

# **TOWN OF MARBLEHEAD, MASSACHUSETTS**



## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR  
JULY 1, 2023 - JUNE 30, 2024**



On the cover: A gorgeous sunset over Marblehead.

Courtesy: Marblehead Facebook



**Above:** The historical downtown district on a rainy spring day.

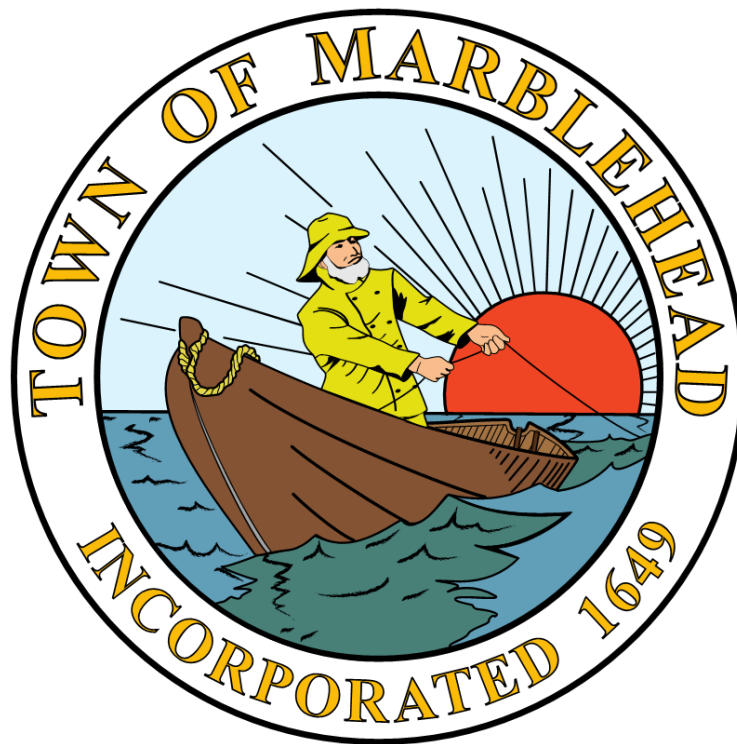
Courtesy: Rob Kipp

# **TOWN OF MARBLEHEAD, MASSACHUSETTS**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2024

Thatcher Keezer, Town Administrator



*Prepared by the Finance Department  
Aleesha Nunley Benjamin, Finance Director/CFO*



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

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# INTRODUCTORY SECTION



Above: Pat the Pumpkin, grown by pumpkin grower, Marblehead resident and Select Board member Jim Zisson. Pat weighed 449 pounds at full weight in October.

Courtesy: Jim Zisson



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## **TOWN OF MARBLEHEAD**

### **FINANCIAL SERVICES**

*[www.marblehead.org/finance](http://www.marblehead.org/finance)*

Aleesha Nunley Benjamin  
Finance Director/CFO  
781-631-1705  
[benjamina@marblehead.org](mailto:benjamina@marblehead.org)

Mary Alley Building  
7 Widger Road  
Marblehead, MA 01945

#### **Letter of Transmittal**

June 24, 2025

Honorable Members of the Select Board and Citizens of the Town of Marblehead, Massachusetts:

It is with great pleasure that the Annual Comprehensive Financial Report (ACFR) of the Town of Marblehead, Massachusetts, for the fiscal year ended June 30, 2024, is presented. Included within the ACFR are the financial statements which are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report also complies with the financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34.

In addition to the fund financial information traditionally presented in the Town's financial statements, this report also includes government-wide financial statements. The government-wide financial statements include a Statement of Net Position that provides the total net position of the Town including all capital assets (as well as infrastructure) and the Statement of Activities that shows the cost of providing government services.

The report is designed to be used by the elected and appointed officials of the Town and other stakeholders who are concerned with the Town's management and progress such as bond analysts, banking institutions and credit rating agencies, as well as residents and taxpayers of the Town.

This report consists of management's representation concerning the finances of the Town of Marblehead. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making those representations, management has established an internal control framework that is designed to both protect the assets of the Town from loss, theft or misuse and to allow for the compiling of sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

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

The independent audit of the financial statements of the Town of Marblehead was part of a broader, federally-mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Marblehead's separately issued Single Audit Report.

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

## **PROFILE OF THE TOWN**

The Town of Marblehead, originally incorporated in 1649, is a picturesque seacoast town steeped in history. In its early years, the fishing and shoe industry were its two main sources of income. While Marblehead has been known through the years as the "Birthplace of the American Navy," in recent times the Town has also been known as one of the yachting capitals of the world. Pleasure boating is a popular pastime of its residents. Visitors come from all over the world to view the original of the famous painting "The Spirit of '76," which is housed in Abbot Hall in the office of the Select Board, as well as to see the beautiful harbor crowded with sailing, fishing, lobster, and pleasure boats. Another major attraction for visitors is the Town's historic district, the largest in the State, and the narrow-crooked streets lined with Colonial and Victorian buildings, many of which have been placed on the National Register.

Situated in eastern Massachusetts with a population of 20,233, Marblehead is located 18 miles northeast of Boston and is considered in the Greater Boston Metropolitan Statistic Area. The Town consists of a land area of 4.53 square miles. It is bordered by Swampscott on the south, Salem on the southwest, and the Atlantic Ocean on the west, north, and east. Commuter rail service to North Station in Boston is convenient from the nearby Salem or Swampscott stations and is a member of the Massachusetts Bay Transportation Authority, which provides bus service to Swampscott, Lynn, and Boston. Logan Airport is less than 15 miles away in Winthrop.

The Town operates under a Select Board/Open Town Meeting/Town Administrator form of government. The five-member Select Board, who serve staggered three-year terms make the Town's policy decisions.

The Town Administrator is responsible for carrying out the policies at the direction of the Select Board and for managing the day-to-day operations of the Town.

## **THE REPORTING ENTITY AND ITS SERVICES**

The financial reporting entity (“the Town”) of the primary government includes all funds and activities considered a part of the Town of Marblehead. Specifically excluded are the Marblehead Housing Authority and the Essex North Shore Agricultural and Technical School since they have substantial autonomy and separate governmental entity characteristics.

The Town includes the Marblehead Contributory Retirement System (the System) in its financial reporting since the Town represents approximately 98% of the System. The System was established to provide retirement benefits to its members, including employees and beneficiaries of the Town of Marblehead and the Marblehead Housing Authority.

The Town provides a range of municipal services normally associated with municipal government including education, public safety (police, fire and emergency medical services), recreation and parks, elder services (Council on Aging), street construction and maintenance, solid waste collection and disposal, library, cemetery, building inspection and general administrative services. The Town also operates electric, water and sewer utilities, and harbor and waterfront services as enterprises.

## **FACTORS AFFECTING ECONOMIC CONDITION**

Given its proximity and accessibility to Boston, The Town of Marblehead real estate market continues to experience a strong period of revitalization, both in terms of value and new construction. New growth in fiscal year 2024 was approximately \$470,000. In addition, the median family income has remained significantly higher than state averages and the unemployment rate mirrors the state average. The Town remains a very desirable community given its close proximity to Boston and for its tourism, history, boating, and the quality of services provided.

Marblehead has 14 miles of seacoast of varying topography. The housing stock is also varied. As of January 1, 2023, there are 6,240 single family dwellings which consist of 2,059 colonial style homes, 1,282 old style construction (typically pre-1920) properties, 2,371 cape, ranch, contemporary, split level, and antique style properties with the balance consisting of conventional (non-specific architectural style) bungalows, split entries, row house (attached by common wall), and mansions. Additionally, there are over 1,000 condominiums, 299+ two-family properties, and 142 properties with three or more units. A total of 53% of the single-family housing stock was built prior to 1950 and Marblehead has one of largest inventories of homes built prior to 1800, including 229 properties built before 1750. The vast majority of early construction is located in the area of town referred to as “Old Town” and designated as the Historic District. The Historic District is a high density, homogeneous, and distinct area. Antique architecture is predominant, and lots rarely exceed 5,000 square feet with some lots mirroring only the foundation of the dwelling. The Historic District has a more rigorous permitting requirements regarding exterior renovations and construction than the standard zoning by-laws.

Residential properties comprise 95% of the tax levy. In fiscal year 2024, single family dwellings had an average assessment of \$1,202,931, representing an increase of \$172,465 from fiscal year 2023. The average tax bill of \$10,778 is based on a single tax rate of \$8.96.

Commercial properties are typically one and two-story structures located along Atlantic Avenue, Pleasant Street, and in the Historic District. The predominant composition of the commercial properties is small retail, clothing boutiques, restaurants, banks, and office space, with many mixed-use properties located in the Historic District. Notable exceptions are three small strip centers located on Pleasant Street and a 15,000 square foot supermarket with attached residential improvements located in the Historic District. Commercial vacancies remain at historic lows and higher rental rates reflect the strong demand for space. Building permits continue to be issued at an unprecedented rate and reflect the ongoing revitalization of properties approaching the end of their economic life.

The Town continues to be in the revitalization stage of the real estate cycle as demonstrated by the continued number of “tear downs” and the redevelopment of new dwellings. All relevant data from multiple sources, particularly sales data and assessment analysis, indicate a very strong real estate market with an aggregate increase of 5.0% in fiscal year 2024. The average marketing time for properties is 18-20 days, with many properties selling in less than 20 days if priced properly. Demand continues to outweigh supply (as of today there are 33 single family homes for sale) resulting in a seller’s market and an upward trend in values, and several properties selling above asking price.

Based on market demand, current and proposed development, and increasing sale prices indications are a strong real estate market remains in place. This will result in a continued increase in market values for fiscal year 2024 and similarly, a corresponding increase in assessments. It is expected that for fiscal year 2024 the aggregate value of the community will continue to rise.

## **FINANCIAL AND MANAGEMENT POLICIES**

### **Budget**

An annual budget is legally adopted for the General Fund. The budget is recommended by the Finance Committee and approved by Town Meeting at the Town’s annual meeting in May. Changes subsequent to the approved Town Meeting budget require majority Town Meeting approval at a Special Town Meeting. Expenditures may not legally exceed appropriations at the department level. Department heads may transfer, without Town Meeting approval, appropriation balances from one account to another within their department or budget, and within the categories of salaries and expenses. At the close of each fiscal year, unencumbered appropriation balances lapse and revert to unassigned fund balance.

### **Ongoing Long-Term Financial Planning**

The Town manages its financial matters in a prudent manner, which has been affirmed by its ability to maintain its AAA bond rating for fifteen consecutive years. The Town’s financial actions are generally guided by multi-year planning tools, pay-as-you-go financing strategies for certain capital investments, long-term planning for liabilities such as employee health insurance costs and pension obligations, and establishment of reserves to alleviate volatility in departmental budgets.

The Town has also enhanced its revenue flexibility by establishing self-sufficient enterprise funds for sewer, water, municipal light and harbor operations. All costs related to the enterprises are funded through user fees and each enterprise pays the Town for its share of general government services.

### **Minimal Formal Changes to the fiscal year 2024 Approved Operating Budget**

The Town's Finance Committee is responsible for reviewing departmental budget requests and submits to Town Meeting an operating budget for the proposed expenditures and other financing uses for the next fiscal year. The budget, as enacted by Town Meeting, also establishes that certain appropriations are to be funded by particular revenues. The original budget can be amended during the fiscal year at special town meetings or at the next annual town meeting held prior to the end of the fiscal year. In fiscal year 2024, the original budget was amended with year-end transfers by approximately \$200,000 spread fairly evenly across several departments.

### **Property Tax Collection Rates Remain Consistently High**

The Town has consistently had a strong collection rate for net property taxes due. Collections typically exceed 97% of the net levy in the year of the levy and 99% - 100% within 3 years. This trend continued for fiscal year 2024 collections. Property tax revenue represents approximately 78% of the Town's revenue base.

### **Funding of Energy and Utility Reserves to Manage Cost Volatility**

In response to volatile energy costs, the Town established an energy reserve beginning with its fiscal year 2007 operating budget. Departments with energy costs are allowed to access this reserve after they exhaust their entire departmental budget for various forms of energy (heating, electricity, and motor vehicle fuel). Similarly, the Town established a utility reserve as part of the fiscal year 2017 operating budget. The utility reserve is used by departments that expend their utility budgets during the year, particularly for water and sewer costs due to usage and/or rate increases.

The use of both the energy and utility reserves has accomplished two important goals. First, it alleviates pressure on departmental budgets that have been historically pitting increases in these costs against other needs. Second, the reserve ensures that funds appropriated for increased energy and utility costs are not used for other purposes.

## **SIGNIFICANT EVENTS**

### **Town's AAA Bond Rating Affirmed for 15<sup>TH</sup> Consecutive Year**

The Town's credit is reviewed by the independent rating agency, Standard and Poor's (S&P). After their last careful review of the Town's finances and management practices in fiscal year 2023, S&P affirmed the Town's Bond rating at AAA, their highest municipal bond rating. This represented the 15<sup>th</sup> consecutive year such an accomplishment was achieved. The Town has not had an official review since, however, the common practice is for a municipality to maintain its rating from its last review until a new review is completed.



## **Significant Capital Improvement Projects**

The Town completed and started several major capital projects in fiscal year 2024. These were approved by the voters at the fiscal year 2023 annual Town Meeting.

These are summarized as follows:

1. Veteran's School exterior lighting and gymnasium.
2. Leases for a wheel loader and backhoe and the purchase of a vehicle for the Health/Waste Department.
3. Water infrastructure, including water mains, meters, appurtenances and engineering.
4. Sewer infrastructure, including sewers, pump stations, equipment and engineering.
5. Storm drainage infrastructure.
6. Radio replacement and leases of two SUVs and two cruisers for the Police Department.
7. Lease of one truck, and purchase of an electric wide mower and community center boiler for the Recreation and Parks Department.
8. Lease of one school bus, and one pickup truck for the School Department.
9. Mary Alley Building floor repairs.
10. Cemetery garage lighting.
11. Lease one tree chipper truck, one trackless MT7 tractor one plow truck and one aerial bucket lift truck for the Department of Public Works,
12. Replace main entry doors at the High School, playground resurfacing at the Village School and Glover School, walls and fences,
13. Refurbish engine 3, replace fire station doors, purchase alerting system, fire hose and equipment for the Fire Department.
14. Renovations to the Tower Way storage yard and building for the Department of Public Works.

## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Marblehead for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. This continued its receipt of awards after a one-year lapse for fiscal year 2022 in which the Town was unable to submit its report. It marked the 18<sup>th</sup> award received in 19 years. In order to receive this prestigious award, a government must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

The Town of Marblehead has received the GFOA's Distinguished Budget Presentation Award for the second year in a row for its fiscal year 2024 budget. In fiscal year 2024 only 44 municipalities in Massachusetts received this recognition. We are very proud of this accomplishment achieved through a collaborative effort and leadership from the Select Board and Finance Committee.

The preparation of this report on a timely basis could not be accomplished without the diligent and dedicated staff of the Finance Department, which includes the Treasurer Collector, Accounting, Payroll, and Retirement offices. I would like to express my sincere appreciation to all members of the Town's Finance Department who assisted and contributed to the preparation of this report. I would also like to

thank the Town Administrator, the Select Board, the Board of Assessors, and the Finance Committee for their ongoing support in conducting the financial operations of the Town in a responsible and efficient manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Aleesha N. Benjamin". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Aleesha Nunley Benjamin  
Finance Director/CFO



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Marblehead  
Massachusetts**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

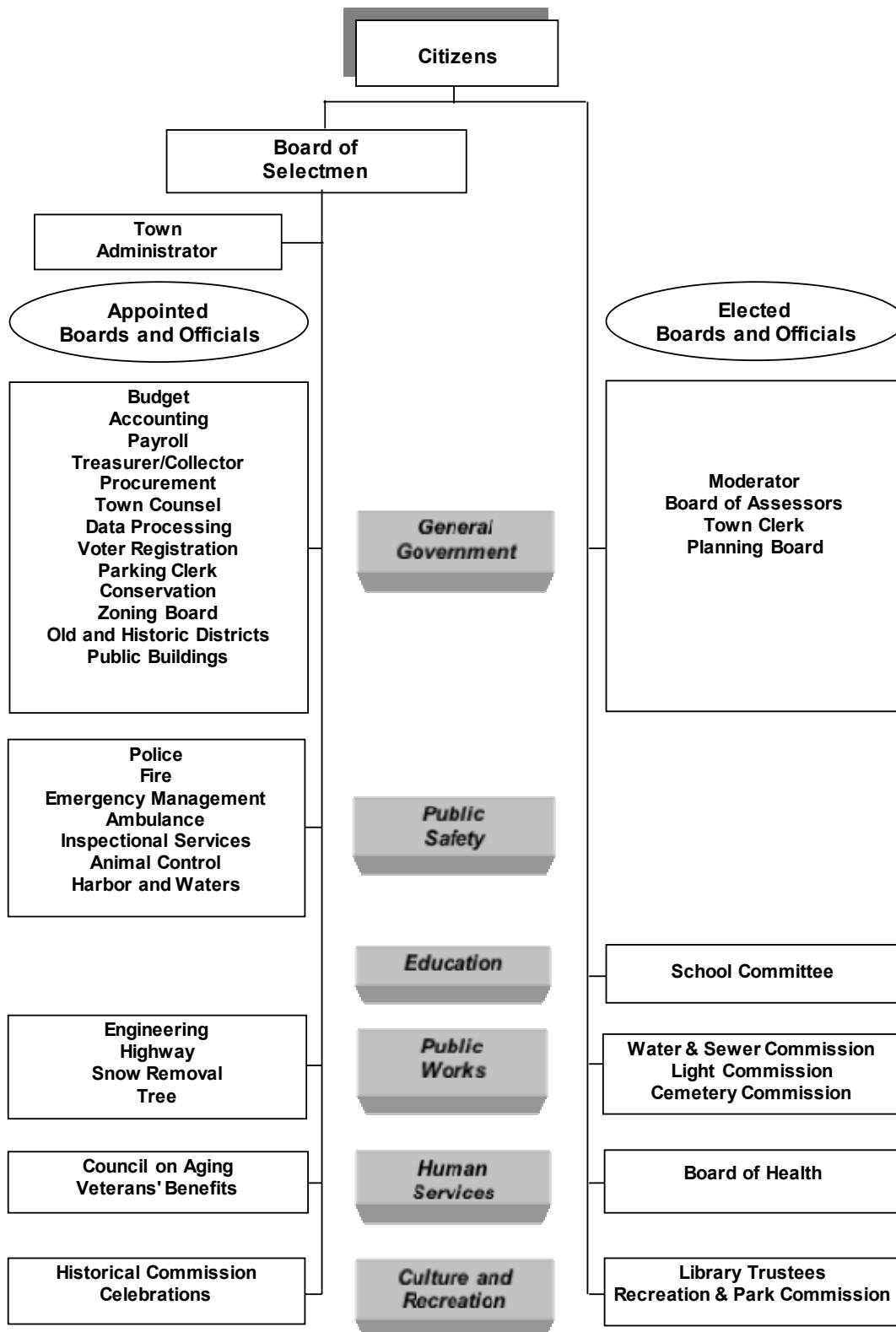
June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# Town of Marblehead, Massachusetts

## Organization Chart



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

Elected Officials

Select Board

Erin M. Noonan, Chair  
M.C. Moses Grader  
Dan Fox  
Alexa J. Singer  
Bret T. Murray

Town Clerk

Robin A. Michaud

School Committee

Jennifer Schaeffner - Chair  
Al Williams - Secretary  
Brian Ota  
Sarah Fox  
Alison Taylor

Appointed Officials

Finance Committee

Alec Goolsby - Chair  
Molly Teets - Vice Chair  
Pat Franklin - Vice Chair  
Timothy Shotmeyer  
Terra Samuels  
Michael O'Neil  
Eric Knight  
Michael Janko  
Lindsay Dube

Town Administrator  
Superintendent of Schools  
Finance Director/CFO  
Town Accountant  
Town Treasurer

Thatcher Kezer  
John Robidoux  
Alesha Nunley Benjamin  
Christopher Holak  
Cami Iannarelli



# FINANCIAL SECTION



**Above:** A water view from the Marblehead rail trail.

Courtesy: Aleesha Nunley Benjamin



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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Select Board  
Town of Marblehead, 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 Marblehead, Massachusetts, (the "Town") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents, (except for the Marblehead Contributory Retirement System (the "System") and the Marblehead Municipal Light Department (the "Light Department") or ("Municipal Light"), which are as of December 31, 2023). We did not audit the financial statements of the Light Department. The Light Department represents 45.5%, 37.1% and 60.2% respectively of the assets, net position, and operating revenues of the Town's business-type activities. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Light Department, is based solely on the report of the other auditors.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Town as of June 30, 2024, (except for the Marblehead Contributory Retirement System and the Marblehead Municipal Light Department, which are as of December 31, 2023) and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

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

## **Supplementary Information**

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

## **Other Information**

Management is responsible for the other information in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Roselli, Clark & Associates*

Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
June 24, 2025





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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the Town, we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the Town and its component unit for the fiscal year ended June 30, 2024.

### **Financial Highlights**

- The Town's liabilities and deferred inflows of financial resources exceeded its assets and deferred outflows of financial resources at the close of the most recent fiscal year resulting in a net deficit of approximately \$37.8 million (*total net deficit*).
- The government's total net position increased by approximately \$23.1 million. This consisted mainly of an increase in governmental activities' net position by nearly \$17.7 million as the business-type activities increased by over \$5.4 million.
- The Town's Unassigned Fund Balance reported in the General Fund was over \$12.6 million (11.7% of General Fund expenditures). Total Fund Balance in the General Fund was nearly \$21.3 million (19.7% of General Fund expenditures).
- The Town ended the year with over \$109.3 million in long-term outstanding debt of its governmental activities and nearly \$7.2 million in long-term outstanding debt of its business-type activities. These outstanding balances include unamortized bond premiums.
- The Town ended the year with over \$2.3 million in short-term outstanding debt of its governmental activities.
- The Town's total debt increased by nearly \$8.4 million; detail of this increase is discussed under the *capital asset and debt administration* caption of this MD&A.
- The Town's cash equivalents and investments in aggregate decreased to over \$96.0 million from \$101.2 million in the prior year. This was primarily related to construction of approximately \$9.3 million offset by positive operations.
- The Marblehead Contributory Retirement System is a legally separate entity blended as a fiduciary fund because it services almost entirely the Town and its omission would be misleading.

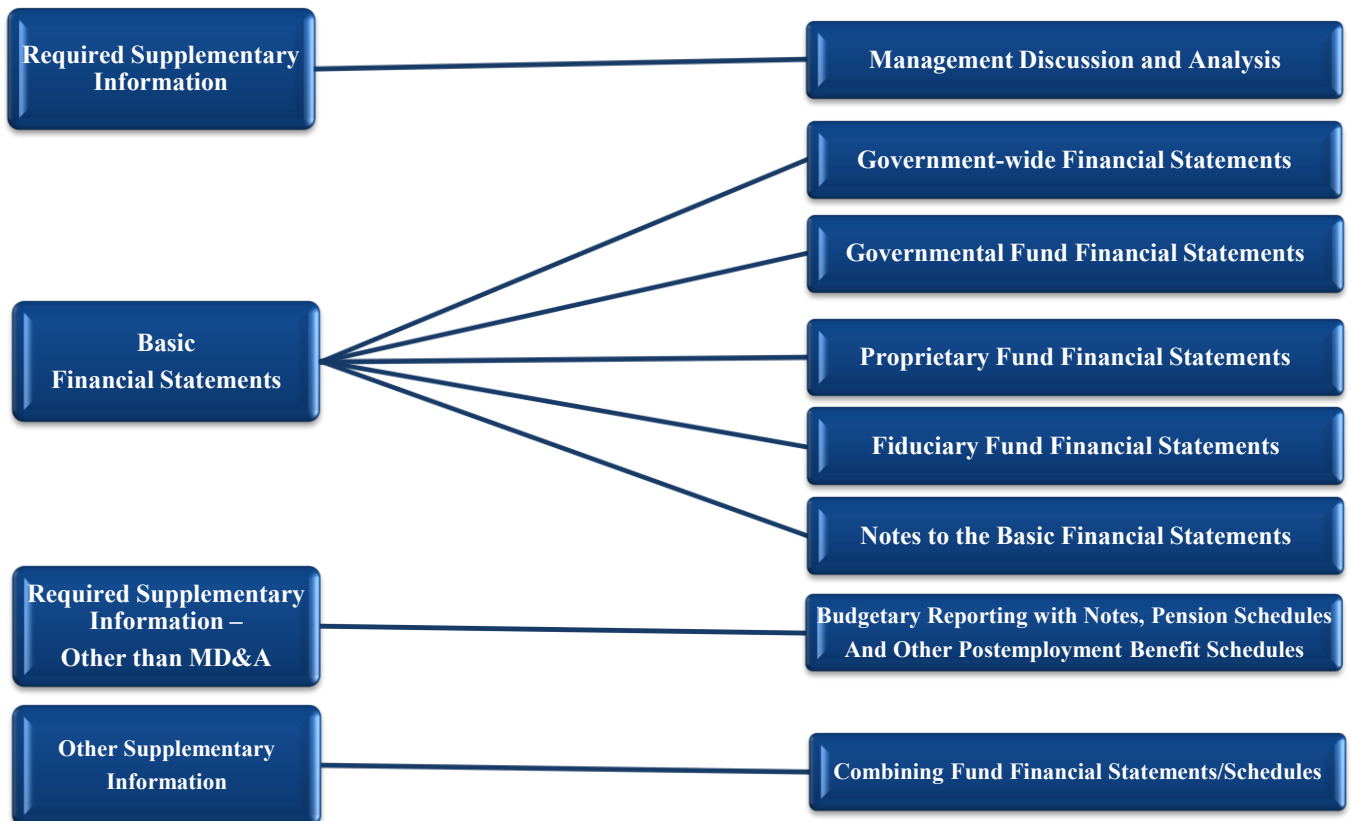
### **Overview of the Financial Statements**

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

The layout and relationship of the financial statements and supplementary information is visually presented in *Illustration 1*.

### Illustration 1 – Relationship of Financial Statement information

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



The government-wide financial statements consist of three classifications; (1) those whose activities are principally supported by taxes and intergovernmental revenue (*governmental activities*); (2) those whose activities are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*), and (3) a *component unit*.

The governmental activities of the Town include general government, public safety, highways and streets, sanitation, education, debt service, fringe benefits and culture and recreation. The business-type activities of the Town are comprised completely of four enterprise funds; water, sewer, harbor and municipal light.

**Fund Financial Statements** - A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related

legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

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

The Town adopts an annual appropriated budget for its general fund and its enterprise funds. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget and is included in this report as required supplementary information.

**Proprietary funds** – The Town maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for all the business-type activities previously discussed.

*Internal service funds* are used to report activities that service all other Town Departments. The Town uses an internal service fund to account for its workers compensation claims.



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

The Town’s fiduciary funds consist of the Marblehead Contributory Retirement System, the Other Postemployment Benefit Trust and the Private Purpose Trust Funds.

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

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town and Municipal Light’s Pension and Other Postemployment Benefit Plans as well as the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund and notes to this schedule.

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

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. For the year ended June 30, 2024, total net position was a deficit of over \$37.8 million.

Condensed net position data is presented as follows:

	Governmental Activities		Business-Type Activities		Total	
	June 30,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
	(as restated)		(as restated)		(as restated)	
<u>Assets</u>						
Current and other assets	\$ 72,933,028	\$ 75,587,976	\$ 41,441,158	\$ 40,695,015	\$ 114,374,186	\$ 116,282,991
Capital assets, net	184,040,138	179,477,938	52,618,595	48,687,666	236,658,733	228,165,604
<b>Total assets</b>	256,973,166	255,065,914	94,059,753	89,382,681	351,032,919	344,448,595
<b>Deferred outflows of resources</b>	28,349,399	38,735,847	3,851,995	3,670,904	32,201,394	42,406,751
<u>Liabilities</u>						
Long-term liabilities	288,211,951	304,443,427	26,247,373	24,835,290	314,459,324	329,278,717
Other liabilities	21,991,311	21,162,453	3,287,521	3,555,439	25,278,832	24,717,892
<b>Total liabilities</b>	310,203,262	325,605,880	29,534,894	28,390,729	339,738,156	353,996,609
<b>Deferred inflows of resources</b>	70,947,858	81,675,752	10,375,317	12,110,500	81,323,175	93,786,252
<u>Net Position</u>						
Net investment in capital assets	85,367,145	94,870,282	46,103,666	41,064,549	131,470,811	135,934,831
Restricted	18,499,666	15,285,548	7,107,473	10,220,543	25,607,139	25,506,091
Unrestricted	(199,695,366)	(223,635,701)	4,790,398	1,267,264	(194,904,968)	(222,368,437)
<b>Total Net Position</b>	\$ (95,828,555)	\$ (113,479,871)	\$ 58,001,537	\$ 52,552,356	\$ (37,827,018)	\$ (60,927,515)

By far, the largest portion (nearly \$131.5 million) of the Town’s net position reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town’s investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion (approximately \$25.6 million) of the Town's net position represents resources that are subject to external restrictions on how they may be used.

*Unrestricted net position* is reported as a deficit of over \$194.9 million. A deficit of nearly \$199.7 million is reported in governmental activities which is offset by a surplus of nearly \$4.8 million as reported in the Business-type activities. The implementation of GASB 68 and GASB 75 related to net pension and net OPEB liabilities are the primary contributors to this deficit as these liabilities are significant. These deficits are expected to increase in the future until the Town adopts more aggressive funding schedules.

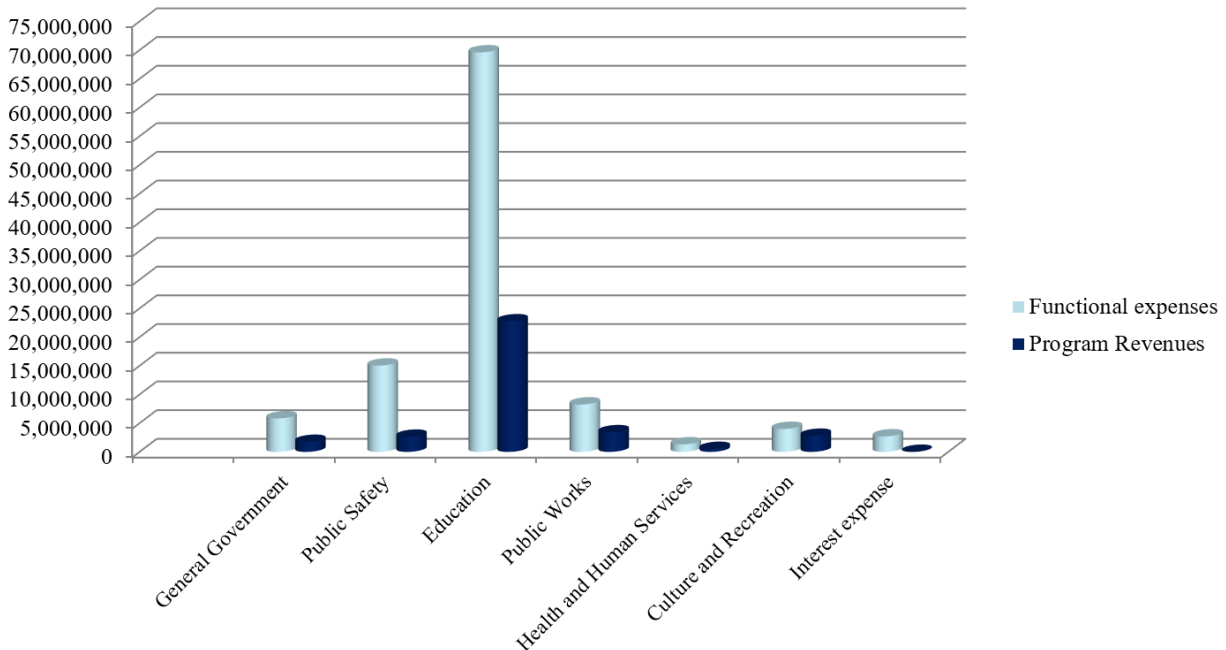
Condensed changes in net position are presented as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	June 30,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
		(as restated)		(as restated)		(as restated)
<b><u>Revenues</u></b>						
Program revenues:						
Charges for services	\$ 9,038,261	\$ 7,701,659	\$ 35,644,745	\$ 34,460,835	\$ 44,683,006	\$ 42,162,494
Operating grants and contributions	21,151,824	19,289,786	52,563	9,129	21,204,387	19,298,915
Capital grants and contributions	3,645,223	1,125,122	-	-	3,645,223	1,125,122
General revenues:						
Property taxes and tax liens	81,456,520	78,959,380	-	-	81,456,520	78,959,380
Unrestricted grants and contributions	1,361,321	1,587,952	-	-	1,361,321	1,587,952
Other	7,603,602	5,989,736	1,119,830	427,425	8,723,432	6,417,161
<b>Total Revenues</b>	<b>124,256,751</b>	<b>114,653,635</b>	<b>36,817,138</b>	<b>34,897,389</b>	<b>161,073,889</b>	<b>149,551,024</b>
<b><u>Expenses</u></b>						
General government	5,834,369	5,152,221	-	-	5,834,369	5,152,221
Public safety	15,031,565	13,215,118	-	-	15,031,565	13,215,118
Education	69,602,227	68,747,259	-	-	69,602,227	68,747,259
Public works	8,258,032	7,859,316	-	-	8,258,032	7,859,316
Health and human services	1,309,550	1,367,356	-	-	1,309,550	1,367,356
Culture and recreation	4,000,404	4,568,681	-	-	4,000,404	4,568,681
Debt service	2,696,417	2,554,412	-	-	2,696,417	2,554,412
Water	-	-	5,390,870	5,706,225	5,390,870	5,706,225
Sewer	-	-	5,253,764	6,000,843	5,253,764	6,000,843
Harbor	-	-	1,125,387	2,008,866	1,125,387	2,008,866
Municipal light	-	-	19,470,807	17,710,162	19,470,807	17,710,162
<b>Total Expenses</b>	<b>106,732,564</b>	<b>103,464,363</b>	<b>31,240,828</b>	<b>31,426,096</b>	<b>137,973,392</b>	<b>134,890,459</b>
Change in net position before transfers	17,524,187	11,189,272	5,576,310	3,471,293	23,100,497	14,660,565
<b>Transfers</b>	<b>127,129</b>	<b>-</b>	<b>(127,129)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Change in net position	17,651,316	11,189,272	5,449,181	3,471,293	23,100,497	14,660,565
Net position, beginning of year	(113,479,871)	(120,663,251)	52,552,356	47,259,578	(60,927,515)	(73,403,673)
Restatement for receivables	-	(258,220)	-	1,821,485	-	1,563,265
Restatement for unavailable revenue	-	(2,723,592)	-	-	-	(2,723,592)
Restatement for investments fair value	-	(1,024,080)	-	-	-	(1,024,080)
Net position, beginning of year, as restated	(113,479,871)	(124,669,143)	52,552,356	49,081,063	(60,927,515)	(75,588,080)
Net position, end of year	<u>\$ (95,828,555)</u>	<u>\$ (113,479,871)</u>	<u>\$ 58,001,537</u>	<u>\$ 52,552,356</u>	<u>\$ (37,827,018)</u>	<u>\$ (60,927,515)</u>

**Governmental Activities** – Governmental activities increased net position by nearly \$17.7 million as compared to an increase in the prior year of nearly \$11.2 million. The primary reason for this was due to the planned increase in revenues being offset by a lower increase in expenses.

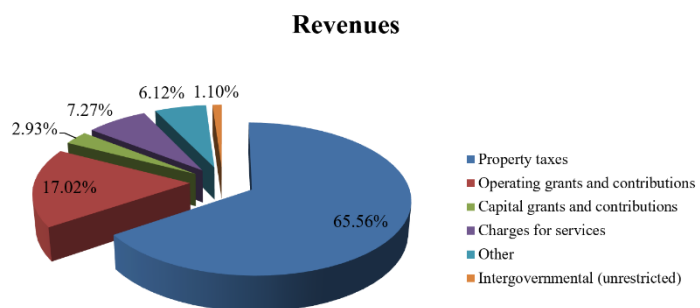
The fluctuations are discussed below.

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



**Major revenue sources of governmental activities consist of revenue from:**

(1) Operating grants which comprised approximately 17% of the total governmental activity revenues; amounts increased over the prior year by nearly \$1.9 million. The Town teachers participate in the Massachusetts Teacher's Retirement System. The State makes contributions to this system on behalf of the Town for its' teachers under a special funding situation. This amount increased over the prior year by about \$0.8 million. The remainder was due to aggressive positive grant activity related to Federal stimulus, education, and public works grants which each increased over the prior year.



(2) Property taxes which represented 65.6% of total revenues increased by nearly \$2.5 million over the prior year; under Massachusetts General Laws, communities are allowed to assess taxes at 2 ½% of the prior year plus any new growth plus any exclusions authorized by the voters in excess of the statutory limit. As a result, this increase met its expectation as certified by the State in December 2023.

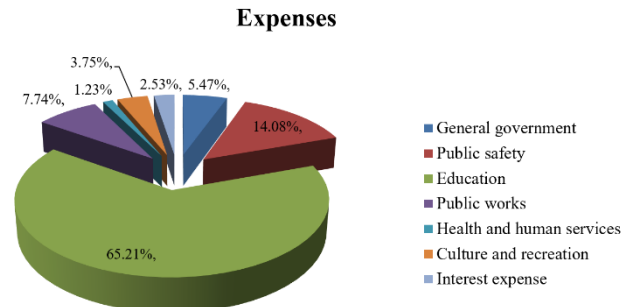
(3) Capital grants which represents a small amount of revenue is listed here because it increased by over \$2.5 million over the prior year and since these revenues fund capital outlays they are not reflected in related expenses.

All other revenue sources were individually less than 10% of total revenues and fluctuations were not material.

### Major expense outlays of governmental activities consist of expenses from:

(1) Education costs represented the Town's largest expense category as education continues to be an area in which the Town devotes substantial resources. Approximately 65.2% of total disbursements related to education.

Amounts were nearly \$0.9 million greater than the prior year. Increases related to the special funding situation described above made up the majority of this increase as the remainder of the costs were relatively flat due to cost of living increases being offset by reductions in program spending due to stimulus funds being exhausted.



(2) Public Safety expenses represented about 14.1% of total expenses; the dollar amounts were over \$1.8 million greater than the prior year. The increase was due primarily to cost of living increases and a spike in police detail activity over the prior year.

All other expenses were less than 10% of total expenses and their individual increases were isolated to benefit allocations, as well as general cost of living factors.

**Business-type Activities** – The net position of the business-type activity funds increased by nearly \$5.5 million as compared to nearly \$3.5 million in the prior year. This was primarily caused by an increase in revenue for the municipal light plant due to passing through escalating energy costs in addition to investment income. Otherwise, operations were consistent with the prior year.

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

As of the close of the current fiscal year, the Town's governmental funds balance sheet reported a combined ending fund balance of nearly \$58.1 million; this decreased over the prior fiscal year by over \$84.3 million which can be summarized in these highlights:

1. Operations of the general fund decreased by almost \$1.1 million. Despite a very strong economy that led to outstanding revenue results and continued the continued strict monitoring of

expenditures, a planned use of \$8.0 million in surplus offset these otherwise very favorable results.

The Town's Unassigned Fund Balance reported in the General Fund was over \$12.6 million (11.7% of General Fund expenditures). Total Fund Balance in the General Fund was nearly \$21.3 million (19.7% of General Fund expenditures).

2. Both the Public Funds and Federal Grant Funds had consistent revenue and expenditure activity which resulted in an aggregate increase of less than \$0.3 million. The combined fund balance of approximately \$8.0 million is classified as restricted.
3. The capital projects fund balance decreased over \$7.5 million; this was primarily due to timing of construction expenditures exceeding bond proceeds and other financing sources.

A portion of the fund balance (nearly \$0.9 million) in the capital projects fund was in deficit due to expenditures funded from short-term borrowings. This has been recorded as unassigned. The remainder (over \$11.5 million) is restricted.

4. The nonmajor funds activity increased by over \$4.0 million. These funds are designed such that revenues and expenditures typically offset. Any increase or decrease is due to the timing of expenditures and revenues.

The majority of the fund balance, about \$18.4 million, is restricted. There are also minor amounts included as part of nonspendable and unassigned.

**Proprietary funds** – The Town's proprietary funds are made up of the Water, Sewer, Harbor and Municipal Light which provides the same type of information found in the government-wide financial statements under business-type activities, but in more detail.

As previously discussed, the operations were more positive as compared to the prior year due to intergovernmental grants.

**Fiduciary Fund** – The Town's fiduciary fund is comprised primarily of the Town's Retirement System whose net position is approximately \$124.6 million. These assets are used strictly to pay retiree pensions and annuities and may not be used for Town operating purposes. For the year ended December 31, 2023 the net position increased by nearly \$9.1 million due primarily to favorable market conditions during that calendar year.

The Town also includes a smaller amount (over \$4.5 million) in Other Postemployment Benefits that is combined with the Retirement System in the fiduciary funds.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were not significant. The Town exceeded the revenue forecasts used in its budget by over \$2.0 million. The majority of this was in investment income which outpaced forecasts by over \$1.8 million. A favorable interest rate environment was primarily responsible for this.

Expenditures beat forecasts across many categories by approximately \$5.8 million in aggregate with the largest in health insurance at nearly \$2.5 million favorable. The Town continues to be budget conscious and uses effective cost controls including strong procurement.

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

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

**Capital Assets** – The Town’s investment in capital and right to use assets for its governmental and business type activities as of June 30, 2024 amounts to nearly \$236.7 million (net of accumulated depreciation/amortization), an increase from the previous year’s balance of approximately \$8.5 million as additions outpaced depreciation/amortization. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery, equipment, and software. Additional information on the Town’s capital assets can be found in Notes to the financial statements.

**Long-term Debt** – At the end of the current fiscal year, the Town had total long-term debt outstanding of approximately \$116.5 million. The entire amount comprises debt backed by the full faith and credit of the government. The Town’s total debt decreased nearly \$8.4 million during the fiscal year summarized as follows:

Regular scheduled maturities:		
Governmental Activities	\$	(7,207,306)
Business-Type Activities		(828,547)
Issuance of debt:		
Governmental Activities		776,653
Amortization of premiums		
Governmental Activities		(1,127,190)
	\$	<u>(8,386,390)</u>

The Town also maintains bond anticipation notes outstanding at year-end at over \$2.3 million.

The Town’s most recent credit evaluation resulted in maintaining an “AAA” rating – stable outlook from Standard and Poor’s Investment Services for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5.0 % of its total assessed valuation. The current debt limitation for the Town is approximately \$475.2 million, which is significantly in excess of the Town’s outstanding general obligation debt classified inside the debt limit.

The Town also holds a proportionate share of debt of other governmental units that provide services within the Town’s boundaries. The debt service from such arrangements is assessed annually to the Town.

Additional information on the Town’s short-term and long-term debt can be found in Notes to the financial statements.

### **Economic Factors and Next Year's Budget and Rates**

- Unemployment rates across the Commonwealth continue to remain positive near 40-year historic lows.
- The Town's real estate tax base is made up predominantly of residential taxes, which comprise nearly 95.5% of the Town's real estate tax base. In addition, Chapter 580 of the Acts of 1980, more commonly referred to as Proposition 2 ½, limits the Town's ability to increase taxes in any one year by more than two and one-half percent (2 ½%) of the previous year tax levy.
- The Town's housing market has been very strong for the past several years. This has been bolstered by mortgage rates at historic lows. Recent economic conditions have caused mortgage rates to begin to spike during fiscal year 2023 and continue into 2025. Such trends may have an adverse effect on the housing market, and the Town is monitoring this.
- While inflation has stabilized from historic highs, the costs to run a municipality continue to increase. This has been experienced in wage, energy, construction, supplies and services. The Town continues to monitor this situation

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

### **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, 7 Widger Road, Marblehead, Massachusetts 01945.

The System does not issue separate audited financial statements however it does prepare a statutorily required annual financial report. This report may be obtained by contacting the System at 7 Widger Road, Marblehead, Massachusetts 01945.



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## **Basic Financial Statements**

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 58,467,643	\$ 29,127,577	\$ 87,595,220
Investments	8,439,263	-	8,439,263
Receivables, net:			
Property taxes	2,418,357	-	2,418,357
Tax liens	598,344	-	598,344
User fees	-	7,155,124	7,155,124
Departmental and other	596,455	37,300	633,755
Leases	709,425	-	709,425
Intergovernmental	1,666,378	-	1,666,378
Tax foreclosures	16,067	-	16,067
Inventory	21,096	258,756	279,852
Other assets	-	1,626,273	1,626,273
Purchased power advance deposits	-	1,646,709	1,646,709
Investment in joint venture	-	1,589,419	1,589,419
Capital assets not being depreciated	19,774,232	7,039,311	26,813,543
Capital assets, net of accumulated depreciation	164,265,906	45,579,284	209,845,190
<b>Total Assets</b>	<b>256,973,166</b>	<b>94,059,753</b>	<b>351,032,919</b>
<b>Deferred Outflows of Resources</b>			
Related to net pension liability	3,970,720	2,088,802	6,059,522
Related to net other postemployment benefits liability	24,378,679	1,763,193	26,141,872
<b>Total Deferred Outflows of Resources</b>	<b>28,349,399</b>	<b>3,851,995</b>	<b>32,201,394</b>
<b>Liabilities</b>			
Warrants and accounts payable	2,513,465	1,860,095	4,373,560
Accrued payroll and withholdings	492,201	53,783	545,984
Accrued interest	1,596,161	-	1,596,161
Customer deposits	-	227,081	227,081
Unearned revenue	4,390,013	-	4,390,013
Other liabilities	75,655	2,468	78,123
Bond anticipation notes payable	2,312,000	-	2,312,000
Noncurrent liabilities:			
Due within one year	10,611,816	1,144,094	11,755,910
Due in more than one year	288,211,951	26,247,373	314,459,324
<b>Total Liabilities</b>	<b>310,203,262</b>	<b>29,534,894</b>	<b>339,738,156</b>
<b>Deferred Inflows of Resources</b>			
Contributions in aid of construction	-	213,503	213,503
Rate stabilization reserve	-	2,992,379	2,992,379
Related to leased assets	709,425	-	709,425
Related to net pension liability	2,661,459	495,161	3,156,620
Related to net other postemployment benefits liability	67,576,974	6,674,274	74,251,248
<b>Total Deferred Inflows of Resources</b>	<b>70,947,858</b>	<b>10,375,317</b>	<b>81,323,175</b>
<b>Net Position</b>			
Net investment in capital assets	85,367,145	46,103,666	131,470,811
Restricted for:			
Nonexpendable permanent funds	3,835,200	-	3,835,200
Expendable permanent funds	3,905,442	-	3,905,442
Depreciation	-	7,107,473	7,107,473
Gifts and grants	9,736,653	-	9,736,653
Other specific purposes	1,022,371	-	1,022,371
Unrestricted	(199,695,366)	4,790,398	(194,904,968)
<b>Total Net Position</b>	<b>\$ (95,828,555)</b>	<b>\$ 58,001,537</b>	<b>\$ (37,827,018)</b>

See accompanying notes to basic financial statements.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

**STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 5,834,369	\$ 578,609	\$ 1,158,983	\$ -	\$ (4,096,777)		\$ (4,096,777)
Public safety	15,031,565	2,466,433	165,177	-	(12,399,955)		(12,399,955)
Education	69,602,227	2,116,200	19,297,927	1,328,024	(46,860,076)		(46,860,076)
Public works	8,258,032	2,113,799	107,127	1,194,399	(4,842,707)		(4,842,707)
Health and human services	1,309,550	316,172	195,743	-	(797,635)		(797,635)
Culture and recreation	4,000,404	1,447,048	226,867	1,122,800	(1,203,689)		(1,203,689)
Interest expense	2,696,417	-	-	-	(2,696,417)		(2,696,417)
Total governmental activities	106,732,564	9,038,261	21,151,824	3,645,223	(72,897,256)		(72,897,256)
Business-type activities:							
Water	5,390,870	6,450,172	-	-		\$ 1,059,302	1,059,302
Sewer	5,253,764	6,676,815	-	-		1,423,051	1,423,051
Harbor	1,125,387	1,050,500	52,563	-		(22,324)	(22,324)
Municipal light	19,470,807	21,467,258	-	-		1,996,451	1,996,451
Total business-type activities	31,240,828	35,644,745	52,563	-		4,456,480	4,456,480
Total Primary Government	\$ 137,973,392	\$ 44,683,006	\$ 21,204,387	\$ 3,645,223	(72,897,256)	4,456,480	(68,440,776)
General Revenues:							
Property taxes					81,456,520	-	81,456,520
Motor vehicle and other excise					4,014,888	125,182	4,140,070
Payments in lieu of taxes					11,624	-	11,624
Grants and contributions not restricted to specific programs					1,361,321	-	1,361,321
Penalties and interest on taxes					400,110	-	400,110
Unrestricted investment income					3,176,980	994,648	4,171,628
Transfers (net)					127,129	(127,129)	-
Total general revenues and transfers					90,548,572	992,701	91,541,273
Change in Net Position					17,651,316	5,449,181	23,100,497
Net Position:							
Beginning of year, as previously reported					(110,037,547)	50,730,871	(59,306,676)
Error corrections					(3,442,324)	1,821,485	(1,620,839)
Beginning of year, as restated (see Note IV)					(113,479,871)	52,552,356	(60,927,515)
End of year					\$ (95,828,555)	\$ 58,001,537	\$ (37,827,018)

See accompanying notes to basic financial statements.

## TOWN OF MARBLEHEAD, MASSACHUSETTS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General Fund	Highway Improvement Fund	Public Funds	Federal Grant Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 21,849,263	\$ -	\$ 3,885,856	\$ 4,095,617	\$ 13,769,842	\$ 13,376,238	\$ 56,976,816
Investments	-	-	3,854,786	-	-	4,584,477	8,439,263
Receivables, net of allowance for uncollectibles:							
Property taxes	2,418,357	-	-	-	-	-	2,418,357
Tax liens and deferrals	598,344	-	-	-	-	-	598,344
Motor vehicle and other excise	451,932	-	-	-	-	-	451,932
Intergovernmental	-	-	-	571,470	-	1,094,908	1,666,378
Departmental and other	6,375	-	-	-	-	138,148	144,523
Leases	709,425	-	-	-	-	-	709,425
Tax foreclosures	16,067	-	-	-	-	-	16,067
Inventory	-	-	-	-	-	21,096	21,096
Due from other funds	243,698	-	-	-	-	-	243,698
<b>Total Assets</b>	<b>26,293,461</b>	<b>-</b>	<b>7,740,642</b>	<b>4,667,087</b>	<b>13,769,842</b>	<b>19,214,867</b>	<b>71,685,899</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 26,293,461</b>	<b>\$ -</b>	<b>\$ 7,740,642</b>	<b>\$ 4,667,087</b>	<b>\$ 13,769,842</b>	<b>\$ 19,214,867</b>	<b>\$ 71,685,899</b>
<b>Liabilities</b>							
Warrants and accounts payable	\$ 1,109,204	\$ -	\$ -	\$ 49,590	\$ 785,931	\$ 560,136	\$ 2,504,861
Accrued payroll and withholdings	392,998	-	-	1,434	-	97,769	492,201
Unearned revenue	-	-	-	4,390,013	-	-	4,390,013
Other liabilities	46,726	-	-	-	-	28,929	75,655
Due to other funds	-	-	-	-	-	243,698	243,698
Bond anticipation notes payable	-	-	-	-	2,312,000	-	2,312,000
<b>Total Liabilities</b>	<b>1,548,928</b>	<b>-</b>	<b>-</b>	<b>4,441,037</b>	<b>3,097,931</b>	<b>930,532</b>	<b>10,018,428</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenues - property taxes	2,285,425	-	-	-	-	-	2,285,425
Unavailable revenues - excise taxes	451,932	-	-	-	-	-	451,932
Unavailable revenues - leases	709,425	-	-	-	-	-	709,425
Unavailable revenues - other	6,375	-	-	-	-	138,148	144,523
<b>Total Deferred Inflows of Resources</b>	<b>3,453,157</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138,148</b>	<b>3,591,305</b>
<b>Fund Balances</b>							
Nonspendable	-	-	3,835,200	-	-	21,096	3,856,296
Restricted	-	-	3,905,442	226,050	11,544,880	18,246,994	33,923,366
Committed	1,907,863	-	-	-	-	-	1,907,863
Assigned	6,737,703	-	-	-	-	-	6,737,703
Unassigned	12,645,810	-	-	-	(872,969)	(121,903)	11,650,938
<b>Total Fund Balances</b>	<b>21,291,376</b>	<b>-</b>	<b>7,740,642</b>	<b>226,050</b>	<b>10,671,911</b>	<b>18,146,187</b>	<b>58,076,166</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 26,293,461</b>	<b>\$ -</b>	<b>\$ 7,740,642</b>	<b>\$ 4,667,087</b>	<b>\$ 13,769,842</b>	<b>\$ 19,214,867</b>	<b>\$ 71,685,899</b>

See accompanying notes to basic financial statements.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

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

<b>Total Governmental Fund Balances</b>	<b>\$ 58,076,166</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	184,040,138
Other long-term assets that are unavailable to pay current-period expenditures	2,881,880
Deferred outflows and inflows of resources to be recognized in future fiscal years are not available resources and, therefore, are not reported in the funds:	
Deferred outflows related to net pension liability	3,970,720
Deferred outflows related to net other postemployment benefits liability	24,378,679
Deferred inflows related to net pension liability	(2,661,459)
Deferred inflows related to other net postemployment benefits liability	<u>(67,576,974)</u>
Net effect of reporting deferred outflows and inflows of resources	(41,889,034)
Assets, deferred outflows of resources and liabilities and deferred inflows of resources of the Town's internal service funds are included in the Statement of Net Position, but are not reported in the governmental funds.	62,540
In the Statement of Activities, interest is accrued on outstanding long-term debt whereas in the governmental funds interest is not reported until due.	(1,596,161)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the government funds:	
Bonds and notes payable	(101,614,347)
Unamortized premiums on bonds	(7,730,557)
Landfill closure	(2,292,000)
Compensated absences	(1,829,056)
Net pension liability	(42,840,952)
Net other postemployment benefits liability	<u>(141,097,172)</u>
Net effect of reporting long-term liabilities	<u>(297,404,084)</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ (95,828,555)</u></u></b>

See accompanying notes to basic financial statements.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

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

	General Fund	Highway Improvement Fund	Public Funds	Federal Grant Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 80,889,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,889,890
Intergovernmental	16,068,755	-	-	2,252,999	-	5,589,939	23,911,693
Motor vehicle and other excises	3,899,895	-	-	-	-	-	3,899,895
Licenses and permits	1,291,023	-	-	-	-	-	1,291,023
Penalties and interest on taxes	400,110	-	-	-	-	-	400,110
Payments in lieu of taxes	11,624	-	-	-	-	-	11,624
Fines and forfeitures	66,729	-	-	-	-	-	66,729
Charges for services	1,589,942	-	-	-	-	4,042,913	5,632,855
Departmental and other revenue	-	-	-	-	-	1,993,283	1,993,283
Investment income	2,539,492	-	244,231	-	-	389,388	3,173,111
Contributions and donations	-	-	33,565	-	1,000,000	1,276,171	2,309,736
Total Revenues	106,757,460	-	277,796	2,252,999	1,000,000	13,291,694	123,579,949
Expenditures:							
Current:							
General government	3,688,249	-	-	106,273	124,704	557,799	4,477,025
Public safety	10,867,965	-	-	75,935	248,132	1,295,099	12,487,131
Education	45,784,185	-	-	1,416,078	225,279	4,247,282	51,672,824
Public works	5,683,896	-	-	622,889	2,250,464	1,341,743	9,898,992
Health and human services	847,938	-	204	-	-	180,990	1,029,132
Culture and recreation	2,212,627	-	5,597	-	6,457,209	1,442,729	10,118,162
Pension benefits	12,491,338	-	-	-	-	-	12,491,338
Employee benefits	13,585,512	-	-	-	-	-	13,585,512
State and county assessments	1,832,947	-	-	-	-	-	1,832,947
Debt service:							
Principal	7,207,306	-	-	-	-	-	7,207,306
Interest	4,030,442	-	-	-	-	-	4,030,442
Total Expenditures	108,232,405	-	5,801	2,221,175	9,305,788	9,065,642	128,830,811
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,474,945)	-	271,995	31,824	(8,305,788)	4,226,052	(5,250,862)
Other Financing Sources (Uses):							
Issuance of direct financing	-	-	-	-	776,653	-	776,653
Transfers in	599,448	-	-	-	-	29,683	629,131
Transfers out	(232,554)	-	(26,000)	-	-	(243,448)	(502,002)
Total Other Financing Sources (Uses)	366,894	-	(26,000)	-	776,653	(213,765)	903,782
Net Change in Fund Balances	(1,108,051)	-	245,995	31,824	(7,529,135)	4,012,287	(4,347,080)
FUND BALANCES - As previously reported	22,399,427	3,793	7,494,647	2,505,077	18,459,266	15,003,360	65,865,570
Change within financial reporting entity (major to nonmajor)	-	(3,793)	-	-	-	3,793	-
Error corrections	-	-	-	(2,310,851)	(258,220)	(873,253)	(3,442,324)
FUND BALANCES - As restated (see Note IV)	22,399,427	-	7,494,647	194,226	18,201,046	14,133,900	62,423,246
FUND BALANCES - End of year	\$ 21,291,376	\$ -	\$ 7,740,642	\$ 226,050	\$ 10,671,911	\$ 18,146,187	\$ 58,076,166

See accompanying notes to basic financial statements.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

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

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**Net Change in Fund Balances - Total Governmental Fund Balances** **\$ (4,347,080)**

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. The net amounts are reflected here as reconciling items:

Capital outlays	11,901,315	
Depreciation expense	(7,339,115)	
Net effect of reporting capital assets		4,562,200

In the Statement of Activities, Internal Service Funds established to administer the Town's health insurance and worker's compensation activities are included within the Statement of activities whereas these activities are not presented in the Statement of Revenues, Expenditures and Changes in Fund Balances. (256,551)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities. The net amounts are reflected here as reconciling items:

Issuance of direct financing	(776,653)	
Amortization of premiums on bonds and notes payable	1,127,190	
Repayments of debt	7,207,306	
Net effect of reporting long-term debt		7,557,843

Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. The amount presented represents the difference in unavailable revenue. 672,933

In the Statement of Activities, interest is accrued on outstanding long-term debt; whereas in governmental funds interest is not reported until due. The net amount presented here as a reconciling item represents the difference in accruals between this year and the prior year. 206,835

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:

Landfill closure	114,600	
Compensated absences	(189,396)	
Pension benefits	305,258	
Other postemployment benefits	9,024,674	
Net effect of reporting long-term liabilities		9,255,136

**Change in Net Position of Governmental Activities** **\$ 17,651,316**

See accompanying notes to basic financial statements.

## TOWN OF MARBLEHEAD, MASSACHUSETTS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

	Business-Type Activities				Governmental Activities	
	Water	Sewer	Harbor	Municipal Light (December 31, 2023)	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 5,391,481	\$ 5,498,974	\$ 1,268,958	\$ 16,968,164	\$ 29,127,577	\$ 1,490,827
Investments	-	-	-	-	-	-
Receivables (net):						
Boat excise taxes	-	-	37,300	-	37,300	-
User charges	2,057,818	2,142,427	-	2,954,879	7,155,124	-
Inventory	-	-	-	258,756	258,756	-
Other assets	-	-	-	1,626,273	1,626,273	-
Purchased power advanced deposits	-	-	-	1,646,709	1,646,709	-
Total current assets	7,449,299	7,641,401	1,306,258	23,454,781	39,851,739	1,490,827
Noncurrent assets:						
Investment in joint venture	-	1,589,419	-	-	1,589,419	-
Capital assets not being depreciated	49,426	115,466	2,044,077	4,830,342	7,039,311	-
Capital assets, net of accumulated depreciation	16,789,172	12,810,252	1,441,753	14,538,107	45,579,284	-
Total noncurrent assets	16,838,598	14,515,137	3,485,830	19,368,449	54,208,014	-
Total Assets	24,287,897	22,156,538	4,792,088	42,823,230	94,059,753	1,490,827
<b>Deferred Outflows of Resources</b>						
Related to net pension liability	108,114	128,626	65,808	1,786,254	2,088,802	-
Related to net other postemployment benefit liability	372,652	399,793	250,500	740,248	1,763,193	-
Total Deferred Outflows of Resources	480,766	528,419	316,308	2,526,502	3,851,995	-
<b>Liabilities</b>						
Current liabilities:						
Warrants and accounts payable	45,909	47,923	23,735	1,742,528	1,860,095	8,604
Accrued payroll and withholdings	21,090	20,334	12,359	-	53,783	-
Customer deposits	-	-	-	227,081	227,081	-
Other liabilities	2,468	-	-	-	2,468	-
Compensated absences	84,666	76,928	33,667	110,344	305,605	-
Workers' compensation	-	-	-	-	-	354,921
Bonds and notes payable	525,940	-	-	312,549	838,489	-
Total current liabilities	680,073	145,185	69,761	2,392,502	3,287,521	363,525
Noncurrent liabilities:						
Workers' compensation	-	-	-	-	-	1,064,762
Net other postemployment benefit liability	2,159,550	2,321,968	1,474,905	3,404,681	9,361,104	-
Net pension liability	1,166,462	1,387,766	710,020	7,297,423	10,561,671	-
Bonds and notes payable	2,935,640	-	-	3,388,958	6,324,598	-
Total noncurrent liabilities	6,261,652	3,709,734	2,184,925	14,091,062	26,247,373	1,064,762
Total Liabilities	6,941,725	3,854,919	2,254,686	16,483,564	29,534,894	1,428,287
<b>Deferred Inflows of Resources</b>						
Contributions in aid of construction	-	-	-	213,503	213,503	-
Rate stabilization reserve	-	-	-	2,992,379	2,992,379	-
Related to net pension liability	72,465	86,214	44,110	292,372	495,161	-
Related to net other postemployment benefit liability	1,032,982	1,108,213	694,377	3,838,702	6,674,274	-
Total Deferred Inflows of Resources	1,105,447	1,194,427	738,487	7,336,956	10,375,317	-
<b>Net Position</b>						
Net investment in capital assets	13,562,982	12,925,718	3,485,830	16,129,136	46,103,666	-
Restricted for:						
Depreciation	-	-	-	7,107,473	7,107,473	-
Unrestricted	3,158,509	4,709,893	(1,370,607)	(1,707,397)	4,790,398	62,540
Total Net Position	\$ 16,721,491	\$ 17,635,611	\$ 2,115,223	\$ 21,529,212	\$ 58,001,537	\$ 62,540

See accompanying notes to basic financial statements.



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

	Business-Type Activities				Governmental Activities
	Water	Sewer	Harbor	Municipal Light (December 31, 2023)	Total Enterprise Funds Internal Service Funds
Operating Revenues:					
Charges for services	\$ 6,450,172	\$ 6,676,815	\$ 1,050,500	\$ 21,467,258	\$ 35,644,745
Employer contributions	-	-	-	-	-
Total Operating Revenues	6,450,172	6,676,815	1,050,500	21,467,258	35,644,745
Operating Expenses:					
Cost of services and administration	1,614,141	1,685,479	1,002,685	17,250,439	21,552,744
Operating assessments	3,130,039	3,080,769	-	-	6,210,808
Depreciation	646,690	487,516	122,702	2,095,216	3,352,124
Employee benefits	-	-	-	-	-
Total Operating Expenses	5,390,870	5,253,764	1,125,387	19,345,655	31,115,676
Operating Income (Loss)	1,059,302	1,423,051	(74,887)	2,121,603	4,529,069
Nonoperating Revenues (Expenses):					
Boat excise taxes	-	-	125,182	-	125,182
Intergovernmental	-	-	52,563	-	52,563
Investment income	322,415	165,791	59,499	446,943	994,648
Interest expense	-	-	-	(125,152)	(125,152)
Total Nonoperating Revenues (Expenses)	322,415	165,791	237,244	321,791	1,047,241
Income Before Capital Contributions and Transfers	1,381,717	1,588,842	162,357	2,443,394	5,576,310
Transfers in	66,000	136,871	-	-	202,871
Transfers out	-	-	-	(330,000)	(330,000)
Total Capital Contributions and Transfers	66,000	136,871	-	(330,000)	(127,129)
Change in Net Position	1,447,717	1,725,713	162,357	2,113,394	5,449,181
Total Net Position - As previously reported	14,044,748	15,317,439	1,952,866	19,415,818	50,730,871
Error corrections	1,229,026	592,459	-	-	1,821,485
Total Net Position - As restated (see Note IV)	15,273,774	15,909,898	1,952,866	19,415,818	52,552,356
<b>Total Net Position - End of the Year</b>	<b>\$ 16,721,491</b>	<b>\$ 17,635,611</b>	<b>\$ 2,115,223</b>	<b>\$ 21,529,212</b>	<b>\$ 58,001,537</b>

See accompanying notes to basic financial statements.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

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

	Business-Type Activities					Governmental Activities
	Water	Sewer	Harbor	Municipal Light (December 31, 2023)	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:						
Receipts from users	\$ 6,352,971	\$ 6,468,683	\$ 1,050,500	\$ 21,631,032	\$ 35,503,186	\$ -
Receipts from interfund services provided	-	-	-	-	-	397,169
Payments to employees	(912,016)	(921,261)	(406,501)	(2,312,613)	(4,552,391)	-
Payments to vendors	(3,939,802)	(4,058,626)	(638,570)	(14,700,915)	(23,337,913)	-
Payments for interfund services used	-	-	-	-	-	(385,465)
Net Cash Provided by (Used in) Operating Activities	1,501,153	1,488,796	5,429	4,617,504	7,612,882	11,704
Cash Flows from Noncapital Financing Activities:						
Boat excise taxes	-	-	127,773	-	127,773	-
Intergovernmental assessments	-	-	52,563	-	52,563	-
Transfers in	66,000	136,871	-	-	202,871	-
Transfers out	-	-	-	(330,000)	(330,000)	-
Net Cash Provided by Noncapital Financing Activities	66,000	136,871	180,336	(330,000)	53,207	-
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(599,298)	(948,561)	(146,982)	(5,601,133)	(7,295,974)	-
Principal payments on bonds and notes	(525,940)	-	-	(302,607)	(828,547)	-
Interest payments on bonds and notes	-	-	-	(125,152)	(125,152)	-
Net Cash Used in Capital and Related Financing Activities	(1,125,238)	(948,561)	(146,982)	(6,028,892)	(8,249,673)	-
Cash Flows from Investing Activities:						
Investment income	322,415	165,791	59,499	446,943	994,648	3,869
Net Cash Provided by (Used in) Investing Activities	322,415	165,791	59,499	446,943	994,648	3,869
Net Change in Cash and Cash Equivalents	764,330	842,897	98,282	(1,294,445)	411,064	15,573
Cash and Cash Equivalents:						
Beginning of the year	4,627,151	4,656,077	1,170,676	18,262,609	28,716,513	1,475,254
End of the year	\$ 5,391,481	\$ 5,498,974	\$ 1,268,958	\$ 16,968,164	\$ 29,127,577	\$ 1,490,827
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating Income (Loss)	\$ 1,059,302	\$ 1,423,051	\$ (74,887)	\$ 2,121,603	\$ 4,529,069	\$ (260,420)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	646,690	487,516	122,702	2,095,216	3,352,124	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
Receivables	(97,201)	(208,132)	-	151,674	(153,659)	-
Inventory	-	-	-	(37,301)	(37,301)	-
Other assets	-	-	-	(2,217)	(2,217)	-
Investment in joint venture	-	(144,493)	-	-	(144,493)	-
Deferred outflows of resources	191,535	204,459	113,227	(690,312)	(181,091)	-
Warrants payable	30,058	25,228	(18,864)	(348,830)	(312,408)	5,849
Accrued payroll and related expenses	9,252	6,513	4,215	-	19,980	-
Customer deposits	-	-	-	12,100	12,100	-
Other liabilities	2,468	-	-	-	2,468	-
Workers' compensation	-	-	-	-	-	266,275
Net other postemployment liability	(70,929)	(30,136)	8,369	(301,507)	(394,203)	-
Net pension liability	(103,929)	(123,648)	(63,262)	2,935,614	2,644,775	-
Deferred inflows of resources	(166,093)	(151,562)	(86,071)	(1,318,536)	(1,722,262)	-
Net Cash Provided by (Used in) Operating Activities	\$ 1,501,153	\$ 1,488,796	\$ 5,429	\$ 4,617,504	\$ 7,612,882	\$ 11,704

See accompanying notes to basic financial statements.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

**STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2024**

	Pension and Other Benefits Trust Funds	Private Purpose Trust Funds
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and cash equivalents	\$ 138,963	\$ 1,610,413
Investments:		
U.S. government obligations	-	859,441
Corporate fixed income	-	1,289,161
Common stock	-	920,830
Pension Reserve Investment Trust	131,585,433	-
Other receivables	15,918	-
Capital assets not being depreciated	-	2,045
Capital assets, net of accumulated depreciation	<u>-</u>	<u>85,046</u>
<b>Total Assets</b>	<u>131,740,314</u>	<u>4,766,936</u>
<b>Liabilities</b>		
Warrants payable	1,990	101,521
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<u>1,990</u>	<u>101,521</u>
<b>Net Position</b>		
Restricted for pensions	124,632,396	-
Restricted for other postemployment benefits	7,105,928	-
Held in trust for private purposes	<u>-</u>	<u>4,665,415</u>
<b>Total Net Position</b>	<u><u>\$ 131,738,324</u></u>	<u><u>\$ 4,665,415</u></u>

See accompanying notes to basic financial statements.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

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

	Pension and Other Benefits Trust Funds	Private Purpose Trust Funds
<b>Additions</b>		
Contributions:		
Employer	\$ 12,166,750	\$ -
Employee	2,529,696	-
Other	627,382	24,362
Total contributions	15,323,828	24,362
Investment income:		
Interest and dividends	3,337,509	165,933
Net appreciation in fair value of investments	10,445,272	-
Less - investment management fees	(624,516)	-
Net investment earnings	13,158,265	165,933
Other income	47,268	-
<b>Total Additions</b>	28,529,361	190,295
<b>Deductions</b>		
Retiree benefits	16,915,259	-
Member refunds	470,678	-
Transfers and reimbursements to other systems	941,865	-
Payroll expenses of the System	124,551	-
Other administrative expenses	60,050	15,480
Educational scholarships	-	103,735
Depreciation	-	11,335
<b>Total Deductions</b>	18,512,403	130,550
<b>CHANGE IN NET POSITION</b>	10,016,958	59,745
NET POSITION - As previously reported	121,872,275	4,605,670
Error correction	(150,909)	-
NET POSITION - As restated (see Note IV)	121,721,366	4,605,670
<b>NET POSITION AT END OF YEAR</b>	\$ 131,738,324	\$ 4,665,415

See accompanying notes to basic financial statements.

## TOWN OF MARBLEHEAD, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024

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#### **I. Summary of Significant Accounting Policies**

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

##### **A. Reporting Entity**

The Town is located in Essex County, sixteen miles northeast of Boston and was incorporated as a Town in 1649. An elected five-member Select Board (“the Board”) governs the Town and an appointed Town Administrator oversees the Town’s daily executive and administrative duties. The Town follows the open town meeting form of government. The Town provides governmental services for the territory within its boundaries, including police and fire protection, disposal of garbage and rubbish, public education in grades K-12, water and sewer services, harbor management, street maintenance, parks and recreational facilities.

Component units, while separate entities, are in substance part of the governmental operations if the significance of their operations and/or financial relationship with the Town meet certain criteria. Pursuant to these criteria there are no component units required to be included in the financial statements.

The South Essex Sewerage District (“the District”) is a joint venture of five area communities for the operation of a septage disposal facility. The members share in overseeing the operations of the District. Each member is responsible for its proportionate share of the operational costs of the District, which are paid in the form of assessments. As of June 30, 2024, the Town’s equity interest in the operations of the District is approximately \$1.6 million, which is recorded in the Sewer Enterprise Fund. Complete audited financial statements can be obtained directly from their administrative offices located at 50 Fort Avenue, Salem, Massachusetts 01970.

The Town is a member community of the Essex North Shore Agricultural and Technical School District that provides educational services to seventeen area communities. This joint venture assesses each community its share of operational and debt service costs based on student population and other factors. In fiscal year 2024, the Town’s share of the operating and debt service expenses was \$467,548. There is no equity interest reported in these financial statements. Complete audited financial statements can be obtained directly from the District’s administrative office located at 565 Maple Street, Danvers, Massachusetts 01923.

*Availability of Financial Information of Certain Town Enterprise Funds* – The Marblehead Municipal Light Department issues separate stand-alone financial statements which may be obtained by contacting the Light Department at 7 Widger Road, Marblehead, MA 01945.

## B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e. measurable and available). Revenues are considered to be *available*

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

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

The government reports the following major Governmental Funds:

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

Public Funds – are the Town’s permanent funds which are used to account for financial resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Federal Grant Fund – is used to account for activities of the Town’s federal grant programs.

Capital Projects Fund – is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

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

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

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

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

The government reports the following major proprietary funds:

Water Enterprise Fund – is used to account for the operation of the Town’s water activities.

Sewer Enterprise Fund – is used to account for the operation of the Town’s sewer activities.

Harbor Enterprise Fund – is used to account for the operation of the Town’s harbor activities.

Municipal Light Enterprise Fund – is used to account for the operation of the Town’s electricity activities.

Additionally, the following proprietary fund type is reported:

Internal Service Fund – is used to account for the Town’s self-insured workers’ compensation activities. Because these services primarily benefit governmental rather than business-type activities, they have been included within *governmental activities* in the government-wide financial statements.

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

The government reports the following fiduciary funds:

Pension and Other Postemployment Benefits Trust Fund – is used to account for the activities of the System, which accumulates resources for pension benefits to retired Town employees and to account for funds accumulated by the Town to assist it in its future payments of other postemployment benefits for retirees such as health and life insurance.

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

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

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

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

Receivables – Real estate and personal property taxes are assessed on January 1 every year. Bills are sent quarterly and are due on August 1, November 1, February 1, and May 1, or thirty days subsequent to the mailing date. Interest accrues on delinquent taxes at the rate of 14% per annum. Motor vehicle and boat excise are billed annually for each vehicle and boat registered in the Town based on reporting from the Commonwealth of Massachusetts. Water, sewer and light user fees are billed based on individual meter readings and are subject to interest and penalties if not paid by the respective due dates. Property taxes, motor vehicle and boat excise taxes and water and sewer user fees are recorded as receivables in the fiscal year of the levy.

Real estate taxes and water and sewer user fees are secured through a lien process within 60 days after the due date and are considered 100% collectible. Accordingly, an allowance for uncollectible balances for these receivables is not reported. All personal property tax and excise



tax receivables are shown net of an allowance for uncollectible balances comprised of those outstanding amounts greater than five years old. Other receivables are shown net of an allowance for uncollectible balances based on historical trends and specific account analysis.

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

*Inventories* – Inventories are considered to be expenditures at the time of purchase except for the Municipal Light Enterprise Fund where inventories of parts and accessories purchased for use in the utility business for construction, operation and maintenance purposes are stated at average cost. Inventories of both the Governmental Funds and Enterprise Funds, except for the Municipal Light Fund, are not material in total to the basic financial statements.

*Capital Assets* – Capital assets, which include land, land improvements, buildings and improvements, machinery and equipment, vehicles and infrastructure (e.g. roads, water and sewer mains, and similar items), are reported in the applicable governmental, business-type activity and fiduciary columns in the government-wide and fund based financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected lives of greater than one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets (excluding land and construction-in-process) are depreciated by the Town on a straight-line-basis over the following estimated useful lives:

Land improvements	10-30 years
Buildings and improvements	6-40 years
Machinery, vehicles and equipment	3-15 years
Light plant and equipment	20 years
Piers	15-75 years
Infrastructure	5-50 years

*Interfund Balances* – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either *due to/from other funds* or *advances to/from other funds*. All other outstanding balances between funds are reported as due to/from other funds.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

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

individual fund statements. Transfers between and within governmental and fiduciary funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the statement of activities as *transfers, net*.

*Investment Income* – Excluding the permanent endowment funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by state law. Investment income of the proprietary funds is retained by those funds. Net appreciation on permanent endowment funds is reported in expendable permanent funds in the governmental activities.

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

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

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

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two types of items that are reported on the government-wide statement of net position which relate to outflows from changes in the net pension liability and the other postemployment benefit liability. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection B.

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*, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has six items that are reported as deferred inflows of resources. The first arises under a modified accrual basis of accounting and, accordingly, the item *unavailable revenue* is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: property taxes, excise taxes, leases and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are reported on the government-wide statement of net position and relate to inflows from leases, changes in the net pension liability and the other postemployment benefit liability,

contribution in aid of construction and a provision for rate stabilization. The deferred lease revenues will be recognized in charges for services and investment income in future years as more fully described in Note II, subsection B. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection B.

Net Position – In the government-wide financial statements, net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital related debt.

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

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

*Expendable permanent funds* represent the spendable portion of donor restricted trusts that support governmental programs.

*Depreciation* represents amounts restricted in the Municipal Light Enterprise Fund for the statutory reserve for funded depreciation.

*Gifts and grants* represent assets that have restrictions placed on them from federal and state granting agencies and other private donors for specific governmental programs and uses.

*Other specific purposes* represent assets that are restricted by other third parties for specific governmental programs and uses.

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

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

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

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

*Committed* represents amounts that can only be used for specific purposes pursuant to formal action of the Town Meeting through Town Meeting Articles, which represent the most binding constraint that give rise to committed fund balance. Those committed amounts cannot be used for any other purpose unless the Town Meeting removes or changes the specified use by taking the same type of action (through Town Meeting Articles) it employed previously to commit those amounts.

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

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

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

The Town has not established financial policies with respect to maintaining minimum fund balance amounts.

*Stabilization Funds* – The Town maintains a general stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B. The fund may be used for any municipal purpose upon the condition of a two-thirds vote of the Town Meeting. The balance of the fund totals \$532,368 at June 30, 2024 and is reported as unassigned fund balance in the General Fund. Amounts are appropriated into the fund by a majority vote of the Town Meeting. There are no requirements to make annual contributions to this fund.

*Encumbrances* – The Town's encumbrance policy regarding the general fund is to (1) classify encumbrances that arise from the issuance of purchase orders resulting from normal purchasing activity approved by the Finance Department as assigned, and (2) classify encumbrances that result from an action of the Town Meeting as committed. Encumbrances of funds already restricted, or committed are included within the classification of those fund balances and not reported separately. The Town reports \$237,703 of encumbrances from normal purchasing activity in the general fund as assigned and \$1,907,863 of encumbrances from Town Meeting Articles in the general fund as committed. There are no encumbrances reported in any other fund.

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

	General	Highway Improvement Fund	Public Funds	Federal Grant Fund	Capital Projects	Nonmajor Governmental	Total
Nonspendable:							
Permanent fund principal	\$ -	\$ -	\$ 3,835,200	\$ -	\$ -	\$ -	\$ 3,835,200
Inventory	-	-	-	-	-	21,096	21,096
Restricted:							
Public funds	-	-	3,905,442	-	-	-	3,905,442
Federal grants	-	-	-	226,050	-	-	226,050
Building capital projects	-	-	-	-	8,396,043	-	8,396,043
Other capital projects	-	-	-	-	3,148,837	-	3,148,837
State grants	-	-	-	-	-	1,705,429	1,705,429
Other grants	-	-	-	-	-	1,036,607	1,036,607
Revolving funds	-	-	-	-	-	8,137,081	8,137,081
Receipts reserved for appropriation	-	-	-	-	-	698,643	698,643
Gifts	-	-	-	-	-	1,522,478	1,522,478
Special revenues trust fund	-	-	-	-	-	4,823,028	4,823,028
Student activity fund	-	-	-	-	-	323,728	323,728
Committed:							
General government buildings	251,594	-	-	-	-	-	251,594
General government other capital	141,118	-	-	-	-	-	141,118
Public safety buildings	166,498	-	-	-	-	-	166,498
Public safety equipment	220,834	-	-	-	-	-	220,834
School capital	161,887	-	-	-	-	-	161,887
Roadways	159,958	-	-	-	-	-	159,958
Walls and fences	74,419	-	-	-	-	-	74,419
Drain construction	373,990	-	-	-	-	-	373,990
Public works equipment	154,326	-	-	-	-	-	154,326
Public works other capital	186,465	-	-	-	-	-	186,465
Other purposes	16,774	-	-	-	-	-	16,774
Assigned:							
Education	189,852	-	-	-	-	-	189,852
Other purposes	47,851	-	-	-	-	-	47,851
Subsequent years' budget	6,500,000	-	-	-	-	-	6,500,000
Unassigned	12,645,810	-	-	-	(872,969)	(121,903)	11,650,938
	<u>\$21,291,376</u>	<u>\$ -</u>	<u>\$ 7,740,642</u>	<u>\$ 226,050</u>	<u>\$10,671,911</u>	<u>\$18,146,187</u>	<u>\$58,076,166</u>

#### E. Excess of Expenditures Over Appropriations and Deficits

The Town incurred individual fund deficits totaling \$872,969 and \$121,903 in the capital projects major fund and the nonmajor governmental funds, respectively. These deficits will be funded through grants and other available funds in future fiscal years.

#### F. Use of Estimates

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

## **II. Detailed Notes to All Funds**

### **A. Deposits and Investments**

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

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

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

The pension system and the OPEB Trust Fund participate in the Commonwealth of Massachusetts' Pension Reserves Investment Trust (PRIT) Fund which is a pooled investment fund that meets the criteria of an external investment pool. The Pension Reserves Investment Management (PRIM) Board is charged with the general supervision of the PRIT Fund. The fair value of the position in the PRIT Fund is the same as the value of the PRIT shares.

*Custodial Credit Risk: Deposits* - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's policy limits unsecured bank deposits to no more than 10% of the Town's cash. At the year-end, the Town was not in compliance with this policy. At year-end, the carrying amount of the Town's deposits (excluding the Light Department) was \$51,315,298 and the bank balance was \$55,322,673. Of the Town's bank balance, \$33,656,280 was covered by federal depository insurance or the Depositor's Insurance Fund; \$11,494,942 was collateralized and the remainder was exposed to custodial credit risk because it was uninsured and uncollateralized. Bank deposits of the Light Department are pooled with, or in the same financial institution as, Town operated funds and therefore specific collateralization information on these deposits is not available.

At December 31, 2022, the carrying amount of deposits for the System totaled \$116,207 and the bank balance of \$125,359 was fully covered by federal depository insurance.

*Custodial Credit Risk: Investments* – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the Town may not be able to recover the full amount of its principal investment and/or investment earnings. The primary objective of the Town's investment policy for custodial credit risk is to minimize the risk to investment principal through the careful selection of investment custodians. The Town's investments in the MMDT and PRIT are not exposed to custodial credit risk as their existence is not evidenced by securities that exist in physical or book form. The Town's other investments are not subject to custodial credit risk because the investments are either held by the Town or are registered in the name of the Town.

***Fair Value of Investments*** – The Town reports its investments at fair value. The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability.

The three levels of the hierarchy are as follows:

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

The following table presents the Town’s investments carried at fair value on a recurring basis in the statement of net position at June 30, 2024 (excluding the System and Light Department):

		Fair Value Measurements Using		
	Amount	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
U.S. government obligations	\$ 2,653,341	\$ 2,644,043	\$ 9,298	\$ -
Corporate fixed income securities	3,903,882	-	3,903,882	-
Fixed income exchange traded funds	67,381	67,381	-	-
Total debt securities	6,624,604	2,711,424	3,913,180	-
Equity securities:				
Common stock	5,198,351	5,198,351	-	-
Total equity securities	5,198,351	5,198,351	-	-
Total investments by fair value level	\$ 11,822,955	\$ 7,909,775	\$ 3,913,180	\$ -
Investments measured at amortized cost				
State investment pool (MMDT)	20,381,188			
Money market mutual funds	249,479			
Investments measured at net asset value				
Pension Reserve Investment Trust (PRIT)	4,526,343			
Total investments	\$ 36,979,965			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Corporate fixed income securities and U.S. governmental obligations classified in Level 2 are valued using matrix pricing based on the securities’ relationship to benchmark quoted prices. The State Treasurer’s investment pool (MMDT) is valued at amortized cost. The MMDT’s investment advisor may value the pool using an alternative valuation method that more accurately reflects the fair value in accordance with the pools fair value pricing policies should amortized cost not approximate the fair value of the pool.

There are no restrictions or limits on withdrawals from the pool and no direct fees are charged to participants. PRIT investments are valued using the net asset value method. The fair values of the positions in each investment Pool are the same as the value of each Pool's shares.

The Light Department's investment in PRIT at December 31, 2023 are valued at \$2,556,829 using the net asset value method.

The System's investments in PRIT at December 31, 2023 are valued at \$124,502,261 using the net asset value method. The System does not have the ability to control any of the investment decisions relative to its investments in PRIT.

*Interest Rate Risk* – The Town limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town's policy limits investments of operating funds to one year or less.

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

Investment Type	Amount	Time Until Maturity (Years)		
		Less Than 1	1-5	6-10
U.S. government obligations	\$ 2,653,341	\$ 462,043	\$ 1,747,746	\$ 443,552
Corporate fixed income securities	3,903,882	241,949	3,661,933	-
Fixed income exchange traded funds	67,381	-	-	67,381
State investment pool (MMDT)	20,381,188	20,381,188	-	-
Money market mutual funds	249,479	249,479	-	-
Total investments with maturities	<u>\$ 27,255,271</u>	<u>\$ 21,334,659</u>	<u>\$ 5,409,679</u>	<u>\$ 510,933</u>

*Concentration of Credit Risk* – The Town has adopted a policy to limit the amount of investments that may be invested in a single issuer to 5% of the Town's investments. The Town did not have more than 5% of its investments in any one individual security.

*Credit Risk* – The Town has not adopted a policy related to credit risk.

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

	Corporate Fixed Income	U.S. Government Obligations	Total
AAA	\$ 574,695	\$ -	\$ 574,695
AA+	-	2,653,341	2,653,341
A+	225,586	-	225,586
A	864,619	-	864,619
A-	678,662	-	678,662
BBB+	217,129	-	217,129
BBB	1,343,191	-	1,343,191
Total	<u>\$3,903,882</u>	<u>\$ 2,653,341</u>	<u>\$ 6,557,223</u>

The Town's investments in fixed income exchange traded funds and the MMDT are unrated.



## B. Receivables

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
Real estate and personal property taxes	\$ 2,418,357	\$ -	\$ 2,418,357
Tax liens and deferrals	598,344	-	598,344
Motor vehicle excise taxes	451,932	-	451,932
Public safety details	138,148	-	138,148
Leases	709,425	-	709,425
Other	6,375	-	6,375
Intergovernmental	1,666,378	-	1,666,378
Total Governmental Receivables	<u>\$ 5,988,959</u>	<u>\$ -</u>	<u>\$ 5,988,959</u>

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
Water user charges	\$ 2,057,818	\$ -	\$ 2,057,818
Sewer user charges	2,142,427	-	2,142,427
Boat excise taxes	37,300	-	37,300
Municipal light user charges	2,954,879	-	2,954,879
Total Business-Type Receivables	<u>\$ 7,192,424</u>	<u>\$ -</u>	<u>\$ 7,192,424</u>

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. The following identifies the components of deferred inflows of resources in the governmental funds:

	General Fund	Other Governmental Funds	Total
Receivable type:			
Real estate and personal property taxes	\$ 1,687,081	\$ -	\$ 1,687,081
Tax liens and deferrals	598,344	-	598,344
Motor vehicle excise taxes	451,932	-	451,932
Public safety details	-	138,148	138,148
Leases	709,425	-	709,425
Other departmental	6,375	-	6,375
Total deferred inflows	<u>\$ 3,453,157</u>	<u>\$ 138,148</u>	<u>\$ 3,591,305</u>

### Lease Receivable

The Town has entered into a lease for the use of a parcel of land, including an 18,000 square foot building, for a period of three years. Under the lease, the lessee pays the Town a monthly rent of \$30,000. The lessee has the right to extend the initial term for an additional three-year period. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 5.59%. In fiscal year 2024, the Town recognized \$290,222 of lease revenue and \$39,778 of interest revenue under the lease.

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

Year Ending June 30	Principal	Interest	Total
2025	\$ 331,851	\$ 28,149	\$ 360,000
2026	347,713	12,287	360,000
2027	29,861	139	30,000
Total	<u>\$ 709,425</u>	<u>\$ 40,575</u>	<u>\$ 750,000</u>

### **C. Interfund Receivables, Payables and Transfers**

The composition of interfund balances at June 30, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds - Highway Improvement Fund	\$ 243,698
Total		<u>\$ 243,698</u>

The outstanding balances between funds result mainly from the timing difference between the dates that (1) reimbursable expenditures occur, (2) the intergovernmental reimbursements are received and (3) the payments to the general fund are made.

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

Transfers Out	Transfers In				Total	
	General Fund	Nonmajor Governmental	Water Enterprise	Sewer Enterprise		
General Fund	\$ -	\$ 29,683	\$ 66,000	\$ 136,871	\$ 232,554	(1)
Public Funds	26,000	-	-	-	26,000	(2)
Nonmajor Governmental	243,448	-	-	-	243,448	(2)
Municipal Light Enterprise	330,000	-	-	-	330,000	(2)
Total	<u>\$ 599,448</u>	<u>\$ 29,683</u>	<u>\$ 66,000</u>	<u>\$ 136,871</u>	<u>\$ 832,002</u>	

(1) Transfers nonmajor governmental funds to cover deficits and to enterprise funds for various capital outlays.

(2) Transfers to general fund to supplement operating budgets.

## D. Capital Assets

Capital asset activity for the year ended June 30, 2024 for the Town's governmental activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u><i>Governmental Activities:</i></u>				
Capital assets not being depreciated:				
Land	\$ 8,057,538	\$ -	\$ -	\$ 8,057,538
Construction in process	4,567,324	7,149,370	-	11,716,694
Total capital assets not being depreciated	12,624,862	7,149,370	-	19,774,232
Capital assets being depreciated:				
Land improvements	8,518,317	445,724	-	8,964,041
Buildings and improvements	200,106,500	1,247,489	-	201,353,989
Machinery and equipment	8,825,567	1,454,761	-	10,280,328
Vehicles	7,172,409	545,248	-	7,717,657
Infrastructure	46,460,987	1,058,723	-	47,519,710
Total capital assets being depreciated	271,083,780	4,751,945	-	275,835,725
Less accumulated depreciation for:				
Land improvements	(3,586,591)	(288,354)	-	(3,874,945)
Buildings and improvements	(71,419,659)	(5,041,001)	-	(76,460,660)
Machinery and equipment	(6,219,596)	(438,556)	-	(6,658,152)
Vehicles	(5,138,541)	(430,177)	-	(5,568,718)
Infrastructure	(17,866,317)	(1,141,027)	-	(19,007,344)
Total accumulated depreciation	(104,230,704)	(7,339,115)	-	(111,569,819)
Total capital assets being depreciated, net	166,853,076	(2,587,170)	-	164,265,906
Governmental activities capital assets, net	\$ 179,477,938	\$ 4,562,200	\$ -	\$ 184,040,138

Certain reclassifications of beginning balances were made to conform to the current year presentation.

Capital asset activity for the year ended June 30, 2024 for the Town's business-type activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u><i>Business-type Activities: Water</i></u>				
Capital assets not being depreciated:				
Land	\$ 49,426	\$ -	\$ -	\$ 49,426
Total capital assets not being depreciated	49,426	-	-	49,426
Capital assets being depreciated:				
Buildings and improvements	1,228,719	-	-	1,228,719
Machinery and equipment	653,817	78,176	-	731,993
Vehicles	968,538	-	-	968,538
Infrastructure	24,011,630	521,122	-	24,532,752
Total capital assets being depreciated	26,862,704	599,298	-	27,462,002
Less accumulated depreciation for:				
Buildings and improvements	(480,749)	(30,718)	-	(511,467)
Machinery and equipment	(397,438)	(29,421)	-	(426,859)
Vehicles	(815,678)	(53,472)	-	(869,150)
Infrastructure	(8,332,275)	(533,079)	-	(8,865,354)
Total accumulated depreciation	(10,026,140)	(646,690)	-	(10,672,830)
Total Water capital assets being depreciated, net	16,836,564	(47,392)	-	16,789,172
Water capital assets, net	<u>\$ 16,885,990</u>	<u>\$ (47,392)</u>	<u>\$ -</u>	<u>\$ 16,838,598</u>
<u><i>Business-type Activities: Sewer</i></u>				
Capital assets not being depreciated:				
Land	\$ 115,466	\$ -	\$ -	\$ 115,466
Total capital assets not being depreciated	115,466	-	-	115,466
Capital assets being depreciated:				
Buildings and improvements	123,198	-	-	123,198
Machinery and equipment	1,472,453	-	-	1,472,453
Vehicles	472,318	136,871	-	609,189
Infrastructure	18,786,826	811,690	-	19,598,516
Total capital assets being depreciated	20,854,795	948,561	-	21,803,356
Less accumulated depreciation for:				
Buildings and improvements	(114,793)	(177)	-	(114,970)
Machinery and equipment	(665,876)	(58,324)	-	(724,200)
Vehicles	(456,230)	(24,411)	-	(480,641)
Infrastructure	(7,268,689)	(404,604)	-	(7,673,293)
Total accumulated depreciation	(8,505,588)	(487,516)	-	(8,993,104)
Total Sewer capital assets being depreciated, net	12,349,207	461,045	-	12,810,252
Sewer capital assets, net	<u>\$ 12,464,673</u>	<u>\$ 461,045</u>	<u>\$ -</u>	<u>\$ 12,925,718</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<i><u>Business-type Activities: Harbor</u></i>				
Capital assets not being depreciated:				
Land	\$ 2,044,077	\$ -	\$ -	\$ 2,044,077
Total capital assets not being depreciated	<u>2,044,077</u>	<u>-</u>	<u>-</u>	<u>2,044,077</u>
Capital assets being depreciated:				
Land improvements	161,983	13,910	-	175,893
Buildings and improvements	1,033,242	11,620	-	1,044,862
Machinery and equipment	1,029,368	73,861	-	1,103,229
Vehicles	505,036	47,591	-	552,627
Infrastructure	1,365,458	-	-	1,365,458
Total capital assets being depreciated	<u>4,095,087</u>	<u>146,982</u>	<u>-</u>	<u>4,242,069</u>
Less accumulated depreciation for:				
Land improvements	(97,442)	(5,052)	-	(102,494)
Buildings and improvements	(657,790)	(21,485)	-	(679,275)
Machinery and equipment	(853,571)	(35,853)	-	(889,424)
Vehicles	(323,635)	(27,869)	-	(351,504)
Infrastructure	<u>(745,176)</u>	<u>(32,443)</u>	<u>-</u>	<u>(777,619)</u>
Total accumulated depreciation	<u>(2,677,614)</u>	<u>(122,702)</u>	<u>-</u>	<u>(2,800,316)</u>
Total Harbor capital assets being depreciated, net	<u>1,417,473</u>	<u>24,280</u>	<u>-</u>	<u>1,441,753</u>
Harbor capital assets, net	<u>\$ 3,461,550</u>	<u>\$ 24,280</u>	<u>\$ -</u>	<u>\$ 3,485,830</u>
<i><u>Business-type Activities: Municipal Light</u></i>				
Capital assets not being depreciated:				
Land	\$ 53,947	\$ -	\$ -	\$ 53,947
Construction in process	117,607	4,658,788	-	4,776,395
Total capital assets not being depreciated	<u>171,554</u>	<u>4,658,788</u>	<u>-</u>	<u>4,830,342</u>
Capital assets being depreciated:				
Light plant and equipment	<u>42,162,731</u>	<u>942,345</u>	<u>(308,463)</u>	<u>42,796,613</u>
Less accumulated depreciation for:				
Light plant and equipment	<u>(26,458,832)</u>	<u>(2,108,137)</u>	<u>308,463</u>	<u>(28,258,506)</u>
Total capital assets being depreciated, net	<u>15,703,899</u>	<u>(1,165,792)</u>	<u>-</u>	<u>14,538,107</u>
Municipal Light capital assets, net	<u>\$ 15,875,453</u>	<u>\$ 3,492,996</u>	<u>\$ -</u>	<u>\$ 19,368,449</u>

Capital asset activity for the year ended June 30, 2024 for the Town's fiduciary activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Fiduciary Activities</u>				
Capital assets not being depreciated:				
Land	\$ 2,045	\$ -	\$ -	\$ 2,045
Total capital assets not being depreciated	2,045	-	-	2,045
Capital assets being depreciated:				
Buildings and improvements	294,455	-	-	294,455
Machinery and equipment	25,940	-	(25,940)	-
Total capital assets being depreciated	320,395	-	(25,940)	294,455
Less accumulated depreciation for:				
Buildings and improvements	(199,371)	(10,038)	-	(209,409)
Machinery and equipment	(24,643)	(1,297)	25,940	-
Total accumulated depreciation	(224,014)	(11,335)	25,940	(209,409)
Total capital assets being depreciated, net	96,381	(11,335)	-	85,046
Fiduciary capital assets, net	\$ 98,426	\$ (11,335)	\$ -	\$ 87,091

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities:</u>		<u>Business-Type Activities:</u>	
General government	\$ 527,411	Water	\$ 646,690
Public safety	355,426	Sewer	487,516
Education	4,526,844	Harbor	122,702
Public works	1,531,972	Municipal Light (1)	2,108,137
Health and human services	36,991	Total Business-Type Activities	\$ 3,365,045
Culture and recreation	360,471		
Total Governmental Activities	\$ 7,339,115	<u>Fiduciary Activities:</u>	
		Private purpose trust funds	\$ 11,335

(1) Municipal light depreciation is net of amortization of \$12,921 related to contribution in aid of construction.

## E. Temporary Debt

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

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

Capital Projects and Other Approved Costs – Projects may be temporarily funded through the issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS). In certain cases, prior to the issuance of these temporary notes, the governing body must take the necessary legal steps to authorize the issuance of the general obligation bonds. Temporary notes may not exceed the aggregate amount of bonds authorized or the grant award amount.

Temporary notes are general obligations of the Town and carry maturity dates that are limited by state law. Interest expenditures and expenses for temporary borrowings are accounted for in the general fund and enterprise funds, respectively.

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

<u>Type</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
BAN	3.50%	05/15/25	\$ -	\$ 2,312,000	\$ -	\$ 2,312,000
Total Notes Payable			<u>\$ -</u>	<u>\$ 2,312,000</u>	<u>\$ -</u>	<u>\$ 2,312,000</u>

On May 15, 2025, the Town issued BAN's totaling \$4,922,598 paying interest at 4.0% per annum and maturing on May 15, 2026. The Town used \$2,312,000 of the proceeds of these BAN's to retire the BAN's outstanding at June 30, 2024.

#### **F. Long-Term Obligations and Debt**

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

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

The following represents authorized and unissued debt as of June 30, 2024:

<u>Projects</u>	<u>Amount</u>
Gerry school construction	\$ 1,619,627
Mary Alley building roof replacement	480,000
Franklin Street Fire Station roof	130,598
Roads and sidewalks	8,980,000
Water projects	1,022,400
	<u>\$ 12,232,625</u>

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
<i>Governmental Activities:</i>					
General obligation bonds	\$ 108,045,000	\$ -	\$ (6,980,000)	\$101,065,000	\$ 7,540,000
Unamortized bond premiums	8,857,747	-	(1,127,190)	7,730,557	1,079,144
Notes from direct borrowings	-	776,653	(227,306)	549,347	151,359
Landfill closure	2,406,600	-	(114,600)	2,292,000	114,600
Compensated absences	1,639,660	1,454,818	(1,265,422)	1,829,056	1,371,792
Workers compensation	1,153,408	657,591	(391,316)	1,419,683	354,921
Net other postemployment benefits liability	145,559,175	72,139,645	(76,601,648)	141,097,172	-
Net pension liability	46,658,010	8,141,636	(11,958,694)	42,840,952	-
Total Governmental Activities	<u>\$ 314,319,600</u>	<u>\$ 83,170,343</u>	<u>\$ (98,666,176)</u>	<u>\$298,823,767</u>	<u>\$10,611,816</u>
<i>Business-type Activities: Water</i>					
Notes from direct borrowings	\$ 3,987,520	\$ -	\$ (525,940)	\$ 3,461,580	\$ 525,940
Compensated absences	81,818	84,666	(81,818)	84,666	84,666
Net other postemployment benefits liability	2,230,479	1,103,158	(1,174,087)	2,159,550	-
Net pension liability	1,270,391	221,678	(325,607)	1,166,462	-
Total Water	<u>7,570,208</u>	<u>1,409,502</u>	<u>(2,107,452)</u>	<u>6,872,258</u>	<u>610,606</u>
<i>Business-type Activities: Sewer</i>					
Compensated absences	74,442	76,928	(74,442)	76,928	76,928
Net other postemployment benefits liability	2,352,104	1,169,075	(1,199,211)	2,321,968	-
Net pension liability	1,511,414	263,736	(387,384)	1,387,766	-
Total Sewer	<u>3,937,960</u>	<u>1,509,739</u>	<u>(1,661,037)</u>	<u>3,786,662</u>	<u>76,928</u>
<i>Business-type Activities: Harbor</i>					
Compensated absences	33,304	33,667	(33,304)	33,667	33,667
Net other postemployment benefits liability	1,466,536	725,424	(717,055)	1,474,905	-
Net pension liability	773,282	134,935	(198,197)	710,020	-
Total Harbor	<u>2,273,122</u>	<u>894,026</u>	<u>(948,556)</u>	<u>2,218,592</u>	<u>33,667</u>
<i>Business-type Activities: Municipal Light</i>					
Notes from direct borrowings	4,004,114	-	(302,607)	3,701,507	312,549
Compensated absences	100,170	110,344	(100,170)	110,344	110,344
Net other postemployment benefits liability	3,706,188	-	(301,507)	3,404,681	-
Net pension liability	4,361,809	2,935,614	-	7,297,423	-
Total Municipal Light	<u>12,172,281</u>	<u>3,045,958</u>	<u>(704,284)</u>	<u>14,513,955</u>	<u>422,893</u>
Total Business-type Activities	<u>\$ 25,953,571</u>	<u>\$ 6,859,225</u>	<u>\$ (5,421,329)</u>	<u>\$ 27,391,467</u>	<u>\$ 1,144,094</u>

The governmental activities liabilities will be liquidated by the general fund. The business-type liabilities will be liquidated by the enterprise fund reporting the liabilities.



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

Description of Issue	Interest Rate	Beginning Balance	Additions	Maturities	Ending Balance
<i>Governmental Activities:</i>					
General obligation bonds	2.00 - 5.00%	\$ 104,400,000	\$ -	\$ (5,185,000)	\$ 99,215,000
Refunding bonds	2.00 - 5.00%	3,645,000	-	(1,795,000)	1,850,000
Total General Obligation Bonds		108,045,000	-	(6,980,000)	101,065,000
Add: Unamortized bond premium		8,857,747	-	(1,127,190)	7,730,557
Total General Obligation Bonds, net		<u>\$ 116,902,747</u>	<u>\$ -</u>	<u>\$ (8,107,190)</u>	<u>\$108,795,557</u>
Direct capital financing	1.38 - 7.73%	\$ -	\$ 776,653	\$ (227,306)	\$ 549,347
Total notes from direct borrowings		-	776,653	(227,306)	549,347
Total Governmental Activities debt		<u>\$ 116,902,747</u>	<u>\$ 776,653</u>	<u>\$ (8,334,496)</u>	<u>\$109,344,904</u>
<i>Business-type Activities - Water:</i>					
Massachusetts Water Resources Authority	0.00%	\$ 3,987,520	\$ -	\$ (525,940)	\$ 3,461,580
Total notes from direct borrowings		3,987,520	-	(525,940)	3,461,580
Total Water debt		<u>\$ 3,987,520</u>	<u>\$ -</u>	<u>\$ (525,940)</u>	<u>\$ 3,461,580</u>
<i>Business-type Activities - Municipal Light:</i>					
Mass. Municipal Wholesale Electric Co.	3.24%	\$ 4,004,114	\$ -	\$ (302,607)	\$ 3,701,507
Total notes from direct borrowings		4,004,114	-	(302,607)	3,701,507
Total Municipal Light debt		<u>\$ 4,004,114</u>	<u>\$ -</u>	<u>\$ (302,607)</u>	<u>\$ 3,701,507</u>
<b>Total Business-Type Activities</b>		<u>\$ 7,991,634</u>	<u>\$ -</u>	<u>\$ (828,547)</u>	<u>\$ 7,163,087</u>

Payments on outstanding bond balances due in future years consist of the following:

Year Ending June 30	General Obligation Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
<i>Governmental Activities</i>				
2025	\$ 7,540,000	\$ 3,453,080	\$ 151,359	\$ 23,461
2026	5,955,000	3,162,146	158,920	15,900
2027	6,225,000	2,889,104	121,341	7,886
2028	6,500,000	2,607,573	59,119	3,004
2029	6,720,000	2,316,691	29,102	814
2030-2034	34,005,000	7,501,578	29,506	409
2035-2039	24,810,000	2,716,558	-	-
2040-2044	9,310,000	356,025	-	-
Total	<u>\$ 101,065,000</u>	<u>\$ 25,002,755</u>	<u>\$ 549,347</u>	<u>\$ 51,474</u>

Year Ending June 30	General Obligation Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
<i>Business-Type Activities - Water</i>				
2025	\$ -	\$ -	\$ 525,940	\$ -
2026	-	-	525,940	-
2027	-	-	525,940	-
2028	-	-	525,940	-
2029	-	-	525,940	-
2030-2034	-	-	831,880	-
2035-2039	-	-	-	-
2040-2044	-	-	-	-
Total	\$ -	\$ -	\$ 3,461,580	\$ -

Year Ending December 31	General Obligation Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
<i>Business-Type Activities - Municipal Light</i>				
2024	\$ -	\$ -	\$ 312,549	\$ 115,857
2025	-	-	322,818	106,074
2026	-	-	333,424	95,970
2027	-	-	344,379	85,534
2028	-	-	355,694	74,755
2029-2033	-	-	1,961,637	63,622
2034	-	-	71,006	2,222
Total	\$ -	\$ -	\$ 3,701,507	\$ 544,034

Massachusetts Water Resource Authority (MWRA)

The Town's has two outstanding notes from direct borrowings issued to the MWRA on February 24, 2020 and May 3, 2021 for \$2,200,000 and \$3,059,400, respectively. The notes are payable without interest in ten equal installments. Any imputed interest is immaterial to the water enterprise fund.

Massachusetts Municipal Wholesale Electric Company (MMWEC)

In September 2017, the Marblehead Municipal Light Department entered into a pooled loan program agreement with the MMWEC to finance building improvements. Interest only was due at a rate of 2.5%. In March 2019, the Light Department terminated the agreement and principal and interest are payable monthly. The interest rate is fixed at 3.24% and matures February 2034.

At the inception of the loan, MMWEC was required to collect 10% of the initial borrowing amount to be deposited into a Reserve Requirement Account to serve as collateral for the bank. MMWEC is also required to collect 10% of the amount of interest due monthly from each Pooled Loan Participant to further fund the Pooled Financing Reserve Account. These funds will either be returned to the Light Department, or used as the final loan payments at the end of the amortization period. The balance in the Pooled Financing Reserve Account as of December 31, 2023 was \$462,194.

### III. Other Information

#### A. Retirement System

Pension Plan Description – The Town contributes to the Marblehead Contributory Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan for the Town and the Marblehead Housing Authority. The System was established under Chapter 32 of Massachusetts General Laws. The System is administered by the Town and is included as part of the reporting entity as a fiduciary fund. Unaudited financial statements for the year ended December 31, 2023, are available at the Retirement Office, 7 Widger Road, Marblehead, Massachusetts. The disclosures related to the Marblehead Housing Authority are not material.

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

Retired participants and beneficiaries receiving	339
Active participants	358
Inactive participants	143
Total	<u>840</u>

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

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

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

Generally, normal retirement generally occurs at age 65. However, participants may retire after twenty years of service or at any time after attaining age 55, if hired prior to April 2, 2012 or at any time after attaining age 60 if hired on or after April 2, 2012. Participants with hire dates subsequent to January 1, 1978, must have a minimum of ten years' creditable service in order to retire at age 55. Participants become vested after ten years of service. Benefits commencing before age 65 are provided at a reduced rate. Members working in certain occupations may retire with full benefits earlier than age 65.

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

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

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

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

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

Employer contributions to the System totaled \$5,642,110 for the year ended December 31, 2023. The Town contributed \$4,817,233 to the System in fiscal year 2024, which equaled the actuarially determined contribution requirement for the fiscal year. The Town's contributions as a percentage of covered payroll was approximately 23.6% in fiscal year 2024.

Net Pension Liability – The components of the net pension liability of the System at December 31, 2023, were as follows (in thousands):

Total pension liability	\$ 178,632
Plan fiduciary net position	<u>(124,632)</u>
Net pension liability	<u>\$ 54,000</u>
Plan fiduciary net position as a percentage of the total pension liability	69.77%

At June 30, 2024, the Town (excluding Municipal Light) reported a liability of \$46,105,200 for its proportionate share of the net pension liability. The net pension liability was measured as of January 1, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that same date. These figures were updated by the independent actuary to December 31, 2023.

The Municipal Light Department reported a liability of \$7,297,423 for its proportionate share of the net pension liability measured at December 31, 2022 for the fiscal year ended December 31, 2023.

The Town's proportion of the net pension liability is based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all employers. The Town's proportion (excluding Municipal Light) was approximately 85.38% at December 31, 2023, which was consistent with the proportion measured in the previous actuarial valuation.

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

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

Pension Expense – The Town (excluding Municipal Light) recognized \$4,488,716 in pension expense in the statement of activities in fiscal year 2024; and the Municipal Light Department recognized \$633,814 in pension expense.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employers' contributions and proportionate share of contributions	\$ -	\$ 337,000
Changes of assumptions	516,548	-
Net differences between projected and actual earnings on pension plan investments	3,756,720	-
Differences between expected and actual experience	-	2,527,248
Total	<u>\$ 4,273,268</u>	<u>\$ 2,864,248</u>

At December 31, 2023, the Municipal Light Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 111,689	\$ -
Differences between expected and actual experience	934,709	292,372
Contributions made subsequent to the measurement date	739,856	-
Total	<u>\$ 1,786,254</u>	<u>\$ 292,372</u>

Of the total amount reported as deferred outflows of resources related to pension, \$739,856 resulting from Municipal Light contributions paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net pension liability for the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources are expected to be recognized in the Town's pension expense as follows:

Year Ended June 30,	Town	Municipal Light (December 31,)	Total
2024	\$ (1,034,279)	\$ (136,444)	\$ 215,897
2025	405,227	34,866	1,439,277
2026	2,896,616	245,461	2,586,284
2027	(858,544)	610,143	5,561,790
Total	<u>\$ 1,409,020</u>	<u>\$ 754,026</u>	<u>\$ 9,803,248</u>

Actuarial Valuation – The measurement of the System's total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2024. The significant actuarial assumptions updated through December 31, 2024, included:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Payments increasing 8.6% per year with a final amortization payment in fiscal year 2036.
Remaining amortization period	12 years from July 1, 2024
Asset valuation method	Fair value of assets
Investment rate of return / discount rate	7.0%, net of pension plan investment expense, including inflation
Inflation rate	2.50%
Projected salary increases	4.25% for Group 1 and 4.75% for Group 4
Cost of living adjustments	3.0% of the first \$14,000 of retirement income
Mortality rates:	
Pre-retirement	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021
Healthy retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021
Disabled retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021

Changes in Actuarial Assumptions – The mortality improvement projection scale was updated from MP-2020 to MP-2021.

Investment Rates of Return – The investment rate of return assumption is a long-term expected rate of return on pension plan investments determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocations and best estimates of arithmetic real returns for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	31% to 41%	6.6% to 9.2%
Core fixed income	12% to 18%	4.2% to 4.9%
Value-added fixed income	6% to 12%	7.8%
Private equity	13% to 19%	10.2%
Real estate	7% to 13%	6.6%
Timberland	1% to 7%	7.1%
Portfolio completion	7% to 13%	6.4%

Discount Rate – The discount rate used to measure the total pension liability in the December 31, 2023, actuarial valuation report was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the Retirement System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis – The following presents net pension liability of the System, Town (excluding Municipal Light), and Municipal Light calculated using the discount rate of 7.00% as well as the net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate (amounts in thousands):

Current Rate	System Net Pension Liability at		
	1% Decrease	Current	1% Increase
7.00%	\$ 73,500	\$ 54,000	\$ 37,500

Current Rate	Town's Proportionate Net Pension Liability at		
	1% Decrease	Current	1% Increase
7.00%	\$ 62,754	\$ 46,105	\$ 32,018

Current Rate	Municipal Light's Proportionate Net Pension Liability at		
	1% Decrease	Current	1% Increase
7.00%	\$ 9,648	\$ 7,297	\$ 5,311

Massachusetts Teachers’ Retirement System – Teachers and certain administrative employees of the School Department participate in the Massachusetts Teachers’ Retirement System (“MTRS”), a cost-sharing multiple employer defined benefit pension plan. The MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. Like the System, MTRS was established under Chapter 32 of Massachusetts General Laws. The Commonwealth’s legislature has the authority to amend or modify the MTRS’s funding policies.

The Commonwealth is a nonemployer contributor to the MTRS and is legally responsible by statute for all actuarially determined employer contributions and future benefit requirements of the MTRS. Therefore, the Town is considered to be in a special funding situation under GASB.

For the year ended June 30, 2024, the Commonwealth contributed \$6,984,226 to the MTRS on behalf of the Town. The Town’s proportionate share of the collective MTRS net pension liability at this reporting date was 0.325048%, which was based on the actual, actuarially determined contribution made by the Commonwealth on behalf of the Town as a percentage of the total annual contribution made by the Commonwealth on behalf of all employers.

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



	Commonwealth Portion	Paid (or assumed) On Behalf of the Town	Town Portion
Net pension liability	\$ 85,455,966	\$ (85,455,966)	\$ -
Pension expense	7,979,035	(7,979,035)	-

The Town has recognized intergovernmental revenue and pension expense of \$7,979,035 associated with this arrangement

## B. Other Postemployment Benefits (OPEB)

### *Town OPEB Plan*

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

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

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish the Other Postemployment Benefits Trust Fund which allows the Town to set aside amounts to pre-fund its OPEB liabilities. The Town has named the Health Care Security Board of Trustees (HCSBT) as Trustees of the OPEB Fund and as such has authorized the OPEB Trust Funds to be invested entirely in the State Retirement Benefits Trust Fund (SRBT Fund). Massachusetts General Law directs HCSBT to invest the SRBT Fund in the Pension Reserves Investment Trust (PRIT). The PRIT Fund is subject to oversight by the Pension Reserves Investment Management (PRIM) Board. A nine-member Board of Trustees governs the PRIM Board.

With respect to OPEB plan reporting, GASB issued GASB Statement No.’s 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, and Statement No, 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Reporting requirements for governments who administer an OPEB plan as defined under the accounting standard are required to present disclosures under both GASB 74 and GASB 75.

GASB 74 requires specific disclosures and required supplementary information that relate directly to the fiduciary fund in which the OPEB Plan is recorded. GASB 75 address disclosures related to the net OPEB liability required to be recorded by the government in its applicable financial statements. A number of these disclosures are identical, especially if the measurement date under GASB 75 is the same as the plan year-end date. When a different measurement date is used different assumptions and calculations will result.

For the year ended June 30, 2024, the Town elected to use a measurement date that was the same as the plan year-end date thus the majority of the same disclosures are used and will not be repeated.

**GASB Statement No. 75**

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

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of June 30, 2024:

Retired members and beneficiaries	731
currently receiving benefits	
Active employee members	695
Total	<u>1,426</u>

Contributions – The contribution requirements of OPEB Plan members and the Town are established and may be amended by the Town. Retirees contribute 17-35% of the cost of pre-Medicare plans and 25% of the cost of Medex plans and Medicare Part B. The remainder of the cost is funded by general revenues of the Town. The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the OPEB Plan are paid by the Town.

Net OPEB Liability – The components of the net OPEB liability of the Town as of June 30, 2024 were as follows:

Total OPEB Liability	\$ 151,602,694
Plan fiduciary net position	<u>(4,549,099)</u>
Net OPEB liability	147,053,595
Plan fiduciary net position as a percentage of the total OPEB liability	3.00%

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Investment rate of return	6.97%
Municipal bond rate	4.21%
Discount rate	5.74%
Inflation	2.50%
Salary increases	3.00% per year
Health care trend rate	5.00%, decreasing to an ultimate level of 3.63% using the SOA Getzen Model of Long-Run Medical Cost Trends
Mortality rates	RP-2014 mortality table with MP-2016 projection

Key assumption changes effective Fiscal Year ending June 30, 2024

Discount rate changed to 5.74% previously 5.24%

Long Term Expected Rate of Return – The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table:

Asset Class	Target Allocation	Expected Investment Rate of Return
Domestic equity - large cap	14.50%	4.91%
Domestic equity - small/mid cap	3.50%	5.29%
International equity - developed market	16.00%	5.32%
International equity - emerging market	6.00%	6.13%
Domestic fixed income	20.00%	2.30%
International fixed income	3.00%	2.02%
Alternatives	23.00%	6.35%
Real Estate	14.00%	6.25%
	100.00%	

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

	Discount Rate			
	Current Rate	1% Decrease	Current Discount	1% Increase
Net OPEB Liability	5.74%	\$ 169,266,863	\$ 147,053,595	\$ 129,154,684

	Healthcare Trend Rate			
	Current Rate	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	5.00% trending to 3.63%	\$ 127,495,681	\$ 147,053,595	\$ 171,538,087

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2024:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 1, 2023	\$ 155,494,886	\$ 3,886,592	\$ 151,608,294
Changes for the year:			
Service cost	3,658,221	-	3,658,221
Interest	8,156,205	-	8,156,205
Changes of assumptions	(9,212,513)	-	(9,212,513)
Other	(223,854)	-	(223,854)
Net investment income	-	408,118	(408,118)
Employer contributions	-	6,524,640	(6,524,640)
Benefit payments withdrawn from trust	-	(6,270,251)	6,270,251
Benefit payments	(6,270,251)	-	(6,270,251)
Net changes	(3,892,192)	662,507	(4,554,699)
Balances at June 30, 2024	<u>\$ 151,602,694</u>	<u>\$ 4,549,099</u>	<u>\$ 147,053,595</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the Town recognized OPEB income of \$2,754,815. Deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2024 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,291,476	\$ 13,638,721
Changes of assumptions	12,110,148	56,462,730
Net difference between projected and actual earnings	-	311,095
Totals	<u>\$ 25,401,624</u>	<u>\$ 70,412,546</u>

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

Year Ended June 30,	Amounts
2025	\$ (14,109,139)
2026	(15,067,652)
2027	(15,132,710)
2028	(267,440)
2029	(448,243)
Thereafter	14,262
Total	<u>\$ (45,010,922)</u>

#### **GASB Statement No. 74**

OPEB Plan disclosures that impact the Town's net OPEB liability using a measurement date of June 30, 2024 are summarized in this section except disclosures under GASB 74 that are identical to GASB 75 are not repeated.

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

**Investment Policy** – The OPEB Plan has a formal investment policy to invest in Domestic Equity, Domestic Fixed Income, International Equity, International Fixed Income, Alternative Investments and Real Estate with target allocations highlighted previously under the caption *long-term expected rate of return*.

**Investment Rate of Return** – For the year ended June 30, 2024 the annual money-weighted rate of return on investments, net of investment expense, was 9.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### ***Municipal Light OPEB Plan***

The Municipal Light Department administers a single employer defined benefit healthcare plan (the "Light OPEB Plan"). The Light OPEB Plan provides healthcare benefits for retired employees through the plan in accordance with Section 20 of Massachusetts General Law Chapter 32B. The Department's Board of Commissioners has the authority to establish and amend benefit terms.

**Contributions** – The Municipal Light Department is not required by law or contractual agreement to provide funding for the Light OPEB Plan other than "pay-as-you-go" cost of providing current benefits to eligible retirees, spouses and dependents. The Department may make additional contributions based on the administration budget.

**Employees Covered by Benefit Terms** – The following employees were covered by the benefit terms as of June 30, 2023:

Retired members and beneficiaries	28
currently receiving benefits	
Active employee members	16
Total	44

**Net OPEB Liability** – The Municipal Light Department's net OPEB liability was measured as of June 30, 2023 using an actuarial valuation as of July 1, 2022. The components of the net OPEB liability of the Municipal Light Department as of June 30, 2023 were as follows:

Total OPEB Liability	\$ 5,857,324
Plan fiduciary net position	<u>(2,452,643)</u>
Net OPEB liability	<u>\$ 3,404,681</u>
Plan fiduciary net position as a percentage of the total OPEB liability	41.87%

The total OPEB liability in the most recent actuarial valuation as of July 1, 2022 was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	4.13% as of 6/30/23
Discount rate	4.13%
Inflation	3.00% per annum
Health care trend rate	7.5%, currently, decreasing by 0.5% per year to an ultimate rate of 5%
Mortality rates	PUB-2010 mortality table with MP-2021 projection

#### Key assumption changes

Discount rate changed to 4.13%, previously 4.09%

Long Term Expected Rate of Return – The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table:

Asset Class	Target Allocation	Expected Investment Rate of Return
Global equity	40.00%	6.50%
Fixed income	23.00%	1.50%
Private equity	10.00%	6.00%
Real estate	10.00%	5.50%
Other	17.00%	0.00%
	<u>100.00%</u>	

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

	Discount Rate			
	Current Rate	1% Decrease	Current Discount	1% Increase
Net OPEB Liability	4.13%	\$ 4,316,949	\$ 3,404,681	\$ 2,671,456

	Healthcare Trend Rate			
	Current Rate	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	7.50% trending to 5.00%	\$ 2,638,217	\$ 3,404,681	\$ 4,369,241

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended December 31, 2023, the Municipal Light Department recognized OPEB income of \$524,232. Deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2023 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,929	\$ 2,162,955
Changes of assumptions	605,412	1,446,261
Net difference between projected and actual earnings	88,907	229,486
Totals	<u>\$ 740,248</u>	<u>\$ 3,838,702</u>

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

Year Ended June 30,	Amounts
2025	\$ (798,737)
2026	(801,745)
2027	(749,263)
2028	(777,894)
2029	28,061
Thereafter	1,124
Total	<u>\$ (3,098,454)</u>

Investment Rate of Return – For the year ended December 31, 2023 the annual money-weighted rate of return on investments, net of investment expense, was 5.70%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### C. Pension and Other Employee Benefit Trust Funds

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

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

	(December 31, 2023) Pension Trust Fund	Town Other Postemployment Benefits Trust Fund	(December 31, 2023) Municipal Light Other Postemployment Benefits Trust Fund	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 116,207	\$ 22,756	\$ -	\$ 138,963
Investments (at fair value):				
Pension Reserve Investment Trust	124,502,261	4,526,343	2,556,829	131,585,433
Total Investments	124,502,261	4,526,343	2,556,829	131,585,433
Other receivables	15,918	-	-	15,918
<b>Total Assets</b>	<b>124,634,386</b>	<b>4,549,099</b>	<b>2,556,829</b>	<b>131,740,314</b>
<b>Liabilities:</b>				
Warrants and accounts payable	1,990	-	-	1,990
<b>Total Liabilities</b>	<b>1,990</b>	<b>-</b>	<b>-</b>	<b>1,990</b>
<b>Net Position:</b>				
Restricted for pensions	124,632,396	-	-	124,632,396
Restricted for other postemployment benefits	-	4,549,099	2,556,829	7,105,928
<b>Total Net Position</b>	<b>\$ 124,632,396</b>	<b>\$ 4,549,099</b>	<b>\$ 2,556,829</b>	<b>\$ 131,738,324</b>



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

	(December 31, 2023) Pension Trust Fund	Town Other Postemployment Benefits Trust Fund	(December 31, 2023) Municipal Light Other Postemployment Benefits Trust Fund	Total
<b>Additions</b>				
Contributions:				
Employer	\$ 5,642,110	\$ 6,524,640	\$ -	\$ 12,166,750
Employee	2,529,696	-	-	2,529,696
Other contributions	627,382	-	-	627,382
Total Contributions	8,799,188	6,524,640	-	15,323,828
Investment income:				
Interest and dividends	3,226,762	110,747	-	3,337,509
Net appreciation in fair value of investments	9,871,547	318,629	255,096	10,445,272
Less - investment management fees	(603,258)	(21,258)	-	(624,516)
Net investment earnings	12,495,051	408,118	255,096	13,158,265
Other income	47,268	-	-	47,268
<b>Total Additions (net)</b>	<b>21,341,507</b>	<b>6,932,758</b>	<b>255,096</b>	<b>28,529,361</b>
<b>Deductions</b>				
Benefit payments to pensioners and beneficiaries	10,645,008	6,270,251	-	16,915,259
Member refunds	470,678	-	-	470,678
Transfers and reimbursements to other systems	941,865	-	-	941,865
Payroll expenses of the System	124,551	-	-	124,551
Other administrative expenses	60,050	-	-	60,050
<b>Total Deductions</b>	<b>12,242,152</b>	<b>6,270,251</b>	<b>-</b>	<b>18,512,403</b>
<b>CHANGE IN NET POSITION</b>	<b>9,099,355</b>	<b>662,507</b>	<b>255,096</b>	<b>10,016,958</b>
<b>NET POSITION AT BEGINNING OF YEAR, as restated (see Note IV)</b>	<b>115,533,041</b>	<b>3,886,592</b>	<b>2,301,733</b>	<b>121,721,366</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 124,632,396</b>	<b>\$ 4,549,099</b>	<b>\$ 2,556,829</b>	<b>\$ 131,738,324</b>

#### D. Risk Financing

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

Workers' Compensation – The Town is self-insured for their workers' compensation activities which are accounted for in the Internal Service Fund. Workers' compensation claims are administered by a third-party and are funded on a pay-as-you-go basis from annual appropriations. In 1989, the Town established a workers' compensation fund by accepting the provisions of Massachusetts General Laws, Chapter 40, Section 13a. The Town estimates its future workers' compensation liability based on history and injury type.

Changes in the reported liability since July 1, 2022, are as follows:

	Balance at Beginning of Year	Claims and Changes in Estimates	Claims Payments	Balance at End of Year	Current Portion
Fiscal Year 2024	\$ 1,153,408	\$ 657,591	\$(391,316)	\$ 1,419,683	\$ 354,921
Fiscal Year 2023	\$ 1,152,134	\$ 175,442	\$(174,168)	\$ 1,153,408	\$ 241,719

## E. Commitments and Contingencies

General – The Town is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability, if any, at June 30, 2024, cannot be determined, management believes that any resulting liability, if any, should not materially affect the basic financial statements of the Town at June 30, 2024.

Grant Compliance – Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The Town expects such amounts, if any, to be immaterial.

Arbitrage – The Town is subject to certain Federal arbitrage laws in accordance with long-term borrowing agreements. Failure to comply with the rules could result in the payment of penalties. The Town expects the amount if any, in these situations, to be immaterial.

Berkshire Wind Cooperative – The Marblehead Municipal Light Department (the “Department”) is a member of the Berkshire Wind Cooperation Corporation (the “Cooperative”). The Cooperative is organized under Chapters 157 and 164: Section 47C of the State of Massachusetts Statutes and constitutes a municipal light plan cooperative. The Cooperative was formed by the Massachusetts Municipal Wholesale Electric Company (“MMWEC”) and sixteen municipal light departments (the “Members”) for the purpose of financing, owning, constructing and operating certain wind generation facilities located on Brodie Mountain in the towns of Hancock and Lanesborough, Massachusetts (“Berkshire Wind Facility”).

The Cooperative provides wind energy to MMWEC pursuant to the Berkshire Wind Power Purchase Agreement dated May 21, 2008 between MMWEC and the Cooperative. Under this agreement, MMWEC entered into a Power Sales Contract with the Cooperative pursuant to which MMWEC has agreed to purchase 100% of the capacity and energy output and, to the extent uncommitted to any third party under existing agreements, associated environmental energy attributes of a wind power generating facility to be owned, constructed and operated by the Cooperative at the Berkshire Wind Facility.

The Berkshire Wind Facility is comprised of two phases. Phase 1 is comprised of ten 1.5-megawatt wind turbines, which have been commercially operating since 2011. Phase 2 is comprised of two 2.3-megawatt wind turbines, which began commercial operation in November 2019.

MMWEC sells all of the capability of the Berkshire Wind Facility (“Capability”) to the Members under PPAs. Among other things, the PPAs require each Member to pay its pro rata share of the costs related to the Berkshire Wind Facility, which costs include debt service on the bonds issued by the Cooperative to finance the Berkshire Wind Facility and its pro rata share of the operation

and maintenance costs of the Berkshire Wind Facility. In addition, should a Cooperative Member fail to make any payment when due, other cooperative members may be required to increase (step-up) their payments and correspondingly their share of the Capability to an additional amount. Additionally, each Participant is unconditionally obligated to make all payments due to the Berkshire Wind Cooperative Corporation, whether or not the Berkshire Wind Facility is completed or operating, and notwithstanding the suspension or interruption of the output of the Berkshire Wind Facility.

The total capital expenditures, debt service and operations and maintenance costs associated with the Department's pro rata share of the Phases in which it participates for the year ended December 31, 2023 are listed in the table below:

Phase	Percentage Share	Total Capital Expenditures	Debt Service Billed	Operations and Maintenance Billed
Berkshire Phase 1	6.7270%	\$ 3,721,947	\$ 325,763	\$ 147,435
Berkshire Phase 2	13.4780%	2,200,540	131,944	99,839
Total		<u>\$ 5,922,487</u>	<u>\$ 457,707</u>	<u>\$ 247,274</u>

In addition, the estimated aggregate amount of the required payments for future years for the Department's pro rate share of the Phases in which it participates is shown in the table below:

For the years ended December 31,	Phase 1 Debt Service 6.727%	Phase 2 Debt Service 15.71%	Total Debt Service
2024	\$ 325,974	\$ 177,232	\$ 503,206
2025	325,486	177,232	502,718
2026	325,789	177,232	503,021
2027	325,805	177,232	503,037
2028	325,520	177,232	502,752
2029-2033	651,207	1,682,984	2,334,191
Total	<u>\$ 2,279,781</u>	<u>\$ 2,569,144</u>	<u>\$ 4,848,925</u>

Other Power Supply – The Department has entered into an All Requirements Bulk Power Sales Agreement (the “All Requirements Agreement”) with MMWEC, under which MMWEC provides, delivers and sells all electric power and energy to PMLD, whether through owned generation, purchase power contracts or other power supply arrangements.

Under the terms of the All Requirements Agreement, PMLD is committed to purchase additional power through MMWEC in future years for the amounts listed in the table below:

For the years ended  
December 31,

2024	\$ 1,634,155
2025	<u>210,643</u>
Total	<u>\$ 1,844,798</u>

MMWEC Participation – The Town of Marblehead acting through its Light Department is a Participant in certain Projects of the Massachusetts Municipal Wholesale Electric Company (MMWEC).

MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts, created as a means to develop a bulk power supply for its Members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in, and to issue revenue bonds to finance, electric facilities (Projects). MMWEC has acquired ownership interests in electric facilities operated by other entities and also owns and operates its own electric facilities. MMWEC operates the Stony Brook Intermediate Project and the Stony Brook Peaking Project, both fossil-fueled power plants. MMWEC has the Nuclear Mix No 1 Project, Nuclear Project Three, Nuclear Project Four, Nuclear Project Five and Project Six, which comprise an 11.6% ownership interest in the Seabrook Station nuclear generating unit operated by NextEra Energy Seabrook, LLC and a 4.8% ownership interest in the Millstone Unit 3 nuclear unit, operated by Dominion Nuclear Connecticut, Inc. The operating license for Seabrook Station extends to March 15, 2050. The operating license for the Millstone Unit 3 nuclear unit extends to November 25, 2045.

The Light Department is also a Participant in MMWEC Project 2015A, a capacity reliability resource in Peabody, Massachusetts, and in MMWEC Project 2020A, a solar resource in Ludlow, Massachusetts. Both Project 2015A and Project 2020A are under construction as of December 31, 2023. As of December 31, 2023, the Light Department has contributed \$432,355 and \$50,642 for design and construction costs for Project 2015A and Project 2020A, respectively.

MMWEC sells all of the capability (Project Capability) of each of its Projects to its Members and other utilities (Project Participants) under Power Sales Agreements (PSAs). The Light Department has entered into PSAs with MMWEC. Under the PSAs the Light Department is required to make certain payments to MMWEC payable solely from Municipal Light Department revenues. Among other things, the PSAs require each Project Participant to pay its pro rata share of MMWEC's costs related to the Project, which costs include debt service on the revenue bonds issued by MMWEC to finance the Project. In addition, should a Project Participant fail to make any payment when due, other Project Participants of that Project may be required to increase (step-up) their payments and correspondingly their Participant's share of that Project's Project Capability. Project Participants have covenanted to fix, revise and collect rates at least sufficient to meet their obligations under the PSAs. Each Participant is unconditionally obligated to make payments due to MMWEC whether or not the Project(s) is completed or operating and notwithstanding the suspension or interruption of the output of the Project(s).

Pursuant to the PSAs, the MMWEC Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which are funded through monthly Project billings, as needed. Also, the Millstone and Seabrook Project Participants are liable for their proportionate share of the uninsured costs of a nuclear incident that might be imposed under the Price-Anderson Act (Act). Originally enacted in 1957, the Act has been renewed several times.

In July 2005, as part of the Energy Policy Act of 2005, Congress extended the Act until the end of 2025.

MMWEC is involved in various legal actions. In the opinion of management, the outcome of such litigation or claims will not have a material adverse effect on the financial position of the company.

The total capital expenditures and annual capacity, fuel and transmission costs (which include debt service and decommissioning expenses as discussed above) associated with the Department's Project Capability of the Projects in which it participates for the year ended December 31, 2023 are listed in the following tables:

Phase	Percentage Share	Total Capital Expenditures	Capacity, Fuel and Transmission Billed
Stony Brook Peaking	1.5980%	\$ 1,008,463	\$ 92,361
Stony Brook Int.	2.9573%	5,426,824	457,535
Nuclear Mix 1-SBK	3.7420%	389,487	18,099
Nuclear Mix 1-MLS	3.7420%	2,413,532	214,107
Nuclear Project 3-MLS	2.9546%	4,607,089	335,302
Nuclear Project 4-SBK	2.6500%	8,145,023	336,651
Nuclear Project 5-SBK	1.2908%	1,072,902	42,448
Project 2015A - CR	4.4260%	3,223,320	18,293
Project 2020A - LS	10.8700%	1,467,517	-
Total		<u>\$ 27,754,157</u>	<u>\$ 1,514,796</u>

For the years ended December 31,	Total Project 2015A Debt Service 5.15%	Total Project 2020A Debt Service 10.87%	Total Debt Service
2024	\$ 189,501	\$ 112,078	\$ 301,579
2025	189,167	137,921	327,088
2026	188,966	137,891	326,857
2027	188,925	137,832	326,757
2028	188,686	137,736	326,422
2029-2033	941,472	688,231	1,629,703
2034-2038	941,401	686,848	1,628,249
2039-2043	939,175	685,465	1,624,640
2044-2048	936,785	69,413	1,006,198
2049-2051	560,377	-	560,377
Total	<u>\$ 5,264,455</u>	<u>\$ 2,793,415</u>	<u>\$ 8,057,870</u>

## **F. Landfill Closure and Post-Closure Care Costs**

The Town's landfill is closed and a final cover has been installed in accordance with Federal and State laws and regulations. Those laws and regulations also require the Town to perform certain maintenance and monitoring functions ("post-closure care") at the site for 30 years after the landfill cover is installed. In accordance with generally accepted accounting principles, the estimated remaining cost of monitoring and other post-closure liabilities for these three parcels, \$2,292,000, has been recorded as a governmental activities' liability; actual costs may be higher due to inflation, changes in technology, or changes in regulations.

## **G. Implementation of GASB pronouncements**

### Current Year Implementations –

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making or assessing accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2023 (fiscal year 2024). Refer to Note IV for the impact on the Town's financial statements.

### Future Implementations –

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

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

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

#### IV. Restatement of Prior Year Balances

During fiscal year 2024, the Town made several corrections to the prior year reported balances. The Town determined that outstanding intergovernmental receivables were overstated in the Capital Projects Major Fund and user fees receivable were understated in the Water and Sewer Enterprise Funds. As a result, the prior year beginning fund balance in the Capital Projects Major Fund was overstated by approximately \$0.3 million; the prior year beginning net position of the Water Enterprise Fund was understated by approximately \$1.2 million and the prior year beginning net position of the Sewer Enterprise Fund was understated by approximately \$0.6 million. The impact on intergovernmental revenues in the Capital Projects Major Fund and user fees revenues in the Water and Sewer Enterprise Fund was immaterial and not recognized by the Town.

The Town determined the unavailable revenue was understated in the Federal Grants Major Fund. As a result, the prior year beginning fund balance in the Federal Grants Major Fund was overstated by approximately \$2.7 million and intergovernmental revenue was understated by approximately \$0.4 million.

The Town determined that the fair value of special revenue trust fund investments in the Nonmajor Governmental Funds was overstated by approximately \$0.9 million. As a result, the prior year beginning fund balance in the Nonmajor Governmental Funds was overstated by approximately \$1.0 million and prior year investment income was understated by approximately \$0.1 million.

The Town determined that the Town and Municipal Light OPEB funds should be presented separately. As a result, the prior year beginning balance of the Town OPEB Trust Fund was overstated by approximately \$2.5 million and the Municipal Light OPEB Trust Fund was understated by approximately \$2.3 million.

The effect of correcting these errors is shown as follows:

	Governmental Activities	Highway Improvement Fund	Federal Grant Fund	Capital Project Fund	Nonmajor Governmental Funds	Pension and Other Benefits Trust Funds
Prior year, as previously reported	\$ (110,037,547)	\$ 3,793	\$ 2,505,077	\$ 18,459,266	\$15,003,360	\$ 121,872,275
Change from major to nonmajor fund	-	(3,793)	-	-	3,793	-
Error corrections:						
Outstanding receivable balances	(258,220)	-	-	(258,220)	-	-
Unavailable revenue	(2,310,851)	-	(2,310,851)	-	-	-
Fair value of investments	(873,253)	-	-	-	(873,253)	-
Segregate OPEB trust funds	-	-	-	-	-	(150,909)
Prior year, as restated	<u>\$ (113,479,871)</u>	<u>\$ -</u>	<u>\$ 194,226</u>	<u>\$ 18,201,046</u>	<u>\$14,133,900</u>	<u>\$ 121,721,366</u>
	Business-type Activities	Water Fund	Sewer Fund			
Prior year, as previously reported	\$ 50,730,871	\$ 14,044,748	\$ 15,317,439			
Error corrections:						
Outstanding receivable balances	1,821,485	1,229,026	592,459			
Prior year, as restated	<u>\$ 52,552,356</u>	<u>\$ 15,273,774</u>	<u>\$ 15,909,898</u>			



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## **Required Supplementary Information**

## TOWN OF MARBLEHEAD, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS  
YEAR ENDED JUNE 30, 2024SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS  
MARBLEHEAD CONTRIBUTORY RETIREMENT SYSTEM

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	\$ 3,961,000	\$ 3,790,000	\$ 3,673,000	\$ 3,515,000	\$ 3,528,000	\$ 3,376,000	\$ 3,207,000	\$ 3,069,000	\$ 2,769,061	\$ 2,681,899
Interest	12,064,000	11,720,000	11,826,000	11,461,000	11,152,000	10,812,000	10,286,000	9,968,038	9,660,905	9,363,589
Changes in benefit terms	1,700,000	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(2,322,000)	-	(4,541,000)	-	(195,000)	-	2,433,000	-	(2,255,000)	-
Changes in assumptions	378,000	-	1,200,000	-	4,000,000	-	3,240,000	-	6,300,000	-
Benefit payments, including refunds	(11,073,267)	(10,442,741)	(10,047,950)	(10,025,882)	(9,783,600)	(9,627,288)	(9,139,829)	(8,731,326)	(8,317,787)	(8,275,382)
Net change in total pension liability	4,707,733	5,067,259	2,110,050	4,950,118	8,701,400	4,560,712	10,026,171	4,305,712	8,157,179	3,770,106
Total pension liability - beginning of year	173,925,267	168,858,008	166,747,958	161,797,840	153,096,440	148,535,728	138,509,557	134,203,845	126,046,666	122,276,560
Total pension liability - end of year (a)	<u>\$ 178,633,000</u>	<u>\$ 173,925,267</u>	<u>\$ 168,858,008</u>	<u>\$ 166,747,958</u>	<u>\$ 161,797,840</u>	<u>\$ 153,096,440</u>	<u>\$ 148,535,728</u>	<u>\$ 138,509,557</u>	<u>\$ 134,203,845</u>	<u>\$ 126,046,666</u>
Plan fiduciary net position:										
Contributions - employer	\$ 5,642,110	\$ 5,195,313	\$ 4,786,596	\$ 4,407,922	\$ 4,081,162	\$ 3,775,273	\$ 3,502,012	\$ 3,247,889	\$ 3,004,813	\$ 2,791,015
Contributions - employee	2,529,696	2,134,887	2,552,273	2,037,727	1,900,271	1,833,766	2,153,343	2,195,793	1,913,812	1,820,099
Contributions - nonemployer contributing entities	627,382	-	-	-	-	-	-	-	-	-
Net investment income	12,495,051	(15,146,126)	22,273,726	12,212,886	15,021,634	(2,239,403)	15,100,863	6,346,121	585,701	6,532,623
Benefit payments, including refunds	(12,057,551)	(10,442,741)	(10,047,950)	(10,025,882)	(9,783,600)	(9,627,288)	(9,139,829)	(8,731,326)	(8,317,787)	(8,275,382)
Administrative expenses	(184,601)	(164,237)	(174,623)	(155,326)	(147,864)	(150,184)	(129,292)	(140,850)	(141,511)	(135,341)
Other	47,268	-	-	-	-	-	-	-	-	16,440
Net change in plan fiduciary net position	9,099,355	(18,422,904)	19,390,022	8,477,327	11,071,603	(6,407,836)	11,487,097	2,917,627	(2,954,972)	2,749,454
Plan fiduciary net position - beginning of year	115,533,041	133,955,945	114,565,923	106,088,596	95,016,993	101,424,829	89,937,732	87,020,105	89,975,077	87,225,623
Plan fiduciary net position - end of year (b)	<u>\$ 124,632,396</u>	<u>\$ 115,533,041</u>	<u>\$ 133,955,945</u>	<u>\$ 114,565,923</u>	<u>\$ 106,088,596</u>	<u>\$ 95,016,993</u>	<u>\$ 101,424,829</u>	<u>\$ 89,937,732</u>	<u>\$ 87,020,105</u>	<u>\$ 89,975,077</u>
Net pension liability - end of year (a) - (b)	<u>\$ 54,000,604</u>	<u>\$ 58,392,226</u>	<u>\$ 34,902,063</u>	<u>\$ 52,182,035</u>	<u>\$ 55,709,244</u>	<u>\$ 58,079,447</u>	<u>\$ 47,110,899</u>	<u>\$ 48,571,825</u>	<u>\$ 47,183,740</u>	<u>\$ 36,071,589</u>
Plan fiduciary net position as a percentage of the total pension liability	69.8%	66.4%	79.3%	68.7%	65.6%	62.1%	68.3%	64.9%	64.8%	71.4%
Covered payroll	23,562,000	22,267,000	22,267,000	22,077,899	21,644,795	21,751,500	21,325,000	20,692,466	20,286,731	18,842,144
Net pension liability as a percentage of covered payroll	229.2%	262.2%	156.7%	236.4%	257.4%	267.0%	220.9%	234.7%	232.6%	191.4%

See accompanying independent auditor's report.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**  
**YEAR ENDED JUNE 30, 2024**

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**SCHEDULE OF CONTRIBUTIONS TO PENSION PLAN**  
**MARBLEHEAD CONTRIBUTORY RETIREMENT SYSTEM**

Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered-Employee Payroll
2023	\$ 5,642,110	\$ 5,642,110	\$ -	\$ 23,562,000	23.95%
2022	5,195,313	5,195,313	-	22,267,000	23.33%
2021	4,783,897	4,783,897	-	22,267,000	21.48%
2020	4,405,062	4,405,062	-	22,077,899	19.95%
2019	4,078,761	4,078,761	-	21,644,795	18.84%
2018	3,776,631	3,776,631	-	21,751,500	17.36%
2017	3,496,880	3,496,880	-	21,325,000	16.40%
2016	3,237,852	3,237,852	-	20,692,466	15.65%
2015	2,998,011	2,998,011	-	20,286,731	14.78%
2014	2,775,936	2,775,936	-	18,842,144	14.73%

**SCHEDULE OF INVESTMENT RETURNS**  
**MARBLEHEAD CONTRIBUTORY RETIREMENT SYSTEM**

Year Ended December 31,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2023	11.01%
2022	-11.45%
2021	19.73%
2020	11.75%
2019	16.13%
2018	-2.28%
2017	17.14%
2016	7.45%
2015	0.66%
2014	7.64%

See accompanying independent auditor's report.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**  
**YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**(NOT INCLUDING MUNICIPAL LIGHT)**

Year Ended December 31,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	85.38%	\$ 46,105,200	\$ 20,117,236	229.18%	69.77%
2022	85.99%	50,213,097	19,148,083	262.24%	66.43%
2021	85.99%	30,013,320	19,148,083	156.74%	79.33%
2020	86.13%	44,942,399	19,014,856	236.35%	68.71%
2019	86.13%	47,980,255	18,642,016	257.38%	65.57%
2018	86.10%	50,007,920	18,728,607	267.01%	62.06%
2017	86.10%	40,563,714	18,361,000	220.92%	68.28%
2016	85.07%	41,319,080	18,042,000	229.02%	64.93%
2015	85.07%	40,138,264	17,517,000	229.14%	64.84%
2014	84.63%	30,528,625	16,186,000	188.61%	71.38%

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO PENSION PLAN**  
**(NOT INCLUDING MUNICIPAL LIGHT)**

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 4,817,233	\$ 4,817,233	\$ -	\$ 20,418,994	23.59%
2023	4,467,611	4,467,611	-	19,531,045	22.87%
2022	4,113,821	4,113,821	-	19,531,045	21.06%
2021	3,793,912	3,793,912	-	19,395,153	19.56%
2020	3,512,882	3,512,882	-	19,014,856	18.47%
2019	3,251,778	3,251,778	-	18,916,000	17.19%
2018	3,010,905	3,010,905	-	18,545,000	16.24%
2017	2,754,376	2,754,376	-	18,222,000	15.12%
2016	2,550,338	2,550,338	-	17,692,000	14.42%
2015	2,349,370	2,349,370	-	16,348,000	14.37%

See accompanying independent auditor's report.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**  
**YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF THE MUNICIPAL LIGHT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended December 31,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	13.11%	\$ 7,079,400	\$ 3,088,978	229.18%	69.77%
2022	12.50%	7,297,423	2,782,774	262.24%	66.43%
2021	12.50%	4,361,809	2,782,774	156.74%	79.33%
2020	12.20%	6,368,556	2,694,497	236.35%	68.71%
2019	12.20%	6,799,029	2,641,664	257.38%	65.57%
2018	12.21%	7,092,308	2,656,163	267.01%	62.06%
2017	12.21%	5,752,900	2,604,081	220.92%	68.28%
2016	13.35%	6,486,422	2,763,332	234.73%	64.93%
2015	13.35%	6,301,053	2,709,151	232.58%	64.84%
2014	14.12%	5,093,878	1,844,000	276.24%	71.38%

**SCHEDULE OF THE MUNICIPAL LIGHT'S CONTRIBUTIONS TO PENSION PLAN**

Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 649,274	\$ 649,274	\$ -	\$ 2,782,774	23.33%
2022	597,858	597,858	-	2,782,774	21.48%
2021	537,616	537,616	-	2,694,497	19.95%
2020	497,792	497,792	-	2,641,664	18.84%
2019	461,179	461,179	-	2,656,163	17.36%
2018	427,018	427,018	-	2,604,081	16.40%
2017	432,392	432,392	-	2,061,388	20.98%
2016	400,363	400,363	-	1,847,887	21.67%
2015	392,006	392,006	-	1,844,019	21.26%

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

See accompanying independent auditor's report.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**  
**YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF THE COMMONWEALTH'S COLLECTIVE SHARE OF THE NET PENSION LIABILITY**  
**MASSACHUSETTS TEACHER'S RETIREMENT SYSTEM**

Year Ended June 30, *	Commonwealth's Proportionate Share of the Collective Net Pension Liability	Town's Proportion Share of the Collective Net Pension Liability	Commonwealth's Proportionate Share of the Net Pension Liability Associated with the Town	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	100.0%	0.0%	\$ 85,455,966	\$ 7,979,035	58.48%
2023	100.0%	0.0%	87,582,989	7,204,555	57.75%
2022	100.0%	0.0%	81,586,653	6,546,989	62.03%
2021	100.0%	0.0%	100,882,015	12,460,374	50.67%
2020	100.0%	0.0%	93,152,763	11,296,389	53.95%
2019	100.0%	0.0%	88,329,506	8,950,916	54.84%
2018	100.0%	0.0%	85,769,953	8,952,060	54.25%
2017	100.0%	0.0%	81,616,869	8,325,456	52.73%
2016	100.0%	0.0%	73,593,284	5,969,070	55.38%
2015	100.0%	0.0%	56,034,714	3,893,000	61.64%

\* Amounts determined for the previous year ended June 30.

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

See accompanying independent auditors' report.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS**

	Year Ended June 30,						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:							
Service cost	\$ 3,658,221	\$ 3,268,030	\$ 9,614,402	\$ 8,412,549	\$ 8,255,863	\$ 7,387,754	\$ 7,574,209
Interest	8,156,205	6,640,792	4,651,269	4,998,982	5,568,135	5,437,554	5,112,576
Difference between actual and plan experience	-	21,078,740	(1,523,202)	1,179,593	(25,452,072)	2,312,897	(4,515,694)
Changes of assumptions	(9,212,513)	(30,692,809)	(62,146,549)	14,888,953	3,734,346	5,965,573	4,607,606
Other	(223,854)	-	-	-	-	-	-
Benefit payments	(6,270,251)	(5,693,428)	(4,402,621)	(3,698,902)	(3,799,782)	(3,651,352)	(3,839,282)
Net change in total OPEB liability	(3,892,192)	(5,398,675)	(53,806,701)	25,781,175	(11,693,510)	17,452,426	8,939,415
Total OPEB liability - beginning of year	155,494,886	160,893,561	214,700,262	188,919,087	200,612,597	183,160,171	174,220,756
Total OPEB liability - end of year (a)	<u>\$ 151,602,694</u>	<u>\$ 155,494,886</u>	<u>\$ 160,893,561</u>	<u>\$ 214,700,262</u>	<u>\$ 188,919,087</u>	<u>\$ 200,612,597</u>	<u>\$ 183,160,171</u>
Plan fiduciary net position:							
Contributions - employer	\$ 6,524,640	\$ 5,954,806	\$ 4,652,621	\$ 3,709,802	\$ 4,049,782	\$ 4,011,599	\$ 4,199,282
Net investment income	408,118	182,188	(117,454)	700,609	45,316	137,647	143,870
Benefit payments	(6,270,251)	(5,693,428)	(4,402,621)	(3,698,902)	(3,799,782)	(3,651,352)	(3,839,282)
Net change in Plan fiduciary net position	662,507	443,566	132,546	711,509	295,316	497,894	503,870
Plan fiduciary net position - beginning of year	3,886,592	3,443,026	3,310,480	2,598,971	2,303,655	1,805,761	1,301,891
Plan fiduciary net position - end of year (b)	<u>\$ 4,549,099</u>	<u>\$ 3,886,592</u>	<u>\$ 3,443,026</u>	<u>\$ 3,310,480</u>	<u>\$ 2,598,971</u>	<u>\$ 2,303,655</u>	<u>\$ 1,805,761</u>
Net OPEB liability - end of year (a) - (b)	<u>\$ 147,053,595</u>	<u>\$ 151,608,294</u>	<u>\$ 157,450,535</u>	<u>\$ 211,389,782</u>	<u>\$ 186,320,116</u>	<u>\$ 198,308,942</u>	<u>\$ 181,354,410</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.00%	2.50%	2.14%	1.54%	1.38%	1.15%	0.99%
Covered-employee payroll	\$ 57,432,338	\$ 55,742,736	\$ 54,923,888	\$ 52,556,274	\$ 52,000,000	\$ 51,560,000	\$ 48,060,000
Net OPEB liability as a percentage of covered-employee payroll	256.05%	271.98%	286.67%	402.22%	358.31%	384.62%	377.35%

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

See accompanying independent auditor's report.

**TOWN OF MARBLEHEAD, MASSACHUSETTS****REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2024**

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**SCHEDULE OF TOWN CONTRIBUTIONS TO OPEB PLAN**

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2024	\$ 10,649,051	\$ 6,524,640	\$ 4,124,411	\$ 57,432,338	11.36%
2023	9,797,520	6,280,237	3,517,283	55,742,736	11.27%
2022	23,027,563	4,974,015	18,053,548	54,923,888	9.06%
2021	20,771,196	4,235,758	16,535,438	52,556,274	8.06%
2020	21,536,597	4,055,705	17,480,892	52,000,000	7.80%
2019	19,850,608	4,249,988	15,600,620	51,560,000	8.24%
2018	12,886,621	4,414,972	8,471,649	48,060,000	9.19%

**SCHEDULE OF INVESTMENT RETURNS**

Year Ended June 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2024	9.86%
2023	5.70%
2022	-3.60%
2021	29.40%
2020	2.00%
2019	6.40%
2018	10.50%

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

See accompanying independent auditor's report.



TOWN OF MARBLEHEAD, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2024

SCHEDULE OF CHANGES IN THE MUNICIPAL LIGHT'S NET OPEB LIABILITY AND RELATED RATIOS

	2023	2022	2021	2020	2019	2018
Total OPEB liability:						
Service cost	\$ 159,475	\$ 234,446	\$ 205,139	\$ 250,164	\$ 223,859	\$ 189,381
Interest	239,815	187,797	211,601	286,669	288,452	497,819
Difference between actual and plan experience	(213,178)	(717,444)	39,360	(2,718,093)	74,655	(240,441)
Changes of assumptions	(29,526)	(2,132,484)	505,725	130,761	255,429	245,335
Benefit payments	(325,431)	(321,394)	(282,966)	(255,923)	(238,386)	(215,690)
Net change in total OPEB liability	(168,845)	(2,749,079)	678,859	(2,306,422)	604,009	476,404
Total OPEB liability - beginning of year	6,026,169	8,775,248	8,096,389	10,402,811	9,798,802	9,322,398
Total OPEB liability - end of year (a)	<u>\$ 5,857,324</u>	<u>\$ 6,026,169</u>	<u>\$ 8,775,248</u>	<u>\$ 8,096,389</u>	<u>\$ 10,402,811</u>	<u>\$ 9,798,802</u>
Plan fiduciary net position:						
Contributions - employer	\$ 325,431	\$ 321,394	\$ 282,966	\$ 255,923	\$ 238,386	\$ 215,690
Net investment income	132,662	(90,616)	547,721	35,938	97,807	150,394
Benefit payments	(325,431)	(321,394)	(282,966)	(255,923)	(238,386)	(215,690)
Net change in Plan fiduciary net position	132,662	(90,616)	547,721	35,938	97,807	150,394
Plan fiduciary net position - beginning of year	2,319,981	2,410,597	1,862,876	1,826,938	1,729,131	1,578,737
Plan fiduciary net position - end of year (b)	<u>\$ 2,452,643</u>	<u>\$ 2,319,981</u>	<u>\$ 2,410,597</u>	<u>\$ 1,862,876</u>	<u>\$ 1,826,938</u>	<u>\$ 1,729,131</u>
Net OPEB liability - end of year (a) - (b)	<u>\$ 3,404,681</u>	<u>\$ 3,706,188</u>	<u>\$ 6,364,651</u>	<u>\$ 6,233,513</u>	<u>\$ 8,575,873</u>	<u>\$ 8,069,671</u>
Plan fiduciary net position as a percentage of the total OPEB liability	41.87%	38.50%	27.47%	23.01%	17.56%	17.65%
Covered-employee payroll	\$ 2,444,000	\$ 2,336,000	\$ 2,300,000	\$ 2,300,000	\$ 2,284,800	\$ 2,240,000
Net OPEB liability as a percentage of covered-employee payroll	139.31%	158.66%	276.72%	271.02%	375.34%	360.25%

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

The Municipal Light Department implemented GASB 75 for the year ended December 31, 2018 using a measurement date of June 30, 2018.

See accompanying independent auditor's report.

**TOWN OF MARBLEHEAD, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2024**

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**SCHEDULE OF MUNICIPAL LIGHT'S CONTRIBUTIONS TO OPEB PLAN**

Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2023	\$ 606,432	\$ 325,431	\$ 281,001	\$ 2,444,000	13.32%
2022	780,478	321,394	459,084	2,336,000	13.76%
2021	732,381	282,966	449,415	2,300,000	12.30%
2020	935,893	255,923	679,970	2,300,000	11.13%
2019	765,265	238,386	526,879	2,284,800	10.43%
2018	495,228	215,690	279,538	2,240,000	9.63%

**SCHEDULE OF INVESTMENT RETURNS**

Year Ended December 31	Annual Money-Weighted Rate of Return, Net of Investment Expense
2023	5.70%
2022	-3.60%
2021	29.40%
2020	2.00%
2019	6.40%
2018	10.50%

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

See accompanying independent auditor's report.

TOWN OF MARBLEHEAD, MASSACHUSETTS

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

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary		Budgetary	Positive
	Budget	Budget	Amounts	Encumbrances	Adjusted	(Negative)
<b>Revenues:</b>						
Real estate and personal property taxes	\$ 81,781,513	\$ 81,781,513	\$ 80,926,723	\$ -	80,926,723	(854,790)
Intergovernmental	8,189,838	8,189,838	8,089,720	-	8,089,720	(100,118)
Motor vehicle excise	3,816,440	3,816,440	3,899,895	-	3,899,895	83,455
Charges for services	1,017,400	1,017,400	1,629,720	-	1,629,720	612,320
Penalties and interest on taxes	310,000	310,000	400,110	-	400,110	90,110
Payments in lieu of taxes	85,000	85,000	11,624	-	11,624	(73,376)
Licenses and permits	844,908	844,908	1,291,023	-	1,291,023	446,115
Fines and forfeits	70,000	70,000	66,729	-	66,729	(3,271)
Investment income	657,670	657,670	2,473,509	-	2,473,509	1,815,839
Total Revenues	96,772,769	96,772,769	98,789,053	-	98,789,053	2,016,284
<b>Expenditures:</b>						
<i>Current:</i>						
<i>General Government:</i>						
Moderator Expense	100	100	100	-	100	-
Selectmen Salaries	673,501	617,283	465,079	-	465,079	152,204
Selectmen Expense	106,090	138,847	104,179	3,484	107,663	31,184
Finance Salaries	882,154	809,060	683,639	-	683,639	125,421
Finance Expense	844,421	844,420	614,402	28,745	643,147	201,273
Assessors Officials Expense	300	300	300	-	300	-
Assessors Salaries	231,491	234,107	230,546	-	230,546	3,561
Assessors Expense	52,300	72,300	62,084	-	62,084	10,216
Town Counsel Salaries	2,000	2,000	2,000	-	2,000	-
Town Counsel Expense	110,000	110,000	88,042	-	88,042	21,958
Human Resources Salaries	-	129,312	129,312	-	129,312	-
Parking Tickets Expense	12,650	12,650	4,642	1,305	5,947	6,703
Town Clerk Salaries	212,769	213,269	213,186	-	213,186	83
Town Clerk Expense	11,887	20,943	11,765	-	11,765	9,178
Election and Registration Salaries	28,415	28,415	13,734	-	13,734	14,681
Election and Registration Expense	33,365	61,985	49,329	26	49,355	12,630
Planning Board Expense	1,675	5,675	5,570	-	5,570	105
Public Buildings Salaries	126,252	126,252	123,171	-	123,171	3,081
Public Buildings Expense	121,549	146,049	129,749	3,072	132,821	13,228
Zoning Board Legal Expense	30,000	30,000	-	-	-	30,000
Town Reports Expense	4,000	4,000	3,678	-	3,678	322
Audit of Accounts Expense	63,000	63,000	63,000	-	63,000	-
Utility Reserve	100,000	100,000	3,546	-	3,546	96,454
Training Expense	15,000	15,000	7,100	-	7,100	7,900
Property and Liability Insurance	757,625	757,625	724,304	-	724,304	33,321
Energy Reserve	428,795	428,795	39,712	247	39,959	388,836
Finance Commission Expense	3,210	3,210	295	-	295	2,915
Finance Reserve	144,000	64,161	-	-	-	64,161
Article 9, 2023 - Equipment	78,000	78,000	29,433	48,567	78,000	-
Article 10, 2022 - Equipment	2,721	2,721	-	2,721	2,721	-
Article 10, 2020 - Buildings	39,834	39,834	-	39,834	39,834	-
Article 11, 2023 - Capital	52,500	52,500	-	52,500	52,500	-
Article 11, 2022 - Capital	161,308	161,308	123,978	37,330	161,308	-
Article 9, 2018 - Buildings	35,573	35,573	-	35,573	35,573	-
Article 10, 2017 - Buildings	52,388	52,388	-	52,388	52,388	-
Article 11, 2019 - Buildings	71,260	71,260	-	71,260	71,260	-
Article 10, 2021 - Buildings	103,123	103,123	50,584	52,539	103,123	-
Total General Government	5,593,256	5,635,465	3,976,459	429,591	4,406,050	1,229,415

## TOWN OF MARBLEHEAD, MASSACHUSETTS

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

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary		Budgetary	Positive
	Budget	Budget	Amounts	Encumbrances	Adjusted	(Negative)
<b>Expenditures:</b>						
<i>Public Safety</i>						
Police Salaries	4,517,204	4,512,148	4,513,398	-	4,513,398	(1,250)
Police Expense	213,350	225,870	213,293	100	213,393	12,477
Fire Salaries	4,968,023	4,896,846	4,883,613	-	4,883,613	13,233
Fire Expense	233,229	249,230	249,130	6	249,136	94
Fire Alarm Expense	5,000	5,000	324	-	324	4,676
Building Commissioner Salaries	551,682	501,682	506,500	-	506,500	(4,818)
Building Commissioner Expense	55,993	105,993	89,613	-	89,613	16,380
Sealer of Weights and Measures Expense	250	250	-	-	-	250
Animal Inspector Salaries	2,400	2,400	2,400	-	2,400	-
Article 9, 2023 - Equipment	236,298	236,298	108,675	127,623	236,298	-
Article 10, 2023 - Equipment	152,597	152,597	84,597	68,000	152,597	-
Article 10, 2022 - Equipment	1,818	1,818	593	1,225	1,818	-
Article 8, 2021 - Equipment	3,282	3,282	-	3,282	3,282	-
Article 11, 2023 - Capital	40,076	40,076	39,600	476	40,076	-
Article 11, 2022 - Capital	15,000	15,000	-	15,000	15,000	-
Article 10, 2021 - Equipment	190,334	190,334	23,836	166,498	190,334	-
Article 9, 2022 - Equipment	203,213	203,213	197,985	5,228	203,213	-
<i>Total Public Safety</i>	<u>11,389,749</u>	<u>11,342,037</u>	<u>10,913,557</u>	<u>387,438</u>	<u>11,300,995</u>	<u>41,042</u>
<i>Education:</i>						
School	46,143,368	46,143,368	45,292,032	189,852	45,481,884	661,484
Article 9, 2023 - Equipment	43,010	43,010	-	43,010	43,010	-
Article 10, 2023 - Equipment	60,605	60,605	56,812	3,793	60,605	-
Article 11, 2023 - Capital	60,375	60,375	-	60,375	60,375	-
Article 11, 2022 - Capital	53,495	53,495	-	53,495	53,495	-
Article 26, 2023 - Essex North Shore	468,762	468,762	467,548	1,214	468,762	-
<i>Total Education</i>	<u>46,829,615</u>	<u>46,829,615</u>	<u>45,816,392</u>	<u>351,739</u>	<u>46,168,131</u>	<u>661,484</u>
<i>Public Works:</i>						
Engineering Salaries	193,885	196,206	191,197	-	191,197	5,009
Engineering Expense	10,645	10,645	8,522	-	8,522	2,123
Highway Salaries	1,515,351	1,515,351	1,346,715	-	1,346,715	168,636
Highway Expense	246,531	246,531	244,260	1,411	245,671	860
Rebuild and Maintain HTTP System	115,560	115,560	104,128	3,721	107,849	7,711
Snow Removal	105,000	122,148	122,148	-	122,148	-
Streetlighting	128,820	128,820	53,790	-	53,790	75,030
Waste Collection Salaries	475,175	475,175	475,175	-	475,175	-
Waste Collection Expense	2,041,530	2,041,530	1,926,726	782	1,927,508	114,022
Landfill Monitoring Expense	114,600	114,600	88,267	-	88,267	26,333
Cemetery Officials Expense	300	300	-	300	300	-
Cemetery Salaries	442,609	442,609	434,829	-	434,829	7,780
Cemetery Expense	30,621	30,621	30,386	-	30,386	235
Article 41, 2019 - Road Improvements	17,389	17,389	-	17,389	17,389	-
Article 19, 2020 - Road Improvements	142,569	142,569	-	142,569	142,569	-
Article 9, 2020 - Equipment	2,876	2,876	-	2,876	2,876	-
Article 9, 2023 - Equipment	31,180	31,180	31,180	-	31,180	-
Article 10, 2023 - Equipment	231,268	231,268	211,348	19,920	231,268	-
Article 10, 2022 - Equipment	127,129	127,129	67,105	60,024	127,129	-
Article 10, 2019 - Equipment	9,377	9,377	-	9,377	9,377	-
Article 11, 2023 - Capital	114,960	114,960	14,585	100,375	114,960	-
Article 11, 2022 - Capital	41,000	41,000	1,000	40,000	41,000	-
Article 10, 2021 - Buildings	130,735	130,735	55,937	46,090	102,027	28,708
Article 13, 2023 - Walls and Fences	50,000	50,000	-	50,000	50,000	-
Article 12, 2022 - Walls and Fences	50,000	50,000	25,581	24,419	50,000	-
Article 12, 2019 - Walls and Fences	2,599	2,599	2,599	-	2,599	-
Article 9, 2022 - Equipment	265,000	265,000	202,871	62,129	265,000	-
Article 15, 2021 - Drain Construction	19,896	19,896	19,896	-	19,896	-
Article 13, 2022 - Drain Construction	356,322	356,322	356,322	-	356,322	-
Article 14, 2023 - Drain Construction	400,000	400,000	26,010	373,990	400,000	-
<i>Total Public Works</i>	<u>7,412,927</u>	<u>7,432,396</u>	<u>6,040,577</u>	<u>955,372</u>	<u>6,995,949</u>	<u>436,447</u>

(continued)

## TOWN OF MARBLEHEAD, MASSACHUSETTS

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

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary		Budgetary	Positive
	Budget	Budget	Amounts	Encumbrances	Adjusted	(Negative)
<i>Health and Human Services:</i>						
Health Officials Expense	400	400	400	-	400	-
Health Salaries	230,139	230,139	222,875	-	222,875	7,264
Health Expense	21,140	21,140	15,808	208	16,016	5,124
Healing Abuse Working Change (HAWC)	4,000	4,000	4,000	-	4,000	-
Mental Health Expense	58,812	58,812	54,368	4,444	58,812	-
Council on Aging Salaries	376,263	407,582	407,549	-	407,549	33
Council on Aging Expense	14,050	14,050	14,050	-	14,050	-
Veterans Salaries	76,776	76,776	76,487	-	76,487	289
Veterans Expense	2,343	2,343	1,696	-	1,696	647
Veterans Benefits	45,000	50,705	50,705	-	50,705	-
Article 9, 2022 - Equipment	100	100	-	100	100	-
<i>Total Health and Human Services</i>	<u>829,023</u>	<u>866,047</u>	<u>847,938</u>	<u>4,752</u>	<u>852,690</u>	<u>13,357</u>
<i>Culture and Recreation:</i>						
Library Salaries	1,054,390	1,054,390	998,822	-	998,822	55,568
Library Expense	269,066	269,066	268,947	-	268,947	119
Parks Salaries	699,269	699,269	663,898	-	663,898	35,371
Parks Expense	196,092	196,092	189,624	-	189,624	6,468
Parks Facility Expense	47,537	47,537	44,300	-	44,300	3,237
Memorial and Veterans Day	7,550	3,845	3,780	-	3,780	65
Article 10, 2023 - Equipment	23,084	23,084	23,084	-	23,084	-
Article 9, 2021 - Equipment	2,721	2,721	-	2,721	2,721	-
Article 11, 2023 - Capital	34,125	34,125	20,172	13,953	34,125	-
<i>Total Culture and Recreation</i>	<u>2,333,834</u>	<u>2,330,129</u>	<u>2,212,627</u>	<u>16,674</u>	<u>2,229,301</u>	<u>100,828</u>
<i>Pension Benefits:</i>	<u>4,493,049</u>	<u>4,531,557</u>	<u>4,512,303</u>	<u>-</u>	<u>4,512,303</u>	<u>19,254</u>
<i>Employee Benefits:</i>						
Salary Reserve	59,650	59,650	58,926	-	58,926	724
Medicare	791,730	791,730	733,655	-	733,655	58,075
Group Insurance	14,652,293	14,561,975	12,152,022	-	12,152,022	2,409,953
<i>Total Employee Benefits</i>	<u>15,503,673</u>	<u>15,413,355</u>	<u>12,944,603</u>	<u>-</u>	<u>12,944,603</u>	<u>2,468,752</u>
<i>State and County Charges:</i>	<u>2,651,227</u>	<u>2,651,227</u>	<u>1,832,947</u>	<u>-</u>	<u>1,832,947</u>	<u>818,280</u>
<i>Debt Service:</i>						
Maturing Debt	6,980,000	6,980,000	6,980,000	-	6,980,000	-
Interest	4,021,616	4,026,141	4,026,139	-	4,026,139	2
<i>Total Debt Service</i>	<u>11,001,616</u>	<u>11,006,141</u>	<u>11,006,139</u>	<u>-</u>	<u>11,006,139</u>	<u>2</u>
<b>Total Expenditures</b>	<u>108,037,969</u>	<u>108,037,969</u>	<u>100,103,542</u>	<u>2,145,566</u>	<u>102,249,108</u>	<u>5,788,861</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	599,448	599,448	893,918		893,918	294,470
Transfers out	(647,169)	(647,169)	(676,852)		(676,852)	(29,683)
<b>Total Other Financing Sources (Uses)</b>	<u>(47,721)</u>	<u>(47,721)</u>	<u>217,066</u>		<u>217,066</u>	<u>264,787</u>
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures/Uses Of Prior Year Budgetary Fund Balance</i>	<u>(11,312,921)</u>	<u>(11,312,921)</u>	<u>\$ (1,097,423)</u>			<u>\$ 8,069,932</u>
<b>Other Budgetary Items</b>						
Use of unassigned fund balance	\$ 8,000,000	\$ 8,000,000				
Prior year encumbrances	<u>3,536,444</u>	<u>3,536,444</u>				
<b>Total Other Budgetary Items</b>	<u>11,536,444</u>	<u>11,536,444</u>				
<b>Net budget and actual</b>	<u>\$ 223,523</u>	<u>\$ 223,523</u>				

(Concluded)

## TOWN OF MARBLEHEAD, MASSACHUSETTS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2024

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#### I. Pension Plan

Pension Contributions – The Town contributes to the Marblehead Contributory Retirement System (the System), a cost-sharing multiple-employer contributory defined benefit pension plan established under Chapter 32 of Massachusetts General Law Chapter 32. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method. The pension appropriations are established by the Public Employee Retirement Administration Commission (PERAC) based on a funding schedule approved by the System.

Changes in Assumptions – The mortality improvement projection scale was updated from MP-2020 to MP-2021.

#### II. Other Postemployment Benefit Plans

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

Methods and assumptions used to determine contribution rates are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Investment rate of return	6.97%
Municipal bond rate	4.21%
Discount rate	5.74%
Inflation	2.50%
Salary increases	3.00% per year
Health care trend rate	5.00%, decreasing to an ultimate level of 3.63% using the SOA Getzen Model of Long-Run Medical Cost Trends
Mortality rates	RP-2014 mortality table with MP-2016 projection

#### Key assumption changes

Discount rate changed to 5.74% previously 5.24%

The Light Department administers a single employer defined benefit healthcare plan that provides health, dental and life insurance benefits (other postemployment benefits) to retirees and their

dependents/beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B. The Light Department is not required to fully fund the actuarially determined contribution.

Methods and assumptions used to determine contribution rates are as follows:

Investment rate of return	4.13% as of 6/30/23
Discount rate	4.13%
Inflation	3.00% per annum
Health care trend rate	7.5%, currently, decreasing by 0.5% per year to an ultimate rate of 5%
Mortality rates	PUB-2010 mortality table with MP-2021 projection

Key assumption changes

Discount rate changed to 4.13%, previously 4.09%

### III. Budgetary Basis of Accounting

Budgetary Information – An annual budget is legally adopted for the General Fund and the Enterprise Fund. The budget is recommended by the Finance Committee and approved by Town Meeting at the Town’s annual meeting in May. Changes subsequent to the approved Town Meeting budget require majority Town Meeting approval at a Special Town Meeting. Expenditures may not legally exceed appropriations at the department level. Department heads may transfer, without Town Meeting approval, appropriation balances from one account to another within their department or budget, and within the categories of salaries and expenses. At the close of each fiscal year, unencumbered appropriation balances lapse and revert to unassigned fund balance.

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. During fiscal year 2024, Town Meeting did not approve any supplemental appropriations which increased the original budget. The Town Accountant has the responsibility to ensure that budgetary control is maintained in the manner in which the appropriations were voted by Town Meeting. Budgetary control is exercised through the Town’s accounting system.

Budgetary-to-GAAP Reconciliation – The Town’s general fund is prepared on a basis of accounting other than GAAP. A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2024, is as follows:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenue on a budgetary basis			\$ 98,789,053
Revenue recognition	\$ (36,833)	\$ -	(36,833)
Stabilization revenues	-	26,205	26,205
On-behalf pension payments	7,979,035	-	7,979,035
Revenue on a GAAP basis	<u>\$ 7,942,202</u>	<u>\$ 26,205</u>	<u>\$ 106,757,460</u>

	Basis of Accounting Differences	Fund Perspective Differences	Total
Expenditures on a budgetary basis			\$ 100,103,542
Enterprise funds indirect costs	\$ -	\$ (288,210)	(288,210)
OPEB contributions	-	243,740	243,740
Workers' compensation contributions	-	397,169	397,169
On-behalf pension payments	7,979,035	-	7,979,035
Water article funding	-	(66,000)	(66,000)
Sewer article funding	-	(136,871)	(136,871)
Expenditures on a GAAP basis	<u>\$ 7,979,035</u>	<u>\$ 149,828</u>	<u>\$ 108,232,405</u>
Transfers on a budgetary basis (net)			\$ 217,066
Enterprise funds indirect costs	\$ -	\$ (288,210)	(288,210)
OPEB contributions	-	243,740	243,740
Workers' compensation contributions	-	397,169	397,169
Water article funding	-	(66,000)	(66,000)
Sewer article funding	-	(136,871)	(136,871)
Transfers on a GAAP basis (net)	<u>\$ -</u>	<u>\$ 149,828</u>	<u>\$ 366,894</u>



## **Combining Statements**

## **Nonmajor Governmental Fund**

### ***Special Revenue Funds –***

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

*State Grants* – This fund accounts for grants received either directly from the Commonwealth of Massachusetts and its agencies or indirectly through pass-through entities.

*Other Grants* – This fund accounts for grant funds received from individuals and foundations for various governmental purposes designated by the grantor.

*Revolving Fund* – This fund accounts for revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and other applicable statutes.

*Waste Collection Revolving Fund* – This fund accounts for waste collection activities approved by Town Meeting and established in accordance with MGL Chapter 44, Section 53E ½.

*Receipts Reserved for Appropriation Fund* – This fund accounts for receipts collected which are reserved until appropriated for a specific purpose for which it has been segregated by Massachusetts General Law.

*Gifts Fund* – This fund accounts for activity of gifts and donated funds for various governmental purposes designated by the donor.

*Special Revenue Trust Fund* – This fund accounts for contributions where both principal and investment earnings may be spent to support the government.

*Highway Improvement Fund* – This fund accounts for certain roadway improvement projects which are fully reimbursed by the Commonwealth of Massachusetts.

*Student Activity Fund* – This fund accounts for all student activities and is funded through user charges.

## **Fiduciary Funds**

The Private Purpose Trust Funds are used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments. The Town's private purpose activities can be distinctly categorized into the following groupings:

*Charity Funds* – This fund accounts for contributions held by the Town to benefit private charities.

*Scholarship Funds* – This fund accounts for scholarship funds held by the Town to benefit individuals.

*Other Funds* – This fund accounts for other amounts held by the Town for the benefit of individuals or private organizations.

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
JUNE 30, 2024

	Special Revenue Funds				
	State Grants	Other Grants	Revolving Fund	Waste Collection Revolving	Receipts Reserved for Appropriation
<b>Assets:</b>					
Cash and cash equivalents	\$ 964,211	\$ 1,063,280	\$ 6,113,215	\$ 2,324,899	\$ 699,043
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Departmental and other	-	-	138,148	-	-
Intergovernmental	858,789	-	-	-	-
Inventory	-	-	21,096	-	-
<b>Total Assets</b>	<u>\$ 1,823,000</u>	<u>\$ 1,063,280</u>	<u>\$ 6,272,459</u>	<u>\$ 2,324,899</u>	<u>\$ 699,043</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
Liabilities:					
Warrants and accounts payable	\$ 221,737	\$ 26,673	\$ 59,979	\$ 115,126	\$ 400
Accrued payroll and withholdings	309	-	96,999	-	-
Other liabilities	-	-	28,929	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<u>222,046</u>	<u>26,673</u>	<u>185,907</u>	<u>115,126</u>	<u>400</u>
Deferred Inflows of Resources:					
Unavailable revenues - other	-	-	138,148	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>138,148</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable	-	-	21,096	-	-
Restricted	1,705,429	1,036,607	5,927,308	2,209,773	698,643
Unassigned	(104,475)	-	-	-	-
<b>Total Fund Balances</b>	<u>1,600,954</u>	<u>1,036,607</u>	<u>5,948,404</u>	<u>2,209,773</u>	<u>698,643</u>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<u>\$ 1,823,000</u>	<u>\$ 1,063,280</u>	<u>\$ 6,272,459</u>	<u>\$ 2,324,899</u>	<u>\$ 699,043</u>

Gifts	Special Revenue Trust Fund	Highway Improvement Fund	Student Activity Fund	Total Nonmajor Governmental Funds
\$ 1,528,760	\$ 294,233	\$ -	\$ 388,597	\$ 13,376,238
-	4,584,477	-	-	4,584,477
-	-	-	-	138,148
-	-	236,119	-	1,094,908
-	-	-	-	21,096
<u>\$ 1,528,760</u>	<u>\$ 4,878,710</u>	<u>\$ 236,119</u>	<u>\$ 388,597</u>	<u>\$ 19,214,867</u>
\$ 5,821	\$ 55,682	\$ 9,849	\$ 64,869	\$ 560,136
461	-	-	-	97,769
-	-	-	-	28,929
-	-	243,698	-	243,698
<u>6,282</u>	<u>55,682</u>	<u>253,547</u>	<u>64,869</u>	<u>930,532</u>
-	-	-	-	138,148
-	-	-	-	138,148
-	-	-	-	21,096
1,522,478	4,823,028	-	323,728	18,246,994
-	-	(17,428)	-	(121,903)
<u>1,522,478</u>	<u>4,823,028</u>	<u>(17,428)</u>	<u>323,728</u>	<u>18,146,187</u>
<u>\$ 1,528,760</u>	<u>\$ 4,878,710</u>	<u>\$ 236,119</u>	<u>\$ 388,597</u>	<u>\$ 19,214,867</u>

**NONMAJOR GOVERNMENTAL FUNDS**

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

	<b>Special Revenue Funds</b>				
	State Grants	Other Grants	Revolving Fund	Waste Collection Revolving	Receipts Reserved for Appropriation
<b>Revenues:</b>					
Intergovernmental	\$ 3,682,159	\$ 66,484	\$ 1,599,824	\$ -	\$ 7,069
Charges for services	-	-	2,212,473	1,210,253	52,100
Departmental and other	-	-	1,986,786	-	6,497
Investment income	361	52,927	1,601	-	-
Contributions and donations	-	124,675	-	-	-
<b>Total Revenues</b>	<b>3,682,520</b>	<b>244,086</b>	<b>5,800,684</b>	<b>1,210,253</b>	<b>65,666</b>
<b>Expenditures:</b>					
Current:					
General government	498,926	-	10,133	-	6,497
Public safety	123,492	577	1,150,530	-	-
Education	1,771,788	70,107	1,763,316	-	-
Public works	20,749	-	16,616	1,038,528	8,659
Health and human services	36,668	24,210	92,391	-	-
Culture and recreation	32,143	253,957	889,990	-	-
<b>Total Expenditures</b>	<b>2,483,766</b>	<b>348,851</b>	<b>3,922,976</b>	<b>1,038,528</b>	<b>15,156</b>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	1,198,754	(104,765)	1,877,708	171,725	50,510
<b>Other Financing Sources (Uses):</b>					
Transfers in	28,708	-	-	-	-
Transfers out	-	-	(9,000)	(26,079)	(208,369)
<b>Total Other Financing Sources (Uses)</b>	<b>28,708</b>	<b>-</b>	<b>(9,000)</b>	<b>(26,079)</b>	<b>(208,369)</b>
<b>Net Change in Fund Balances</b>	<b>1,227,462</b>	<b>(104,765)</b>	<b>1,868,708</b>	<b>145,646</b>	<b>(157,859)</b>
Fund Balances - As previously reported	373,492	1,141,372	4,079,696	2,064,127	856,502
Change within financial reporting entity (major to nonmajor)	-	-	-	-	-
Error corrections	-	-	-	-	-
Fund Balances - As restated (see Note IV)	373,492	1,141,372	4,079,696	2,064,127	856,502
Fund Balances - End of Year	<u>\$ 1,600,954</u>	<u>\$ 1,036,607</u>	<u>\$ 5,948,404</u>	<u>\$ 2,209,773</u>	<u>\$ 698,643</u>

Gifts	Special Revenue Trust Fund	Highway Improvement Fund	Student Activity Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 234,403	\$ -	\$ 5,589,939
-	-	-	568,087	4,042,913
-	-	-	-	1,993,283
-	322,065	-	12,434	389,388
<u>1,045,629</u>	<u>105,867</u>	<u>-</u>	<u>-</u>	<u>1,276,171</u>
<u>1,045,629</u>	<u>427,932</u>	<u>234,403</u>	<u>580,521</u>	<u>13,291,694</u>
42,243	-	-	-	557,799
20,500	-	-	-	1,295,099
98,815	-	-	543,256	4,247,282
592	-	256,599	-	1,341,743
2,531	25,190	-	-	180,990
<u>7,888</u>	<u>258,751</u>	<u>-</u>	<u>-</u>	<u>1,442,729</u>
<u>172,569</u>	<u>283,941</u>	<u>256,599</u>	<u>543,256</u>	<u>9,065,642</u>
<u>873,060</u>	<u>143,991</u>	<u>(22,196)</u>	<u>37,265</u>	<u>4,226,052</u>
-	-	975	-	29,683
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(243,448)</u>
<u>-</u>	<u>-</u>	<u>975</u>	<u>-</u>	<u>(213,765)</u>
873,060	143,991	(21,221)	37,265	4,012,287
649,418	5,552,290	-	286,463	15,003,360
-	-	3,793	-	3,793
-	(873,253)	-	-	(873,253)
<u>649,418</u>	<u>4,679,037</u>	<u>3,793</u>	<u>286,463</u>	<u>14,133,900</u>
<u>\$ 1,522,478</u>	<u>\$ 4,823,028</u>	<u>\$ (17,428)</u>	<u>\$ 323,728</u>	<u>\$ 18,146,187</u>

**PRIVATE PURPOSE TRUST FUNDS**

COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2024

	Charity Funds	Scholarship Funds	Other Funds	Total Private Purpose Trust Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 812,631	\$ 771,839	\$ 25,943	\$ 1,610,413
Investments:				
U.S. government obligations	433,682	411,913	13,846	859,441
Negotiable certificates of deposit	-	-	-	-
Corporate fixed income	650,523	617,870	20,768	1,289,161
Equity securities	464,660	441,336	14,834	920,830
Fixed income mutual funds	-	-	-	-
Capital assets, not being depreciated	2,045	-	-	2,045
Capital assets, net of accumulated depreciation	85,046	-	-	85,046
<b>Total Assets</b>	<u>2,448,587</u>	<u>2,242,958</u>	<u>75,391</u>	<u>4,766,936</u>
<b>Liabilities:</b>				
Warrants and accounts payable	21	101,500	-	101,521
Accrued payroll and withholdings	-	-	-	-
<b>Total Liabilities</b>	<u>21</u>	<u>101,500</u>	<u>-</u>	<u>101,521</u>
<b>Net Position:</b>				
Held in trust for private purposes	<u>2,448,566</u>	<u>2,141,458</u>	<u>75,391</u>	<u>4,665,415</u>
<b>TOTAL NET POSITION</b>	<u>\$ 2,448,566</u>	<u>\$ 2,141,458</u>	<u>\$ 75,391</u>	<u>\$ 4,665,415</u>



**PRIVATE PURPOSE TRUST FUNDS**

COMBINING STATEMENT OF CHANGES IN NET POSITION  
FISCAL YEAR ENDED JUNE 30, 2024

	Charity Funds	Scholarship Funds	Other Funds	Total Private Purpose Trust Funds
<b>Additions</b>				
Contributions:				
Other	\$ 2,893	\$ 20,365	\$ 1,104	\$ 24,362
Total contributions	<u>2,893</u>	<u>20,365</u>	<u>1,104</u>	<u>24,362</u>
Investment income:				
Investment income (loss)	<u>68,445</u>	<u>94,871</u>	<u>2,617</u>	<u>165,933</u>
Net investment earnings	<u>68,445</u>	<u>94,871</u>	<u>2,617</u>	<u>165,933</u>
<b>Total Additions</b>	<u>71,338</u>	<u>115,236</u>	<u>3,721</u>	<u>190,295</u>
<b>Deductions</b>				
Educational scholarships	-	102,735	1,000	103,735
Administration	15,480	-	-	15,480
Depreciation	<u>11,335</u>	<u>-</u>	<u>-</u>	<u>11,335</u>
<b>Total Deductions</b>	<u>26,815</u>	<u>102,735</u>	<u>1,000</u>	<u>130,550</u>
CHANGE IN NET POSITION	44,523	12,501	2,721	59,745
NET POSITION AT BEGINNING OF YEAR, as restated	<u>2,404,043</u>	<u>2,128,957</u>	<u>72,670</u>	<u>4,605,670</u>
NET POSITION AT END OF YEAR	<u>\$ 2,448,566</u>	<u>\$ 2,141,458</u>	<u>\$ 75,391</u>	<u>\$ 4,665,415</u>



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# STATISTICAL SECTION



Above: A sunset over Abbot Hall, home of the Select Board and Town Clerk Offices. Erected in 1877, in addition to the two Town Offices, it also houses a maritime museum, sign museum, library and gift shop and is listed in the National Register of Historic Places.



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# Statistical Section

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

## **Financial Trends**

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

## **Revenue Capacity**

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

## **Debt Capacity**

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

## **Demographic and Economic Information**

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

## **Operating Information**

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

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

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

	<u>2015 (1)</u>	<u>2016</u>	<u>2017 (1)</u>	<u>2018 (2)</u>	<u>2019</u>	<u>2020 (3)</u>	<u>2021(4)</u>	<u>2022 (4)(5)(6)</u>	<u>2023 (4)(5)(6)</u>	<u>2024</u>
Governmental activities:										
Net investment in capital assets.....	\$ 83,481,653	\$ 74,362,302	\$ 80,043,188	\$ 81,296,691	\$ 81,183,548	\$ 81,262,886	\$ 90,122,607	\$ 94,756,565	\$ 94,870,282	\$ 85,367,145
Restricted.....	10,617,440	10,358,396	10,142,342	10,425,505	13,419,904	13,926,084	11,808,174	14,943,821	15,285,548	18,499,666
Unrestricted.....	<u>(63,332,782)</u>	<u>(69,515,140)</u>	<u>(200,049,807)</u>	<u>(209,344,516)</u>	<u>(222,268,732)</u>	<u>(228,077,280)</u>	<u>(237,194,771)</u>	<u>(234,369,529)</u>	<u>(223,635,701)</u>	<u>(199,695,366)</u>
Total governmental activities net position.....	<u>\$ 30,766,311</u>	<u>\$ 15,205,558</u>	<u>\$ (109,864,277)</u>	<u>\$ (117,622,320)</u>	<u>\$ (127,665,280)</u>	<u>\$ (132,888,310)</u>	<u>\$ (135,263,990)</u>	<u>\$ (124,669,143)</u>	<u>\$ (113,479,871)</u>	<u>\$ (95,828,555)</u>
Business-type activities:										
Net investment in capital assets.....	\$ 35,675,503	\$ 36,547,443	\$ 38,020,264	\$ 40,310,430	\$ 41,806,634	\$ 41,173,750	\$ 42,052,659	\$ 41,078,739	\$ 41,064,549	\$ 46,103,666
Restricted.....	5,815,665	6,751,653	6,949,454	6,949,454	6,949,454	6,671,639	8,085,153	9,614,061	10,220,543	7,107,473
Unrestricted.....	<u>11,706,630</u>	<u>7,273,751</u>	<u>3,565,638</u>	<u>(5,725,878)</u>	<u>(6,452,792)</u>	<u>(6,548,633)</u>	<u>(6,754,097)</u>	<u>(1,611,737)</u>	<u>1,267,264</u>	<u>4,790,398</u>
Total business-type activities net position.....	<u>\$ 53,197,798</u>	<u>\$ 50,572,847</u>	<u>\$ 48,535,356</u>	<u>\$ 41,534,006</u>	<u>\$ 42,303,296</u>	<u>\$ 41,296,756</u>	<u>\$ 43,383,715</u>	<u>\$ 49,081,063</u>	<u>\$ 52,552,356</u>	<u>\$ 58,001,537</u>
Primary government:										
Net investment in capital assets.....	\$ 119,157,156	\$ 110,909,745	\$ 118,063,452	\$ 121,607,121	\$ 122,990,182	\$ 122,436,636	\$ 132,175,266	\$ 135,835,304	\$ 135,934,831	\$ 131,470,811
Restricted.....	16,433,105	17,110,049	17,091,796	17,374,959	20,369,358	20,597,723	19,893,327	24,557,882	25,506,091	25,607,139
Unrestricted.....	<u>(51,626,152)</u>	<u>(62,241,389)</u>	<u>(196,484,169)</u>	<u>(215,070,394)</u>	<u>(228,721,524)</u>	<u>(234,625,913)</u>	<u>(243,948,868)</u>	<u>(235,981,266)</u>	<u>(222,368,437)</u>	<u>(194,904,968)</u>
Total primary government net position.....	<u>\$ 83,964,109</u>	<u>\$ 65,778,405</u>	<u>\$ (61,328,921)</u>	<u>\$ (76,088,314)</u>	<u>\$ (85,361,984)</u>	<u>\$ (91,591,554)</u>	<u>\$ (91,880,275)</u>	<u>\$ (75,588,080)</u>	<u>\$ (60,927,515)</u>	<u>\$ (37,827,018)</u>

(1) Unrestricted net position has been revised to reflect the implementation of GASB #68.

(2) Unrestricted net position has been revised to reflect the implementation of GASB #75 in fiscal year 2018.

(3) Unrestricted net position of the Municipal Light Plant has been revised to reflect the implementation of GASB #75 in fiscal year 2019.

(4) Restricted net position has been revised for unavailable revenue corrections.

(5) Restricted net position has been revised for investment market value corrections.

(6) Restricted net position has been revised for outstanding receivables corrections.

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021 (1)	2022 (1)(2)	2023 (1)	2024
<b>Expenses -</b>										
<b>Governmental activities:</b>										
General government.....	\$ 3,914,552	\$ 4,049,880	\$ 3,998,948	\$ 4,149,528	\$ 5,347,875	\$ 5,098,400	\$ 5,908,437	\$ 4,321,513	\$ 5,152,221	\$ 5,834,369
Public safety.....	12,092,961	13,059,638	13,546,839	15,087,411	15,803,260	15,289,243	15,099,843	12,676,904	13,215,118	15,031,565
Education.....	57,790,071	63,223,425	68,164,424	72,235,555	76,926,325	78,027,196	80,195,747	74,090,863	68,747,259	69,602,227
Public works.....	7,602,455	8,464,369	5,120,344	7,004,811	8,418,205	8,606,646	8,801,433	7,544,446	7,859,316	8,258,032
Landfill closure.....	3,189,744	8,010,805	-	-	-	-	-	-	-	-
Health and human services.....	1,091,063	1,161,803	1,302,548	1,508,463	1,519,921	1,521,848	1,369,059	1,137,231	1,367,356	1,309,550
Culture and recreation.....	3,080,540	3,722,667	3,721,534	4,062,091	4,321,098	4,198,451	483,529	3,707,860	4,568,681	4,000,404
Interest.....	1,758,181	2,055,607	2,341,770	2,154,964	2,185,589	2,344,706	3,009,504	2,142,461	2,554,412	2,696,417
<b>Total government activities expenses.....</b>	<b>90,519,567</b>	<b>103,748,194</b>	<b>98,196,407</b>	<b>106,202,823</b>	<b>114,522,273</b>	<b>115,086,490</b>	<b>114,867,552</b>	<b>105,621,278</b>	<b>103,464,363</b>	<b>106,732,564</b>
<b>Business-type activities:</b>										
Water.....	3,724,151	3,987,766	4,132,387	4,553,630	4,369,277	5,093,532	5,648,873	5,230,346	5,706,225	5,390,870
Sewer.....	5,797,156	4,095,094	4,627,409	4,870,418	5,105,008	6,039,576	5,369,856	3,231,012	6,000,843	5,253,764
Municipal Light.....	15,701,747	16,422,802	15,631,285	16,223,014	17,740,657	16,485,516	16,521,136	16,982,831	17,710,162	19,470,807
Harbor.....	911,766	1,011,537	1,059,866	1,014,642	1,078,663	1,242,871	1,176,742	179,724	2,008,866	1,125,387
<b>Total business-type activities expenses.....</b>	<b>26,134,820</b>	<b>25,517,199</b>	<b>25,450,947</b>	<b>26,661,704</b>	<b>28,293,605</b>	<b>28,861,495</b>	<b>28,716,607</b>	<b>25,623,913</b>	<b>31,426,096</b>	<b>31,240,828</b>
<b>Total primary government expenses.....</b>	<b>\$ 116,654,387</b>	<b>\$ 129,265,393</b>	<b>\$ 123,647,354</b>	<b>\$ 132,864,527</b>	<b>\$ 142,815,878</b>	<b>\$ 143,947,985</b>	<b>\$ 143,584,159</b>	<b>\$ 131,245,191</b>	<b>\$ 134,890,459</b>	<b>\$ 137,973,392</b>
<b>Program Revenues -</b>										
<b>Governmental activities:</b>										
Charges for services:										
Public safety.....	1,239,297	1,249,704	1,362,391	1,425,496	1,595,340	1,600,988	1,758,837	1,891,879	2,049,255	2,466,433
Education.....	1,952,485	2,255,951	2,842,596	2,624,923	2,618,409	2,107,218	1,229,438	2,120,490	1,976,204	2,116,200
Public works.....	757,319	866,927	1,136,212	1,320,282	1,465,007	3,229,251	1,822,313	1,908,235	1,854,503	2,113,799
Other charges for services.....	1,036,822	1,174,048	1,234,788	1,265,859	1,780,681	1,471,926	1,887,997	1,631,975	1,821,697	2,341,829
Operating grants and contributions.....	12,532,233	15,344,880	18,290,706	19,339,810	19,437,238	22,707,520	22,883,525	21,062,747	19,289,786	21,151,824
Capital grants and contributions.....	1,006,775	723,405	521,930	576,960	699,305	2,394,292	8,758,846	4,302,332	1,125,122	3,645,223
<b>Total government activities program revenues.....</b>	<b>18,524,931</b>	<b>21,614,915</b>	<b>25,388,623</b>	<b>26,553,330</b>	<b>27,595,980</b>	<b>33,511,195</b>	<b>38,340,956</b>	<b>32,917,658</b>	<b>28,116,567</b>	<b>33,835,308</b>
<b>Business-type activities:</b>										
Charges for services - Water.....	4,231,978	4,575,779	4,827,808	4,528,184	4,652,262	4,387,954	5,966,500	6,392,465	6,765,335	6,450,172
Charges for services - Sewer.....	5,779,133	5,449,253	5,674,707	5,078,499	5,771,655	5,356,645	6,268,148	5,957,327	6,476,776	6,676,815
Charges for services - Municipal Light.....	16,205,464	16,761,424	16,347,202	16,107,739	17,341,386	17,019,678	17,538,146	17,937,756	20,184,230	21,467,258
Charges for services - Harbor.....	674,827	681,730	697,328	904,347	829,876	823,240	828,468	632,097	1,034,494	1,050,500
Operating grants and contributions.....	129,482	2,724	1,680	78,010	208,641	12,873	11,000	11,000	9,129	52,563
<b>Total business-type activities program revenues.....</b>	<b>27,020,884</b>	<b>27,470,910</b>	<b>27,548,725</b>	<b>26,696,779</b>	<b>28,803,820</b>	<b>27,600,390</b>	<b>30,612,262</b>	<b>30,930,645</b>	<b>34,469,964</b>	<b>35,697,308</b>
<b>Total primary government program revenues.....</b>	<b>\$ 45,545,815</b>	<b>\$ 49,085,825</b>	<b>\$ 52,937,348</b>	<b>\$ 53,250,109</b>	<b>\$ 56,399,800</b>	<b>\$ 61,111,585</b>	<b>\$ 68,953,218</b>	<b>\$ 63,848,303</b>	<b>\$ 62,586,531</b>	<b>\$ 69,532,616</b>
<b>Net (Expense)/Program Revenue</b>										
Governmental activities.....	\$ (71,994,636)	\$ (82,133,279)	\$ (72,807,784)	\$ (79,649,493)	\$ (86,926,293)	\$ (81,575,295)	\$ (76,526,596)	\$ (72,703,620)	\$ (75,347,796)	\$ (72,897,256)
Business-type activities.....	886,064	1,953,711	2,097,778	35,075	510,215	(1,261,105)	1,895,655	5,306,732	3,043,868	4,456,480
<b>Total primary government net (expense)/program revenue.....</b>	<b>\$ (71,108,572)</b>	<b>\$ (80,179,568)</b>	<b>\$ (70,710,006)</b>	<b>\$ (79,614,418)</b>	<b>\$ (86,416,078)</b>	<b>\$ (82,836,400)</b>	<b>\$ (74,630,941)</b>	<b>\$ (67,396,888)</b>	<b>\$ (72,303,928)</b>	<b>\$ (68,440,776)</b>

(1) Governmental activities operating grants and contribution revenue was adjusted as a result of unavailable revenue corrections.

(2) Governmental activities operating grants and contributions and water and sewer charges for services revenue were adjusted as a result of receivable corrections.

(continued)

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022 (1)	2023 (1)	2024
General Revenues and other Changes in Net Position -										
Governmental activities:										
Real estate and personal property taxes,										
net of tax refunds payable.....	\$ 59,012,950	\$ 60,478,448	\$ 63,759,278	\$ 66,330,626	\$ 67,643,148	\$ 69,628,786	\$ 72,483,161	\$ 75,856,606	\$ 78,959,380	\$ 81,456,520
Motor vehicle excise taxes.....	3,365,276	3,570,737	3,637,261	3,731,262	3,869,773	3,695,922	3,037,816	4,419,655	3,666,052	4,014,888
Penalties and interest on taxes.....	287,496	244,181	276,660	296,552	331,608	343,900	310,570	372,018	456,535	400,110
Payments in lieu of taxes.....	-	-	-	-	-	-	-	-	-	11,624
Grants and contributions not restricted to specific programs.....	1,471,815	1,822,044	1,270,198	1,328,929	1,415,366	1,380,986	1,415,509	1,578,261	1,587,952	1,361,321
Unrestricted investment income (loss).....	309,527	457,113	328,165	204,081	3,623,438	892,542	503,860	201,995	1,867,149	3,176,980
Gain (loss) on disposal of capital assets.....	-	-	-	-	-	-	-	869,932	-	-
Transfers.....	-	-	-	-	-	-	-	-	-	127,129
Total governmental activities.....	64,447,064	66,572,523	69,271,562	71,891,450	76,883,333	75,942,136	77,750,916	83,298,467	86,537,068	90,548,572
Business-type activities:										
Boat excise.....	104,504	130,184	124,716	164,659	104,797	89,787	121,000	355,558	106,097	125,182
Unrestricted investment income.....	32,086	44,896	68,310	96,002	154,278	164,778	70,304	35,058	321,328	994,648
Transfers.....	-	-	57,000	-	-	-	-	-	-	(127,129)
Total business-type activities.....	136,590	175,080	250,026	260,661	259,075	254,565	191,304	390,616	427,425	992,701
Total primary government general revenues and other										
changes in net position.....	\$ 64,583,654	\$ 66,747,603	\$ 69,521,588	\$ 72,152,111	\$ 77,142,408	\$ 76,196,701	\$ 77,942,220	\$ 83,689,083	\$ 86,964,493	\$ 91,541,273
<b>Changes in Net Position</b>										
Governmental activities.....	\$ (7,547,572)	\$ (15,560,756)	\$ (3,536,222)	\$ (7,758,043)	\$ (10,042,960)	\$ (5,633,159)	\$ 1,224,320	\$ 10,594,847	\$ 11,189,272	\$ 17,651,316
Business-type activities.....	1,022,654	2,128,791	2,347,804	295,736	769,290	(1,006,540)	2,086,959	5,697,348	3,471,293	5,449,181
Total primary government changes in net position.....	\$ (6,524,918)	\$ (13,431,965)	\$ (1,188,418)	\$ (7,462,307)	\$ (9,273,670)	\$ (6,639,699)	\$ 3,311,279	\$ 16,292,195	\$ 14,660,565	\$ 23,100,497

(1) Unrestricted investment income was adjusted as a result of investment market value corrections.

(concluded)



**FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020 (1)	2021 (2)	2022 (2)(3)(4)	2023 (2)(3)(4)	2024
General Fund:										
Committed.....	501,644	437,823	335,975	404,071	443,895	771,466	1,082,587	1,352,750	2,113,222	1,907,863
Assigned.....	5,624,815	6,307,165	7,494,339	8,068,042	8,769,666	7,329,283	9,801,596	10,869,515	9,423,222	6,737,703
Unassigned.....	12,480,102	13,909,193	14,327,422	12,763,640	11,943,095	13,447,221	11,679,648	10,078,085	10,862,983	12,645,810
Total general fund.....	<u>\$ 18,606,561</u>	<u>\$ 20,654,181</u>	<u>\$ 22,157,736</u>	<u>\$ 21,235,753</u>	<u>\$ 21,156,656</u>	<u>\$ 21,547,970</u>	<u>\$ 22,563,831</u>	<u>\$ 22,300,350</u>	<u>\$ 22,399,427</u>	<u>\$ 21,291,376</u>
All Other Governmental Funds:										
Nonspendable.....	\$ 3,513,939	\$ 3,553,879	\$ 3,586,670	\$ 3,621,446	\$ 3,656,980	\$ 3,650,055	\$ 3,687,584	\$ 3,730,257	\$ 3,763,633	\$ 3,856,296
Restricted.....	14,485,534	16,571,389	11,590,117	10,718,919	18,362,196	21,240,785	22,089,954	26,674,820	36,260,186	33,923,366
Unassigned.....	-	-	-	-	-	-	-	-	-	(994,872)
Total all other governmental funds.....	<u>\$ 17,999,473</u>	<u>\$ 20,125,268</u>	<u>\$ 15,176,787</u>	<u>\$ 14,340,365</u>	<u>\$ 22,019,176</u>	<u>\$ 24,890,840</u>	<u>\$ 25,777,538</u>	<u>\$ 30,405,077</u>	<u>\$ 40,023,819</u>	<u>\$ 36,784,790</u>

(1) Restricted fund balance was restated as a result of the implementation of GASB #84.

(2) Restricted fund balance has been adjusted for an unavailable revenue correction.

(3) Restricted fund balance has been adjusted for an outstanding receivables correction.

(4) Restricted fund balance has been adjusted for an investment market value correction.

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021 (1)	2022 (1)(2)(3)	2023 (1)(3)	2024
<b>Revenues:</b>										
Property taxes, net of tax refunds.....	\$ 58,955,860	\$ 61,069,137	\$ 63,692,746	\$ 66,431,146	\$ 67,683,970	\$ 69,552,355	\$ 72,071,938	\$ 75,916,336	\$ 79,199,351	\$ 80,889,890
Motor vehicle and other excise taxes.....	3,317,889	3,575,360	3,627,692	3,653,743	3,947,263	3,671,847	3,036,787	4,193,986	3,693,836	3,899,895
Penalties and interest on taxes.....	287,496	244,181	276,660	296,552	331,608	343,990	310,895	372,168	456,660	400,110
Payments in lieu of taxes.....	-	-	-	-	-	-	39,034	2	21,429	11,624
Charges for services.....	3,281,158	3,479,049	4,094,313	4,484,460	4,572,977	4,337,337	3,628,465	4,386,950	4,611,119	5,632,855
Licenses and permits.....	780,713	793,817	763,738	755,907	915,577	698,671	1,037,062	1,342,352	1,272,378	1,291,023
Fines and forfeitures.....	126,021	131,209	162,196	114,202	138,759	111,026	50,406	81,112	65,738	66,729
Intergovernmental.....	13,949,896	16,761,528	19,540,005	20,578,868	20,599,216	25,623,081	31,953,353	26,010,800	21,018,076	23,911,693
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	293,726	228,559	-	-	-
Departmental/other.....	752,356	1,138,951	1,247,506	888,830	1,795,162	3,235,265	1,860,862	1,742,345	1,617,454	1,993,283
Contributions.....	1,354,054	1,062,116	598,650	706,881	3,214,021	887,822	811,769	715,366	673,109	2,309,736
Investment income.....	302,750	453,940	324,075	199,390	1,392,079	856,177	500,812	201,885	1,865,478	3,173,111
Miscellaneous.....	41,569	44,823	348,051	343,927	-	-	-	-	154,138	-
<b>Total Revenue.....</b>	<b>83,149,762</b>	<b>88,754,111</b>	<b>94,675,632</b>	<b>98,453,906</b>	<b>104,590,632</b>	<b>109,611,297</b>	<b>115,529,942</b>	<b>114,963,302</b>	<b>114,648,766</b>	<b>123,579,949</b>
<b>Expenditures:</b>										
General government.....	2,283,779	2,213,030	2,077,650	2,283,936	3,115,495	3,205,289	4,498,309	2,982,296	4,439,868	4,300,598
Public safety.....	7,751,988	7,982,485	8,213,378	9,053,076	9,317,504	9,461,784	9,826,758	9,653,179	12,259,722	11,900,138
Education.....	36,777,030	39,049,399	40,923,146	43,080,416	45,035,283	45,315,531	45,217,346	38,294,070	60,156,453	51,350,385
Public works.....	5,311,258	5,876,241	5,088,393	5,088,820	5,151,787	5,532,760	5,214,315	5,776,214	5,436,153	6,141,814
Landfill.....	8,476,944	9,595,405	-	-	-	-	-	-	-	-
Human services.....	738,308	749,688	857,418	891,328	931,117	956,402	853,114	896,595	1,190,337	1,010,326
Culture and recreation.....	1,859,522	2,528,741	2,149,995	2,482,153	2,570,512	2,569,402	2,673,942	2,963,114	1,006,970	3,078,690
Pension benefits.....	6,171,613	8,420,207	10,955,785	11,827,291	12,051,455	14,608,035	16,031,873	10,372,915	11,355,953	12,491,338
Employee Benefits.....	10,423,210	11,017,859	11,221,929	11,912,535	11,836,691	11,999,760	12,329,776	12,845,878	13,057,424	13,585,512
State and county charges.....	2,705,864	2,868,544	2,872,858	2,872,858	2,995,396	3,286,263	2,294,253	2,774,145	2,516,077	1,832,947
Capital outlay.....	4,437,596	1,136,720	7,427,838	3,445,453	4,462,179	15,261,598	37,537,813	13,111,655	5,695,178	11,901,315
Debt service :										
Principal payment on current refunding.....	21,553,239	6,541,205	18,241,930	9,272,952	1,741,759	8,978,720	-	-	-	-
Principal.....	3,219,000	3,718,000	4,085,000	5,614,000	4,276,193	4,425,000	5,224,814	5,375,000	6,465,000	7,207,306
Interest.....	2,221,195	2,254,324	2,749,377	2,649,767	2,584,428	2,490,992	2,867,948	4,063,701	3,641,619	4,030,442
<b>Total Expenditures.....</b>	<b>113,930,546</b>	<b>103,951,848</b>	<b>117,074,659</b>	<b>110,474,585</b>	<b>106,069,799</b>	<b>128,091,536</b>	<b>144,570,261</b>	<b>109,108,762</b>	<b>127,220,754</b>	<b>128,830,811</b>
Excess of revenues over (under) expenditures.....	(30,780,784)	(15,197,737)	(22,399,027)	(12,020,679)	(1,479,167)	(18,480,239)	(29,040,319)	5,854,540	(12,571,988)	(5,250,862)
<b>Other Financing Sources (Uses):</b>										
Issuance of debt.....	10,000	-	995,000	375,000	7,236,961	8,911,000	26,977,012	7,317,000	12,300,000	776,653
Issuance of long term BANs.....	-	-	-	-	-	2,243,908	-	-	-	-
Issuance of refunding BANs.....	-	-	-	-	-	6,081,894	-	-	-	-
Issuance of refunding bonds.....	24,991,205	18,241,930	17,151,952	9,272,952	1,741,759	2,584,000	5,720,000	-	-	-
Premium from issuance of debt.....	583,768	1,129,222	807,149	614,322	100,161	1,512,322	3,965,866	1,355,710	1,258,373	-
Premium from issuance of refunded bonds.....	-	-	-	-	-	-	1,311,723	-	-	-
Payments to refunded bond escrow agent.....	-	-	-	-	-	-	(7,031,723)	-	-	-
Transfers in.....	1,074,316	628,193	790,928	612,418	822,779	731,669	978,066	1,289,492	555,151	629,131
Transfers out.....	(1,074,316)	(628,193)	(790,928)	(612,418)	(822,779)	(731,669)	(978,066)	(1,289,492)	(555,151)	(502,002)
<b>Total other financing sources (uses).....</b>	<b>25,584,973</b>	<b>19,371,152</b>	<b>18,954,101</b>	<b>10,262,274</b>	<b>9,078,881</b>	<b>21,333,124</b>	<b>30,942,878</b>	<b>8,672,710</b>	<b>13,558,373</b>	<b>903,782</b>
<b>Net change in fund balance.....</b>	<b>\$ (5,195,811)</b>	<b>\$ 4,173,415</b>	<b>\$ (3,444,926)</b>	<b>\$ (1,758,405)</b>	<b>\$ 7,599,714</b>	<b>\$ 2,852,885</b>	<b>\$ 1,902,559</b>	<b>\$ 14,527,250</b>	<b>\$ 986,385</b>	<b>\$ (4,347,080)</b>
Debt service as a percentage of noncapital expenditures.....	30.70%	13.35%	22.87%	16.38%	8.47%	14.09%	7.56%	9.83%	8.32%	9.61%

In 2015 through 2017, the debt service has been adjusted for the current refunding of long-term BANs.

In 2015 through 2023, property and liability insurance expenditures have been reclassified to general government.

- (1) Intergovernmental revenue was adjusted as a result of an unavailable revenue correction.
- (2) Intergovernmental revenue was adjusted as a result of a receivable correction.
- (3) Investment income was adjusted as a result of investment market value corrections.

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

**LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value					Total Town Value	State Equalized Value	Ratio of Assessed to Equalized Value	Tax Rates		
	Residential Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value				Residential Tax Rate	Commercial Tax Rate	Average Tax Rate
2015	\$ 5,048,269,078	\$ 207,099,668	\$ 16,058,600	\$ 54,855,310	\$ 278,013,578	\$ 5,326,282,656	\$ 5,323,866,200	100.05%	\$ 11.08	\$ 11.08	\$ 11.08
2016	5,233,392,658	218,833,428	16,094,900	57,617,730	292,546,058	5,525,938,716	5,735,475,100	96.35%	11.10	11.10	11.10
2017	5,499,968,414	225,864,473	16,577,200	65,849,510	308,291,183	5,808,259,597	5,735,475,100	101.27%	11.01	11.01	11.01
2018	5,698,494,403	231,431,764	15,770,800	72,038,720	319,241,284	6,017,735,687	6,182,649,400	97.33%	11.02	11.02	11.02
2019	5,986,503,712	238,506,055	16,088,200	74,471,080	329,065,335	6,315,569,047	6,182,649,400	102.15%	10.74	10.74	10.74
2020	6,377,782,863	248,077,728	17,652,300	75,739,520	341,469,548	6,719,252,411	6,959,309,400	96.55%	10.39	10.39	10.39
2021	6,605,727,026	243,872,720	16,653,500	79,764,010	340,290,230	6,946,017,256	6,959,309,400	99.81%	10.42	10.42	10.42
2022	6,893,368,297	257,038,911	17,593,000	83,162,860	357,794,771	7,251,163,068	7,507,193,000	96.59%	10.52	10.52	10.52
2023	7,525,504,672	273,846,443	18,303,300	90,872,590	383,022,333	7,908,527,005	7,507,193,000	105.35%	10.00	10.00	10.00
2024	8,749,663,529	308,544,284	19,335,500	93,384,480	421,264,264	9,170,927,793	9,503,624,700	96.50%	8.96	8.96	8.96

Source: Official Statements, State Division of Local Services, Town of Marblehead Assessor's Department

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

**PRINCIPAL TAXPAYERS**

**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Nature of Business	2024			2015		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Edward T. Moore LLC/Trusts	Telecommunications	\$ 72,202,080	1	0.79%	\$ 59,330,600	1	1.11%
Algonquin Gas Transmission Co.	Utility	43,374,900	2	0.47%	27,256,600	2	0.51%
Boston Gas (dba National Grid)	Utility	34,764,220	3	0.38%	12,718,930	8	0.24%
Bessom Associates	Assisted Living	27,601,000	4	0.30%	18,340,400	4	0.34%
Various Rockett LLC/Trusts	Utility	27,346,200	5	0.30%	26,429,900	3	0.50%
Eastern Yacht Club	Private Club	21,869,580	6	0.24%	13,607,100	6	0.26%
Old Town Properties LLC	Real Estate	14,512,400	7	0.16%			
Tedesco Country Club	Private Club	13,490,166	8	0.15%	9,445,696	10	0.18%
Corinthian Yacht Club	Private Club	12,927,250	9	0.14%	9,452,800	9	0.18%
Eyk Van Otterloo & Various LLC's	Real Estate	12,208,100	10	0.13%	15,399,900	5	0.29%
James Crosby	Individual				12,885,600	7	0.24%
	Totals	<u>\$ 280,295,896</u>		<u>3.06%</u>	<u>\$ 204,867,526</u>		<u>3.85%</u>

Source: Town of Marblehead Assessor's Department

**PROPERTY TAX LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS**

Fiscal Year	Tax Levy			Collections				Percent of Total Tax Collections to Net Tax Levy
	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	
2015	\$ 59,015,212	\$ 184,531	\$ 58,830,681	\$ 58,048,814	98.67%	\$ 517,497	\$ 58,566,311	99.55%
2016	61,337,920	211,730	61,126,190	60,294,264	98.64%	506,210	60,800,474	99.47%
2017	63,948,938	255,507	63,693,431	62,843,686	98.67%	539,943	63,383,629	99.51%
2018	66,315,447	202,656	66,112,791	65,319,217	98.80%	480,017	65,799,234	99.53%
2019	67,829,212	228,686	67,600,526	66,815,929	98.84%	784,597	67,600,526	100.00%
2020	69,813,033	228,199	69,584,834	69,160,200	99.39%	424,634	69,584,834	100.00%
2021	72,154,578	222,922	71,931,656	71,233,111	99.03%	698,545	71,931,656	100.00%
2022	76,282,235	300,000	75,982,235	75,024,629	98.74%	915,106	75,939,735	99.94%
2023	79,085,270	300,000	78,785,270	76,586,757	97.21%	1,124,644	77,711,401	98.64%
2024	82,171,513	390,000	81,781,513	79,465,049	97.17%	-	79,465,049	97.17%

Source: Town of Marblehead Finance Department

# **RATIOS OF OUTSTANDING DEBT BY TYPE**

## **LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		Business-type Activities	Total Outstanding Debt	Personal Income	Percentage of Personal Income	U.S Census Population	Debt Per Capita
	General Obligation Bonds (1)	Direct Borrowings	Direct Borrowings					
2015	\$ 74,064,865	\$ -	\$ -	\$ 74,064,865	\$ 1,167,313,275	6.34%	20,454	\$ 3,621
2016	82,660,432	-	-	82,660,432	1,188,009,228	6.96%	20,517	4,029
2017	78,878,404	-	-	78,878,404	1,222,505,445	6.45%	20,493	3,849
2018	73,906,636	-	-	73,906,636	1,274,023,632	5.80%	20,517	3,602
2019	76,497,250	-	-	76,497,250	1,279,080,264	5.98%	19,752	3,873
2020	84,079,104	-	2,200,000	86,279,104	1,368,369,772	6.31%	19,789	4,360
2021	109,140,626	-	9,620,157	118,760,783	1,417,554,500	8.38%	20,500	5,793
2022	111,048,077	-	8,810,555	119,858,632	1,718,692,185	6.97%	20,233	5,924
2023	116,902,747	-	7,991,634	124,894,381	1,923,334,572	6.49%	20,441	6,110
2024	108,795,557	549,347	7,163,087	116,507,991	1,936,036,992	6.02%	20,576	5,662

Source: U. S. Census, Audited Financial Statements

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

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

### LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Assessed Value	Percentage of Assessed Value	U.S Census Population	Debt Per Capita
2015	\$ 74,064,865	\$ 5,326,282,656	1.39%	20,454	\$ 3,621
2016	82,660,432	5,525,938,716	1.50%	20,517	4,029
2017	78,878,404	5,808,259,597	1.36%	20,493	3,849
2018	73,906,636	6,017,735,687	1.23%	20,517	3,602
2019	76,497,250	6,315,569,047	1.21%	19,752	3,873
2020	84,079,104	6,719,252,411	1.25%	19,789	4,249
2021	109,140,626	6,946,017,256	1.57%	20,500	5,324
2022	111,048,077	7,251,163,068	1.53%	20,233	5,488
2023	116,902,747	7,908,527,005	1.48%	20,441	5,719
2024	108,795,557	9,170,927,793	1.19%	20,576	5,287

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

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

**COMPUTATION OF LEGAL DEBT MARGIN**

**LAST TEN FISCAL YEARS**

	(Amounts in Thousands)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Equalized Valuation.....	\$ 5,323,866	\$ 5,735,475	\$ 5,735,475	\$ 6,182,649	\$ 6,182,649	\$ 6,959,309	\$ 6,959,309	\$ 7,507,193	\$ 7,507,193	\$ 9,503,625
Debt Limit.....	266,193	286,774	286,774	309,132	309,132	347,965	347,965	375,360	375,360	475,181
Outstanding general obligation bonds.....	74,065	82,660	78,878	73,907	76,497	84,079	109,141	111,048	116,903	108,796
Authorized and unissued debt.....	27,840	10,175	10,436	11,723	67,318	48,387	16,051	7,801	14,775	12,233
Debt not applicable to debt limit.....	(19,558)	(26,385)	(32,486)	(36,612)	(35,042)	(45,859)	(72,670)	(69,688)	(66,018)	(61,801)
Legal debt margin.....	<u>\$ 183,846</u>	<u>\$ 220,324</u>	<u>\$ 229,946</u>	<u>\$ 260,114</u>	<u>\$ 200,359</u>	<u>\$ 261,358</u>	<u>\$ 295,443</u>	<u>\$ 326,199</u>	<u>\$ 309,700</u>	<u>\$ 415,953</u>
Total debt applicable to the limit as a percentage of debt limit.....	30.94%	23.17%	19.82%	15.86%	35.19%	24.89%	15.09%	13.10%	17.49%	12.46%

Source: State Division of Local Services, Town of Marblehead Finance Department



# **DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**AS OF JUNE 30, 2024**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Essex North Shore Agricultural & Technical School District.....	\$ 26,990,000	2.60% (b)	\$ 701,740
Massachusetts Bay Transit Authority.....	5,546,685,000	0.26% (c)	<u>14,421,381</u>
Subtotal, overlapping debt.....			15,123,121
Town direct debt.....			<u>109,344,904</u>
Total direct and overlapping debt.....			<u><u>\$ 124,468,025</u></u>

(1) Based on the number of studentts attending from the Town of Marblehead as a percentage of all students at the School District.

Source: Town of Marblehead Finance Department

NOTE: The Town obtains the debt outstanding and percentages directly from the entities.

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN FISCAL YEARS

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2015	20,454	\$ 1,167,313,275	\$ 57,070	45.7	3,245	3.90%
2016	20,517	1,188,009,228	57,904	46.5	3,208	3.50%
2017	20,493	1,222,505,445	59,655	47.4	3,264	3.60%
2018	20,517	1,274,023,632	62,096	48.0	3,185	3.00%
2019	19,752	1,279,080,264	64,757	47.8	3,051	3.04%
2020	19,789	1,368,369,772	69,148	47.9	2,963	4.90%
2021	20,500	1,417,554,500	69,149	47.9	2,703	4.90%
2022	20,233	1,718,692,185	84,945	47.9	2,602	3.20%
2023	20,441	1,923,334,572	94,092	47.9	2,622	2.60%
2024	20,576	1,936,036,992	94,092	49.0	2,617	3.80%

Source: U. S. Census, Massachusetts Executive Office of Labor and Workforce Development

**PRINCIPAL EMPLOYERS (EXCLUDING TOWN)**

**CURRENT YEAR AND NINE YEARS AGO**

Employer	Nature of Business	2024 (1)			2015		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Marblehead	Municipal Government	1,172	1	23.90%	741	1	15.66%
Lynch/van Otterloo YMCA	Recreational	481	2	9.81%	403	2	8.51%
Corinthian Yacht Club	Yacht Club	213	3	4.34%	125	3	2.64%
Eastern Yacht Club	Yacht Club	205	4	4.18%	90	6	1.90%
Boston Yacht Club	Yacht Club	157	5	3.20%	82	8	1.73%
Tedsco Country Club	Country Club	110	6	2.24%	89	7	1.88%
Lafayette Nursing Home	Health Care	93	7	1.90%	91	5	1.92%
Devereux House	Health Care	67	8	1.37%	120	4	2.54%
Crosby's Marketplace	Food Market	58	9	1.18%	60	9	1.27%
Marblehead Bank	Banking	55	10	1.12%			
National Grand Bank	Banking				52	10	1.10%
	Totals	2,611		53.25%	1,853		39.15%

(1) Presented 2023 amounts as the 2024 information was not available.

Source: Official Statements

**FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION**

**LAST TEN FISCAL YEARS**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government.....	22.03	21.55	21.50	21.98	22.03	21.51	19.37	20.97	19.00	21.00
Public safety.....	98.29	95.54	90.98	92.88	94.44	95.10	94.22	94.58	91.00	84.00
Education.....	489.80	489.17	493.17	504.20	483.90	480.30	483.87	482.69	537.00	537.00
Public works.....	36.06	34.37	33.40	36.51	33.96	34.64	33.52	34.04	30.00	31.00
Health and human services.....	9.64	8.40	9.35	9.54	11.16	11.08	10.52	10.92	8.00	9.00
Culture and recreation.....	30.78	25.64	27.25	26.21	25.61	25.08	25.22	25.30	24.00	24.00
Total Town employees.....	<u>686.60</u>	<u>674.67</u>	<u>675.65</u>	<u>691.32</u>	<u>671.10</u>	<u>667.71</u>	<u>666.72</u>	<u>668.50</u>	<u>709.00</u>	<u>706.00</u>

Source: Town personnel records

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**LAST TEN FISCAL YEARS**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Physical arrests.....	167	153	188	137	103	67	61	48	56	51
Motor vehicle violations.....	1,096	964	1,104	1,036	765	482	384	364	598	682
Parking violations.....	2,097	2,645	3,195	3,164	2,971	2,308	1,577	1,300	1,339	1,653
Fire:										
Inspections.....	937	1,315	1,755	565	933	710	580	710	684	1,195
Emergency responses.....	2,663	2,645	2,634	2,548	2,344	2,718	2,746	2,961	2,929	3,115
Education:										
Number of teachers.....	289	294	297	293	290	287	289	320	250	240
Number of administrators.....	22	22	22	22	19	20	21	21	16	25
Number of students.....	3,255	3,208	3,264	3,185	3,051	2,963	2,599	2,602	2,627	2,610
Libraries:										
Total Holdings .....	143,559	150,050	142,915	144,322	145,171	147,634	141,010	130,024	181,554	180,358
Total Collection Use.....	217,318	211,233	203,800	190,975	245,747	148,026	120,092	188,081	210,168	217,536
Water:										
Service connections.....	8,032	8,032	8,041	8,047	8,051	8,060	8,065	8,090	8,110	8,070
Average daily consumption (in gallons).....	1,789,600	1,893,400	1,817,194	1,750,000	1,657,900	1,689,000	1,926,000	1,741,000	1,890,000	1,890,000
Maximum daily consumption (in gallons).....	3,470,000	3,294,000	3,640,000	3,320,000	3,487,000	3,244,000	4,041,000	3,624,000	4,323,000	4,839,000
Sewer:										
Service connections.....	7,885	7,865	7,874	7,880	7,885	7,887	7,892	7,897	7,900	7,902
Daily average collection (in gallons).....	1,878,028	1,780,800	1,830,500	2,059,733	2,343,468	2,111,054	1,895,683	2,247,184	1,679,928	2,123,124

N/A - Information not available

Source: Various Town Departments.

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

**LAST TEN FISCAL YEARS**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Education:										
Number of elementary schools.....	6	6	6	5	4	4	3	3	3	3
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles) .....	88	88	88	88	88	88	88	88	88	88
Fire hydrants .....	861	861	861	861	861	861	862	862	862	862
Sewer:										
Sanitary sewers (miles) .....	89	89	89	89	89	89	89	89	89	89
Storm sewers (miles) .....	52	52	52	52	52	52	52	52	52	52
Recreation:										
Parks and playgrounds .....	13	13	13	13	13	13	13	13	13	13
Park and playground (acreage) .....	74	74	74	74	74	74	74	74	74	74
Conservation land (acreage) .....	203	203	203	203	203	203	203	203	203	203
Railroad right of way (acreage) .....	19	19	19	19	19	19	19	19	19	19
Public beaches .....	6	6	6	6	6	6	6	6	6	6
Ball fields .....	16	16	16	16	16	16	16	16	16	16
Tennis courts .....	14	14	14	14	12	12	12	11	10	10
Pickleball courts .....	-	-	-	-	6	6	6	10	10	10
Harbor:										
Harbors .....	2	2	2	2	2	2	2	2	2	2
Moorings.....	2,800	2,800	2,800	2,800	3,000	3,000	3,000	3,000	2,951	2,954
Private Yacht Clubs.....	6	6	6	6	6	6	6	6	6	6
Municipal boatyards .....	2	2	2	2	2	2	2	2	2	2
Boat ramps .....	2	2	2	2	2	2	2	2	2	2
Public landings .....	7	7	7	7	7	7	7	7	7	7
Emergency rescue watercraft .....	2	3	3	3	3	3	4	4	4	4

Source: Various Town Departments and State websites.



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**Below:** Predawn at the Lucretia and Joseph Brown Elementary School. A state-of-the-art facility which houses 442 PK – grade 3 age children. The School, which was completed in 2021, was funded through a partnership with the Massachusetts School Building Authority who provided construction reimbursements that supplemented general obligation bonds.

