TOWN OF BREWSTER, MASSACHUSETTS

The Town of Brewster (Barnstable County) is located on Cape Cod, 90 miles southeast of Boston and 264 miles from New York City. The Town is bordered by Cape Cod Bay on the north, the Town of Orleans on the east, the Town of Harwich on the South, and the Town of Dennis on the west.

The Town was first settled in 1656 and was incorporated as a Town in 1803. It occupies a land area of 22.5 square miles and has a year-round population of approximately 9,600. The summer population increases to approximately 35,000.

Brewster is primarily a resort/residential community. A majority of its summer residents either own property in Brewster or are repeat visitors. Major recreational and tourist attractions include the Nickerson State Park, the Drummer Boy Park and the Band Stand. The Town also houses the Cape Cod Museum of Natural History, Crosby Mansion, the Old Grist Mill, the Cape Cod Rail Trail and the Captains Golf Course (town-owned). There are 9 public beaches and 4 fresh water beaches within the Town.

CONSTITUTIONAL STATUS and FORM OF GOVERNMENT

Massachusetts cities and towns are subject to the plenary legislative power of the Commonwealth. As stated by the Supreme Judicial Court:

> A Town is not an independent sovereignty. It is merely a subordinate agency of the State Government. It is a creature of the Commonwealth, from which are derived all its powers and those of its voters and officers.

Cities and towns provide general governmental services at the local level. Municipalities were traditionally authorized to exercise only those powers granted by the State legislature, but Massachusetts adopted a Home Rule Amendment to its Constitution in 1966, under which a city or town may exercise by ordinance or by-law any power which the State legislature could confer upon it, provided that the ordinance or by-law is consistent with the laws enacted by the State legislature. Certain powers are excluded from home rule and may still be exercised only when authorized by State law; these powers include the power to levy taxes, the power to borrow money, and the power to enact private or civil law governing civil relationships except as an incident to the exercise of an independent municipal power. Under the Home Rule Amendment, the State legislature may enact general laws relating to a class of two or more municipalities but (except in limited circumstances) may enact a special law relating to a particular city or town only on request of the city or town or on recommendation of the Governor and passage by a two-thirds vote of both houses of the legislature.

An amendment to the State Constitution provides that any law imposing additional costs on two or more cities or towns by regulating aspects of municipal employment will not be effective within a city or town until the city council or town meeting accepts the law. Local acceptance will not be required if the legislature has either passed the law by a two-thirds vote or provided that the additional costs would be assumed by the State.

Cities and towns may change their form of government by adopting home rule charters or amending existing charters. A town of less than 12,000 population may not change to a city form of government and a town of less than 6,000 inhabitants may not change from the open town meeting form of government to a limited or representative town meeting form.

Cities are generally governed by a city council and an elected mayor who has the power to veto council actions; the council may override a mayoral veto by a two-thirds vote of the councilors. Some cities are governed by a city council and an appointed city manager who has no power to veto council actions; some municipalities, although still called "towns," have adopted a similar city form of government with a town council and Town manager or administrator. Provision is often made for a referendum on council actions, and for initiation of measures, upon petition of a sufficient number of voters.

Most towns are governed by open town meetings in which any voter may participate. Others have an elected representative town meeting, often with public officers serving as ex officio members of the town meeting. Provision is usually made for a referendum on actions of the representative town meeting upon petition of a sufficient number of voters. Administrative affairs are generally managed by a board of three or more selectmen, sometimes with the assistance of a town manager or executive secretary.

School affairs of cities and towns are administered by an elected school committee, except in those towns whose educational functions are carried out entirely through a regional school district.

GOVERNING BODIES AND OFFICERS

Local legislative decisions are made by an open town meeting consisting of all the registered voters in the Town. Subject to the legislative decisions made by the town meeting, the affairs of the Town are generally administered by a Town Administrator with the approval of a board of five Select Board members who are elected on an at-large basis for staggered three-year terms. The Select Board also serve as the Board of Public Works.

School affairs are administered by an elected school committee of five persons. Local taxes are assessed by a board of three assessors, elected for staggered three-year terms on an at-large basis. Water services are administered by an appointed 3-member Board of Water Commissioners.

The following is a list of the principal executive officers:

Office	Name	Manner of Selection and Term	Term Expires
Select Board	Mary Chaffee	Elected/3 years	2024
	Kari Hoffman	Elected/3 years	2024
	Cynthia Bingham	Elected/3 years	2025
	David Whitney	Elected/3 years	2025
	Ned Chatelain	Elected/3 years	2023
Town Administrator	Peter Lombardi	Appointed/3 years	2025
Treasurer/Collector	Lisa Vitale	Appointed	2025
Municipal Finance Director	Marilyn Bernardo	Appointed	2025
Town Clerk	Colette Williams	Appointed	Indefinite
Town Counsel	KP Law	Appointed	Annually

SERVICES

The Town provides general governmental services for the territory within its boundaries including police and fire protection, public education in grades K-5, a library, street maintenance, solid waste transfer station and parks and recreational facilities. Water is supplied by the Town's water department to over 90% of the Town.

Public education in 6-12 is provided by the Nauset Regional School District and technical/vocational education for grades 9-12 are provided by the Cape Cod Technical High School District. The Nauset Regional School District is governed by an 11-member school committee consisting of 3 elected representatives from the Town of Brewster. The Cape Cod Technical High School High School District is governed by a 21-member school committee consisting of 2 elected representatives from Brewster.

The Cape Cod Regional Transit Authority provides bus service to the Town. The Brewster Housing Authority was created in 1986 and has 2 public housing properties. There are 32 units for seniors and disabled persons as well as 24 units for family housing. The Authority is currently managed by the Mashpee Housing Authority.

The Town also owns and operates Captains Golf Course, an established 36-hole golf course.

Legislation was passed by the state legislature abolishing the county governments of Franklin and Middlesex Counties as of July 1, 1997, with their assets, functions, debts and other obligations being assumed by the Commonwealth. The abolishment of the Middlesex County government was partly in response to a default by the County in the payment of general obligation notes of the County. The legislation abolished the county governments of Hampden and Worcester Counties as of July 1, 1998. Legislation enacted in 1998 abolished the county governments of Hampshire, Essex and Berkshire counties as of January 1, 1999, July 1, 1999 and July 1, 2000, respectively. The legislation also requires the state secretary for administration and finance to establish a plan to recover the Commonwealth's expenditures for the liabilities and other debts assumed and paid by the Commonwealth on behalf of an abolished county. Unless these provisions are changed by further legislation, the state treasurer shall assess upon each city and town within the jurisdiction of an abolished county an amount equal to the County tax paid by each such city and town for the fiscal year immediately prior to the abolishment of the county (or two years prior in the case of Essex County) until such expenditures by the Commonwealth are recovered. It is possible that similar legislation will be sought to provide for the abolishment of county government in all the remaining counties.

COVID 19

COVID-19 is a respiratory disease caused by a novel coronavirus that has not previously been seen in humans. On March 10, 2020, the Governor of The Commonwealth of Massachusetts declared a state of emergency to support the Commonwealth's response to the outbreak of the virus. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President declared a national emergency due to the outbreak, which has enabled disaster funds to be made available to states to fight the pandemic.

On May 18, 2020, the Governor of The Commonwealth of Massachusetts announced a phased plan to reopen businesses and services. As of May 29, 2021, all remaining COVID-19 restrictions were lifted and the State of Emergency in the Commonwealth ended as of June 15, 2021.

In response to the COVID-19 pandemic, federal and state legislation was signed into law that provides various forms of financial assistance and other relief to state and local governments. Among these are the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") and the American Rescue Plan (the "ARP") Act of 2021. The Town was eligible to receive up to $864,573 in CARES funding, and to date, the Town has received $251,008. The Town is eligible to receive $1,023,135 in ARPA Funds and has received $511,568, to date.

AUTHORIZATION OF GENERAL OBLIGATON BONDS AND NOTES

Serial bonds and notes are authorized by a two-thirds vote of the town meeting. Refunding bonds and notes are authorized by the Select Board. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Temporary loans in anticipation of the revenue of the fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be incurred by the Treasurer with the approval of the Select Board.

DEBT LIMITS

General Debt Limit. The General Debt Limit of the Town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit for the Town is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The present Normal Debt Limit of the Town, based on the 2020 equalized valuation of $4,380,442,300, is $219,022,115. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes, emergency loans, loans exempted by special laws, certain school bonds, sewer bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing; and subject to special debt limits, bonds for water (limited to 10 per cent of equalized valuation), housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems (subject to a separate limit). Revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit for water bonds apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

Revenue Anticipation Notes. The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years (see "Taxation to Meet Deficits" herein). In any event, the period from the original borrowing to its final maturity cannot exceed one year.

TYPES OF OBLIGATIONS

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the first principal payment of any of the bonds or notes being refunded thereby however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as "qualified bonds" with the approval of the State Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restriction on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Tax Credit Bonds or Notes. Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as "tax credit bonds" to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

Bond Anticipation Notes. These generally must mature within two years of their original dates of issuance, but may be refunded from time to time for a period not to exceed ten years from their original date of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. For certain school projects, however, notes may be refunded from time to time for a period not to exceed seven years without having to pay any portion of the principal of the notes from revenue funds. The maximum term of bonds issued to refund bond anticipation notes is measured (except for certain school projects) from the date of the original issue of the notes.

Revenue Anticipation Notes. These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state reimbursements. They must generally mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities and for projects financed under the Commonwealth's Water Pollution Abatement or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition, cities and town having electric departments may issue electric revenue bonds, and notes in anticipation of such bonds subject to the approval of the State Department of Telecommunications and Energy. The Town does not have an electric department.

DEBT (1)

The following shows the direct debt to be outstanding as of February 16, 2023:

General Obligation Bonds:		
Within General Debt Limit (2)		
Sewers & Drains	$ 370,000	
Land Acquisition	20,620,000	
Schools	2,030,000	
Other Building	10,400,000	
Streets, Sidewalks & Parking	3,285,000	
Total Within the General Debt Limit		$36,705,000
Outside General Debt Limit:		
Water	2,270,000	
Other Outside General	10,000	
Total Within the General Debt Limit		2,280,000
Total Outstanding General Obligation Bond		$38,985,000
Temporary Loans:		
Revenue	$ 0	
Bonds	4,210,000	
Grants	0	
Total Temporary Loans		4,210,000
Total Direct Debt:		$43,195,000 (3)

(1) *Principal amount only. Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability and other post-employment benefits liability.*
(2) *At the present time, the normal General Debt Limit is $219,022,115 and the Double General Debt Limit (see Debt Limits herein) is $438,044,230.*
(3) ***Debt service on $33,770,000 principal amount of outstanding bonds have been excluded from the provisions of Proposition 2½. Debt service on $3,175,000 principal amount of outstanding debt is expected to be self-supporting through rates and charges.***

CAPITAL PLAN

The town manager prepares the 5-year capital improvement plan identifying proposed capital outlays or acquisitions in excess of $10,000 or such other sum as shall be determined by the select board for any one project, whether it be spent in one year or over several years. The town manager will determine, on a current year basis, the amount to be funded through debt authorizations, current revenues, and other sources. The town manager may appoint a committee to assist with the preparation of the plan.

The following is the Capital Outlay Plan of the Town for fiscal years 2023 through 2027:

	(000 omitted)					
Department	**2023**	**2024**	**2025**	**2026**	**2027**	**Total**
DPW	$1,933	$5,015	$2,110	$1,135	$3,035	$14,520
Fire	275	325	248	225	212	1,555
Police	208	200	115	450	160	1,035
Golf	855	900	725	1,209	1,273	5,600
Water	525	555	735	530	450	4,875
General Government	1,478	1,655	1,045	850	1,130	6,224
Natural Resources/Conservation	491	1,459	140	840	1,140	3,735
Library	310	200	0	0	0	12,757
Eddy School	192	450	4,671	1,578	40	872
Stonybrook School	191	450	4,671	1,578	40	2,281
Sub-Total	6,458	11,209	14,460	8,395	7,480	53,454
Nauset Middle School	0	0	0	0	0	0
Nauset High School	279	4,540	4,548	4,555	4,564	50,281
Total	$6,737	$15,749	$19,008	$12,950	$12,044	$104,850

AUTHORIZED UNISSUED DEBT & PROSPECTIVE FINANCING

The Town has $11,876,503 authorized unissued which consists of $4,000,000 for land acquisition; $548,503 for Fire Station construction; $5,750,000 for road repairs; $170,000 for DPW equipment; $80,000 Tri-Town demolition; $250,000 for repairs to the DPW roof; $400,000 for a fuel tank depot and $678,000 for a water department generator.

FIVE YEARS OUTSTANDING DEBT [1]

	As of June 30				
	2022	**2021**	**2020**	**2019**	**2018**
Long-Term Indebtedness					
Within the General Debt Limit:					
Sewers & Drains	$ 370,000	$ 435,000	$ 500,000	$ 565,000	$ 630,000
Land Acquisition	21,015,000	1,400,000	1,655,000	1,915,000	2,175,000
Schools	2,030,000	2,175,000	2,320,000	2,465,000	2,610,000
Other Building	10,400,000	11,150,000	11,900,000	12,815,000	13,735,000
Streets Sidewalks & Parking	3,285,000	3,685,000	4,110,000	4,555,000	5,000,000
Total Within the General Debt Limit	$37,100,000	$18,845,000	$20,485,000	$22,315,000	$24,150,000
Outside the General Debt Limit:					
Other Outside General	20,000	30,000	50,200	840,600	1,596,000
Water	2,305,000	2,525,000	2,745,000	3,110,000	3,475,000
Total Outside the General Debt Limit	2,325,000	2,555,000	2,795,200	3,950,600	5,071,000
Total Long-Term Indebtedness	$39,425,000	$21,400,000	$23,280,200	$26,265,600	$29,221,000
Short-Term Indebtedness					
Revenue Anticipation Notes	$ 0	$ 0	$ 0	$ 0	$ 0
Grant Anticipation Notes	0	0	0	0	0
Bond Anticipation Notes	1,050,000	650,000	1,586,107	2,021,905	80,000
Total Short-Term Indebtedness	$1,050,000	$ 650,000	$ 1,586,107	$ 2,021,906	$ 80,000
Total Outstanding Indebtedness	$40,475,000	$22,050,000	$24,866,307	$28,287,506	$29,301,000

[1] *Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability and other post-employment benefits liability.*

BONDED DEBT VS. POPULATION, VALUATIONS AND INCOME

	As of June 30				
	2022	**2021**	**2020**	**2019**	**2018**
Amount (1)	$39,425,000	$21,400,000	$23,280,200	$26,265,600	$29,221,000
Per Capita (2)	$3,771	$2,190	$2,382	$2,687	$2,980
Percent of Assessed Valuation (3)	0.81%	0.50%	0.56%	0.67%	0.76%
Percent of Equalized Valuation (4)	0.90%	0.49%	0.57%	0.64%	0.79%
Per Capita as a percent of Personal Income (2) per capita	7.76%	4.21%	4.90%	5.53%	6.13%

(1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability and other post-employment benefits liability.
(2) Source: U.S. Department of Commerce, Bureau of the Census - Latest applicable actuals or estimates.
(3) Source: Board of Assessors - Assessed valuation as of the prior January 1.
(4) Source: Massachusetts Department of Revenue - Equalized valuation in effect for that fiscal year (equalized valuations are established for January 1 of each even-numbered year).

Annual Debt Service (1)

Fiscal Year	Outstanding 02/16/23 Principal	Interest	Total Debt Service	Cumulative % Principal Retired
2023	$1,730,000	$606,466	$2,336,466	4.4%
2024	2,160,000	1,133,048	3,293,048	10.0
2025	2,160,000	1,042,561	3,202,561	15.5
2026	2,125,000	943,434	3,068,434	21.0
2027	2,070,000	866,508	2,936,508	26.3
2028	2,010,000	797,405	2,807,405	31.4
2029	1,855,000	731,920	2,586,920	36.2
2030	1,875,000	672,145	2,547,145	41.0
2031	1,895,000	618,863	2,513,863	45.9
2032	1,600,000	572,254	2,172,254	50.0
2033	1,555,000	532,286	2,087,286	54.0
2034	1,570,000	491,938	2,061,938	58.0
2035	1,420,000	450,323	1,870,323	61.6
2036	1,435,000	412,058	1,847,058	65.3
2037	1,265,000	372,808	1,637,808	68.6
2038	955,000	336,956	1,291,956	71.0
2039	675,000	310,080	985,080	72.7
2040	690,000	292,163	982,163	74.5
2041	710,000	273,435	983,435	76.3
2042	725,000	253,881	978,881	78.2
2043	745,000	233,483	978,483	80.1
2044	770,000	212,273	982,273	82.1
2045	790,000	190,235	980,235	84.1
2046	810,000	167,435	977,435	86.2
2047	835,000	143,994	978,994	88.3
2048	860,000	119,625	979,625	90.5
2049	885,000	94,323	979,323	92.8
2050	910,000	68,295	978,295	95.1
2051	935,000	41,543	976,543	97.5
2052	965,000	13,993	978,993	100.0
Total	$38,985,000	$12,995,725	$51,980,725	

(1) Excludes revenue anticipation notes, grant anticipation notes, bond anticipation notes, lease and installment purchase obligations, overlapping debt and unfunded pension liability.
(2) Principal totaling $33,770,000 and interest totaling $12,209,090 has been exempted from the provisions of Proposition 2 1/2.
(3) Principal totaling $3,175,000 and interest totaling $519,651 is self-supporting.

REVENUE ANTICIPATION BORROWING

The Town has not issued revenue anticipation notes in any of the last five fiscal years.

OVERLAPPING DEBT

The following table sets forth the portion of overlapping debt assessed to the Town: [(1)]

	Outstanding	Estimated Share	Assessment for Operations and Debt Service Fiscal Year 2023
Barnstable County	\$15,189,470	4.6%	\$344,533
Nauset Regional School District [(2)]	\$2,275,000	48.0%	\$12,361,847
Cape Cod Regional Vocational Technical School District [(3)]	\$55,760,000	6.55%	\$963,235

[(1)] *Excludes temporary loans in anticipation of revenue as well as bonds. Omits debt of the Commonwealth.*
[(2)] *Source: Treasurer, Nauset Regional School District. Debt is as of February 16, 2023. The other members of the District are the Towns of Eastham, Orleans and Wellfleet.*
[(3)] *Source: Treasurer, Cape Cod Regional Vocational Technical School District (the "District"). Debt is as of February 16, 2023. The other members of the District are the Towns of Barnstable, Brewster, Chatham, Dennis, Eastham, Harwich, Mashpee, Orleans, Provincetown and Yarmouth. The School District has approval for a new High School. The cost estimate is \$128 million with approximately 51% being reimbursed by the Massachusetts School Building Authority. Brewster's estimated share of the debt service is expected to be 6.9%. The Town currently has 41 students attending the school which represents approximately 6.55% of the student population.*

CONTRACTS

Municipal contracts are generally limited to currently available appropriations. A city or town has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interests, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases to enter long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There is implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies.

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities. The Town does not have an electric light department. Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Cities and towns are authorized to lease (as lessee) off-street parking facilities, school buildings, hospital equipment, data process equipment, energy conservation equipment and educational equipment for periods ranging up to 10 years. They may also lease equipment, with option to purchase, for a period up to 10 years. Contracts may also be made for the installment purchase of energy conservation equipment over a period up to 10 years. Cities and towns may also lease various properties as lessor. The Town has not entered into any lease or installment purchase contracts of a substantial nature.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The Town has entered into an Intermunicipal Agreement, dated May 30, 1985, with the Towns of Eastham and Orleans for the septage plant in Orleans ("Tri-Town Septage"-owned and operated jointly by the 3 towns). The original agreement expired on May 20, 2015. The facility was shut down and demolished in FY 2017. The supplemental agreement expired December 31, 2021. The second supplemental agreement expires December 31, 2026 and is relative to health insurance and pension benefits for the retirees of the Orleans Brewster Eastham Groundwater Protection District.

The Town has entered into a contract for solid waste disposal services with SEMASS, a resource recovery facility located in the Town of Rochester, Massachusetts. The agreement allows Brewster officials to adjust the annual amount of trash they send to SEMASS to support increased recycling efforts or other charges to waste generation. Under the Agreement, Brewster will pay $45 per ton of garbage hauled to the facility for the next 4 years. As of January 1, 2016, the price increased to under $61 per ton. The rate will increase 2½% each year until the contract expires in 2030. The Town estimates the total cost of the program will be $300,000 for fiscal 2023.

RETIREMENT PLAN

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate state-wide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings", or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2030, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must provide that payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding schedule receive annual pension funding grants from the Commonwealth for the first 16 years of such funding schedule. Pursuant to recent legislation, a system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments. The Advisory Council and Barnstable County Retirement Board voted to adopt a revised payment schedule to shorten the schedule to 2037.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3% of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

The Town participates in the contributory retirement system of Barnstable County. The annual contributions of the Town to the retirement system for the current and most recent fiscal years are set forth below

Fiscal Year	**Total**
2023 (budgeted)	$2,860,362
2022	2,776,801
2021	2,606,211
2020	2,431,289
2019	2,342,130
2018	2,197,453

As of January 1, 2022, the total pension liability of the System was calculated to be $2,081,724,372 and the net pension liability was calculated to be $690,814,161 (66.82% funded). Based on these assumptions, the System will be fully funded in 2037. The rate of return had been lowered from 7.375% to 7.15%. The Town's share of the total estimated unfunded actuarial liability of the system is $25,882,666 or 3.74%.

See funding schedule below provided by PERAC.

The foregoing data do not include the retirement system costs or liabilities attributable to employees of the county or the retirement system costs or liabilities of any other entity of which the Town is a constituent part.

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(1) Source: PERAC

Current Barnstable County Funding Schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of ERI (2002) Liability	(4) Amort. of ERI (2003) Liability	(5) Amort. of ERI (2010) Liability	(6) Amortization of Remaining Liability	(7) Plan Cost without Retired Sheriff Liability: (2)+(3)+(4)+(5)+(6)	(8) Amortization of Retired Sheriff Liability	(9) Actuarially Determined Contribution (ADC): (7)+(8)	(10) Total UAL at Beginning of Fiscal Year	(11) Percent Increase in ADC Over Prior Year
2021	19,388,982	456,043	214,563	260,972	48,373,335	68,693,895	1,702,310	70,396,205	810,339,928	
2022	20,094,798	474,285	223,146	260,972	51,639,952	72,693,153	1,786,032	74,479,185	814,560,494	5.80%
2023	20,826,130	493,256	232,071	0	55,369,509	76,920,966	1,878,012	78,798,978	815,526,138	5.80%
2024	21,583,894	512,986	241,354	0	59,056,355	81,394,589	1,974,730	83,369,319	812,781,604	5.80%
2025	22,369,041	533,506	251,008	0	62,974,757	86,128,312	2,076,428	88,204,740	805,825,584	5.80%
2026	23,182,554	544,846	261,049	0	67,138,802	91,137,251	2,183,364	93,320,615	794,106,624	5.80%
2027	24,025,452	577,040	271,491	0	71,563,420	96,437,403	2,295,808	98,733,211	777,018,685	5.80%
2028	24,898,791	600,121	282,350	0	76,264,433	102,045,695	2,414,042	104,459,737	753,896,338	5.80%
2029	25,803,662	624,126	293,644	0	81,258,605	107,980,037	2,538,365	110,518,402	724,009,564	5.80%
2030	26,741,200	649,091	305,390	0	86,563,697	114,259,378	2,669,091	116,928,469	686,558,118	5.80%
2031	27,712,575	675,055	317,606	0	92,198,535	120,903,771	2,806,549	123,710,320	640,665,448	5.80%
2032	28,719,003	702,057	330,310	0	98,183,063	127,934,433	2,951,086	130,885,519	585,372,095	5.80%
2033	29,761,741	730,140	343,522	0	104,538,409	135,373,812	3,103,067	138,476,879	519,628,567	5.80%
2034	30,842,092	759,345	357,263	0	111,286,963	143,245,663	3,262,875	146,508,538	442,287,634	5.80%
2035	31,961,405	789,719	371,554	0	118,452,442	151,575,120	3,430,913	155,006,033	352,095,988	5.80%
2036	33,121,077	821,308	386,416	0	126,059,977	160,388,778	3,607,605	163,996,383	247,685,238	5.80%
2037	34,322,556	854,144	401,879	0	124,734,218	160,312,797	3,793,396	164,106,193	127,562,166	0.07%
2038	35,567,341	0	0	0	0	35,567,341	0	35,567,341	0	-78.33%

Notes:
Actuarially Determined Contributions are assumed to be paid on July 1 and December 31.
Actuarial Determined Contribution for fiscal year 2021 is set to the budgeted amount determined with the prior valuation.
Item (2) reflects 3.25% growth in payroll as well as 0.15% adjustment to total normal cost to reflect the effects of mortality improvement due to generational mortality assumption.
Projected normal cost does not reflect the impact of pension reform of new hires.
2002 and 2003 ERI amortization payments calculated to increase 4.0% per year and 2010 ERI amortizations are level.
Payment on Retired County Sheriff Liability (item (8)) increases 5.15% per year and includes the 2002 ERI payment.
Projected unfunded actuarial accrued liability does not reflect deferred investment gains and losses.

OTHER POST-EMPLOYMENT BENEFITS

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities or towns is generally provided on a pay-as-you-go basis.

The pay-as-you-go cost to the Town for such benefits in recent years:

Year	Total
2022 (unaudited)	$815,440
2021	791,361
2020	707,276
2019	554,673
2018	463,413
2017	400,014

The Town implemented GASB Statement 45 in fiscal year 2009. The District adopted GASB 74 and GASB 75 for the fiscal year ending June 30, 2018, which introduced a new actuarial cost method and discount rate as well as new disclosure and methodologies for reporting plan liability and OPEB expenses. GASB Statement No. 75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of July 1, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

The Town's net OPEB liability was measured as of July 1, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town's Net OPEB liability was $15,644,848 (based upon a 7% discount rate). In addition to pension benefits, cities, towns and regional school districts may provide retired employees with health care and life insurance benefits. The unaudited balance in the OPEB Trust Fund, as of June 30, 2022, was $3,294,393.

PROPERTY TAXATION AND VALUATION

Tax Rate and Valuation - General. Property is classified for the purpose of taxation according to its use. The legislature has in substance created three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 percent of its share of the total taxable valuation; the effective rate for open space must be at least 75 percent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 20 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every five years (effective 2017), or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain forest land, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property. Land classified as forest land is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a redetermination of the fair cash value of the taxable property in each municipality. This is known as the "equalized valuation". See Debt Limits herein.

VALUATIONS

The following shows the assessed and equalized valuations for the most recent fiscal years:

	For Fiscal Year				
	2023	**2022**	**2021**	**2020**	**2019**
Real Property	$5,693,101,530	$4,741,581,460	$4,161,924,340	$4,066,433,030	$3,893,550,460
Personal Property	114,159,630	98,173,500	92,929,390	55,475,090	50,966,820
Total [(1)]	$5,807,261,160	$4,839,754,960	$4,254,853,730	$4,121,908,120	$3,944,517,280
Equalized Value[(2)]	4,380,442,300	4,380,442,300	$4,380,442,300	$4,100,984,500	$4,100,984,500
Percent of Total Assessed to Equalized Valuation	132.6%	110.5%	97.1%	100.5%	96.2%

[(1)] *As of January 1, of the prior fiscal year.*
[(2)] *Based on equalized valuation in effect for each year as determined biennially by the State Department of Revenue as of January 1 of even numbered years effective for the next two fiscal years.*

The following table shows the breakdown of the total assessed valuation for fiscal years 2023, 2022 and 2021 by classification:

	For Fiscal Year (000)					
Type of Property	**2023**	**% of Total**	**2022**	**% of Total**	**2021**	**% of Total**
Residential	$5,510,063	94.9	$4,572,968	94.5	$3,995,194	93.9
Commercial	160,902	2.8	154,936	3.2	153,518	3.6
Industrial	22,136	0.4	13,677	0.3	13,212	0.3
Personal	114,160	2.0	98,174	2.0	92,929	2.2
Total	$5,807,261	100.0	$4,839,755	100.0	$4,254,854	100.0

(1) Source: Massachusetts Department of Revenue.

TAX RATES

The following shows the actual tax rate per $1,000 of assessed valuation and the full value rate based on the equalized valuations for the most recent fiscal years.

Fiscal Year	Actual Tax Rate	Full Value Rate
2023	$6.99	$9.27
2022	7.85	8.67
2021	8.58	8.90
2020	8.62	8.66
2019	8.58	9.10

LARGEST TAXPAYERS [1]

The following is a list of the ten largest taxpayers for fiscal year 2023:

Name	Nature of Business	Fiscal 2023 Assessed Valuation	Amount of Tax	% of Total Levy
Ocean Edge Resort LLC	Resort	$ 78,773,980	$ 550,630	1.40%
Colonial Gas Company	Utility	48,504,310	339,045	0.84%
NSTAR	Utility	35,433,800	247,682	0.61%
Brewster ALF Property, LLC	Assisted Living	31,317,000	218,906	0.54%
Brewster Green Interval Owners	Resort	18,141,520	126,809	0.31%
Woodlands Way LLC	Assisted Living	13,346,300	93,291	0.23%
383 South Orleans LLC	Health Care	12,810,000	89,542	0.22%
Brewster Dunes I Co-op	Residental Co-op	8,523,670	59,580	0.15%
The Elevation at Brewster LLC	Apartments (Senior)	8,448,530	59,055	0.15%
William R Enlow, Et Al, Trustees of the John R Pfeffer Family Trust	Golf Course	6,314,000	44,134	0.11%
Total:		$261,613,110	$1,828,674	4.56%

[1] *All of the largest taxpayers listed above are current on their real estate and personal property taxes.*

TAX LEVIES

Levy - General. The principal tax of Massachusetts cities and towns is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law; for a description of those limits see “Tax Limitations” herein. As to the inclusion of debt service and final judgments, see “Security and Remedies” herein.

The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds, the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years.

Although an allowance is made in the tax levy for abatements (see “Abatements and Overlay” herein) no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see “Taxation to Meet Deficits” herein).

Taxation to Meet Deficits. As noted elsewhere (see “Abatements and Overlay” herein) overlay deficits, i.e. tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits, i.e. those resulting from non-property tax revenues being less than anticipated, are also required to be added to the tax levy (at least to the extent not covered by surplus revenue).

Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, utilities must be paid at established rates and certain established salaries, e.g. civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as "free cash" deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

Tax Limitations. Chapter 59, Section 21C of the General Laws, also known as Proposition 2½, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation in its assessed valuation over the prior year's valuation.

This “growth” limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the “growth” limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the board of selectmen of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund.

The applicable tax limits may also be reduced in any year by a majority of the voters. The State Commissioner of Revenue may adjust any tax limit "to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year".

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculations of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance or for the city or town's share for certain capital outlay expenditures by a regional governmental unit.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures. or for the city or town's share for certain capital outlay expenditures by a regional governmental unit. In addition, the city council of a city, with the approval of the Mayor if required, or the board of selectmen or the town council of a town may vote to exclude from the Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality's sewer or water charges are reduced accordingly.

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year's assessments and (b) "any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option". Regional water districts, regional sewerage districts and regional veteran's district may exceed these limitations under statutory procedures requiring a two-thirds vote of the district's governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under Proposition 2½ any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

Pledged Taxes. Taxes on certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes.

Initiative Petitions. Various other proposals have been made in recent years for legislative amendments to the Massachusetts Constitution to impose limits on state and local taxes. To be adopted such amendments must be approved by two successive legislatures and then by the voters at a state election.

CALCULATION OF LEVIES

The following table shows the details of the calculation of the tax levies for the most recent fiscal years:

	For Fiscal Year (000)				
	2023	2022	2021	2020	2019
Gross Amount to be Raised:					
Appropriations	$61,954	$57,780	$55,436	$55,299	$52,269
Other Local Expenditures	21	15	13	13	121
State & County Charges	657	626	657	625	679
Overlay Reserve	299	385	125	400	212
Total Gross Amount to be Raised	$62,930	$58,806	$56,231	$56,337	$53,281
Less Estimated Receipts & Other Revenue:					
Estimated Receipts from State	2,394	1,940	1,843	1,864	1,853
Estimated Receipts - Local	15,326	9,524	10,079	8,165	7,238
Available Funds Appropriated:					
Free Cash	1,596	3,463	2,379	1,105	1,462
Revenue Sharing	0	0	0	0	0
Other Available Funds	3,022	5,886	5,423	9,672	8,884
Free Cash & Other Revenue Used to Reduce the Tax Rate	0	0	0	0	0
Total Estimated Receipts & Revenue	22,338	20,814	19,724	20,806	19,437
Net Amount to be Raised (Tax Levy)	$ 40,593	$ 37,992	$ 36,507	$ 35,531	$ 33,844
Property Valuation	$5,807,261	$4,839,755	$4,254,854	$4,121,908	$3,944,517

(1) Source: Massachusetts Department of Revenue.

The following shows the calculation of levy limits for the most recent fiscal years:

	For Fiscal Year (000)				
	2023	2022	2021	2020	2019
Primary Levy Limit (2)	$145,182	$120,994	$106,371	$103,048	$98,613
Prior Fiscal Year Levy Limit	35,727	34,390	33,180	31,769	30,648
2.5% Levy Growth	893	860	829	794	766
New Growth (3)	387	481	381	310	355
Overrides	0	0	0	309	0
Growth Levy Limit	37,005	35,727	34,390	33,180	31,769
Debt Exclusions	3,754	2,111	1,987	2,389	1,932
Capital Expenditure Exclusions	0	0	0	0	0
Other Adjustments	178	174	173	168	161
Tax Levy Limit	$40,937	$38,012	$36,549	$35,737	$33,861
Tax Levy	40,593	37,992	36,507	35,531	33,844
Unused Levy Capacity (4)	$ 345	$ 20	$ 43	$ 206	$ 18
Unused Primary Levy Capacity (5)	$108,177	$85,267	$71,982	$69,868	$66,844

(1) Source: Massachusetts Department of Revenue.
(2) 2.5% of assessed valuation.
(3) Allowed increase for new valuations (or required reduction) - certified by the Department of Revenue.
(4) Tax Levy Limit less Tax Levy.
(5) Primary Levy Limit less Growth Levy Limit.

TAX COLLECTIONS AND ABATEMENTS

Payment Dates. The taxes for each fiscal year are due in two installments on November 1 (subject to deferral if tax bills are sent out late) and May 1, unless a city or town accepts a statute providing for quarterly tax payments. The Town has accepted this provision. Under the statute, preliminary tax payments are to be due on August 1 and November 1 with payment of the actual tax bill (after credit is given for the preliminary payments) in installments on February 1 and May 1 if actual tax bills are mailed by December 31. Interest accrues on delinquent taxes at the rate of 14 percent per annum.

Lien. Real property (land and buildings) is subject to a lien for the taxes assessed upon it, subject to any paramount federal lien and subject to bankruptcy and insolvency laws. (In addition, real property is subject to a lien for certain unpaid municipal charges or fees.) If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment.

Personal Liability. The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described in "Taking and Sale" herein.

The following shows the total tax levy, the reserve for abatements, the net levy and the amounts collected during the most recent fiscal years:

	For Fiscal Year				
	2023	**2022**	**2021**	**2020**	**2019**
Total Tax Levy	$40,592,756	$37,992,076	$36,506,645	$35,530,848	$33,843,958
Overlay Reserve for Abatements	299,261	385,089	125,000	400,000	211,554
Net Tax Levy [1]	$40,293,495	$37,606,987	$36,381,645	$35,130,848	$33,632,404
Amount Collected During					
Fiscal Year Payable [2][3]	$20,024,194	$37,476,281	$35,870,124	$34,607,789	$33,243,962
Percent of Net Tax Levy	49.7%	99.7%	98.6%	98.5%	98.8%
Through 12/31/2022	$20,024,194	$37,678,536	$36,272,460	$35,292,042	$33,599,113
Percent of Net Tax Levy	49.7%	100.2%	99.7%	100.5%	99.9%

(1) Net after deduction of overlay reserve for abatements.
(2)Actual collections net of refunds. Does not include abatements, proceeds of tax titles or tax possessions attributed to such levy or other non-cash credits.
(3) Taxes not paid in fiscal year due are transferred to tax title at the start of the next fiscal year.

Abatements and Overlay. A city or town is authorized to increase each tax levy by an amount approved by the State Commissioner of Revenue as an "overlay" to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the excess is required to be added to the next tax levy.

Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue. But uncollected real property taxes are ordinarily not written off until they become municipal "tax titles" by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.

The following shows the abatements granted during the fiscal year as well as through a more recent date for the most recent fiscal years:

	For Fiscal Year				
	2023	**2022**	**2021**	**2020**	**2019**
Tax Levy	$40,592,756	$37,992,076	$36,506,645	$35,530,848	$33,843,958
Overlay Reserve for Abatements	$299,261	$385,089	$125,000	$400,000	$211,554
Percent of Tax Levy	0.7%	1.0%	0.3%	1.1%	0.6%
Amounts Granted:					
During Fiscal Year of Levy	$132,017	$181,496	$129,844	$146,757	$158,425
Through 12/31/2022	$132,017	$181,496	$129,844	$148,457	$158,603

Taking and Sale. Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for non-payment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments), it can be foreclosed by petition to the Land Court. Upon foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal purposes.

Sale of Tax Receivables. Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk.

TOWN FINANCES

Budget and Appropriation Process

The annual appropriations of the Town are ordinarily made at the annual meeting, which takes place in May. Appropriations may also be voted at special meetings. The Finance Committee (also the Board of Selectmen) is required to submit reports and recommendations on proposed expenditures at the annual town meeting.

Under certain circumstances and subject to certain limits and requirements, the city council of a city, upon the recommendation of the mayor, may transfer amounts appropriated for the use of one department (except for a municipal light department or a school department) to another appropriation for the same department or for the use of any other department. In a town, town meeting may at any time vote to transfer any amount previously appropriated to any other authorized use by law, and, under certain circumstances and subject to certain limits and requirements, the selectmen of a town, with the concurrence of the finance committee, may transfer amounts appropriated for the use of any department to any other appropriation for the same department or to any other department.

Water and sewer department expenditures are generally included in the budgets adopted by city councils and town meetings but electric and gas department funds may be appropriated by the municipal light boards. Under certain legislation any city or town which accepts the legislation may provide that the appropriation for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. It is assumed that this general provision does not alter the pre-existing power of an electric or gas department to appropriate its own receipts. The school budget is limited to the total amount appropriated by the town meeting, but the school committee retains full power to allocate the funds appropriated.

State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for, and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget, but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy.

BUDGET COMPARISON

The following table sets forth the budgets for fiscal years 2019-2023:

Category	2023	2022	2021	2020	2019
General Government	$ 3,439,369	$ 2,901,147	$ 2,672,836	$ 2,558,612	$ 2,509,190
Public Safety	7,029,969	5,989,762	5,904,013	5,879,130	5,755,617
Education	22,175,914	21,375,460	20,690,108	20,202,348	20,991,700
Public Works	2,359,847	2,184,795	2,100,375	1,892,521	2,717,829
Water	2,768,632	2,736,969	2,637,454	2,739,090	1,553,168
Human Services	927,929	887,666	732,506	731,952	394,643
Culture & Recreation	971,769	946,492	902,617	891,626	841,094
Golf Course	4,048,778	3,661,234	3,551,462	3,986,919	2,631,156
Insurance	534,482	467,250	445,000	537,500	597,091
Employee Benefits	4,399,400	4,492,629	4,234,499	4,088,781	2,699,519
County Retirement	2,458,298	2,632,378	2,437,108	2,288,851	1,968,818
Debt Service	3,321,898	2,007,298	2,122,287	2,288,229	3,775,908
Transfers to Other Funds	1,042,000	0	0	0	0
State & County Assessments	73,621	172,565	167,269	135,094	160,727
Total Expenditures	$55,551,906	$50,455,645	$48,597,536	$48,220,653	$46,596,460

STATE AID

In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the “schools” and “lottery” formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. None of the programs have a termination date under existing law, and while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

In the fall of 1986, both the State Legislature (by statute repealed as of July 1, 1999) and the voters (by initiative petition) placed limits on the growth of state tax revenues. Although somewhat different in detail, each measure essentially limited the annual growth in state tax revenues to an average rate of growth in wages and salaries in the Commonwealth over the three previous calendar years. If not amended, the remaining measure could restrict the amount of state revenues available for state aid to local communities.

The following table sets forth the actual State aid received in each of the most recent fiscal years and the budgeted amount for fiscal 2023:

Fiscal Year	State Aid Receipts
2023 (budgeted)	$2,393,669
2022	1,940,158
2021	1,880,734
2020	1,868,460
2019	1,853,211
2018	1,835,639

STATE SCHOOL BUILDING ASSISTANCE PROGRAM

Under its school building assistance program, the Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the "Authority") to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

Projects previously approved for grants by the State Board of Education are entitled to receive grant payments from the Authority based on the approved project cost and reimbursement rate applicable under the prior law. The Authority has paid and is expected to continue to pay the remaining amounts of the grants for such projects either in annual installments to reimburse debt service on bonds issued by the municipalities to finance such projects or as lump sum payments to contribute to the defeasance of such bonds.

Projects on the priority waiting list as of July 1, 2004 are also entitled to receive grant payments from the Authority based on the eligible project costs and reimbursement rates applicable under the prior law. With limited exceptions, the Authority is required to fund the grants for such projects in the order in which they appear on the waiting list. Grants for any such projects that have been completed or substantially completed have been paid and are expected to continue to be paid by the Authority in lump sum payments, thereby eliminating the need for the Authority to reimburse interest expenses that would otherwise be incurred by the municipalities to permanently finance the Authority's share of such project costs. Interest on debt issued by municipalities prior to July 1, 2004 to finance such project costs, and interest on temporary debt until receipt of the grant, is included in the approved costs of such projects. Grants for any such projects that have not yet commenced or that are underway have been and are expected to continue to be paid by the Authority as project costs are incurred by the municipality pursuant to a project funding agreement between the Authority and the municipality eliminating the need for the municipality to borrow even on a temporary basis to finance the Authority's share of the project costs in most cases.

The range of reimbursement rates for new project grant applications to the Authority on or after July 1, 2007 has been reduced to between 40% and 80% of the approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

MOTOR VEHICLE EXCISE

The following table shows the actual receipts in each of the most recent fiscal years and the budgeted amount for fiscal 2023:

Fiscal Year	Receipts [(1)]
2023 (budgeted)	$1,501,825
2022	1,727,711
2021	1,793,321
2020	1,509,619
2019	1,548,319
2018	1,650,170

[(1)]*Net after refunds. Includes receipts for prior years.*

OTHER TAXES

Four additional sources of revenue for local governments are the room occupancy excise tax, local meals excise tax, the cannabis tax and the aviation fuel tax. All taxes take effect only where accepted by individual municipalities.

Under the room occupancy excise tax, local governments may tax the provision of hotel, motel, lodging house and bed and breakfast rooms at a rate not to exceed six percent of the cost of renting such rooms. The tax is paid by the owner of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located. Effective July 1, 2010, the Town voted to adopt an additional local option room occupancy excise tax of 2%.

The following table shows the actual room occupancy receipts for the most recent fiscal years and the budgeted amount for fiscal 2023:

Fiscal Year	Receipts
2023 (budgeted)	$1,863,502
2022	2,824,792
2021	2,095,936
2020	1,527,916
2019	1,189,856
2018	1,164,210

The local meals excise tax, effective for sales of restaurant meals on or after October 1, 2009, is a three-fourths percent tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the municipality in which the meal was sold. The Town voted the meals tax (0.75%) effective July 1, 2010.

The following table shows the actual meals tax receipts for the most recent fiscal years and the budgeted amount for fiscal 2023:

Fiscal Year	Receipts
2023 (budgeted)	$157,771
2022	224,812
2021	166,449
2020	171,158
2019	177,202
2018	165,037

COMMUNITY PRESERVATION ACT

Massachusetts Community Preservation Act (the "CPA") permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and affordable housing and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for $100,000 of the value of each taxable parcel of residential real property or $100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see *"Tax Limitations"* under "PROPERTY TAX" herein). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge and dedication of revenue. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on taxes and received in state matching funds are required to be deposited in a dedicated community preservation fund, the dedication of revenue. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for affordable housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

On May 17, 2005, the Town voted the CPA. As of June 30, 2022, the Town had an unaudited balance in the CPA fund of $4,265,301.51.

TAX INCREMENT FINANCING FOR DEVELOPMENT DISTRICTS

Cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town's development program for the district. This includes pledging such "tax increments" for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2½ (see "Tax Limitations" under "Property Tax" herein).

The Town has not established any development districts.

UNASSIGNED GENERAL FUND BALANCE AND FREE CASH

Under Massachusetts law an amount known as "free cash" is certified as of the beginning of each fiscal year by the State Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy. Subject to certain adjustments, free cash is surplus revenue less uncollected and overdue property taxes from prior years. The Town Accountant may certify as available for appropriation an adjusted free cash figure by adding back those uncollected and overdue property taxes which are subsequently collected between July 1 and the following March 31 of any year.

The following table sets forth the unassigned general fund balance and certified free cash for the most recent fiscal years:

July 1,	Unassigned General Fund Balance	Free Cash
2022	$8,607,070	$4,641,154
2021	8,568,187	4,501,333
2020	7,686,820	4,016,610
2019	3,557,539	2,937,130
2018	2,673,348	1,989,981
2017	6,225,685	2,295,241

STABILIZATION FUND

The Town has maintained a Stabilization Fund for several years. Under Massachusetts statutes, funds may be appropriated from the fund for any municipal purpose by two thirds vote of the town meeting. The following is the balance in the account at the end of the most recent fiscal years:

Fiscal Year	Balance
2022	$3,000,409
2021	2,990,811
2020	2,535,241
2019	2,493,329
2018	2,159,142

The Town has also established a Capital Stabilization Fund which had a balance of $727,471, as of June 30, 2022.

COLLECTIVE BARGAINING

City and town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. The Town has approximately 485 full and part-time employees of whom approximately 40 percent belong to unions or other collective bargaining groups as follows:

Union	Department	Number of Employees	Contract Expires
OPEIU	Various Town Departments	25	June 30, 2023
SEIU (1)	Golf, Public Works & Water	31	June 30, 2023
Police	Police	13	June 30, 2023
Superior Officers	Police	4	June 30, 2023
Teachers	School	50	June 30, 2024
Educational Assistants	School	33	June 30, 2024
Secretaries	School	4	June 30, 2024
IAFF	Fire	20	June 30, 2023
SEIU-School Custodians	School	4	June 30, 2023
SEIU-Ladies Library	Library	10	June 30, 2023
		194	

INVESTMENTS

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government of an agency thereof with a maturity of not more than one year, in repurchase agreements, with a maturity of not more than 90 days secured by federal or federal agency securities, or in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares of SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

MMDT is an investment pool created by the Commonwealth. The State Treasurer is the sole trustee, and the Funds are managed under contract by an investment firm under the supervision of the State Treasurer's Office. According to the State Treasurer the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. Government obligations and highly-rated corporate securities with maturities of one year or less.

Trust funds, unless otherwise provided by the donor, may be invested in accordance with section 54 of Chapter 44 of the General Laws, which permits a broader range of investments than section 55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by sections 54 and 55 do not apply to city and town retirement systems. The restrictions imposed by section 54 and 55 do not apply to city and town retirement systems.

PHYSICAL AND ECONOMIC CHARACTERISTICS

The Town of Brewster (Barnstable County) is located on Cape Cod, 90 miles southeast of Boston and 264 miles from New York City. The Town is bordered by Cape Cod Bay on the north, the Town of Orleans on the east, the Town of Harwich on the South and the Town of Dennis on the west.

The Town was first settled in 1656 and was incorporated as a Town in 1803. It occupies a land area of 22.5 square miles and has a year-round population of approximately 9,600. The summer population increases to approximately 35,000.

Brewster is primarily a resort/residential community. A majority of its summer residents either own property in Brewster or are repeat visitors. Major recreational and tourist attractions include the Nickerson State Park, the Drummer Boy Park and the Band Stand. The Town also houses the Cape Cod Museum of Natural History, Crosby Mansion, the Old Grist Mill, the Cape Cod Rail Trail and the Captains Golf Course (town-owned). There are 9 public beaches and 4 fresh water beaches within the Town.

PRINCIPAL EMPLOYERS

The following are the principal employers located in the Town, excluding the Town itself:

Company	Nature of Business	Approximate Number of Employees
Pleasant Bay Nursing Center	Nursing Home	200
Latham Center	Assisted Living	100
Maplewood Senior Living	Senior Living	80
Ocean Edge Resort & Club	Conference Center/Resort	50/536 seasonal

Source: detma.org

EMPLOYMENT AND PAYROLLS

Employment by Industry	2021	2020	2019	2018	2017
	Calendar Year Average				
Construction & Natural Resources	333	292	287	265	245
Manufacturing	2	0	7	0	5
Trade, Transportation & Utilities	166	157	203	235	242
Financial Activities	142	126	117	112	112
Professional & Business Services	256	235	243	262	227
Education & Health Services	836	822	946	1,042	1,060
Leisure & Hospitality	625	422	554	565	593
Information & Other Services	144	141	145	147	138
Total Employment	2,681	2,370	2,666	2,757	2,742
Number of Establishments	348	330	334	323	317
Total Annual Wage (000)	$129,412	$115,025	$119,913	$117,055	$112,181
Average Weekly Wage	$928	$933	$865	$816	$787

Source: Massachusetts Executive Office of Labor & Workforce Development.

BUILDING PERMITS

Calendar Year	Number	Estimated Value
2022	1,115	$55,468,273
2021	1,137	61,218,320
2020	928	35,930,441
2019	1,120	33,979,871
2018	1,092	40,421,110

OTHER DATA

Employment (1)

Calendar Year (2)	Labor Force	Employment	Unemployment Rate Town	County	State	US
2022 (September)	5,022	4,870	3.0	3.3	3.1	3.3
2021	5,144	4,844	5.8	6.7	5.7	5.3
2020	4,912	4,487	8.7	10.2	8.9	8.1
2019	5,249	5,061	3.6	4.0	3.0	3.7
2018	5,281	5,075	3.9	4.4	3.4	3.9

(1) Source: Massachusetts Executive Office of Labor & Workforce Development.
(2) Full year averages except for 2022 which is for the month indicated.

Population (1)

Year	Brewster Number	Brewster % Change	Barnstable County Number	Barnstable County % Change	Massachusetts Number	Massachusetts % Change
2021 estimate	10,456	6.5	232,411	7.7	6,984,723	6.7
2010	9,820	(2.7)	215,888	(2.9)	6,547,629	3.1
2000	10,094	19.6	222,230	19.1	6,349,097	5.5
1990	8,440	61.5	186,605	26.1	6,016,425	4.9
1980	5,226	0.0	147,925	0.0	5,737,037	0.0

(1) Source: U.S. Department of Commerce for actuals and estimates.

Population Density (1)

Year	Brewster Number	Brewster Density	Barnstable County Number	Barnstable County Density	Massachusetts Number	Massachusetts Density
2021 estimate	10,456	454.4	232,411	587.2	6,984,723	891.1
2010	9,820	426.8	215,888	545.5	6,547,629	835.4
2000	10,094	438.7	222,230	561.5	6,349,097	810.0
1990	8,440	366.8	186,605	471.5	6,016,425	767.6
1980	5,226	227.1	147,925	373.8	5,737,037	732.0

(1) Source: U.S. Department of Commerce for actuals and estimates.
(2) Based on 23.0 square miles.

Population Composition By Age (1)

Age	Brewster Number	Brewster Percent	Barnstable County Number	Barnstable County Percent	Massachusetts Number	Massachusetts Percent
Under 5 Years	176	1.8	7,804	3.7	358,030	5.2
5 Years to 19 Years	1,462	14.9	28,336	13.3	1,211,251	17.6
20 Years to 64 Years	4,867	49.6	112,297	52.6	4,167,156	60.6
65 Years and Over	3,306	33.7	65,068	30.5	1,136,566	16.5
Total	9,811	100.0	213,505	100.0	6,873,003	100.0
Median Age	56.5		53.7		39.6	
Median Age (2000)	46.9		44.6		36.5	

(1) Source: U.S. Department of Commerce. 2020 5-year estimates.

Per Capita Income Levels (1)

Year	Brewster Amount	Brewster % Change	Barnstable County Amount	Barnstable County % Change	Massachusetts Amount	Massachusetts % Change
2020 5-year estimates	$48,580	77.0	$47,315	0.0	$45,555	37.2
2009	27,447	11.4	-0-	0.0	33,203	27.9
1999	24,638	48.9	25,318	54.4	25,952	50.7
1989	16,552	150.7	16,402	120.8	17,224	131.0
% Below Poverty Level (2020 5-year estimates)	6.9		6.7		9.8	

(1) Source: U.S. Department of Commerce.

Family Income Distribution (1)

Income for Families	Brewster Families	Brewster Percent	Barnstable County Families	Barnstable County Percent	Massachusetts Families	Massachusetts Percent
Less than $25,000	77	2.7	3,425	5.7	143,891	8.6
25,000 - 49,999	374	13.3	8,162	13.7	214,482	12.8
50,000 - 74,999	452	16.1	9,819	16.5	216,305	12.9
75,000 - 99,999	461	16.4	8,562	14.4	207,807	12.4
100,000 - 149,999	551	19.6	13,767	23.1	349,590	20.9
150,000 - 199,999	407	14.5	7,244	12.2	223,424	13.3
200,000 or more	490	17.4	8,617	14.5	318,493	19.0
Total	2,812	100.0	59,596	100.0	1,673,992	100.0
Median Income	$102,333		$99,410		$106,526	

(1) Source: U.S. Department of Commerce. 2020 5-year estimates.

Household Income Distribution (1)

Income for Households	Brewster Households	Brewster Percent	Barnstable County Households	Barnstable County Percent	Massachusetts Households	Massachusetts Percent
Less than $25,000	601	13.3	12,374	12.9	420,186	15.9
25,000 - 49,999	758	16.8	17,988	18.8	407,773	15.4
50,000 - 74,999	696	15.4	16,363	17.1	368,728	13.9
75,000 - 99,999	736	16.3	12,689	13.2	316,659	12.0
100,000 - 149,999	686	15.2	17,331	18.1	475,386	18.0
150,000 - 199,999	421	9.3	8,820	9.2	279,582	10.6
200,000 or more	617	13.7	10,294	10.7	378,666	14.3
Total	4,515	100.0	95,859	100.0	2,646,980	100.0
Median Income	$81,625		$76,863		$84,385	

(1) Source: U.S. Department of Commerce. 2020 5-year estimates.

Value Distribution Of Specified Owner-Occupied Housing Units (1)

Units	Brewster Number	Brewster Percent	Barnstable County Number	Barnstable County Percent	Massachusetts Number	Massachusetts Percent
Less than $100,000	-0-	0.0	958	1.3	45,171	2.7
100,000 - 199,999	15	0.4	3,279	4.3	155,859	9.4
200,000 - 299,999	391	10.2	11,393	14.9	296,559	17.9
300,000 - 499,999	1,942	50.7	34,697	45.5	589,022	35.6
500,000 - 999,999	1,338	34.9	21,082	27.6	460,676	27.8
1,000,000 or more	147	3.8	4,910	6.4	107,605	6.5
Total	3,833	100.0	76,319	100.0	1,654,892	100.0
Median Value	$450,200		$414,000		$398,800	

(1) Source: U.S. Department of Commerce. 2020 5-year estimates.

Age Distribution Of Housing Units (1)

Year Built	Brewster Number	Brewster Percent	Barnstable County Number	Barnstable County Percent	Massachusetts Number	Massachusetts Percent
2000 or later	762	9.2	17,113	10.4	322,687	11.1
1980 to 1999	4,187	50.5	51,419	31.3	543,478	18.7
1940 to 1979	2,959	35.7	75,516	46.0	1,118,384	38.4
1939 or Earlier	383	4.6	20,016	12.2	928,460	31.9
Total	8,291	100.0	164,064	100.0	2,913,009	100.0

(1) Source: U.S. Department of Commerce. 2020 5-year estimates.

Housing Unit Inventory (1)

Units in Structure	Brewster Number	Brewster Percent	Barnstable County Number	Barnstable County Percent	Massachusetts Number	Massachusetts Percent
1, Detached	6,250	75.4	133,926	81.6	1,516,717	52.1
1, Attached	916	11.0	8,408	5.1	158,626	5.4
2 to 4	434	5.2	9,679	5.9	592,402	20.3
5 to 9	342	4.1	4,514	2.8	168,469	5.8
10 to 19	166	2.0	2,213	1.3	125,042	4.3
20 or More	183	2.2	4,463	2.7	327,497	11.2
Mobile Home, Trailer, Other	-0-	0.0	861	0.5	24,256	0.8
Total	8,291	100.0	164,064	100.0	2,913,009	100.0

(1) Source: U.S. Department of Commerce. 2020 5-year estimates.

Educational Attainment (1)

Years of School Completed	Brewster Number	Brewster Percent	Barnstable County Number	Barnstable County Percent	Massachusetts Number	Massachusetts Percent
Less than 9th Grade	35	0.4	2,125	1.3	202,050	4.2
9th to 12th Grade, No Diploma	195	2.5	4,830	2.9	227,744	4.7
High School Graduate	1,535	19.5	37,765	22.7	1,133,358	23.5
Some College, No Degree	1,677	21.4	30,759	18.5	738,260	15.3
Associate's Degree	699	8.9	16,075	9.7	369,777	7.7
Bachelor's Degree	1,859	23.7	41,502	24.9	1,181,453	24.5
Graduate or Professional Degree	1,853	23.6	33,450	20.1	962,689	20.0
Total	7,853	100.0	166,506	100.0	4,815,331	100.0
High School Graduate or Higher	7,623	97.1	159,551	95.8	4,385,537	91.1
Bachelor's Degree or Higher	3,712	47.3	74,952	45.0	2,144,142	44.5

(1) Source: U.S. Department of Commerce. 2020 5-year estimates

PUBLIC SCHOOL ENROLLMENT

	2018-19	2019-20	2020-21	2021-22	2022-23
Town Elementary Schools	483	471	425	471	425
Nauset Regional	531	545	576	545	576
Technical	36	29	41	29	41
Total	1,050	1,045	1,042	1,045	1,042

(1) Source: Massachusetts Dept. of Education - As of October 1, each school year.

LITIGATION

At present, there are a number of suits pending in which the Town is a defendant. In the opinion of Town Counsel, there is no litigation, either pending or threatened, which is considered likely to result, either individually or in the aggregate, in final judgments which would materially affect the Town's financial position.

TOWN OF BREWSTER,
Massachusetts

By: /s/ Lisa Vitale
Treasurer

Dated: February 16, 2023

APPENDIX A

The following Balance Sheets for fiscal years ending June 30, 2018 through 2022, and the Comparative Statements of Revenues, Expenditures and Changes in Fund Balances for fiscal years ending June 30, 2018 through 2022, have been taken from the audited financial statements of the Town.

The Town engaged the firm of R.E. Brown & Company to audit the accounts for the Town for the year ending June 30, 2022. That audit is reproduced in Appendix B.

TOWN OF BREWSTER
MASSACHUSETTS
Balance Sheet
General Fund
June 30, [1]

	2022	2021	2020	2019	2018
Assets					
Cash and Investments	$14,646,639	$15,040,302	$12,300,939	$10,985,579	$ 9,127,146
Receivables:					
Property Taxes	348,710	472,032	731,025	354,504	335,448
Tax Liens	455,277	497,724	511,289	494,560	532,974
Excises	135,468	119,196	193,825	90,679	106,749
Departmental & Other	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Total Assets	$15,586,094	$16,129,254	$13,737,078	$11,925,322	$10,102,317
Liabilities & Fund Balances:					
Accounts Payable	$ 1,700,554	$ 2,101,476	$ 1,905,325	$ 1,974,221	$ 1,940,716
Other Liabilities	156	156	156	0	0
Total Liabilities	1,700,554	2,101,632	1,905,481	1,974,221	1,940,716
Deferred Inflows of Resources:	810,383	941,125	1,063,484	770,448	845,182
Fund Equity					
Fund Balances:					
Restricted	146,759	175,690	208,061	243,871	283,120
Committed	3,411,595	2,042,002	2,721,914	1,503,120	1,311,459
Assigned	909,733	2,300,618	151,318	1,242,849	844,018
Unassigned	8,607,070	8,568,187	7,686,821	6,190,813	4,877,822
Total Fund Balances	13,075,157	13,086,497	10,768,113	9,180,653	7,316,419
Total Liabilities & Fund Balances	$15,586,094	$16,129,254	$13,737,078	$11,925,322	$10,102,317

[1] *Extracted from the audited financial statements of the Town.*

TOWN OF BREWSTER
MASSACHUSETTS
Combined Statement of Revenues, Expenditures and Changes in Fund Balances [1]
GENERAL FUND
June 30,

Revenues:	**2022**	**2021**	**2020**	**2019**	**2018**
Property Taxes	$37,947,931	$36,406,979	$35,161,066	$33,751,025	$31,413,941
Excises	1,732,823	1,797,486	1,514,030	1,657,004	1,658,340
Intergovernmental	3,006,093	3,711,911	3,536,325	3,398,578	3,168,303
Payments In Lieu of Taxes	6,859	6,883	6,884	14,012	6,873
Penalties and Interest on Taxes	145,159	110,261	62,505	100,376	137,658
Fines & Forfeits	45,491	46,349	41,215	29,698	39,181
Charges for Services	594,156	595,104	550,855	566,919	548,312
Hotel, Motel & Meals Tax	1,820,349	1,229,111	1,699,075	1,367,058	1,329,247
Investment Income	21,224	26,573	172,717	267,811	162,105
Departmental & Other	2,857,193	2,485,227	1,303,063	1,450,730	1,420,865
Total Revenues	$48,177,278	$46,415,884	$44,047,735	$42,603,211	$39,884,825
Expenditures:					
Current:					
General Government	$ 6,517,900	$ 3,407,643	$ 3,305,526	$ 3,092,359	$ 3,087,518
Public Safety	7,214,317	6,581,531	6,186,463	5,770,084	6,532,203
Education	21,543,495	20,449,168	19,895,982	19,091,752	20,745,145
Public Works	2,874,340	2,675,452	2,017,986	2,146,080	2,266,440
Human Services	872,754	814,892	839,181	770,835	791,989
Culture & Recreation	911,541	827,745	941,389	843,693	842,199
Employee Benefits	7,149,507	8,159,221	7,463,295	6,891,211	4,650,515
State and County Assessments	643,674	621,789	626,188	615,511	657,501
Debt Service	1,752,351	1,848,353	2,081,698	2,122,622	1,500,038
Total Expenditures:	$49,479,879	$45,385,794	$43,357,708	$41,344,147	$41,073,548
Excess of revenues over (under) expenditures	(1,302,601)	1,030,090	690,027	1,259,064	(1,188,723)
Other Financing Services (Uses):					
Proceeds from Capital Leases	0	0	0	0	945,000
Proceeds from Bond Premium	0	0	0	0	0
Operating Transfers In	1,941,261	1,528,711	1,432,849	1,048,994	35,972
Operating Transfers Out	(650,000)	(240,417)	(535,416)	(443,824)	(950,243)
Total Other Financing Sources (Uses)	1,291,261	1,288,294	897,433	605,170	30,729
Net change in fund balances	(11,340)	2,318,384	1,587,460	1,864,234	(1,157,994)
Fund Balance Beginning	13,086,497	10,768,113	9,180,653	7,316,419	8,474,413
Fund Balance Ending	$13,075,157	$13,086,497	$10,768,113	$ 9,180,653	$ 7,316,419

[1] *Taken from the audited financial statements of the Town.*

APPENDIX B

There follows in this Appendix the audited financial statements of the Town of Brewster, Massachusetts, as of June 30, 2022.

The attached report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in this Report. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in this Report and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented

TOWN OF BREWSTER, MASSACHUSETTS

REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

TOWN OF BREWSTER, MASSACHUSETTS
REPORT ON EXAMINATION OF
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JUNE 30, 2022

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ROBERT E. BROWN II

CERTIFIED PUBLIC ACCOUNTANT
25 CEMETERY STREET – P.O. BOX 230
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Phone: (508) 478-3941 Fax: (508) 478-1779

INDEPENDENT AUDITOR'S REPORT

To the Honorable Select Board
Town of Brewster, Massachusetts

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brewster, Massachusetts, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Robert E. Brown

Certified Public Accountant

January 11, 2023

Management's Discussion and Analysis

As management of the Town of Brewster (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider this information in addition to the statements and notes.

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

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the fiscal year by $77.36 million (net position).

- The unrestricted negative net position of the Town's governmental activities are -$30.01 million. The unrestricted positive net position of the Town's business-type activities are $1.26 million.

- The government's total net position increased by $7.65 million from fiscal 2021. Within this total, net position of governmental activities increased by $5.88 million from fiscal 2021. Also, net position of business-type activities increased by $1.77 million from 2021.

- At June 30, 2022, the Town's governmental funds had combined ending fund balances of $20.46 million. The combined governmental funds balance decreased by -$2,301,892 over the prior year's ending fund balances.

- The Town's general fund reported a fund balance of $13.1 million at the end of fiscal 2022. The unassigned fund balance for the general fund was $8.6 million or 17.4% of total general fund expenditures.

- The total cost of all Town services for fiscal 2022 was $54.32 million, $48.95 million of which was for governmental activities, and $5.37 million of which was for business-type activities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These basic financial statements are comprised of three components:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Basic Financial Statements

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

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

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

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

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

Governmental Funds – *g*overnmental 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 funds statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both, the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Town of Brewster adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds – *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has two enterprise funds:

- *Water Enterprise Fund* accounts for the water activity of the Town.
- *Golf Enterprise Fund* accounts for the golf activity of the Town.

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

Private-purpose trust funds and postemployment benefits trust are each reported and combined into a single, aggregate presentation in the fiduciary funds financial statements under the captions "private purpose trust funds" and "postemployment benefits trust", respectively.

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

Government-wide Financial Analysis*:*

The chart on the following page summarizes key financial components of the Town's financial statements.

As noted earlier, assets exceed liabilities by $77,355,941 at the close of fiscal year 2022. The Town is able to report positive balances of net position, both for the government as a whole, and for its separate governmental and business-type activities in total.

The largest component of the Town's net position are its *investment in capital assets* (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets, and is $90,263,303, or 116.69% of total net position. The Town uses these capital assets to provide services to citizens; consequently, these assets ***are not*** available for future spending. Although the investment in the Town's capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position totaling $15,837,498 (20.47% of total) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is ($28,744,860) or -37.16% of total.

The Town increased its total liabilities by $18,447,181 as compared to fiscal 2021, and total net position increased by $7.65 million or 10.98%. Net position of governmental activities increased by $5,877,656, a 10.93% increase from fiscal 2021. Net position of business-type activities increased by $1,775,813 or 11.16% from 2021. There was an increase of $384,433 in net position reported in connection with the water business-type activity, and an increase of $1,391,380 in net position in connection with the golf department business-type activity, respectively.

	Governmental Activities FY 2022	Governmental Activities FY 2021	Increase (Decrease)	Business-type Activities FY 2022	Business-type Activities FY 2021	Increase (Decrease)	Total Primary Government FY 2022	Total Primary Government FY 2021	Increase (Decrease)
Assets:									
Current assets	$ 27,496,276	$ 26,994,288	$ 501,988	$ 6,823,918	$ 5,165,550	$ 1,658,368	$ 34,320,194	$ 32,159,838	$ 2,160,356
Noncurrent assets (excluding capital)	193,943	259,040	(65,097)	299	3,394	(3,095)	194,242	262,434	(68,192)
Capital assets	113,651,912	87,994,147	25,657,765	20,734,281	21,263,921	(529,640)	134,386,193	109,258,068	25,128,125
Total assets	141,342,131	115,247,475	26,094,656	27,558,498	26,432,865	1,125,633	168,900,629	141,680,340	27,220,289
Deferred Outflow of Resources:	3,623,068	3,030,607	592,461	495,934	525,640	(29,706)	4,119,002	3,556,247	562,755
Liabilities:									
Current liabilities (excluding debt)	2,282,992	2,382,036	(99,044)	167,833	263,219	(95,386)	2,450,825	2,645,255	(194,430)
Noncurrent liabilities (excluding debt)	32,199,136	34,703,766	(2,504,630)	4,400,963	5,618,729	(1,217,766)	36,600,099	40,322,495	(3,722,396)
Current debt	5,963,936	2,276,248	3,687,688	1,161,000	405,000	756,000	7,124,936	2,681,248	4,443,688
Noncurrent debt	35,102,127	16,966,808	18,135,319	3,295,000	3,510,000	(215,000)	38,397,127	20,476,808	17,920,319
Total liabilities	75,548,191	56,328,858	19,219,333	9,024,796	9,796,948	(772,152)	84,572,987	66,125,806	18,447,181
Deferred Inflows of Resources:	9,751,691	8,161,563	1,590,128	1,339,012	1,246,746	92,266	11,090,703	9,408,309	1,682,394
Net Position:									
Net investment in capital assets	73,833,698	69,960,078	3,873,620	16,429,605	17,348,921	(919,316)	90,263,303	87,308,999	2,954,304
Restricted	15,837,498	14,820,801	1,016,697	-	-	-	15,837,498	14,820,801	1,016,697
Unrestricted	(30,005,879)	(30,993,218)	987,339	1,261,019	(1,434,110)	2,695,129	(28,744,860)	(32,427,328)	3,682,468
Total net position	$ 59,665,317	$ 53,787,661	$ 5,877,656	$ 17,690,624	$ 15,914,811	$ 1,775,813	$ 77,355,941	$ 69,702,472	$ 7,653,469
Revenues									
Program Revenues:									
Charges for services	$ 3,747,590	$ 3,901,614	$ (154,024)	$ 8,121,356	$ 7,521,954	$ 599,402	$ 11,868,946	$ 11,423,568	$ 445,378
Operating grants and contributions	4,856,929	6,729,568	(1,872,639)	78,577	79,217	(640)	4,935,506	6,808,785	(1,873,279)
Capital grants and contributions	248,574	774,186	(525,612)	-	-	-	248,574	774,186	(525,612)
General Revenues:									
Real Estate and personal property taxes	37,765,003	36,346,103	1,418,900	-	-	-	37,765,003	36,346,103	1,418,900
Tax Liens	35,914	13,146	22,768	-	-	-	35,914	13,146	22,768
Motor vehicle and other excise taxes	1,749,095	1,722,856	26,239	-	-	-	1,749,095	1,722,856	26,239
Hotel/Motel Tax and Meals Tax	3,049,603	2,262,385	787,218	-	-	-	3,049,603	2,262,385	787,218
Penalties and interest on taxes	145,159	110,261	34,898	-	-	-	145,159	110,261	34,898
Payments in Lieu of Taxes	6,859	6,883	(24)	-	-	-	6,859	6,883	(24)
Nonrestricted grants and contributions	2,622,433	2,213,764	408,669	-	-	-	2,622,433	2,213,764	408,669
Unrestricted investment income	21,952	27,416	(5,464)	-	-	-	21,952	27,416	(5,464)
Bond Premium	16,454	-	16,454	-	-	-	16,454	-	16,454
Other revenues	32,106	48,929	(16,823)	-	-	-	32,106	48,929	(16,823)
Total Revenues	54,297,671	54,157,111	140,560	8,199,933	7,601,171	598,762	62,497,604	61,758,282	739,322
Expenses:									
General Government	6,007,213	6,018,917	(11,704)	-	-	-	6,007,213	6,018,917	(11,704)
Public Safety	8,185,123	7,521,175	663,948	-	-	-	8,185,123	7,521,175	663,948
Education	22,456,196	21,384,051	1,072,145	-	-	-	22,456,196	21,384,051	1,072,145
Public Works	2,975,590	2,647,621	327,969	-	-	-	2,975,590	2,647,621	327,969
Human Services	985,042	876,708	108,334	-	-	-	985,042	876,708	108,334
Culture and Recreation	1,292,431	1,330,301	(37,870)	-	-	-	1,292,431	1,330,301	(37,870)
Employee Benefits	5,689,020	7,186,486	(1,497,466)	-	-	-	5,689,020	7,186,486	(1,497,466)
State and County Assessments	643,674	621,789	21,885	-	-	-	643,674	621,789	21,885
Interest	715,052	556,230	158,822	-	-	-	715,052	556,230	158,822
Golf	-	-	-	3,317,875	3,393,440	(75,565)	3,317,875	3,393,440	(75,565)
Water	-	-	-	2,049,929	2,610,413	(560,484)	2,049,929	2,610,413	(560,484)
Total Expenses	48,949,341	48,143,278	806,063	5,367,804	6,003,853	(636,049)	54,317,145	54,147,131	170,014
Increase/(Decrease) in Net Position before contributions to permanent endowments and transfers	5,348,330	6,013,833	(665,503)	2,832,129	1,597,318	1,234,811	8,180,459	7,611,151	569,308
Transfers	529,326	314,993	214,333	(529,326)	(314,993)	(214,333)	-	-	-
Change in Net Position	5,877,656	6,328,826	(451,170)	2,302,803	1,282,325	1,020,478	8,180,459	7,611,151	569,308
Prior Period Adjustment - Enterprise	-	-	-	(526,990)	-	(526,990)	(526,990)	-	(526,990)
Prior Period Adjustment - Agency	-	81,406	(81,406)	-	-	-	-	81,406	(81,406)
Net Position - beginning	53,787,661	47,377,429	6,410,232	15,914,811	14,632,486	1,282,325	69,702,472	62,009,915	7,692,557
Net Position - ending	$ 59,665,317	$ 53,787,661	$ 5,877,656	$ 17,690,624	$ 15,914,811	$ 1,775,813	$ 77,355,941	$ 69,702,472	$ 7,653,469

Financial analysis of the Government's Funds

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of $20,460,299 a -$2,301,892 decrease from the prior year's ending fund balance.

The general fund is the primary operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was $8,607,070, while total fund balance stood at $13,075,157. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.39% of total general fund expenditures, while total fund balance represents 26.43% of that same amount.

The stabilization fund has accumulated a fund balance of $3,000,409 which represents 6.06% of general fund expenditures. The funds can be used for general or capital purposes upon Town Meeting approval.

General Fund Budget Highlights

During the fiscal year the operating budget was amended by $1,471,215 (at Special Town Meeting), primarily for increases to fund general government, public safety, education, public works, human services, and culture & recreation; while decreases were approved for employee benefits. The Town budgeted $44.47 million in revenues and $52.75 million in expenditures, drawing on transfers and prior year's surplus to finance the difference. At year end, actual revenues exceeded estimates by $2,699,077 and $933,069 of unexpended appropriation balances was closed out to unassigned fund balance.

Capital Asset and Debt Administration

Capital Assets - In conjunction with the operating budget, the Town annually prepares capital budgets for the upcoming fiscal year.

The Town's investment in capital assets for governmental and business type activities, as summarized below, as of June 30, 2022, amounts to $134,386,193 net of accumulated depreciation. The investment in capital assets includes land, buildings and improvements, capital improvements (other than buildings), machinery, equipment and vehicles, infrastructure, and construction in progress.

The governmental activities capital assets (net of accumulated depreciation) were increased by $25,657,765 during the current fiscal year while the business-type activities capital assets (net of accumulated depreciation) decreased by -$-409,651. Total depreciation was $3,515,954, resulting in a total government-wide increase to capital assets (net of accumulated depreciation) of $25,248,114.

Capital Assets
(Net of Depreciation)

	Governmental Activities			Business-type Activities			Total Primary Government	
	FY 2022	FY 2021	Increase (Decrease)	FY 2022	FY 2021	Increase (Decrease)	FY 2022	FY 2021
Land	$ 68,562,861	$ 42,192,861	$ 26,370,000	$ 3,559,212	$ 3,559,212	$ -	$ 72,122,073	$ 45,752,073
Construction in Progress	556,137	145,547	410,590	434,726	100,850	333,876	990,863	246,397
	69,118,998	42,338,408	26,780,590	3,993,938	3,660,062	333,876	73,112,936	45,998,470
Buildings and improvements	24,365,000	25,252,798	(887,798)	3,329,066	3,475,962	(146,896)	27,694,066	28,728,760
Improvements (other than buildings)	3,447,464	3,672,386	(224,922)	-	-	-	3,447,464	3,672,386
Machinery, Equipment, and Vehicles	4,266,777	4,378,913	(112,136)	1,611,628	1,712,818	(101,190)	5,878,405	6,091,731
Infrastructure	12,453,673	12,351,642	102,031	11,799,649	12,295,090	(495,441)	24,253,322	24,646,732
	44,532,914	45,655,739	(1,122,825)	16,740,343	17,483,870	(743,527)	61,273,257	63,139,609
Total Capital Assets	$ 113,651,912	$ 87,994,147	$ 25,657,765	$ 20,734,281	$ 21,143,932	$ (409,651)	$ 134,386,193	$ 109,138,079

Long Term Debt - The Town's debt burden is reasonable in relation to other communities its size. Outstanding long-term debt, as of June 30, 2022 totaled $39,425,000. Within this total, business-type activities have debt of $3,510,000 that is fully supported by their respective program revenues, and governmental activities debt is $35,915,000. Total debt consists of the following:

Outstanding Debt at Year End

Governmental Activities	**Outstanding June 30, 2022**	**Outstanding June 30, 2021**
Road Betterments - Prell Circle	$ 10,000	$ 15,000
Road Betterments - Allen Drive	10,000	15,000
Ebeneezer Lane Road Bett	40,000	50,000
S. Pond DR/Captain Fitz Rd	60,000	70,000
School Renovations	2,030,000	2,175,000
Road Repairs	1,190,000	1,325,000
MWPAT Title V	20,000	30,000
Punkhorn Land Acquisition - 6/30/11	290,000	325,000
Land Purchase	535,000	660,000
Fire Station - 5/3/17	4,875,000	5,200,000
Road Repairs - 5/3/17	1,450,000	1,610,000
Library Parking Lot - 5/3/17	180,000	200,000
Tower Hill Circle - RD Bett - 5/3/17	135,000	150,000
Moss/Commons - RD Bett - 5/3/17	45,000	50,000
Public Way - 3/15/18	65,000	75,000
Fire Building - 3/15/18	4,800,000	5,100,000
TriTown Septage - 3/15/18	370,000	435,000
Land Purchase	19,810,000	-
Total Governmental Activities	$ 35,915,000	$ 17,485,000

Business-type Activities	**Outstanding June 30, 2022**	**Outstanding June 30, 2021**
Land Purchase - Copelas	$ 380,000	$ 415,000
Well Access Road	100,000	125,000
Water	570,000	615,000
WELL #6 & WATER MAIN -	1,595,000	1,730,000
Water offices/garage	725,000	850,000
Slough Road	140,000	175,000
Water Betterments - Fiddler's Lane	-	5,000
Total Business-type Activities	$ 3,510,000	$ 3,915,000
Grand Total - All long-term debt	$ 39,425,000	$ 21,400,000

Please refer to **Notes 5 and 10** for further discussion of the major capital asset and debt activity.

Economic Factors and Next Year's Budgets & Tax Rate

The Town's leadership (elected and appointed officials) considered many factors when setting the fiscal 2023 budget and tax rates including the following:

- The Fiscal 2023 tax rate was set at $6.99, a $.86 cent decrease over Fiscal 2022. The excess levy capacity was $344,571.
- The Select Board voted during their classification hearing to maintain the same tax rate for all classes of property.
- Fiscal 2023 budgetary issues were Health Care (for active and retired employees), Pension Obligations, and State Aid for both the Town and Nauset Regional School District.
- OPEB Liability Funding: Brewster Invested $1,123,000 with the HSCB in FY 2014 and is committed to an annual contribution. The Fiscal 2016 contribution was $50,000, $75,000 in Fiscal 2017, $55,000 in Fiscal 2018, $100,000 in Fiscal 2019, $200,000 in Fiscal 2020, $250,000 in Fiscal 2021, and $300,000 in Fiscal 2022. The June 30, 2022 balance in this fund is $3,294,393.
- The June 30, 2022 balance in the Stabilization Fund is $3,000,409. In addition, the Town has a balance of $727,471 in the Capital Stabilization Fund.

Request for Information

This financial report is designed to provide a general overview of the Town of Brewster's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Director, 2198 Main Street, Brewster, MA 02631.

TOWN OF BREWSTER, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2022

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT:			
CASH AND SHORT-TERM INVESTMENTS	$ 26,198,491	$ 5,666,395	$ 31,864,886
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES	348,710	-	348,710
TAX LIENS	455,277	-	455,277
MOTOR VEHICLE EXCISE TAXES	135,468	-	135,468
USER FEES	-	1,155,624	1,155,624
DEPARTMENTAL AND OTHER	254,660	-	254,660
INTERGOVERNMENTAL	36,931	-	36,931
SPECIAL ASSESSMENTS	66,739	1,899	68,638
NONCURRENT:			
RECEIVABLES:			
SPECIAL ASSESSMENTS	193,943	299	194,242
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	113,651,912	20,734,281	134,386,193
TOTAL ASSETS	141,342,131	27,558,498	168,900,629
DEFERRED OUTFLOWS OF RESOURCES			
RELATED TO PENSIONS	2,989,619	407,675	3,397,294
RELATED TO POST EMPLOYMENT BENEFITS	633,449	88,259	721,708
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,623,068	495,934	4,119,002
LIABILITIES			
CURRENT:			
ACCOUNTS PAYABLE	1,903,724	154,355	2,058,079
OTHER LIABILITIES	10,471	-	10,471
ACCRUED INTEREST	340,063	13,478	353,541
LANDFILL POSTCLOSURE CARE COSTS	28,734	-	28,734
LEASES	114,431	111,000	225,431
BONDS AND NOTES PAYABLE	5,849,505	1,050,000	6,899,505
NONCURRENT:			
LANDFILL POSTCLOSURE CARE COSTS	224,166	-	224,166
POSTEMPLOYMENT BENEFITS	13,731,615	1,913,233	15,644,848
NET PENSION LIABILITY	18,243,355	2,487,730	20,731,085
LEASES	319,856	185,000	504,856
BONDS AND NOTES PAYABLE	34,782,271	3,110,000	37,892,271
TOTAL LIABILITIES	75,548,191	9,024,796	84,572,987
DEFERRED INFLOWS OF RESOURCES			
RELATED TO PENSIONS	6,638,557	905,258	7,543,815
RELATED TO POST EMPLOYMENT BENEFITS	3,113,134	433,754	3,546,888
TOTAL DEFERRED INFLOWS OF RESOURCES	9,751,691	1,339,012	11,090,703
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	73,833,698	16,429,605	90,263,303
RESTRICTED FOR:			
PERMANENT FUNDS:			
EXPENDABLE	151,802	-	151,802
NONEXPENDABLE	150,388	-	150,388
OTHER PURPOSES	15,535,308	-	15,535,308
UNRESTRICTED	(30,005,879)	1,261,019	(28,744,860)
TOTAL NET POSITION	$ 59,665,317	$ 17,690,624	$ 77,355,941

See accompanying notes to the basic financial statements

TOWN OF BREWSTER, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2022

		PROGRAM REVENUES			
FUNCTIONS/PROGRAMS	**EXPENSES**	**CHARGES FOR SERVICES**	**OPERATING GRANTS AND CONTRIBUTIONS**	**CAPITAL GRANTS AND CONTRIBUTIONS**	**NET (EXPENSE) REVENUE**
PRIMARY GOVERNMENT:					
GOVERNMENTAL ACTIVITIES:					
GENERAL GOVERNMENT	$ 6,007,213	$ 627,363	$ 1,214,006	$ 192,400	$ (3,973,444)
PUBLIC SAFETY	8,185,123	1,961,166	301,036	30,161	(5,892,760)
EDUCATION	22,456,196	46,085	1,681,982	-	(20,728,129)
PUBLIC WORKS	2,975,590	599,581	305,263	26,013	(2,044,733)
HUMAN SERVICES	985,042	62,318	129,081	-	(793,643)
CULTURE & RECREATION	1,292,431	451,077	230,607	-	(610,747)
EMPLOYEE BENEFITS	5,689,020	-	994,954	-	(4,694,066)
STATE & COUNTY ASSESSMENTS	643,674	-	-	-	(643,674)
INTEREST	715,052	-	-	-	(715,052)
TOTAL GOVERNMENTAL ACTIVITIES	48,949,341	3,747,590	4,856,929	248,574	(40,096,248)
BUSINESS-TYPE ACTIVITIES:					
GOLF	3,317,875	4,857,079	-	-	1,539,204
WATER	2,049,929	3,264,277	78,577	-	1,292,925
TOTAL BUSINESS-TYPE ACTIVITIES	5,367,804	8,121,356	78,577	-	2,832,129
TOTAL PRIMARY GOVERNMENT	$ 54,317,145	$ 11,868,946	$ 4,935,506	$ 248,574	$ (37,264,119)

See accompanying notes to the basic financial statements

(continued)

TOWN OF BREWSTER, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2022

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
CHANGES IN NET POSITION:			
NET (EXPENSE) REVENUE FROM PREVIOUS PAGE	$ (40,096,248)	$ 2,832,129	$ (37,264,119)
GENERAL REVENUES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS PAYABLE	37,765,003	-	37,765,003
TAX LIENS	35,914	-	35,914
MOTOR VEHICLE AND OTHER EXCISE TAXES	1,749,095	-	1,749,095
HOTEL/MOTEL & MEALS TAX	3,049,603	-	3,049,603
PENALTIES AND INTEREST ON TAXES	145,159	-	145,159
PAYMENTS IN LIEU OF TAXES	6,859	-	6,859
GRANTS AND CONTRIBUTIONS NOT RESTRICTED TO SPECIFIC PROGRAMS	2,622,433	-	2,622,433
BOND PREMIUM	16,454	-	16,454
UNRESTRICTED INVESTMENT INCOME	21,952	-	21,952
MISCELLANEOUS	32,106	-	32,106
TRANSFERS, NET	529,326	(529,326)	-
TOTAL GENERAL REVENUES AND TRANSFERS	45,973,904	(529,326)	45,444,578
CHANGE IN NET POSITION	5,877,656	2,302,803	8,180,459
NET POSITION:			
BEGINNING OF YEAR	53,787,661	15,387,821	69,175,482
END OF YEAR	$ 59,665,317	$ 17,690,624	$ 77,355,941

See accompanying notes to the basic financial statements

(concluded)

TOWN OF BREWSTER, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022

ASSETS	**GENERAL**	**COMMUNITY PRESERVATION**	**LAND ACQUISITION**	**NONMAJOR GOVERNMENTAL FUNDS**	**TOTAL GOVERNMENTAL FUNDS**
CASH AND SHORT-TERM INVESTMENTS	$ 14,646,639	$ 4,268,666	$ -	$ 7,283,186	$ 26,198,491
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:					
REAL ESTATE AND PERSONAL PROPERTY TAXES	348,710	-	-	-	348,710
TAX LIENS	455,277	-	-	-	455,277
MOTOR VEHICLE EXCISE TAXES	135,468	-	-	-	135,468
DEPARTMENTAL AND OTHER	-	20,177	-	234,483	254,660
INTERGOVERNMENTAL	-	-	-	36,931	36,931
SPECIAL ASSESSMENTS	-	-	-	260,682	260,682
TOTAL ASSETS	$ 15,586,094	$ 4,288,843	$ -	$ 7,815,282	$ 27,690,219
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE	$ 1,700,398	$ 2,375	$ -	$ 200,951	$ 1,903,724
OTHER LIABILITIES	156	-	-	10,315	10,471
NOTES PAYABLE	-	-	3,990,000	-	3,990,000
TOTAL LIABILITIES	1,700,554	2,375	3,990,000	211,266	5,904,195
DEFFERRED INFLOWS OF RESOURCES:					
UNAVAILABLE REVENUE	810,383	20,177	-	495,165	1,325,725
FUND BALANCES:					
NONSPENDABLE	-	-	-	150,388	150,388
RESTRICTED	146,759	4,266,291	-	7,298,344	11,711,394
COMMITTED	3,411,595	-	-	-	3,411,595
ASSIGNED	909,733	-	-	-	909,733
UNASSIGNED	8,607,070	-	(3,990,000)	(339,881)	4,277,189
TOTAL FUND BALANCES	13,075,157	4,266,291	(3,990,000)	7,108,851	20,460,299
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	$ 15,586,094	$ 4,288,843	$ -	$ 7,815,282	$ 27,690,219

See accompanying notes to the basic financial statements

TOWN OF BREWSTER, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2022

	GENERAL	COMMUNITY PRESERVATION	LAND ACQUISITION	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
REAL ESTATE AND PERSONAL PROPERTY TAXES,					
NET OF TAX REFUNDS	$ 37,947,931	$ -	$ -	$ -	$ 37,947,931
MOTOR VEHICLE AND OTHER EXCISE TAXES	1,732,823	-	-	-	1,732,823
INTERGOVERNMENTAL	3,006,093	771,193	-	1,508,764	5,286,050
PAYMENTS IN LIEU OF TAXES	6,859	-	-	-	6,859
PENALTIES & INTEREST ON TAXES	145,159	-	-	-	145,159
FINES & FORFEITS	45,491	-	-	-	45,491
CHARGES FOR SERVICES	594,156	-	-	1,884,598	2,478,754
HOTEL/MOTEL & MEALS TAX	1,820,349	-	-	-	1,820,349
INVESTMENT INCOME	21,224	3,891	-	1,656	26,771
CONTRIBUTIONS AND DONATIONS	-	-	-	109,318	109,318
DEPARTMENTAL AND OTHER	2,857,193	1,118,135	-	1,009,840	4,985,168
TOTAL REVENUES	48,177,278	1,893,219	-	4,514,176	54,584,673
EXPENDITURES:					
CURRENT:					
GENERAL GOVERNMENT	6,517,900	951,151	24,000,000	931,502	32,400,553
PUBLIC SAFETY	7,214,317	-	-	553,317	7,767,634
EDUCATION	21,543,495	-	-	431,674	21,975,169
PUBLIC WORKS	2,874,340	-	-	248,825	3,123,165
HUMAN SERVICES	872,754	161	-	97,223	970,138
CULTURE & RECREATION	911,541	208,886	-	406,215	1,526,642
EMPLOYEE BENEFITS	7,149,507	-	-	29,086	7,178,593
STATE & COUNTY ASSESSMENTS	643,674	-	-	-	643,674
DEBT SERVICE					
PRINCIPAL	1,220,000	160,000	-	-	1,380,000
INTEREST	532,351	43,682	-	-	576,033
TOTAL EXPENDITURES	49,479,879	1,363,880	24,000,000	2,697,842	77,541,601
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,302,601)	529,339	(24,000,000)	1,816,334	(22,956,928)
OTHER FINANCING SOURCES (USES)					
PROCEEDS FROM BONDS AND NOTES	-	-	19,810,000	-	19,810,000
PROCEEDS FROM BONDS PREMIUM	-	-	200,000	115,710	315,710
OPERATING TRANSFERS IN	1,941,261	-	-	650,000	2,591,261
OPERATING TRANSFERS OUT	(650,000)	-	-	(1,411,935)	(2,061,935)
TOTAL OTHER FINANCING SOURCES (USES)	1,291,261	-	20,010,000	(646,225)	20,655,036
NET CHANGE IN FUND BALANCES	(11,340)	529,339	(3,990,000)	1,170,109	(2,301,892)
FUND BALANCES AT BEGINNING OF YEAR	13,086,497	3,736,952	-	5,938,742	22,762,191
FUND BALANCES AT END OF YEAR	$ 13,075,157	$ 4,266,291	$ (3,990,000)	$ 7,108,851	$ 20,460,299

See accompanying notes to the basic financial statements

TOWN OF BREWSTER, MASSACHUSETTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

TOTAL GOVERNMENTAL FUND BALANCES		$ 20,460,299
CAPITAL ASSETS (NET) USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS		113,651,912
ACCOUNTS RECEIVABLE ARE NOT AVAILABLE TO PAY FOR CURRENT-PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS		1,325,725
IN THE STATEMENT OF ACTIVITIES, INTEREST IS ACCRUED ON OUTSTANDING LONG-TERM DEBT, WHEREAS IN GOVERNMENTAL FUNDS INTEREST IS NOT REPORTED UNTIL DUE		(340,063)
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE GOVERNMENTAL FUNDS		
BONDS AND NOTES PAYABLE	(35,915,000)	
LEASES	(434,287)	
NET PENSION LIABILITY	(18,243,355)	
DEFERRED OUTFLOWS OF RESOURCES - RELATED TO PENSION	2,989,619	
DEFERRED INFLOWS OF RESOURCES - RELATED TO PENSION	(6,638,557)	
POSTEMPLOYMENT BENEFITS	(13,731,615)	
DEFERRED OUTFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	633,449	
DEFERRED INFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	(3,113,134)	
UNAMORTIZED BOND PREMIUM	(726,776)	
LANDFILL POSTCLOSURE CARE COSTS	(252,900)	
NET EFFECT OF REPORTING LONG-TERM LIABILITIES		(75,432,556)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 59,665,317

See accompanying notes to the basic financial statements

TOWN OF BREWSTER, MASSACHUSETTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (2,301,892)
GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER, IN THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR ESTIMATED USEFUL LIVES AND REPORTED AS DEPRECIATION EXPENSE.		
CAPITAL OUTLAY	28,096,388	
DEPRECIATION EXPENSE	(2,438,623)	
NET EFFECT OF REPORTING CAPITAL ASSETS		25,657,765
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. REAL ESTATE AND PERSONAL PROPERTY, MOTOR VEHICLE EXCISE, ETC.) DIFFER BETWEEN THE TWO STATEMENTS. THIS AMOUNT REPRESENTS THE NET CHANGE IN DEFERRED REVENUE		(303,456)
THE ISSUANCE OF LONG-TERM DEBT (E.G., BONDS) 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 ASSETS. ALSO, GOVERNMENTAL FUNDS REPORT THE EFFECT OF ISSUANCE COSTS, PREMIUMS, DISCOUNTS, AND SIMILAR ITEMS WHEN DEBT IS FIRST ISSUED, WHEREAS THESE AMOUNTS ARE DEFERRED AND AMORTIZED IN THE STATEMENT OF ACTIVITIES.		
PROCEEDS FROM BONDS AND NOTES	(19,810,000)	
DEBT SERVICE PRINCIPAL PAYMENTS	1,380,000	
CAPITAL LEASE - PRINCIPAL PAYMENTS	176,041	
NET EFFECT OF REPORTING LONG-TEM DEBT		(18,253,959)
SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES DO NOT REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS.		
NET CHANGE IN POSTEMPLOYMENT BENEFITS	(1,269,671)	
NET CHANGE IN DEFERRED OUTFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	386,459	
NET CHANGE IN DEFERRED INFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	2,097,670	
NET CHANGE IN LANDFILL POSTCLOSURE CARE ACCRUAL	27,900	
NET CHANGE IN NET PENSION LIABILITY	3,756,911	
NET CHANGE IN DEFERRED OUTFLOWS OF RESOURCES - RELATED TO PENSIONS	206,002	
NET CHANGE IN DEFERRED INFLOWS OF RESOURCES - RELATED TO PENSIONS	(3,687,798)	
NET CHANGE IN UNAMORTIZED BOND PREMIUM	(229,048)	
NET CHANGE IN ACCRUED INTEREST ON LONG-TERM DEBT	(209,227)	
NET EFFECT OF RECORDING LONG-TERM LIABILITIES		1,079,198
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 5,877,656

See accompanying notes to the basic financial statements

TOWN OF BREWSTER, MASSACHUSETTS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2022

	BUDGETED AMOUNTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL BUDGETARY AMOUNTS	VARIANCE OVER(UNDER)
REVENUES:				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	$ 37,606,987	$ 37,606,987	$ 37,947,931	$ 340,944
MOTOR VEHICLE AND OTHER EXCISE TAXES	1,441,320	1,441,320	1,732,823	291,503
INTERGOVERNMENTAL	1,924,927	1,924,927	2,014,686	89,759
PAYMENTS IN LIEU OF TAXES	5,507	5,507	6,859	1,352
PENALTIES & INTEREST ON TAXES	115,731	115,731	145,159	29,428
FINES & FORFEITS	33,088	33,088	45,491	12,403
HOTEL/MOTEL & MEALS TAX	1,809,908	1,809,908	1,820,349	10,441
INVESTMENT INCOME	16,668	16,668	9,323	(7,345)
DEPARTMENTAL AND OTHER	1,520,757	1,520,757	3,451,349	1,930,592
TOTAL REVENUES	44,474,893	44,474,893	47,173,970	2,699,077
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	7,664,833	7,915,801	7,554,370	361,431
PUBLIC SAFETY	7,529,865	8,302,453	8,130,056	172,397
EDUCATION	22,048,879	22,073,879	22,055,117	18,762
PUBLIC WORKS	3,051,625	3,730,533	3,662,277	68,256
HUMAN SERVICES	935,183	959,088	873,711	85,377
CULTURE & RECREATION	958,195	1,015,107	983,293	31,814
EMPLOYEE BENEFITS	6,708,333	6,369,153	6,164,852	204,301
STATE & COUNTY ASSESSMENTS	626,094	628,208	643,674	(15,466)
DEBT SERVICE				
PRINCIPAL	1,220,000	1,220,000	1,220,000	-
INTEREST	537,298	537,298	531,101	6,197
TOTAL EXPENDITURES	51,280,305	52,751,520	51,818,451	933,069
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,805,412)	(8,276,627)	(4,644,481)	3,632,146
OTHER FINANCING SOURCES (USES):				
OPERATING TRANSFERS IN	1,746,261	1,941,261	1,941,261	-
OPERATING TRANSFERS OUT	(250,000)	(650,000)	(650,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,496,261	1,291,261	1,291,261	-
NET CHANGE IN FUND BALANCE	(5,309,151)	(6,985,366)	(3,353,220)	3,632,146
BUDGETARY FUND BALANCE, BEGINNING OF YEAR	9,132,596	9,132,596	9,132,596	-
BUDGETARY FUND BALANCE, END OF YEAR	$ 3,823,445	$ 2,147,230	$ 5,779,376	$ 3,632,146

See accompanying notes to the basic financial statements

TOWN OF BREWSTER, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
ASSETS	**GOLF**	**WATER**	**TOTAL**
CURRENT:			
CASH AND SHORT-TERM INVESTMENTS	$ 2,913,412	$ 2,752,983	$ 5,666,395
USER FEES	-	1,155,624	1,155,624
SPECIAL ASSESSMENTS	-	1,899	1,899
TOTAL CURRENT ASSETS	2,913,412	3,910,506	6,823,918
NONCURRENT:			
SPECIAL ASSESSMENTS	-	299	299
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	7,257,777	13,476,504	20,734,281
TOTAL NONCURRENT ASSETS	7,257,777	13,476,803	20,734,580
TOTAL ASSETS	10,171,189	17,387,309	27,558,498
DEFERRED OUTFLOWS OF RESOURCES			
RELATED TO PENSIONS	237,810	169,865	407,675
RELATED TO POST EMPLOYMENT BENEFITS	53,633	34,626	88,259
TOTAL DEFERRED OUTFLOWS OF RESOURCES	291,443	204,491	495,934
LIABILITIES			
CURRENT:			
ACCOUNTS PAYABLE	62,250	92,105	154,355
ACCRUED INTEREST	-	13,478	13,478
CAPITAL LEASE PAYABLE	111,000	-	111,000
BONDS AND NOTES PAYABLE	-	1,050,000	1,050,000
TOTAL CURRENT LIABILITIES	173,250	1,155,583	1,328,833
NONCURRENT:			
POSTEMPLOYMENT BENEFITS	1,162,635	750,598	1,913,233
NET PENSION LIABILITY	1,451,176	1,036,554	2,487,730
CAPITAL LEASE PAYABLE	185,000	-	185,000
BONDS AND NOTES PAYABLE	-	3,110,000	3,110,000
TOTAL NONCURRENT LIABILITIES	2,798,811	4,897,152	7,695,963
TOTAL LIABILITIES	2,972,061	6,052,735	9,024,796
DEFERRED INFLOWS OF RESOURCES			
RELATED TO PENSIONS	528,067	377,191	905,258
RELATED TO POST EMPLOYMENT BENEFITS	263,584	170,170	433,754
TOTAL DEFERRED INFLOWS OF RESOURCES	791,651	547,361	1,339,012
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	6,961,777	9,467,828	16,429,605
UNRESTRICTED	(262,857)	1,523,876	1,261,019
TOTAL NET POSITION	$ 6,698,920	$ 10,991,704	$ 17,690,624

See accompanying notes to the basic financial statements

TOWN OF BREWSTER, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FISCAL YEAR ENDED JUNE 30, 2022

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	GOLF	WATER	TOTAL
OPERATING REVENUES:			
CHARGES FOR SERVICES	$ 4,857,079	$ 3,264,277	$ 8,121,356
DEPARTMENTAL AND OTHER	-	76,338	76,338
TOTAL OPERATING REVENUES	4,857,079	3,340,615	8,197,694
OPERATING EXPENSES:			
GENERAL SERVICES	2,784,183	1,376,669	4,160,852
DEPRECIATION	533,692	543,639	1,077,331
TOTAL OPERATING EXPENSES	3,317,875	1,920,308	5,238,183
OPERATING INCOME (LOSS)	1,539,204	1,420,307	2,959,511
NON-OPERATING REVENUES (EXPENSES):			
INTEREST INCOME	-	2,239	2,239
INTEREST EXPENSE	-	(129,621)	(129,621)
TOTAL NON-OPERATING REVENUES (EXPENSES), NET	-	(127,382)	(127,382)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	1,539,204	1,292,925	2,832,129
OPERATING TRANSFERS:			
OPERATING TRANSFERS OUT	(129,324)	(400,002)	(529,326)
CHANGE IN NET POSITION	1,409,880	892,923	2,302,803
NET POSITION AT BEGINNING OF YEAR	5,289,040	10,098,781	15,387,821
NET POSITION AT END OF YEAR	$ 6,698,920	$ 10,991,704	$ 17,690,624

See accompanying notes to the basic financial statements

TOWN OF BREWSTER, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 2022

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	GOLF	WATER	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
RECEIPTS FROM CUSTOMERS AND USERS	$ 4,857,079	$ 2,985,393	$ 7,842,472
PAYMENTS TO SUPPLIERS	(1,845,263)	(1,115,143)	(2,960,406)
PAYMENTS TO EMPLOYEES	(1,475,959)	(915,407)	(2,391,366)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,535,857	954,843	2,490,700
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
OPERATING TRANSFERS OUT	(129,324)	(400,002)	(529,326)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
NET PROCEEDS FROM THE ISSUANCE/RETIREMENT OF BONDS AND NOTES	-	650,000	650,000
PRINCIPAL PAYMENTS ON BONDS AND NOTES	-	(405,000)	(405,000)
PRINCIPAL PAYMENTS ON LEASES	(111,000)	-	(111,000)
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	-	(667,681)	(667,681)
INTEREST EXPENSE	-	(129,880)	(129,880)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(111,000)	(552,561)	(663,561)
CASH FLOWS FROM INVESTING ACTIVITIES:			
INTEREST RECEIVED	-	2,239	2,239
NET INCREASE (DECREASE) IN CASH AND SHORT TERM INVESTMENTS	1,295,533	4,519	1,300,052
CASH AND SHORT TERM INVESTMENTS - BEGINNING OF YEAR	1,617,879	2,748,464	4,366,343
CASH AND SHORT TERM INVESTMENTS- END OF YEAR	$ 2,913,412	$ 2,752,983	$ 5,666,395
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	$ 1,539,204	$ 1,420,307	$ 2,959,511
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
DEPRECIATION	533,692	543,639	1,077,331
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	-	(355,221)	(355,221)
(INCREASE) DECREASE IN DEFERRED OUTFLOWS OF RESOURCES	(8,543)	38,249	29,706
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(89,302)	(5,825)	(95,127)
INCREASE (DECREASE) IN DEFERRED INFLOWS OF RESOURCES	72,742	19,524	92,266
INCREASE (DECREASE) IN NET PENSION LIABILITY	(619,437)	(775,233)	(1,394,670)
INCREASE (DECREASE) IN POSTEMPLOYMENT BENEFITS	107,501	69,403	176,904
TOTAL ADJUSTMENTS	(3,347)	(465,464)	(468,811)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 1,535,857	$ 954,843	$ 2,490,700

See accompanying notes to the basic financial statements

TOWN OF BREWSTER, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	POSTEMPLOYMENT BENEFITS TRUST	PRIVATE PURPOSE TRUST FUNDS
ASSETS		
CASH AND SHORT-TERM INVESTMENTS	$ -	$ 91,035
INVESTMENTS	3,294,393	-
TOTAL ASSETS	3,294,393	91,035
LIABILITIES	-	-
NET POSITION		
RESTRICTED FOR:		
POSTEMPLOYMENT BENEFITS	3,294,393	-
INDIVIDUALS AND OTHER ORGAIZATIONS	-	91,035
TOTAL NET POSITION	$ 3,294,393	$ 91,035

See accompanying notes to the basic financial statements

TOWN OF BREWSTER, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FISCAL YEAR ENDED JUNE 30, 2022

	POSTEMPLOYMENT BENEFITS TRUST	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS:		
CONTRIBUTIONS:		
CONTRIBUTIONS	$ -	$ 13,500
EMPLOYER CONTRIBUTIONS	300,000	-
EMPLOYER CONTRIBUTIONS TO PAY FOR OPEB BENEFITS	815,440	-
NET INVESTMENT INCOME (LOSS):		
INVESTMENT INCOME	(142,227)	176
TOTAL ADDITIONS	973,213	13,676
DEDUCTIONS:		
BENEFIT PAYMENTS	815,440	-
FUNDS DISTRIBUTED ON BEHALF OF OTHERS	-	9,491
TOTAL DEDUCTIONS	815,440	9,491
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	157,773	4,185
NET POSITION AT BEGINNING	3,136,620	86,850
NET POSITION AT END	$ 3,294,393	$ 91,035

See accompanying notes to the basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Primary Government

The Town is a municipal corporation that is governed by an elected five member Select Board (the Board). The Board is responsible for appointing a Town Administrator whose responsibility is to manage the day to day operations. For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units, blended or discretely presented, for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations and discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. It has been determined that there are no component units (blended or discretely presented) for inclusion in the primary government's financial reporting entity.

Joint Ventures

Municipal joint ventures pool resources to share the costs, risks and rewards of providing services to their participants, the general public or others. The Town is a participant in the following joint ventures:

Name	Purpose	Address	Annual Assessment
Nauset Regional School District	To provide education services	78 Eldredge Parkway Orleans, MA 02653	$ 11,919,499
Cape Cod Regional Technical High School	To provide vocational education	351 Pleasant Lake Ave Harwich, MA 02645	$ 1,214,343

The Nauset Regional School District (the District) is governed by a ten (10) member school committee consisting of five (5) elected representatives from the Town of Brewster. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has an equity interest of approximately 48.17% in the joint venture.

The Cape Cod Regional Technical High School is governed by a twenty-three (23) member school committee consisting of two (2) elected representatives from the Town of Brewster. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has an equity interest of approximately 9.00% in the joint venture.

Pursuant to an inter-municipal agreement authorized by state statutes, the Town joined the Town of Orleans, and the Town of Eastham to provide for sharing of the capital, operating and maintenance and other costs of a Septic Treatment Facility (Tri-Town Septage Facility). The Tri-Town Septage Facility, has been decommissioned and the facility demolished. The three towns now share the cost of the health insurance and the annual pension assessment for the retirees of the facility.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

Major Fund Criteria

A fund is considered major if it is the primary operating fund of the Town or it meets the following criteria:

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

b. If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

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

Government-Wide Financial Statements

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

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

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

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

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

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions are charges between the general fund and the various enterprise funds. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred, except for interest on general long-term debt which is recognized when due, and the noncurrent portion of landfill postclosure care costs, leases, net pension liability, and other postemployment benefits (OPEB) which are recognized when the obligations are expected to be liquidated with current expendable available resources.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Town considers property taxes as available if they are due and collected within 60 days after fiscal year-end. Licenses and permits, user charges, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received. Investment earnings are recorded as earned.

The Town reports the following major governmental funds:

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

- The *Community Preservation fund* is a special revenue fund used to account for the accumulation of resources to purchase open space, assist in development of affordable housing, or preservation of historic property under the guidelines of the Community Preservation Act of the Massachusetts general laws.

- The *Land Acquisition* fund is a capital project fund used to account for the acquisition of Besse Cartway and 3057 Main Street properties.

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

    - The S*pecial Revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent funds or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

    - The *Capital Projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise and trust funds).

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

Proprietary Fund Financial Statements

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

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

The following major proprietary funds are reported:

- The *Water Enterprise fund* is used to account for water activities.

- The *Golf Enterprise fund* is used to account for golf activities.

Fiduciary Fund Financial Statements

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

The following fiduciary fund types are reported:

- The *Private-Purpose Trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund (nonmajor governmental funds), under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

- The *Postemployment Benefit Trust fund* is used to account for the assets held that will fund the long term liability associated with the Towns retiree's health benefits.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

E. Fair Value Measurements

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

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

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

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 3 – Fair Value Measurements.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent November 1 and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges. By law, all taxable property in the Commonwealth must be assessed at 100% of fair market value. Once levied, which is required to be at least 30 days prior to the due date, these taxes are recorded as receivables in the fiscal year of levy. Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation statute known as "Proposition 2 ½" limits the amount of increase in property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½ % of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 ½ % of the prior year's levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2 ½ can be overridden by a Town-wide referendum.

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

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

Motor Vehicle Excise

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

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

Water

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

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

Special Assessments

Governmental activities special assessments consist primarily of Road Betterments, and Title V receivables which are recorded as receivables in the fiscal year accrued. Since the receivables are secured via the lien process, these assets are considered 100% collectable and therefore do not report an allowance for uncollectibles.

Departmental and Other

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

Intergovernmental

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

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

G. Inventories

Government-Wide and Fund Financial Statements

Inventories of the governmental funds and the water and golf enterprise funds are recorded as expenditures at the time of purchase. Such inventories are not material in total to the basic financial statements, and therefore are not reported.

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, vehicles, buildings and improvements, capital improvements, machinery and equipment, infrastructure (e.g., water mains, roadways, and similar items) and construction in progress, are reported in the applicable governmental or business-type activities column of the government-wide financial statements, and the proprietary funds financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets if material.

All purchases and construction costs in excess of $15,000, and all land costs, are capitalized at the date of acquisition or construction, respectively, with expected useful lives of five years or greater.

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

Asset Class	Estimated Useful Life (in years)
Buildings and Improvements	20-40
Capital Improvements (other than buildings)	20
Machinery, Equipment and Vehicles	5-15
Infrastructure	40

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

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the fiscal year of purchase for the various funds.

I. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

J. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Governmental Fund Financial Statements

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

L. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position are classified into three components:

a. *Net investment in capital assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. *Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

   Net position have been "restricted" for the following:

   - *Permanent funds -expendable* represents amounts held in trust for which the expenditures are restricted by various trust agreements.

   - *Permanent funds -nonexpendable* represents amounts held in trust for which only investment earnings may be expended.

   - *Other specific purpose* represents restrictions placed on assets from outside parties.

c. *Unrestricted net position* – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements (Fund Balances)

The Town uses the following criteria for fund balance classification:

- For *nonspendable* fund balance: includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

- For *restricted* fund balance: when constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law trough constitutional provisions or enabling legislation.

- For *committed* fund balance: (1) the government's highest level of decision-making authority and (2) the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment.

- For *assigned* fund balance: (1) the body or official authorized to assign amounts to a specific purpose and (2) the policy established by the governing body pursuant to which the authorization is given.

- For *unassigned* fund balance: is the residual classification for the general fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Town uses the following criteria for fund balance policies and procedures:

- When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the unrestricted amount will be considered to have been spent.

- When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, and the least restricted amount will be considered to have been spent.

M. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

N. Investment Income

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

O. Compensated Absences

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay. The total amount of sick and vacation costs to be paid in future years is not material to the basic financial statements and has not been recorded on the basic financial statements.

P. Pensions

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

Q. Post Retirement Benefits

Government-Wide and Fund Financial Statements

In addition to providing pension benefits, health and life insurance coverage is provided for retired employees and their survivors in accordance with MGL Chapter 32B, of Massachusetts General Laws, under various contributory plans. The cost of providing health and life insurance is recognized by recording the employer's 50% share of insurance premiums in the general fund in the fiscal year paid. All benefits are provided through third-party insurance carriers and health maintenance organizations that administer, assume, and pay all claims.

R. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could vary from estimates that were used.

S. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Basis of Accounting

Pursuant to Chapter 44, Section 32 of the Massachusetts General Laws, the Town adopts an annual budget for the general fund as well as for those special revenue funds for which the provisions of Chapter 44,Section 53f11/2 have been adopted. The budgets for all departments and operations of the Town, except that of the public schools, are prepared under the direction of the Town Administrator. The School Department budget is prepared under the direction of the School Committee. The level of expenditures may not legally exceed appropriations for each department or undertaking in the following categories: (1) salaries and wages; (2) ordinary maintenance; and (3) capital outlays.

The majority of appropriations are non-continuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year. Carryover articles, not encumbrances, are included as part of the subsequent fiscal year's original budget.

Original and supplemental appropriations are enacted upon by a Town Meeting vote. Management may not amend the budget without seeking the approval of the governing body. The Town's Finance Committee can legally transfer funds from its reserve fund to other appropriations within the budget without seeking Town Meeting approvals. The original fiscal year 2022 approved budget authorized $49,238,303 in current year appropriations and other amounts to be raised and $2,042,002 in carryover articles carried over from previous fiscal years. Supplemental appropriations of $1,471,215 were approved at three Town Meetings for fiscal year 2022.

The Finance Director has the responsibility to ensure that budgetary controls are maintained and monitored through the accounting system.

B. Budgetary – GAAP Reconciliation

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

Net change in fund balance - budgetary basis	$ (3,353,220)
Basis of accounting differences:	
Increase in revenue for on-behalf payments - MTRS	990,157
Increase in expenditures for on-behalf payments - MTRS	(990,157)
Increase in revenue for the MWPAT subsidy	1,250
Increase in expenditures for the MWPAT subsidy	(1,250)
Net Stabilization fund activity	11,901
Adjustment for current year articles	3,414,545
Adjustment for current year encumbrances	182,261
Adjustment for expenditures from prior year encumbrances	(266,827)
Net change in fund balance - GAAP basis	$ (11,340)

C. Deficit Fund Balances

Several individual fund deficits exist within the special revenue funds and one deficit exits in the governmental capital projects funds. These individual deficits will be eliminated through subsequent fiscal year budget transfers, grants, and/or proceeds from long-term debt during fiscal year 2023.

NOTE 3 – DEPOSITS AND INVESTMENTS

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels unless collateralized by the financial institutions involved.

Deposits

- *Custodial Credit Risk - Deposits*

  Custodial credit risk is the risk that in the event of bank failure, the Town's deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the deposits "in a bank or trust company, or banking company to an amount not exceeding sixty percent (60%) of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess."

  The Town does not have a formal deposit policy for custodial credit risk.

The Town carries deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC), and the Depositor's Insurance Fund (DIF). The Town also carries deposits that are collateralized with securities held by the pledging financial Institution's trust department or agent but not in the Town's name.

The following table illustrates how much of the Town's bank deposits are insured and how much of the Town's bank deposits are collateralized and held by the pledging bank's trust department but not in the Town's name as of June 30, 2022:

Total Bank Balances		$ 28,644,000
Bank Balances Covered by Deposit Insurance		
Federal Deposit Insurance Corporation (FDIC)	4,664,549	
Depositor's Insurance Fund (DIF)	19,664,193	
Total Bank Balances Covered by Deposit Insurance		24,328,742
Balances Subject to Custodial Credit Risk		
Bank Balances Collaterallized with Securities Held by the Pledging Financial Institution's Trust Department or Agent but not in the Town's Name	4,315,258	
Total Bank Balances Subject to Custodial Credit Risk		4,315,258
Total Bank Balances		$ 28,644,000

Investments

Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreement guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase, and units in the Massachusetts Municipal Depository Trust (MMDT). The Treasurer of the Commonwealth of Massachusetts oversees the financial management of the MMDT, a local investment pool for cities, towns, and other state and local agencies within the Commonwealth. The Town's fair value of its investment in MMDT represents their value of the pool's shares. The Town's Trust Funds have expanded investment powers including the ability to invest in equity securities, corporate bonds, annuities and other specified investments.

The composition of the Town's bank recorded deposits and investments fluctuates depending primarily on the timing of property tax receipts, proceeds from borrowings, collections of state and federal aid, and capital outlays throughout the year.

- *Credit Risk*

  Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Law Chapter 44, Section 55, limits the Town's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

  Presented below are the rating as of year-end for each investment type of the Town.

Investment type	Fair value	Minimum Legal Rating	Rating as of Year End Unrated
State Retirees Benefits Trust Fund (SRBT) - HCST OPEB Master Trust	$ 3,294,393	N/A	$ 3,294,393

- *Custodial Credit Risk*

  For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in possession of an outside party. The investment in the State Retirees Benefit Trust Fund is not exposed to custodial credit risk because the investment is registered in the name of the Town. The Town does not have an investment policy for custodial credit risk.

- *Interest Rate Risk*

  Interest rate risk is the risk of changes in market interest rates which will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the risk of its fair value to change with the market interest rate. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is as follows:

Investment type	Fair value	Investment maturities (in years) Less than 1
State Retirees Benefits Trust Fund (SRBT) - HCST OPEB Master Trust	$ 3,294,393	$ 3,294,393

- *Concentration of Credit Risk*

The Town places no limit on the amount the government may invest in any one issuer. More than 5% of the Town's investments are in the following securities:

Issuer	Percentage of Total Investments
State Retirees Benefits Trust Fund (SRBT) - HCST OPEB Master Trust	100.00%

Fair Market Value of Investments

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

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

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

Investment Type	June 30, 2022	Fair Value Measurements Using: Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value	$ -	$ -	$ -	$ -
Investments measured at the net asset value (NAV)				
State Retirees Benefits Trust - (SRBT)	3,294,393			
Investments measured at amortized cost				
Massachusetts Municipal Depository Trust - (MMDT)	4,139,983			
Total Investments	$ 7,434,376			

State Retirees Benefits Trust (SRBT) investments are valued using the net assets value method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. SRBT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The Town does not have the ability to control any of the investment decisions relative to its funds in SRBT.

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

NOTE 4 – RECEIVABLES

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

Receivables:	Gross Amount	Allowance for Uncollectibles	Net Amount
Real estate and personal property taxes	$ 353,010	$ (4,300)	$ 348,710
Tax liens	455,277	-	455,277
Motor vehicle and other excise taxes	203,606	(68,138)	135,468
Departmental and other	334,123	(79,463)	254,660
Intergovernmental	36,931	-	36,931
Special assessments	260,682	-	260,682
Total	$ 1,643,629	$ (151,901)	$ 1,491,728

The receivables at June 30, 2022, for the water enterprise fund consists of the following:

Receivables:	Gross Amount	Allowance for Uncollectibles	Net Amount
Water			
User fees	$ 1,155,624	$ -	$ 1,155,624
Special Assessments	2,198	-	2,198
Total	$ 1,157,822	$ -	$ 1,157,822

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with revenues that have been received, but not yet earned. At the end of the current fiscal year, various components of deferred inflows of resources reported in the governmental funds are as follows:

Deferred Inflows of Resources Analysis

Deferred Inflows:	General Fund	Community Preservation	Nonmajor Governmental Funds	Total
Deferred Property Taxes	$ 219,639	$ 20,177	$ 253,055	$ 492,871
Deferred Other Revenue	590,744	-	242,110	832,854
Total	$ 810,383	$ 20,177	$ 495,165	$ 1,325,725

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decrease/ Adjustments	Ending Balance
Capital assets not being depreciated:				
Land	$ 42,192,861	$ 26,370,000	$ -	$ 68,562,861
Construction in progress	145,547	447,010	(36,420)	556,137
Total capital assets not being depreciated	42,338,408	26,817,010	(36,420)	69,118,998
Capital assets being depreciated:				
Building and improvements	41,796,598	112,621	-	41,909,219
Capital improvement (other than buildings)	6,780,520	155,770	36,420	6,972,710
Machinery, equipment, and vehicles	15,065,283	498,905	-	15,564,188
Infrastructure	18,942,249	512,082	-	19,454,331
Total capital assets being depreciated	82,584,650	1,279,378	36,420	83,900,448
Less accumulated depreciation for:				
Building and improvements	(16,543,800)	(1,000,419)	-	(17,544,219)
Capital improvement (other than buildings)	(3,108,134)	(417,112)	-	(3,525,246)
Machinery, equipment, and vehicles	(10,686,370)	(611,041)	-	(11,297,411)
Infrastructure	(6,590,607)	(410,051)	-	(7,000,658)
Total accumulated depreciation	(36,928,911)	(2,438,623)	-	(39,367,534)
Total capital assets being depreciated, net	45,655,739	(1,159,245)	36,420	44,532,914
Total governmental activities capital assets, net	$ 87,994,147	$ 25,657,765	$ -	$ 113,651,912

Business-Type Activities:	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Capital assets not being depreciated:				
Land	$ 3,559,212	$ -	$ -	$ 3,559,212
Construction in progress	100,850	333,876	-	434,726
Total capital assets not being depreciated	3,660,062	333,876	-	3,993,938
Capital assets being depreciated:				
Buildings and improvements	5,731,042	-	-	5,731,042
Machinery, equipment, and vehicles	4,744,930	210,780	-	4,955,710
Infrastructure	26,012,875	123,024	-	26,135,899
Total capital assets being depreciated	36,488,847	333,804	-	36,822,651
Less accumulated depreciation for:				
Buildings and improvements	(2,255,080)	(146,896)	-	(2,401,976)
Machinery, equipment, and vehicles	(3,032,112)	(311,970)	-	(3,344,082)
Infrastructure	(13,717,785)	(618,465)	-	(14,336,250)
Total accumulated depreciation	(19,004,977)	(1,077,331)	-	(20,082,308)
Total capital assets being depreciated, net	17,483,870	(743,527)	-	16,740,343
Total business-type activites capital assets, net	$ 21,143,932	$ (409,651)	$ -	$ 20,734,281

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

Governmental Activities:	
General government	$ 127,036
Public safety	939,396
Education	508,976
Public works	606,274
Human services	14,904
Culture and recreation	242,037
Total depreciation expense - governmental activities	$ 2,438,623

Business-Type Activities:	
Water	$ 543,639
Golf	533,692
Total depreciation expense - business-type activities	$ 1,077,331

NOTE 6 – CAPITAL LEASES

The Town has entered into lease agreements as lessee for financing the acquisition of a MVP rescue pumper, an Ambulance and specialty vehicles. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through the capital leases are as follows:

	Governmental Activities
Assets:	
Vehicles	$ 1,205,000
Less: Accumulated depreciation	(348,500)
	$ 856,500

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2022, are as follows:

Year Ending June 30	Primary Government
2023	$ 125,570
2024	125,570
2025	71,085
2026	71,085
2027	71,085
Total minimum lease payments	464,395
Less: amounts representing interest	(30,108)
Present value of minimum lease payments	$ 434,287

NOTE 7 – OPERATING LEASE

The Town has entered into a lease agreement as lessee for financing of golf carts. The lease agreement qualifies as an operating lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through the operating lease is as follows:

	Buisness Type Activities
Assets:	
Machinery & Equipment	$ 555,000
Less: Accumulated depreciation	(277,500)
	$ 277,500

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2022, are as follows:

Year Ending June 30	Primary Government
2023	$ 111,000
2024	111,000
2025	74,000
Present value of minimum lease payments	$ 296,000

NOTE 8 – INTERFUND TRANSFERS

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

	Operating Transfers In:			
Operating Transfers Out:	General Fund	Nonmajor Governmental Funds	Total	
Nonmajor Governmental Funds	$ 1,411,935	$ -	$ 1,411,935	(1)
Golf Enterprise Fund	129,324	-	129,324	(1)
General Fund	-	650,000	650,000	(2)
Water Enterprise Fund	400,002	-	400,002	(1)
Total	$ 1,941,261	$ 650,000	$ 2,591,261	

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

(2) Represents budgeted transfers from the general fund to various funds

NOTE 9 – SHORT-TERM FINANCING

Under state law, and with the appropriate authorization, the Town is authorized to borrow funds on a temporary basis as follows:

- To fund current operations prior to the collection of revenues by issuing revenue anticipation notes (RANS).
- To fund grants prior to reimbursement by issuing grant anticipation notes (GANS).
- To fund Capital project costs incurred prior to selling permanent debt by issuing bond anticipation notes (BANS).
- To fund current project costs and other approved expenditures incurred, that are anticipated to be reimbursed by the Commonwealth through the issuance of State Aid anticipation notes (SAANS).

Short-term loans are general obligations of the Town and maturity dates are governed by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and the Water Enterprise fund.

The following is a summary of changes in short-term debt for the year ended June 30, 2022:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2021	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2022
Governmental Funds							
BAN	Various Projects	0.43	4/1/2022	$ 650,000	$ -	$ (650,000)	$ -
BAN	Land Acquisition	1.00	11/10/2022	-	3,990,000	-	3,990,000
	Total Governmental Funds			650,000	3,990,000	(650,000)	3,990,000
Business - Type Activities							
BAN	Water Equipment	0.98	11/10/2022	$ -	$ 650,000	$ -	$ 650,000
	Total:			$ 650,000	$ 4,640,000	$ (650,000)	$ 4,640,000

NOTE 10 – LONG-TERM DEBT

The Town is subject to a dual-level, general debt limit: the normal debt limit and the double debt limit. Such limits are equal to 5% and 10%, respectively, of the valuation of taxable property in the Town as last equalized by the Commonwealth's Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit however require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general long-term debt which are exempt from the debt limit but are subject to other limitations.

The following is a summary of the changes in long-term debt for the year ended June 30, 2022:

Bonds and Notes Payable Schedule -Governmental Funds

Project	Interest Rate (%)	Outstanding at June 30, 2021	Issued	Redeemed/ Refunded	Outstanding at June 30, 2022
MWPAT Title V Septic	3.59	$ 30,000	$ -	$ 10,000	$ 20,000
Land Acquisition	4.49	180,000	-	45,000	135,000
Land Acquisition	4.49	480,000	-	80,000	400,000
Land Acquisition	3.84	325,000	-	35,000	290,000
Road Betterments	3.00	15,000	-	5,000	10,000
Road Betterments	3.00	15,000	-	5,000	10,000
Road Betterments	2.5 - 4.0	50,000	-	10,000	40,000
Road Betterments	2.5 - 4.0	70,000	-	10,000	60,000
School Renovations	2.5 - 4.0	2,175,000	-	145,000	2,030,000
Road Betterments	2.5 - 4.0	1,325,000	-	135,000	1,190,000
Fire Station	2.25 -5.00	5,200,000	-	325,000	4,875,000
Road Repairs	2.25 -5.00	1,610,000	-	160,000	1,450,000
Library Parking Lot	2.25 -5.00	200,000	-	20,000	180,000
Road Betterments	2.25 -5.00	150,000	-	15,000	135,000
Road Betterments	2.25 -5.00	50,000	-	5,000	45,000
Road Betterments	2.92	75,000	-	10,000	65,000
Fire Station	2.92	5,100,000	-	300,000	4,800,000
Town Septage	2.92	435,000	-	65,000	370,000
Land Acquisition	2.00 - 5.00	-	19,810,000	-	19,810,000
Total Bonds and Notes Payable		17,485,000	19,810,000	1,380,000	35,915,000
Add: Unamortized Bond Premium		497,728	-	70,208	427,520
Total		$ 17,982,728	$ 19,810,000	$ 1,450,208	$ 36,342,520

The annual debt service requirements for principal and interest for Governmental bonds and notes outstanding at June 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total
2023	$ 1,770,000	$ 1,399,304	$ 3,169,304
2024	1,765,000	1,032,028	2,797,028
2025	1,770,000	955,840	2,725,840
2026	1,735,000	870,820	2,605,820
2027	1,745,000	805,958	2,550,958
2028-2032	8,105,000	3,222,326	11,327,326
2033-2037	6,765,000	2,232,661	8,997,661
2038-2042	3,755,000	1,466,515	5,221,515
2043-2047	3,950,000	947,418	4,897,418
2048-2052	4,555,000	337,778	4,892,778
Total	$ 35,915,000	$ 13,270,648	$ 49,185,648

Bonds and Notes Payable Schedule -Water and Golf Enterprise Funds

Project	Interest Rate (%)	Outstanding at June 30, 2021	Issued	Redeemed/ Refunded	Outstanding at June 30, 2022
Water Betterments - Slough Rd	3.64	$ 175,000	$ -	$ 35,000	$ 140,000
Water Betterments - Fiddler's Ln	4.49	5,000	-	5,000	-
Land Acquisition	3 - 3.50	415,000	-	35,000	380,000
Water Offices/Garage	3.96	850,000	-	125,000	725,000
Well #6	3 - 3.50	1,730,000	-	135,000	1,595,000
Well Access Road	2.5 - 4.0	125,000	-	25,000	100,000
Water	2.5 - 4.0	615,000	-	45,000	570,000
Total		$ 3,915,000	$ -	$ 405,000	$ 3,510,000

The annual debt service requirements for principal and interest for water and golf enterprise funds bonds and notes outstanding at June 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total
2023	$ 400,000	$ 115,355	$ 515,355
2024	395,000	101,020	496,020
2025	390,000	86,721	476,721
2026	390,000	72,614	462,614
2027	325,000	60,550	385,550
2028-2032	1,130,000	170,260	1,300,260
2033-2036	480,000	26,750	506,750
Total	$ 3,510,000	$ 633,270	$ 4,143,270

Loans Authorized and Unissued

As of June 30, 2022, the Town has loans authorized and unissued as follows:

Description	Date Authorized	Amount
Road Repair & Resurfacing	5/5/2014	$ 5,750,000
Fire Station	11/16/2015	548,503
DPW Dump Truck	5/7/2018	33,305
DPW Building Roof	5/7/2018	250,000
Private Road Betterement North Pond	5/7/2018	21,276
Land Acquisition - WH Besse	5/7/2018	155,100
Tri Town Septic Demo	12/3/2018	33,131
Fuel Depot	5/6/2019	100,000
Water Generator Project	5/15/2021	678,000
Land Acquisition - WH Besse	9/25/2021	4,000,000
		$11,569,315

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and notes payable	$ 17,485,000	$ 19,810,000	$ (1,380,000)	$ 35,915,000	$ 1,770,000
Add: Unamortized Premiums	497,728	-	(70,208)	427,520	62,641
Total Bond Payable	17,982,728	19,810,000	(1,450,208)	36,342,520	1,832,641
Landfill postclosure care costs	280,800	-	(27,900)	252,900	28,734
Lease	610,328	-	(176,041)	434,287	114,431
Postemployment benefits	12,461,944	1,269,671	-	13,731,615	-
Net pension liability	22,000,266	-	(3,756,911)	18,243,355	-
Total governmental activities long-term liabilities	$ 53,336,066	$ 21,079,671	$ (5,411,060)	$ 69,004,677	$ 1,975,806

Business-Type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Postemployment benefits	$ 1,736,329	$ 176,904	$ -	$ 1,913,233	$ -
Lease	407,000	-	(111,000)	296,000	111,000
Net Pension Liability	3,882,400	-	(1,394,670)	2,487,730	-
Bonds and notes payable	3,915,000	-	(405,000)	3,510,000	400,000
Total business-type activities long-term liabilities	$ 9,940,729	$ 176,904	$ (1,910,670)	$ 8,206,963	$ 511,000

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

Overlapping Debt

The Town pays assessments under formulas which include debt service payments to other governmental agencies providing services to the Town, (commonly referred to as overlapping debt). The following summary sets forth the long-term debt of such governmental agencies and the estimated share being financed by the Town as of June 30, 2022:

Agency	Total Long-Term Debt Outstanding	Town's Estimated Share	Town's Indirect Debt
Nauset Regional School District	$ 2,450,000	48.17%	$ 1,180,165
Cape Cod Regional Technical High School	59,245,000	9.00%	$ 5,332,050
Barnstable County	21,680,679	4.59%	995,143
	83,375,679		7,507,358

NOTE 11 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

	General Fund	Community Preservation	Land Acquisition	Nonmajor Governmental Funds	Total
Fund Balances					
Nonspendable:					
Permanent Fund Principal	$ -	$ -	$ -	$ 150,388	$ 150,388
Restricted For:					
General Government	-	-	-	2,271,106	2,271,106
Public Safety	-	-	-	2,822,229	2,822,229
Education	-	-	-	518,603	518,603
Public Works	-	-	-	877,830	877,830
Human Services	-	-	-	230,801	230,801
Culture & Recreration	-	-	-	337,770	337,770
Employee Benefits	-	-	-	88,203	88,203
Bond Premium	146,759	-	-	-	146,759
Community Preservation	-	4,266,291	-	-	4,266,291
Expendable Trust Funds	-	-	-	151,802	151,802
	146,759	4,266,291	-	7,298,344	11,711,394
Committed To:					
Continuing Appropriations					
General Government	1,063,344	-	-	-	1,063,344
Public Safety	955,334	-	-	-	955,334
Education	518,215	-	-	-	518,215
Public Works	802,784	-	-	-	802,784
Human Services	507	-	-	-	507
Culture & Recreation	71,411	-	-	-	71,411
	3,411,595	-	-	-	3,411,595
Assigned To:					
Encumbered For:					
General Government	2,747	-	-	-	2,747
Public Safety	4,029	-	-	-	4,029
Education	122,070	-	-	-	122,070
Public Works	1,475	-	-	-	1,475
Human Services	1,000	-	-	-	1,000
Culture & Recreation	341	-	-	-	341
Employee Benefits	50,600	-	-	-	50,600
Stabilization Fund - Capital Imp	727,471	-	-	-	727,471
	909,733	-	-	-	909,733
Unassigned					
General Fund	5,606,661	-	-	-	5,606,661
Land Acquisition	-	-	(3,990,000)	-	(3,990,000)
General Stabilization Fund	3,000,409	-	-	-	3,000,409
Nonmajor Governmental Funds	-	-	-	(339,881)	(339,881)
	8,607,070	-	(3,990,000)	(339,881)	4,277,189
Total Governmental Fund Balances	$ 13,075,157	$ 4,266,291	$ (3,990,000)	$ 7,108,851	$ 20,460,299

NOTE 12 – STABILIZATION FUND

The Town has established two funds where the Town has set aside amounts for emergency and capital needs. These funds consist of the following:

- The Stabilization fund is used to account for any appropriation, as approved by a 2/3 vote at the annual or special town meeting for additions or reductions to the fund. Any interest shall be added to and become part of the fund. The Stabilization fund balance is $3,000,409 as of June 30, 2022. The fund was established under chapter 40, sub-section 5B of the Massachusetts General Law.

- The Stabilization Capital Improvements fund is used to account for future capital projects for the Town. Any interest shall be added to and become part of the fund. The Stabilization fund balance is $727,471 as of June 30, 2022. The fund was established under chapter 40, sub-section 5B of the Massachusetts General Law.

NOTE 13 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters.

Buildings are fully insured against fire, theft, and natural disaster to the extent that losses exceed $5,000 per incident. The fully insurable value of Town buildings and contents is $106,894,778.

The Town is insured for general liability; however, Chapter 258 of the Massachusetts General Laws limits the Town's liability to a maximum of $100,000 per claim in all matters except in actions relating to federal civil rights, eminent domain and breach of contract. Such claims are charged to the general fund. There were no such claims in 2022.

The Town is a member of the Cape Cod Municipal Health Group, (CCMHG) which is a Massachusetts Municipal Joint Health Insurance purchase group formed pursuant to Massachusetts General Laws. The Group includes thirteen Towns, six school districts, five fire districts, six water districts, one recreation authority, one education collaborative, Veterans Services of Cape Cod, Barnstable County, Barnstable County Retirement Association, Cape Light Compact, and Cape Cod Regional Transit Authority as participants. In addition, the Group entered into a Joint Negotiation Purchase of Health Coverage with the Dukes County Municipal Health Group which now consists of Dukes County Commissioners; the Towns of Chilmark, Edgartown, Gosnold, Oak Bluffs, Tisbury, West Tisbury, and Aquinnah; Martha's Vineyard Refuse Disposal and Resource Recovery District; Martha's Vineyard Commission; Martha's Vineyard Land Bank Commission; Oak Bluffs Water District; Martha's Vineyard Regional School District; Up-Island Regional School District; Martha's Vineyard Charter School; and Martha's Vineyard Transit Authority.

Health benefits plans for active employees and non-Medicare eligible retirees consist of a traditional medical indemnity plan, two Preferred Provider Organization (PPO) plans and two Exclusive Provider Organization (EPO) plans. All active employee plans are self-funded with Blue Cross and Blue Shield of Massachusetts (BCBSMA) and Harvard Pilgrim Health Care (HPHC) as third party administrators. The Group offers six health plans for Medicare eligible retirees, which include two self-funded Medicare Supplement Medical plans with fully insured Medicare Prescription Drug Plans (PDP's), one of which is administered by BCBSMA and one by HPHC, one fully insured Medicare Supplement plan with a PDP provided by Tufts Health Plan, one HMO Medicare wrap plan fully insured by BCBSMA, and two fully insured Medicare Advantage HMO plans, one of which is from BCBSMA and one from Tufts Health Plan.

The Group has adopted a contributory dental insurance plan (self-funded) and a voluntary dental plan, which was premium based through June 30, 2007 and changed to a self funded basis effective July 1, 2007. These plans are administered by Delta Dental Plan of Massachusetts for a monthly administrative fee, based on the number of subscribers. Dental plans are optional for employees. Effective July 1, 2009 the group adopted a voluntary fully insured vision plan from EyeMed Vision Care. The vision plan is optional for employers, but employers may not offer both contributory and voluntary plans.

The Master Health Plus, Blue Care Elect Preferred PPO plan, Network Blue EPO plan, and Medex 2 plan are on a claims-paid basis, and are administered by Blue Cross Blue Shield of Massachusetts for a monthly administration fee based on the number of individual, single parent/single child, and family plan subscribers for that particular month. Medex 2 is combined with a fully insured Medicare PDP provided by Blue Cross Blue Shield and called Blue Medicare RX.

The Harvard Pilgrim EPO Plan, Harvard Pilgrim PPO plan, and Harvard Pilgrim Health Care Medicare Enhance plan (Medical Portion) are on a claims-paid basis, and are administered by Harvard Pilgrim Health Care for a monthly administration fee based on the number of individual and family plan subscribers for that particular month. Medicare Enhance is combined with a fully insured PDP from Aetna Medicare RX Plan.

In 2014 the Group along with two other Massachusetts municipal joint purchase groups entered into a reinsurance pooling agreement the Massachusetts Municipal Reinsurance Arrangement Series of Sentinel Indemnity, LLC (MMRA). The first such reinsurance pooling agreement established in Massachusetts. The policy year is July 1 through June 30. All participants share the same rates for coverage of claims exceeding $300,000 up to $800,000. There is no Aggregating Specific Deductible. If claims experience is below projections, participants are dividend eligible on a collective and proportional basis. Participating governmental entities have agreed to participate for a minimum of three years. In addition, the group has a specific excess medical and prescription drug claims reinsurance contract with an insurance carrier covering claims paid in excess of $800,000 per individual. The policy period covers claims incurred within 12 months and paid within 24 months.

The Group does not reinsure its Medex and Medicare Enhance Medical plans.

The Group's Board may deal with certified surpluses and deficits through the rate setting process and this is the preferred method. Alternatively, the Group may deal with certified surpluses and deficits by making direct distributions to members in the case of a certified surplus or may require direct payments from members in the case of a certified deficit.

The Group provides health care coverage for employees that qualify for and select health care coverage as an employee benefit as well as retired employees. There are 188 Town of Brewster employees and 199 retirees/surviving spouses who participate in the Group's health care programs. The Town contributes 75% of the premium cost for employees, and 50% of the premium costs for retirees and surviving spouses.

As of June 30, 2021 the Cape Cod Municipal Health Group had total assets of $80,561,805 total liabilities of $13,782,679 (including $11,430,770 in estimated benefits obligations), and a total surplus of $66,779,126.

NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The GASB Standards for *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* requires the following disclosures in the financial statements related to the retiree medical, and life insurance benefits:

Plan Description. The Town of Brewster other postemployment benefits plan "the plan" is a single-employer defined benefit healthcare plan administered by the Town of Brewster. The Plan provides medical, and life insurance benefits to eligible retirees and their spouses. The Town Meeting vote is the authority to establish and amend benefit provisions to the Town. The Town has accepted various sections of Massachusetts General Laws Chapter 32B to provide 50%of the premium cost of retirees' health and life insurance costs.

Funding Policy. The contribution requirements of plan members and the Town are established and may be amended by Town Meeting vote. For the period ending on June 30, 2022 measurement date, total Town premiums plus implicit costs for the retiree medical program was $815,440. The Town also made a contribution to an OPEB Trust for $300,000 for a total contribution during the measurement period of $1,115,440 to be reported on the financial statements for the fiscal year ending June 30, 2022.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to begin pre-funding its other postemployment benefits (OPEB) liabilities. During 2022, the Town prefunded future OPEB liabilities totaling $300,000 by contributing funds to the other postemployment benefit fund in excess of the pay as you go required contribution. These funds are reported with the Fiduciary funds financial statements. As of June 30, 2022, the balance of this fund totaled $3,294,393.

GASB Statement #75 – OPEB Employer Financial Reporting

Summary of Significant Accounting Policies – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expenses, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Measurement Date - GASB #75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Plan Membership – The following table represents the Plan's membership as June 30, 2020:

Active Members	191
Inactive members or beneficiaries currently receiving benefits	182
Total	373

Components of OPEB Liability – The following table represents the components of the Plan's OPEB liability as of June 30, 2022:

Total OPEB Liability	$	18,939,241
Less: OPEB plan's fiduciary net position		(3,294,393)
Net OPEB Liability	$	15,644,848
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability		17.39%

Significant Actuarial Methods and Assumptions – The plan's total OPEB liability, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2022 to be in accordance with GASB Statement #75.

Valuation Date:	June 30, 2020
Actuarial Cost Method:	Entry Age Normal - Level Percentage Payroll
Asset-Valuation Method:	Market value
Inflation:	3.25%
Discount rate	7.00%
Investment Rate of Return	7.00%
Salary Increases:	Service-related increases for group 1 (excluding teachers) and group 2 employees: 6.00% decreasing over 11 years to an ultimate level of 4.00%. Service-related increases for group 4 employees: 7.00% decreasing over 8 years to an ultimate level of 4.50%. Service related increases for Teachers 7.5% decreasing over 20 years to an ultimate level of 4.0%.
Healthcare trend rates:	
Cape Cod Municipal Health Group	Nonmedicare: 2.50% for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year Medicare: 2.50 for 1 year, then 6.75% decreasing by 0.25% each year to an ultimate level of 4.5% per year
Pre-Retirement Mortality:	
Healthy non-teachers	RP-2014 Blue Collar Employee Mortality Table projected generationally with scale MP-2017
Healthy teachers	PUB-2010 Teachers Employee head count weighted Mortality Table projected generationally with scale MP-2020
Post-Retirement Mortality:	
Healthy non-teachers	RP-2014 Blue Collar Healthy Annuitant Mortaity Table projected generationally with scale MP-2017
Healthy teachers	PUB-2010 Teachers healthy retiree head count 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 Teachers healthy retiree head count weighted Mortality Table and projected generationally with Scale MP-2020

Development of Long - Term Rate

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation as of June 30, 2022 and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table.

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

Discount Rate – The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The OPEB plan fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long – term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liablity (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2021	$ 17,334,893	$ 3,136,620	$ 14,198,273
Charges for the year:			
Service cost	559,500	-	559,500
Interest	1,224,550	-	1,224,550
Difference between expected and actual experience	635,738	-	635,738
Net Investment Income	-	(142,227)	142,227
Employer Contributions	-	1,115,440	(1,115,440)
Benefit payments, including refunds of member contributions	(815,440)	(815,440)	-
Net Changes	1,604,348	157,773	1,446,575
Balance at June 30, 2022	$ 18,939,241	$ 3,294,393	$ 15,644,848

Sensitivity of the net OPEB liability to changes in the discount rate – The following table presents the Plan's net OPEB liability, calculated using the discount rate of 7.00% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage- point lower (6.00%) or 1 percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability	$ 18,116,471	$ 15,644,848	$ 13,598,232

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

	1% Decrease	Current Trend	1% Increase
Net OPEB liability	$ 13,078,080	$ 15,644,848	$ 18,827,694

At June 30, 2022 the Town reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits of $721,708 and $3,546,888.

The balances of the deferred outflows and inflows as of June 30, 2022 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	$ 685,620	$ (666,416)	$ 19,204
Changes of assumptions	-	(2,880,472)	(2,880,472)
Net difference between projected and actual earnings	36,088	-	36,088
Total Deferred Outflows (Inflows) of Resources	$ 721,708	$ (3,546,888)	$ (2,825,180)

The Town's net deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in future years other postemployment benefits are as follows:

Period Year ended June 30	Amount
2023	$ (1,820,348)
2024	(448,956)
2025	(471,132)
2026	(266,384)
2027	90,820
Thereafter	90,820
Deferred Inflows/Outflows Recognized in Future Years	$ (2,825,180)

Changes of Assumption – None

Changes in Plan Provisions – None

NOTE 15 – PENSION PLANS

A. Plan Descriptions

The Town contributes to the Barnstable County Retirement Association (The Association), a multiple-employer, cost sharing contributory defined benefit pension plan, under Massachusetts General Law (MGL), Chapter 32, and is regulated by the Massachusetts Public Employee Retirement Administration Commission (PERAC). Substantially all employees are members of the Association except for public school teachers and certain school administrators.

The Association issues a publically available audited financial report that may be obtained by contacting the association at 3195 Main Street Barnstable, MA 02630.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting http://www.mass.gov/osc/publications-and-reports/financial-reports/. The MTRS report may also be obtained by contacting MTRS at One Charles Park, Cambridge, Massachusetts 02142-1206.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statue to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No.68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2021. The Town's portion of the collective pension expense, contributed by the Commonwealth, of $990,157 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is $12,339,041 as of the measurement date.

The "Association" and the MTRS are contributory defined benefit plans and membership in both the "Association" and the MTRS is mandatory upon commencement of employment for all permanent, full-time employees.

B. Benefits

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

Employees who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent on several factors, including whether or not the disability is work related, the employee’s age, years of creditable service, level of compensation, veterans’ status and group classification.

Employees who resign from service are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of employees whose death occurs prior to or following retirement.

Cost-of living adjustments granted between 1981 and 1997, and any increase in other benefits imposed by the Commonwealth of Massachusetts’ state law during those years are borne by the Commonwealth and are deposited in to the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Association and all costs are borne by the Association.

C. Contributions

Barnstable County Retirement Association

Chapter 32 of MGL governs the contributions of plan members and member employees. Active plan employees are required to contribute to the Association at rates ranging from 5 to 9% and of their gross regular compensation. The percentage rate is keyed to the date upon which an employee’s membership commences. Employees hired on or after January 1, 1979, contribute an additional 2.0% of annual regular compensation in excess of $30,000. The member units are required to pay into the Association, a legislatively mandated actuarial determined contribution that is apportioned among the employers based on the covered payroll. The Town’s proportionate share of the required contribution for the year ended June 30, 2022 which was $2,776,801 and 22.96% of covered payroll, actuarially determined as an amount that when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

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

Pension Liabilities

At June 30, 2022 the Town reported a liability of $20,731,085 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Accordingly, updated procedures were used to roll back the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members actuarially determined. At December 31, 2021, the Town's proportion was 3.77% which was a slight increase from the last measurement.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2022 the Town recognized pension expense of $1,575,104. At June 30, 2022 the Town reported deferred outflows and inflows of resources related to pensions of $3,397,294 and $7,543,815 respectively.

The balances of deferred outflows and inflows as June 30, 2022 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	$ -	$ (145,479)	$ (145,479)
Changes of Assumption	2,599,823	-	2,599,823
Net difference between projected and actual investment earnings on pension plan investments	-	(7,258,923)	(7,258,923)
Contributions and proportionate share of contributions	797,471	(139,413)	658,058
Total Deferred Outflows (Inflows) of Resources	$ 3,397,294	$ (7,543,815)	$ (4,146,521)

The Town's net deferred outflows/inflows of resources related to pensions will be recognized in the future are as follows:

Period Year ended June 30	Amount
2023	$ (437,742)
2024	(1,841,581)
2025	(1,183,220)
2026	(956,625)
2027	272,647
Deferred Inflows/Outflows Recognized in Future Years	$ (4,146,521)

E. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement date that was rolled back to December 31, 2021:

Valuation date……………………………… January 1, 2022

Actuarial cost method……………………… Entry Age Actuarial Cost Method.

Projected salary increases…………………..3.25%

Investment Rate of Return/Discount Rate…..6.90%

Cost of living adjustments………………… 3.0% of the first $18,000

Mortality Rates:

Pre-Retirement……………The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021

Healthy Retiree…………...The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021

Disabled Retiree………….The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

Investment policy

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

F. Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expense and risk margin. The target allocation (approved by the board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the deviation of the long term expected investment rate of return assumption are summarized in the following table:

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

For the year ended December 31, 2021 the annual money weighted rate of return on pension Plan Investments, Net of Pension Plan Investment expense was 19.75%. The money weighted rate of return expenses investment performance, net of the investment expense, adjusted for the changing amounts actually invested, measured monthly.

G. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
The Town's proportionate share of the net pension liability	$ 30,486,709	$ 20,731,085	$ 12,525,027

Detailed information about the pension plan's fiduciary net pension is available in a separately issued Barnstable County Retirement Association financial report.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2022, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is believed the amount, if any, would not be material.

The Town's landfill was capped in 2000 by order of the Department of Environmental Protection (DEP). The Town is responsible for postclosure monitoring of the site for ten years (9 years remaining), and the estimated liability has been recorded in the Statement of Net Position, Governmental Activities. The $252,900 reported as landfill postclosure liability at June 30, 2022 is based on what it would cost to perform all post-closure care at June 30, 2022. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2022, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2022.

NOTE 17 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state's Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The Town is considered an essential business and closed to the public, but departments remained operational and most employees continued to perform their daily duties.

In Fiscal Year 2021 the Town has incurred unanticipated costs specifically related to the pandemic. On March 27, 2020 the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment of funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect to COVID-19. The Commonwealth and communities throughout the Commonwealth were awarded a portion of the federal funding. In addition to the funding from the CARES Act, there are several other federal and state grants available to help offset these unanticipated costs.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 18 – RESTATEMENT DUE TO A CHANGE IN ACCOUNTING STANDARD AND PRIOR PERIOD ADJUSTMENT

During 2022, GASB Statement #87 related to leases was implemented and impacted the Golf Enterprise fund. In addition, a change in depreciation expense was made to an asset in the Water Enterprise fund. These changes resulted in a restatement of the business type activities beginning net position at June 30, 2021. The resulting changes in net position is detailed in the following table.

	Statement of Net Position		
	Primary Government	Business-type Activities	
Description	Business-type Activities	Water	Golf
Total Net Position at June 30, 2021, as previously reported	$ 15,914,811	$ 10,607,271	$ 5,307,540
To adjust the beginning depreciation expense	(508,490)	(508,490)	-
To adjust the beginning capital lease liability	(18,500)	-	(18,500)
Total Net Position at June 30, 2021, as restated	$ 15,387,821	$ 10,098,781	$ 5,289,040

NOTE 19 – IMPLEMENTATION OF NEW GASB PRONOUNCMENTS

During fiscal year 2022, the following GASB pronouncements were implemented:

The GASB issued **Statement #87**, *Leases*, which was implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #89**, *Accounting for Interest Cost Incurred before the End of a Construction Period,* which was implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #92**, *Omnibus 2020*, which was implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #93**, *Replacement of Interbank Offered Rates*, which was implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #97**, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Service Code 457 Deferred Compensation Plans*, which was implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statements #98**, *The Annual Comprehensive Financial Report*
The requirements of this Statement was implemented for fiscal year ended June 30, 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

Future GASB Pronouncements:

The GASB issued **Statement #91,** *Conduit Debt Obligations* – which is required to be implemented in 2023. Earlier application is encouraged. The primary objectives of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. . Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #94**, *Public-Private and Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #96,** *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #98,** *The Annual Comprehensive Financial Report*, which is required to be implemented in 2023. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #100,** *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, which is required to be implemented in 2024. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #101,** *Compensated Absenses*, which is required to be implemented in 2025. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

TOWN OF BREWSTER, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
BARNSTABLE COUNTY RETIREMENT ASSOCIATION
JUNE 30, 2022

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

	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Town's proportion of the net pension liability	3.77%	3.51%	3.68%	3.72%	3.68%	3.47%	3.60%	3.62%
Town's proportionate share of the net pension liability	$ 20,731,085	$ 25,882,666	$ 27,627,783	$ 29,398,461	$ 25,055,361	$ 24,381,943	$ 22,672,955	$ 20,436,149
Town's covered-employee payroll	$ 12,095,748	$ 11,919,076	$ 11,221,114	$ 10,957,745	$ 10,398,846	$ 9,735,188	$ 9,902,884	$ 9,494,687
Town's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	171.39%	217.15%	246.21%	268.29%	240.94%	250.45%	228.95%	215.24%
Plan fiduciary net position as a percentage of the total pension liability	75.07%	66.82%	62.34%	57.63%	61.86%	57.28%	58.10%	60.43%

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

See notes to Required Supplementary Information

TOWN OF BREWSTER, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
BARNSTABLE COUNTY RETIREMENT ASSOCIATION
JUNE 30, 2022

SCHEDULE OF TOWNS CONTRIBUTION

	December 31 ,2021	December 31 ,2020	December 31 ,2019	December 31 ,2018	December 31 ,2017	December 31 ,2016	December 31 ,2015	December 31 ,2014
Statutory required contribution	$ 2,776,801	$ 2,606,211	$ 2,421,198	$ 2,342,130	$ 2,197,453	$ 1,967,090	$ 1,946,029	$ 1,885,218
Contribution in relation to the actuarilly determined contribution	(2,776,801)	(2,606,211)	(2,431,289)	(2,342,130)	(2,197,453)	(1,967,090)	(1,946,029)	(1,885,218)
Contribution deficency (excess)	$ -	$ -	$ (10,091)	$ -	$ -	$ -	$ -	$ -
Town's covered-employee payroll	$ 12,095,748	$ 11,919,076	$ 11,221,114	$ 10,957,745	$ 10,398,846	$ 9,735,188	$ 9,902,884	$ 9,494,687
Contribution as a percentage of covered - employee payroll	22.96%	21.87%	21.67%	21.37%	21.13%	20.21%	19.65%	19.86%

<u>Note:</u> This Town schedule is intended to present information for 10 years. Until a 10 year trend is compiled, information is presented for those years for which the information is available.

See notes to Required Supplementary Information

Schedule of the Commonwealth's Collective amounts of the Net Pension Liability

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

Fiscal Year	Commonwealth's 100% Share of the Net Pension Liability Associated with the Town	Town's Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	$ 12,339,041	$ 990,157	62.03%
2021	15,075,789	1,862,076	50.67%
2020	13,621,740	1,651,872	53.95%
2019	12,597,747	1,276,599	54.84%
2018	12,722,094	1,327,842	54.25%
2017	13,320,299	1,358,758	52.73%
2016	12,323,157	999,518	55.38%
2015	9,511,918	660,839	61.64%

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

See notes to required supplementary information.

TOWN OF BREWSTER, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2022

Schedule of the Town's Net OPEB Liability and Related Ratios

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability						
Service Cost	$ 559,500	$ 533,728	$ 542,478	$ 1,010,441	$ 1,032,989	$ 1,200,462
Interest	1,224,550	1,372,066	1,335,290	920,650	857,050	686,109
Differences between expected and actual experience	635,738	(999,626)	-	1,117,981	844,215	-
Changes of assumptions	-	(1,590,348)	(606,679)	(1,273,555)	(6,891,871)	(2,577,803)
Benefit Payments	(815,440)	(731,652)	(791,361)	(707,276)	(554,673)	(530,788)
Net Change in total OPEB liability	1,604,348	(1,415,832)	479,728	1,068,241	(4,712,290)	(1,222,020)
Total OPEB liability-beginning	17,334,893	18,750,725	18,270,997	17,202,756	21,915,046	23,137,066
Total OPEB liability-ending (a)	18,939,241	17,334,893	18,750,725	18,270,997	17,202,756	21,915,046
Plan fiduciary net position						
Contributions-employer	1,115,440	981,652	991,361	807,276	609,673	605,788
Net investment income	(142,227)	686,730	38,566	106,780	125,456	199,756
Benefit payments	(815,440)	(731,652)	(791,361)	(707,276)	(554,673)	(530,788)
Net change in plan fiduciary net position	157,773	936,730	238,566	206,780	180,456	274,756
Plan fiduciary net position - beginning	3,136,620	2,199,890	1,961,324	1,754,544	1,574,088	1,299,332
Plan fiduciary net position - ending (b)	3,294,393	3,136,620	2,199,890	1,961,324	1,754,544	1,574,088
Town's net OPEB liability-ending (a)-(b)	$ 15,644,848	$ 14,198,273	$ 16,550,835	$ 16,309,673	$ 15,448,212	$ 20,340,958
Plan fiduciary net position as a percentage of total OPEB liability	17.39%	18.09%	11.73%	10.73%	10.20%	7.18%
Covered-employee payroll	N/A	17,245,477	N/A	16,171,858	N/A	15,756,605
Plan's net OPEB liability as a percentage of covered-employee payroll	N/A	82.33%	N/A	100.85%	N/A	129.09%

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

See notes to required supplementary information.

TOWN OF BREWSTER, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2022

Schedule of the Town's Contribution

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Acuarially determined contribution	$ 1,519,478	$ 1,470,762	$ 1,502,340	$ 1,455,051	$ 1,143,921	$ 1,105,238
Contributions in relation to the actuarially determined contribution	(1,115,440)	(981,652)	(991,360)	(807,276)	(609,673)	(605,788)
Contribution deficiency (excess)	$ 404,038	$ 489,110	$ 510,980	$ 647,775	$ 534,248	$ 499,450
Covered-employee payroll	N/A	$ 17,245,477	N/A	$ 16,171,858	N/A	$ 15,756,605
Contributions as a percentage of covered-employee payroll	N/A	5.69%	N/A	4.99%	N/A	3.84%

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

See notes to required supplementary information.

TOWN OF BREWSTER, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2022

Schedule of Investment Return

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Annual money-weighted rate of return, net of investment expense	N/A	N/A	N/A	N/A	N/A	5.44%

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

See notes to required supplementary information.

Pension Plan Schedules

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

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

B. Schedule of Town's Contribution

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

C. Schedule of the Commonwealth's Collective amounts of the Net Pension Liability

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

D. Changes in Plan Provisions – None

Other Postemployment Benefits Schedules

A. Schedule of the Town's Net OPEB Liability and Related Ratios

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

B. Schedule of the Town's Contribution

The Schedule of the Town's contributions includes the Town's annual required contribution to the plan, along with the contribution made in relation to the actuarially determined contribution. The Town is not required to fully fund this contribution.

C. Schedule of Investment Return

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

D. Changes in Provisions - None