



**COUNTY OF BARNSTABLE, MASSACHUSETTS**

Financial Statements  
For the Year Ended June 30, 2021

(With Independent Auditor's Report Thereon)

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable County Commissioners  
County of Barnstable, Massachusetts

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County of Barnstable, Massachusetts (the County), as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

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

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

#### ***Auditor's Responsibility***

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

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



accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County of Barnstable, Massachusetts, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 16 to the financial statements, in fiscal year 2021 the County adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison for the General Fund, and certain pension and OPEB schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion nor provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information appearing on pages 61 through 65 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has been subjected



to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2022 on our consideration of the County’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’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 County’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Melanson".

Andover, Massachusetts  
September 26, 2022



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Barnstable, Massachusetts (the County) we offer readers this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2021.

### **Overview of the Financial Statements**

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

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

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

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

The Statement of Activities presents information showing how the County'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.

Both of the government-wide financial statements distinguish functions that are principally supported by tax assessments and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, county services, health and human services, public safety, planning and development, and interest on long-term debt expenses. The business-type activities include dredge operations.

### ***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The County's funds are reported into three categories: governmental funds, proprietary funds, and fiduciary funds.

### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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 the County'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 County's near-term financing decisions. Both the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

### ***Proprietary Funds***

Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. Included in the proprietary fund category is the County's dredge enterprise fund.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, or (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for the County's dredge operations which is considered to be a major fund.

### ***Fiduciary Funds***

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

### ***Notes to Financial Statements***

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



### **Required and Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America. In addition, other supplementary information is presented.

### **Financial Highlights**

- As of the close of the current fiscal year, net position in governmental activities was \$(46,625,487), a change of \$13,744,485, and net position in business-type activities was \$(1,122,012), a change of \$(228,894) in comparison to the prior fiscal year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$45,043,937, a change of \$11,972,731 in comparison to the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19,257,429, a change of \$10,935,819 in comparison to the prior fiscal year.

### **Government-Wide Financial Analysis**

The following is a summary of condensed government-wide financial data for the current and prior fiscal years:

	<b>NET POSITION</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>						
Current and other assets	\$ 85,330,479	\$ 54,209,796	\$ 938,317	\$ 1,044,408	\$ 86,268,796	\$ 55,254,204
Capital assets	6,406,125	6,213,618	3,168,057	3,310,360	9,574,182	9,523,978
Total Assets	91,736,604	60,423,414	4,106,374	4,354,768	95,842,978	64,778,182
Deferred Outflows of Resources	10,477,996	14,955,450	295,684	403,130	10,773,680	15,358,580
<b>Liabilities</b>						
Current liabilities	25,494,012	7,111,976	1,454,688	1,442,603	26,948,700	8,554,579
Noncurrent liabilities	107,424,882	117,268,657	3,760,318	4,020,712	111,185,200	121,289,369
Total Liabilities	132,918,894	124,380,633	5,215,006	5,463,315	138,133,900	129,843,948
Deferred Inflows of Resources	15,921,193	11,460,066	309,064	187,701	16,230,257	11,647,767
<b>Net Position</b>						
Net investment in capital assets	4,675,844	3,792,187	504,987	512,290	5,180,831	4,304,477
Restricted	40,207,702	38,873,003	-	-	40,207,702	38,873,003
Unrestricted	(91,509,033)	(103,127,025)	(1,626,999)	(1,405,408)	(93,136,032)	(104,532,433)
Total Net Position	\$ (46,625,487)	\$ (60,461,835)	\$ (1,122,012)	\$ (893,118)	\$ (47,747,499)	\$ (61,354,953)

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. At the close of the most recent fiscal year, total net position was \$(47,747,499), a change of \$13,515,591 in comparison to the prior fiscal year.

Net investment in capital assets, \$5,180,831, reflects our investment in capital assets (e.g., land, land improvements, buildings and improvements, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to the County; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$40,207,702, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position reflects a deficit of \$(93,136,032), primarily resulting from unfunded pension and OPEB liabilities.

	<b>CHANGES IN NET POSITION</b>					
	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 6,454,222	\$ 6,332,469	\$ 1,700,007	\$ 932,042	\$ 8,154,229	\$ 7,264,511
Operating grants and contributions	8,984,308	7,557,046	-	-	8,984,308	7,557,046
Capital grants and contributions	3,972,093	4,128,135	-	-	3,972,093	4,128,135
General revenues:						
County tax assessments	3,447,249	3,363,170	-	-	3,447,249	3,363,170
Registry of deeds excise	3,052,431	2,481,646	-	-	3,052,431	2,481,646
County deeds excise	21,135,339	11,488,743	-	-	21,135,339	11,488,743
Rental income	1,890,001	1,792,269	-	-	1,890,001	1,792,269
Investment income	382,034	270,872	-	8,781	382,034	279,653
Miscellaneous	235,892	81,462	14,338	-	250,230	81,462
Total Revenues	49,553,569	37,495,812	1,714,345	940,823	51,267,914	38,436,635
<b>Expenses</b>						
General government	5,171,112	6,593,708	-	-	5,171,112	6,593,708
County services	8,689,969	10,547,945	-	-	8,689,969	10,547,945
Health and human services	12,259,235	12,945,432	-	-	12,259,235	12,945,432
Public safety	2,449,930	3,287,035	-	-	2,449,930	3,287,035
Planning and development	6,854,193	7,806,923	-	-	6,854,193	7,806,923
Interest on long-term debt	384,645	433,324	-	-	384,645	433,324
Dredge operations	-	-	1,943,239	1,656,373	1,943,239	1,656,373
Total Expenses	35,809,084	41,614,367	1,943,239	1,656,373	37,752,323	43,270,740
Change in net position	13,744,485	(4,118,555)	(228,894)	(715,550)	13,515,591	(4,834,105)
Net Position - Beginning of Year, as Restated	(60,369,972)	(56,343,280)	(893,118)	(177,568)	(61,263,090)	(56,520,848)
Net Position - End of Year	\$ (46,625,487)	\$ (60,461,835)	\$ (1,122,012)	\$ (893,118)	\$ (47,747,499)	\$ (61,354,953)

**Governmental Activities**

Governmental activities for the year resulted in a change in net position of \$13,744,485. Key elements of this change are as follows:

Change in fund balance of governmental funds, adjusted for capital acquisitions and deferred revenues	\$ 13,368,231
Decrease in net pension liability, net of related deferrals	1,572,539
Increase in net OPEB liability, net of related deferrals	(2,573,152)
Debt service in excess of depreciation	1,296,741
Other	<u>80,126</u>
Total	<u>\$ 13,744,485</u>

**Business-Type Activities**

Business-type activities for the year resulted in a change in net position of \$(228,894). This change is largely attributable to an increase in the net OPEB liability and operating losses arising from operating expenses exceeding operating revenues.

**Financial Analysis of the County’s Funds**

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

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

**General Fund**

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$19,257,429, while total fund balance was \$21,655,333. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. Refer to the table below:

<u>General Fund</u>	<u>6/30/21</u>	<u>6/30/20</u>	<u>Change</u>	<u>% of Total General Fund Expenditures</u>
Unassigned fund balance	\$ 19,257,429	\$ 8,321,610	\$ 10,935,819	107.21%
Total fund balance	21,655,333	10,971,113	10,684,220	120.56%

The total fund balance of the General Fund changed by \$10,684,220 during the current fiscal year. Key factors related to this change are as follows:

Revenues in excess of budget	\$ 10,512,099
Expenditures less than budget	2,716,247
Use of fund balance as a funding source	(5,320,537)
Stabilization activity	2,978,331
Transfers out in excess of budget	(450,000)
Other	<u>248,080</u>
Total	\$ <u>10,684,220</u>

Revenues in excess of budget are largely attributable to county deeds excises exceeding budgeted amounts, due to the increase in real estate activity during fiscal year 2021.

The use of fund balance as a funding source is largely comprised of the following:

Stabilization funding	\$ 3,000,000
Operating budget support	1,070,537
Establishment of a COVID-19 fund	1,000,000
Emergency management funding	150,000
Stormwater improvement project funding	<u>100,000</u>
Total	\$ <u>5,320,537</u>

In fiscal year 2021, the County established the following stabilization accounts which are included in the total General Fund balances as follows:

	<u>6/30/21</u>	<u>6/30/20</u>	<u>Change</u>	<u>Fund Balance Classification</u>
General stabilization	\$ 992,777	\$ -	\$ 992,777	Unassigned
Capital stabilization	992,777	-	992,777	Committed
Emergency stabilization	<u>992,777</u>	<u>-</u>	<u>992,777</u>	Committed
Total	\$ <u>2,978,331</u>	\$ <u>-</u>	\$ <u>2,978,331</u>	

*Cape Cod Commission Fund*

The fund balance of the Cape Cod Commission Fund increased by \$640,175 over the prior year primarily attributable to various grant funding related to indirect costs recognized in the cape cod commission fund.

*Septic Loan Program Fund*

The fund balance of the Septic Loan Program Fund increased by \$21,997 over the prior year.

### *ARPA Fund*

The American Rescue Plan Act (ARPA) fund was established in fiscal year 2021 to account for activities related to federal funding received from the American Rescue Plan Act. In fiscal year 2021, the County received \$20,685,406 in ARPA funds that are reported as unearned revenues on the governmental funds balance sheet as the criteria has not been met to recognize these monies as revenue in fiscal year 2021.

### *Nonmajor Governmental Funds*

The fund balance of the Nonmajor Governmental Funds increased by \$623,194 over the prior year primarily attributable to timing differences between transfers from the General Fund related to special projects and related project expenditures.

### ***Proprietary Funds***

Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the Dredge Enterprise Fund activities at the end of the fiscal year amounted to \$(1,626,999). This is largely attributable to the fund's unfunded portion of pension and OPEB liabilities.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$5,177,640. Major reasons for these amendments include:

\$ 3,000,000	for stabilization funding
1,000,000	for COVID-19 emergency funding
624,337	for other departmental support
303,303	for carryforwards of prior year purchase orders (encumbrances)
150,000	for emergency management funding
100,000	for stormwater improvement project funding

Of this increase, \$4,874,337 was funded from unassigned fund balance while \$303,303 was funded from assigned fund balance.

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

Total investment in capital assets at year-end amounted to \$9,574,182 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, building improvements, machinery and equipment, vehicles, and software.

Additional information on capital assets can be found in Note 6 of the Notes to Financial Statements.

***Long-Term Debt***

At the end of the current fiscal year, total bonded debt outstanding was \$19,239,260, all of which was backed by the full faith and credit of the County.

Additional information on long-term debt can be found in Note 10 of the Notes to Financial Statements.

**Requests for Information**

This financial report is designed to provide a general overview of the County of Barnstable, Massachusetts' finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

County Commissioner's Office  
County of Barnstable, Massachusetts  
3195 Main Street  
Barnstable, Massachusetts 02630

**COUNTY OF BARNSTABLE, MASSACHUSETTS**

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>Assets</b>			
Current:			
Cash and short-term investments	\$ 67,740,100	\$ 893,533	\$ 68,633,633
Investments	561,470	-	561,470
Receivables, net of allowance for uncollectibles			
Departmental	252,665	-	252,665
Intergovernmental	1,181,171	-	1,181,171
User charges	-	44,784	44,784
<b>Total Current Assets</b>	<b>69,735,406</b>	<b>938,317</b>	<b>70,673,723</b>
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Loans	15,595,073	-	15,595,073
Capital assets:			
Capital assets depreciable, net	5,084,130	3,168,057	8,252,187
Capital assets non-depreciable	1,321,995	-	1,321,995
<b>Total Noncurrent Assets</b>	<b>22,001,198</b>	<b>3,168,057</b>	<b>25,169,255</b>
<b>Total Assets</b>	<b>91,736,604</b>	<b>4,106,374</b>	<b>95,842,978</b>
<b>Deferred Outflows of Resources</b>			
Related to pensions	4,058,623	61,400	4,120,023
Related to OPEB	6,419,373	234,284	6,653,657
<b>Total Deferred Outflows of Resources</b>	<b>10,477,996</b>	<b>295,684</b>	<b>10,773,680</b>
<b>Liabilities</b>			
Current:			
Warrants payable	1,275,955	11,246	1,287,201
Accrued payroll and withholdings	986,630	-	986,630
Notes payable	343,911	1,300,000	1,643,911
Unearned revenues	20,685,406	-	20,685,406
Other	20,150	-	20,150
Current portion of long-term liabilities:			
Bonds payable	1,873,108	135,000	2,008,108
Compensated absences	177,431	8,442	185,873
Legal settlements	131,421	-	131,421
<b>Total Current Liabilities</b>	<b>25,494,012</b>	<b>1,454,688</b>	<b>26,948,700</b>
Noncurrent:			
Bonds payable, net of current portion	15,771,152	1,460,000	17,231,152
Compensated absences, net of current portion	1,596,875	75,977	1,672,852
Legal settlements, net of current portion	2,318,166	-	2,318,166
Net pension liability	45,759,897	692,268	46,452,165
Net OPEB liability	41,978,792	1,532,073	43,510,865
<b>Total Noncurrent Liabilities</b>	<b>107,424,882</b>	<b>3,760,318</b>	<b>111,185,200</b>
<b>Total Liabilities</b>	<b>132,918,894</b>	<b>5,215,006</b>	<b>138,133,900</b>
<b>Deferred Inflows of Resources</b>			
Related to pensions	12,729,327	192,572	12,921,899
Related to OPEB	3,191,866	116,492	3,308,358
<b>Total Deferred Inflows of Resources</b>	<b>15,921,193</b>	<b>309,064</b>	<b>16,230,257</b>
<b>Net Position</b>			
Net investment in capital assets	4,675,844	504,987	5,180,831
Restricted for:			
Grants and other statutory restrictions	24,620,907	-	24,620,907
Loans	15,586,795	-	15,586,795
Unrestricted	(91,509,033)	(1,626,999)	(93,136,032)
<b>Total Net Position</b>	<b>\$ (46,625,487)</b>	<b>\$ (1,122,012)</b>	<b>\$ (47,747,499)</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Change in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b>Governmental Activities</b>							
General government	\$ 5,171,112	\$ 398,508	\$ 318,121	\$ -	\$ (4,454,483)	\$ -	\$ (4,454,483)
County services	8,689,969	445,295	737,370	-	(7,507,304)	-	(7,507,304)
Health and human services	12,259,235	1,571,555	4,955,398	3,592,087	(2,140,195)	-	(2,140,195)
Public safety	2,449,930	187,200	158,008	-	(2,104,722)	-	(2,104,722)
Planning and development	6,854,193	3,851,664	2,815,411	-	(187,118)	-	(187,118)
Interest on long-term debt	<u>384,645</u>	<u>-</u>	<u>-</u>	<u>380,006</u>	<u>(4,639)</u>	<u>-</u>	<u>(4,639)</u>
Total Governmental Activities	35,809,084	6,454,222	8,984,308	3,972,093	(16,398,461)	-	(16,398,461)
<b>Business-Type Activities</b>							
Dredge operations	<u>1,943,239</u>	<u>1,700,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(243,232)</u>	<u>(243,232)</u>
Total	<u>\$ 37,752,323</u>	<u>\$ 8,154,229</u>	<u>\$ 8,984,308</u>	<u>\$ 3,972,093</u>	<u>(16,398,461)</u>	<u>(243,232)</u>	<u>(16,641,693)</u>
			<b>General Revenues</b>				
			County tax assessments		3,447,249	-	3,447,249
			Registry of deeds excise		3,052,431	-	3,052,431
			County deeds excise		21,135,339	-	21,135,339
			Rental income		1,890,001	-	1,890,001
			Investment income		382,034	-	382,034
			Other		<u>235,892</u>	<u>14,338</u>	<u>250,230</u>
			Total General Revenues		<u>30,142,946</u>	<u>14,338</u>	<u>30,157,284</u>
			Change in Net Position		13,744,485	(228,894)	13,515,591
			<b>Net Position</b>				
			Beginning of year, as restated		<u>(60,369,972)</u>	<u>(893,118)</u>	<u>(61,263,090)</u>
			End of year		<u>\$ (46,625,487)</u>	<u>\$ (1,122,012)</u>	<u>\$ (47,747,499)</u>

The accompanying notes are an integral part of these financial statements.



**COUNTY OF BARNSTABLE, MASSACHUSETTS**

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2021

	General Fund	Cape Cod Commission Fund	Septic Loan Program Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and short-term investments	\$ 22,346,832	\$ 6,372,735	\$ 8,634,048	\$ 20,688,551	\$ 9,697,934	\$ 67,740,100
Investments	561,470	-	-	-	-	561,470
Receivables:						
Departmental	147,850	-	-	-	104,815	252,665
Intergovernmental	73,468	-	-	-	1,107,703	1,181,171
Loans	-	-	13,473,061	-	2,122,012	15,595,073
<b>Total Assets</b>	<b>\$ 23,129,620</b>	<b>\$ 6,372,735</b>	<b>\$ 22,107,109</b>	<b>\$ 20,688,551</b>	<b>\$ 13,032,464</b>	<b>\$ 85,330,479</b>
<b>Liabilities</b>						
Warrants payable	\$ 267,824	\$ 32,655	\$ 186,305	\$ -	\$ 789,171	\$ 1,275,955
Accrued payroll and withholdings	986,630	-	-	-	-	986,630
Notes payable	-	-	-	-	343,911	343,911
Unearned revenues	-	-	-	20,685,406	-	20,685,406
Other	19,685	-	-	-	465	20,150
<b>Total Liabilities</b>	<b>1,274,139</b>	<b>32,655</b>	<b>186,305</b>	<b>20,685,406</b>	<b>1,133,547</b>	<b>23,312,052</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenues	200,148	-	13,473,061	-	3,301,281	16,974,490
<b>Fund Balances</b>						
Restricted	-	6,340,080	8,447,743	3,145	8,642,392	23,433,360
Committed	1,985,554	-	-	-	1,911,225	3,896,779
Assigned	412,350	-	-	-	-	412,350
Unassigned	19,257,429	-	-	-	(1,955,981)	17,301,448
<b>Total Fund Balances</b>	<b>21,655,333</b>	<b>6,340,080</b>	<b>8,447,743</b>	<b>3,145</b>	<b>8,597,636</b>	<b>45,043,937</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 23,129,620</b>	<b>\$ 6,372,735</b>	<b>\$ 22,107,109</b>	<b>\$ 20,688,551</b>	<b>\$ 13,032,464</b>	<b>\$ 85,330,479</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**IN THE STATEMENT OF NET POSITION**

JUNE 30, 2021

<b>Total governmental fund balances</b>	\$	45,043,937
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		6,406,125
Deferred outflows of resources to be recognized as an increase to pension and OPEB expense in future periods:		
Related to pensions		4,058,623
Related to OPEB		6,419,373
Revenues are reported on the accrual basis of accounting and are not deferred until collection.		16,974,490
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable		(17,644,260)
Compensated absences		(1,774,306)
Legal settlements		(2,449,587)
Net pension liability		(45,759,897)
Net OPEB liability		(41,978,792)
Deferred inflows of resources to be recognized as a decrease to pension and OPEB expense in future periods:		
Related to pensions		(12,729,327)
Related to OPEB		(3,191,866)
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>(46,625,487)</u></b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Cape Cod Commission Fund	Septic Loan Program Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
County tax assessments	\$ 3,447,249	\$ -	\$ -	\$ -	\$ -	\$ 3,447,249
Registry of deeds excise	3,052,431	-	-	-	-	3,052,431
County deeds excise	21,135,339	-	-	-	-	21,135,339
Environmental protection taxes	-	3,695,920	-	-	-	3,695,920
Rental income	1,890,001	-	-	-	-	1,890,001
Intergovernmental	-	113,112	380,006	-	7,709,291	8,202,409
Special assessments	-	-	4,475,039	-	-	4,475,039
Departmental	673,257	155,744	759,709	-	783,022	2,371,732
Investment income	360,526	-	-	3,145	18,363	382,034
Other	<u>11,475</u>	<u>49,121</u>	<u>-</u>	<u>-</u>	<u>175,296</u>	<u>235,892</u>
Total Revenues	30,570,278	4,013,897	5,614,754	3,145	8,685,972	48,888,046
<b>Expenditures</b>						
Current:						
General government	3,611,172	-	-	-	349,677	3,960,849
County services	6,133,245	-	-	-	1,477,572	7,610,817
Health and human services	3,595,613	-	3,748,540	-	4,313,027	11,657,180
Public safety	2,178,417	-	-	-	577,415	2,755,832
Planning and development	-	4,036,375	-	-	2,149,848	6,186,223
Shared costs	2,008,185	-	-	-	456,399	2,464,584
Debt service:						
Principal	370,000	-	1,464,211	-	-	1,834,211
Interest	<u>65,613</u>	<u>-</u>	<u>380,006</u>	<u>-</u>	<u>-</u>	<u>445,619</u>
Total Expenditures	<u>17,962,245</u>	<u>4,036,375</u>	<u>5,592,757</u>	<u>-</u>	<u>9,323,938</u>	<u>36,915,315</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,608,033	(22,478)	21,997	3,145	(637,966)	11,972,731
<b>Other Financing Sources (Uses)</b>						
Transfers in	150,000	706,339	-	-	2,117,499	2,973,838
Transfers out	<u>(2,073,813)</u>	<u>(43,686)</u>	<u>-</u>	<u>-</u>	<u>(856,339)</u>	<u>(2,973,838)</u>
Total Other Financing Sources (Uses)	<u>(1,923,813)</u>	<u>662,653</u>	<u>-</u>	<u>-</u>	<u>1,261,160</u>	<u>-</u>
Change in fund balances	10,684,220	640,175	21,997	3,145	623,194	11,972,731
Fund Balances, at Beginning of Year, as restated	<u>10,971,113</u>	<u>5,699,905</u>	<u>8,425,746</u>	<u>-</u>	<u>7,974,442</u>	<u>33,071,206</u>
Fund Balances, at End of Year	\$ <u>21,655,333</u>	\$ <u>6,340,080</u>	\$ <u>8,447,743</u>	\$ <u>3,145</u>	\$ <u>8,597,636</u>	\$ <u>45,043,937</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2021

<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 11,972,731</b>
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>	
Capital outlay	729,977
Depreciation	(537,470)
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., county excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue, net of the change in allowance for doubtful accounts.</p>	
	665,523
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>	
Repayments of general obligation bonds and loans	1,834,211
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>	
Bond premium amortization	60,974
Change in compensated absences liability	(109,692)
Change in legal settlements liability	128,844
Change in net pension liability and related deferred outflows and inflows	1,572,539
Change in net OPEB liability and related deferred outflows and inflows	<u>(2,573,152)</u>
<b>Change in net position of governmental activities</b>	<b>\$ <u>13,744,485</u></b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2021

		Business-Type <u>Activities</u>  Dredge <u>Enterprise Fund</u>
<b>Assets</b>		
Current:		
Cash and short-term investments	\$	893,533
Receivables, net of allowance for uncollectibles:		
User charges		<u>44,784</u>
Total Current Assets		938,317
Noncurrent:		
Capital assets depreciable, net		<u>3,168,057</u>
Total Noncurrent Assets		<u>3,168,057</u>
Total Assets		4,106,374
<b>Deferred Outflows of Resources</b>		
Related to pensions		61,400
Related to OPEB		<u>234,284</u>
Total Deferred Outflows of Resources		295,684
<b>Liabilities</b>		
Current:		
Warrants payable		11,246
Notes payable		1,300,000
Current portion of long-term liabilities:		
Bonds payable		135,000
Compensated absences		<u>8,442</u>
Total Current Liabilities		1,454,688
Noncurrent:		
Bonds payable, net of current portion		1,460,000
Compensated absences, net of current portion		75,977
Net pension liability		692,268
Net OPEB liability		<u>1,532,073</u>
Total Noncurrent Liabilities		<u>3,760,318</u>
Total Liabilities		5,215,006
<b>Deferred Inflows of Resources</b>		
Related to pensions		192,572
Related to OPEB		<u>116,492</u>
Total Deferred Inflows of Resources		309,064
<b>Net Position</b>		
Net investment in capital assets		504,987
Unrestricted		<u>(1,626,999)</u>
Total Net Position	\$	<u><u>(1,122,012)</u></u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Dredge <u>Enterprise Fund</u>
<b>Operating Revenues</b>	
Charges for services	\$ 1,700,007
Other	<u>14,338</u>
Total Operating Revenues	1,714,345
<b>Operating Expenses</b>	
Salaries and benefits	818,093
Costs of services and administration	813,119
Depreciation	<u>230,903</u>
Total Operating Expenses	<u>1,862,115</u>
Operating (Loss)	(147,770)
<b>Nonoperating (Expenses)</b>	
Interest expense	<u>(81,124)</u>
Total Nonoperating (Expenses)	<u>(81,124)</u>
Change in Net Position	(228,894)
Net Position, Beginning of Year	<u>(893,118)</u>
Net Position, End of Year	\$ <u><u>(1,122,012)</u></u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities
	Dredge Enterprise Fund
<b>Cash Flows from Operating Activities</b>	
Receipts from customers and users	\$ 1,857,847
Payments to vendors	(804,733)
Payments to employees	<u>(710,979)</u>
Net Cash Provided By Operating Activities	342,135
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(88,600)
Proceeds from notes	1,300,000
Principal payments on notes	(1,300,000)
Principal payments on bonds	(135,000)
Interest expense	<u>(81,124)</u>
Net Cash (Used For) Capital and Related Financing Activities	(304,724)
Net Change in Cash and Short-Term Investments	37,411
Cash and Short-Term Investments, Beginning of Year	<u>856,122</u>
Cash and Short-Term Investments, End of Year	\$ <u><u>893,533</u></u>
<b>Reconciliation of Operating (Loss) to Net Cash Provided By Operating Activities</b>	
Operating (loss)	\$ (147,770)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	230,903
Changes in assets, liabilities, and deferred outflows/inflows:	
User fees receivable	143,502
Deferred outflows - related to pensions	39,622
Deferred outflows - related to OPEB	67,824
Warrants payable	8,386
Compensated absences	36,994
Net pension liability	(92,759)
Net OPEB liability	(65,930)
Deferred inflows - related to pensions	29,346
Deferred inflows - related to OPEB	<u>92,017</u>
Net Cash Provided By Operating Activities	\$ <u><u>342,135</u></u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Other Post- Employment Benefits <u>Trust Fund</u>	Custodial <u>Funds</u>
<b>Assets</b>		
Cash and short-term investments	\$ 17,143	\$ 2,981,363
Investments:		
Equity mutual funds	604,891	-
Fixed income mutual funds	<u>441,626</u>	<u>-</u>
Total Assets	1,063,660	2,981,363
<b>Liabilities</b>		
Due to other governments	<u>-</u>	<u>2,981,363</u>
Total Liabilities	<u>-</u>	<u>2,981,363</u>
<b>Net Position</b>		
Restricted for OPEB	<u>1,063,660</u>	<u>-</u>
Total Net Position	\$ <u><u>1,063,660</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.



**COUNTY OF BARNSTABLE, MASSACHUSETTS**

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

	Other Post- Employment Benefits <u>Trust Fund</u>	Custodial <u>Funds</u>
<b>Additions</b>		
Contributions:		
Employers	\$ 1,243,123	\$ -
Investment income	177,994	-
Fees collected for the Commonwealth of Massachusetts	<u>-</u>	<u>34,894,622</u>
Total Additions	1,421,117	34,894,622
<b>Deductions</b>		
Benefit payments to plan members and beneficiaries	1,243,123	-
Payment of fees to the Commonwealth of Massachusetts	-	33,222,327
Payment of fees to County	<u>-</u>	<u>1,672,295</u>
Total Deductions	<u>1,243,123</u>	<u>34,894,622</u>
Change in Net Position	177,994	-
<b>Net Position Restricted for OPEB and Other Purposes</b>		
Beginning of year	<u>885,666</u>	<u>-</u>
End of year	<u>\$ 1,063,660</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

# COUNTY OF BARNSTABLE, MASSACHUSETTS

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

The accounting policies of the County of Barnstable, Massachusetts (County) conform to Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies:

#### ***Reporting Entity***

The County adheres to the County form of government prescribed by Massachusetts General Laws (MGL) and the County of Barnstable Home Rule Charter, enacted under Chapter 163 of the Acts of 1988, Chapter 716 of the Acts of 1989, and Chapter 2 of the Acts of 1990. The County is governed by an elected Board of Commissioners, comprised of three members, and an Assembly of Delegates. The Assembly of Delegates is comprised of representatives from each municipality within Barnstable County, elected for terms of two years each by the voters in each of the municipalities of the County.

As required by GAAP, these financial statements present the County (primary government) and applicable component units for which the County is considered to be financially accountable. In fiscal year 2021, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

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

##### ***Government-Wide 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 nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental Activities*, which normally are supported by tax assessments and intergovernmental revenues, are reported separately from *Business-Type Activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (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. Tax assessments and other items not properly included among program revenues are reported instead as *general revenues*.

### *Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

#### *Government-Wide Financial Statements*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. County taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

### *Fund Financial Statements*

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both 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. Revenue from grants, entitlements, and donations is recognized when all eligibility requirements have been satisfied and they are measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures, such as debt service, compensated absences, claims and judgments, and pension and OPEB costs are recorded as expenditures only when payment is due.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.
- The *Cape Cod Commission Fund* is used to account for the activities of the Cape Cod Commission. These activities include the promotion of affordable housing, sponsorship of economic development programs, preservation of historic sites,

preservation of open space, planning and analysis of transportation, solid waste and hazardous waste management, and protection of water quality and water supplies.

- The *Septic Loan Program Fund* is used to account for the activities associated with the issuance of loans for septic system repairs.
- The *American Rescue Plan Act (ARPA) Fund* is used to account for the activities associated with the American Rescue Plan Act.

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 liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major proprietary fund:

- The *Dredge Enterprise Fund* is used to account for the activities of the County's dredge operations.

The fiduciary 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 liabilities are incurred.

The County reports the following fiduciary funds:

- The *Other Post-Employment Benefits (OPEB) Trust Fund* is used to accumulate resources for health, dental, and life insurance benefits for retired employees. It is used to account for funds to offset the anticipated cost of premium payments for retirees and to any eligible spouse or dependents.
- The *Custodial Funds* account for fiduciary assets held by the County in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include fees collected on behalf of other governments.

***Cash and Investments***

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposit, and savings accounts, and money market accounts. Generally, a cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the financial statements under the caption "cash and short-term investments".

For the purpose of the statement of cash flows, the proprietary fund considers investments with original maturities of three months or less to be cash equivalents.

Investments are carried at fair value, except certificates of deposit which are reported at cost.

***Capital Assets***

Capital assets, which include land, land improvements, buildings, building improvements, machinery and equipment, vehicles, and software, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life of three years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	20 - 40
Building improvements	10 - 20
Machinery and equipment	3 - 20
Vehicles	5 - 10
Software	5 - 10

### ***Compensated Absences***

It is the County's policy to permit certain employees to accumulate earned but unused vacation and sick pay benefits. All vested vacation and sick pay is accrued when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

### ***Long-Term Obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. The General Fund, Septic Loan Fund, and Dredge Enterprise Fund typically repay these obligations.

### ***Fund Equity***

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

### ***Fund Balance***

Generally, fund balance represents the difference between current assets/deferred outflows of resources and current liabilities/deferred inflows of resources. The County reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods. The General Fund is the only fund that reports a positive unassigned fund balance.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the County uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

### *Net Position*

Net Position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

### *Use of Estimates*

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

## **2. Stewardship, Compliance, and Accountability**

### *Budgetary Information*

The County tax is levied annually by the County Commissioners on the basis of the approved budget, after deducting probable receipts from sources other than the County tax. The County Commissioners are also required to levy annually, as a County tax, an amount sufficient to meet debt service costs in the event no provision has been made. All County taxes are apportioned and assessed upon the cities and towns comprising the County. The apportionment is based upon the equalized valuations of each city and town as calculated biennially by the Massachusetts Department of Revenue. County taxes are normally due on the subsequent November 1 and May 1.

A statewide property tax limitation statute known as "Proposition 2½" limits subsequent increases to the tax levy. The amounts by which the County assessment may increase in any fiscal year is limited to the sum of 2.50% of the previous year's total assessment, except as provided by Massachusetts General Laws, Chapter 59, Section 29A.

### *Excess of Expenditures Over Appropriations*

There were no expenditures exceeding appropriations during the current fiscal year.

### *Deficit Fund Equity*

The County reported various special revenue and capital project funds reflecting deficit account balances as of June 30, 2021. It is anticipated that the deficits in these funds will be eliminated through future intergovernmental and departmental revenues and transfers from other funds.

### 3. Deposits and Investments

#### ***County (Excluding the OPEB Trust Fund)***

Massachusetts General Laws (MGL) Chapter 35, Section 22 place certain limitation on cash deposits and investments available to the County. Authorized deposits include demand deposits, term deposits, and certificates of deposit in trust companies, national banks, savings banks, and certain other financial institutions. Deposits may not exceed certain levels without collateralization of the excess by the financial institution involved. The County may also invest in securities issued by or unconditionally guaranteed by the U.S. government or an agency thereof, and having a maturity from date of purchase of one year or less. The County may also invest in repurchase agreements guaranteed by such government securities with maturity dates of not more than ninety days from the date of purchase. The County may invest in units of the Massachusetts Municipal Depository Trust (MMDT), an external investment pool managed by the Treasurer of the Commonwealth of Massachusetts.

#### *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. The County does not have formal deposit policies related to the custodial credit risk of deposits.

As of June 30, 2021, \$3,009,732 of the County's bank balance of \$71,270,294 was exposed to custodial credit risk as uninsured or uncollateralized and \$3,983,312 was collateralized by securities held by the banks trust department or agent.

#### *Custodial Credit Risk – Investments*

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the County will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The County does not have formal investment policies related to custodial credit risk.

As of June 30, 2021, the County's investments in equities of \$561,470 were uninsured, unregistered, and held by the counterparty.

#### *Credit Risk – Investments in Debt Securities*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. The County does not have formal investment policies related to credit risk however, as of June 30, 2021, the County did not have any investments exposed to credit risk as the entirety of the County's investments are in equities.



#### *Concentration of Credit Risk – Investments*

Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The County does not have formal investment policies related to concentration of credit risk exposure.

As of June 30, 2021, \$386,209 of the County's total investments in equities of \$561,470 were invested in common stock of Prudential Financial, Inc.

#### *Interest Rate Risk – Investments in Debt Securities*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates however, as of June 30, 2021, the County did not have any investments exposed to interest rate risk as all investments were in equities.

#### *Foreign Currency Risk – Investments*

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The County does not have formal investment policies related to foreign currency risk however, as of June 30, 2021, the County did not have any investments exposed to foreign currency risk.

#### *Fair Value*

The County categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund has the ability to access at the measurement date.

Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as level 2.

Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

As of June 30, 2021, the County’s investments in equities were valued using level 1, quoted prices in active markets for those securities.

***OPEB Trust Fund***

Generally, the OPEB Trust Fund’s deposits and investment policies mirror that of the County as discussed in the previous note.

*Investment Summary*

As of June 30, 2021, investments of the OPEB Trust fund consisted of equity mutual funds of \$604,891 and fixed income mutual funds of \$441,626.

*Custodial Credit Risk - Investments*

As of June 30, 2021, investments in the OPEB Trust Fund were not exposed to custodial credit risk as all investments were held in the County’s name.

*Credit Risk – Investments in Debt Securities*

As of June 30, 2021, the OPEB Trust Fund’s investments in fixed income mutual funds were unrated.

*Concentration of Credit Risk – Investments*

As of June 30, 2021, the OPEB Trust Fund did not have investments exposed to concentration of credit risk exposure as all investments were in pooled investment vehicles.

*Interest Rate Risk – Investments in Debt Securities*

As of June 30, 2021, the OPEB Trust Fund’s investments in fixed income mutual funds had a weighted average maturity of 6.76 years.

*Foreign Currency Risk*

As of June 30, 2021, the OPEB Trust Fund did not have any investments exposed to foreign currency risk.

*Fair Value*

Investments of the OPEB Trust Fund use the same valuation methods as the County. As of June 30, 2021, OPEB Trust Fund investments in equity mutual funds and fixed income mutual funds were valued using level 1 and level 2, respectively.

Equity mutual funds valued using level 1 measurements are valued using priced quoted in active markets for those securities.

Fixed income mutual funds valued using level 2 measurements are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

**4. Loans Receivable**

At June 30, 2021, receivables for the individual governmental funds in the aggregate and the governmental activities, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<b>Septic Loan Program Fund</b>			
Loans:			
Septic	\$ 13,473,061	\$ -	\$ 13,473,061
<b>Nonmajor Governmental Funds</b>			
Loans:			
HUD loans	\$ 12,919,213	\$ (10,805,479)	\$ 2,113,734
Other	<u>8,278</u>	<u>-</u>	<u>8,278</u>
Total Nonmajor Governmental Funds	<u>\$ 12,927,491</u>	<u>\$ (10,805,479)</u>	<u>2,122,012</u>
Total Governmental Activities			<u>\$ 15,595,073</u>

## 5. Interfund Transfers

The County reports interfund transfers between many of its funds. The sum of all transfers presented in the table agrees with the interfund transfers presented in the governmental fund financial statements. The following is an analysis of interfund transfers for the year ended June 30, 2021:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<b>General Fund</b>		
BAN paydown and fire training equipment	\$ -	\$ 323,813 (1)
Supporting other nonmajor governmental funds	-	1,750,000 (2)
Unemployment reserve fund transfer	100,000	- (3)
Workers compensation reserve fund transfer	50,000	- (3)
Total General Fund	<u>150,000</u>	<u>2,073,813</u>
<b>Cape Cod Commission (CCC) fund</b>		
From license plate fund for regional economic development plans and projects	200,000	- (4)
Indirect costs from grant funds	506,339	- (5)
Supporting planimetrics capital project	-	43,686 (6)
Total Cape Cod Commission Fund	<u>706,339</u>	<u>43,686</u>
<b>Nonmajor Governmental Funds</b>		
BAN paydown	260,176	- (1)
Fire training equipment funding	63,637	- (1)
COVID-19 county emergency funding	1,000,000	- (2)
Fire training cleanup funding	500,000	- (2)
Health and environmental department funding	150,000	- (2)
Site capping funding	100,000	- (2)
Funding general fund operating budget	-	150,000 (3)
Funding regional economic development plans and projects	-	200,000 (4)
Various grants to CCC fund for indirect costs	-	506,339 (5)
Planimetrics project support from CCC	43,686	- (6)
Total Nonmajor Governmental Funds	<u>2,117,499</u>	<u>856,339</u>
Total	<u>\$ 2,973,838</u>	<u>\$ 2,973,838</u>

## 6. Capital Assets

Capital asset activity for the year ended June 30, 2021 for the County's governmental activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets, depreciable:				
Land improvements	\$ 710,569	\$ -	\$ -	\$ 710,569
Buildings	6,533,702	-	-	6,533,702
Building improvements	6,190,221	238,877	-	6,429,098
Machinery and equipment	2,983,075	234,831	-	3,217,906
Vehicles	837,187	69,269	-	906,456
Software	920,788	-	-	920,788
Total capital assets, depreciable	18,175,542	542,977	-	18,718,519
Less accumulated depreciation for:				
Land improvements	(384,767)	(30,179)	-	(414,946)
Buildings	(6,085,304)	(37,372)	-	(6,122,676)
Building improvements	(2,729,540)	(255,213)	-	(2,984,753)
Machinery and equipment	(2,591,348)	(130,527)	-	(2,721,875)
Vehicles	(785,727)	(20,315)	-	(806,042)
Software	(520,233)	(63,864)	-	(584,097)
Total accumulated depreciation	(13,096,919)	(537,470)	-	(13,634,389)
Total capital assets, depreciable, net	5,078,623	5,507	-	5,084,130
Capital assets, non-depreciable:				
Land	947,995	-	-	947,995
Construction in progress	187,000	187,000	-	374,000
Total capital assets, non-depreciable	1,134,995	187,000	-	1,321,995
Governmental activities capital assets, net	\$ 6,213,618	\$ 192,507	\$ -	\$ 6,406,125

Capital asset activity for the year ended June 30, 2021 for the County's business-type activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital assets, depreciable:				
Machinery and equipment	\$ 5,131,096	\$ 88,600	\$ -	\$ 5,219,696
Vehicles	205,575	-	-	205,575
Total capital assets, depreciable	5,336,671	88,600	-	5,425,271
Less accumulated depreciation for:				
Machinery and equipment	(1,828,129)	(223,510)	-	(2,051,639)
Vehicles	(198,182)	(7,393)	-	(205,575)
Total accumulated depreciation	(2,026,311)	(230,903)	-	(2,257,214)
Total capital assets, depreciable, net	3,310,360	(142,303)	-	3,168,057
Business-Type activities capital assets, net	\$ 3,310,360	\$ (142,303)	\$ -	\$ 3,168,057

Depreciation expense was charged to functions of the County as follows:

<b>Governmental Activities</b>	
General government	\$ 88,374
County services	168,756
Health and human services	270,445
Public safety	5,831
Planning and development	<u>4,064</u>
Total governmental activities	\$ <u>537,470</u>
<b>Business-Type Activities</b>	
Dredge enterprise fund	\$ 230,903

## 7. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the County that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and No. 75, respectively, are more fully discussed in the corresponding pension and OPEB notes.

## 8. Notes Payable

The following summarizes notes payable activity for the County's governmental funds as of June 30, 2021:

<u>Governmental Activities</u>	<u>Interest Rate(s) %</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
Various purpose	1.75	9/20/2019	9/20/2020	\$ 604,087	\$ -	\$ (604,087)	-
Building Repairs	1.00	9/18/2020	9/17/2021	-	203,212	-	203,212
Sidewalks/Wall	1.00	9/18/2020	9/17/2021	-	104,394	-	104,394
Technology	1.00	9/18/2020	9/17/2021	-	36,305	-	36,305
Total Governmental Activities				\$ <u>604,087</u>	\$ <u>343,911</u>	\$ <u>(604,087)</u>	\$ <u>343,911</u>

The following summarizes notes payable activity for the County's business-type activities as of June 30, 2021:

<u>Business-Type Activities</u>	<u>Interest Rate(s) %</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>End of Year</u>
New dredge	1.75	9/20/2019	9/20/2020	\$ 1,300,000	\$ -	\$ (1,300,000)	\$ -
Dredge	1.00	9/18/2020	9/17/2021	-	1,300,000	-	1,300,000
Total Business-Type Activities				\$ <u>1,300,000</u>	\$ <u>1,300,000</u>	\$ <u>(1,300,000)</u>	\$ <u>1,300,000</u>

**9. Unearned Revenues**

This balance represents American Rescue Plan Act (ARPA) funds that were received in fiscal year 2021 to be spent in future periods.

**10. Long-Term Debt**

***General Obligation Bonds and State Revolving Loans***

The County issues general obligation bonds and direct borrowings to provide funds for the acquisition and construction of major capital facilities and projects. General obligation bonds and direct borrowings outstanding are as follows:

<u>Governmental Activities</u>	<u>Original Issue</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/21</u>
<b>Public Offerings</b>				
General obligation bonds of 2017	\$ 2,387,000	9/15/2032	2.00 - 5.00	\$ <u>1,265,000</u>
Total Public Offerings				<u>1,265,000</u>
<b>Loans - Direct Borrowings</b>				
Massachusetts Clean Water Trust (MCWT):				
Series 15 - 05-1685-C	\$ 3,000,000	7/15/2030	0.00	1,500,000
Series 14 - T5-05-1685	2,850,000	7/15/2027	0.00	1,050,000
Series 15 - T5-05-1685-A	2,550,000	7/15/2029	0.00	1,207,890
Series 15 - T5-05-1685-B	3,600,000	7/15/2030	0.00	1,800,000
Series 17B - 05-1685-D	4,000,000	1/15/2033	0.00	2,400,000
Series 17B - 05-1685-E	3,000,000	1/15/2033	0.00	1,800,000
Series 17A - 05-1685-F	5,000,000	1/15/2033	0.00	3,000,000
Series 18 - T5-05-1685-G	5,000,000	1/15/2035	0.00	<u>3,500,000</u>
Total Loans - Direct Borrowings				<u>16,257,890</u>
Total Governmental Activities				\$ <u><u>17,522,890</u></u>

<u>Business-Type Activities</u>	<u>Original Issue</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/21</u>
<b>Public Offerings</b>				
General obligation bonds of 2017	\$ 2,000,000	9/15/2032	2.00 - 5.00	\$ <u>1,595,000</u>
Total Business-Type Activities				\$ <u><u>1,595,000</u></u>

**Future Debt Service**

The annual payments to retire all general obligation long term debt outstanding as of June 30, 2021 are as follows:

<u>Governmental</u>	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Net Interest</u>
2022	\$ 365,000	\$ 47,238	\$ 1,464,210	\$ -
2023	365,000	28,988	1,464,210	-
2024	100,000	17,363	1,464,210	-
2025	90,000	12,613	1,464,210	-
2026	80,000	8,363	1,464,210	-
2027-2031	215,000	14,809	6,736,840	-
2032-2035	<u>50,000</u>	<u>1,232</u>	<u>2,200,000</u>	<u>-</u>
Total	<u>\$ 1,265,000</u>	<u>\$ 130,606</u>	<u>\$ 16,257,890</u>	<u>\$ -</u>

<u>Business-Type</u>	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 135,000	\$ 51,750	\$ -	\$ -
2023	135,000	45,000	-	-
2024	135,000	38,250	-	-
2025	135,000	31,500	-	-
2026	135,000	24,750	-	-
2027-2031	660,000	67,094	-	-
2032-2033	<u>260,000</u>	<u>6,419</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,595,000</u>	<u>\$ 264,763</u>	<u>\$ -</u>	<u>\$ -</u>

The County has issued direct borrowings from the Massachusetts Pollution Abatement Trust (MWPAT), a state revolving loan fund (SRF) of the Massachusetts Clean Water Trust (MCWT), a component unit of the Commonwealth of Massachusetts. MCWT issues special obligation bonds under its SRF programs to provide low-cost financing to Cities, Towns, and other eligible borrowers, primarily for the construction and improvement of drinking water and wastewater infrastructure. There were no unused lines of credit or assets pledge as collateral for debt. The County certifies that rates and charges in the Septic Loan Fund have been set at a sufficient level to cover estimated operating expenses and debt service related to direct borrowings. In addition, the County as an “obligated person” with respect to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, agrees with MCWT to provide an annual report, not later than 270 days after the close of each fiscal year, that incorporates the most recently available audited financial statements to meet continuing disclosure requirements.



The County receives subsidy assistance from the MCWT related to interest on the outstanding direct borrowings. The interest on the outstanding direct borrowings is subsidized over the life of the issuance to assist the County in repayment of future debt. Future interest subsidies total approximately \$2.26 million and will be recognized as revenue when incurred. For the year ended June 30, 2021, the County's interest subsidy amounted to approximately \$380 thousand.

**Changes in Long-Term Liabilities**

During the year ended June 30, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
<b>Governmental Activities</b>						
Bonds payable:						
Public offerings	\$ 1,635,000	\$ -	\$ (370,000)	\$ 1,265,000	\$ (365,000)	\$ 900,000
Loans (direct borrowings)	17,722,101	-	(1,464,211)	16,257,890	(1,464,210)	14,793,680
Unamortized premiums	182,344	-	(60,974)	121,370	(43,898)	77,472
Subtotal bonds payable	19,539,445	-	(1,895,185)	17,644,260	(1,873,108)	15,771,152
Compensated absences	1,664,614	109,692	-	1,774,306	(177,431)	1,596,875
Legal settlements	2,578,431	-	(128,844)	2,449,587	(131,421)	2,318,166
Net pension liability	51,891,372	-	(6,131,475)	45,759,897	-	45,759,897
Net OPEB liability	43,785,285	-	(1,806,493)	41,978,792	-	41,978,792
Total long-term liabilities	\$ 119,459,147	\$ 109,692	\$ (9,961,997)	\$ 109,606,842	\$ (2,181,960)	\$ 107,424,882
<b>Business-Type Activities</b>						
Bonds payable:						
Public offerings	\$ 1,730,000	\$ -	\$ (135,000)	\$ 1,595,000	\$ (135,000)	\$ 1,460,000
Compensated absences	47,425	36,994	-	84,419	(8,442)	75,977
Net pension liability	785,027	-	(92,759)	692,268	-	692,268
Net OPEB liability	1,598,003	-	(65,930)	1,532,073	-	1,532,073
Total long-term liabilities	\$ 4,160,455	\$ 36,994	\$ (293,689)	\$ 3,903,760	\$ (143,442)	\$ 3,760,318

**Long-Term Debt Supporting Governmental and Business-Type Activities**

Bonds and loans issued by the County for various projects are approved by the County Commissioners and repaid with revenues recorded in the General Fund, the Septic Loan Fund, and the Dredge Enterprise Fund. All other long-term debt is repaid from the funds that the cost relates to, primarily the General Fund and dredge enterprise fund.

**11. Deferred Inflows of Resources**

Deferred inflows of resources are the acquisition of net position by the County that is applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes. *Unavailable revenues* are reported in the

governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

**12. Barnstable County Retirement Association – Pension**

The County follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the employees’ retirement funds.

***Plan Description***

All full-time employees of the County are members of the Barnstable County Retirement Association (Association), a cost sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the Association. The Association provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of Massachusetts General Laws establishes the authority of the Association, contribution percentages, and benefits paid. The Barnstable County Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the Association’s annual financial reports publicly available from the Association located at 750 Attucks Lane, Hyannis, MA 02601.

***Participant Contributions***

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of the Massachusetts General Laws. The employee’s individual contribution percentage is determined by their date of entry into the system. In addition, all employees hired on or after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 – December 31, 1983	7%
January 1, 1984 – June 30, 1996	8%
Beginning July 1, 1996	9%

For those members entering a Massachusetts System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

***Participant Retirement Benefits***

A retirement allowance consists of two parts: an annuity and a pension. A member’s accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

The Association provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest 5-year average annual rate of regular compensation for those first becoming members of the Massachusetts System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100%, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are four classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.
- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left County employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

### *Methods of Payment*

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member’s death.
- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree’s beneficiary or beneficiaries of choice.
- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member’s designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or “pops up” to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable “pops up” to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

### *Participant Refunds*

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

### *Employer Contributions*

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The County’s contribution to the Association for the year ended June 30, 2021 was \$4,272,031.

**Summary of Significant Accounting Policies**

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the County reported a liability of \$46,452,165 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2020, the County’s proportion was 6.724%, a decrease of 0.288% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$2,675,701. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ (254,323)
Changes of assumptions	4,085,386	-
Net difference between projected and actual investment earnings on pension plan investments	-	(5,420,343)
Changes in proportion and differences between between contributions and proportionate share of contributions	<u>34,637</u>	<u>(7,247,233)</u>
Total	<u>\$ 4,120,023</u>	<u>\$ (12,921,899)</u>

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

<u>Year ended June 30:</u>	
2022	\$ (2,321,491)
2023	(1,477,930)
2024	(3,233,393)
2025	(1,361,532)
2026	<u>(407,530)</u>
Total	\$ <u><u>(8,801,876)</u></u>

### ***Actuarial Assumptions***

The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Valuation date	January 1, 2020
Cost of living adjustments	3.00% of the first \$18,000
Projected salary increases:	3.25%
Investment rate of return:	7.15%
Mortality rates:	
Pre-retirement	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017
Healthy retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017
Disabled retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2017

### ***Target Allocations***

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected nominal rate of return by weighting the

expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	22.00%	6.28%
Core fixed income	15.00%	3.80%
Private equity	14.00%	10.11%
International developed markets equity	12.00%	7.00%
Hedge fund, PCS	10.00%	2.35%
Real estate	10.00%	3.50%
Value added fixed income	8.00%	2.97%
International emerging markets equity	5.00%	8.82%
Timberland	4.00%	3.45%
Total	<u>100.00%</u>	

***Discount Rate***

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

	1% Decrease <u>(6.15%)</u>	Current Discount Rate <u>(7.15%)</u>	1% Increase <u>(8.15%)</u>
\$	62,828,077	\$ 46,452,165	\$ 32,691,724

### ***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the Association's separately issued financial report.

## **13. Other Post-Employment Benefits**

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2019, the County established an OPEB Trust Fund to provide funding for future employee health care costs.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

### ***General Information about the OPEB Plan***

#### ***Plan Description***

The County provides post-employment healthcare and life insurance benefits for retired employees through the County's single employer defined benefit plan. The plan provides lifetime healthcare and life insurance for eligible retirees and their dependents through the County's group health insurance plan, which covers both active and retired members. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of Massachusetts General Laws.

#### ***Benefits Provided***

The County provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the County and meet the eligibility criteria will receive these benefits.

#### ***Funding Policy***

The County's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. The County contributes 75% of the cost of current-year health, dental, and life insurance premiums, respectively, for eligible retired plan members and their dependents. Plan members receiving benefits contribute the remaining 25% of their premium costs.



### *Plan Membership*

At June 30, 2021, the following employees were covered by the benefit terms:

Retired members or beneficiaries	
currently receiving benefit payments	182
Active employees	<u>131</u>
Total	<u><u>313</u></u>

### ***Investments***

The OPEB trust fund assets consist of equity and fixed income mutual funds as of June 30, 2021.

### ***Rate of Return***

For the year ended June 30, 2021, the annual money-weighted rate of returns on investments, net of investment expense, was not available.

### ***Actuarial Assumptions and Other Inputs***

The net OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age normal
Wage Inflation	3.25%
Salary increases:	
Group 1 (excluding teachers) and Group 2	6.00% decreasing over 11 years to an ultimate level of 4.00%
Group 4	7.00% decreasing over 8 years to an ultimate level of 4.50%
Teachers	7.50% decreasing over 20 years to an ultimate level of 4.00%
Investment rate of return	6.50%
Discount rate	2.16% (previously 2.21%)
Healthcare cost trend rates:	
CCMHG:	
Non-Medicare	2.50% for year 1, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year
Medicare	2.50% for year 1, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.50% per year
GIC:	
Non-Medicare	6.60%, 6.50%, 6.40%, 6.20%, then 6.00% decreasing by 0.25% each year to an ultimate level of 4.50% per year
Medicare	4.80%, 4.70%, 4.60%, 4.70%, then 6.00% decreasing by 0.25% each year to an ultimate level of 4.50% per year
Dental	3.00%

**Mortality Rates:**

## Preretirement:

Healthy non-teachers	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017
Healthy teachers	Pub-2010 Teachers Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2020

## Postretirement:

Healthy non-teachers	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017
Healthy teachers	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2020
Disabled non-teachers	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2017
Disabled teachers	Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2020

***Target Allocations***

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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Private equity	10.11%
International emerging markets equity	8.82%
International developed markets equity	7.00%
Domestic equity	6.28%
Real estate	3.50%
Commodities	3.45%
High-yield fixed income	2.97%
Hedge fund, GTAA, Risk parity	2.35%
Core fixed income	0.38%

***Contributions***

In addition to the implicit subsidy contribution, the County's policy is to contribute the ADC or amounts provided annually by the budget.

### **Discount Rate**

Based on those assumptions, the OPEB plan fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. As a result, the discount rate is a blend of the long-term expected rate of return on OPEB Trust assets and a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (2.16% as of June 30, 2021).

### **Net OPEB Liability**

The components of the net OPEB liability, measured as of June 30, 2021, were as follows:

Total OPEB liability	\$ 44,574,525
Plan fiduciary net position	<u>(1,063,660)</u>
Net OPEB liability	<u>\$ 43,510,865</u>
Plan fiduciary net position as a percentage of the total OPEB liability	2.39%

The fiduciary net position has been determined on the same basis used by the OPEB plan. For this purpose, the plan recognizes benefit payments when due and payable.

### **Changes in the Net OPEB Liability**

The following summarizes the changes in the net OPEB liability for the past year:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	\$ 46,268,954	\$ 885,666	\$ 45,383,288
Changes for the year:			
Service cost	1,798,433	-	1,798,433
Interest	1,048,628	-	1,048,628
Differences between expected and actual experience	759,877	-	759,877
Changes of assumptions	(4,058,244)	-	(4,058,244)
Contributions - employer	-	1,243,123	(1,243,123)
Net investment income	-	177,994	(177,994)
Benefit payments	<u>(1,243,123)</u>	<u>(1,243,123)</u>	<u>-</u>
Net Changes	<u>(1,694,429)</u>	<u>177,994</u>	<u>(1,872,423)</u>
Balances, end of year	\$ <u>44,574,525</u>	\$ <u>1,063,660</u>	\$ <u>43,510,865</u>

Changes of assumptions and other inputs reflects decreasing the discount rate from 2.21% to 2.16% and lowering the expected rate of return on assets from 7.00% to 6.50%. Additionally, per capital health costs, contributions, and trends were updated for CCMHG,

to reflect current experience and future expectations, and GIC retirees, based on the June 30, 2020 Commonwealth of Massachusetts Postemployment Benefit Other than Pensions GASB Statement No. 74 Valuation Report, dated January 2021, completed by Deloitte Consulting. Further, Medicare enrollment assumptions for GIC retirees under age 65 were updated.

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
	\$ 51,535,804	\$ 43,510,865	\$ 37,153,502

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	Current Healthcare Cost Trend <u>Rates</u>	<u>1% Increase</u>
	\$ 36,408,722	\$ 43,510,865	\$ 52,745,220

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

For the year ended June 30, 2021, the County recognized an OPEB expense of \$3,910,186. At June 30, 2021, the County reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 875,132	\$ -
Net difference between projected and actual investment earnings on OPEB plan investments	-	(61,762)
Changes of assumptions	<u>5,778,525</u>	<u>(3,246,596)</u>
Total	<u>\$ 6,653,657</u>	<u>\$ (3,308,358)</u>

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

<u>Year Ended June 30:</u>	
2022	\$ 1,820,195
2023	1,301,555
2024	906,422
2025	<u>(682,873)</u>
Total	\$ <u>3,345,299</u>

**14. Long-Term Legal Settlement**

The County and the Town of Barnstable, Massachusetts (the Town) entered into a Settlement Agreement and Agreement for Judgment, both dated June 28, 2017, that was entered into the Court Docket on June 29, 2017, that brought the litigation to conclusion. The agreements relate to the costs associated with the cleanup of contamination of the Town’s water supply from chemicals used in fire training activities at the Barnstable County Fire and Rescue Training Academy.

The Agreement for Judgment requires the County to pay \$2,950,000 in damages to the Town in accordance with a Net Debt Service Schedule and to reimburse the Town for its actual future operations and maintenance costs as defined in the agreement, and reimburse the Town for the cost of filters purchased in the future. The annual operations and maintenance reimbursement will not exceed \$125,000, beginning in FY2018, increased by 3.00% compounded every other year. The County will appropriate \$70,000 each year for filter replacements and carryforward any unspent appropriation. The maximum liability for the County is limited to the \$70,000 appropriation each year. Accordingly, the County has recorded a \$2,449,587 liability as of June 30, 2021. All other required reimbursements will be recorded as an expense when due.

In order to facilitate the payment of \$2,950,000 in damages, the Town agreed to borrow \$2,950,000 from the Massachusetts Clean Water Trust (MCWT) for 20 years at a 2.00% interest rate. The Net Debt Service Schedule includes all principal (\$2,950,000), interest (\$658,246), MCWT administration fees (\$49,369, averaging \$2,500 per year) and MCWT

origination fees. The County will reimburse the Town for all costs associated with this debt. The future debt service reimbursement payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 131,421	\$ 48,991	\$ 180,412
2023	134,049	46,363	180,412
2024	136,730	43,682	180,412
2025	139,465	40,947	180,412
2026	142,254	38,158	180,412
2027-2031	755,101	146,959	902,060
2032-2036	833,692	68,368	902,060
2037	<u>176,875</u>	<u>3,543</u>	<u>180,418</u>
Total	\$ <u>2,449,587</u>	\$ <u>437,011</u>	\$ <u>2,886,598</u>

**15. Governmental Funds - Balances**

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2021:

***Restricted***

Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes the Cape Cod Commission Fund, Septic Loan Program Fund, and various special revenue funds.

***Committed***

Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County’s highest level of decision-making authority. This fund balance classification includes capital and emergency stabilization accounts\* as well as various capital project and special revenue funds. A similar action is needed to modify or rescind a commitment.

***Assigned***

Represents amounts that are constrained by the County’s intent to use these resources for a specific purpose. This fund balance classification includes General Fund encumbrances that

have been established by various County departments for the expenditure of current year budgetary financial resources in the subsequent budgetary period and surplus set aside to be used in the subsequent year's operating budget.

**Unassigned**

Represents amounts that are available to be spent in future periods, the County's general stabilization account\*, and deficit balances.

\*The creation of a stabilization fund requires two-thirds vote of the legislative body and must clearly define the purpose of the fund. Generally, any change to the purpose of the fund, along with any additions to or appropriations from the fund, requires a two-thirds vote of the legislative body.

Following is a breakdown of the County's fund balances at June 30, 2021:

	General Fund	Cape Cod Commission Fund	Septic Loan Program Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Restricted</b>						
Cape Cod Commission	\$ -	\$ 6,340,080	\$ -	\$ -	\$ -	\$ 6,340,080
Septic loan program	-	-	8,447,743	-	-	8,447,743
Restricted for ARPA fund	-	-	-	3,145	-	3,145
Mitigation funds	-	-	-	-	2,693,727	2,693,727
Registry technology fund	-	-	-	-	806,479	806,479
License plate fund	-	-	-	-	571,285	571,285
Revenue stabilization fund	-	-	-	-	523,170	523,170
Unemployment reserve fund	-	-	-	-	496,535	496,535
Department of housing and urban development	-	-	-	-	393,128	393,128
Innovation alt. septic system fund	-	-	-	-	346,449	346,449
Alternative septic test center	-	-	-	-	340,159	340,159
Workers compensation fund	-	-	-	-	313,998	313,998
Federal highway administration	-	-	-	-	278,895	278,895
Department of public health earmark	-	-	-	-	243,096	243,096
Housing and community development fund	-	-	-	-	212,133	212,133
Other	-	-	-	-	1,423,338	1,423,338
<b>Total Restricted</b>	<b>-</b>	<b>6,340,080</b>	<b>8,447,743</b>	<b>3,145</b>	<b>8,642,392</b>	<b>23,433,360</b>
<b>Committed</b>						
Capital stabilization	992,777	-	-	-	-	992,777
Emergency stabilization	992,777	-	-	-	-	992,777
Vaccine fund	-	-	-	-	823,046	823,046
Emergency management fund	-	-	-	-	394,700	394,700
Fire training clean up fund	-	-	-	-	245,226	245,226
Capital projects	-	-	-	-	228,841	228,841
Other	-	-	-	-	219,412	219,412
<b>Total Committed</b>	<b>1,985,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,911,225</b>	<b>3,896,779</b>
<b>Assigned</b>						
<b>Encumbrances:</b>						
General government	17,012	-	-	-	-	17,012
County services	114,884	-	-	-	-	114,884
Health and human services	91,375	-	-	-	-	91,375
Public safety	10,481	-	-	-	-	10,481
Shared costs	31,233	-	-	-	-	31,233
For next year's operating budget	147,365	-	-	-	-	147,365
<b>Total Assigned</b>	<b>412,350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>412,350</b>
<b>Unassigned</b>						
Operating fund	18,264,652	-	-	-	-	18,264,652
General stabilization	992,777	-	-	-	-	992,777
Deficits	-	-	-	-	(1,955,981)	(1,955,981)
<b>Total Unassigned</b>	<b>19,257,429</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,955,981)</b>	<b>17,301,448</b>
<b>Total Fund Balances</b>	<b>\$ 21,655,333</b>	<b>\$ 6,340,080</b>	<b>\$ 8,447,743</b>	<b>\$ 3,145</b>	<b>\$ 8,597,636</b>	<b>\$ 45,043,937</b>

**16. Change in Accounting Principle**

During 2021, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This required moving certain items previously reported as fiduciary funds to governmental funds. Consequently, the beginning fund balance of nonmajor governmental funds and beginning net position of governmental activities have been restated, as further discussed in Note 17.

**17. Beginning Fund Balance/Net Position Restatement**

The beginning (July 1, 2020) fund balance/net position of the County has been restated as follows:

**Fund Basis Financial Statements:**

		Nonmajor Governmental Funds
As previously reported	\$	7,882,579
Implementation of GASB 84		<u>91,863</u>
As restated	\$	<u><u>7,974,442</u></u>

**Government-Wide Financial Statements:**

		Governmental Activities
As previously reported	\$	(60,461,835)
Implementation of GASB 84		<u>91,863</u>
As restated	\$	<u><u>(60,369,972)</u></u>

**18. Subsequent Events**

The County has issued the following bond anticipation notes requiring subsequent event disclosure:

<u>Governmental Activities</u>	<u>Interest Rate(s) %</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>New Issues</u>
Various purpose	0.35	09/17/21	06/01/22	\$ 1,350,000
Various capital	2.00	06/01/22	06/01/23	<u>4,527,000</u>
Total				<u><u>\$ 5,877,000</u></u>



## 19. Commitments and Contingencies

### ***Outstanding Legal Issues***

On an ongoing basis, there are typically pending legal matters in which the County is involved. The County's management is of the opinion that the potential future settlement of these matters would not materially affect its financial statements taken as a whole.

### ***Grants***

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

### ***Encumbrances***

At year-end, the County's General Fund had \$264,985 in encumbrances that will be honored in the next fiscal year.

### ***COVID-19***

The COVID-19 pandemic in the United States has resulted in economic uncertainties. The disruption is expected to be temporary, but there is considerable uncertainty around the duration and scope. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and impact on individuals served by the County, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations remains uncertain.

## 20. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the County beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements. Management is currently evaluating the effect this standard will have on the financial statements.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES)  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
County tax assessments	\$ 3,447,249	\$ 3,447,249	\$ 3,447,249	\$ -
Registry of deeds excise	2,450,000	2,450,000	3,052,431	602,431
County excise	10,500,000	10,500,000	21,135,339	10,635,339
Court house rental	1,750,241	1,750,241	1,890,001	139,760
Intergovernmental	275,000	275,000	-	(275,000)
Departmental	1,147,460	1,147,460	673,257	(474,203)
Investment income	175,000	175,000	95,797	(79,203)
Other	<u>48,500</u>	<u>48,500</u>	<u>11,475</u>	<u>(37,025)</u>
<b>Total Revenues</b>	<u>19,793,450</u>	<u>19,793,450</u>	<u>30,305,549</u>	<u>10,512,099</u>
<b>Expenditures</b>				
Current:				
General government:				
County commissioners	948,239	1,007,207	921,263	85,944
Information technology	1,208,559	1,215,938	1,173,509	42,429
Resource development	628,121	628,650	487,233	141,417
Assembly of delegates	375,955	393,955	366,022	27,933
Finance	<u>911,313</u>	<u>914,419</u>	<u>849,129</u>	<u>65,290</u>
<b>Total general government</b>	<u>4,072,187</u>	<u>4,160,169</u>	<u>3,797,156</u>	<u>363,013</u>
County services:				
Department of facilities	2,604,384	2,665,198	2,084,724	580,474
Cooperative extension	2,003,033	2,240,737	1,860,414	380,323
Registry of deeds	<u>2,532,615</u>	<u>2,561,269</u>	<u>2,302,991</u>	<u>258,278</u>
<b>Total county services</b>	<u>7,140,032</u>	<u>7,467,204</u>	<u>6,248,129</u>	<u>1,219,075</u>
Health and human services:				
Health and environment	2,878,695	3,117,966	2,734,293	383,673
Human services	779,374	859,434	564,824	294,610
Children's cove	<u>478,617</u>	<u>480,878</u>	<u>387,870</u>	<u>93,008</u>
<b>Total health and human services</b>	<u>4,136,686</u>	<u>4,458,278</u>	<u>3,686,987</u>	<u>771,291</u>
Public safety:				
Sheriff retirement and police training	1,702,310	1,702,310	1,672,340	29,970
Fire training academy	<u>581,683</u>	<u>721,916</u>	<u>580,195</u>	<u>141,721</u>
<b>Total public safety</b>	<u>2,283,993</u>	<u>2,424,226</u>	<u>2,252,535</u>	<u>171,691</u>
Shared costs:				
Fringe benefits	1,276,586	1,238,786	1,147,061	91,725
Miscellaneous and contingency	<u>1,176,448</u>	<u>1,264,909</u>	<u>1,165,457</u>	<u>99,452</u>
<b>Total shared costs</b>	<u>2,453,034</u>	<u>2,503,695</u>	<u>2,312,518</u>	<u>191,177</u>
Debt service:				
Principal	370,000	370,000	370,000	-
Interest	<u>65,613</u>	<u>65,613</u>	<u>65,613</u>	-
<b>Total debt service</b>	<u>435,613</u>	<u>435,613</u>	<u>435,613</u>	-
<b>Total Expenditures</b>	<u>20,521,545</u>	<u>21,449,185</u>	<u>18,732,938</u>	<u>2,716,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(728,095)	(1,655,735)	11,572,611	13,228,346
<b>Other Financing Sources (Uses)</b>				
Transfers in	331,895	331,895	331,895	-
Transfers out	(50,000)	(4,300,000)	(4,750,000)	(450,000)
Use of unassigned fund balance:				
For stabilization funding	-	3,000,000	-	(3,000,000)
To establish an emergency fund for COVID-19	-	1,000,000	-	(1,000,000)
For emergency management funding	-	150,000	-	(150,000)
For stormwater improvement project funding	-	100,000	-	(100,000)
For operating budget support	446,200	1,070,537	-	(1,070,537)
Use of prior year carryforwards (encumbrances)	-	303,303	303,303	-
<b>Total Other Financing Sources (Uses)</b>	<u>728,095</u>	<u>1,655,735</u>	<u>(4,114,802)</u>	<u>(5,770,537)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,457,809</u>	<u>\$ 7,457,809</u>

See Independent Auditor's Report.

**Notes to Required Supplementary Information  
for General Fund Budget**

***Budgetary Basis***

The budgets for all departments and operations of the County are prepared under the direction of the County Commissioners. Original and supplemental appropriations are acted upon by a separate vote of the County Commissioners. All General Fund functions are budgeted. Budgets for various special revenue funds utilized to account for specific grant programs are established in accordance with the requirements of the Commonwealth of Massachusetts or other grantor agencies.

The General Fund final appropriation appearing on the preceding page represents the final amended budget after all transfers and supplemental appropriations.

***Budget/GAAP Reconciliation***

The budgetary data for the General Fund is based upon accounting principles that differ from Generally Accepted Accounting Principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the General Fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to actual revenues, expenditures, and other financing sources/uses to conform to the budgetary basis of accounting:

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
GAAP Basis	\$ 30,570,278	\$ 17,962,245	\$ (1,923,813)
To add end-of-year appropriation carryforwards to expenditures	-	264,985	-
To record use of prior year encumbrances as a funding source	-	-	303,303
To reclassify transfers budgeted as expenditures	-	63,637	63,637
To reclassify BAN paydown to expenditures	-	260,176	260,176
To record stabilization activity	21,669	-	(3,000,000)
To record life insurance fund activity	(286,398)	-	-
To reclassify dredge indirect costs budgeted as transfers	-	181,895	181,895
Budgetary Basis	<u>\$ 30,305,549</u>	<u>\$ 18,732,938</u>	<u>\$ (4,114,802)</u>

See Independent Auditor's Report.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(Unaudited)

**BARNSTABLE COUNTY RETIREMENT ASSOCIATION**

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2021	December 31, 2020	6.724%	\$ 46,452,165	\$ 11,306,270	410.85%	66.82%
June 30, 2020	December 31, 2019	7.012%	52,676,399	11,602,984	453.99%	62.34%
June 30, 2019	December 31, 2018	7.324%	57,892,433	11,853,629	488.39%	57.63%
June 30, 2018	December 31, 2017	7.368%	50,129,237	11,637,484	430.76%	61.86%
June 30, 2017	December 31, 2016	7.957%	53,383,346	12,100,397	441.17%	57.28%
June 30, 2016	December 31, 2015	7.623%	47,998,984	11,263,730	426.14%	58.10%
June 30, 2015	December 31, 2014	7.650%	43,187,586	11,524,598	374.74%	60.43%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION CONTRIBUTIONS

(Unaudited)

**BARNSTABLE COUNTY RETIREMENT ASSOCIATION**

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2021	\$ 4,272,031	\$ (4,272,031)	\$ -	\$ 11,645,458	36.68%
June 30, 2020	4,616,366	(4,283,865)	332,501	10,798,877	39.67%
June 30, 2019	4,193,054	(4,193,054)	-	11,972,165	35.02%
June 30, 2018	3,949,166	(3,949,166)	-	11,753,859	33.60%
June 30, 2017	3,871,642	(3,871,642)	-	12,127,401	31.92%
June 30, 2016	3,773,174	(3,773,174)	-	11,289,974	33.42%
June 30, 2015	3,618,501	(3,618,501)	-	11,549,709	31.33%

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST-EMPLOYMENT BENEFITS (OPEB)  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY

(Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total OPEB liability</b>			
Service cost	\$ 1,798,433	\$ 1,144,771	\$ 1,079,053
Interest on unfunded liability - time value of money	1,048,628	1,317,558	1,180,645
Differences between expected and actual experience	759,877	-	(122,264)
Changes of assumptions	(4,058,244)	7,901,272	4,562,083
Benefit payments, including refunds of member contributions	<u>(1,243,123)</u>	<u>(1,188,797)</u>	<u>(1,065,361)</u>
Net change in total OPEB liability	(1,694,429)	9,174,804	5,634,156
Total OPEB liability - beginning	<u>46,268,954</u>	<u>37,094,150</u>	<u>31,459,994</u>
Total OPEB liability - ending (a)	44,574,525	46,268,954	37,094,150
<b>Plan fiduciary net position</b>			
Contributions - employer	1,243,123	1,188,797	850,000
Net investment income	177,994	15,692	19,974
Benefit payments, including refunds of member contributions	<u>(1,243,123)</u>	<u>(1,188,797)</u>	<u>-</u>
Net change in plan fiduciary net position	177,994	15,692	869,974
Plan fiduciary net position - beginning	<u>885,666</u>	<u>869,974</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>1,063,660</u>	<u>885,666</u>	<u>869,974</u>
Net OPEB liability - ending (a-b)	\$ <u>43,510,865</u>	\$ <u>45,383,288</u>	\$ <u>36,224,176</u>

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

COUNTY OF BARNSTABLE, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF THE NET OPEB LIABILITY, CONTRIBUTIONS, AND INVESTMENT RETURNS

(Unaudited)

**Schedule of Net OPEB Liability**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability	\$ 44,574,525	\$ 46,268,954	\$ 37,094,150	\$ 32,443,007	\$ 26,954,995
Plan fiduciary net position	<u>(1,063,660)</u>	<u>(885,666)</u>	<u>(869,974)</u>	<u>-</u>	<u>-</u>
Net OPEB liability	\$ <u>43,510,865</u>	\$ <u>45,383,288</u>	\$ <u>36,224,176</u>	\$ <u>32,443,007</u>	\$ <u>26,954,995</u>
Plan fiduciary net position as a percentage of the total OPEB liability	2.39%	1.91%	2.35%	0.00%	0.00%
Covered payroll	Not Available	Not Available	\$ 10,354,986	\$ 10,151,947	\$ 9,952,889
Participating employer net OPEB liability as a percentage of covered payroll	Not Available	Not Available	349.82%	319.57%	270.83%

**Schedule of Contributions**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,827,648	\$ 1,895,957	\$ 1,836,278	\$ 1,011,262	\$ 967,715
Contributions in relation to the actuarially determined contribution	<u>(1,243,123)</u>	<u>(1,188,797)</u>	<u>(1,960,329)</u>	<u>(1,011,262)</u>	<u>(967,715)</u>
Contribution deficiency (excess)	\$ <u>584,525</u>	\$ <u>707,160</u>	\$ <u>(124,051)</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	Not Available	Not Available	\$ 10,354,986	\$ 10,151,947	\$ 9,952,889
Contributions as a percentage of covered payroll	Not Available	Not Available	18.93%	9.96%	9.72%

**Schedule of Investment Returns**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money weighted rate of return, net of investment expense	Not Available	Not Available	Not Available	Not Applicable	Not Applicable

*Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

COUNTY OF BARNSTABLE, MASSACHUSETTS

OTHER INFORMATION

CAPE COD COMMISSION

SCHEDULE OF FRINGE AND INDIRECT COST RATE - SINGLE RATE

FOR THE YEAR ENDED JUNE 30, 2021

	Indirect Costs <u>Incurred</u>	Indirect Costs <u>Disallowed</u>	Indirect Costs <u>Allowed</u>
Administrative salaries	\$ 649,309	\$ -	\$ 649,309
Administrative fringe benefits	985,156	-	985,156
Indirect personnel costs	370,727	-	370,727
Other indirect costs	<u>370,984</u>	<u>-</u>	<u>370,984</u>
Total	<u>\$ 2,376,176</u>	<u>\$ -</u>	<u>\$ 2,376,176</u>
Indirect costs allowed			\$ 2,376,176
Total direct salaries			\$ 1,737,067
Total indirect costs allowed as a percentage of total direct salaries			136.79%

See Independent Auditor's Report.



**COUNTY OF BARNSTABLE, MASSACHUSETTS**

OTHER INFORMATION

CAPE COD COMMISSION

SCHEDULE OF FRINGE AND INDIRECT COST RATE - TWO RATE

FOR THE YEAR ENDED JUNE 30, 2021

	Indirect Costs <u>Incurred</u>	Indirect Costs <u>Disallowed</u>	Indirect Costs <u>Allowed</u>	
<b>Fringe Rate</b>				
Administrative fringe benefits	\$ 985,156	\$ -	\$ 985,156	
Indirect personnel costs	<u>370,727</u>	<u>-</u>	<u>370,727</u>	
Total fringe pool	\$ <u>1,355,883</u>	\$ <u>-</u>	1,355,883	
Indirect costs allowed (fringe pool)			\$ <u>1,355,883</u>	
Total direct and indirect salaries			\$ 2,386,376	
Total indirect costs allowed (fringe pool) as a percentage of total direct and indirect salaries				56.82% (A)
<b>Indirect Costs Rate</b>				
Administrative salaries	\$ 649,309	\$ -	\$ 649,309	
Indirect salaries allocated to indirect labor (indirect salaries x fringe rate)	368,922	-	368,922	
Other indirect costs	<u>370,984</u>	<u>-</u>	<u>370,984</u>	
Total indirect costs	\$ <u>1,389,215</u>	\$ <u>-</u>	1,389,215	
Indirect costs allowed			\$ <u>1,389,215</u>	
Total direct salaries			\$ 1,737,067	
Total indirect costs allowed as a percentage of total direct salaries				79.97% (B)
Total indirect cost rate (A + B)				136.79%

See Independent Auditor's Report.

COUNTY OF BARNSTABLE, MASSACHUSETTS

OTHER INFORMATION

CAPE COD COMMISSION

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2021

	DEP Water Quality <u>2284 3023</u>	MADOT Bike Racks <u>2286 3040</u>	DHCD DLTA <u>2801 1220</u>	DHCD DLTA <u>2801 1221</u>	USDA SE Pine Barrens <u>2803 3001</u>	US EDA Partnership Planning <u>2810 3028</u>	US EDA Partnership Planning <u>2810 3037</u>	US EPA SNEP/RAS <u>2817 3003</u>
<b>Revenues</b>								
Federal, state and local grants	\$ -	\$ 8,717	\$ -	\$ 192,999	\$ 3,755	\$ 30,687	\$ 70,000	\$ 206,910
Local assessments*	-	-	41,914	5,232	7,897	-	71,498	133,391
Total Revenues	-	8,717	41,914	198,231	11,652	30,687	141,498	340,301
<b>Expenditures</b>								
Direct salaries	-	-	16,620	2,767	780	-	29,875	16,164
Indirect costs	-	-	22,734	3,785	1,067	-	40,866	22,111
Direct costs	27,462	8,717	55,978	-	-	-	-	181,328
Total Expenditures	27,462	8,717	95,332	6,552	1,847	-	70,741	219,603
Excess (deficiency) of Revenues Over (Under) Expenditures	\$ (27,462)	\$ -	\$ (53,418)	\$ 191,679	\$ 9,805	\$ 30,687	\$ 70,757	\$ 120,698

\*Local assessments reflect CCC funds expended on the project (actual cost less amount invoiced)

(Continued)

See Independent Auditor's Report.

COUNTY OF BARNSTABLE, MASSACHUSETTS

OTHER INFORMATION

CAPE COD COMMISSION

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

	EOEEA/Towns MVP <u>2825</u>	US EDA Marine Sci/Tech <u>2835</u>	MADOT Trans Planning <u>2850</u>	MADOT Trans Planning <u>2850 3038</u>	SNEP/U ME TAN <u>2853</u>	EOEEA Model Resiliency <u>2854</u>	US EDA CC Resiliency <u>2865</u>	US EDA CARES Act <u>2876</u>	Seaport Council <u>2879</u>
<b>Revenues</b>									
Federal, state and local grants	\$ 19,000	\$ 15,705	440,048	394,485	\$ 33,792	\$ 46,990	\$ 295,963	\$ 118,727	\$ 495,955
Local assessments*	<u>(92)</u>	<u>-</u>	<u>5,982</u>	<u>5,263</u>	<u>14,773</u>	<u>39,257</u>	<u>330,215</u>	<u>1,472</u>	<u>-</u>
Total Revenues	18,908	15,705	446,030	399,748	48,565	86,247	626,178	120,199	495,955
<b>Expenditures</b>									
Direct salaries	7,563	-	91,864	212,217	15,996	13,292	21,417	59,347	-
Indirect costs	10,345	-	125,660	290,292	21,882	18,182	29,296	81,181	-
Direct costs	<u>-</u>	<u>-</u>	<u>21,560</u>	<u>26,754</u>	<u>-</u>	<u>100,000</u>	<u>254,790</u>	<u>62,670</u>	<u>495,955</u>
Total Expenditures	<u>17,908</u>	<u>-</u>	<u>239,084</u>	<u>529,263</u>	<u>37,878</u>	<u>131,474</u>	<u>305,503</u>	<u>203,198</u>	<u>495,955</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	\$ <u>1,000</u>	\$ <u>15,705</u>	<u>206,946</u>	<u>(129,515)</u>	\$ <u>10,687</u>	\$ <u>(45,227)</u>	\$ <u>320,675</u>	\$ <u>(82,999)</u>	\$ <u>-</u>

\*Local assessments reflect CCC funds expended on the project (actual cost less amount invoiced)

(Continued)

See Independent Auditor's Report.

**COUNTY OF BARNSTABLE, MASSACHUSETTS**

OTHER INFORMATION

CAPE COD COMMISSION

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

	Capital Planimetrics <u>3021</u>	CCC Mitigation <u>8023</u>	Complete Streets <u>8105</u>	MA Sec State Census <u>8107</u>	<u>Totals</u>
<b>Revenues</b>					
Federal, state and local grants	\$ 101,241	\$ 10,828	\$ 25,015	\$ 30,000	\$ 2,540,817
Local assessments*	<u>-</u>	<u>-</u>	<u>355</u>	<u>-</u>	<u>657,157</u>
Total Revenues	101,241	10,828	25,370	30,000	3,197,974
<b>Expenditures</b>					
Direct salaries	-	-	21,864	-	509,766
Indirect costs	-	-	29,907	-	697,308
Direct costs	<u>-</u>	<u>12,971</u>	<u>-</u>	<u>-</u>	<u>1,248,185</u>
Total Expenditures	<u>-</u>	<u>12,971</u>	<u>51,771</u>	<u>-</u>	<u>2,455,259</u>
Excess (deficiency) of Revenues					
Over (Under) Expenditures	\$ <u>101,241</u>	\$ <u>(2,143)</u>	\$ <u>(26,401)</u>	\$ <u>30,000</u>	\$ <u>742,715</u>

\*Local assessments reflect CCC funds expended on the project (actual cost less amount invoiced) (Concluded)

See Independent Auditor's Report.