564	564	564	564	564
Public works.....	70	70	71	71	74	74	74	74	74	74
Health and human services.....	20	20	19	21	23	24	24	25	25	25
Culture and recreation.....	60	60	60	62	63	66	66	66	66	66
Sub-total governmental activities	903	903	914	906	914	932	932	934	934	950
Water.....	18	18	19	20	22	22	22	22	22	22
Sub-total business-type activities	18	18	19	20	22	22	22	22	22	22
Total Town employees.....	<u>921</u>	<u>921</u>	<u>933</u>	<u>926</u>	<u>936</u>	<u>954</u>	<u>954</u>	<u>956</u>	<u>956</u>	<u>972</u>

Source: Town personnel records

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Town Clerk										
Registered voters.....	23,694	24,234	24,569	24,572	24,947	26,344	26,888	26,678	27,602	28,640
Public Safety:										
Police										
Criminal offenses										
Arrests.....	618	553	560	471	380	271	260	285	312	345
Reported crimes.....	3,741	3,876	4,350	3,835	3,042	2,489	2,735	2,249	2,804	3,127
Motor vehicle responses.....	18	26	29	30	19	17	16	10	41	26
Incident reports.....	3,160	3,318	3,167	2,954	2,672	2,489	2,571	2,101	2,655	2,712
Citations issued.....	1,462	1,494	1,428	1,433	1,280	1,300	1,335	651	1,035	1,209
Fire										
Incidents										
Fires.....	1,451	1,397	1,361	1,737	1,836	1,840	2,089	2,198	2,013	2,091
Non-fire incidents.....	5,078	5,569	6,138	6,348	6,041	6,043	5,654	6,591	6,633	6,647
Total fire calls.....	<u>6,529</u>	<u>6,966</u>	<u>7,499</u>	<u>8,085</u>	<u>7,877</u>	<u>7,883</u>	<u>7,743</u>	<u>8,789</u>	<u>8,646</u>	<u>8,738</u>
Inspectional Services										
Number of building permits.....	7,657	N/A	7,122	7,679	7,683	7,239	8,097	8,322	9,581	8,575
Education:										
Number of students.....	3,547	3,515	3,414	3,423	3,351	3,050	3,090	3,050	2,949	2,910
Public Works:										
Landfill										
Solid waste tonnage.....	10,478	9,935	10,898	11,127	11,965	12,560	13,970	12,151	10,875	10,652
Health and Human Services:										
Board of Health										
Inspections										
Food establishments.....	438	N/A	N/A	N/A	733	346	176	424	460	436
Other.....	543	N/A	N/A	N/A	1,253	1,233	1,059	799	1,150	640
Total inspections.....	<u>981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,986</u>	<u>1,579</u>	<u>1,235</u>	<u>1,223</u>	<u>1,610</u>	<u>1,076</u>

N/A - Information not available

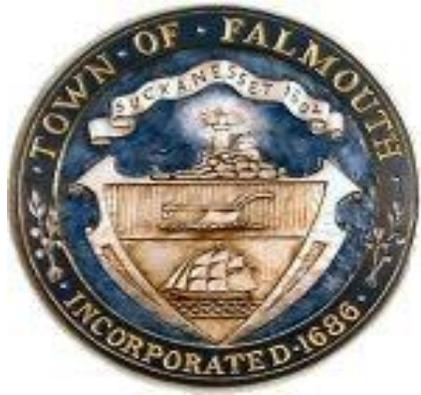
Source: Various Town Departments, State websites and annual Town Report.

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Number of buildings.....	42	42	42	42	43	43	43	43	43	43
Public Safety:										
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	5	5	5	5	5	5	5	5	5	5
Education:										
Number of elementary schools.....	4	4	4	4	4	4	4	4	4	4
Number of middle schools.....	2	2	2	2	2	2	2	2	2	2
Number of high schools.....	2	2	2	2	2	2	2	2	2	2
Public Works:										
Road miles.....	425	425	430	430	430	430	430	430	430	430
Water main miles.....	383	383	383	383	383	383	383	383	383	383
Sewer main miles.....	21	21	37	37	37	37	37	37	37	37
Culture and Recreation:										
Number of public parks.....	24	24	24	24	24	24	24	24	24	24
Number of libraries.....	5	5	5	5	5	5	5	5	5	5
Number of beaches.....	12	12	12	12	12	12	12	12	12	12

Source: Various Town Departments and State websites.



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Wastewater Treatment Facility Improvements Project: Formed and poured foundation slab for vehicle storage building and for blower room extension, completed electrical duct bank A-A (picture on left), formed and poured foundation slab for new thickened sludge tank (picture on right below).

