

# **Town and County of Nantucket Select Board • County Commissioners**

Jason Bridges, Chair  
Matt Fee  
Dawn E. Hill Holdgate  
Brooke Mohr  
Melissa Murphy



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C. Elizabeth Gibson  
Town & County Manager

***AGENDA FOR THE MEETING OF THE  
SELECT BOARD  
OCTOBER 5, 2022 - 5:30 PM  
PSF COMMUNITY ROOM, 4 FAIRGROUNDS ROAD  
AND REMOTE PARTICIPATION VIA ZOOM WEBINAR  
NANTUCKET, MASSACHUSETTS***

***YOU TUBE LINK FOR VIEWING ONLY:***

<https://youtu.be/xvKVTVaYLdM>

***ZOOM WEBINAR REGISTRATION LINK TO VIRTUALLY ATTEND MEETING:***

[https://us06web.zoom.us/webinar/register/WN\\_tz936y-BTM2VSp-zdEBziA](https://us06web.zoom.us/webinar/register/WN_tz936y-BTM2VSp-zdEBziA)

- I. CALL TO ORDER***
- II. SELECT BOARD ACCEPTANCE OF AGENDA***
- III. ANNOUNCEMENTS***
  1. The Select Board Meeting is Being Audio/Video Recorded.
  2. Saturday, May 6, 2023 Annual Town Meeting:  
- Warrant Opens for Citizen Warrant Article Submittals September 29, 2022 through November 14, 2022 at 4:00 PM.
  3. Town Offices will be Closed Monday, October 10, 2022 in Observance of Indigenous Peoples' Day.
  4. Select Board Announcements/Comments.
- IV. FOLLOW-UP ON COMMENTS FROM PRIOR SELECT BOARD MEETINGS***
- V. PUBLIC COMMENT\****
- VI. NEW BUSINESS\****
- VII. APPROVAL OF MINUTES, WARRANTS AND PENDING CONTRACTS***
  1. Approval of Minutes of September 28, 2022 at 5:30 PM.
  2. Approval of Payroll Warrants for October 2, 2022.
  3. Approval of Treasury Warrants for October 5, 2022.

4. Approval of Pending Contracts for October 5, 2022 - as Set Forth on the Spreadsheet Identified as Exhibit 1, Which Exhibit is Incorporated Herein by Reference.

***VIII. CONSENT ITEMS***

1. Gift Acceptance: Human Services (Saltmarsh Senior Center); Planning and Land Use Services.

***IX. CITIZEN/DEPARTMENTAL/COMMITTEE REQUESTS***

1. Request for Acceptance of Monetary Gift from Sconset Beach Preservation Fund for Consulting Services in Connection with Costs for Engineering and Consulting Services for Compliance Plan and Notice of Intent for Erosion Control Project.
2. Request for Recission of Select Board Vote on July 20, 2022 to Accept an Easement from Bluefin Partners, LLC as Trustee of the Ellen's Way Homeowners' Association Trust to the Town for Public Pedestrian Purposes over a Portion of Lot 30 Shown on Land Court Plan No. 13648-D, located at 120 Miacomet Road; and Instead, Approval to Grant of Five Foot (5') Wide Pedestrian Easement from the Trust to the Nantucket Islands Land Bank.
3. Finance:
  - a) Town's Financial Advisor: Overview of Current Bond Sales Environment (Regional/National).
  - b) Request for Approval of General Obligation Bond Sale for Series A in the Amount of \$6,415,000 and Sale of Series B in the Amount of \$3,750,000, both Series Being for Affordable Housing Purposes.
  - c) Request for Approval of General Obligation Bond Anticipation Note Sale in the Amount of \$13,442,200 for Sewer Projects, Airport Projects and Affordable Housing.
  - d) Request for Approval of Grant Anticipation Note Sale in the Amount of \$875,000 for Various Chapter 90 Projects.
  - e) Review of FY 2021 Comprehensive Annual Financial Report (CAFR) (Financial Audit).
4. Request to Authorize Town Manager to File with Massachusetts Department of Environmental Protection and Massachusetts Clean Water Trust State Revolving Fund Loan, Application for Water Main Extension Continuation West of Nantucket Airport Water Main Extension Project.

***X. TOWN MANAGER'S REPORT***

1. Our Island Home/Senior Center Projects Update.
2. FY 2024 Preliminary Capital Projects Review.
3. Monthly Town Management Report (tabled from September 28, 2022).

***XI. SELECT BOARD'S REPORTS/COMMENT***

1. Committee Reports.

***XII. ADJOURNMENT***

***\*Identified on Agenda Protocol Sheet***

## **SELECT BOARD AGENDA PROTOCOL:**

**Roberts Rules:** The Select Board follows Roberts Rules of Order to govern its meetings as per the Town Code Charter.

**Public Comment:** Public Comment is to bring matters of public interest to the attention of the Board. The Board welcomes concise statements on matters that are within the purview of the Select Board. At the Board's discretion, matters raised under Public Comment may be directed to Town Administration or may be placed on a future agenda, allowing all viewpoints to be represented before the Board takes action, if any. Except in emergencies, the Board will not normally take any other action on Public Comment in its sole discretion.

To facilitate that any individual who wishes to provide Public Comment has the opportunity and to ensure the ability of the Board to conduct its business in an orderly fashion, the following rules and procedures are adopted consistent with state and federal free speech laws:

- The agenda for regular Select Board meetings will include a Public Comment period at the beginning of the meeting unless there is more urgent business for the Board to take up first. This time is reserved for speakers to address the Board on matters that are not related to any other Agenda item. If a speaker wishes to address the Board on a matter that is related to another Agenda item, the Chair will accept public comment when that Agenda item is reached during the meeting.
- All speakers are encouraged to present their remarks in a respectful manner.
- All remarks will be addressed through the Chair of the meeting.
- The Chair of the meeting may not interrupt speakers who have been recognized to speak, except that the Chair reserves the right to terminate speech which is not constitutionally protected because it constitutes true threats, incitement to imminent lawless conduct, comments that were found by a court of law to be defamatory, and/or sexually explicit comments made to appeal to prurient interests. Verbal comments may also be curtailed if they exceed three (3) minutes and to the extent they exceed the scope of the Board's authority.

*Disclaimer: Public Comment is not a time for debate or response to comments by the Board. Comments made during the Public Comment period do not reflect the views or positions of the Board. Because of constitutional free speech principles, the Board does not have authority to prevent all speech that may be upsetting and/or offensive made during the Public Comment period.*

**New Business:** For topics not reasonably anticipated by the Chair 48 hours in advance of the meeting may be brought up for discussion in accordance with the Open Meeting Law.

**Public Participation:** The Board welcomes valuable input from the public at appropriate times during the meeting with recognition from the Chair at his/her sole discretion. For appropriate agenda items, the Chair will introduce the item and take public input. Individual Board Members may have questions on the clarity of the information presented. The Board will hear any staff input and then deliberate on a course of action.

**Select Board Report and Comment:** Individual Board Members may have matters to bring to the attention of the Board during a meeting. If the matter contemplates action by the Board, Board Members will consult with the Chair and/or Town Manager in advance and provide any needed information by the Thursday before the meeting and/or schedule the matter for a future Board meeting. Otherwise, except in emergencies, the Board will not normally take action on Select Board Comment.

*Approved on February 17, 2021*

**EXHIBIT 1**  
**AGREEMENTS TO BE EXECUTED BY TOWN MANAGER**  
**UNLESS RESOLUTION OF DISAPPROVAL BY SELECT BOARD**  
**October 5, 2022**

| Type of Agreement/Description  | Department                  | With                             | Amount                                                                        | Other Information                                                                                                                     | Source of Funding      | Term                                 |
|--------------------------------|-----------------------------|----------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------------|
| Professional Service Agreement | Town Administration/<br>DPW | SMRT, Inc.                       | Add \$7,200 to original contract amount of \$49,000 for new total of \$56,200 | Amend existing contract to finalize cost estimate for Exterior Building Improvements at 16 Broad Street; 20 South Water; 1 E Chestnut | Article 10<br>ATM 2022 | February 2, 2022 -<br>March 1, 2023  |
| Professional Service Agreement | Town Administration/<br>DPW | Fuss & O'Neil                    | \$18,200                                                                      | Additional design services for Raceway Drive stormwater improvement project including alignment and stormwater design                 | Article 18<br>ATM 2019 | October 5, 2022 -<br>June 30, 2023   |
| Professional Service Agreement | Town Administration/<br>DPW | Weston & Sampson Engineers, Inc. | \$42,000                                                                      | Design, engineering & permitting services for Tom Nevers bluff area coastal resiliency and debris removal project                     | Article 10<br>ATM 2019 | October 5, 2022 -<br>October 4, 2023 |

## ***CONSENT AGENDA ITEMS FOR 10/5/2022 SELECT BOARD MEETING***

### **1. Gift Acceptances**

Recommend the acceptance of the following gifts to Town agencies:

- Human Services for the Saltmarsh Senior Center:
  - o \$500 from Jill Johnson
- Planning and Land Use Services:
  - o Gift of \$4,000 from Tyler and Erin Thurston to be utilized for pedestrian and bike path improvements

*Recommended Motion: To accept all gifts for their designated purposes, with thanks to the donors.*

Town Administration will ensure that letters of thanks are sent.

# MEMO



**Date:** September 21, 2022

**TO:** Jason Bridges, Select Board Chair

**CC:** Jerico Mele, Director of Human Services

**FROM:** Laura Stewart, Saltmarsh Senior Center, Program Coordinator

**RE:** Request for acceptance of gift

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I am writing to request acceptance of the following gift donation:

**From Jill Johnson: \$500.00 gift to the Saltmarsh Senior Center**

Thank you,

**Laura Stewart**

*from the desk of.....*

Laura Stewart  
Program Coordinator,  
Senior Services  
81 Washington Street  
Nantucket, MA 02554  
508-228-4490

phone: 508-228-4490  
fax: 508-325-5366  
e-mail: [lstewart@nantucket-ma.gov](mailto:lstewart@nantucket-ma.gov)



## Planning and Land Use Services

Building ▪ Historic District Commission ▪ Planning Board ▪ Zoning Board of Appeals

### Memo

**To:** Nantucket Select Board  
**From:** Megan Trudel, Land-Use Specialist  
**cc:** Erika Mooney, Operations Administrator  
**Date:** May 27, 2022  
**Re:** Gift Acceptance

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To Members of the Select Board:

Please accept \$4,000.00 from Tyler and Erin Thurston as a gift to the Town of Nantucket to be utilized for pedestrian and bike path improvements. This contribution is being made in connection with a subdivision approval granted by the Planning Board at 8 & 8A Miacomet Avenue.

Thank you,

Megan Trudel  
Land-Use Specialist  
PLUS-Town of Nantucket



## Agenda Item Summary

|               |            |
|---------------|------------|
| Agenda Item # | IX. 1.     |
| Date          | 10/05/2022 |

### Staff

Town Manager, Real Estate Specialist, Coastal Resilience Coordinator.

### Subject

Acceptance of Monetary Gift from SBPF in Connection with Compliance Plan and joint Notice of Intent to Conservation Commission for Erosion Control Project at Baxter Rd

### Executive Summary

At the Board's 3/23/22 meeting, it approved and executed a Memorandum of Understanding with SBPF in connection with the Baxter Road Long-term Planning project (alternative access), which includes a public-private partnership to: resolve outstanding compliance issues with the existing project; presentation of an Operations and Maintenance Manual to the ConCom; preparation of a Notice of Intent application for an expanded erosion control project (and associated other conditions); cooperation with Baxter Road alternative access planning/implementation. Since then, Town staff, consultants and SBPF have been working together on all of these items. It became evident over the summer that additional funds were going to be needed for the Town's consultant (Arcadis) to complete the NOI and Compliance Plan – due to the need for additional work required for these items than originally expected. The scope of work is attached and is expected to cost up to \$100,000.

### Staff Recommendation

Accept the monetary gift

### Background/Discussion

Covered in Executive Summary

Impact: Environmental ☐ Fiscal ☒ Community ☒ Other ☐

### Board/Commission Recommendation

n/a

### Public Outreach

Item listed on posted agenda

### Connection to Existing Applicable Plan (i.e., Strategic Plan, Master Plan, etc.)

Has connection with coastal resiliency planning



Has connection to the Baxter Road Long Term Planning Summary Memo of Finding, October 2021.

#### Attachments

- Current MOU with SBPF
- Scope of Services from Arcadis for additional work



**Memorandum of Understanding  
Baxter Road Long-Term Planning Project  
Between**

**Town of Nantucket, by its Select Board and the Siasconset Beach Preservation Fund Inc.**

This Memorandum of Understanding (“MOU”) is entered into this 23<sup>rd</sup> day of March, 2022, by and between the Select Board (“Board”) of the Town of Nantucket (“Town”) and the Siasconset Beach Preservation Fund Inc. (“SBPF”), a Massachusetts 501(c)(3) corporation.

WHEREAS, the Board is undertaking efforts to address the Town’s coastal protection and resiliency, and SBPF has been working in cooperation with the Board to address issues specific to the area in and around the Siasconset Bluff in the Village of Siasconset;

WHEREAS, the Village of Siasconset contains important municipal, historic, community, recreational and environmental resources, including the Flagg Beach, the Bluff Walk, and Baxter Road, which provides utilities and access to a neighborhood of historic homes and to the Sankaty Head Lighthouse;

WHEREAS, this area is subject to significant impacts of coastal erosion, sea level rise, and similar events;

WHEREAS, there is an existing Baxter Road Stabilization Project duly permitted as a pilot project (“Existing Project”), pursuant to a prior Memorandum of Understanding between the Board and SBPF dated July 5, 2013 (attached hereto as Attachment No. 1), as well as an Amendment of the First Memorandum of Understanding dated October 9, 2013 (attached hereto as Attachment No. 2), and an existing License Agreement between the Town, SBPF, and other involved Baxter Road property owners (Attachment No. 3), consisting of the installation and maintenance of sand-filled “geotubes” at the toe of the Siasconset Bluff from 87-105 Baxter Road which has been in place for 8 years and has demonstrated significant successes, including protection of the roadway and public infrastructure along Baxter Road, protection of access to existing homes on the north end of Baxter Road, as well as protection of continued public access to the Sankaty Head Lighthouse, and public access for passive recreation and sightseeing;

WHEREAS, the Board and SBPF both value the substantial benefits of the public-private partnership between them initiated in 2013, including SBPF’s cooperation and assistance reaching agreement with involved property owners for alternative access to the north end of Baxter Road in the event of an imminent threat to the roadway, and plans for a “shovel-ready” roadway relocation project in the event of such threat, as well as One Big Beach Easements from property owners benefited by the Existing Project, all as set forth and agreed to in the Memorandum of Understanding for Alternative Access to North End of Baxter Road attached hereto as Attachment No. 4;

WHEREAS, the Board and SBPF desire to resolve permit compliance issues which have led to an enforcement order issued by the Nantucket Conservation Commission (“Commission”) to remove the project and strengthen the means by which the Board and SBPF can better

communicate with the Commission in order to ensure compliance with the terms and conditions of the permit for the Existing Project in a timely manner;

WHEREAS, should the Board be satisfied that the existing permit conditions are met and compliance is underway and established for the future pursuant to an approved Operations and Maintenance Manual, as referenced and described in paragraph 2 below, and on the further condition the Board is satisfied there is significant community benefit to maintaining the existing Baxter Road until relocation is designed and applicable triggers are met, the Board and SBPF desire also to seek permitting, as co-applicants, for a phased expansion of the Existing Project to areas where erosion is undermining the toe of the natural bluff and threatening failure of the existing public way, public infrastructure and pre-1978 residences, in order to create an economically and environmentally sustainable system based on the lessons learned from the Existing Project, and so that the Board, on behalf of the Town, and SBPF may best serve their respective interests in a mutually beneficial public-private partnership, with private funding;

To accomplish the foregoing, the Board and SBPF hereby agree as follows:

1. The Board and SBPF shall work together to bring the Existing Project into compliance with the compensatory sand requirements of the Order of Conditions for the project in order to resolve the enforcement order issued by the Commission on September 2, 2021, in accordance with the Geotube Compliance Proposal attached hereto as Attachment No. 5, as may be revised in accordance with feedback from the Commission at future workshops and/or public meetings or hearings on the proposal.
2. The Board and SBPF shall also present the Commission with a proposed Operations and Maintenance Manual ("O&M Manual"), attached hereto as Attachment No. 6, which sets forth required procedures for operation and maintenance of the Existing Project in accordance with the terms and conditions of the Order of Conditions governing the Existing Project, and provides for better means of communication between the Board, SBPF and the Commission, and which can be amended and adjusted in the event the Commission later grants a permit for the phased expansion of the Existing Project.
3. Once the enforcement issues are resolved and compliance with the existing permit conditions achieved, the Board and SBPF shall proceed, as co-applicants, with a notice of intent for the phased expansion of the Existing Project (with the objective of obtaining an order of conditions for the expanded project no later than Summer 2022), predicated upon SBPF undertaking, with the Board's support and cooperation, the planning and permitting for an offshore sand source and slurry delivery system ("Sand Bank") which shall serve as a source of affordable and suitable quality sand for future permitted phases of the proposed expansion of the Existing Project, as well as potentially for other projects on Nantucket, with the Town providing suitable location(s) for storage of sand for the Sand Bank. It is anticipated that the Sand Bank will take a number of years for requisite permitting and implementation. In the meantime, SBPF shall identify for the Board's approval suitable on and/or off island sand sources (which may include sand from a future Sand Bank storage location) for operation and maintenance of the Existing Project

and any initially phased expansion in full compliance with the O&M Manual and any and all applicable local, state or federal permit conditions.

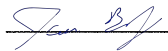
4. The Board and SBPF shall coordinate with other Town boards and the Land Bank to determine the feasibility of the acquisition, restriction and management of vacant land on the ocean side of Baxter Road for the purpose of public walking access to the Sankaty Lighthouse along the Bluff Walk and in the roadways, in both instances when safety permits.
5. SBPF shall cooperate with the Board for the planned relocation of Baxter Road, in accordance with the recommendations of the Town's engineering and legal consultants. Once SBPF and the Board have agreed to the relocation plan, including agreement on layout and location, and trigger points and/or timeline for implementation (the "Relocation Plan"), SBPF shall use best efforts to provide the Town with hold harmless agreements, in form and substance provided or approved by Town Counsel, from property owners abutting the layout of the roadway relocation and/or property owners otherwise benefited by the Existing Project and any phased expansion, as well as "springing" easements, in form and substance provided or approved by Town Counsel, to enable the Town to relocate the roadway in accordance with the agreed Relocation Plan, without the need for eminent domain takings, which shall run with the land and be binding upon all successors in interest or successors in control of involved properties (the "Relocation Plan Documents"). Should the parties be unable to reach agreement on the Relocation Plan, the parties shall have the right to declare this MOU null and void on 14 days notice. Any Relocation Plan Documents SBPF obtains shall be fully executed but held in escrow and the easements shall not be recorded unless and until the Conservation Commission approves a phased expansion of the Existing Project under conditions which are agreed to by SBPF and the Town. Thereafter, those Relocation Plan Documents shall be released from escrow, and SBPF shall record the easements in the registry of deeds, with recording information delivered to the Board, prior to the commencement of any site disturbance or commencement of construction activities in the event the Commission approves any phased expansion of the Existing Project. Should SBPF be unable, despite best efforts, to deliver all of the Relocation Plan Documents to the Board's satisfaction, the Board shall make its best efforts to obtain the remaining Relocation Plan Documents and, if the Board is unable to do so despite its best efforts, the parties shall have the right to terminate this MOU on 14 days notice.
6. SBPF, with the assistance of the Town when required, shall prepare documents evidencing a sustainable system for the ongoing and future operations of the Existing Project and proposed phased expansion project, as well as relocation of the roadway in accordance with the agreed Relocation Plan, such as a Coastal Resiliency District or comparable arrangement (the "District"), designed for the proportionate sharing of costs for private, non-profit, governmental, or other entities, which receive benefit from the Existing Project or any phased expansion project, as well as from maintenance of the existing roadway and relocation of the roadway in accordance with the agreed Relocation Plan. The District shall be defined and established by a suitable recordable instrument or instruments, in form and substance provided or approved by Town Counsel, to be

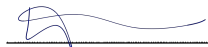
recorded against the title to the property owners in the District, setting forth the rights and obligations of the Town and the property owners and shall be recorded in the registry of deeds, with recording information furnished to the Board, prior to any site disturbance or commencement of construction activities in the event the Commission approves any phased expansion of the Existing Project.

7. SBPF shall also obtain and deliver to the Board a Performance Bond in an agreed upon amount to provide funding to continue maintenance of the Existing Project and any phased expansion of the Existing Project and/or to remove the Existing Project or any phased expansion, and shall update the amount of the escrow being held so that it is deemed sufficient by both the Town and SBPF to pay for the removal of the Existing Project and the expansion elements to be constructed in the event SBPF dissolves, or is otherwise unable to or refuses to continue to maintain the structure in accordance with applicable permit requirements, or the structure must be removed pursuant to a court order and final judgment entered thereon. The Performance Bond and the increased escrow shall be in place prior to commencement of any site disturbance or commencement of construction activities in the event the Commission approves of any phased expansion of the Existing Project.

This MOU supplements and is not intended to rescind any of the provisions of the 2013 MOU, as amended, or of the Alternative Access Agreement or License Agreement referred to above, to the extent the terms and conditions of those agreements are otherwise consistent with this MOU. In the event of inconsistency between any terms or conditions of the prior agreements or this MOU, the terms and conditions of this MOU shall govern.

Town of Nantucket,  
By its Select Board

  
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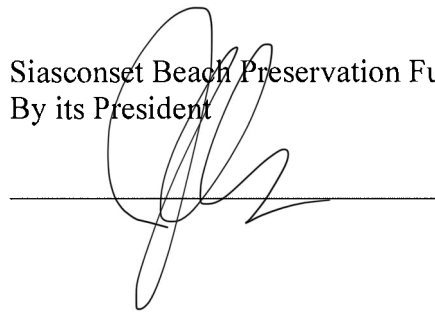
  
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M. Fee  
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Melissa Murphy  
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Siasconset Beach Preservation Fund, Inc.,  
By its President

  
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800184v2NANT 19726/0001



**August 12, 2022**

**Amendment No. 1 - Scope of Work**

**Town of Nantucket, MA**

**Sconset Bluff Toe Stabilization NOI Assistance**

**Project Background**

The project scope of work provides for continued independent review for a new Notice of Intent (NOI) filing to the Nantucket Conservation Commission regarding the phased expansion of the geotube system in the vicinity of Baxter Rd. (along Baxter Rd from the Sankaty Lighthouse to Butterfly Lane). The Town is working with the Sconset Beach Preservation Fund (SBPF) under a Memorandum of Understanding which includes, among other things, the long-term maintenance and operation of the existing and proposed expanded bluff stabilization system (geotubes). Together the Town and SBPF plan to file a Notice of Intent with the Nantucket Conservation Commission for an expanded system.

This scope of work (Amendment No. 1) proposes to extend the original time period for this assignment (Dec 1 2021- March 1 2022) to a new anticipated completion date of February, 2023. Since the level of effort is difficult to know the payment terms will be a time and materials invoiced monthly based on actual hours expended.

**Work Completed to Date**

Original project budget dollars have been expended partially on the original scope of work tasks and partially on unforeseen/out of scope work and related meetings. The following is a summary of work completed to date:

*Task 1 – Review of existing information*

- Reviewed previous sand migration/transport analyses. Worked with SBPF and consultants (WHG) to create plots for ease of discussion.
- Reviewed existing information on sand mitigation, existing geotubes design approach, and monitoring reports that were available during the period of this work.

*Task 2 – Memorandum of Understanding MOU between Town & SBPF*

- Reviewed and provided comment on the MOU between the Town & SBPF.
- Attended regular check in meetings to discuss thoughts, findings, and suggestions.
- Worked with the Town and SBPF to develop a consistent message on priorities and clearly articulate how the work of this assignment is consistent with overall Town goals and precedent setting public-private partnership.

*Task 3 – Working Meeting(s) with the Nantucket Conservation Commission*

The goal was to gain a better understanding and improve the Notice of Intent filing by having a facilitated discussion with the Conservation Commission on some of the past sticking points as related to the past geotubes filing. One preliminary meeting was held with the Conservation Commission chairperson to outline the goals of the project in general and understand past sticking points. One workshop with the full Conservation Commission (with public comment available) was also held.

*Task 4 – NOI Filing Review*

- Arcadis reviewed the first round draft of NOI materials planned for the filing and provided comments.

## **Out of Scope Work**

*All Tasks - Additional Meetings.* The original scope of work included 1 meeting on the MOU, 6 check-in meetings with the Town and SBPF, and up to 2 working meetings with Conservation Commission. The Arcadis team have attended, facilitated, and participated in the meetings listed below over the course of the project work to date. Where possible, Arcadis endeavored to send one representative to each meeting. Some meetings have covered multiple topics or have included additional discussions with smaller groups after the scheduled meeting ended.

- 9 Check-in Meetings with the Town and SBPF: 12/1, 12/13, 1/3, 1/26, 2/1, 2/15, 2/16, 4/16, 7/6
- 5 Check-in Meetings with the Town: 2/10, 2/14, 3/24, 5/5, 6/30
- 1 MOU Meeting: 3/2
- 2 Conservation Commission Working Meetings: 12/6 (Con Comm Chair), 2/17 (Con Comm Workshop)
- 7 Technical Team Meetings: 12/23, 1/5, 1/10, 1/20, 2/2, 3/17, 4/12
- Weekly Touchpoint Meetings with Town PM

*Task 2 - Geotube Removal Cost Estimate.* Arcadis developed a cost estimate for removal of the geotubes to support performance bond costs as part of the development of the MOU.

*Task 3 - Working Conservation Commission Meetings and Response to Feedback.* Based on feedback shared by the Conservation Commission chairperson and other stakeholders, it was decided that the original planned work of the project should be split into 2 parallel work tracks: 1) Compliance and Operation and Maintenance of the Existing System and 2) New NOI for Expansion of the Existing System. Additionally, stakeholders noted that some compliance documents (monitoring reports) were not filed during time periods where SBPF, the Town, and other stakeholders were working on potential future adaptation pathways.

As such, additional review, meetings, and concept development were necessary to collectively (SBPF, Town, and consultants) put together a Compliance Plan and Operation and Maintenance Manual that can be filed with the Conservation Commission for the existing project. Arcadis drafted a workshop follow-up letter to address concerns raised during the Conservation Commission Workshop and provided review and comments on the draft Annual Report to address shortcomings of not having filed monitoring reports for the existing system.

## **Amendment No. 1 Scope of Work**

The work of Tasks 1 and 2 of the original Scope of Work are considered complete at this time.

The work of Tasks 3 and 4 will continue, as outlined below.

### **Task 3 – Working Meeting(s) with the Nantucket Conservation Commission**

The work of this task includes:

- One (1) workshop meeting with the Nantucket Conservation Commission on the proposed NOI. Arcadis will co-develop an agenda and slide deck with the Town and SBPF to be posted for the workshop. Arcadis will facilitate the discussion and listen to Conservation Commission feedback. SBPF and SBPF consultants involved in design and development of the NOI may be asked to be available at this workshop to answer technical questions.
- Four (4) preparation meetings with the Town and or SBPF.
- A workshop follow-up letter, if appropriate, to be sent to the Conservation Commission after the workshop addressing any outstanding questions or comments.

### **Task 4 – NOI Filing Review**

- Arcadis will review the NOI materials planned for the filing and provide comments. In addition, as appropriate we will make suggestions on the addition of Natural Fiber Materials and or fencing in addition to the geotubes.
- Comments will be made directly in a word document. The documents will be provided by the Town/SBPF. We will discuss the comments during virtual check-in meetings. No separate memo is envisioned to be necessary. Two additional rounds of review and

comments are expected under this scope of work (one round of comments has already been provided).

- Arcadis will meet with the Town's designated NOI representative/presenter to review materials and prepare for meeting with the Conservation Commission.

Arcadis will attend and provide technical support to the Town during the NOI public hearing. Currently we assume there will be up to 4 hearings attended virtually. Overall we have included budget to attend two meetings in person if needed.

## Baxter Road NOI Assistance

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This document describes the basis for compensation and terms of payment. All rates presented apply to services rendered after January 1, 2022 and will be adjusted annually thereafter.

In addition to these fees, clients will also be responsible for any sales or value-added taxes that may apply to engineering services performed.

**Hourly Rates:** Charges for services provided will be in accordance with the following schedule:

| 2022 CONS                                 |             |
|-------------------------------------------|-------------|
| Category                                  | Hourly Rate |
| Project/Program Director                  | \$324       |
| Principal Engineer/Scientist/Architect II | \$305       |
| Principal Engineer/Scientist/Architect I  | \$264       |
| Senior Engineer/Scientist/Architect II    | \$208       |
| Senior Engineer/ Scientist/Architect I    | \$191       |
| Project Engineer/ Scientist/Architect     | \$180       |
| Staff Engineer/Scientist/Architect        | \$170       |
| Engineer/Scientist                        | \$143       |
| Technician/Project Assistant IV           | \$180       |
| Technician/Project Assistant III          | \$150       |
| Technician/Project Assistant II           | \$138       |
| Technician/Project Assistant I            | \$127       |
| Design Tech II/Field Tech II              | \$75        |
| Design Tech I/Field Tech I                | \$65        |

**Other Direct Costs:** All expenses incurred for a project (except in-house services specified below) from outside vendors will be invoiced at cost plus 10% to cover administrative expenses. These items may include but are not limited to: shipping charges; printing; supplies; equipment; traveling expenses; special insurance; licenses; permits; or subcontractors.

In-house services consist of:

- Transportation - \$0.60 per mile for vehicles
- Equipment - a schedule of usage rates for specialty equipment is available for field assignments
- Web Hosting – a schedule of monthly web hosting rates is available for client access web sites

**Payment:** All invoices are due and payable within 30 days of billing date. Any attorney's fees, court costs, or other related expenses incurred in collecting delinquent accounts shall be paid by the client. Delinquent bills are subject to finance charges of 1.5% per month.

Rates will be adjusted on an annual basis in accordance with the CPI-U index +1%.



Person Hour and Fee Schedule

Friday, August 12, 2022

Baxter Road NOI Assistance – Amendment No 1  
Town of Nantucket, MA

| Task         | Task Description  | Job Titles |       |      |          |     | Project Costs |                   |                    |             |
|--------------|-------------------|------------|-------|------|----------|-----|---------------|-------------------|--------------------|-------------|
|              |                   | P/PD       | PM/SE | PE/P | T/PA III | E/S | Total Hours   | Total Labor Costs | Other Direct Costs | Total Costs |
| 1            | Doc Review        | 0          | 0     | 0    |          | 0   | 0             | \$0               | \$0                | \$0         |
| 2            | MOU               | 0          | 0     | 0    | 0        | 0   | 0             | \$0               | \$0                | \$0         |
| 3            | Working Mtgs      | 24         | 80    | 8    | 5        | 8   | 125           | \$27,110          | \$2,750            | \$29,860    |
| 4            | NOI Review & Mtgs | 40         | 200   | 40   | 5        | 30  | 315           | \$65,200          | \$165              | \$65,365    |
|              |                   |            |       |      |          |     |               |                   |                    |             |
| <b>Total</b> |                   | 64         | 280   | 48   | 10       | 38  | 440           | \$92,310          | \$2,915            | \$95,225    |

P/PD = Project/Program Director  
PM/SE = Project Manager / Senior Engineer  
PE/P = Project Engineer / Planner  
T/PA III = Technician/Project Assistant III  
E/S = Engineer/Scientist



## Agenda Item Summary

|               |           |
|---------------|-----------|
| Agenda Item # | IX. 2.    |
| Date          | 10/5/2022 |

### Staff

Ken Beaugrand, Real Estate Specialist

### Subject

(1) Rescission of Select Board Vote on July 20, 2022 to accept Easement from Bluefin Partners, LLC as Trustee of the Ellen's Way Homeowners' Association Trust (the "Trust") to the Town for public pedestrian purposes over a portion of Lot 30 shown on Land Court Plan No. 13648-D, located at 120 Miacomet Road, and instead (2) approval by the Select Board to the grant of the five foot(5') wide pedestrian easement from the Trust to the Nantucket Islands Land Bank (the "Easement").

### Executive Summary

Since the vote by the Select Board on July 20, 2022, and prior to the recording of the Easement, the Trust and the Land Bank reached an agreement that the Trust would grant the Easement to the Land Bank instead of the Town. The Trust, as the Property Owner, requests that the Select Board rescind its vote of July 20, 2022, for the acceptance of the grant of easement from them over a portion of Lot 30 as shown on Land Court Plan No. 13648-D located at 120 Miacomet Road, shown as a five foot (5') wide path for only public pedestrian purposes, as shown on the Easement Plan. The original developer of the property, Bluefin Partners, LLC filed for a Special Permit which was granted by the Nantucket Planning Board in its Decision dated March 12, 2007, filed with Nantucket Registry District of the Land Court as Document No. 136334. The Special Permit contained a condition, Condition #9, that the open space areas in the subdivision be available to the public and that easements be granted for that purpose. The Trust requests that the Select Board instead vote to approve of the grant of easement to the Land Bank in satisfaction of Condition # 9 of the Special Permit. The Trust is also requesting the Planning Board to approve of the grant of easement in satisfaction of Condition #9. The Trust requests the Select Board execute a letter to the Trust approving of the grant of easement to the Land Bank.

### Staff Recommendation

Staff recommends the vote to rescind the approval of the Acceptance of Easement by the Select Board and the execution of the letter to the Trust approving of the grant of easement to the Land Bank as satisfaction of Condition #9 of the Special Permit, provided the Planning Board also agrees to execute a letter to the grant of easement satisfying Condition #9 of the Special Permit. Town Counsel has reviewed the Grant of Easement to the Land Bank and approves of its form.

### Background/Discussion

The Land Bank, rather than the Town, shall be responsible for the construction, maintenance and repair of the pedestrian path.



**Impact: Environmental** ☐ **Fiscal** ☐ **Community** ☒ **Other** ☐

This Easement will provide public pedestrian access to open space in this subdivision and connecting to Land Bank property.

**Board/Commission Recommendation**

N/A

**Public Outreach**

N/A

**Connection to Existing Applicable Plan (i.e., Strategic Plan, Master Plan, etc.)**

N/A

**Attachments**

Grant of Easement to Land Bank with Easement Plan

Form of Letter from Select Board

Form of Letter from Planning Board



## **GRANT OF EASEMENT**

BLUEFIN PARTNERS, LLC, a Massachusetts limited liability company, as TRUSTEE of ELLEN'S WAY HOMEOWNERS' ASSOCIATION TRUST under Declaration of Trust dated October 5, 2010, registered with Nantucket Registry District as Document No. 136420, having a mailing address of Post Office Box 650, Norfolk, Massachusetts 02056 (the "Grantor"), as the owner of that certain parcel of vacant land, located in Nantucket, Nantucket County, Massachusetts, now known and numbered as 120 Miacomet Road, being Lot 30 on Land Court Plan No. 13648-D ("Lot 30"), by virtue of Certificate of Title No. 24,179 at the Nantucket Registry District of the Land Court, for consideration paid, the receipt and sufficiency of which are hereby acknowledged, grants to the NANTUCKET ISLANDS LAND BANK, a political subdivision of the Commonwealth of Massachusetts, acting by and through its Commission, having a mailing address of 22 Broad Street, Nantucket, Massachusetts 02554 (the "Grantee"), in satisfaction of Condition #9 of that certain Special Permit dated March 12, 2007, registered with said Nantucket Registry District as Document No. 136334,

A permanent non-exclusive easement appurtenant to adjacent land of the Grantee, being those certain parcels of vacant land, located in Nantucket, Nantucket County, Massachusetts, now known and numbered as 70 and 100 Miacomet Road, being Lot 3 on plan recorded with Nantucket Deeds as Plan No. 2010-63 and Lot 5 on plan recorded with Nantucket Deeds in Plan Book 24, Page 13, respectively, owned by the Grantee by virtue of Deeds recorded with Nantucket Deeds in Book 1284, Page 284, and Book 547, Page 116, for pedestrian purposes only, except for use by non-motorized or motorized wheelchairs or other mobility devices for the disabled, by the Grantee and the general public, in, over, and across a pedestrian path, five (5) feet wide, on that portion of Lot 30, the centerline of which is shown as "Centerline of 5' Wide Pedestrian Path Easement (Typical)" on the Exhibit Plan of Land, prepared by Nantucket Engineering & Survey, PC, dated August 23, 2022, a copy of which is attached hereto as Exhibit A, including one (1) spur connecting to said property of the Grantee at 100 Miacomet Road, and one (1) spur connecting to the Proprietor's Road to the east.

The Grantee shall be responsible for the construction, maintenance, and repair of such pedestrian path.

The easement shall run with the land and be binding upon and inure to the benefit of the parties and their heirs, successors, and assigns.

\* \* \* \* \*

Signature page follows

Executed and sealed as of September \_\_\_\_\_, 2022.

Ellen's Way Homeowners' Association Trust

By: Bluefin Partners, LLC, a  
Massachusetts limited liability  
company, as Trustee

By:

\_\_\_\_\_  
Peter A. Gulla, its manager

COMMONWEALTH OF MASSACHUSETTS

\_\_\_\_\_, SS.

On this \_\_\_\_ day of September, 2022, before me, the undersigned notary public, personally appeared Peter A. Gulla, manager of Bluefin Partners, LLC, as Trustee of Ellen's Way Homeowners' Association Trust (a) \_\_\_\_ personally known to me, or (b) \_\_\_\_ proved to me through satisfactory evidence of identification which was \_\_\_\_\_, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily, as his free act and deed, for its stated purpose on behalf of Bluefin Partners, LLC, as Trustee of Ellen's Way Homeowners' Association.

\_\_\_\_\_  
Notary Public

Printed name:  
My commission expires:

**ACCEPTANCE BY NANTUCKET ISLANDS LAND BANK**

We, as a majority of the Nantucket Islands Land Bank Commission, hereby accept and approve the foregoing Grant of Easement pursuant to the authority of Chapter 669 of the Massachusetts Acts of 1983, as amended.

Executed under seal this \_\_\_\_ day of September, 2022.

NANTUCKET ISLANDS LAND BANK  
BY ITS COMMISSION

\_\_\_\_\_  
Neil Paterson

\_\_\_\_\_  
John Stackpole

\_\_\_\_\_  
Mark Donato

\_\_\_\_\_  
Kristina Jelleme

\_\_\_\_\_  
Allen Reinhard

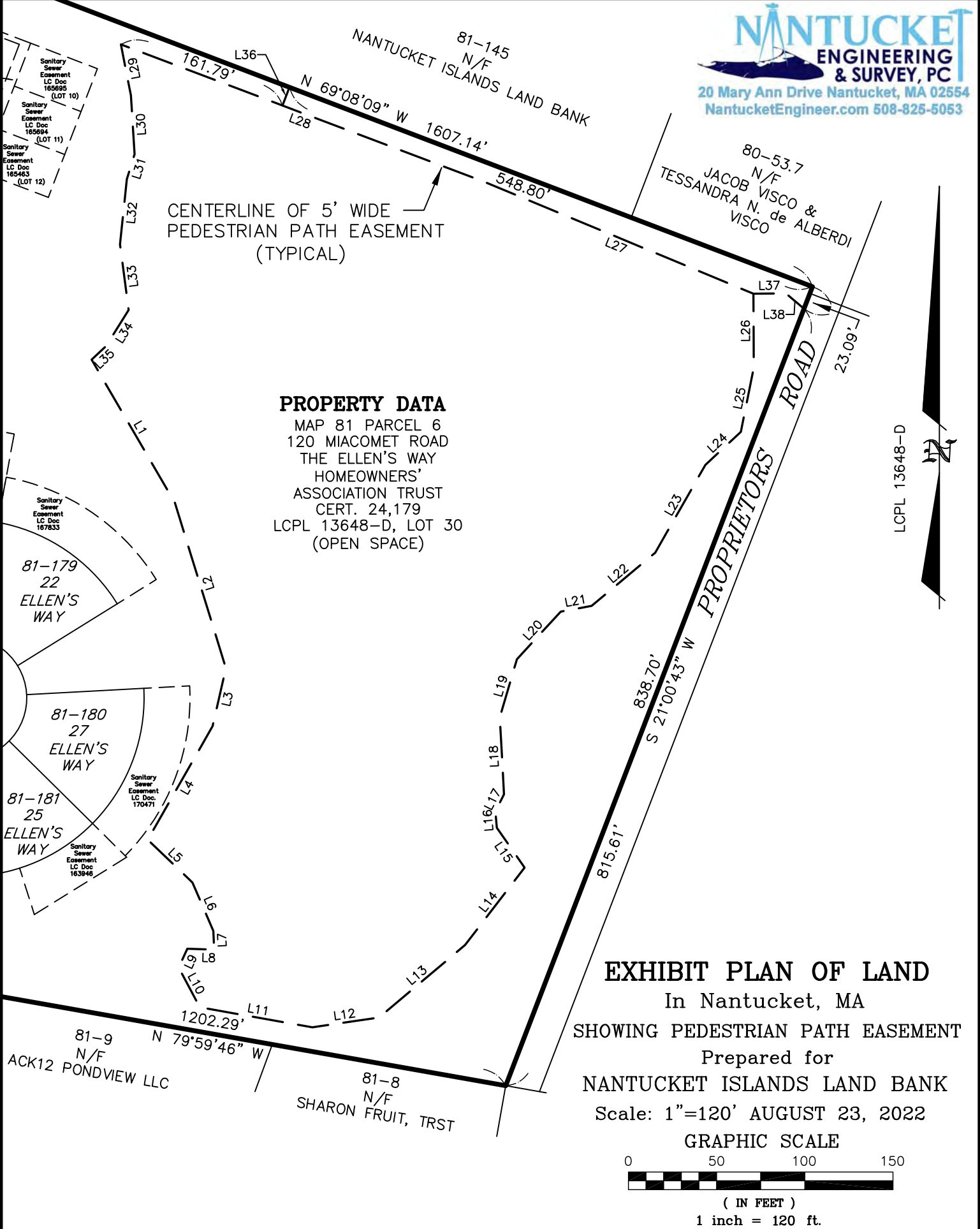
COMMONWEALTH OF MASSACHUSETTS

Nantucket, ss.

On this \_\_\_\_ day of September, 2022, before me, the undersigned notary public, personally appeared Neil Paterson, John Stackpole, Mark Donato, Kristina Jelleme, and Allen Reinhard, members of the Town of the Nantucket Islands Land Bank Commission, personally known to me to be the persons whose names are signed on the preceding or attached document, and acknowledged to me that they signed it voluntarily, as their free act and deed, for its stated purpose on behalf of the Nantucket Islands Land Bank.

\_\_\_\_\_  
Notary Public

Printed name:  
My commission expires:



| Line Table |        |               |
|------------|--------|---------------|
| Line #     | Length | Direction     |
| L14        | 95.75' | N37° 34' 41"E |
| L15        | 47.59' | N34° 54' 47"W |
| L16        | 16.26' | N04° 58' 36"W |
| L17        | 18.59' | N27° 09' 59"E |
| L18        | 75.71' | N03° 08' 29"W |
| L19        | 59.26' | N16° 27' 10"E |
| L20        | 63.37' | N42° 36' 31"E |
| L21        | 30.82' | N79° 27' 50"E |
| L22        | 81.18' | N50° 06' 41"E |
| L23        | 99.17' | N29° 46' 35"E |
| L24        | 47.52' | N46° 59' 21"E |
| L25        | 64.24' | N11° 24' 39"E |
| L26        | 72.39' | N00° 18' 44"W |

| Line Table |         |               |
|------------|---------|---------------|
| Line #     | Length  | Direction     |
| L27        | 284.46' | N67° 25' 16"W |
| L28        | 382.05' | N69° 17' 21"W |
| L29        | 50.88'  | S11° 08' 55"E |
| L30        | 57.82'  | S03° 33' 03"E |
| L31        | 25.59'  | S17° 07' 58"W |
| L32        | 64.28'  | S06° 00' 35"W |
| L33        | 64.77'  | S07° 29' 25"E |
| L34        | 41.45'  | S31° 55' 06"W |
| L35        | 19.70'  | S46° 50' 49"W |
| L1         | 162.21' | S30° 11' 56"E |
| L2         | 169.66' | S17° 09' 21"E |
| L3         | 58.33'  | S12° 53' 08"W |
| L4         | 128.27' | S29° 43' 33"W |

| Line Table |         |               |
|------------|---------|---------------|
| Line #     | Length  | Direction     |
| L5         | 60.58'  | S46° 20' 50"E |
| L6         | 51.74'  | S23° 17' 48"E |
| L7         | 18.32'  | S02° 22' 27"E |
| L8         | 26.21'  | N88° 00' 40"W |
| L9         | 20.42'  | S24° 30' 28"W |
| L10        | 44.01'  | S28° 02' 09"E |
| L11        | 112.10' | S79° 55' 17"E |
| L12        | 66.10'  | N81° 36' 51"E |
| L13        | 110.12' | N49° 51' 32"E |
| L36        | 19.13'  | S20° 42' 39"W |
| L37        | 31.73'  | N89° 16' 24"E |
| L38        | 23.40'  | S49° 56' 55"E |

Town and County of Nantucket  
Select Board • County Commissioners

Jason Bridges, Chair  
Matt Fee  
Dawn E. Hill Holdgate  
Brooke Mohr  
Melissa Murphy



16 Broad Street  
Nantucket, Massachusetts 02554

Telephone (508) 228-7255  
Facsimile (508) 228-7272  
[www.nantucket-ma.gov](http://www.nantucket-ma.gov)

C. Elizabeth Gibson  
Town & County Manager

October 5, 2022

Peter A. Gulla, Manager  
Bluefin Partners, LLC  
Post Office Box 650  
Norfolk, Massachusetts 02056

Re: Ellen's Way

Dear Mr. Gulla:

This letter shall serve to confirm that the Select Board acknowledges and agrees that, in lieu of the Grant of Easement by the Ellen's Way Homeowners' Association Trust to the Town of Nantucket, dated as of July 20, 2022, which Grant of Easement was accepted and approved by the Select Board on July 20, 2022, said Trust shall grant to the Nantucket Islands Land Bank Commission an easement for use of a pedestrian path, five (5) feet wide, in, over, and across land of said Trust, being Lot 30 on Land Court Plan No. 13648-D, in full satisfaction of Condition #9 of that certain Special Permit dated March 12, 2007, registered with said Nantucket Registry District as Document No. 136334.

Very truly yours,

Jason Bridges, Chair

September 30, 2022

Peter A. Gulla, manager  
Bluefin Partners, LLC  
Post Office Box 650  
Norfolk, Massachusetts 02056

Re: Ellen's Way  
Planning Board File No. 6968

Dear Mr. Gulla:

This letter shall serve to confirm that the Grant of Easement by the Ellen's Way Homeowners' Association Trust to the Nantucket Islands Land Bank Commission for use of a pedestrian path, five (5) feet wide, in, over, and across land of said Trust, being Lot 30 on Land Court Plan No. 13648-D, satisfies in full Condition #9 of that certain Special Permit dated March 12, 2007, registered with said Nantucket Registry District as Document No. 136334.

Very truly yours,

John Trudel III, Chair



## Agenda Item Summary

|                      |                |
|----------------------|----------------|
| <b>Agenda Item #</b> | IX. 3. b, c, d |
| <b>Date</b>          | 10/5/2022      |

### Staff

Brian E. Turbitt, Finance Director

### Subject

General Obligation Debt Sale

### Executive Summary

The sale of the notes took place on Thursday September 29, 2022. The sale was to fund various municipal purposes as outlined below.

### Staff Recommendation

Recommend approval of the sale of the General Obligation Bonds, General Obligation Bond Anticipation Notes, Grant Anticipation Notes to include the signing of the debt documents.

### Background/Discussion

The sale of the notes took place on Thursday September 29, 2020. The Town received four bids for the notes. The winning bid was received from TD Securities. The coupon rate was 1.50% with a Net Interest Cost of .4804%. The Town through its financial advisors recently completed competitive sales of General Obligation Bonds made up of two series. The First Series (Series A) a Tax-exempt offering in the amount of \$6,415,00 which received five bids. The award was made to Fidelity Capital Markets with total interest cost of 3.913462%. The Second Series (Series B) was a taxable offering in the amount of \$3,750,000 received two bids, with the award being made to Fidelity Capital Markets with a Total Interest Cost of 4.866022%. The financing was for Affordable Housing purposes. The Town also conducted a General Obligation Bond Anticipation Note sale in the amount of \$13,442,200 with five bidders participating and the award being made to Fidelity Capital Markets with a Total Interest Cost of 3.2287%. This offering will continue to Finance the 3<sup>rd</sup> Sewer Force Main Construction, various Airport projects and Affordable Housing. The Town also conducted a Grant Anticipation Note sale in the amount of \$875,000 for recently completed Chapter 90 projects. There were two bidders for this note, the award was made to Fidelity Capital Markets with a total interest cost of 4.2356%.

**Impact: Environmental** ☐ **Fiscal** ☒ **Community** ☐ **Other** ☐

Budget impact is the interest on the notes recently sold.

### Board/Commission Recommendation

N/A

### Public Outreach

N/A



**Connection to Existing Applicable Plan (i.e. Strategic Plan, Master Plan, etc.)**

N/A

**Attachments**

Vote of the Select Board.



## VOTE OF THE SELECT BOARD

I, the Clerk of the Select Board of the Town of Nantucket, Massachusetts (the “Town”), certify that at a meeting of the board held October 5, 2022, of which meeting all members of the board were duly notified and at which a quorum was present, the following votes were unanimously passed, all of which appear upon the official record of the board in my custody:

Voted: that the sale of the \$6,160,000 General Obligation Municipal Purpose Loan of 2022 Bonds, Series A, of the Town dated October 13, 2022 (the “Series A Bonds”), to Fidelity Capital Markets, a division of National Financial Services, Inc. at the price of \$6,497,711.54 and accrued interest, if any, is hereby approved and confirmed. The Series A Bonds shall be payable on July 15 of the years and in the principal amounts and bear interest at the respective rates, as follows:

| <u>Year</u> | <u>Amount</u> | <u>Interest<br/>Rate</u> | <u>Year</u> | <u>Amount</u> | <u>Interest<br/>Rate</u> |
|-------------|---------------|--------------------------|-------------|---------------|--------------------------|
| 2023        | \$160,000     | 5.000%                   | 2033        | \$390,000     | 5.000%                   |
| 2024        | 245,000       | 5.000                    | 2034        | 410,000       | 5.000                    |
| 2025        | 260,000       | 5.000                    | 2035        | 430,000       | 5.000                    |
| 2026        | 275,000       | 5.000                    | 2036        | 445,000       | 4.000                    |
| 2027        | 285,000       | 5.000                    | 2037        | 465,000       | 4.000                    |
| 2028        | 300,000       | 5.000                    | 2038        | 480,000       | 4.000                    |
| 2029        | 315,000       | 5.000                    | 2039        | 155,000       | 4.000                    |
| 2030        | 330,000       | 5.000                    | 2040        | 160,000       | 4.125                    |
| 2031        | 350,000       | 5.000                    | 2041        | 165,000       | 4.125                    |
| 2032        | 365,000       | 5.000                    | 2042        | 175,000       | 4.125                    |

Further Voted: that the sale of the \$3,570,000 General Obligation Affordable Housing Bonds, Series B (Subject to Federal and Massachusetts Income Taxation), of the Town dated October 13, 2022 (the “Series B Bonds,” and together with the Series A Bonds, the “Bonds”), to Fidelity Capital Markets, a division of National Financial Services, Inc. at the price of \$3,614,081.50 and accrued interest, if any, is hereby approved and confirmed. The Series B Bonds shall be payable on July 15 of the years and in the principal amounts and bear interest at the respective rates, as follows:

| <u>Year</u> | <u>Amount</u> | <u>Interest<br/>Rate</u> | <u>Year</u> | <u>Amount</u> | <u>Interest<br/>Rate</u> |
|-------------|---------------|--------------------------|-------------|---------------|--------------------------|
| 2023        | \$115,000     | 5.00%                    | 2031        | \$250,000     | 5.00%                    |
| 2024        | 170,000       | 5.00                     | 2032        | 265,000       | 4.65                     |
| 2025        | 180,000       | 5.00                     | 2033        | 275,000       | 4.75                     |
| 2026        | 190,000       | 6.00                     | 2034        | 290,000       | 4.80                     |
| 2027        | 200,000       | 6.00                     | 2035        | 305,000       | 4.85                     |
| 2028        | 210,000       | 6.00                     | 2036        | 320,000       | 4.90                     |
| 2029        | 225,000       | 6.00                     | 2037        | 335,000       | 5.00                     |
| 2030        | 240,000       | 5.00                     |             |               |                          |

Further Voted: to approve the sale of \$13,442,200 4.00 percent General Obligation Bond Anticipation Notes of the Town dated October 14, 2022, and payable June 30, 2023 (the “BAN”), to Fidelity Capital Markets, a division of National Financial Services, Inc. at par and accrued interest, if any, plus a premium of \$73,729.37.

Further Voted: to approve the sale of a \$875,000 4.50 percent General Obligation Grant Anticipation Note of the Town dated October 14, 2022, and payable June 30, 2023 (the “GAN”, and collectively with the BAN, the “Notes”) of the Town dated October 14, 2022, and payable June 30, 2023, to Fidelity Capital Markets, a division of National Financial Services, Inc., at par and accrued interest, if any, plus a premium of \$1,645.00.

Further Voted: that in connection with the marketing and sale of the Bonds and Notes, the preparation and distribution of a Notice of Sale and Preliminary Official Statement for each series of Bonds and the Notes dated September 22, 2022, and a final Official Statement for each series of Bonds and the Notes dated September 29, 2022, each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Further Voted: that the Bonds shall be subject to redemption, at the option of the Town, upon such terms and conditions as are set forth in the Official Statement for such series of Bonds.

Further Voted: that the Town Treasurer and the Select Board be, and hereby are, authorized to execute and deliver continuing and significant events disclosure undertakings with respect to each series of Bonds and the Notes in compliance with SEC Rule 15c2-12 in such forms as may be approved by bond counsel to the Town, which undertakings shall be incorporated by reference in the Bonds and the Notes for the benefit of the holders of the Bonds and Notes from time to time.

Further Voted: that we authorize and direct the Town Treasurer to establish post issuance federal tax compliance procedures and continuing disclosure procedures in such forms as the Town Treasurer and bond counsel deem sufficient, or if such procedures are currently in place, to review and update said procedures, in order to monitor and maintain the tax-exempt status of the Series A Bonds and the Notes to comply with relevant securities laws with respect to the Bonds and the Notes.

Further Voted: that any certificates or documents relating to the Bonds or Notes (collectively, the “Documents”), may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document; delivery of an executed counterpart of a signature page to a Document by electronic mail in a “.pdf” file or by other electronic transmission shall be as effective as delivery of a manually executed counterpart signature page to such Document; and electronic signatures on any of the Documents shall be deemed original signatures for the purposes of the Documents and all matters relating thereto, having the same legal effect as original signatures.

Further Voted: that each member of the Select Board, the Town Clerk and the Town Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

I further certify that the votes were taken at a meeting open to the public, that no vote was taken by secret ballot, that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the above votes) was filed with the Town Clerk and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal building that the office of the Town Clerk is located or, if applicable, in accordance with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b), at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decision in connection with the sale of the Bonds or Notes were taken in executive session, all in accordance with G.L. c.30A, §§18-25, as amended.

Dated: October 5, 2022

\_\_\_\_\_  
Clerk of the Select Board

129484729v.1

# Town of Nantucket



**AUDIT EXIT CONFERENCE – SELECT BOARD  
ROSELLI, CLARK & ASSOCIATES  
OCTOBER 5, 2022**

# Economic Trends

2

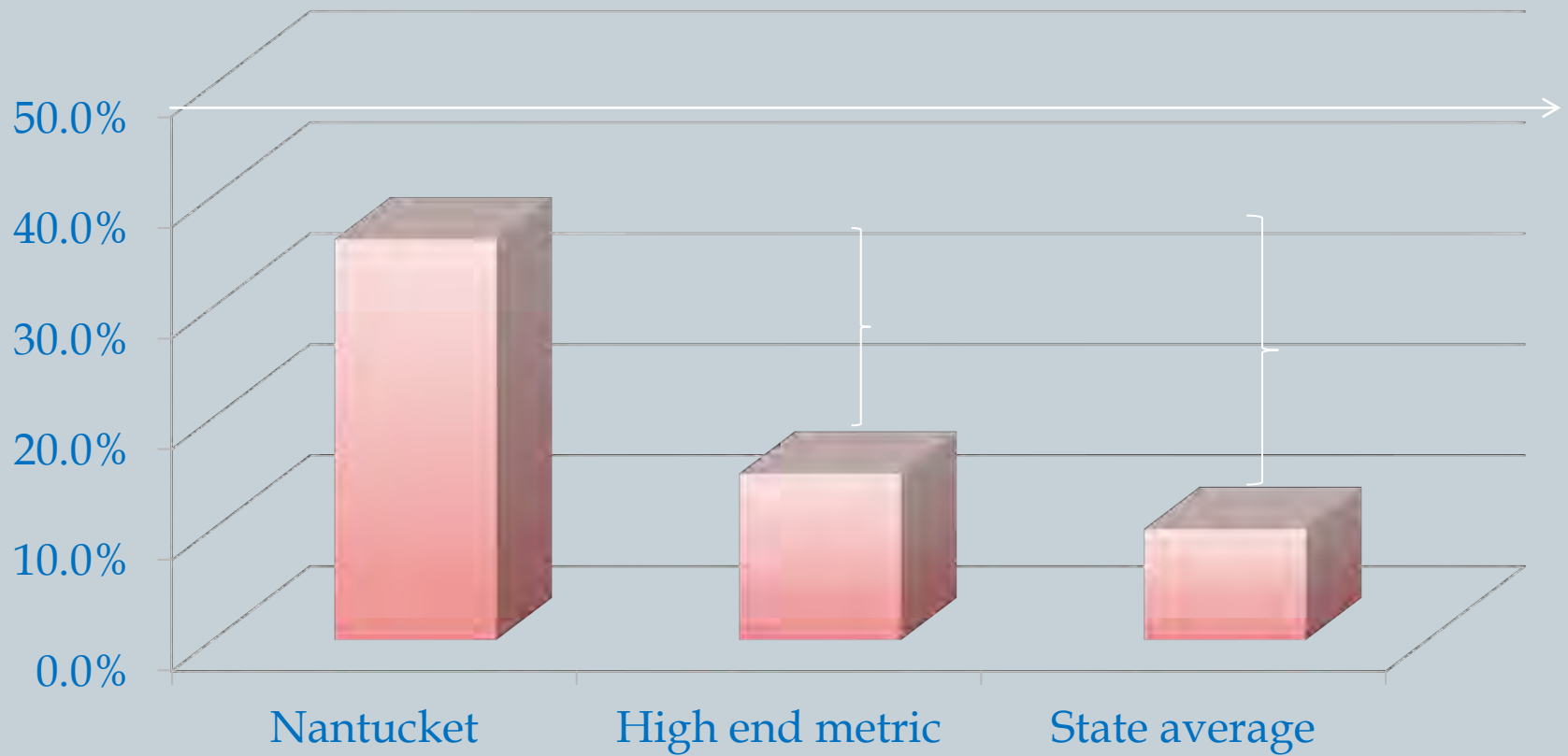
## Reserve balances (millions \$)



# Economic Trends

3

## Reserve Ratio %



# Economic Trends

4

- ❑ Financial trends remain excellent
- ❑ Metric significantly exceeds high-end credit rating floor of S+P 15% modelling and 30% Moody's modelling.
- ❑ Metrics exceed State averages significantly
- ❑ New Growth continue at a strong pace
- ❑ Continue walking the line between reserves and levy capacity very well

# Economic Trends

5

- ❑ Target bond rating Aaa has been achieved with Moodys in 2018
- ❑ Town has been rewarded for the diligent efforts of its financial and management teams
- ❑ One of 15 communities State-wide to achieve this goal
- ❑ One of the items highlighted by Moodys in addition to strong reserves and strong management was the Town's ability to produce a final financial statement by early October
- ❑ The Town is and will continue to experience significant savings in the form of reduced interest expense as it continues its ongoing capital improvement program
- ❑ Important to maintain this momentum and maintain consistency in reserves

# Informational Items

6

- ❑ Pension

- ❑ OPEB

Status and funding progress

- ❑ Network Security

Remain vigilant

- ❑ Nantucket Regional Transit Authority (NRTA)

Consider risk of being a service provider to NRTA

- ❑ GASB update

- ❑ ARPA

- ❑ Investment yields

# Findings and Recommendations

7

- ❑ Receivable credit balances
- ❑ Old bond and BAN premium accounts
- ❑ Stagnant Special Revenue accounts

# Findings and Recommendations

8

- ❑ Old Outstanding receivables
- ❑ Collection of Tipping fees
- ❑ Water inventory procedures
- ❑ Payroll Tests
- ❑ Old outstanding receivables

# Questions

9



**ROSELLI, CLARK & ASSOCIATES**  
Certified Public Accountants

**TOWN OF NANTUCKET, MASSACHUSETTS**

Management Letter

Year Ended June 30, 2021



**TOWN OF NANTUCKET, MASSACHUSETTS**

**MANAGEMENT LETTER  
YEAR ENDED JUNE 30, 2021**

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**ROSELLI, CLARK & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

500 West Cummings Park  
Suite 4900  
Woburn, MA 01801

Telephone: (781) 933-0073

[www.roselliclark.com](http://www.roselliclark.com)

**TRANSMITTAL LETTER**

Select Board  
Town of Nantucket  
Nantucket, Massachusetts

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Nantucket, Massachusetts, (the "Town") as of and for the year ended June 30, 2021 in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal controls.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and may not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. This communication is intended solely for the information and use of management, the members of the Select Board, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Roselli Clark & Associates*

Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
February 18, 2022

## EVALUATION OF TOWN OPERATIONS

### **OVERVIEW**

The Town continued to respond well to the financial challenges presented by the COVID-19 pandemic that began during fiscal year 2020. Despite lockdowns, social distancing measures, mask mandates and the State not passing its budget until well into fiscal 2021, the Town was able to complete a positive year of operations and increase or maintain reserves at all levels.

The following are some key financial highlights:

1. Unassigned fund balance increased to almost \$34.5 million.
2. The OPEB fund increased to over \$4.2 million.
3. OPEB investments returned 15.4%
4. Pension funded ratio increase from 62.3% to 66.8%.
5. Stabilization funds increased to over \$7.2 million.
6. ARPA grant – over \$3.4 million – must be obligated by 2024 and spent by 2026.

This along with continued strong financial management has enabled the Town to maintain its top bond rating of AAA. This is the highest bond rating a community can receive and enables the Town to reduce its financing costs on any of its future borrowings.

The remainder of this letter addresses items of interest that we are communicating to the Town in the form of “Informational Items”; (these are not considered findings) and a section labeled “Findings and Recommendations”, which are our observations in areas that the Town is encouraged to devote attention to. Improvements in these areas are recommended in an effort to improve internal control and efficiency.

## **INFORMATIONAL ITEMS**

### **Other Postemployment Benefits**

The Town has been aggressively managing its OPEB Trust for several years now. Annual funding has allowed the plan assets to grow to over \$4.2 million and funding OPEB has become hardcoded in the Town's annual budget.

Despite this, the Town's unfunded liability continues to grow and has reached over \$136 million as of June 30, 2020. This is about a \$50 million increase since fiscal 2015.

One of the largest drivers in calculating the unfunded liability is the discount rate. The current year valuation uses a discount rate of 4.25% which is low compared to many other communities. Each percent is worth about \$20 million in valuation.

The Town should consider evaluating efforts to increase the discount rate. This could be accomplished through a combination of policy changes:

1. Increase annual funding to OPEB.
2. Adopt a funding schedule that uses the pension funding windfall that becomes available once the pension is fully funded.
3. Consider converting the investment policy to a modern portfolio with a greater equity allocation rather than fixed income. Since the investment goal is a long-term objective it should be managed like pension assets, whereas it is currently managed more like an intermediate vehicle.

The combination of these efforts could lower the liability considerably.

### **Network Security**

In the prior year, we alerted the Town to continue to monitor its network security (the Town had a network security assessment completed recently). We remind the Town that given the remote processing of its financial transactions during this social distancing period that network security becomes more vulnerable and should continue to be evaluated on an ongoing basis.

### **New GASB pronouncements**

**GASB 87** which requires the Town to revise the manner in which it accounts for its operating leases goes into effect in fiscal year 2022. Previously, governmental entities reported their leases similarly to how private entities reported leases under ASC 840.

While finance leases would be capitalized on the balance sheet, operating leases would be reported in the footnotes. However, GASB 87 requires that all operating leases now be accounted for as finance leases.

As a result, leases previously classified as operating leases will not only be capitalized on the statement of net position, but also be reported differently in the statement of activities.

### **Nantucket Regional Transit Authority (update)**

Currently, the Town serves as a service provider for the Nantucket Regional Transit Authority, or NRTA. The services extend to payroll, and payroll related benefits. In a prior year letter to management, we outlined the risks associated with such an arrangement and recommended the Town pare back in those areas it can.

The Town began evaluating this suggestion and has taken some remedial actions; however this is still a work in progress as it involves complicated areas of human resources and will take more time to discuss with legal counsel prior to reaching a more knowledgeable conclusion.

### **American Rescue Plan Act**

Recently, the Town was awarded a significant grant under the American Rescue Plan Act, (ARPA). Because the Town's award is well under the \$10 million annual exemption limit for flexible spending the guidelines supporting this grant allow the Town to spend the funds on essentially any government service.

We are observing few communities using a portion of these funds to balance their budgets as opposed to one-time items such as emergency snow overruns and capital expenditures. Very similar to prudent uses of free cash, we are suggesting that communities use caution when evaluating the use of these funds. Avoiding structural budget deficits by not using non-recurring revenue in its budget process should be strongly considered.

### **Investment Income**

Although interest rates on bank balances are near all-time lows, recent action and near-term future intentions by the Federal Monetary Oversight Committee to raise the rate on borrowing significantly over the next several months also signals that a similar impact on interest income yields is coming. It is important that the Town begin to aggressively monitor market activity relative to investment income and begin to manage yields efficiently once any positive trends are observed.

## **FINDINGS AND RECOMMENDATIONS**

### **Receivable Credit Balances**

Currently the Town has numerous credit balances included in their receivable listings. Most notably are those for sewer utility billing.

A credit balance is either an overpayment, which should be returned to the user or an error which should be corrected.

We suggest the Town research these credit balances in the sewer outstanding list and resolve these as soon as possible. As a project, the Town review all receivable balances (i.e. personal property, real estate, motor vehicle etc.)

If the Town is unable to identify the reasons for these credit balances, it could also advertise these as abandoned property and credit these as revenue if not claimed.

### **Old Bond and BAN Premium Liability**

The Town currently maintains over \$500,000 in a General Fund liability account related to bond and BAN premiums, some of which have aged five or more years. We suggest the Town research the detail of these balances, and post these with the Capital Projects with which they belong.

### **Stagnant Special Revenue Accounts**

As of June 30, 2021, the Town maintained 102 special revenue accounts that had no activity yet totaled almost \$1.9 million in fund balance. A few years ago, the Town completed a project to clean-up a lot of old accounts by reviewing these with department heads to see if they still have applicable uses or if they should be closed out. We suggest a similar project is undertaken with respect to these possible stagnant balances.

### **DESE/Chart of Accounts (repeated)**

The Massachusetts Department of Elementary and Secondary Education (DESE) requires all school districts to maintain an accounting system in accordance with 603 CMR 10.03(3)(a) which states:

Each school district shall utilize a financial reporting system that permits the reporting of all school district expenditures by fund source, object and function and permits the reporting of certain costs by program and school. The fund source, object, function, program, and school classifications for which reporting shall be required shall be those identified and described with specificity in the guidelines published by the Department.

The current MUNIS general ledger chart of accounts utilized by the Town and School does not include the DESE object codes and utilizes the DESE function codes inconsistently. As a result, the School is not in compliance with DESE regulations. In addition, the completion of the annual DESE End of Year Financial report is made more cumbersome as many costs must be allocated using multiple spreadsheets. We recommend that the School update its chart of accounts to

comply with DESE guidelines. This will most likely be a project that takes more than one fiscal year due to the need to redesign the chart of accounts and to have MUNIS implement the changes while keeping the historical activity in the general ledger. This would also be an opportune time for the Town to examine whether non-school accounts should also be updated to enhance reporting capabilities.

### **Tipping Fees (repeated)**

Tipping fees for the landfill are billed and collected by the Department of Public Works. The department's skill set is managing and performing public works projects; its efficiency and effectiveness in managing financial-based processes is not as great as within the Collector's Department.

We observed that the department's receivable aging deteriorated significantly. This occurs when amounts billed are not collected efficiently. Such a process, if left uncorrected, could lead to a write-off of a Town asset. Additionally, the build-up of receivables is a consumption of the Town's cash resources.

We recommend the Town's Finance Department to assess this situation and determine the cause for this. Once this is completed, a plan should be developed to bring this under control.

### **Water Inventory (repeated)**

In the prior year, we completed observation tests at the Wannacomet Water Department. The purpose of our test was to evaluate the controls associated with its inventory. We made the following recommendations as a result of our procedures:

1. Perform physical inventory counts periodically (semiannual is preferred, annual at a minimum)
2. Compare actual counts to the inventory records.
3. Investigate any variances.
4. Consider surveillance in the building, especially in the inventory areas.
5. Limit access to the "locked" room.
6. Place the meters in the locked room instead of the unlocked front room.
7. Write-off any variances that can't be resolved.
8. Write-off old obsolete inventory.

We understand that the Water Department Office Manager retired, and then the Covid pandemic hit. As a result, implementing these recommendations was understandably not given a high priority during the year. We understand that this is an area that will be addressed and corrected by the close of fiscal year 2022.

### **Payroll Tests (repeated)**

In the prior year, we tested twenty-five employees as part of a payroll test. We discovered that five had not completed and passed the State Ethics examination and eleven were missing I-9 Forms in their files. We recommend that the Town bring into compliance all employees who are currently in violation of these Human Resource covenants. In addition, we recommend that the Town begin a process whereby periodic payroll audits are completed as part of the Town's quality control process of payroll/personnel.

*We did not conduct specific tests in this area in the current year, however we are aware that the Town has yet to set up an internal audit process to satisfy the prior year comment.*

**Old Personal Property Receivable Balances (repeated)**

The Town has done a nice job cleaning up most of its old receivable balances. This was a comment in several previous letters to management. Both boat excise and motor vehicle excise are now carried for approximately six years on the Town's general ledger. However, the Town still maintains personal property taxes dating back to 1989, which serve to clutter the general ledger. Many of these balances are immaterial in relation to the overall Town activity and the only means of collection enforcement is through small claims court or enforced through nonrenewal of business permits.

In order to address this further, the Collector's Office can create a schedule and identify the holder of each account. This could then be cross referenced to the Town Clerk's Office where business permits are maintained. In doing so the Town could learn which businesses are still active and if in default, either revoke the business permit or not renew the business permit on next renewal.

Once these efforts have been exhausted, a request to the Assessors to abate the tax under MGL Chapter 59 Section 71 makes most sense using the following steps:

- a) If the collector is satisfied that a tax on tangible personal property is uncollectible because of death, absence, poverty, insolvency or other inability of the person assessed to pay, he/she may notify the assessors under oath that these taxes cannot be paid. The assessors must decide within 30 days after receipt of the notice whether to abate the personal property taxes.
- b) If an abatement is granted, the assessors must certify the abatement in writing to the collector. The certification will discharge the collector from any further obligation with respect to this tax.



# **TOWN OF NANTUCKET, MASSACHUSETTS**



## **ANNUAL COMPRHENSIVE FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2021**

On the cover: Nantucket's Main Street is one of the most beautiful thoroughfares in the world. Lined with lovely old houses, bustling shops, and the world-famous cobblestone streets this view at dusk highlights the beauty of the downtown. The cobblestones are a great part of the interest, charm, and folklore of the Island.



**Above:** For many years, the Easy Street Basin has been the gateway to Nantucket for visitors from around the world. Lined with cottages, the Boat Basin offers a front row panoramic view of Nantucket.

# **TOWN OF NANTUCKET, MASSACHUSETTS**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2021

C. Elizabeth Gibson, Town Manager



*Prepared by the Finance Department  
Brian E. Turbitt, Director of Municipal Finance*



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**TOWN OF NANTUCKET, MASSACHUSETTS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2021**

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# INTRODUCTORY SECTION



A Sconset neighborhood lined with summer cottages makes for a wonderful stroll after a day at the beach.

Photo credit: Jillian Eversole



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# Town and County of Nantucket Select Board • County Commissioners

Jason Bridges, Chair  
Kristie L. Ferrantella, Vice Chair  
Matthew Fee  
Dawn E. Hill Holdgate  
Melissa Murphy



16 Broad Street  
Nantucket, Massachusetts 02554

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C. Elizabeth Gibson  
Town & County Manager

## Letter of Transmittal

February 18, 2022

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

We are pleased to present the Town of Nantucket's eighth *Annual Comprehensive Financial Report* (ACFR). The report, which was prepared by the Town's Department of Municipal Finance, is for the fiscal year ended June 30, 2021, and its transmission satisfies one of this department's most important annual goals.

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

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

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and rating agencies as well as its citizens and taxpayers.

Since the report consists of management's representations concerning the finances of the Town, management assumes full responsibility for the completeness and reliability of all of the information presented. In addition, management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Nantucket'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.

The Town of Nantucket's financial statements have been audited by Roselli, Clark and Associates, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used as well as significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

### **Profile of the Town**

The Town is located on Nantucket Island and the adjacent islets of Tuckernuck and Muskeget. It is situated in the Atlantic Ocean and lies approximately 25 miles south of Cape Cod. It is bound by Nantucket Sound on the north and west, and by the Atlantic Ocean on the south and east. The Town has a total area of 304 square miles of which 45 square miles is land and 259 square miles is water. The island comprises the County of Nantucket, the smallest county in Massachusetts by land area.



Nantucket was deeded in 1641 by the English to merchants from Watertown, Massachusetts and Martha's Vineyard. In 1659 these merchants sold their interest in Nantucket to a group of investors led by Tristram Coffin for 30 pounds and two beaver hats. These investors began to populate Nantucket and in the 1670s the Nantucket whaling industry began. It was part of Dukes County, New York until 1691 when it was transferred to the Province of Massachusetts Bay and became Nantucket County. Nantucket's whaling industry boomed until around the mid 1800's when it was surpassed by New Bedford. This coupled with the great fire of 1846 sent the Town into an economic decline from which it took the better part of a century to recover. In the 1950's speculative developers began buying large parts of the island and restoring or developing them to eventually create a high-end market destination in the Northeast United States which is what it has evolved into in the present day. Nantucket is often credited as having home values amongst the highest in the United States, and presently, the Town's equalized valuation (market value) ranks fourth in Massachusetts behind Boston, Cambridge and Newton. In addition, according to the US Department of Commerce, Bureau of Economic Analysis, out of 3,144 county and county equivalents it is the 8<sup>th</sup> wealthiest county in the United States and the wealthiest in the Commonwealth of Massachusetts as of calendar year 2019.

Nantucket is a tourist destination and summer colony. The population of the island increases from just over 14,000 (per the 2020 Federal census) year-round to approximately 50,000 in the summer. It is approximately 90 air miles from Boston and 170 air miles from New York City.



The island is accessible year-round via ferry service served by the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority (Steamship Authority) and Hy-line Cruises (Hy-line) from the port of Hyannis. In calendar year 2020, the Steamship Authority reports transporting 379,468 passengers, 63,088 passenger vehicles and 48,310 commercial vehicles to Nantucket Island.

Hy-line reports 464,418 embarkations in calendar year 2020. The Hy-line and Steamship Authority fast ferries are very popular with professional daily commuters and contractors due to the speed of the transport, large capacity and frequency of travel.

The Hy-line launched a newer larger vessel during calendar 2017 which has led to increases in ridership.

There are also two seasonal ferry services to the island. The Freedom Cruise Line has been transporting passengers from Harwich, Massachusetts to Nantucket since 1994. The SeaStreak began operating two ferry routes in recent years, one originating from New Bedford, Massachusetts and the other, from New York City. Together, these seasonal services transported about 46,000 passengers during the summer of 2020. Covid-19 restrictions impacted ridership for all ferry services.



The Nantucket Regional Transit Authority ("NRTA") provides year-round fixed route shuttle service and year-round advance reservation van service ("Your Island Ride") for elders and persons with disabilities in Nantucket. The fixed route service operates daily with complementary para-transit service; and a less frequent schedule operates before Memorial Day and after Labor Day. The Your Island Ride van service operates year-round Monday through Friday.



The Town owns and operates its own municipal airport, Nantucket Memorial Airport, which provides daily service to Boston, New York, Hyannis, Martha's Vineyard and New Bedford, in addition to less frequent travel to Philadelphia and Washington D.C. The airport is serviced by 5 airlines, some of which are seasonal. Governed by the Nantucket Airport Commission, the airport is a self-supporting enterprise fund. It is located 3 miles southeast of the center of town and in calendar 2020 with approximately 47,964 enplanements it was the second busiest airport in the Commonwealth trailing only Logan International Airport in Boston.



The Town provides a full range of other traditional municipal services including police and fire protection, education, maintenance of streets, a sanitary landfill with materials recovery and composting facilities, water and sewer services, parks and recreational facilities and a town-owned pier. In addition, Nantucket also owns and operates Our Island Home, a nursing facility that provides long-term skilled nursing, short-term rehabilitation, palliative care and respite care for elderly island residents. It is a 45-bed smoke-free facility dually licensed in Medicaid and Medicare.

Nantucket prides itself on the quality of its school system. During fiscal year 2020 the Town administered four schools in Nantucket:

1. Nantucket High School (grades 9 – 12)
2. Cyrus Pierce Middle School (grades 6 – 8)
3. Nantucket Intermediate School (grades 3 – 5)
4. Nantucket Elementary School (grades PK – 2)

Construction on a new Intermediate School was completed in May 2017 and the school opened in September 2017. The Intermediate School was part of a planned \$50 million improvement to the entire District which also included the addition of classrooms to certain of the existing schools. It was constructed to enroll approximately 400 students and alleviate the space challenges of a growing student population.

The Nantucket Public Schools are set up campus style and are all within walking distance of each other. The new facility is located adjacent to the existing elementary school which has been converted to pre-k through 2. The Intermediate School is in the shaded area on the right-hand side of the sketch below along with the entrance to the new facility:



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

School enrollment for fiscal year 2021 was 1,666 (up 40% since 2007) and funding for schools is provided via taxation and governmental revenues based on a minimum net school spending formula established by the Massachusetts Department of Elementary and Secondary Education (ESE). The Town currently spends almost double the minimum legal requirement on each student.

The mission of the Nantucket Public Schools, in partnership with the community, is a “commitment to providing a challenging curriculum, skilled instruction, and a learning environment that responds to individual student academic needs. Work is guided by research and the belief that every student is capable

The mission of the Nantucket Public Schools, in partnership with the community, is a “commitment to providing a challenging curriculum, skilled instruction, and a learning environment that responds to individual student academic needs. Work is guided by research and the belief that every student is capable of attaining high levels of educational achievement in preparation for meeting the rigorous demands of the twenty-first century.”

The Town operates under the select board, town manager and open town meeting form of government. The five elected Select Board members, who are elected to three-year staggered terms, make policy decisions, and the Town Manager is responsible for carrying out and enforcing the policies of the Select Board and for managing the day-to-day operations of the Town.

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

### **Factors Affecting Economic Condition**

#### ***Property Tax***

The growth of the Town’s main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden through a vote of Town Meeting and a ballot vote by the voters. While revenue increases have been limited in recent years, fixed costs, including health insurance and pension costs, have increased more proportionally. As a result, balancing the annual budget can be a challenge.

Given its geographical location and the limitations of being an island, the Town does not have a large commercial and industrial property tax-base: approximately 89% of the Town’s property taxes are residential. Given the many needs and annual cost to provide services on the island, new growth typically has been a factor in the Town’s ability to maintain those services. While new growth is one of the many sources of revenue in the annual operating budget, the Town strives to limit its reliance on new growth.

Table 1 summarizes the Town’s building activity and new growth over the prior 8 calendar years:

| Table 1       |              |                   |                       |                  |
|---------------|--------------|-------------------|-----------------------|------------------|
| Calendar Year | # of Permits | Residential Value | Non-Residential Value | Total Value      |
| 2020          | 1,509        | \$ 221,396,513    | \$ 24,697,740         | \$ 246,094,253   |
| 2019          | 1,684        | 241,085,740       | 19,518,542            | 260,604,282      |
| 2018          | 1,931        | 279,741,490       | 35,400,799            | 315,142,289      |
| 2017          | 1,997        | 231,373,761       | 106,242,699           | 337,616,460      |
| 2016          | 780          | 188,525,945       | 80,796,833            | 269,322,778      |
| 2015          | 966          | 206,697,965       | 21,942,351            | 228,640,316      |
| 2014          | 924          | 192,783,729       | 20,912,023            | 213,695,752      |
| 2013          | 1,384        | 155,601,701       | 18,099,456            | 173,701,157      |
| Total         | 11,175       | \$1,717,206,844   | \$ 327,610,443        | \$ 2,044,817,287 |

The Town’s strong growth as summarized in Table 1 has allowed the Town’s taxpayers the benefit of reduced property taxes through an unused levy capacity. In fact, as a result of the strong unused levy capacity, the taxpayers benefitted from an average real estate tax savings of approximately 2.9% over the past seven years.

This is summarized in Table 2 below:

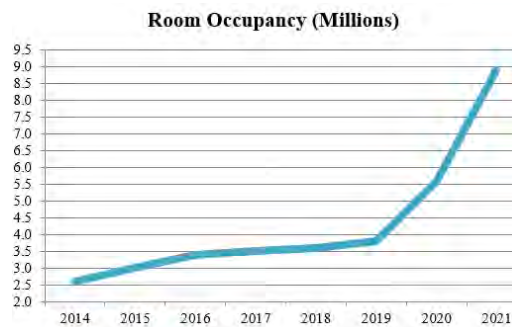
| Fiscal Year | Levy Limit     | Levy           | Unused Levy Capacity | Tax savings |
|-------------|----------------|----------------|----------------------|-------------|
| 2021        | 89,864,322     | 88,899,100     | 965,222              | 1.07%       |
| 2020        | 87,400,494     | 84,281,637     | 3,118,857            | 3.57%       |
| 2019        | 82,666,738     | 80,158,835     | 2,507,903            | 3.03%       |
| 2018        | 79,723,200     | 78,168,480     | 1,554,720            | 1.95%       |
| 2017        | 75,399,121     | 74,553,652     | 845,469              | 1.12%       |
| 2016        | 72,429,696     | 69,636,374     | 2,793,322            | 3.86%       |
| 2015        | 69,792,303     | 66,329,953     | 3,462,350            | 4.96%       |
| 2014        | 67,372,224     | 64,647,039     | 2,725,185            | 4.04%       |
|             | \$ 624,648,098 | \$ 606,675,070 | \$ 17,973,028        | 2.88%       |

### Industry

Tourism represents a significant portion of the Town's private employment on the Island, and thus is an important component of the Town's economy. The management of Nantucket's tourism industry is aided by the Town's Culture and Tourism department, which is supported through revenues from local option room occupancy excise collections.

The following table illustrate revenues from this source in each of the last seven fiscal years:

| Fiscal Year | Amount    |
|-------------|-----------|
| 2021        | 8,945,468 |
| 2020        | 5,553,748 |
| 2019        | 3,807,930 |
| 2018        | 3,622,242 |
| 2017        | 3,498,400 |
| 2016        | 3,428,604 |
| 2015        | 3,041,496 |



In addition, increased construction over the past several years has had a dramatic impact on these local revenues as workers are often on the island for weeks at a time and stay at guest houses and other available lodging.

Throughout the year, the Island hosts numerous events, the major ones being summarized in the table to the right.

This has in effect lengthened the tourist season and had a positive impact on the local economy.



| Event                                 | Month    |
|---------------------------------------|----------|
| Daffodil Festival                     | April    |
| Wine Festival                         | May      |
| Book Festival                         | June     |
| Dance Festival                        | June     |
| Film Festival                         | June     |
| Independence Day Fireworks            | July     |
| Independence Day Downtown Celebration | July     |
| Comedy Festival                       | July     |
| Nantucket Triathlon                   | July     |
| Race Week                             | August   |
| Boston Pops                           | August   |
| Nantucket Half-Marathon               | October  |
| Cranberry Festival                    | October  |
| Arts Festival                         | October  |
| Holiday Stroll Weekend                | December |

## ***Economic Development***

*Harbor Place* - The Town's downtown center remains a vibrant hub for small retail establishments, hospitality/resorts and restaurants. The Nantucket Island Chamber of Commerce, founded in 1937 and incorporated in 1954, has a diverse membership comprised of more than 650 businesses. The Town, including the Nantucket Planning and Economic Development Commission and C+T department, has an on-going relationship with the Chamber involving the Town's economic issues.

In 2008 at the annual town meeting, the town approved a study of an area called Harbor Place; previously referred to as the Wilkes Square Redevelopment site, which includes National Grid, Winthrop Management LLP, and Nantucket Island Resorts properties. To that end, the Select Board established a Downtown Revitalization Committee and charged it with identifying goals for the Nantucket downtown area that balance economic strength with community preservation and encourage greater venues for social activity while recognizing the importance of planning.



The focus of the study was to:

- Attract a wide range of individuals through a multifunctional environment including: housing, work, shopping, culture, entertainment, government, and tourist attractions.
- Balance the human, social, and economic needs with the infrastructure requirements of parking, public transportation, bike racks, road access, traffic flow, sidewalks, and water front walkways.
- Attract commercial business to locate downtown by providing guidance on financing, zoning, and preliminary site design.
- Protect the unique qualities, historical significance, and feel of the Town.
- Incorporate attractive space for civic gatherings. The study area is approximately a 5.65-acre area bounded by Main Street, Commercial Street, Washington Street, and New Whale Street. The site is currently owned by multiple landowners. The site's close proximity to downtown and its

waterfront location, present an extraordinary opportunity for the Town to develop its waterfront into a mixed-use gateway that will be a common ground for year-round residents as well as seasonal residents and visitors. The vision for the site offers strategic opportunities to resolve or clarify long-standing infrastructure and transportation issues in Town, affords a strong vision for the program including a hotel, residential development, retail, dining and social venues.

Recently, the landowners, who consist of National Grid, Winthrop Management LLP, and Nantucket Island Resorts collaborated to roll out a conceptual framework for the plan that includes 3 phases: (1) a transportation center, (2) relocation of the grocery store, and (3) a facelift of the area closest to the waterfront with a mixed-use component in the center of the new layout. The current roadways would be realigned after the relocation/reconfiguration of the existing parking lot.

Key to the plan was the removal of the fuel tank farm behind Stop and Shop. In 2016, the Town executed a purchase and sale agreement with Harbor Fuel Corporation to relocate the fuel tank farm to an area outside the downtown. This was completed in September 2021. Another concept is the transportation center which includes a bus station, a parking facility and pedestrian services. This is expected to accommodate the increase in activity of fast-boat traffic and make space available for parking with the ultimate goal to attract year-round activity to the downtown area and thus boosting the future, local economy even further. As part of the preliminary plan, the Town would ultimately own the transportation facility property.

*Nantucket Cottage Hospital (NCH)* – One of the largest recent construction projects was completed and open during fiscal 2019. NCH is the only medical facility on the island providing primary, urgent, emergency and surgical care, as well as outpatient services and appointments with medical and surgical specialists.

In recent years, the community had outgrown the 104-year-old facility as studies have shown it was in need of costly major maintenance and repairs; and despite its affiliation with Massachusetts General Hospital MGH, arguably one of the finest facilities in the world, it was in danger of losing its accreditation with the Massachusetts Department of Public Health.



In order to address this dire need, NCH underwent a capital fund-raising campaign and was able to raise the \$120 million need for construction completely from private donations, debt-free and without the use of taxpayer dollars. This project was expanded to complete the hospital campus with new housing for medical staff. MGH committed to donating \$20 million and 65 other benefactors each donated at least \$250,000 each.

The new building is roughly 106,000 square feet and has been designed to maximize privacy, safety, and efficiency in the way modern health care is delivered.

The plan also calls for improvements to the entire grounds.

The next phase in completing the hospital campus includes plans to build flexible-design housing units that will be capable of serving a range of hospital employees. The building will be located across the street from the hospital on land NCH already owns, enabling employees to simply walk to work. The building will feature the latest in apartment amenities and a flexible design by using the model of extended stay hotels. Below is an artist rendition.



*Old South Road Properties* Richmond Great Point Development LLC (RGPD) is currently constructing a planned mixed market rate/affordable rate three-phase complex along Old South Road near Nantucket Memorial Airport. The goal of RGPD is to make the best and most appropriate use of the company's land portfolio through the development of a thoughtful mixed-use plan; and thus, providing a solution to the critical lack of diverse housing stock on the island.

One of the largest housing developments in Island history, the project moved a major step forward in March 2017 when both Phase two and Phase three were approved by the Planning Board. The vote was unanimous with no public comment.

The three phases of the development are summarized as follows:

Phase one (Meadows I) consists of rental apartments that include 28 market rate apartment units. These are studio, one and two-bedroom options. This was completed in the Winter of 2018. See design and rendition below:

Phase two (Meadows II) sits on 14.5 acres that include 225 apartment units that include both market and affordable rate units. These are also studio, one and two-bedroom.

Phase three (Sandpiper Place) consists of 94 single family homes for two, three and four-bedroom homes which are both mixed and affordable rate housing.



### Apartment Amenities

- Attractive mid-Island location
- Convenient access to airport, supermarket, restaurants
- High-quality new construction
  - High-quality, fully appliances kitchens
- Well-lit, landscaped community
- Plenty of parking
- Reasonable and competitive rents for year-round Nantucket residents
- Year-round leases



**Efficiency**

- 367 square feet
- Galley kitchen
- In-unit washer & dryer



**1 Bedroom**

- 493 square feet
- Eat-in kitchen
- In-unit full size washer & dryer



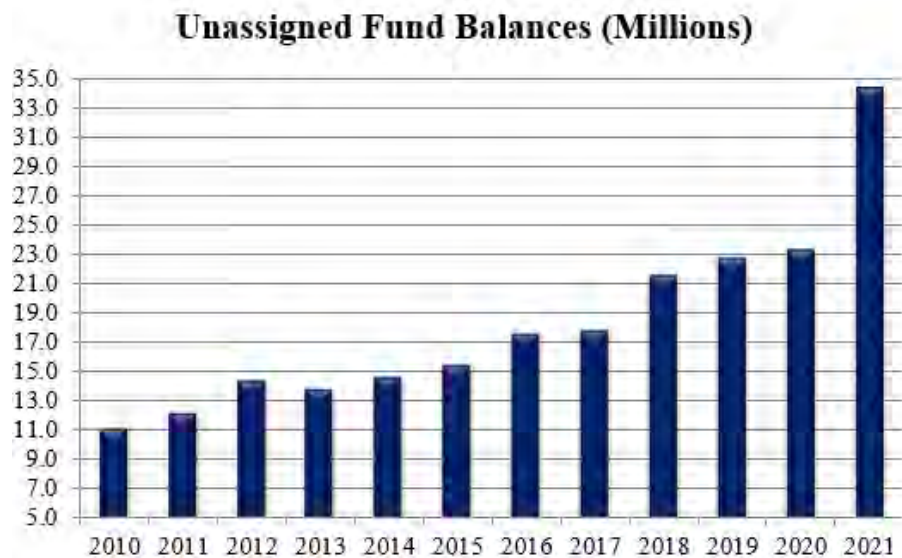
**2 Bedrooms**

- 795 square feet
- Separate dining and living rooms
- In-unit full size washer & dryer

### Unassigned Fund Balances

One of the methods the Town uses to maintain reserves from year to year is to conservatively forecast revenues. This allows the Town to use free cash (surplus) for reserves, capital projects or other non-operating one-time expenses. Since the Town has a significant level of unused levy capacity as previously discussed, the challenge of conservatively forecasting revenue is diminished and as a result, the Town has been able to maintain and/or increase reserves from year to year.

The Town's unassigned fund balance trend since 2010 is illustrated below:



## Long-term Financial Planning

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

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

| Fiscal Year | Real and Personal Property Taxes | Motor Vehicle Excise | Rooms and Meals Excise | Permits   | State Aid | Miscellaneous | Total       |
|-------------|----------------------------------|----------------------|------------------------|-----------|-----------|---------------|-------------|
| 2022        | 95,470,203                       | 2,750,000            | 7,450,000              | 1,250,000 | 3,961,774 | 3,080,846     | 113,962,823 |
| 2023        | 98,856,958                       | 2,777,500            | 7,450,000              | 1,262,500 | 4,001,392 | 3,111,654     | 117,460,004 |
| 2024        | 102,328,382                      | 2,805,275            | 7,450,000              | 1,275,125 | 4,041,406 | 3,142,771     | 121,042,959 |
| 2025        | 105,886,592                      | 2,833,328            | 7,450,000              | 1,287,876 | 4,081,820 | 3,174,199     | 124,713,814 |
| 2026        | 109,533,756                      | 2,861,661            | 7,450,000              | 1,300,755 | 4,122,638 | 3,205,941     | 128,474,751 |

The Town expects that annual budget sources as forecasted will be sufficient to fund annual appropriations. The above projections do not include those of the solid waste or Our Island Home activities. Those are included in the GAAP presentation in the financials as governmental activities but are treated as enterprise funds by the Town.

## Capital Improvements

The Town continues to invest aggressively in capital improvements. In the past several years the Town has invested almost \$300 million in improving facilities and adding much needed infrastructure, and renovations to the Island.

The following were key capital initiatives:

- Improvement to Nantucket Memorial Airport, much of which was funded from Federal grants, almost \$90 million.
- Renovation of the Town Pier financed in part with storm assistance funds from FEMA.
- Improvements to municipal water infrastructure: almost \$25 million.
- Improvements to Siasconset water infrastructure: almost \$9 million.
- Improvements to municipal sewer infrastructure: almost \$100 million; (over \$21 million during fiscal 2018), some of this funded through the State subsidized, low interest loan program.
- Improvements to Schools: over \$40 million.
- A new Police Station and Fire Station in a Public Safety compound; combined cost about \$36 million.
- Improvements to roads, sidewalks, and bike paths. Total cost of almost \$15 million, half of which was funded through the State Chapter 90 Road Funding Program.



In addition, the Town has prepared a capital improvement plan that includes proposed significant additions over the next five to ten years. These are still in the discovery and approval process and there are no guarantees they will ultimately be approved.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. This is a very prestigious award and in order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The GFOA awarded this Certificate of Achievement for Excellence in Financial Reporting to the Town of Nantucket for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the seventh consecutive year that the Town has received this prestigious award.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report will meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for this certificate.

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

Respectfully submitted,



C. Elizabeth Gibson  
Town Manager



Brian E. Turbitt  
Director of Municipal Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

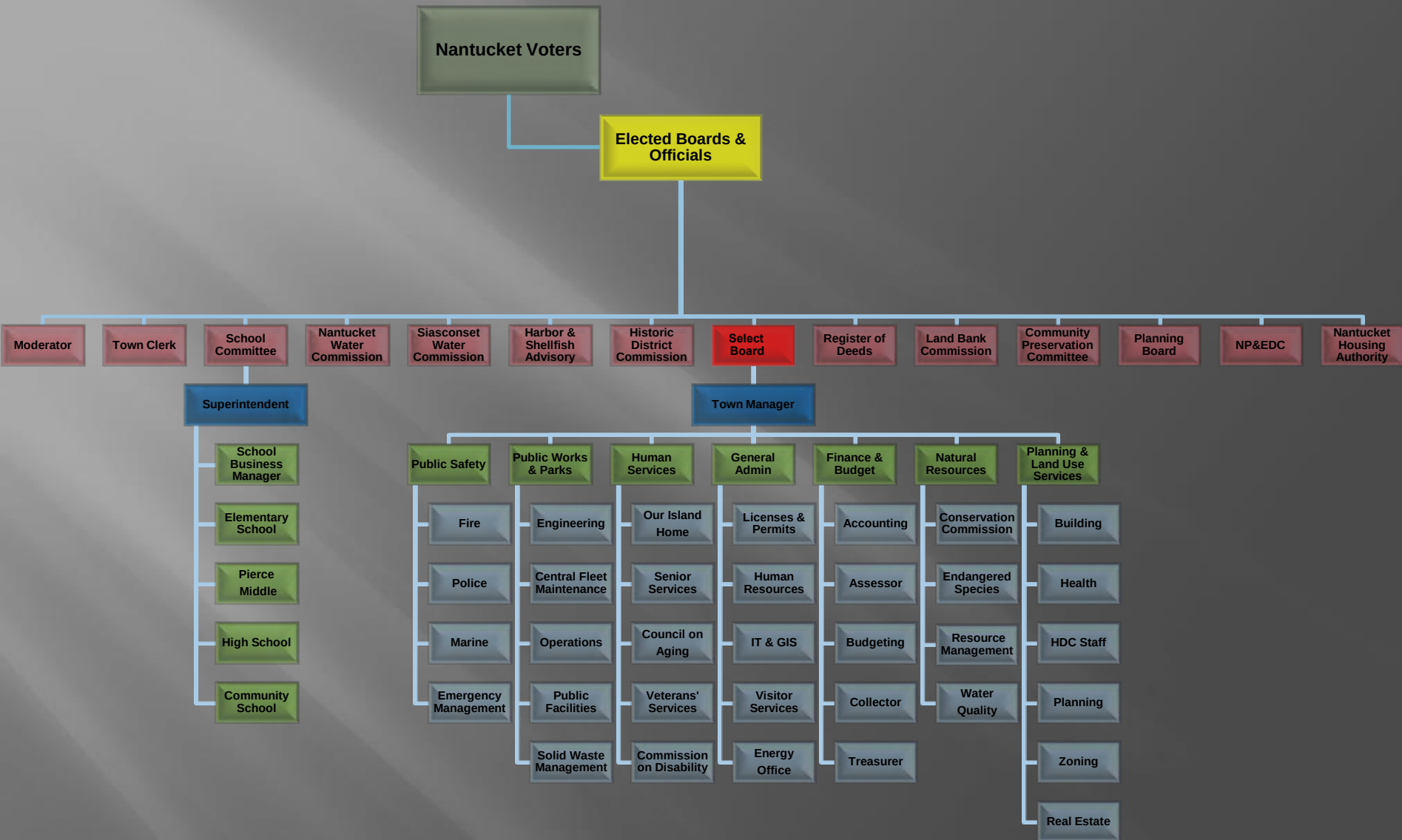
Presented to

**Town of Nantucket  
Massachusetts**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

Executive Director/CEO



**PRINCIPAL TOWN OFFICIALS**  
**As of June 30, 2021**

Elected Officials

|                              |                                                                                                                            |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Select Board                 | Jason Bridges, Chair<br>Kristie L. Ferrantella, Vice Chair<br>Melissa Murphy<br>Matthew Fee<br>Dawn E. Hill Holdgate       |
| Town Moderator<br>Town Clerk | Sarah Alger, Esquire<br>Nancy L. Holmes                                                                                    |
| School Committee             | Dr. Timothy Lepore, Chairman<br>Pauline Proch, Vice Chairman<br>Laura Gallagher Byrne<br>Anthony Fox<br>Esmeralda Martinez |

Appointed Financial Committees

|                   |                                                                                                                                                                                                         |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Committee   | Melissa Murphy<br>Dawn E. Hill Holdgate<br>Denice Kronau                                                                                                                                                |
| Finance Committee | Denice Kronau, Chairman<br>Stephen Maury, Vice Chairman<br>Christopher Glowacki<br>Peter A. McEachern<br>Jill Vieth<br>Joseph T. Grause, Jr.<br>Peter N. Schaeffer<br>Joanna Roche<br>George Harrington |

Principal Executive Officers

|                           |                     |
|---------------------------|---------------------|
| Town Manager              | C. Elizabeth Gibson |
| Superintendent of Schools | Elizabeth Hallett   |
| Director of Finance       | Brian E. Turbitt    |

# FINANCIAL SECTION



The Greydon House located on Broad Street is a popular summer destination down-town. The hotel/restaurant with 20 rooms provides a centrally located spot to visit many of the other attractions on the island.



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**ROSELLI, CLARK & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

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Suite 4900  
Woburn, MA 01801

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Select Board  
Town of Nantucket, Massachusetts

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the Town of Nantucket, Massachusetts, (the "Town") as of and for the year ended June 30, 2021 which collectively comprise the Town's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Nantucket Islands Land Bank, a discretely presented component unit that represents 100% of the Nantucket Islands Land Bank Component unit column as presented in the financial statements. 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 this discretely presented component unit, is based solely on the report of the other auditors.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Restatement of Prior Year Ending Balances**

As more fully described in Note V, a restatement of prior year ending net position balances was made to the Town's governmental activities and nonmajor governmental funds. Our opinion was not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance

Town of Nantucket  
Page Three

with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report February 18, 2022 on our consideration of the Town of Nantucket, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

*Roselli, Clark & Associates*

Roselli, Clark and Associates  
Certified Public Accountants  
Woburn, Massachusetts 01801  
February 18, 2022



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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 units for the fiscal year ended June 30, 2021.

### **Financial Highlights**

- The assets and deferred outflows of financial resources of the Town exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by over \$292.3 million (*total net position*).
- The government's total net position increased by almost \$20.2 million (over 7.4% of total net position) over the prior year. This consisted of a minor (less than 1%) decrease in governmental activities' net position, or about \$0.2 million, offset by an increase in business-type activities' net position by over \$20.4 million (about 15.0% of business-type activities' net position).

Detail of these changes is provided in the Government-wide financial analysis section of the Management Discussion and Analysis.

- The Town's unassigned fund balance reported in the General Fund was about \$34.5 million (30.4% of General Fund expenditures). Total fund balance in the General Fund was over \$53.1 million (46.9% of General Fund expenditures). The Town reported a fund balance of almost \$10.6 million in its Town Capital Projects Fund and reported total fund balances of almost \$23.1 million in the Combined Nonmajor Governmental Funds.

Detail of these balances and changes is provided under the Governmental Funds section of the Management Discussion and Analysis.

- The Town's total debt increased by over \$13.5 million during the fiscal year.

Detail of this net increase is provided under the capital and debt administration section of the Management Discussion and Analysis.

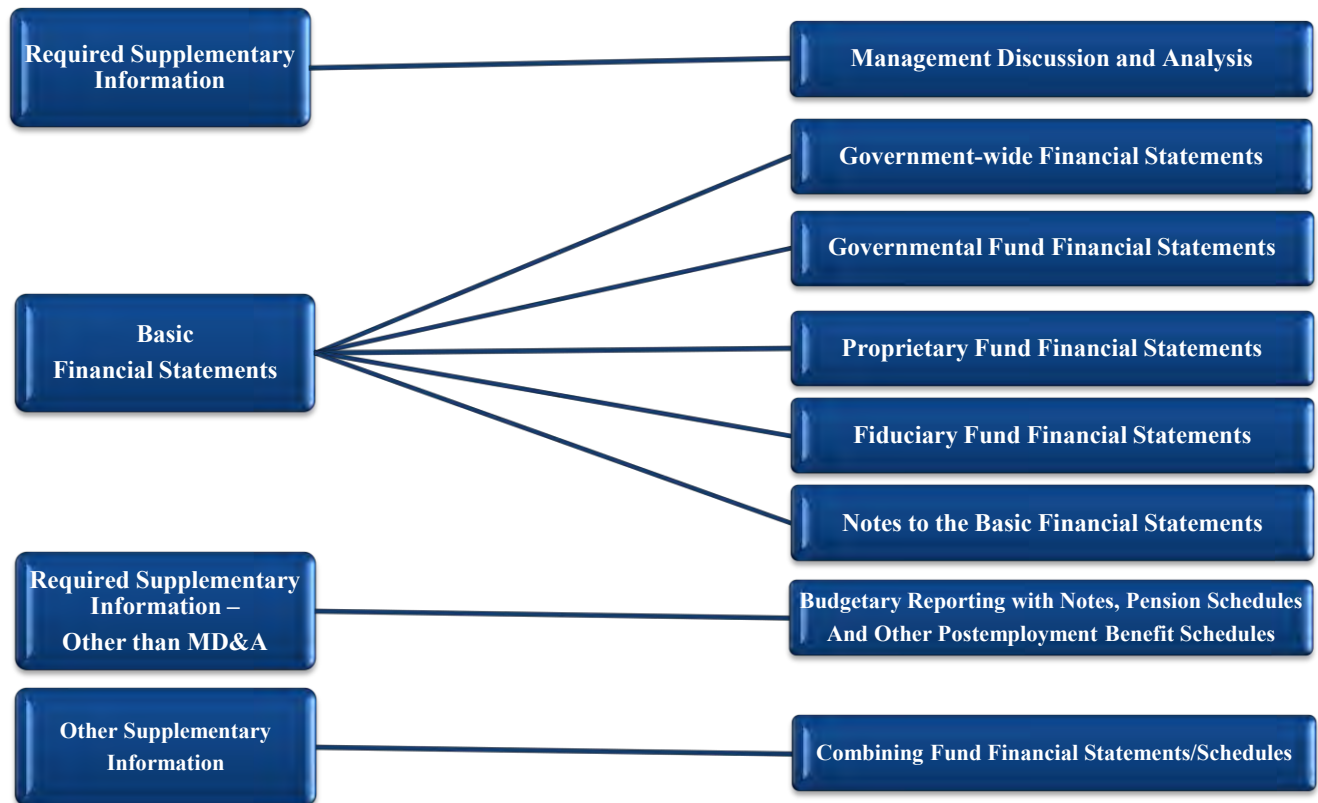
- The Town maintained its bond rating of Aaa. The rating was provided by Moody's Investor Services.

### **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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

The layout and relationship of the financial statements and supplementary information is visually illustrated as follows:



**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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these 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) *component units*.

The Town’s governmental activities consist of:

1. General government;
2. Public safety;
3. Education;
4. Public works;
5. Health and human services;
6. Culture and recreation; and,
7. Interest expense.

The Town's business-type activities consist of:

1. Siasconset Water District;
2. Wannacomet Water District;
3. Sewer; and
4. Nantucket Memorial Airport.

The Town's component units consist of:

1. Nantucket County; and
2. Nantucket Islands Land Bank.

**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, and Town 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.

***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 self-insured health insurance 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 statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's proportionate share of net pension liability, contributions to pension plan, information regarding the Town's special funding situation for teacher contributions to pensions and funding and contribution progress of the Town's other postemployment benefits to its employees as well as the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of financial resources exceeded liabilities and deferred inflows of financial resources by over \$292.3 million at the close of the most recent fiscal year.

The condensed Statement of Net Position is as follows:

|                                              | <b>Governmental Activities</b> |                       | <b>Business-Type Activities</b> |                       | <b>Total</b>          |                       |
|----------------------------------------------|--------------------------------|-----------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
|                                              | June 30                        |                       | June 30                         |                       | June 30               |                       |
|                                              | 2021                           | 2020                  | 2021                            | 2020                  | 2021                  | 2020                  |
| <b><u>Assets</u></b>                         |                                |                       |                                 |                       |                       |                       |
| Current and other assets                     | \$ 128,490,491                 | \$ 112,271,384        | \$ 50,160,696                   | \$ 33,620,210         | \$ 178,651,187        | \$ 145,891,594        |
| Capital assets, net                          | 333,760,463                    | 325,836,624           | 250,203,262                     | 239,550,834           | 583,963,725           | 565,387,458           |
| <b>Total assets</b>                          | <b>462,250,954</b>             | <b>438,108,008</b>    | <b>300,363,958</b>              | <b>273,171,044</b>    | <b>762,614,912</b>    | <b>711,279,052</b>    |
| <b><u>Deferred outflows of resources</u></b> | <b>26,120,177</b>              | <b>25,086,023</b>     | <b>3,398,709</b>                | <b>3,251,670</b>      | <b>29,518,886</b>     | <b>28,337,693</b>     |
| <b><u>Liabilities</u></b>                    |                                |                       |                                 |                       |                       |                       |
| Long-term liabilities                        | 311,748,657                    | 294,039,447           | 121,196,416                     | 117,510,938           | 432,945,073           | 411,550,385           |
| Other liabilities                            | 25,013,053                     | 23,355,773            | 24,122,728                      | 20,741,750            | 49,135,781            | 44,097,523            |
| <b>Total liabilities</b>                     | <b>336,761,710</b>             | <b>317,395,220</b>    | <b>145,319,144</b>              | <b>138,252,688</b>    | <b>482,080,854</b>    | <b>455,647,908</b>    |
| <b><u>Deferred inflows of resources</u></b>  | <b>15,803,300</b>              | <b>10,360,923</b>     | <b>1,908,569</b>                | <b>2,066,922</b>      | <b>17,711,869</b>     | <b>12,427,845</b>     |
| <b><u>Net Position</u></b>                   |                                |                       |                                 |                       |                       |                       |
| Net investment in capital assets             | 225,048,258                    | 230,221,877           | 131,905,999                     | 127,049,683           | 356,954,257           | 357,271,560           |
| Restricted                                   | 24,076,562                     | 21,770,947            | -                               | -                     | 24,076,562            | 21,770,947            |
| Unrestricted                                 | (113,318,699)                  | (116,554,936)         | 24,628,955                      | 9,053,421             | (88,689,744)          | (107,501,515)         |
| <b>Total Net Position</b>                    | <b>\$ 135,806,121</b>          | <b>\$ 135,437,888</b> | <b>\$ 156,534,954</b>           | <b>\$ 136,103,104</b> | <b>\$ 292,341,075</b> | <b>\$ 271,540,992</b> |

By far, the largest portion (over \$356.9 million) of the Town's net position reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding.

The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, almost \$24.1 million, of the Town's net position represents resources that are subject to external restrictions on how they may be used. *Unrestricted net position* reflects the remainder of net position; a deficit of about \$88.7 million. This consisted of Governmental activities unrestricted net position which is in a deficit position of over \$113.3 million offset by unrestricted net position in the Business-type funds of over \$24.6 million. The recognition of Net Other Postemployment Benefits Liability and Net Pension Liability has reduced the Town's net position significantly in both its Governmental and Business-Type activities. This has led to the significant deficit in the Governmental activities unrestricted net position.

Condensed changes in net position data is presented as follows:

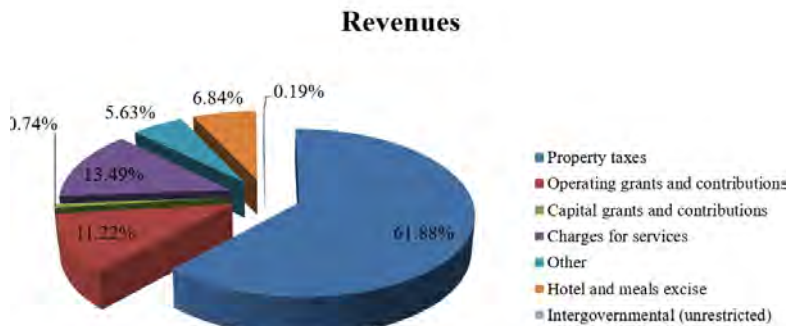
|                                                 | <b>Governmental Activities</b> |                       | <b>Business-Type Activities</b> |                       | <b>Total</b>          |                       |
|-------------------------------------------------|--------------------------------|-----------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
|                                                 | <u>June 30</u>                 |                       | <u>June 30</u>                  |                       | <u>June 30</u>        |                       |
|                                                 | <u>2021</u>                    | <u>2020</u>           | <u>2021</u>                     | <u>2020</u>           | <u>2021</u>           | <u>2020</u>           |
| <b><u>Revenues</u></b>                          |                                |                       |                                 |                       |                       |                       |
| Program revenues:                               |                                |                       |                                 |                       |                       |                       |
| Charges for services                            | \$ 19,315,537                  | \$ 14,841,539         | \$ 32,909,280                   | \$ 29,125,632         | \$ 52,224,817         | \$ 43,967,171         |
| Operating grants and contributions              | 16,062,638                     | 14,895,880            | 3,560,965                       | 658,259               | 19,623,603            | 15,554,139            |
| Capital grants and contributions                | 1,062,956                      | 859,038               | 16,370,498                      | 5,006,466             | 17,433,454            | 5,865,504             |
| General revenues:                               |                                |                       |                                 |                       |                       |                       |
| Property taxes                                  | 88,601,808                     | 84,077,242            | -                               | -                     | 88,601,808            | 84,077,242            |
| Hotel and meals excise                          | 9,797,223                      | 6,654,185             | -                               | -                     | 9,797,223             | 6,654,185             |
| Intergovernmental                               | 278,227                        | 269,158               | -                               | -                     | 278,227               | 269,158               |
| Other                                           | 8,068,419                      | 6,868,385             | 67,831                          | 150,100               | 8,136,250             | 7,018,485             |
| <b>Total Revenues</b>                           | <b>143,186,808</b>             | <b>128,465,427</b>    | <b>52,908,574</b>               | <b>34,940,457</b>     | <b>196,095,382</b>    | <b>163,405,884</b>    |
| <b><u>Expenses</u></b>                          |                                |                       |                                 |                       |                       |                       |
| General government                              | 20,368,598                     | 14,739,182            | -                               | -                     | 20,368,598            | 14,739,182            |
| Public safety                                   | 22,246,562                     | 21,070,019            | -                               | -                     | 22,246,562            | 21,070,019            |
| Education                                       | 60,956,805                     | 59,004,917            | -                               | -                     | 60,956,805            | 59,004,917            |
| Public works                                    | 22,181,705                     | 18,470,036            | -                               | -                     | 22,181,705            | 18,470,036            |
| Health and human services                       | 9,195,506                      | 8,753,033             | -                               | -                     | 9,195,506             | 8,753,033             |
| Culture and recreation                          | 3,792,528                      | 4,272,867             | -                               | -                     | 3,792,528             | 4,272,867             |
| Debt service                                    | 2,782,017                      | 2,942,449             | -                               | -                     | 2,782,017             | 2,942,449             |
| Siasconset water                                | -                              | -                     | 412,501                         | 661,611               | 412,501               | 661,611               |
| Wannacomet water                                | -                              | -                     | 4,746,503                       | 4,575,055             | 4,746,503             | 4,575,055             |
| Sewer                                           | -                              | -                     | 11,591,322                      | 10,230,935            | 11,591,322            | 10,230,935            |
| Nantucket Memorial Airport                      | -                              | -                     | 17,630,422                      | 16,864,915            | 17,630,422            | 16,864,915            |
| <b>Total Expenses</b>                           | <b>141,523,721</b>             | <b>129,252,503</b>    | <b>34,380,748</b>               | <b>32,332,516</b>     | <b>175,904,469</b>    | <b>161,585,019</b>    |
| Change in net position before transfers         | 1,663,087                      | (787,076)             | 18,527,826                      | 2,607,941             | 20,190,913            | 1,820,865             |
| Transfers                                       | (1,904,024)                    | (755,164)             | 1,904,024                       | 755,164               | -                     | -                     |
| Change in net position                          | (240,937)                      | (1,542,240)           | 20,431,850                      | 3,363,105             | 20,190,913            | 1,820,865             |
| Net position, beginning of year                 | 135,437,888                    | 135,803,491           | 136,103,104                     | 132,739,999           | 271,540,992           | 268,543,490           |
| Restatement for agency funds                    | 609,170                        | -                     | -                               | -                     | 609,170               | -                     |
| Restatement for housing trust                   | -                              | 1,176,637             | -                               | -                     | -                     | 1,176,637             |
| Net position, beginning of year,<br>as restated | <u>136,047,058</u>             | <u>136,980,128</u>    | <u>136,103,104</u>              | <u>132,739,999</u>    | <u>272,150,162</u>    | <u>269,720,127</u>    |
| Net position, end of year                       | <u>\$ 135,806,121</u>          | <u>\$ 135,437,888</u> | <u>\$ 156,534,954</u>           | <u>\$ 136,103,104</u> | <u>\$ 292,341,075</u> | <u>\$ 271,540,992</u> |

**Governmental Activities** – The governmental activities experienced a net decrease in net position by over \$0.2 million (after factoring the impact of a prior period adjustment to reflect the implementation of GASB 84) as revenues and expenses approximated one another.

## Revenues

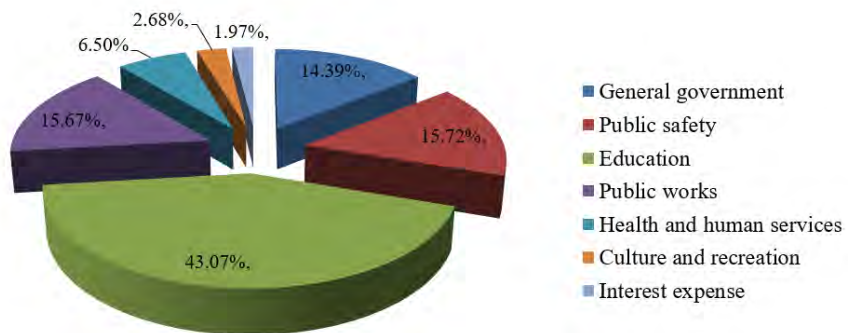
Total revenue increases were over \$14.7 million. Specific causes for this increase were:

(1) Property taxes, which made up 61.9% of total revenues or an increase of \$4.5 million. This was in line with the amount budgeted by the Town during its rate setting process and was within the permissible amount allowable by a Massachusetts statute that limits the increase in taxes to 2.5% of the prior year plus any new growth. The Town still manages to maintain a healthy unused levy capacity despite the increase. (2) User charges, which saw an increase in solid waste due to timing impacts of Covid-19 of \$0.5 million and an increase in third-party payments from the Island Home Nursing facility of over \$2.5 million. Total user charges represented about 13.5% of total revenue. (3) Hotel excise increased over \$3.0 million as tourism was up due to restricted overseas travel due to Covid-19. This represented about 6.8% of total revenue. All other revenue types were higher than the prior year due to increased activity caused by tourism. These increases were spread in smaller amounts across these smaller revenue types.



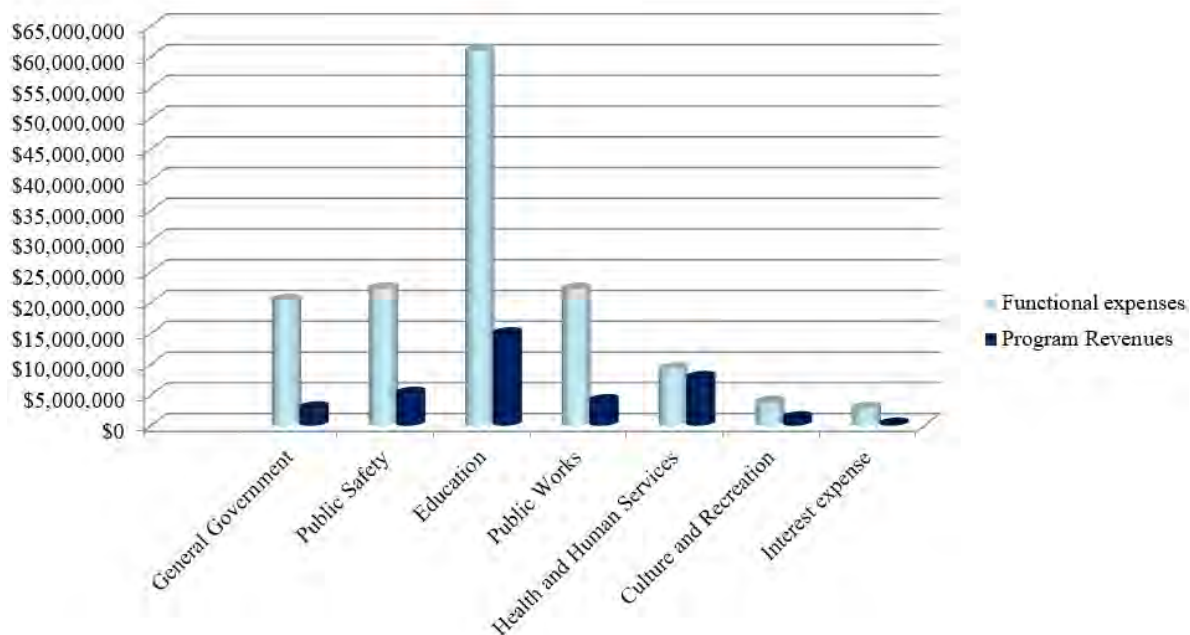
## Expenses

Total expenses increased by over \$12.2 million. Education is by far the largest expense and represented about 43.0% of total expenses. Education expenses increased almost \$2.0 million over the prior year due primarily to increased benefits and general cost of living increases. General Government expenses which represent 14.4% of total expenses increased \$5.6 million primarily due to increased activity in the



Town's Affordable Housing initiatives. Public works expenses which represented 15.7% of total expenses increased by about \$3.7 million. This was primarily due to an increase in solid waste disposal costs and capital related items that were expensed as maintenance due to not meeting the Town capitalization policy. All other expense categories were consistent with the prior year and fluctuated mainly due to pension and OPEB allocations.

Fiscal Year 2021 Expenses and Program Revenues – governmental activities are graphically presented as follows:



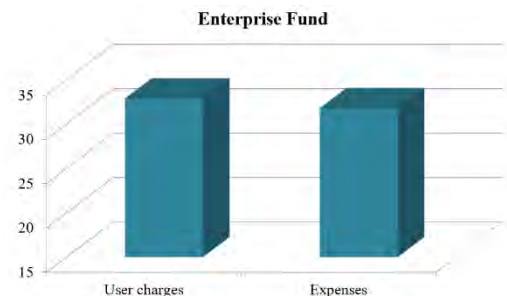
Net position of the business-type activities increased by almost \$20.4 million from the prior year balances. This included the annual adjustment to reflect activity between the internal funds and the enterprise funds which was trivial in 2021.

|                            |                      |
|----------------------------|----------------------|
| Siasconset Water District  | \$ 702,526           |
| Wannacomet Water District  | 2,416,074            |
| Sewer                      | 1,108,185            |
| Nantucket Memorial Airport | 16,139,319           |
| <b>Total Change</b>        | <b>\$ 20,366,104</b> |

In its Business-type activities, the Town’s user charges are not designed to cover depreciation which is a component of the “change in net position” but does budget for principal payback of debt which is not a component of the “change in net position”. The difference in these two items impacts the “change in net position” on a GAAP basis.

The more significant changes were due to the Airport receiving almost \$17.7 million in grants, many which were Covid-19 related.

The Wannacomet Water District experienced a surge in connections which resulted in higher connection fees and overall consumption.



In addition, with respect to Siasconset and Wannacomet, principal payback of debt is larger than depreciation, therefore the positive results are expected; also, seasonal weather patterns contributed to increased usage and positive operations of these two operations to explain the additional difference. In the instance of Sewer, depreciation and principal payback approximate one another.

## **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 almost \$86.8 million, an increase of almost \$11.5 million over the prior year.

Unassigned fund balance in the general fund was almost \$34.5 million or 30.4% of general fund expenditures. This is available for spending at the government's discretion. Assigned fund balance of over \$6.4 million; committed fund balance of almost \$9.8 million, restricted fund balance of under \$0.1 million and nonspendable fund balances of about \$2.4 million bringing total general fund balance to over \$53.1 million or 46.9% of general fund expenditures. Total general fund balance increased by almost \$12.4 million. This was primarily due to revenues exceeding forecasts by almost \$11.4 million. In light of the prior year pandemic, the Town made extremely conservative revenue estimates due to the uncertainty. Hotel and room excise exceeded the forecast by \$6.3 million, motor vehicle excise exceeded forecast by nearly \$1.1 million and meals excise exceeded forecast by almost \$0.8 million. The remaining increases were spread against all revenue types in smaller amounts.

The timing of capital costs verses bond proceeds and other financing sources was primarily responsible for an decrease in capital projects of almost \$2.5 million.

The Combined Nonmajor Funds ended the year with a balance of almost \$23.1 million which was higher than the prior year by about \$1.6 million due to excess transfers from the general fund, bond issuances allocated to special revenue funds and grants received that the Town was unable to spend prior to June 30.

**Proprietary funds** – The Town's proprietary funds are made up of the same type of information found in the government-wide financial statements under business-type activities, but in more detail; and (2) the Town's Internal Service Fund which accounts for the Town's Health Claims Fund.

The Health Claims Fund has a Net Position balance of over \$8.8 million. This represents an increase of almost \$0.9 million over the prior year. Reinsurance proceeds of over \$0.9 million and positive claims experience were primarily responsible for these positive operating results as claims continue to be low during the pandemic.



**Fiduciary Fund** – The Town's fiduciary fund is comprised primarily of the Town's Private Purpose Trust Funds and its Other Postemployment Benefits Trust. Total Net Position of these two funds is almost \$6.4 million.

The Private Purpose Trust Funds make up over \$2.1 million; These assets are used strictly for purposes outside of the public domain such as scholarships and public assistance. Contributions to these funds outpaced expenses that led to a minor increase year over year.

In addition, the Town has elected to establish a trust under Chapter 32B Section 20 of the MGL whose sole purpose will be to accumulate funds to reduce the Town's unfunded Other Postemployment Benefits. This fund increased by almost \$0.6 million to over \$4.2 million due to contributions made by the Town combined with investment earnings, exceeding premiums paid for retirees. The Town anticipates the use of an annual dedicated budget source to fund a portion of the actuarially determined contribution.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were for the most part not significant (less than 1%). The total budget ended the year with a favorable variance of almost \$15.7 million.

For the ninth consecutive year revenues exceeded forecast. The major areas were highlighted previously under governmental funds discussion. Total favorable variance was \$11.4 million.

Favorable expenditure variances contributed over \$4.3 million to this positive result and were mainly spread over many expenditure categories. The Town continues to aggressively monitor its budget; in addition, spending freezes were in effect during the first part of the fiscal year while the pandemic was at a heightened level. Further detail of budget to actual comparisons may be reviewed as part of the Required Supplementary Information following the footnotes to the report.

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

**Capital Assets** – The Town's investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to almost \$584.0 million (net of accumulated depreciation) an increase from the previous year's balance of approximately \$14.6 million.

This investment in capital assets includes land, buildings and improvements, infrastructure, machinery, equipment, and software. The total increase is due to capital investments exceeding depreciation for the year.

Additional information on the Town's capital assets can be found in Note II subsection D.

Additional information on the Town's short-term and long-term debt can be found in Note II under subsections F and G.

**Long-term 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 over \$1.3 billion, which is significantly in excess of the Town's outstanding general obligation debt classified as inside the debt limit.

The Town is assigned an Aaa credit rating from Moodys' Investor Services and an AA+ credit rating from Standard and Poors'.

At the end of the current fiscal year, the Town had total debt outstanding of almost \$206.5 million. Almost \$105.6 million is related to the Town's Governmental activities and over \$100.9 million is related

to the Town's Business-type activities. The entire amount comprises debt backed by the full faith and credit of the government.

In addition, the Town issues bond anticipation notes prior to permanent financing to fund the initial stages of capital projects. At June 30, 2021 the bond anticipation notes payable balances approximated \$30.4 million.

Included in these outstanding debt amounts is unamortized bond premiums of over \$4.6 million and almost \$2.7 million in the governmental and business-type activities respectively.

The Town's total debt increased by over \$13.5 million during the fiscal year due to following:

|                               |                      |
|-------------------------------|----------------------|
| Regular scheduled maturities: |                      |
| Governmental Activities       | \$ (5,645,743)       |
| Business-Type Activities      | (11,414,565)         |
| Issuance of debt:             |                      |
| Governmental Activities       | 15,393,700           |
| Business-Type Activities      | 14,279,062           |
| Originating premiums          |                      |
| Governmental Activities       | 910,769              |
| Business-Type Activities      | 966,741              |
| Amortization of premiums      |                      |
| Governmental Activities       | (567,502)            |
| Business-Type Activities      | (416,657)            |
|                               | <u>\$ 13,505,805</u> |

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

- The Town's real estate tax base is made up predominantly of residential taxes, which comprise nearly 88.2% of the Town's real estate tax base. The Town also relies heavily on its commercial and industrial real estate tax base, which in aggregate comprise 9.8% 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 plus new growth.
- The Town anticipates State aid for 2022 to remain consistent with the prior year.
- The Town's housing market continues to be vibrant and consistently outpaces the state and national indexes. Average home prices approximate \$1.5 million and the average residential tax rate is 3.36 per \$1,000. The Town has typically approximated or exceeded \$1 billion in property sales each year since 2014.

- All of the above items were considered when the Town developed its budget for fiscal year 2022. The budget was adopted in April 2021 and the Town set its tax rate in December 2021.

### **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 request for additional financial information should be addressed to the Office of the Director of Finance, 37 Washington Street, Nantucket, Massachusetts 02554.

Complete stand-alone financial statements for Nantucket County may be obtained from the Office of the Director of Finance 37 Washington Street, Nantucket, Massachusetts 02554.

Complete stand-alone financial statements for Nantucket Islands Land Bank may be obtained by contacting Nantucket Islands Land Bank, 22 Broad Street, Nantucket, Massachusetts 02554.

Complete stand-alone financial statements for Nantucket Memorial Airport may be obtained from the Office of the Director of Finance 37 Washington Street, Nantucket, Massachusetts 02554



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## **Basic Financial Statements**

## TOWN OF NANTUCKET, MASSACHUSETTS

STATEMENT OF NET POSITION  
JUNE 30, 2021

|                                                        | Primary Government      |                          |                       | Component Units     |                             |
|--------------------------------------------------------|-------------------------|--------------------------|-----------------------|---------------------|-----------------------------|
|                                                        | Governmental Activities | Business-Type Activities | Total                 | Nantucket County    | Nantucket Islands Land Bank |
| <b>Assets</b>                                          |                         |                          |                       |                     |                             |
| Cash and cash equivalents                              | \$ 100,674,791          | \$ 39,461,317            | \$ 140,136,108        | \$ 6,882,665        | \$ 36,923,906               |
| Investments                                            | 11,934,613              | 2,067,062                | 14,001,675            | -                   | 5,048,469                   |
| Investments, designated                                | -                       | -                        | -                     | -                   | 50,967                      |
| Receivables, net:                                      |                         |                          |                       |                     |                             |
| Property taxes                                         | 3,893,623               | -                        | 3,893,623             | -                   | -                           |
| User fees                                              | 1,089,119               | 2,664,406                | 3,753,525             | -                   | -                           |
| Departmental and other                                 | 3,661,482               | 855,742                  | 4,517,224             | -                   | 296,226                     |
| Tax liens                                              | 2,600,459               | -                        | 2,600,459             | -                   | -                           |
| Intergovernmental                                      | 18,501                  | 6,320,962                | 6,339,463             | 124,777             | -                           |
| Loans                                                  | 2,678,200               | -                        | 2,678,200             | -                   | -                           |
| Inventory                                              | -                       | 704,533                  | 704,533               | -                   | 467,555                     |
| Prepaid items                                          | 23,647                  | -                        | 23,647                | -                   | 55,983                      |
| Other assets                                           | 2,730                   | -                        | 2,730                 | -                   | -                           |
| Internal balances                                      | 1,913,326               | (1,913,326)              | -                     | -                   | -                           |
| Restricted cash and cash equivalents                   | -                       | -                        | -                     | -                   | 716,719                     |
| Restricted investments                                 | -                       | -                        | -                     | -                   | 3,075,250                   |
| Cash surrender value of life insurance                 | -                       | -                        | -                     | -                   | 1,163,393                   |
| Land conservation rights                               | -                       | -                        | -                     | -                   | 30,000                      |
| Capital assets not being depreciated                   | 197,563,710             | 61,964,531               | 259,528,241           | 3,408,842           | 401,300,595                 |
| Capital assets, net of depreciation                    | 136,196,753             | 188,238,731              | 324,435,484           | -                   | 35,637,488                  |
| <b>Total Assets</b>                                    | <b>462,250,954</b>      | <b>300,363,958</b>       | <b>762,614,912</b>    | <b>10,416,284</b>   | <b>484,766,551</b>          |
| <b>Deferred Outflows of Resources</b>                  |                         |                          |                       |                     |                             |
| Related to losses on refunding                         | 118,752                 | 500,535                  | 619,287               | -                   | 121,574                     |
| Related to net other postemployment benefits liability | 15,762,386              | 876,359                  | 16,638,745            | 118,097             | 416,802                     |
| Related to net pension liability                       | 10,239,039              | 2,021,815                | 12,260,854            | 101,878             | 318,531                     |
| <b>Total Deferred Outflows of Resources</b>            | <b>26,120,177</b>       | <b>3,398,709</b>         | <b>29,518,886</b>     | <b>219,975</b>      | <b>856,907</b>              |
| <b>Liabilities</b>                                     |                         |                          |                       |                     |                             |
| Warrants and accounts payable                          | 4,127,172               | 1,694,384                | 5,821,556             | 24,067              | 217,676                     |
| Accrued payroll and withholdings                       | 6,223,670               | 406,383                  | 6,630,053             | 97,335              | -                           |
| Accrued expenses                                       | -                       | -                        | -                     | -                   | 355,934                     |
| Health claims incurred but not reported                | 1,049,282               | -                        | 1,049,282             | -                   | -                           |
| Accrued interest                                       | 1,167,508               | 982,177                  | 2,149,685             | -                   | -                           |
| Other liabilities                                      | 1,868,463               | 665,484                  | 2,533,947             | -                   | -                           |
| Unearned revenue                                       | 596,558                 | -                        | 596,558               | -                   | -                           |
| Bond anticipation notes payable                        | 9,980,400               | 20,374,300               | 30,354,700            | -                   | -                           |
| Noncurrent liabilities:                                |                         |                          |                       |                     |                             |
| Due within one year                                    | 9,029,275               | 8,958,819                | 17,988,094            | -                   | 6,211,396                   |
| Due in more than one year                              | 302,719,382             | 112,237,597              | 414,956,979           | 1,217,036           | 14,358,761                  |
| <b>Total Liabilities</b>                               | <b>336,761,710</b>      | <b>145,319,144</b>       | <b>482,080,854</b>    | <b>1,338,438</b>    | <b>21,143,767</b>           |
| <b>Deferred Inflows of Resources</b>                   |                         |                          |                       |                     |                             |
| Taxes paid in advance                                  | 1,660,285               | -                        | 1,660,285             | -                   | -                           |
| Related to net pension liability                       | 7,910,753               | 1,562,066                | 9,472,819             | 80,862              | 252,822                     |
| Related to net other postemployment benefits liability | 6,232,262               | 346,503                  | 6,578,765             | 11,580              | 51,054                      |
|                                                        | 15,803,300              | 1,908,569                | 17,711,869            | 92,442              | 303,876                     |
| <b>Net Position</b>                                    |                         |                          |                       |                     |                             |
| Net investment in capital assets                       | 225,048,258             | 131,905,999              | 356,954,257           | 3,408,842           | 420,360,161                 |
| Restricted:                                            |                         |                          |                       |                     |                             |
| Nonexpendable permanent funds                          | 44,965                  | -                        | 44,965                | -                   | -                           |
| Federal and State grants                               | 2,984,189               | -                        | 2,984,189             | -                   | -                           |
| Community preservation                                 | 6,176,403               | -                        | 6,176,403             | -                   | -                           |
| Capital outlay                                         | 2,381,370               | -                        | 2,381,370             | -                   | -                           |
| Revolving funds                                        | 5,425,121               | -                        | 5,425,121             | -                   | -                           |
| Gift funds                                             | 1,425,799               | -                        | 1,425,799             | -                   | -                           |
| Other purposes                                         | 5,638,715               | -                        | 5,638,715             | 5,948,977           | 3,791,969                   |
| Unrestricted                                           | (113,318,699)           | 24,628,955               | (88,689,744)          | (152,440)           | 40,023,685                  |
| <b>Total Net Position</b>                              | <b>\$ 135,806,121</b>   | <b>\$ 156,534,954</b>    | <b>\$ 292,341,075</b> | <b>\$ 9,205,379</b> | <b>\$ 464,175,815</b>       |

See accompanying notes to basic financial statements.

TOWN OF NANTUCKET, MASSACHUSETTS

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

| Functions/Programs                                           | Expenses       | Program Revenues     |                                    |                                  | Net (Expenses) Revenues and Changes in Net Position |                          |                 | Component Units  |                             |
|--------------------------------------------------------------|----------------|----------------------|------------------------------------|----------------------------------|-----------------------------------------------------|--------------------------|-----------------|------------------|-----------------------------|
|                                                              |                | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                             | Business-Type Activities | Total           | Nantucket County | Nantucket Islands Land Bank |
|                                                              |                |                      |                                    |                                  |                                                     |                          |                 |                  |                             |
| Primary government:                                          |                |                      |                                    |                                  |                                                     |                          |                 |                  |                             |
| Governmental activities:                                     |                |                      |                                    |                                  |                                                     |                          |                 |                  |                             |
| General government                                           | \$ 20,368,598  | \$ 1,903,422         | \$ 985,169                         | \$ -                             | \$ (17,480,007)                                     |                          | \$ (17,480,007) |                  |                             |
| Public safety                                                | 22,246,562     | 5,095,030            | 155,421                            | -                                | (16,996,111)                                        |                          | (16,996,111)    |                  |                             |
| Education                                                    | 60,956,805     | 747,121              | 14,176,345                         | -                                | (46,033,339)                                        |                          | (46,033,339)    |                  |                             |
| Public works                                                 | 22,181,705     | 3,698,822            | 25,700                             | 317,802                          | (18,139,381)                                        |                          | (18,139,381)    |                  |                             |
| Health and human services                                    | 9,195,506      | 7,401,435            | 413,557                            | -                                | (1,380,514)                                         |                          | (1,380,514)     |                  |                             |
| Culture and recreation                                       | 3,792,528      | 469,707              | 56,446                             | 745,154                          | (2,521,221)                                         |                          | (2,521,221)     |                  |                             |
| Interest expense                                             | 2,782,017      | -                    | 250,000                            | -                                | (2,532,017)                                         |                          | (2,532,017)     |                  |                             |
| Total governmental activities                                | 141,523,721    | 19,315,537           | 16,062,638                         | 1,062,956                        | (105,082,590)                                       |                          | (105,082,590)   |                  |                             |
| Business-type activities:                                    |                |                      |                                    |                                  |                                                     |                          |                 |                  |                             |
| Siasconset water                                             | 412,501        | 1,115,300            | -                                  | -                                |                                                     | \$ 702,799               | 702,799         |                  |                             |
| Wannacomet water                                             | 4,746,503      | 7,156,644            | -                                  | -                                |                                                     | 2,410,141                | 2,410,141       |                  |                             |
| Sewer                                                        | 11,591,322     | 8,642,626            | -                                  | 2,190,217                        |                                                     | (758,479)                | (758,479)       |                  |                             |
| Nantucket Memorial Airport                                   | 17,630,422     | 15,994,710           | 3,560,965                          | 14,180,281                       |                                                     | 16,105,534               | 16,105,534      |                  |                             |
| Total business-type activities                               | 34,380,748     | 32,909,280           | 3,560,965                          | 16,370,498                       |                                                     | 18,459,995               | 18,459,995      |                  |                             |
| Total Primary Government                                     | \$ 175,904,469 | \$ 52,224,817        | \$ 19,623,603                      | \$ 17,433,454                    | (105,082,590)                                       | 18,459,995               | (86,622,595)    |                  |                             |
| Component units:                                             |                |                      |                                    |                                  |                                                     |                          |                 |                  |                             |
| Nantucket County                                             | \$ 921,517     | \$ 1,644,611         | \$ 170,201                         | \$ -                             |                                                     |                          |                 | 893,295          | -                           |
| Nantucket Islands Land Bank                                  | 10,126,133     | 55,461,191           | 413,732                            | -                                |                                                     |                          |                 | -                | 45,748,790                  |
| Total Component units                                        | \$ 11,047,650  | \$ 57,105,802        | \$ 583,933                         | \$ -                             |                                                     |                          |                 | 893,295          | 45,748,790                  |
| General Revenues:                                            |                |                      |                                    |                                  |                                                     |                          |                 |                  |                             |
| Property taxes                                               |                |                      |                                    |                                  | 88,601,808                                          | -                        | 88,601,808      | -                | -                           |
| Motor vehicle and boat excise                                |                |                      |                                    |                                  | 3,625,685                                           | -                        | 3,625,685       | -                | -                           |
| Hotel and meals excise                                       |                |                      |                                    |                                  | 9,797,223                                           | -                        | 9,797,223       | -                | -                           |
| Community Preservation Fund surcharges                       |                |                      |                                    |                                  | 2,486,042                                           | -                        | 2,486,042       | -                | -                           |
| Grants and contributions not restricted to specific programs |                |                      |                                    |                                  | 278,227                                             | -                        | 278,227         | -                | -                           |
| Penalties and interest on taxes                              |                |                      |                                    |                                  | 793,136                                             | -                        | 793,136         | -                | -                           |
| Unrestricted investment income                               |                |                      |                                    |                                  | 591,186                                             | 67,831                   | 659,017         | 15,096           | 202,637                     |
| Gain on sale of capital assets                               |                |                      |                                    |                                  | 231,999                                             | -                        | 231,999         | -                | -                           |
| Miscellaneous                                                |                |                      |                                    |                                  | 340,371                                             | -                        | 340,371         | -                | 75,000                      |
| Transfers (net)                                              |                |                      |                                    |                                  | (1,904,024)                                         | 1,904,024                | -               | -                | -                           |
| Total general revenues and transfers                         |                |                      |                                    |                                  | 104,841,653                                         | 1,971,855                | 106,813,508     | 15,096           | 277,637                     |
| Change in Net Position                                       |                |                      |                                    |                                  | (240,937)                                           | 20,431,850               | 20,190,913      | 908,391          | 46,026,427                  |
| Net Position:                                                |                |                      |                                    |                                  |                                                     |                          |                 |                  |                             |
| Beginning of year, as restated (see Note V)                  |                |                      |                                    |                                  | 136,047,058                                         | 136,103,104              | 272,150,162     | 8,296,988        | 418,149,388                 |
| End of year                                                  |                |                      |                                    |                                  | \$ 135,806,121                                      | \$ 156,534,954           | \$ 292,341,075  | \$ 9,205,379     | \$ 464,175,815              |

See accompanying notes to basic financial statements.

**TOWN OF NANTUCKET, MASSACHUSETTS**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021**

|                                                                               | General<br>Fund      | Town<br>Capital<br>Projects | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------------------------------------------------------------|----------------------|-----------------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>                                                                 |                      |                             |                                   |                                |
| Cash and cash equivalents                                                     | \$ 46,008,346        | \$ 17,667,421               | \$ 27,477,779                     | \$ 91,153,546                  |
| Investments                                                                   | 11,711,749           | -                           | 222,864                           | 11,934,613                     |
| Receivables, net of allowance for uncollectibles:                             |                      |                             |                                   |                                |
| Property taxes                                                                | 3,628,830            | -                           | 264,793                           | 3,893,623                      |
| User charges                                                                  | 1,089,119            | -                           | -                                 | 1,089,119                      |
| Departmental and other                                                        | 2,438,071            | -                           | 746,150                           | 3,184,221                      |
| Tax liens                                                                     | 2,600,459            | -                           | -                                 | 2,600,459                      |
| Intergovernmental                                                             | -                    | -                           | 18,501                            | 18,501                         |
| Loans                                                                         | -                    | -                           | 2,678,200                         | 2,678,200                      |
| Other assets                                                                  | 2,730                | -                           | -                                 | 2,730                          |
| Due from other funds                                                          | 3,048,648            | -                           | -                                 | 3,048,648                      |
| <b>Total Assets</b>                                                           | <b>70,527,952</b>    | <b>17,667,421</b>           | <b>31,408,287</b>                 | <b>119,603,660</b>             |
| <b>Total Deferred Outflows of Resources</b>                                   | <b>-</b>             | <b>-</b>                    | <b>-</b>                          | <b>-</b>                       |
| <b>Total Assets and Deferred Outflows of Resources</b>                        | <b>\$ 70,527,952</b> | <b>\$ 17,667,421</b>        | <b>\$ 31,408,287</b>              | <b>\$ 119,603,660</b>          |
| <b>Liabilities:</b>                                                           |                      |                             |                                   |                                |
| Warrants and accounts payable                                                 | \$ 1,002,679         | \$ 1,438,582                | \$ 1,587,740                      | \$ 4,029,001                   |
| Accrued payroll and withholdings                                              | 6,035,811            | -                           | 187,859                           | 6,223,670                      |
| Unearned revenue                                                              | -                    | -                           | 596,558                           | 596,558                        |
| Other liabilities                                                             | 1,663,060            | -                           | 205,403                           | 1,868,463                      |
| Due to other funds                                                            | -                    | -                           | 406,665                           | 406,665                        |
| Bond anticipation notes payable                                               | -                    | 5,632,900                   | 4,347,500                         | 9,980,400                      |
| <b>Total Liabilities</b>                                                      | <b>8,701,550</b>     | <b>7,071,482</b>            | <b>7,331,725</b>                  | <b>23,104,757</b>              |
| <b>Deferred Inflows of Resources</b>                                          |                      |                             |                                   |                                |
| Taxes paid in advance                                                         | 1,660,285            | -                           | -                                 | 1,660,285                      |
| Unavailable revenue - property taxes                                          | 5,023,589            | -                           | 264,793                           | 5,288,382                      |
| Unavailable revenue - user charges                                            | 1,089,119            | -                           | -                                 | 1,089,119                      |
| Unavailable revenue - other                                                   | 932,620              | -                           | 746,150                           | 1,678,770                      |
| <b>Total Deferred Inflows of Resources</b>                                    | <b>8,705,613</b>     | <b>-</b>                    | <b>1,010,943</b>                  | <b>9,716,556</b>               |
| <b>Fund Balances:</b>                                                         |                      |                             |                                   |                                |
| Nonspendable                                                                  | 2,406,361            | -                           | 44,965                            | 2,451,326                      |
| Restricted                                                                    | 55,245               | 12,252,420                  | 23,760,105                        | 36,067,770                     |
| Committed                                                                     | 9,787,120            | -                           | -                                 | 9,787,120                      |
| Assigned                                                                      | 6,415,772            | -                           | -                                 | 6,415,772                      |
| Unassigned                                                                    | 34,456,291           | (1,656,481)                 | (739,451)                         | 32,060,359                     |
| <b>Total Fund Balances</b>                                                    | <b>53,120,789</b>    | <b>10,595,939</b>           | <b>23,065,619</b>                 | <b>86,782,347</b>              |
| <b>Total Liabilities, Deferred Inflows of Resources<br/>and Fund Balances</b> | <b>\$ 70,527,952</b> | <b>\$ 17,667,421</b>        | <b>\$ 31,408,287</b>              | <b>\$ 119,603,660</b>          |

See accompanying notes to basic financial statements.

**TOWN OF NANTUCKET, MASSACHUSETTS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

|                                                                                                                                                            |                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| <b>Total Governmental Fund Balances</b>                                                                                                                    | <b>\$ 86,782,347</b>         |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.                                    | 333,760,463                  |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds           | 8,056,271                    |
| Deferred outflows and inflows of resources to be recognized in the future are not available resources and, therefore, are not reported in the funds:       |                              |
| Deferred outflows related to charges on refunding                                                                                                          | 118,752                      |
| Deferred outflows related to net pension liability                                                                                                         | 10,239,039                   |
| Deferred outflows related to net other postemployment benefits liability                                                                                   | 15,762,386                   |
| Deferred inflows related to net pension liability                                                                                                          | (7,910,753)                  |
| Deferred inflows related to net other postemployment benefits liability                                                                                    | (6,232,262)                  |
| Assets and liabilities of the Town's internal service funds are included in the Statement of Net Position, but are not reported in the governmental funds. | 8,105,265                    |
| In the Statement of Activities, interest is accrued on outstanding long-term debt whereas in the governmental funds, interest is not reported until due.   | (1,167,508)                  |
| 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                                                                                                                                    | (100,894,166)                |
| Unamortized premiums on bonds                                                                                                                              | (4,642,155)                  |
| Landfill closure liability                                                                                                                                 | (16,200,000)                 |
| Compensated absences                                                                                                                                       | (3,202,841)                  |
| Net other postemployment benefits liability                                                                                                                | (124,898,114)                |
| Net pension liability                                                                                                                                      | (61,870,603)                 |
| <b>Net Position of Governmental Activities</b>                                                                                                             | <b><u>\$ 135,806,121</u></b> |

See accompanying notes to basic financial statements.

**TOWN OF NANTUCKET, MASSACHUSETTS**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2021**

|                                                                      | General<br>Fund      | Town<br>Capital<br>Projects | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------------------------------------------|----------------------|-----------------------------|-----------------------------------|--------------------------------|
| <b>Revenues:</b>                                                     |                      |                             |                                   |                                |
| Property taxes                                                       | \$ 88,864,937        | \$ -                        | \$ -                              | \$ 88,864,937                  |
| Intergovernmental                                                    | 12,201,507           | -                           | 4,748,632                         | 16,950,139                     |
| Motor vehicle and other excises                                      | 3,410,925            | -                           | 34,614                            | 3,445,539                      |
| User charges                                                         | 10,052,709           | -                           | -                                 | 10,052,709                     |
| Hotel and meals taxes                                                | 9,797,223            | -                           | -                                 | 9,797,223                      |
| Community preservation surcharges                                    | -                    | -                           | 2,491,130                         | 2,491,130                      |
| Licenses and permits                                                 | 1,757,337            | -                           | -                                 | 1,757,337                      |
| Penalties and interest on taxes                                      | 793,136              | -                           | -                                 | 793,136                        |
| Fines and forfeitures                                                | 304,284              | -                           | -                                 | 304,284                        |
| Investment income                                                    | 502,045              | -                           | 35,432                            | 537,477                        |
| Departmental and other revenue                                       | 2,546,833            | -                           | 4,790,872                         | 7,337,705                      |
| Contributions and donations                                          | 1,260                | -                           | 452,422                           | 453,682                        |
| <b>Total Revenues</b>                                                | <u>130,232,196</u>   | <u>-</u>                    | <u>12,553,102</u>                 | <u>142,785,298</u>             |
| <b>Expenditures:</b>                                                 |                      |                             |                                   |                                |
| Current:                                                             |                      |                             |                                   |                                |
| General government                                                   | 10,987,157           | 1,103,156                   | 11,930,812                        | 24,021,125                     |
| Public safety                                                        | 10,979,005           | 1,990,899                   | 2,223,622                         | 15,193,526                     |
| Education                                                            | 30,987,592           | 1,343,326                   | 3,379,175                         | 35,710,093                     |
| Public works                                                         | 14,286,419           | 5,709,178                   | 973,121                           | 20,968,718                     |
| Health and human services                                            | 6,965,883            | 131,215                     | 925,594                           | 8,022,692                      |
| Culture and recreation                                               | 1,080,292            | -                           | 2,262,979                         | 3,343,271                      |
| Pension and fringe benefits                                          | 28,645,994           | -                           | -                                 | 28,645,994                     |
| State and county assessments                                         | 1,169,441            | -                           | -                                 | 1,169,441                      |
| Debt service:                                                        |                      |                             |                                   |                                |
| Principal                                                            | 5,061,950            | -                           | 583,793                           | 5,645,743                      |
| Interest                                                             | 3,153,473            | -                           | 49,728                            | 3,203,201                      |
| <b>Total Expenditures</b>                                            | <u>113,317,206</u>   | <u>10,277,774</u>           | <u>22,328,824</u>                 | <u>145,923,804</u>             |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>16,914,990</u>    | <u>(10,277,774)</u>         | <u>(9,775,722)</u>                | <u>(3,138,506)</u>             |
| <b>Other Financing Sources (Uses):</b>                               |                      |                             |                                   |                                |
| Issuance of bonds and notes                                          | -                    | 4,620,600                   | 10,773,100                        | 15,393,700                     |
| Premiums from bonds and notes                                        | 74,269               | 86,500                      | 750,000                           | 910,769                        |
| Sale of capital assets                                               | -                    | -                           | 231,999                           | 231,999                        |
| Transfers in                                                         | 80,553               | 3,195,800                   | 550,000                           | 3,826,353                      |
| Transfers out                                                        | (4,701,536)          | (80,553)                    | (948,288)                         | (5,730,377)                    |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>(4,546,714)</u>   | <u>7,822,347</u>            | <u>11,356,811</u>                 | <u>14,632,444</u>              |
| <b>Net Change in Fund Balances</b>                                   | 12,368,276           | (2,455,427)                 | 1,581,089                         | 11,493,938                     |
| Fund Balances - Beginning, as restated (See Note V)                  | 40,752,513           | 13,051,366                  | 21,484,530                        | 75,288,409                     |
| Fund Balances - Ending                                               | <u>\$ 53,120,789</u> | <u>\$ 10,595,939</u>        | <u>\$ 23,065,619</u>              | <u>\$ 86,782,347</u>           |

See accompanying notes to basic financial statements.

TOWN OF NANTUCKET, MASSACHUSETTS

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

**Net Change in Fund Balances - Total Governmental Fund Balances** **\$ 11,493,938**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, when a capital asset is disposed of, a gain or loss is calculated and reported in the Statement of Activities whereas the in the governmental funds, proceeds are reported as revenues. The net amounts are reflected here as reconciling items:

|                                        |             |           |
|----------------------------------------|-------------|-----------|
| Capital outlays                        | 15,650,643  |           |
| Depreciation expense                   | (7,726,804) |           |
|                                        |             |           |
| Net effect of reporting capital assets |             | 7,923,839 |

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.

831,571

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 bonds and notes                      | (15,393,700) |              |
| Premiums from general obligation bonds and notes | (910,769)    |              |
| Repayments of debt                               | 5,645,743    |              |
|                                                  |              |              |
| Net effect of reporting long-term debt           |              | (10,658,726) |

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

115,802

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:

|                                                     |             |             |
|-----------------------------------------------------|-------------|-------------|
| Accrued interest expense                            | (129,354)   |             |
| Amortization of premiums on bonds and notes payable | 567,502     |             |
| Amortization of deferred charges on refunding       | (16,964)    |             |
| Landfill closure                                    | (1,500,000) |             |
| Compensated absences                                | (211,161)   |             |
| Pension benefits                                    | (1,029,303) |             |
| Other postemployment benefits                       | (7,628,081) |             |
|                                                     |             |             |
| Net effect of reporting long-term liabilities       |             | (9,947,361) |

**Change in Net Position of Governmental Activities** **\$ (240,937)**

See accompanying notes to basic financial statements.

**TOWN OF NANTUCKET, MASSACHUSETTS**

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

|                                                                                                                                                               | Business-Type Activities |                      |                       |                                  |                       | Governmental Activities     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------|-----------------------|----------------------------------|-----------------------|-----------------------------|
|                                                                                                                                                               | Siasconset<br>Water      | Wannacomet<br>Water  | Sewer                 | Nantucket<br>Memorial<br>Airport | Total                 | Internal<br>Service<br>Fund |
| <b>Assets:</b>                                                                                                                                                |                          |                      |                       |                                  |                       |                             |
| Current assets:                                                                                                                                               |                          |                      |                       |                                  |                       |                             |
| Cash and cash equivalents                                                                                                                                     | \$ 2,305,228             | \$ 7,901,948         | \$ 10,183,957         | \$ 19,070,184                    | \$ 39,461,317         | \$ 9,521,245                |
| Investments                                                                                                                                                   | -                        | 933,079              | -                     | 1,133,983                        | 2,067,062             | -                           |
| Receivables (net):                                                                                                                                            |                          |                      |                       |                                  |                       |                             |
| User charges                                                                                                                                                  | 154,903                  | 758,136              | 1,101,702             | 649,665                          | 2,664,406             | -                           |
| Privilege fees                                                                                                                                                | -                        | -                    | 855,742               | -                                | 855,742               | -                           |
| Intergovernmental                                                                                                                                             | -                        | -                    | 203,037               | 5,733,461                        | 5,936,498             | -                           |
| Inventory                                                                                                                                                     | -                        | 484,090              | -                     | 220,443                          | 704,533               | -                           |
| Reinsured claims receivable                                                                                                                                   | -                        | -                    | -                     | -                                | -                     | 477,261                     |
| Prepaid items                                                                                                                                                 | -                        | -                    | -                     | -                                | -                     | 23,647                      |
| Total current assets                                                                                                                                          | <u>2,460,131</u>         | <u>10,077,253</u>    | <u>12,344,438</u>     | <u>26,807,736</u>                | <u>51,689,558</u>     | <u>10,022,153</u>           |
| Noncurrent assets:                                                                                                                                            |                          |                      |                       |                                  |                       |                             |
| Receivables (net):                                                                                                                                            |                          |                      |                       |                                  |                       |                             |
| Intergovernmental                                                                                                                                             | -                        | -                    | 384,464               | -                                | 384,464               | -                           |
| Nondepreciable capital assets                                                                                                                                 | 2,651,378                | 8,408,080            | 33,642,072            | 17,263,001                       | 61,964,531            | -                           |
| Capital assets (net of depreciation)                                                                                                                          | <u>8,470,617</u>         | <u>34,698,927</u>    | <u>86,486,778</u>     | <u>58,582,409</u>                | <u>188,238,731</u>    | <u>-</u>                    |
| Total noncurrent assets                                                                                                                                       | <u>11,121,995</u>        | <u>43,107,007</u>    | <u>120,513,314</u>    | <u>75,845,410</u>                | <u>250,587,726</u>    | <u>-</u>                    |
| <b>Total Assets</b>                                                                                                                                           | <u>13,582,126</u>        | <u>53,184,260</u>    | <u>132,857,752</u>    | <u>102,653,146</u>               | <u>302,277,284</u>    | <u>10,022,153</u>           |
| <b>Deferred Outflows of Resources</b>                                                                                                                         |                          |                      |                       |                                  |                       |                             |
| Related to losses on refunding                                                                                                                                | 219,442                  | 218,976              | 62,117                | -                                | 500,535               | -                           |
| Related to net other postemployment benefits liability                                                                                                        | 46,289                   | 186,609              | 34,747                | 608,714                          | 876,359               | -                           |
| Related to net pension liability                                                                                                                              | <u>24,522</u>            | <u>506,373</u>       | <u>308,973</u>        | <u>1,181,947</u>                 | <u>2,021,815</u>      | <u>-</u>                    |
| <b>Total Deferred Outflows of Resources</b>                                                                                                                   | <u>290,253</u>           | <u>911,958</u>       | <u>405,837</u>        | <u>1,790,661</u>                 | <u>3,398,709</u>      | <u>-</u>                    |
| <b>Total Assets and Deferred Outflows of Resources</b>                                                                                                        | <u>\$ 13,872,379</u>     | <u>\$ 54,096,218</u> | <u>\$ 133,263,589</u> | <u>\$ 104,443,807</u>            | <u>\$ 305,675,993</u> | <u>\$ 10,022,153</u>        |
| <b>Liabilities:</b>                                                                                                                                           |                          |                      |                       |                                  |                       |                             |
| Current liabilities:                                                                                                                                          |                          |                      |                       |                                  |                       |                             |
| Warrants and accounts payable                                                                                                                                 | \$ -                     | \$ 202,133           | \$ 322,426            | \$ 1,169,825                     | \$ 1,694,384          | \$ 98,171                   |
| Accrued payroll and withholdings                                                                                                                              | 2,288                    | 78,713               | 96,091                | 229,291                          | 406,383               | -                           |
| Health claims incurred but not reported                                                                                                                       | -                        | -                    | -                     | -                                | -                     | 1,049,282                   |
| Accrued interest                                                                                                                                              | 21,780                   | 202,430              | 598,285               | 159,682                          | 982,177               | -                           |
| Due to other funds                                                                                                                                            | -                        | -                    | -                     | 235,621                          | 235,621               | -                           |
| Other liabilities                                                                                                                                             | 7,366                    | 126,237              | 19,407                | 512,474                          | 665,484               | -                           |
| Bond anticipation notes payable                                                                                                                               | -                        | 100,000              | 9,274,300             | 11,000,000                       | 20,374,300            | -                           |
| Compensated absences                                                                                                                                          | -                        | 151,895              | 73,782                | 323,330                          | 549,007               | -                           |
| Workers' compensation claims                                                                                                                                  | -                        | -                    | -                     | -                                | -                     | 40,778                      |
| Bonds and notes payable                                                                                                                                       | <u>498,451</u>           | <u>2,354,825</u>     | <u>4,889,423</u>      | <u>667,113</u>                   | <u>8,409,812</u>      | <u>-</u>                    |
| Total current liabilities                                                                                                                                     | <u>529,885</u>           | <u>3,216,233</u>     | <u>15,273,714</u>     | <u>14,297,336</u>                | <u>33,317,168</u>     | <u>1,188,231</u>            |
| Noncurrent liabilities:                                                                                                                                       |                          |                      |                       |                                  |                       |                             |
| Due to other funds                                                                                                                                            | -                        | -                    | -                     | 2,406,362                        | 2,406,362             | -                           |
| Compensated absences                                                                                                                                          | -                        | 151,896              | 73,783                | 323,331                          | 549,010               | -                           |
| Net other postemployment benefits liability                                                                                                                   | 366,788                  | 1,478,656            | 275,329               | 4,823,336                        | 6,944,109             | -                           |
| Net pension liability                                                                                                                                         | 148,175                  | 3,059,820            | 1,867,009             | 7,142,050                        | 12,217,054            | -                           |
| Bonds and notes payable                                                                                                                                       | <u>3,980,980</u>         | <u>16,954,430</u>    | <u>64,978,660</u>     | <u>6,613,354</u>                 | <u>92,527,424</u>     | <u>-</u>                    |
| Total noncurrent liabilities                                                                                                                                  | <u>4,495,943</u>         | <u>21,644,802</u>    | <u>67,194,781</u>     | <u>21,308,433</u>                | <u>114,643,959</u>    | <u>-</u>                    |
| <b>Total Liabilities</b>                                                                                                                                      | <u>5,025,828</u>         | <u>24,861,035</u>    | <u>82,468,495</u>     | <u>35,605,769</u>                | <u>147,961,127</u>    | <u>1,188,231</u>            |
| <b>Deferred Inflows of Resources</b>                                                                                                                          |                          |                      |                       |                                  |                       |                             |
| Related to net pension liability                                                                                                                              | 18,945                   | 391,227              | 238,715               | 913,179                          | 1,562,066             | -                           |
| Related to net other postemployment benefits liability                                                                                                        | <u>18,302</u>            | <u>73,783</u>        | <u>13,739</u>         | <u>240,679</u>                   | <u>346,503</u>        | <u>-</u>                    |
|                                                                                                                                                               | <u>37,247</u>            | <u>465,010</u>       | <u>252,454</u>        | <u>1,153,858</u>                 | <u>1,908,569</u>      | <u>-</u>                    |
| <b>Total Liabilities and Deferred Inflows of Resources</b>                                                                                                    | <u>5,063,075</u>         | <u>25,326,045</u>    | <u>82,720,949</u>     | <u>36,759,627</u>                | <u>149,869,696</u>    | <u>1,188,231</u>            |
| <b>Net Position:</b>                                                                                                                                          |                          |                      |                       |                                  |                       |                             |
| Net investment in capital assets                                                                                                                              | 6,862,006                | 23,916,728           | 41,062,860            | 60,064,405                       | 131,905,999           | -                           |
| Unrestricted                                                                                                                                                  | <u>1,947,298</u>         | <u>4,853,445</u>     | <u>9,479,780</u>      | <u>7,619,775</u>                 | <u>23,900,298</u>     | <u>8,833,922</u>            |
| <b>Total Net Position</b>                                                                                                                                     | <u>\$ 8,809,304</u>      | <u>\$ 28,770,173</u> | <u>\$ 50,542,640</u>  | <u>\$ 67,684,180</u>             | <u>155,806,297</u>    | <u>\$ 8,833,922</u>         |
| Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time |                          |                      |                       |                                  | <u>728,657</u>        |                             |
| Net position of business-type activities (page 40)                                                                                                            |                          |                      |                       |                                  | <u>\$ 156,534,954</u> |                             |

See accompanying notes to basic financial statements.

**TOWN OF NANTUCKET, MASSACHUSETTS**

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2021**

|                                                                                                                           | Business-Type Activities |                      |                      |                                  |                      | Governmental<br>Activities  |
|---------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------|----------------------|----------------------------------|----------------------|-----------------------------|
|                                                                                                                           | Siasconset<br>Water      | Wannacomet<br>Water  | Sewer                | Nantucket<br>Memorial<br>Airport | Total                | Internal<br>Service<br>Fund |
| <b>Operating Revenues:</b>                                                                                                |                          |                      |                      |                                  |                      |                             |
| Charges for services                                                                                                      | \$ 1,115,300             | \$ 6,810,112         | \$ 8,382,996         | \$ 15,994,710                    | \$ 32,303,118        | \$ -                        |
| Employee contributions                                                                                                    | -                        | -                    | -                    | -                                | -                    | 2,210,295                   |
| Employer contributions                                                                                                    | -                        | -                    | -                    | -                                | -                    | 15,434,759                  |
| Other                                                                                                                     | -                        | 346,532              | 259,630              | -                                | 606,162              | 946,347                     |
| <b>Total Operating Revenues</b>                                                                                           | <u>1,115,300</u>         | <u>7,156,644</u>     | <u>8,642,626</u>     | <u>15,994,710</u>                | <u>32,909,280</u>    | <u>18,591,401</u>           |
| <b>Operating Expenses:</b>                                                                                                |                          |                      |                      |                                  |                      |                             |
| Operating costs                                                                                                           | 46,394                   | 3,069,512            | 6,983,915            | 14,236,679                       | 24,336,500           | -                           |
| Depreciation                                                                                                              | 273,258                  | 1,140,913            | 3,002,411            | 3,079,275                        | 7,495,857            | -                           |
| Employee benefits                                                                                                         | -                        | -                    | -                    | -                                | -                    | 17,747,793                  |
| <b>Total Operating Expenses</b>                                                                                           | <u>319,652</u>           | <u>4,210,425</u>     | <u>9,986,326</u>     | <u>17,315,954</u>                | <u>31,832,357</u>    | <u>17,747,793</u>           |
| <b>Total Operating Income (loss)</b>                                                                                      | <u>795,648</u>           | <u>2,946,219</u>     | <u>(1,343,700)</u>   | <u>(1,321,244)</u>               | <u>1,076,923</u>     | <u>843,608</u>              |
| <b>Nonoperating Revenues (Expenses):</b>                                                                                  |                          |                      |                      |                                  |                      |                             |
| Intergovernmental                                                                                                         | -                        | -                    | -                    | 3,560,965                        | 3,560,965            | -                           |
| Investment income                                                                                                         | 1,655                    | 18,564               | -                    | 47,612                           | 67,831               | 53,709                      |
| Interest expense                                                                                                          | (94,777)                 | (548,709)            | (1,642,356)          | (328,295)                        | (2,614,137)          | -                           |
| <b>Total Nonoperating Revenues (Expenses)</b>                                                                             | <u>(93,122)</u>          | <u>(530,145)</u>     | <u>(1,642,356)</u>   | <u>3,280,282</u>                 | <u>1,014,659</u>     | <u>53,709</u>               |
| <b>Income (Loss) Before Capital Contributions<br/>and Transfers</b>                                                       | <u>702,526</u>           | <u>2,416,074</u>     | <u>(2,986,056)</u>   | <u>1,959,038</u>                 | <u>2,091,582</u>     | <u>897,317</u>              |
| <b>Capital Contributions</b>                                                                                              |                          |                      |                      |                                  |                      |                             |
| Intergovernmental                                                                                                         | -                        | -                    | 547,041              | 14,180,281                       | 14,727,322           | -                           |
| Other                                                                                                                     | -                        | -                    | 1,643,176            | -                                | 1,643,176            | -                           |
|                                                                                                                           | <u>-</u>                 | <u>-</u>             | <u>2,190,217</u>     | <u>14,180,281</u>                | <u>16,370,498</u>    | <u>-</u>                    |
| <b>Transfers</b>                                                                                                          |                          |                      |                      |                                  |                      |                             |
| Transfers in                                                                                                              | -                        | -                    | 1,904,024            | -                                | 1,904,024            | -                           |
| <b>Transfers</b>                                                                                                          | <u>-</u>                 | <u>-</u>             | <u>1,904,024</u>     | <u>-</u>                         | <u>1,904,024</u>     | <u>-</u>                    |
| <b>Change in Net Position</b>                                                                                             | <u>702,526</u>           | <u>2,416,074</u>     | <u>1,108,185</u>     | <u>16,139,319</u>                | <u>20,366,104</u>    | <u>897,317</u>              |
| <b>Net Position at Beginning of Year,</b>                                                                                 | <u>8,106,778</u>         | <u>26,354,099</u>    | <u>49,434,455</u>    | <u>51,544,861</u>                |                      | <u>7,936,605</u>            |
| <b>Net Position at End of Year</b>                                                                                        | <u>\$ 8,809,304</u>      | <u>\$ 28,770,173</u> | <u>\$ 50,542,640</u> | <u>\$ 67,684,180</u>             |                      | <u>\$ 8,833,922</u>         |
| Adjustment for the net effect of the current year activity between<br>the internal service funds and the enterprise funds |                          |                      |                      |                                  | 65,746               |                             |
| Changes in net position of business-type activities (page 41)                                                             |                          |                      |                      |                                  | <u>\$ 20,431,850</u> |                             |

See accompanying notes to basic financial statements.

## TOWN OF NANTUCKET, MASSACHUSETTS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021

|                                                                                                          | Business-Type Activities |                     |                      |                                  |                      | Governmental<br>Activities  |
|----------------------------------------------------------------------------------------------------------|--------------------------|---------------------|----------------------|----------------------------------|----------------------|-----------------------------|
|                                                                                                          | Siasconset<br>Water      | Wannacomet<br>Water | Sewer                | Nantucket<br>Memorial<br>Airport | Total                | Internal<br>Service<br>Fund |
| Cash Flows from Operating Activities:                                                                    |                          |                     |                      |                                  |                      |                             |
| Receipts from users                                                                                      | \$ 1,089,076             | \$ 6,625,244        | \$ 8,171,643         | \$ 15,593,608                    | \$ 31,479,571        | \$ -                        |
| Employee contributions                                                                                   | -                        | -                   | -                    | -                                | -                    | 2,210,295                   |
| Employer contributions                                                                                   | -                        | -                   | -                    | -                                | -                    | 15,434,759                  |
| Receipts from other operating revenues                                                                   | -                        | 346,532             | 259,630              | -                                | 606,162              | 1,155,639                   |
| Payments to employees                                                                                    | -                        | (1,235,457)         | (1,497,507)          | (4,792,677)                      | (7,525,641)          | -                           |
| Payments to vendors                                                                                      | (304,641)                | (1,764,963)         | (5,821,715)          | (8,550,951)                      | (16,442,270)         | -                           |
| Payments for interfund services used                                                                     | -                        | -                   | -                    | -                                | -                    | (17,433,601)                |
| Net Cash Provided by (Used in) Operating Activities                                                      | 784,435                  | 3,971,356           | 1,112,051            | 2,249,980                        | 8,117,822            | 1,367,092                   |
| Cash Flows from Noncapital Financing Activities:                                                         |                          |                     |                      |                                  |                      |                             |
| Operating grants                                                                                         | -                        | -                   | -                    | 3,560,965                        | 3,560,965            | -                           |
| Net Cash Provided by (Used in) Noncapital Financing Activities                                           | -                        | -                   | 1,904,024            | 3,560,965                        | 5,464,989            | -                           |
| Cash Flows from Capital and Related Financing Activities:                                                |                          |                     |                      |                                  |                      |                             |
| Proceeds from the issuance of bonds and notes                                                            | 245,000                  | 2,648,500           | 2,733,000            | -                                | 5,626,500            | -                           |
| Sewer privilege fees                                                                                     | -                        | -                   | 2,341,193            | -                                | 2,341,193            | -                           |
| Proceeds from capital grants                                                                             | -                        | -                   | -                    | 8,909,669                        | 8,909,669            | -                           |
| Acquisition and construction of capital assets                                                           | 69,403                   | (1,404,717)         | (4,070,432)          | (12,742,539)                     | (18,148,285)         | -                           |
| Premiums on general obligation bonds                                                                     | -                        | 411,056             | 109,347              | -                                | 520,403              | -                           |
| Premiums on refunding bonds                                                                              | -                        | -                   | -                    | 446,338                          | 446,338              | -                           |
| Proceeds from the issuance of refunding bonds                                                            | -                        | -                   | -                    | 3,105,000                        | 3,105,000            | -                           |
| Payments to refunding bond escrow agent                                                                  | -                        | -                   | -                    | (3,481,525)                      | (3,481,525)          | -                           |
| Proceeds from bond anticipation notes                                                                    | -                        | 100,000             | 12,429,848           | 11,000,000                       | 23,529,848           | -                           |
| Repayments of bond anticipation notes                                                                    | (250,000)                | (1,875,000)         | (7,245,313)          | (4,656,200)                      | (14,026,513)         | -                           |
| Principal payments on bonds and notes                                                                    | (395,000)                | (1,785,000)         | (4,138,281)          | (620,000)                        | (6,938,281)          | -                           |
| Interest payments on bonds and notes                                                                     | (152,407)                | (657,705)           | (1,122,298)          | (196,969)                        | (2,129,379)          | -                           |
| Net Cash Used in Capital and Related Financing Activities                                                | (483,004)                | (2,562,866)         | 1,037,064            | 1,763,774                        | (245,032)            | -                           |
| Cash Flows from Investing Activities:                                                                    |                          |                     |                      |                                  |                      |                             |
| Investment income                                                                                        | 1,655                    | 18,564              | -                    | 47,612                           | 67,831               | 53,709                      |
| Investment of operating cash                                                                             | -                        | (933,079)           | -                    | (29,589)                         | (962,668)            | 247,579                     |
| Net Cash Provided by (Used in) Investing Activities                                                      | 1,655                    | (914,515)           | -                    | 18,023                           | (894,837)            | 301,288                     |
| Net Change in Cash and Cash Equivalents                                                                  | 303,086                  | 493,975             | 4,053,139            | 7,592,742                        | 12,442,942           | 1,668,380                   |
| Cash and Cash Equivalents:                                                                               |                          |                     |                      |                                  |                      |                             |
| Beginning of the year                                                                                    | 2,002,142                | 7,407,973           | 6,130,818            | 11,477,442                       | 27,018,375           | 7,852,865                   |
| End of the year                                                                                          | <u>\$ 2,305,228</u>      | <u>\$ 7,901,948</u> | <u>\$ 10,183,957</u> | <u>\$ 19,070,184</u>             | <u>\$ 39,461,317</u> | <u>\$ 9,521,245</u>         |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:        |                          |                     |                      |                                  |                      |                             |
| Operating Income (Loss)                                                                                  | \$ 795,648               | \$ 2,946,219        | \$ (1,343,700)       | \$ (1,321,244)                   | \$ 1,076,923         | \$ 843,608                  |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |                          |                     |                      |                                  |                      |                             |
| Depreciation                                                                                             | 273,258                  | 1,140,913           | 3,002,411            | 3,079,275                        | 7,495,857            | -                           |
| Changes in assets, deferred outflows, liabilities and deferred inflows                                   |                          |                     |                      |                                  |                      |                             |
| Receivables                                                                                              | (26,224)                 | (184,868)           | (211,353)            | (401,102)                        | (823,547)            | 209,292                     |
| Prepaid items                                                                                            | -                        | -                   | -                    | -                                | -                    | 507,070                     |
| Inventory                                                                                                | -                        | (17,561)            | -                    | 99,062                           | 81,501               | -                           |
| Deferred outflows of resources                                                                           | (5,019)                  | (51,526)            | (26,079)             | (132,001)                        | (214,625)            | -                           |
| Accounts payable and accrued expenses                                                                    | (4,104)                  | (69,413)            | (353,264)            | 866,330                          | 439,549              | (173,293)                   |
| Accrued benefits payable                                                                                 | 18,081                   | 74,613              | 2,651                | 175,552                          | 270,897              | (19,585)                    |
| Due to other funds                                                                                       | -                        | -                   | -                    | (235,621)                        | (235,621)            | -                           |
| Other liabilities                                                                                        | 7,366                    | 126,237             | 19,407               | 32,231                           | 185,241              | -                           |
| Deferred inflows of resources                                                                            | (274,571)                | 6,742               | 21,978               | 87,498                           | (158,353)            | -                           |
| Net Cash Provided by (Used in) Operating Activities                                                      | <u>\$ 784,435</u>        | <u>\$ 3,971,356</u> | <u>\$ 1,112,051</u>  | <u>\$ 2,249,980</u>              | <u>\$ 8,117,822</u>  | <u>\$ 1,367,092</u>         |
| Noncash investing capital and financing activities:                                                      |                          |                     |                      |                                  |                      |                             |
| Intergovernmental subsidies of debt service                                                              | \$ -                     | \$ -                | \$ 547,046           | \$ -                             | \$ 547,046           | \$ -                        |
| Amortization of bond premiums                                                                            | 85,767                   | 192,689             | 105,682              | 32,519                           | 416,657              | -                           |
| Amortization of deferred charge on refunding                                                             | 27,431                   | 31,282              | 8,873                | -                                | 67,586               | -                           |

See accompanying notes to basic financial statements.

**TOWN OF NANUCKET, MASSACHUSETTS**

**FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021**

|                                                  | Other<br>Postemployment<br>Benefits<br>Trust Fund | Private<br>Purpose<br>Trust Funds |
|--------------------------------------------------|---------------------------------------------------|-----------------------------------|
| <b>Assets:</b>                                   |                                                   |                                   |
| Cash and cash equivalents                        | \$ 47,201                                         | \$ 149,538                        |
| Investments:                                     |                                                   |                                   |
| Equities                                         | 2,751,908                                         | -                                 |
| Government securities                            | 1,449,541                                         | 1,986,716                         |
| Receivables, net of allowance for uncollectibles | -                                                 | -                                 |
| <b>Total Assets</b>                              | <b>4,248,650</b>                                  | <b>2,136,254</b>                  |
| <b>Liabilities:</b>                              |                                                   |                                   |
| Warrants payable                                 | -                                                 | -                                 |
| Accrued payroll and withholdings                 | -                                                 | -                                 |
| Agency liabilities                               | -                                                 | -                                 |
| Planning board deposits                          | -                                                 | -                                 |
| <b>Total Liabilities</b>                         | <b>-</b>                                          | <b>-</b>                          |
| <b>Net Position:</b>                             |                                                   |                                   |
| Restricted for other postemployment benefits     | 4,248,650                                         | -                                 |
| Restricted for private purposes                  | -                                                 | 2,136,254                         |
| <b>Total Net Position</b>                        | <b>\$ 4,248,650</b>                               | <b>\$ 2,136,254</b>               |

See accompanying notes to basic financial statements.

**TOWN OF NANTUCKET, MASSACHUSETTS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2021**

|                                                      | Other<br>Postemployment<br>Benefits<br>Trust Fund | Private<br>Purpose<br>Trust Funds |
|------------------------------------------------------|---------------------------------------------------|-----------------------------------|
|                                                      | <u>                    </u>                       | <u>                    </u>       |
| <b>Additions</b>                                     |                                                   |                                   |
| Contributions:                                       |                                                   |                                   |
| Employer                                             | \$ 4,054,743                                      | \$ -                              |
| Other                                                | -                                                 | 123,170                           |
| Total contributions                                  | <u>4,054,743</u>                                  | <u>123,170</u>                    |
| Investment income:                                   |                                                   |                                   |
| Interest and dividends                               | 85,996                                            | 104,384                           |
| Unrealized gain (loss) on investments                | 481,413                                           | -                                 |
| Net investment earnings                              | <u>567,409</u>                                    | <u>104,384</u>                    |
| <b>Total Additions (net)</b>                         | <u>4,622,152</u>                                  | <u>227,554</u>                    |
|                                                      |                                                   |                                   |
| <b>Deductions</b>                                    |                                                   |                                   |
| Life and health insurance premiums paid for retirees | 4,054,743                                         | -                                 |
| Education - scholarships                             | -                                                 | 144,500                           |
| <b>Total Deductions</b>                              | <u>4,054,743</u>                                  | <u>144,500</u>                    |
| <b>CHANGE IN NET POSITION</b>                        | 567,409                                           | 83,054                            |
| <b>NET POSITION AT BEGINNING OF YEAR</b>             | <u>3,681,241</u>                                  | <u>2,053,200</u>                  |
| <b>NET POSITION AT END OF YEAR</b>                   | <u><u>\$ 4,248,650</u></u>                        | <u><u>\$ 2,136,254</u></u>        |

See accompanying notes to basic financial statements.

**TOWN OF NANTUCKET, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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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 Nantucket County, twenty-five miles south of Cape Cod and was incorporated as a Town in 1671. An elected five-member Select Board governs the Town and an appointed Town Manager oversees the Town's daily executive and administrative duties. The Town provides governmental services for the territory within its boundaries, including police and fire protection, public education in grades K-12, water and sewer services, solid waste disposal, street maintenance, elderly housing, parks and recreational facilities and an airport.

Discretely Presented Component Units – The Town includes two entities as component units in the Town's reporting entity because of the significance of their operations or financial relationships with the Town are such that exclusion would cause the basic financial statements to be misleading. Unless otherwise indicated, the notes to the basic financial statements pertain only to the primary government. A description of the discretely presented component units is as follows:

Nantucket County – The County of Nantucket (“the County”) is presented in a separate column to emphasize that it is legally separate from the Town but included because the County shares the same geographical boundaries as the Town and (1) the economic resources received or held are entirely for the benefit of the Town and its constituents, (2) the Town has the ability to access the economic resources of the County, and (3) those economic resources are significant to the Town therefore exclusion would cause the financial statements to be misleading. The County Commissioners consist of a five-member elected board which operates a Registry of Deeds and Corrections Office. Complete stand-alone financial statements as of June 30, 2021 may be obtained at the County of Nantucket, 16 Broad Street Nantucket, Massachusetts 02554.

Nantucket Islands Land Bank – The Nantucket Islands Land Bank (“the Land Bank”) was created by Chapter 669 of the Acts of 1983 of the Commonwealth of Massachusetts to acquire and manage open space and protect natural resources in Nantucket County. The Land Bank is administered by the Nantucket Islands Land Bank Commission, which is comprised of five elected members. It is legally separate from the Town but presented as a discrete component unit due to (1) the economic resources received or held are entirely for the benefit of the Town and its constituents, (2) the Town has the ability to access those economic resources, and (3) those economic resources are significant to the Town therefore exclusion would cause the financial statements to be misleading. Complete stand-alone financial statements as of June 30, 2021 may be obtained at Nantucket Islands Land Bank, 22 Broad Street, Nantucket, Massachusetts 02554.

Availability of Financial Information of Certain Town Enterprise Funds – The Nantucket Memorial Airport issues separate stand-alone financial statements which may be obtained by contacting the Airport Commission at 14 Airport Road, Nantucket, MA 02554.

## 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, except interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

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

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

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

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

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

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

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

The governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e. measurable and available). Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, certain compensated absences, claims and judgments which are recognized when the obligations are due and payable.

The Town applies the susceptible to accrual criteria to intergovernmental revenues. In applying the susceptible to accrual concept, there are two types of revenues. In one, moneys must be expended for a specific purpose or project before any amounts will be paid to the; therefore, revenues are recognized as expenditures are incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues when cash is received, or earlier if the susceptible to accrual criteria are met. State aid is accrued as revenue in the year that the funds are appropriated by the Commonwealth.

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

The government reports the following major Governmental Funds:

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

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

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments 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:

Siasconset Water Enterprise Fund – is used to account for the operations of the Town's water activities in the Siasconset service area of the Town.

Wannacomet Water Enterprise Fund – is used to account for the operations of the Town's water activities in the remaining service areas of the Town.

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

Nantucket Memorial Airport Enterprise Fund – is used to account for the operations of the Town's airport.

Additionally, the following proprietary fund type is reported:

Internal Service Fund – is used to account for the Town's self-insured health insurance and 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:

Other Postemployment Benefits Trust Fund – is used to accumulate funds for future payments of other postemployment benefits for retirees, such as health and life insurance.

Private Purpose Trust Fund – is used to account for trust arrangements under which the principal and income benefit individuals, private organizations or other governments. This fund is used for scholarships and affordable housing programs.

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

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 and its component units are recorded at fair value.

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. Property taxes levied are recorded as receivables in the fiscal year of the levy. The Town is allowed to take delinquent taxes into tax title fourteen days subsequent to the mailing of a demand for payment of the delinquent taxes.

Loan receivables are principally comprised of funds advanced to developers under various grant and loan agreements. The Town loans funds through its Affordable Housing Trust Fund to owners of commercial and residential properties for the purpose of rehabilitating these properties and providing affordable housing for the Town's inhabitants. These loans are repaid to the Town under various terms and conditions stipulated by each mortgage agreement. The collected proceeds of these loans may be used for any eligible activity relevant to the affordable housing trust fund.

User charges receivables represent amounts billed for water, sewer, monthly landfill tipping fees, annual commercial landfill user fees, airport travel and fuel sales and nursing home fees. Water and sewer charges are billed monthly and are subject to penalties and interest if not paid by the respective due date. The Town is authorized to take water and sewer fees into tax title fourteen days subsequent to the mailing of a demand for payment of the delinquent taxes.

Real estate taxes, water user fees and sewer user fees that are secured through a lien process 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. Departmental, landfill, airport and nursing home receivables are shown net of an allowance for uncollectible balances based on historical trends and specific account analysis.

Sewer privilege fees represent betterments assessed to property owners related to upgrades to the Surfside Wastewater Treatment Plant. These are considered 100% collectible since they are secured through a lien on the owner's property.

*Inventories and Prepaid Items* – Inventories of the Wannacomet Water Enterprise Fund and Nantucket Memorial Airport Enterprise Fund are valued at the lower of cost or market, with cost determined on a first-in, first out basis. Certain supplies and small tools are expensed when purchased.

All other inventories, which are not material to the basic financial statements, are considered to be expenditures at the time of purchase.

*Restricted Assets* – Certain assets of the component units are classified as restricted because their use is restricted by contract covenants.

*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 or business-type activities columns in the government-wide 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 assets lives are not capitalized.

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

|                            |             |
|----------------------------|-------------|
| Buildings and improvements | 33-50 years |
| Machinery and equipment    | 5-7 years   |
| Vehicles                   | 5-10 years  |
| Infrastructure             | 40-70 years |

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

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

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

*Investment Income* – Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by state law. Investment income of the proprietary funds is assigned to the fund within which it applies.

*Compensated Absences* – It is the Town’s policy to permit employees to accumulate earned but unused sick pay benefits. Vacation time may be carried for a period of 6 months subsequent to year-end and if not used during this period is lost. 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 a liability in the government-wide and proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond anticipation notes payable are reported net of the applicable bond premium or discount.

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

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources expense/expenditure) until then. The Town has three types of items that are reported on the government-wide statement of net position. These relate to deferred losses on refunding transactions, outflows from changes in the net pension liability and outflows from changes in net other postemployment benefits liability. The deferred losses on refunding will be recognized in interest expense over the life of the refunding bonds issued or the remaining life of the bonds refunded, whichever is shorter. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection C.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until that time. The Town has three types of items that are reported on the government-wide statement of net position which relate to taxes paid in advance, 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 C. The Town also has an additional type of item that arises under a modified accrual basis of accounting which qualifies for reporting in this category. Accordingly, the item unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: property taxes, user charges and other. These amounts are deferred and recognized as an inflow of resources in the period that they become available.

*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 principal portion of donor restricted trusts that support governmental programs.

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

*Community preservation* represents assets that are restricted by state law for the purposes of acquiring or developing open space and recreational facilities, historic resources and affordable housing.

*Capital outlay* represents assets that are restricted for the purposes of funding capital projects.

*Public safety revolving funds* represent assets that have accumulated from user charges assessed to support specific public safety programs. These amounts are restricted by state law for the purpose of funding those programs for which the user charges were assessed.

*Gift funds* represent assets that are restricted by donors for specific purposes.

*Other purposes* represent assets that are restricted for numerous various minor specific governmental programs and uses.

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

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

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

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

*Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town 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 Town has by ordinance authorized the Director of Municipal Finance 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.

**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 Director of Finance 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 \$1,598,518 of encumbrances from normal purchasing activity in the general fund as assigned and \$1,381,045 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 equity categorizations:

|                                        | General             | Town<br>Capital<br>Projects | Nonmajor<br>Governmental<br>Funds | Total               |
|----------------------------------------|---------------------|-----------------------------|-----------------------------------|---------------------|
| Nonspendable:                          |                     |                             |                                   |                     |
| Non-current portion of interfund loans | \$ 2,406,361        | \$ -                        | \$ -                              | \$ 2,406,361        |
| Nonexpendable trust funds              | -                   | -                           | 44,965                            | 44,965              |
| Restricted:                            |                     |                             |                                   |                     |
| School grants                          | -                   | -                           | 517,468                           | 517,468             |
| Town grants                            | -                   | -                           | 2,466,721                         | 2,466,721           |
| School revolving                       | -                   | -                           | 2,025,191                         | 2,025,191           |
| Ambulance                              | -                   | -                           | 967,159                           | 967,159             |
| Beach improvements                     | -                   | -                           | 1,633,434                         | 1,633,434           |
| Waterway improvements                  | -                   | -                           | 1,420,574                         | 1,420,574           |
| Insurance proceeds                     | -                   | -                           | 274,502                           | 274,502             |
| Other Town revolving                   | -                   | -                           | 3,657,851                         | 3,657,851           |
| Capital outlay                         | -                   | 12,252,420                  | 2,381,370                         | 14,633,790          |
| Community preservation                 | -                   | -                           | 5,911,610                         | 5,911,610           |
| Gift funds                             | -                   | -                           | 1,247,900                         | 1,247,900           |
| Affordable housing                     | -                   | -                           | 1,078,426                         | 1,078,426           |
| Expendable trust funds                 | -                   | -                           | 177,899                           | 177,899             |
| Debt service                           | 55,245              | -                           | -                                 | 55,245              |
| Committed:                             |                     |                             |                                   |                     |
| Nursing home                           | 6,686,371           | -                           | -                                 | 6,686,371           |
| Solid waste landfill                   | 1,719,704           | -                           | -                                 | 1,719,704           |
| Capital outlay                         | 1,152,831           | -                           | -                                 | 1,152,831           |
| Other purposes                         | 228,214             | -                           | -                                 | 228,214             |
| Assigned:                              |                     |                             |                                   |                     |
| Town administration                    | 219,875             | -                           | -                                 | 219,875             |
| Public works                           | 274,664             | -                           | -                                 | 274,664             |
| Education                              | 649,874             | -                           | -                                 | 649,874             |
| Public safety                          | 215,098             | -                           | -                                 | 215,098             |
| Other purposes                         | 239,007             | -                           | -                                 | 239,007             |
| Subsequent years' budget               | 4,817,254           | -                           | -                                 | 4,817,254           |
| Unassigned                             | 34,456,291          | (1,656,481)                 | (739,451)                         | 32,060,359          |
|                                        | <u>\$53,120,789</u> | <u>\$10,595,939</u>         | <u>\$23,065,619</u>               | <u>\$86,782,347</u> |

**Stabilization Funds** – The Town maintains a general stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B, which may be used for any municipal purpose upon a two-thirds vote of the Town Meeting. The balance of the fund totals \$5,770,018 at June 30, 2021 and is reported as unassigned fund balance in the General Fund.

The Town maintains a capital stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B, which may be used for any municipal capital purpose upon a two-thirds vote of the Town Meeting. The balance of the fund totals \$1,302,038 at June 30, 2021 and is reported as unassigned fund balance in the General Fund.

The Town maintains a substance abuse stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B, which may be used for any municipal substance abuse or mental health purpose upon a two-thirds vote of the Town Meeting. The balance of the fund totals \$148,551 at June 30, 2021 and is reported as unassigned fund balance in the General Fund.

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

During the fiscal year ended, the Town overspent its appropriation for snow and ice removal by \$80,773, which will be funded from available revenues in the subsequent year.

The Town incurred deficits of \$1,656,481 for capital outlays which is reported in the Town Capital Projects major fund and \$739,451 for road infrastructure projects which is reported in the Nonmajor Governmental Funds. These deficits will be funded through available revenues, grant funds or bond proceeds 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, deferred outflows, liabilities, deferred inflows, disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

### **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 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.

### ***Primary Government (Town)***

***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 has adopted a deposit policy which requires that the Treasurer review each bank doing business with the Town on a quarterly basis. The policy does not restrict the value of uninsured or uncollateralized investments held at any time.

At year-end, the carrying amount of the Town's deposits was \$140,332,847 and the bank balance was \$141,394,496. Of the Town's bank balance, \$61,107,125 was covered by federal depository insurance or the Depositors Insurance Fund, \$2,248,789 was collateralized and the remainder was uninsured.

***Custodial Credit Risk: Investments*** – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the Town may not be able to recover the full amount of its principal investment and/or investment earnings. The Town has adopted an investment policy regarding custodial credit risk that requires all securities not held directly by the Treasurer must be held by a third party custodian approved by the Treasurer in the Town's name and tax identification number.

The Town's investments in U.S. government obligations and equity securities are held by a broker-dealer where the Town's assets are segregated from the broker-dealer firm assets and are protected up to \$500,000 under coverage through the Securities Investor Protection Corporation ("SIPC"). Additionally, the broker-dealer carries excess insurance to cover claims over the SIPC limit through Lloyd's with a firm cap of \$1 billion with no individual client limit. The Town's investments in certificates of deposit are fully insured by federal depository insurance or the Depositors Insurance Fund or collateralized.

***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 policy limits investments of operating funds to one year or less and limits investment maturities of trust funds and other special funds to periods no longer than seven years, maintaining an average maturity no greater than three years for the investment portfolio.

At June 30, 2021, the Town's investments had the following maturities:

| <b>Investment Type</b>                 | <b>6/30/21</b>       | <b>Time Until Maturity (Years)</b> |                     |             |
|----------------------------------------|----------------------|------------------------------------|---------------------|-------------|
|                                        |                      | <b>Less Than 1</b>                 | <b>1-5</b>          | <b>6-10</b> |
| U.S. government obligations            | \$ 8,360,144         | \$ 3,445,243                       | \$ 4,914,901        | \$ -        |
| Certificates of deposit                | 2,726,508            | 2,726,508                          | -                   | -           |
| State investment pool (MMDT)           | 3,179,319            | 3,179,319                          | -                   | -           |
| Total Town investments with maturities | <u>\$ 14,265,971</u> | <u>\$ 9,351,070</u>                | <u>\$ 4,914,901</u> | <u>\$ -</u> |

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

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

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

The following table presents the Town’s investments carried at fair value on a recurring basis in the statement of net position at June 30, 2021:

|                                        |               | Fair Value Measurements Using |               |         |
|----------------------------------------|---------------|-------------------------------|---------------|---------|
|                                        | 6/30/21       | Level 1                       | Level 2       | Level 3 |
| Investments by fair value level        |               |                               |               |         |
| Debt securities:                       |               |                               |               |         |
| U.S. Government obligations            | \$ 8,360,144  | \$ -                          | \$ 8,360,144  | \$ -    |
| Total debt securities                  | 8,360,144     | -                             | 8,360,144     | -       |
| Equity securities:                     |               |                               |               |         |
| Common stock                           | 5,923,869     | 5,923,869                     | -             | -       |
| Total equity securities                | 5,923,869     | 5,923,869                     | -             | -       |
| Certificates of deposit                | 2,726,508     | -                             | 2,726,508     | -       |
| Total investments by fair value level  | \$ 17,010,521 | \$ 5,923,869                  | \$ 11,086,652 | \$ -    |
| Investments measured at amortized cost |               |                               |               |         |
| MMDT                                   | 3,179,319     |                               |               |         |
| Total investments                      | \$ 20,189,840 |                               |               |         |

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 are valued using prices for similar securities in active markets. Certificates of deposit 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.

*Concentration of Credit Risk* – The Town does not place a limit on the amount that may be invested in any one issuer. The Town has 16% of its investments in the MMDT and 41% of its investments in United States government backed securities. No other issuer was greater than 5% of the Town’s investments.

*Credit Risk* – The Town restricts the investment of operating funds to U.S. Treasury or Agency securities which carry “AAA” ratings. Trust and other special funds which are longer-term investments may invest in fixed-income securities which are held principally for capital preservation and income potential and corporate debt that carries a rating of “A” or better by either Standard and Poor’s or Moody’s rating services. If a security falls below the “A” rating,

the security will be monitored by the Treasurer and advisor and will be noted as an exception to the policy if held in the investment portfolio. The Treasurer will sell the securities if a decline in value is expected.

At June 30, 2021, the Town's investments in U.S. government securities were rated AAA by Moody's and the remainder of the Town's investments were unrated.

#### ***Discretely Presented Component Unit – Nantucket County***

*Custodial Credit Risk: Deposits-* The County has adopted a deposit policy which requires that the Treasurer review each bank doing business with the County on a quarterly basis. The policy does not restrict the value of uninsured or uncollateralized investments held at any time.

At year-end, the carrying amount of the County's deposits was \$6,882,665 and the entire bank balance of \$6,906,697 was covered by either federal depository insurance or by the Depositors' Insurance Fund (DIF).

*Custodial Credit Risk: Investments* - The County has adopted an investment policy regarding custodial credit risk that requires all securities not held directly by the Treasurer must be held by a third party custodian approved by the Treasurer in the Town/County's name and tax identification number. The County reports no investments at June 30, 2020.

*Interest Rate Risk* - The County limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The policy limits investments of operating funds to one year or less and limits investment maturities of trust funds and other special funds to periods no longer than seven years, maintaining an average maturity no greater than three years for the investment portfolio

*Credit Risk* - The County restricts the investment of operating funds to U.S. Treasury or Agency securities which carry "AAA" ratings. Trust and other special funds which are longer-term investments may invest in fixed-income securities which are held principally for capital preservation and income potential and corporate debt that carries a rating of "A" or better by either Standard and Poor's or Moody's rating services. If a security falls below the "A" rating, the security will be monitored by the Treasurer and advisor and will be noted as an exception to the policy if held in the investment portfolio. The Treasurer will sell the securities if a decline in value is expected.

*Concentration of Credit Risk* – The County does not place a limit on the amount that may be invested in any one issuer.

#### ***Discretely Presented Component Unit – Nantucket Islands Land Bank***

The Land Bank is required to hold monies in reserve in accordance with certain land acquisitions and debt service requirements of bond issuances. These reserve funds are included as restricted cash in the financial statements.

Restricted Cash consist of the following as of June 30, 2021:

|                       |                   |
|-----------------------|-------------------|
| Series A Debt Reserve | \$ 639,725        |
| Mitigation agreements | <u>76,994</u>     |
|                       | <u>\$ 716,719</u> |

*Custodial Credit Risk: Deposits* - The Land Bank does not have a policy regarding custodial credit risk for deposits. At year-end, the carrying amount of the Land Bank's deposits was approximately \$37,000,000, of which approximately \$1,469,000 was exposed to custodial credit risk.

*Custodial Credit Risk: Investments* -The Land Bank does not have a policy regarding custodial credit risk for investments.

At year-end, the Land Bank's investments include Certificates of Deposit totaling \$5,274,743 which were covered by federal depository insurance or DIF and were not subject to custodial credit risk, mature in less than one year, are stated at fair market value and are unrated in terms of credit risk quality ratings. The Land Bank also maintains investments in U.S Treasury bonds totaling \$2,848,976 which mature in May 2022 and have a Moody's quality rating of AAA.

At June 30, 2021, all investments are categorized in Level 1 of the fair value hierarchy based on quoted market prices, except for certificates of deposit which are categorized in Level 2.

The Land Bank has entered into an agreement with the Town, which requires the Land Bank to establish a working capital reserve fund. This fund, along with the guarantee of the Town of its full faith and credit, secures the Series 2009A, 2012A and 2016A bonds outstanding at year-end. In addition, the Land Bank is prohibited from acquiring additional real estate at any time that an amount equal to one year's debt service relating to the bonds in the reserve fund is not on deposit.

*Interest Rate Risk* -The Land Bank does not have a formal policy regarding interest rate risk.

## B. Receivables

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

|                                         | Gross<br>Amount      | Allowance for<br>Uncollectibles | Net<br>Amount        |
|-----------------------------------------|----------------------|---------------------------------|----------------------|
| Receivables:                            |                      |                                 |                      |
| Real estate and personal property taxes | \$ 4,005,795         | \$ (376,965)                    | \$ 3,628,830         |
| Tax liens                               | 2,600,459            | -                               | 2,600,459            |
| Motor vehicle and other excise taxes    | 2,459,687            | (71,114)                        | 2,388,573            |
| Community preservation surcharges       | 264,793              | -                               | 264,793              |
| Nursing home user charges               | 615,189              | -                               | 615,189              |
| Landfill user charges                   | 644,041              | (170,111)                       | 473,930              |
| Ambulance user charges                  | 1,274,197            | (602,000)                       | 672,197              |
| Departmental and other                  | 123,451              | -                               | 123,451              |
| Mortgage loans                          | 2,678,200            | -                               | 2,678,200            |
| Intergovernmental                       | 18,501               | -                               | 18,501               |
| Total                                   | <u>\$ 14,684,313</u> | <u>\$ (1,220,190)</u>           | <u>\$ 13,464,123</u> |

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

|                      | Gross<br>Amount      | Allowance for<br>Uncollectibles | Net<br>Amount        |
|----------------------|----------------------|---------------------------------|----------------------|
| Receivables:         |                      |                                 |                      |
| Water user charges   | \$ 913,039           | \$ -                            | \$ 913,039           |
| Sewer user charges   | 1,101,702            | -                               | 1,101,702            |
| Sewer privilege fees | 855,742              | -                               | 855,742              |
| Airport user charges | 649,665              | -                               | 649,665              |
| Stop loss receivable | 477,261              | -                               | 477,261              |
| Intergovernmental    | 6,320,962            | -                               | 6,320,962            |
| Total                | <u>\$ 10,318,371</u> | <u>\$ -</u>                     | <u>\$ 10,318,371</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<br>Fund     | Other<br>Governmental<br>Funds | Total               |
|-----------------------------------------|---------------------|--------------------------------|---------------------|
| Receivable type:                        |                     |                                |                     |
| Real estate and personal property taxes | \$ 4,083,415        | \$ -                           | \$ 4,083,415        |
| Tax liens                               | 2,600,459           | -                              | 2,600,459           |
| Motor vehicle and other excise taxes    | 883,122             | -                              | 883,122             |
| Community preservation surcharges       | -                   | 264,793                        | 264,793             |
| Nursing home user charges               | 615,189             | -                              | 615,189             |
| Landfill user charges                   | 473,930             | -                              | 473,930             |
| Ambulance user charges                  | -                   | 672,197                        | 672,197             |
| Departmental and other                  | 49,498              | 73,953                         | 123,451             |
| Total                                   | <u>\$ 8,705,613</u> | <u>\$ 1,010,943</u>            | <u>\$ 9,716,556</u> |

Massachusetts Clean Water Trust – The Town has entered into numerous loan agreements with the Massachusetts Clean Water Trust (“MCWT”). It is expected that the Town will be subsidized by MCWT on a periodic basis for principal in the amount of \$573,225 and interest in the amount of \$4,168,814 until the maturity of these agreements. GAAP requires the recognition of gross debt relative to these agreements; therefore, a receivable totaling \$573,225 has been reported in the Sewer Enterprise Fund.

### C. Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

|                                                    | Beginning<br>Balance | Increases     | Decreases       | Ending<br>Balance |
|----------------------------------------------------|----------------------|---------------|-----------------|-------------------|
| <i><u>Governmental Activities:</u></i>             |                      |               |                 |                   |
| Capital assets not being depreciated:              |                      |               |                 |                   |
| Land                                               | \$ 180,572,310       | \$ 5,719,237  | \$ -            | \$ 186,291,547    |
| Construction in process                            | 31,935,217           | 6,153,395     | (26,816,449)    | 11,272,163        |
| Total capital assets not being depreciated         | 212,507,527          | 11,872,632    | (26,816,449)    | 197,563,710       |
| Capital assets being depreciated:                  |                      |               |                 |                   |
| Buildings and improvements                         | 111,494,421          | 22,272,816    | (170,398)       | 133,596,839       |
| Infrastructure                                     | 46,645,485           | 6,088,870     | (249,878)       | 52,484,477        |
| Machinery and equipment                            | 11,332,120           | 1,717,695     | (153,350)       | 12,896,465        |
| Vehicles                                           | 10,928,350           | 515,079       | (419,642)       | 11,023,787        |
| Total capital assets being depreciated             | 180,400,376          | 30,594,460    | (993,268)       | 210,001,568       |
| Less accumulated depreciation for:                 |                      |               |                 |                   |
| Buildings and improvements                         | (35,900,818)         | (3,699,053)   | 170,398         | (39,429,473)      |
| Infrastructure                                     | (18,011,264)         | (2,151,213)   | 249,878         | (19,912,599)      |
| Machinery and equipment                            | (5,633,776)          | (1,113,914)   | 153,350         | (6,594,340)       |
| Vehicles                                           | (7,525,421)          | (762,624)     | 419,642         | (7,868,403)       |
| Total accumulated depreciation                     | (67,071,279)         | (7,726,804)   | 993,268         | (73,804,815)      |
| Total capital assets being depreciated, net        | 113,329,097          | 22,867,656    | -               | 136,196,753       |
| Total governmental activities capital assets, net  | \$ 325,836,624       | \$ 34,740,288 | \$ (26,816,449) | \$ 333,760,463    |
| <i><u>Business-Type Activities:</u></i>            |                      |               |                 |                   |
| Capital assets not being depreciated:              |                      |               |                 |                   |
| Land                                               | \$ 16,805,385        | \$ -          | \$ -            | \$ 16,805,385     |
| Construction in process                            | 43,128,649           | 17,992,323    | (15,961,826)    | 45,159,146        |
| Total capital assets not being depreciated         | 59,934,034           | 17,992,323    | (15,961,826)    | 61,964,531        |
| Capital assets being depreciated:                  |                      |               |                 |                   |
| Buildings and improvements                         | 65,802,327           | 9,001,609     | -               | 74,803,936        |
| Infrastructure                                     | 183,440,633          | 5,738,657     | (7,561)         | 189,171,729       |
| Machinery and equipment                            | 22,560,944           | 1,200,223     | (24,171)        | 23,736,996        |
| Vehicles                                           | 8,332,623            | 177,299       | (109,939)       | 8,399,983         |
| Total capital assets being depreciated             | 280,136,527          | 16,117,788    | (141,671)       | 296,112,644       |
| Less accumulated depreciation for:                 |                      |               |                 |                   |
| Buildings and improvements                         | (13,234,366)         | (1,785,015)   | -               | (15,019,381)      |
| Infrastructure                                     | (65,957,840)         | (4,122,790)   | 7,561           | (70,073,069)      |
| Machinery and equipment                            | (16,054,518)         | (937,096)     | 24,171          | (16,967,443)      |
| Vehicles                                           | (5,273,003)          | (650,956)     | 109,939         | (5,814,020)       |
| Total accumulated depreciation                     | (100,519,727)        | (7,495,857)   | 141,671         | (107,873,913)     |
| Total capital assets being depreciated, net        | 179,616,800          | 8,621,931     | -               | 188,238,731       |
| Total business-type activities capital assets, net | \$ 239,550,834       | \$ 26,614,254 | \$ (15,961,826) | \$ 250,203,262    |

|                                                          | Beginning<br>Balance | Increases           | Decreases          | Ending<br>Balance    |
|----------------------------------------------------------|----------------------|---------------------|--------------------|----------------------|
| <i><u>Business-type Activities: Siasconset Water</u></i> |                      |                     |                    |                      |
| Capital assets not being depreciated:                    |                      |                     |                    |                      |
| Land                                                     | \$ 2,615,578         | \$ -                | \$ -               | \$ 2,615,578         |
| Construction in process                                  | 105,203              | -                   | (69,403)           | 35,800               |
| Total capital assets not being depreciated               | <u>2,720,781</u>     | <u>-</u>            | <u>(69,403)</u>    | <u>2,651,378</u>     |
| Capital assets being depreciated:                        |                      |                     |                    |                      |
| Buildings and improvements                               | 803,999              | -                   | -                  | 803,999              |
| Infrastructure                                           | 9,790,565            | -                   | -                  | 9,790,565            |
| Machinery and equipment                                  | 780,697              | -                   | -                  | 780,697              |
| Total capital assets being depreciated                   | <u>11,375,261</u>    | <u>-</u>            | <u>-</u>           | <u>11,375,261</u>    |
| Less accumulated depreciation for:                       |                      |                     |                    |                      |
| Buildings and improvements                               | (223,649)            | (29,827)            | -                  | (253,476)            |
| Infrastructure                                           | (2,238,715)          | (191,997)           | -                  | (2,430,712)          |
| Machinery and equipment                                  | (169,022)            | (51,434)            | -                  | (220,456)            |
| Total accumulated depreciation                           | <u>(2,631,386)</u>   | <u>(273,258)</u>    | <u>-</u>           | <u>(2,904,644)</u>   |
| Total capital assets being depreciated, net              | <u>8,743,875</u>     | <u>(273,258)</u>    | <u>-</u>           | <u>8,470,617</u>     |
| Total Siasconset Water capital assets, net               | <u>\$ 11,464,656</u> | <u>\$ (273,258)</u> | <u>\$ (69,403)</u> | <u>\$ 11,121,995</u> |
| <i><u>Business-type Activities: Wannacomet Water</u></i> |                      |                     |                    |                      |
| Capital assets not being depreciated:                    |                      |                     |                    |                      |
| Land                                                     | \$ 5,434,455         | \$ -                | \$ -               | \$ 5,434,455         |
| Construction in process                                  | 1,568,908            | 1,439,017           | (34,300)           | 2,973,625            |
| Total capital assets not being depreciated               | <u>7,003,363</u>     | <u>1,439,017</u>    | <u>(34,300)</u>    | <u>8,408,080</u>     |
| Capital assets being depreciated:                        |                      |                     |                    |                      |
| Buildings and improvements                               | 5,564,191            | -                   | -                  | 5,564,191            |
| Infrastructure                                           | 41,188,198           | -                   | (7,561)            | 41,180,637           |
| Machinery and equipment                                  | 1,784,081            | -                   | (3,171)            | 1,780,910            |
| Vehicles                                                 | 347,436              | -                   | -                  | 347,436              |
| Total capital assets being depreciated                   | <u>48,883,906</u>    | <u>-</u>            | <u>(10,732)</u>    | <u>48,873,174</u>    |
| Less accumulated depreciation for:                       |                      |                     |                    |                      |
| Buildings and improvements                               | (630,943)            | (165,350)           | -                  | (796,293)            |
| Infrastructure                                           | (11,564,363)         | (853,927)           | 7,561              | (12,410,729)         |
| Machinery and equipment                                  | (603,292)            | (87,656)            | 3,171              | (687,777)            |
| Vehicles                                                 | (245,468)            | (33,980)            | -                  | (279,448)            |
| Total accumulated depreciation                           | <u>(13,044,066)</u>  | <u>(1,140,913)</u>  | <u>10,732</u>      | <u>(14,174,247)</u>  |
| Total capital assets being depreciated, net              | <u>35,839,840</u>    | <u>(1,140,913)</u>  | <u>-</u>           | <u>34,698,927</u>    |
| Total Wannacomet Water capital assets, net               | <u>\$ 42,843,203</u> | <u>\$ 298,104</u>   | <u>\$ (34,300)</u> | <u>\$ 43,107,007</u> |

| <i>Business-type Activities: Sewer</i>                      | Beginning<br>Balance  | Increases            | Decreases              | Ending<br>Balance     |
|-------------------------------------------------------------|-----------------------|----------------------|------------------------|-----------------------|
| Capital assets not being depreciated:                       |                       |                      |                        |                       |
| Land                                                        | \$ 6,375,583          | \$ -                 | \$ -                   | \$ 6,375,583          |
| Construction in process                                     | 36,957,141            | 4,165,243            | (13,855,895)           | 27,266,489            |
| Total capital assets not being depreciated                  | <u>43,332,724</u>     | <u>4,165,243</u>     | <u>(13,855,895)</u>    | <u>33,642,072</u>     |
| Capital assets being depreciated:                           |                       |                      |                        |                       |
| Buildings and improvements                                  | 6,047,638             | 8,776,609            | -                      | 14,824,247            |
| Infrastructure                                              | 90,614,528            | 4,708,657            | -                      | 95,323,185            |
| Machinery and equipment                                     | 17,345,385            | 275,818              | (9,000)                | 17,612,203            |
| Vehicles                                                    | 2,598,472             | -                    | -                      | 2,598,472             |
| Total capital assets being depreciated                      | <u>116,606,023</u>    | <u>13,761,084</u>    | <u>(9,000)</u>         | <u>130,358,107</u>    |
| Less accumulated depreciation for:                          |                       |                      |                        |                       |
| Buildings and improvements                                  | (285,095)             | (281,567)            | -                      | (566,662)             |
| Infrastructure                                              | (25,521,056)          | (1,885,631)          | -                      | (27,406,687)          |
| Machinery and equipment                                     | (13,954,411)          | (561,666)            | 9,000                  | (14,507,077)          |
| Vehicles                                                    | (1,117,356)           | (273,547)            | -                      | (1,390,903)           |
| Total accumulated depreciation                              | <u>(40,877,918)</u>   | <u>(3,002,411)</u>   | <u>9,000</u>           | <u>(43,871,329)</u>   |
| Total capital assets being depreciated, net                 | <u>75,728,105</u>     | <u>10,758,673</u>    | <u>-</u>               | <u>86,486,778</u>     |
| Total Sewer capital assets, net                             | <u>\$ 119,060,829</u> | <u>\$ 14,923,916</u> | <u>\$ (13,855,895)</u> | <u>\$ 120,128,850</u> |
| <i>Business-type Activities: Nantucket Memorial Airport</i> |                       |                      |                        |                       |
| Capital assets not being depreciated:                       |                       |                      |                        |                       |
| Land                                                        | \$ 2,379,769          | \$ -                 | \$ -                   | \$ 2,379,769          |
| Construction in process                                     | 4,497,397             | 12,388,063           | (2,002,228)            | 14,883,232            |
| Total capital assets not being depreciated                  | <u>6,877,166</u>      | <u>12,388,063</u>    | <u>(2,002,228)</u>     | <u>17,263,001</u>     |
| Capital assets being depreciated:                           |                       |                      |                        |                       |
| Infrastructure                                              | 41,847,342            | 1,030,000            | -                      | 42,877,342            |
| Buildings and improvements                                  | 53,386,499            | 225,000              | -                      | 53,611,499            |
| Machinery and equipment                                     | 2,650,781             | 924,405              | (12,000)               | 3,563,186             |
| Vehicles                                                    | 5,386,715             | 177,299              | (109,939)              | 5,454,075             |
| Total capital assets being depreciated                      | <u>103,271,337</u>    | <u>2,356,704</u>     | <u>(121,939)</u>       | <u>105,506,102</u>    |
| Less accumulated depreciation for:                          |                       |                      |                        |                       |
| Infrastructure                                              | (26,633,706)          | (1,191,235)          | -                      | (27,824,941)          |
| Buildings and improvements                                  | (12,094,679)          | (1,308,271)          | -                      | (13,402,950)          |
| Machinery and equipment                                     | (1,327,793)           | (236,340)            | 12,000                 | (1,552,133)           |
| Vehicles                                                    | (3,910,179)           | (343,429)            | 109,939                | (4,143,669)           |
| Total accumulated depreciation                              | <u>(43,966,357)</u>   | <u>(3,079,275)</u>   | <u>121,939</u>         | <u>(46,923,693)</u>   |
| Total capital assets being depreciated, net                 | <u>59,304,980</u>     | <u>(722,571)</u>     | <u>-</u>               | <u>58,582,409</u>     |
| Total Nantucket Memorial Airport capital assets, net        | <u>\$ 66,182,146</u>  | <u>\$ 11,665,492</u> | <u>\$ (2,002,228)</u>  | <u>\$ 75,845,410</u>  |

Depreciation expense was charged to functions/programs as follows:

**Governmental Activities:**

|                           |                     |
|---------------------------|---------------------|
| General government        | \$ 425,522          |
| Public safety             | 1,698,086           |
| Education                 | 2,971,877           |
| Public works              | 2,384,860           |
| Health and human services | 246,459             |
|                           | <u>\$ 7,726,804</u> |

**Business-Type Activities:**

|         |                     |
|---------|---------------------|
| Water   | \$ 1,414,171        |
| Sewer   | 3,002,411           |
| Airport | <u>3,079,275</u>    |
|         | <u>\$ 7,495,857</u> |

***Discretely Presented Component Unit - Nantucket County***

|                                             | Beginning<br>Balance | Increases         | Decreases   | Ending<br>Balance   |
|---------------------------------------------|----------------------|-------------------|-------------|---------------------|
| Capital assets not being depreciated:       |                      |                   |             |                     |
| Land                                        | \$ 3,283,842         | \$ 125,000        | \$ -        | \$ 3,408,842        |
| Capital assets being depreciated:           |                      |                   |             |                     |
| Machinery and equipment                     | 21,071               | -                 | -           | 21,071              |
| Less accumulated depreciation for:          |                      |                   |             |                     |
| Machinery and equipment                     | (21,071)             | -                 | -           | (21,071)            |
| Total capital assets being depreciated, net | -                    | -                 | -           | -                   |
| Total Nantucket County capital assets, net  | <u>\$ 3,283,842</u>  | <u>\$ 125,000</u> | <u>\$ -</u> | <u>\$ 3,408,842</u> |

***Discretely Presented Component Unit - Nantucket Islands Land Bank***

|                                                          | Beginning<br>Balance  | Increases            | Decreases   | Ending<br>Balance     |
|----------------------------------------------------------|-----------------------|----------------------|-------------|-----------------------|
| Capital assets not being depreciated:                    |                       |                      |             |                       |
| Land                                                     | \$ 390,040,595        | \$ 11,260,000        | \$ -        | \$ 401,300,595        |
| Capital assets being depreciated:                        |                       |                      |             |                       |
| Buildings, improvements and equipment                    | 45,281,360            | 5,573,384            | -           | 50,854,744            |
| Less: accumulated depreciation                           | (13,684,426)          | (1,532,830)          | -           | (15,217,256)          |
| Total capital assets being depreciated, net              | 31,596,934            | 4,040,554            | -           | 35,637,488            |
| Total Nantucket Islands Land Bank<br>capital assets, net | <u>\$ 421,637,529</u> | <u>\$ 15,300,554</u> | <u>\$ -</u> | <u>\$ 436,938,083</u> |

#### D. Interfund Receivables, Payables and Transfers

The composition of interfund balances at June 30, 2021 is as follows:

| Receivable Fund | Payable Fund                                       | Amount              |
|-----------------|----------------------------------------------------|---------------------|
| General Fund    | Nonmajor Governmental Funds -<br>Road Improvements | \$ 406,665          |
| General Fund    | Enterprise Fund -<br>Nantucket Memorial Airport    | 2,641,983           |
| Total           |                                                    | <u>\$ 3,048,648</u> |

The outstanding balances between governmental 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 Town and the Nantucket Memorial Airport entered into an agreement in fiscal year 2019 for the Enterprise Fund to repay the General Fund in regular installments for costs that were subsidized in prior years.

The composition of interfund transfers for the fiscal year ended June 30, 2021, was as follows:

| Transfers Out               | Transfers In     |                       |                             |                     | Total              |     |
|-----------------------------|------------------|-----------------------|-----------------------------|---------------------|--------------------|-----|
|                             | General Fund     | Town Capital Projects | Nonmajor Governmental Funds | Sewer               |                    |     |
| General Fund                | \$ -             | \$ 3,095,800          | \$ 550,000                  | \$ 1,055,736        | \$4,701,536        | (1) |
| Town Capital Projects       | 80,553           | -                     | -                           | -                   | 80,553             | (2) |
| Nonmajor Governmental Funds | -                | 100,000               | -                           | 848,288             | 948,288            | (2) |
| Total                       | <u>\$ 80,553</u> | <u>\$ 3,195,800</u>   | <u>\$ 550,000</u>           | <u>\$ 1,904,024</u> | <u>\$5,730,377</u> |     |

(1) Transfer to town capital projects for various capital outlays; transfers to nonmajor funds to fund community school programs and transfers to sewer fund for debt service.

(2) Transfers to general fund to supplement operating budgets and transfers town capital projects for capital outlays.

#### E. Temporary Debt

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

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

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

Short-term (BANs) issued for nonmajor governmental funds were used for roadways, sidewalks and bike paths (\$460,000), town pier (\$390,000), nursing home construction (\$380,000), other building projects (\$2,500,000), stormwater improvements (\$1,152,900), affordable housing acquisitions (\$4,347,500) and other projects (\$750,000). Those issued for business-type funds were issued for water projects (\$100,000), sewer projects (\$9,274,300) and airport projects (\$11,000,000).

Temporary notes outstanding at June 30, 2021, are payable as follows:

| Type                      | Interest Rate | Maturity Date | July 1, 2020        | Additions           | Retirements           | June 30, 2021       |
|---------------------------|---------------|---------------|---------------------|---------------------|-----------------------|---------------------|
| MCWT                      | 0.00%         | matured       | 2,000,000           | -                   | (2,000,000)           | -                   |
| BAN                       | 1.25%         | matured       | 6,205,000           | -                   | (6,205,000)           | -                   |
| BAN                       | 1.50%         | matured       | 3,585,000           | -                   | (3,585,000)           | -                   |
| BAN                       | 2.00%         | 10/15/21      | -                   | 5,955,000           | (2,262,100)           | 3,692,900           |
| BAN                       | 1.00%         | 10/15/21      | -                   | 2,325,000           | (2,118,750)           | 206,250             |
| BAN                       | 1.25%         | 10/15/21      | -                   | 7,925,000           | (5,493,750)           | 2,431,250           |
| BAN                       | 1.50%         | 10/15/21      | -                   | 2,900,000           | -                     | 2,900,000           |
| BAN                       | 1.25%         | 06/30/22      | -                   | 750,000             | -                     | 750,000             |
| Total Governmental Notes  |               |               | <u>11,790,000</u>   | <u>19,855,000</u>   | <u>(21,664,600)</u>   | <u>9,980,400</u>    |
| BAN                       | 1.25%         | matured       | 9,499,313           | -                   | (9,499,313)           | -                   |
| BAN                       | 1.50%         | matured       | 4,527,200           | -                   | (4,527,200)           | -                   |
| MCWT                      | 2.00%         | matured       | 3,801,862           | -                   | (3,801,862)           | -                   |
| BAN                       | 2.00%         | 10/15/21      | -                   | 12,470,000          | (745,700)             | 11,724,300          |
| BAN                       | 1.50%         | 10/15/21      | -                   | 7,650,000           | (1,000,000)           | 6,650,000           |
| BAN                       | 1.25%         | 06/30/22      | -                   | 2,000,000           | -                     | 2,000,000           |
| Total Business-Type Notes |               |               | <u>17,828,375</u>   | <u>22,120,000</u>   | <u>(19,574,075)</u>   | <u>20,374,300</u>   |
| Total Notes Payable       |               |               | <u>\$29,618,375</u> | <u>\$41,975,000</u> | <u>\$(41,238,675)</u> | <u>\$30,354,700</u> |

On October 14, 2021, the Town issued general obligations bonds totaling \$17,955,000. A portion of the proceeds were used to retire \$11,620,300 of BANS outstanding at June 30, 2021 that matured on October 15, 2021. The retired BANS are shown as long-term debt obligations in these financial statements.

## F. Long-Term Obligations

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

|                                                               | Beginning<br>Balance  | Additions            | Deletions              | Ending<br>Balance     | Due within<br>one year |
|---------------------------------------------------------------|-----------------------|----------------------|------------------------|-----------------------|------------------------|
| <i>Governmental Activities:</i>                               |                       |                      |                        |                       |                        |
| General obligation bonds                                      | \$ 77,846,687         | \$ 14,353,100        | \$ (4,853,330)         | \$ 87,346,457         | \$ 5,126,954           |
| Unamortized bond premium                                      | 4,298,888             | 910,769              | (567,502)              | 4,642,155             | 1,400,339              |
| Notes from direct borrowings and placements                   | 13,299,522            | 1,040,600            | (792,413)              | 13,547,709            | 859,783                |
| Workers' compensation                                         | 60,363                | 193,596              | (213,181)              | 40,778                | 40,778                 |
| Landfill closure                                              | 14,700,000            | 1,500,000            | -                      | 16,200,000            | -                      |
| Compensated absences                                          | 2,991,680             | 1,707,001            | (1,495,840)            | 3,202,841             | 1,601,421              |
| Net other postemployment benefits liability                   | 117,724,907           | 27,231,649           | (20,058,442)           | 124,898,114           | -                      |
| Net pension liability                                         | 63,117,400            | 17,555,014           | (18,801,811)           | 61,870,603            | -                      |
| <b>Total Governmental Activities</b>                          | <b>\$ 294,039,447</b> | <b>\$ 64,491,729</b> | <b>\$ (46,782,519)</b> | <b>\$ 311,748,657</b> | <b>\$ 9,029,275</b>    |
| <i>Business-Type Activities - Siasconset Water:</i>           |                       |                      |                        |                       |                        |
| General obligation bonds                                      | \$ 4,312,900          | \$ 245,000           | \$ (395,000)           | \$ 4,162,900          | \$ 425,000             |
| Unamortized bond premium                                      | 402,298               | -                    | (85,767)               | 316,531               | 73,451                 |
| Net other postemployment benefits liability                   | 345,721               | 334,668              | (313,601)              | 366,788               | -                      |
| Net pension liability                                         | 151,161               | 42,043               | (45,029)               | 148,175               | -                      |
| <b>Total Siasconset Water</b>                                 | <b>5,212,080</b>      | <b>621,711</b>       | <b>(839,397)</b>       | <b>4,994,394</b>      | <b>498,451</b>         |
| <i>Business-Type Activities - Wannacomet Water:</i>           |                       |                      |                        |                       |                        |
| General obligation bonds                                      | 17,201,400            | 2,648,500            | (1,785,000)            | 18,064,900            | 1,776,500              |
| Unamortized bond premium                                      | 1,025,988             | 411,056              | (192,689)              | 1,244,355             | 578,325                |
| Compensated absences                                          | 252,440               | 177,571              | (126,220)              | 303,791               | 151,895                |
| Net other postemployment benefits liability                   | 1,393,733             | 357,407              | (272,484)              | 1,478,656             | -                      |
| Net pension liability                                         | 3,121,481             | 868,186              | (929,847)              | 3,059,820             | -                      |
| <b>Total Wannacomet Water</b>                                 | <b>22,995,042</b>     | <b>4,462,720</b>     | <b>(3,306,240)</b>     | <b>24,151,522</b>     | <b>2,506,720</b>       |
| <i>Business-Type Activities - Sewer:</i>                      |                       |                      |                        |                       |                        |
| General obligation bonds                                      | 7,621,250             | 4,478,700            | (628,000)              | 11,471,950            | 875,000                |
| Unamortized bond premium                                      | 613,714               | 109,347              | (105,682)              | 617,379               | 194,192                |
| Notes from direct borrowings and placements                   | 58,558,457            | 3,801,862            | (4,581,565)            | 57,778,754            | 3,820,231              |
| Compensated absences                                          | 123,104               | 86,013               | (61,552)               | 147,565               | 73,782                 |
| Net other postemployment benefits liability                   | 259,516               | 110,037              | (94,224)               | 275,329               | -                      |
| Net pension liability                                         | 1,904,632             | 529,741              | (567,364)              | 1,867,009             | -                      |
| <b>Total Sewer</b>                                            | <b>69,080,673</b>     | <b>9,115,700</b>     | <b>(6,038,387)</b>     | <b>72,157,986</b>     | <b>4,963,205</b>       |
| <i>Business-Type Activities - Nantucket Memorial Airport:</i> |                       |                      |                        |                       |                        |
| Bond and note debt                                            | 7,690,000             | 3,105,000            | (4,025,000)            | 6,770,000             | 590,000                |
| Unamortized bond premium                                      | 96,648                | 446,338              | (32,519)               | 510,467               | 77,113                 |
| Compensated absences                                          | 604,200               | 344,561              | (302,100)              | 646,661               | 323,330                |
| Net other postemployment benefits liability                   | 4,546,320             | 1,020,624            | (743,608)              | 4,823,336             | -                      |
| Net pension liability                                         | 7,285,975             | 2,026,468            | (2,170,393)            | 7,142,050             | -                      |
| <b>Total Nantucket Memorial Airport</b>                       | <b>20,223,143</b>     | <b>6,942,991</b>     | <b>(7,273,620)</b>     | <b>19,892,514</b>     | <b>990,443</b>         |
| <b>Total Business-Type Activities</b>                         | <b>\$ 117,510,938</b> | <b>\$ 21,143,122</b> | <b>\$ (17,457,644)</b> | <b>\$ 121,196,416</b> | <b>\$ 8,958,819</b>    |

The Town's governmental activities liabilities will be liquidated by the general fund. The business-type liabilities will be liquidated by the respective business-type funds.

## G. Long-Term Debt

State law permits a 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, a 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 is a summary of outstanding long-term debt obligations as of June 30, 2021:

| Description of Issue                                          | Interest Rate | Beginning Balance | Additions     | Maturities      | Ending Balance |
|---------------------------------------------------------------|---------------|-------------------|---------------|-----------------|----------------|
| <i>Governmental Activities:</i>                               |               |                   |               |                 |                |
| General Obligation Bonds                                      | 2.00 - 5.00%  | \$ 65,382,237     | \$ 14,353,100 | \$ (2,751,330)  | \$ 76,984,007  |
| General Obligation Refunding Bonds                            | 1.50 - 5.00%  | 12,464,450        | -             | (2,102,000)     | 10,362,450     |
| Total General Obligation Bonds                                |               | 77,846,687        | 14,353,100    | (4,853,330)     | 87,346,457     |
| Add: Unamortized bond premium                                 |               | 4,298,888         | 910,769       | (567,502)       | 4,642,155      |
| Total General Obligation Bonds, net                           |               | 82,145,575        | 15,263,869    | (5,420,832)     | 91,988,612     |
| Massachusetts Clean Water Trust                               | 0.00 - 2.42%  | 13,299,522        | 1,040,600     | (792,413)       | 13,547,709     |
| Total notes from direct borrowings and placements             |               | 13,299,522        | 1,040,600     | (792,413)       | 13,547,709     |
| Total Governmental Activities debt                            |               | \$ 95,445,097     | \$ 16,304,469 | \$ (6,213,245)  | \$ 105,536,321 |
| <i>Business-Type Activities - Siasconset Water:</i>           |               |                   |               |                 |                |
| General Obligation Bonds                                      | 2.00 - 5.00%  | \$ 390,000        | \$ 245,000    | \$ (25,000)     | \$ 610,000     |
| General Obligation Refunding Bonds                            | 2.00 - 4.00%  | 3,922,900         | -             | (370,000)       | 3,552,900      |
| Total General Obligation Bonds                                |               | 4,312,900         | 245,000       | (395,000)       | 4,162,900      |
| Add: Unamortized bond premium                                 |               | 402,298           | -             | (85,767)        | 316,531        |
| Total General Obligation Bonds, net                           |               | \$ 4,715,198      | \$ 245,000    | \$ (480,767)    | \$ 4,479,431   |
| <i>Business-Type Activities - Wannacommet Water:</i>          |               |                   |               |                 |                |
| General Obligation Bonds                                      | 2.00 - 5.00%  | \$ 9,150,000      | \$ 2,648,500  | \$ (640,000)    | \$ 11,158,500  |
| General Obligation Refunding Bonds                            | 1.50 - 5.00%  | 8,051,400         | -             | (1,145,000)     | 6,906,400      |
| Total General Obligation Bonds                                |               | 17,201,400        | 2,648,500     | (1,785,000)     | 18,064,900     |
| Add: Unamortized bond premium                                 |               | 1,025,988         | 411,056       | (192,689)       | 1,244,355      |
| Total General Obligation Bonds, net                           |               | \$ 18,227,388     | \$ 3,059,556  | \$ (1,977,689)  | \$ 19,309,255  |
| <i>Business-Type Activities - Sewer:</i>                      |               |                   |               |                 |                |
| General Obligation Bonds                                      | 2.00 - 5.00%  | \$ 5,885,000      | \$ 4,478,700  | \$ (345,000)    | \$ 10,018,700  |
| General Obligation Refunding Bonds                            | 2.00 - 5.00%  | 1,736,250         | -             | (283,000)       | 1,453,250      |
| Total General Obligation Bonds                                |               | 7,621,250         | 4,478,700     | (628,000)       | 11,471,950     |
| Add: Unamortized bond premium                                 |               | 613,714           | 109,347       | (105,682)       | 617,379        |
| Total General Obligation Bonds, net                           |               | 8,234,964         | 4,588,047     | (733,682)       | 12,089,329     |
| Massachusetts Clean Water Trust                               | 0.00 - 5.50%  | 58,558,457        | 3,801,862     | (4,581,565)     | 57,778,754     |
| Total notes from direct borrowings and placements             |               | 58,558,457        | 3,801,862     | (4,581,565)     | 57,778,754     |
| Total debt                                                    |               | \$ 66,793,421     | \$ 8,389,909  | \$ (5,315,247)  | \$ 69,868,083  |
| <i>Business-Type Activities - Nantucket Memorial Airport:</i> |               |                   |               |                 |                |
| General Obligation Bonds                                      | 2.00 - 5.00%  | \$ 7,690,000      | \$ -          | \$ (4,010,000)  | \$ 3,680,000   |
| General Obligation Refunding Bonds                            | 2.00 - 5.00%  | -                 | 3,105,000     | (15,000)        | 3,090,000      |
| Total General Obligation Bonds                                |               | 7,690,000         | 3,105,000     | (4,025,000)     | 6,770,000      |
| Add: Unamortized bond premium                                 |               | 96,648            | 446,338       | (32,519)        | 510,467        |
| Total General Obligation Bonds, net                           |               | \$ 7,786,648      | \$ 3,551,338  | \$ (4,057,519)  | \$ 7,280,467   |
| Total Business-Type Activities debt                           |               | \$ 97,522,655     | \$ 15,245,803 | \$ (11,831,222) | \$ 100,937,236 |

Payments on long-term debt due in future years consist of the following:

| Year Ending<br>June 30                                             | General Obligation Bonds |                      | Direct Borrowings<br>and Placements |                      |
|--------------------------------------------------------------------|--------------------------|----------------------|-------------------------------------|----------------------|
|                                                                    | Principal                | Interest             | Principal                           | Interest             |
| <i><u>Governmental Activities</u></i>                              |                          |                      |                                     |                      |
| 2022                                                               | \$ 5,126,954             | \$ 2,779,269         | \$ 859,783                          | \$ 283,971           |
| 2023                                                               | 5,989,528                | 3,163,334            | 875,477                             | 272,961              |
| 2024                                                               | 5,851,624                | 2,705,934            | 843,690                             | 254,883              |
| 2025                                                               | 4,870,742                | 2,468,311            | 860,116                             | 236,436              |
| 2026                                                               | 4,915,882                | 2,234,201            | 876,921                             | 217,609              |
| 2027-2031                                                          | 23,400,789               | 7,956,214            | 3,920,277                           | 813,719              |
| 2032-2036                                                          | 19,835,938               | 4,182,207            | 3,561,702                           | 408,598              |
| 2037-2041                                                          | 15,285,000               | 1,352,136            | 1,749,743                           | 54,600               |
| 2042-2043                                                          | 2,070,000                | 32,344               | -                                   | -                    |
| Total                                                              | <u>\$ 87,346,457</u>     | <u>\$ 26,873,950</u> | <u>\$ 13,547,709</u>                | <u>\$ 2,542,777</u>  |
| <i><u>Business-Type Activities: Siasconset Water</u></i>           |                          |                      |                                     |                      |
| 2022                                                               | \$ 425,000               | \$ 142,234           | \$ -                                | \$ -                 |
| 2023                                                               | 443,000                  | 122,195              | -                                   | -                    |
| 2024                                                               | 455,000                  | 105,535              | -                                   | -                    |
| 2025                                                               | 470,000                  | 88,336               | -                                   | -                    |
| 2026                                                               | 483,000                  | 68,775               | -                                   | -                    |
| 2027-2031                                                          | 1,671,900                | 116,681              | -                                   | -                    |
| 2032-2036                                                          | 165,000                  | 15,875               | -                                   | -                    |
| 2037-2041                                                          | 50,000                   | 2,500                | -                                   | -                    |
|                                                                    | <u>\$ 4,162,900</u>      | <u>\$ 662,131</u>    | <u>\$ -</u>                         | <u>\$ -</u>          |
| <i><u>Business-Type Activities: Wannacomet Water</u></i>           |                          |                      |                                     |                      |
| 2022                                                               | \$ 1,776,500             | \$ 650,099           | \$ -                                | \$ -                 |
| 2023                                                               | 1,759,000                | 555,880              | -                                   | -                    |
| 2024                                                               | 1,779,000                | 485,995              | -                                   | -                    |
| 2025                                                               | 1,791,000                | 414,235              | -                                   | -                    |
| 2026                                                               | 1,601,000                | 346,355              | -                                   | -                    |
| 2027-2031                                                          | 4,958,400                | 1,047,653            | -                                   | -                    |
| 2032-2036                                                          | 2,875,000                | 441,847              | -                                   | -                    |
| 2037-2041                                                          | 1,525,000                | 77,575               | -                                   | -                    |
|                                                                    | <u>\$ 18,064,900</u>     | <u>\$ 4,019,639</u>  | <u>\$ -</u>                         | <u>\$ -</u>          |
| <i><u>Business-Type Activities: Sewer</u></i>                      |                          |                      |                                     |                      |
| 2022                                                               | \$ 875,000               | \$ 362,407           | \$ 3,820,231                        | \$ 1,235,583         |
| 2023                                                               | 987,700                  | 394,315              | 3,881,674                           | 1,157,129            |
| 2024                                                               | 885,000                  | 316,749              | 3,803,079                           | 1,048,842            |
| 2025                                                               | 760,000                  | 276,874              | 3,729,011                           | 959,371              |
| 2026                                                               | 758,000                  | 241,164              | 3,245,989                           | 891,059              |
| 2027-2031                                                          | 3,236,250                | 741,801              | 15,962,902                          | 3,434,068            |
| 2032-2036                                                          | 2,385,000                | 294,795              | 15,130,927                          | 1,762,739            |
| 2037-2041                                                          | 1,585,000                | 71,363               | 8,204,941                           | 311,524              |
|                                                                    | <u>\$ 11,471,950</u>     | <u>\$ 2,699,468</u>  | <u>\$ 57,778,754</u>                | <u>\$ 10,800,315</u> |
| <i><u>Business-Type Activities: Nantucket Memorial Airport</u></i> |                          |                      |                                     |                      |
| 2022                                                               | \$ 590,000               | \$ 233,488           | \$ -                                | \$ -                 |
| 2023                                                               | 605,000                  | 210,737              | -                                   | -                    |
| 2024                                                               | 485,000                  | 188,488              | -                                   | -                    |
| 2025                                                               | 485,000                  | 167,362              | -                                   | -                    |
| 2026                                                               | 500,000                  | 147,587              | -                                   | -                    |
| 2027-2031                                                          | 2,375,000                | 466,270              | -                                   | -                    |
| 2032-2036                                                          | 1,730,000                | 104,974              | -                                   | -                    |
|                                                                    | <u>\$ 6,770,000</u>      | <u>\$ 1,518,906</u>  | <u>\$ -</u>                         | <u>\$ -</u>          |

The Town's outstanding notes from direct borrowings and placements related to governmental and business-type activities are issued by the Massachusetts Clean Water Trust. All financing agreements with the MCWT contain a provision that in the event of default, outstanding amounts due and payable shall be paid from any undisbursed proceeds on account or be deducted from any state local aid distributions owed to the Town. This provision also allows the MCWT to declare the entire outstanding principal amount due immediately.

Prior Year Refunding – In prior years, the Town defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At June 30, 2021, \$1,790,000 of defeased bonds remains outstanding.

Current Refunding – On November 18, 2020, the Town issued general obligation refunding bonds of \$3,105,000, paying interest at rates of 2% - 5% per annum. The proceeds, along with \$446,338 of premiums, were used to retire \$3,405,000 of callable general obligation bonds. As a result of the current refunding, the Town reduced its total debt service requirements by \$867,338, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$773,050.

Subsequent Event – On October 14, 2021, the Town issued general obligations bonds totaling \$17,955,000. A portion of the proceeds were used to retire \$11,620,300 of BANS outstanding at June 30, 2021 that matured on October 15, 2021. The retired BANS are shown as long-term debt obligations in these financial statements.

The following represents authorized and unissued debt as of June 30, 2021:

| Project                              | Amount                |
|--------------------------------------|-----------------------|
| <i>Governmental:</i>                 |                       |
| Fire station                         | \$ 1,211,394          |
| School building                      | 2,789,319             |
| Public works                         | 18,933,273            |
| Marine building                      | 3,450,000             |
| Our Island Home                      | 1,110,000             |
| Solid waste - landfill               | 14,383,000            |
| Town pier                            | 4,890,000             |
| Municipal Facilities Maintenance     | 6,500,000             |
| Bicycle paths                        | 3,193,487             |
| Land acquisition                     | 12,500,000            |
| Affordable housing                   | 23,630,000            |
| Miscellaneous                        | 2,316,000             |
| <i>Business-type:</i>                |                       |
| Water projects                       | 15,682,207            |
| Sewer projects                       | 120,530,143           |
| Nantucket Memorial Airport           | 63,791,334            |
| <b>Total Authorized and Unissued</b> | <b>\$ 294,910,157</b> |

***Discretely Presented Component Unit – Nantucket Islands Land Bank***

|                            | Beginning<br>Balance | Additions         | Deletions             | Ending<br>Balance    | Due within<br>one year |
|----------------------------|----------------------|-------------------|-----------------------|----------------------|------------------------|
| Bond and note indebtedness | \$ 20,884,902        | \$ -              | \$ (4,378,924)        | \$ 16,505,978        | \$ 6,138,212           |
| Capital leases             | 139,156              | 132,569           | (78,207)              | 193,518              | 73,184                 |
| Net OPEB liability         | 1,377,200            | 592,350           | -                     | 1,969,550            | -                      |
| Net pension liability      | 2,036,032            | -                 | (134,921)             | 1,901,111            | -                      |
| Total Land Bank            | <u>\$ 24,437,290</u> | <u>\$ 724,919</u> | <u>\$ (4,592,052)</u> | <u>\$ 20,570,157</u> | <u>\$ 6,211,396</u>    |

The following is a summary of outstanding long-term debt obligations as of June 30, 2021:

| Description of Issue             | Interest<br>Rate | Beginning<br>Balance | Additions   | Maturities            | Ending<br>Balance    |
|----------------------------------|------------------|----------------------|-------------|-----------------------|----------------------|
| Notes payable                    | 3.00 - 6.06%     | \$ 7,866,667         | \$ -        | \$ (3,083,334)        | \$ 4,783,333         |
| General obligation bonds         | 2.00 - 5.00%     | 12,880,000           | -           | (1,520,000)           | 11,360,000           |
| Total bonds and notes            |                  | 20,746,667           | -           | (4,603,334)           | 16,143,333           |
| Add: Unamortized bond premium    |                  | 587,341              | -           | (72,477)              | 514,864              |
| Less: Discounts on notes payable |                  | (449,106)            | -           | 296,887               | (152,219)            |
| Total Land Bank                  |                  | <u>\$ 20,884,902</u> | <u>\$ -</u> | <u>\$ (4,378,924)</u> | <u>\$ 16,505,978</u> |

The general obligation bonds are secured by a second priority security interest in the Land Bank's present and future transfer fees and unrestricted revenue. The bonds are additionally secured by a guarantee of the Town.

Payments on long-term debt due in future years consist of the following:

| Year Ending<br>June 30 | Principal            | Interest            | Total                |
|------------------------|----------------------|---------------------|----------------------|
| 2022                   | \$ 1,580,000         | \$ 303,830          | \$ 1,883,830         |
| 2023                   | 1,455,000            | 258,608             | 1,713,608            |
| 2024                   | 1,260,000            | 211,463             | 1,471,463            |
| 2025                   | 1,305,000            | 176,638             | 1,481,638            |
| 2026                   | 1,345,000            | 140,563             | 1,485,563            |
| 2027-2031              | 3,995,000            | 262,148             | 4,257,148            |
| 2032                   | 420,000              | 10,920              | 430,920              |
| Total                  | <u>\$ 11,360,000</u> | <u>\$ 1,364,170</u> | <u>\$ 12,724,170</u> |

### III. Other Information

#### A. Retirement System

Plan Description – The Town contributes to the Barnstable County Retirement Association (the System), a cost-sharing multiple-employer defined benefit pension plan established under Chapter 32 of the Commonwealth of Massachusetts General Laws (MGL) and administered by the Barnstable County Retirement Board. Stand-alone audited financial statements for the year ended December 31, 2020 were issued and may be obtained by writing to the Barnstable County Retirement Association, 750 Attucks Lane, Hyannis MA 02601.

Membership – Membership in the System as of December 31, 2020, was as follows:

|                                                                               |              |
|-------------------------------------------------------------------------------|--------------|
| Retired participants and beneficiaries<br>receiving benefits                  | 3,466        |
| Inactive participants entitled to a return<br>of their employee contributions | 969          |
| Active participants                                                           | <u>4,763</u> |
| Total                                                                         | <u>9,198</u> |

Benefit Terms – The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund directly. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

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. 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.

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

The Town contributed \$7,528,049 to the System in fiscal year 2021, which was the actuarially determined contribution requirement for the fiscal year and represented 22.3% of covered payroll.

Net Pension Liability – At June 30, 2021, the Town reported a liability of \$74,087,657 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

The Town's proportion of the net pension liability is based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all employers. The Town's proportion was approximately 10.73% at December 31, 2020.

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, 2020, and included the following significant assumptions:

|                           |                                                                                                            |
|---------------------------|------------------------------------------------------------------------------------------------------------|
| Investment rate of return | Full prefunding: 7.15% per year, net of investment expenses                                                |
| Discount Rate             | 7.150%                                                                                                     |
| Inflation                 | 3.00%                                                                                                      |
| Salary Increases          | 3.25%                                                                                                      |
| Cost of Living Adjustment | 3% of first \$18,000                                                                                       |
| Pre-Retirement Mortality  | RP-2014 Employee Mortality Table projected generationally with Scale MP - 2017                             |
| Post-Retirement Mortality | RP-2014 Healthy Annuitant Mortality Table projected generationally with Scale MP-2017                      |
| Disabled Mortality        | RP-2014 Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2017 |

There were no significant changes in assumption between fiscal year 2021 and 2020.

Pension Expense – The Town recognized \$8,760,597 in pension expense in the statement of activities in fiscal year 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                    | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|----------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual earnings   | -                                    | 8,645,034                           |
| Changes in assumptions                             | 6,515,879                            | -                                   |
| Changes in proportion differences                  | 5,744,975                            | -                                   |
| Differences between expected and actual experience | -                                    | 405,625                             |
| Changes in proportion differences                  | -                                    | 422,160                             |
|                                                    | <u>\$ 12,260,854</u>                 | <u>\$ 9,472,819</u>                 |

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

| <u>Year Ended June 30,</u> | <u>Amount</u>       |
|----------------------------|---------------------|
| 2022                       | \$ 1,019,316        |
| 2023                       | 1,854,203           |
| 2024                       | (1,288,421)         |
| 2025                       | 395,703             |
| 2026                       | 807,234             |
| Total                      | <u>\$ 2,788,035</u> |

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed 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.

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

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

| <u>Asset Class</u>             | <u>Target<br/>Allocation</u> | <u>Expected<br/>Investment Rate<br/>of Return</u> |
|--------------------------------|------------------------------|---------------------------------------------------|
| Domestic Equity                | 22.00%                       | 6.28%                                             |
| International Equity           | 12.00%                       | 7.00%                                             |
| International Emerging Markets | 5.00%                        | 8.82%                                             |
| Core fixed income              | 15.00%                       | 3.80%                                             |
| High Yield Fixed Income        | 8.00%                        | 2.97%                                             |
| Real Estate                    | 10.00%                       | 3.50%                                             |
| Commodities                    | 4.00%                        | 3.45%                                             |
| Hedge Fund, GTAA, Risk Parity  | 10.00%                       | 2.35%                                             |
| Private Equity                 | 14.00%                       | 10.11%                                            |
|                                | <u>100.00%</u>               |                                                   |

Sensitivity Analysis – The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.15% as well as the Town’s proportionate share of the net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|                       | Discount Rate |                |              |               |
|-----------------------|---------------|----------------|--------------|---------------|
|                       | Current Rate  | 1% lower       | Current      | 1% greater    |
| Net Pension Liability | 7.150%        | \$ 100,205,985 | \$74,087,657 | \$ 52,140,804 |

## B. Massachusetts Teachers’ Retirement System

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

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

For the year ended June 30, 2021, the Commonwealth contributed \$3,635,421 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 0.234025%, 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<br><u>Portion</u> | Paid (or assumed)<br>On Behalf<br><u>of the Town</u> | Town<br><u>Portion</u> |
|-----------------------|--------------------------------|------------------------------------------------------|------------------------|
| Net pension liability | \$ 66,802,053                  | \$ (66,802,053)                                      | \$ —                   |
| Pension expense       | 8,251,011                      | (8,251,011)                                          | —                      |

The Town has recognized intergovernmental revenue and pension expense of \$8,251,011 associated with this arrangement.

### C. Other Postemployment Benefits

The Town administers a single employer defined benefit healthcare plan (the “OPEB Plan”). The OPEB Plan provides health 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.

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of July 1, 2020:

|                                                                        |              |
|------------------------------------------------------------------------|--------------|
| Active employees                                                       | 654          |
| Inactive employees or<br>beneficiaries currently<br>receiving benefits | 436          |
| Total                                                                  | <u>1,090</u> |

Contributions – The contribution requirements of OPEB Plan members and the Town are established and may be amended by the Town. Retirees contribute 20% of the set premium for master medical and 10% for other medical plans; 100% for dental, and 55% for life insurance. 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. For the year ended June 30, 2021, the Town’s contribution rate was approximately 9.9% of covered-employee payroll.

Net OPEB Liability – The Town’s net OPEB liability was measured as of June 30, 2021 using an actuarial valuation as of July 1, 2020. The components of the net OPEB liability of the Town at June 30, 2021 were as follows:

|                                                                               |                       |
|-------------------------------------------------------------------------------|-----------------------|
| Total OPEB Liability                                                          | \$ 136,090,873        |
| Plan fiduciary net position                                                   | <u>(4,248,650)</u>    |
| Net OPEB liability                                                            | <u>\$ 131,842,223</u> |
| Plan fiduciary net position as<br>a percentage of the total<br>OPEB liability | 3.1%                  |

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

|                           |                                                                                                                                                                                                                                                                                                      |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment rate of return | 5.95%, net of OPEB plan investment expense, including inflation.                                                                                                                                                                                                                                     |
| Municipal bond rate       | 2.18% as of June 30, 2021                                                                                                                                                                                                                                                                            |
| Discount Rate             | 4.25%, net of OPEB plan investment expense including inflation. Using a blend of the Municipal Bond Index Rate for unfunded periods and the Investment Rate of Return.                                                                                                                               |
| Inflation                 | 2.50% annually as of July 1, 2020 and for future periods                                                                                                                                                                                                                                             |
| Health Care Trend Rate    | 4.50%                                                                                                                                                                                                                                                                                                |
| Salary Increases          | 3.00% annually as of July 1, 2020 and for future periods                                                                                                                                                                                                                                             |
| Cost of Living Adjustment | Not applicable.                                                                                                                                                                                                                                                                                      |
| Pre-Retirement Mortality  | General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females<br>Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females                                       |
| Post-Retirement Mortality | General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females<br>Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females                     |
| Disabled Mortality        | General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year<br>Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females |
| Actuarial Cost Method     | Individual Entry Age Normal                                                                                                                                                                                                                                                                          |

Changes to key assumptions:

- Discount rate changed from 3.75% to 4.25%.
- Implementation of ASOP 6 caused the calculation of expected claims to be revised.

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             | 60.00%            | 4.90%                              |
| International Equity - Developed Market | 5.00%             | 5.32%                              |
| Domestic Fixed Income                   | 35.00%            | 1.40%                              |
| Cash                                    | 0.00%             | 0.00%                              |
|                                         | <u>100.00%</u>    |                                    |
| Real rate of return                     |                   | 3.70%                              |
| Inflation assumption                    |                   | 2.50%                              |
| Total nominal rate of return            |                   | 6.20%                              |
| Investment expense                      |                   | -0.25%                             |
| Net investment return                   |                   | <u>5.95%</u>                       |

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:

|                    | Current Rate | Discount Rate          |                 |                |
|--------------------|--------------|------------------------|-----------------|----------------|
|                    |              | 1% Decrease            | At Current Rate | 1% Increase    |
| Net OPEB liability | 4.25%        | \$ 156,986,233         | \$ 131,842,223  | \$ 109,567,256 |
|                    | 4.50%        | Health Care Trend Rate |                 |                |
|                    |              |                        |                 |                |
| Net OPEB liability | 4.50%        | \$ 111,610,652         | \$ 131,842,223  | \$ 157,964,798 |

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the Town recognized OPEB expense of \$11,259,225. Deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2021 were reported as follows:

|                                                    | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------|--------------------------------|-------------------------------|
| Differences between expected and actual earnings   | \$ -                           | \$ 247,583                    |
| Changes of assumptions                             | 13,572,926                     | -                             |
| Differences between actual and expected experience | <u>3,065,819</u>               | <u>6,331,182</u>              |
|                                                    | <u>\$ 16,638,745</u>           | <u>\$ 6,578,765</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:

| <u>June 30</u> |                      |
|----------------|----------------------|
| 2022           | \$ 1,925,288         |
| 2023           | 2,008,596            |
| 2024           | 3,708,242            |
| 2025           | 1,533,945            |
| 2026           | 516,340              |
| thereafter     | <u>367,569</u>       |
|                | <u>\$ 10,059,980</u> |

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2021:

|                                                      | Total OPEB<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(a) - (b) |
|------------------------------------------------------|--------------------------------|---------------------------------------|------------------------------------|
| Balances at June 30, 2020                            | \$ 127,951,438                 | \$ 3,681,241                          | \$ 124,270,197                     |
| Changes for the year:                                |                                |                                       |                                    |
| Service cost                                         | 4,655,534                      | -                                     | 4,655,534                          |
| Interest                                             | 4,897,435                      | -                                     | 4,897,435                          |
| Change in assumptions                                | 5,437,668                      | -                                     | 5,437,668                          |
| Difference between expected<br>and actual experience | (2,796,459)                    | -                                     | (2,796,459)                        |
| Net investment income                                | -                              | 567,409                               | (567,409)                          |
| Employer contributions                               | -                              | 4,054,743                             | (4,054,743)                        |
| Benefit payments withdrawn from trust                | (4,054,743)                    | (4,054,743)                           | -                                  |
| Net changes                                          | <u>8,139,435</u>               | <u>567,409</u>                        | <u>7,572,026</u>                   |
| Balances at June 30, 2021                            | <u>\$ 136,090,873</u>          | <u>\$ 4,248,650</u>                   | <u>\$ 131,842,223</u>              |

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

Investment Rate of Return – For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 15.41%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### 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.

Health Insurance – The Town maintains a "reinsured cost reimbursement program" which covers the group health insurance requirements of a majority of Town employees. The Plan is essentially a self-insurance program and employee claims in excess of \$150,000 are reinsured by the Plan. The Town accrues an amount representing claims incurred but not reported (IBNR), which is based on a one month claims paid average. At June 30, 2021, the amount of the liability for IBNR health insurance claims totaled \$1,049,282. This liability is the best estimate based on available information. In the fund-wide financial statements, the Town reports these self-insured activities in the Internal Service Fund where revenues are recorded when earned and expenses are recorded when the liability is incurred.

Changes in the reported liability since July 1, 2019, are as follows:

|                  | <u>Balance at<br/>Beginning<br/>of Year</u> | <u>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claims<br/>Payments</u> | <u>Balance at<br/>End of Year</u> | <u>Current<br/>Portion</u> |
|------------------|---------------------------------------------|------------------------------------------------|----------------------------|-----------------------------------|----------------------------|
| Fiscal Year 2021 | \$1,318,109                                 | \$14,527,231                                   | \$(14,796,058)             | \$1,049,282                       | \$1,049,282                |
| Fiscal Year 2020 | 1,129,769                                   | 14,753,268                                     | (14,564,928)               | 1,318,109                         | 1,318,109                  |

Workers' Compensation – The Town is also self-insured for their workers' compensation activities. Workers' compensation claims are administered by a third-party and are funded on a pay-as-you-go basis from an Internal Service Fund, with annual appropriations being made to the fund. The estimated future workers' compensation liability is based on history and injury type. At June 30, 2021, the amount of the liability for workers' compensation claims totaled \$40,778. This liability is the best estimate based on available information.

Changes in the reported liability since July 1, 2019, are as follows:

|                  | <u>Balance at<br/>Beginning<br/>of Year</u> | <u>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claims<br/>Payments</u> | <u>Balance at<br/>End of Year</u> | <u>Current<br/>Portion</u> |
|------------------|---------------------------------------------|------------------------------------------------|----------------------------|-----------------------------------|----------------------------|
| Fiscal Year 2020 | \$ 60,363                                   | \$193,596                                      | \$(213,181)                | \$ 40,778                         | \$ 40,778                  |
| Fiscal Year 2019 | 114,965                                     | 239,636                                        | (294,238)                  | 60,363                            | 60,363                     |

#### E. Commitments

The Town is in the planning and construction stages of several major capital projects including sewer and waste water treatment plant improvements. The Town has entered into contracts to expend approximately \$16,000,000 and \$7,000,000, respectively to complete the projects.

## **F. Contingencies**

The Town is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters in these situations cannot be reasonably estimated. Although the amount of liability, if any, in these situations at June 30, 2021, cannot be ascertained, management believes that the resulting liability, if any, should not materially affect the basic financial statements of the Town at June 30, 2021. Other amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial. 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 does not believe it has failed to comply with any of these agreements.

The Nantucket Airport Commission ("NAC"), which operates the Nantucket Memorial Airport, has been responding to an identified release of polyfluoroalkyl substances (PFAS) discovered at and downgradient of the airport in accordance with the Massachusetts Contingency Plan (MCP) and G.L. c. 21E. The PFAS encountered is believed to be associated, in part, with the use of aqueous film-forming foam (AFFF) at the airport, which the Federal Aviation Administration required the airport to have available for use in the event of an aircraft fire, and to test by releasing onto the ground. The Commission has, to date, provided bottled water and water filtration systems to all affected properties downgradient of the airport and does not anticipate any material litigation or third-party liabilities to the Town or the Airport Commission as a result of the identified presence of PFAS.

The Town is contingently liable for 35% of any deficit, including operating and debt service costs, which may be incurred by the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority (the "Authority"). The Town is not required to make payments to the Authority unless the amount in the Authority's reserve fund is insufficient. Since 1962, the Town has not made any payments to the Authority.

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

The Town operates a landfill under an Administrative Consent Order (ACO) with the Massachusetts Department of Environmental Protection (DEP). The landfill consists of six cells. Three cells are inactive areas without liners that are no longer accepting material for disposal. Two cells are inactive areas with liners that are also no longer accepting waste. A sixth cell was constructed under the ACO to meet the Town's need for capacity for disposal of residuals until 2027. The final capping and closure of the unclosed cells are dependent on a modified design for the closure that is expected to be approved by the DEP in 2022. The Town has recognized a closure liability of \$16,200,000 in the Governmental Activities. This liability is based on estimates of the cost of all closure and post-closure care for 30 years. Actual costs may change due to inflation, changes in technology, or changes in regulations.

## **H. Implementation of GASB pronouncements**

### *Current Year Implementations –*

In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of the Statement was to improve guidance regarding the identification of fiduciary activities for

accounting and financial reporting purposes and how these activities should be reported. The provisions of this Statement became effective for the Town in fiscal year 2021. In connection with the adoption of this accounting standard, certain previously reported agency balances are now reported in the governmental funds and government-wide financial statements. Refer to Note V for the financial impact of the adoption of this accounting standard.

In August 2018, the GASB issued GASB Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61*. The objective of this Statement was to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The provisions of this Statement became effective for the Town in fiscal year 2021. The adoption of this standard did not have an impact on the Town's financial statements.

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. In addition to accounting and financial reporting implications that result from the replacement of an interbank offered rate (which become effective in fiscal year 2022), this Statement eliminated the use of LIBOR as an appropriate benchmark interest rate for derivative instruments that hedge interest rate risk of taxable debt for reporting periods effective fiscal year 2021. The adoption of this standard did not have an impact on the Town's financial statements.

#### Future Implementations –

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This Statement redefines the manner in which long-term leases are accounted and reported. As amended, the provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement establishes accounting requirements for interest costs incurred before the end of a construction period. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2020 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2021 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. The reporting provisions of this Statement are effective for financial reporting periods beginning after June 15, 2020 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to

improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

#### IV. Subsequent Event

On October 14, 2021, the Town issued \$17,955,000 of general obligation bonds paying interest at rates of 2% - 5% per annum. The bonds mature at varying dates through October 1, 2036. A portion of the proceeds were used to retire \$11,620,300 of BANs outstanding at June 30, 2021 which are presented as long-term debt obligations in these financial statements.

#### V. Prior Period Restatements

The adoption of GASB Statement No. 84 required certain accounts previously reported as agency accounts in the Statement of Fiduciary Activities to be reclassified into nonmajor governmental funds. The impact is illustrated in the table below:

|                         | Governmental<br>Activities | Nonmajor<br>Governmental<br>Funds |
|-------------------------|----------------------------|-----------------------------------|
| Prior year as presented | \$ 135,437,888             | \$ 20,875,360                     |
| Reclass agency funds    | 609,170                    | 609,170                           |
| As restated             | <u>\$ 136,047,058</u>      | <u>\$ 21,484,530</u>              |

## **Required Supplementary Information**

TOWN OF NANTUCKET, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS  
YEAR ENDED JUNE 30, 2021

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
(dollar amounts are in thousands)

|                                                                                                        | Year Ended June 30 |           |           |           |           |           |           |
|--------------------------------------------------------------------------------------------------------|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                                                                        | 2021               | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      |
| Town's proportion of the net pension liability (asset)                                                 | 10.73%             | 10.06%    | 9.98%     | 9.69%     | 9.90%     | 9.52%     | 9.51%     |
| Town's proportionate share of the net pension liability (asset)                                        | \$ 74,088          | \$ 75,581 | \$ 78,855 | \$ 65,965 | \$ 69,566 | \$ 59,964 | \$ 53,675 |
| Town's covered payroll                                                                                 | \$ 32,989          | \$ 30,315 | \$ 29,022 | \$ 27,015 | \$ 27,426 | \$ 25,827 | \$ 24,938 |
| Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 224.58%            | 249.32%   | 271.71%   | 244.18%   | 253.65%   | 232.18%   | 215.23%   |
| Plan fiduciary net position as a percentage of the total pension liability                             | 66.82%             | 62.34%    | 57.63%    | 61.86%    | 57.28%    | 58.10%    | 60.43%    |

SCHEDULE OF THE TOWN CONTRIBUTIONS TO PENSION PLAN  
(dollar amounts are in thousands)

|                                                                      | Year Ended June 30 |                |              |              |              |              |              |
|----------------------------------------------------------------------|--------------------|----------------|--------------|--------------|--------------|--------------|--------------|
|                                                                      | 2021               | 2020           | 2019         | 2018         | 2017         | 2016         | 2015         |
| Actuarially determined contribution                                  | \$ 7,528           | \$ 6,624       | \$ 6,271     | \$ 5,785     | \$ 5,612     | \$ 5,143     | \$ 4,959     |
| Contributions in relation to the actuarially determined contribution | <u>7,528</u>       | <u>6,658</u>   | <u>6,271</u> | <u>5,785</u> | <u>5,612</u> | <u>5,143</u> | <u>4,959</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>        | <u>\$ (34)</u> | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Town's covered payroll                                               | \$ 33,734          | \$ 31,782      | \$ 29,437    | \$ 27,234    | \$ 27,179    | \$ 26,023    | \$ 25,018    |
| Contributions as a percentage of covered payroll                     | 22.3%              | 20.9%          | 21.3%        | 21.2%        | 20.6%        | 19.8%        | 19.8%        |

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 NANTUCKET, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS  
YEAR ENDED JUNE 30, 2021SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
(dollar amounts are in thousands)

|                                                                                                          | Year Ended June 30 |         |         |         |         |         |         |
|----------------------------------------------------------------------------------------------------------|--------------------|---------|---------|---------|---------|---------|---------|
|                                                                                                          | 2021               | 2020    | 2019    | 2018    | 2017    | 2016    | 2015    |
| County's proportion of the net pension liability (asset)                                                 | 0.09%              | 0.09%   | 0.09%   | 0.09%   | 0.09%   | 0.09%   | 0.09%   |
| County's proportionate share of the net pension liability (asset)                                        | \$ 608             | \$ 691  | \$ 684  | \$ 597  | \$ 625  | \$ 551  | \$ 519  |
| County's covered payroll                                                                                 | \$ 282             | \$ 283  | \$ 257  | \$ 250  | \$ 252  | \$ 243  | \$ 241  |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 215.60%            | 244.17% | 266.15% | 238.80% | 248.02% | 226.75% | 215.35% |
| Plan fiduciary net position as a percentage of the total pension liability                               | 66.82%             | 62.34%  | 57.63%  | 61.86%  | 57.28%  | 58.10%  | 60.43%  |

SCHEDULE OF THE COUNTY CONTRIBUTIONS TO PENSION PLAN  
(dollar amounts are in thousands)

|                                                                      | Year Ended June 30 |        |        |        |        |        |        |
|----------------------------------------------------------------------|--------------------|--------|--------|--------|--------|--------|--------|
|                                                                      | 2021               | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   |
| Actuarially determined contribution                                  | \$ 61              | \$ 61  | \$ 55  | \$ 52  | \$ 50  | \$ 47  | \$ 48  |
| Contributions in relation to the actuarially determined contribution | 61                 | 61     | 55     | 52     | 50     | 47     | 48     |
| Contribution deficiency (excess)                                     | \$ -               | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   | \$ -   |
| County's covered payroll                                             | \$ 282             | \$ 283 | \$ 259 | \$ 253 | \$ 251 | \$ 246 | \$ 243 |
| Contributions as a percentage of covered payroll                     | 21.6%              | 21.6%  | 21.2%  | 20.6%  | 19.9%  | 19.1%  | 19.8%  |

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 NANTUCKET, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS  
YEAR ENDED JUNE 30, 2021

## SCHEDULE OF THE LAND BANK'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(dollar amounts are in thousands)

|                                                                                                             | Year Ended June 30 |          |          |          |          |          |          |
|-------------------------------------------------------------------------------------------------------------|--------------------|----------|----------|----------|----------|----------|----------|
|                                                                                                             | 2021               | 2020     | 2019     | 2018     | 2017     | 2016     | 2015     |
| Land Bank's proportion of the net pension liability (asset)                                                 | 0.28%              | 0.27%    | 0.28%    | 0.24%    | 0.20%    | 0.23%    | 0.26%    |
| Land Bank's proportionate share of the net pension liability (asset)                                        | \$ 1,901           | \$ 2,036 | \$ 2,181 | \$ 1,674 | \$ 1,384 | \$ 1,428 | \$ 1,471 |
| Land Bank's covered payroll                                                                                 | \$ 882             | \$ 833   | \$ 819   | \$ 700   | \$ 557   | \$ 629   | \$ 683   |
| Land Bank's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 215.53%            | 244.42%  | 266.30%  | 239.14%  | 248.47%  | 227.03%  | 215.37%  |
| Plan fiduciary net position as a percentage of the total pension liability                                  | 66.82%             | 62.34%   | 57.63%   | 61.86%   | 57.28%   | 58.10%   | 60.43%   |

## SCHEDULE OF THE LAND BANK CONTRIBUTIONS TO PENSION PLAN

(dollar amounts are in thousands)

|                                                                      | Year Ended June 30 |             |             |             |             |             |             |
|----------------------------------------------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                                                      | 2021               | 2020        | 2019        | 2018        | 2017        | 2016        | 2015        |
| Actuarially determined contribution                                  | \$ 191             | \$ 179      | \$ 177      | \$ 147      | \$ 112      | \$ 122      | \$ 136      |
| Contributions in relation to the actuarially determined contribution | <u>191</u>         | <u>179</u>  | <u>177</u>  | <u>147</u>  | <u>112</u>  | <u>122</u>  | <u>136</u>  |
| Contribution deficiency (excess)                                     | <u>\$ -</u>        | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Land Bank's covered payroll                                          | \$ 882             | \$ 836      | \$ 861      | \$ 728      | \$ 578      | \$ 618      | \$ 667      |
| Contributions as a percentage of covered payroll                     | 21.7%              | 21.4%       | 20.6%       | 20.2%       | 19.4%       | 19.7%       | 20.4%       |

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 NANTUCKET, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS  
YEAR ENDED JUNE 30, 2021

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

(dollar amounts are in thousands)

|                                                                           | Year Ended June 30, |              |              |              |              |              |              |
|---------------------------------------------------------------------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                                           | 2020                | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         |
| Commonwealth's proportion of the collective net pension liability (asset) | 100.0%              | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       |
| Town's proportion of the collective net pension liability (asset)         | 0.0%                | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| Commonwealth's proportionate share of the net pension liability (asset)   | \$28,544,844        | \$25,214,020 | \$23,711,289 | \$22,885,391 | \$22,357,928 | \$20,489,643 | \$15,896,354 |
| Commonwealth's actuarially determined contribution                        | \$ 1,553,433        | \$ 1,443,710 | \$ 1,314,783 | \$ 1,235,515 | \$ 1,124,583 | \$ 1,021,930 | \$ 937,379   |

Contributions to MTRS are the responsibility of the Commonwealth of Massachusetts.

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 NANTUCKET, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2021

## SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

|                                                                         | Year Ended June 30,   |                       |                       |                      |                       |
|-------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
|                                                                         | 2021                  | 2020                  | 2019                  | 2018                 | 2017                  |
| Total OPEB liability:                                                   |                       |                       |                       |                      |                       |
| Service cost                                                            | \$ 4,655,534          | \$ 4,489,938          | \$ 4,071,076          | \$ 3,270,431         | \$ 3,915,845          |
| Interest                                                                | 4,897,435             | 4,827,879             | 4,434,216             | 3,879,622            | 4,305,825             |
| Differences between expected and actual experience                      | (2,796,459)           | (727,441)             | 5,940,020             | (18,207,317)         | -                     |
| Change in assumptions                                                   | 5,437,668             | 4,986,701             | 10,728,558            | -                    | -                     |
| Benefit payments                                                        | (4,054,743)           | (3,629,738)           | (3,238,016)           | (3,195,050)          | (3,230,121)           |
| Net change in total OPEB liability                                      | 8,139,435             | 9,947,339             | 21,935,854            | (14,252,314)         | 4,991,549             |
| Total OPEB liability - beginning of year                                | 127,951,438           | 118,004,099           | 96,068,245            | 110,320,559          | 105,329,010           |
| Total OPEB liability - end of year (a)                                  | <u>\$ 136,090,873</u> | <u>\$ 127,951,438</u> | <u>\$ 118,004,099</u> | <u>\$ 96,068,245</u> | <u>\$ 110,320,559</u> |
| Plan fiduciary net position:                                            |                       |                       |                       |                      |                       |
| Contributions - employer                                                | \$ 4,054,743          | \$ 4,129,738          | \$ 3,738,016          | \$ 3,695,050         | \$ 3,730,121          |
| Net investment income                                                   | 567,409               | 50,929                | 239,754               | (13,267)             | 62,612                |
| Benefit payments                                                        | (4,054,743)           | (3,629,738)           | (3,238,016)           | (3,195,050)          | (3,230,121)           |
| Net change in Plan fiduciary net position                               | 567,409               | 550,929               | 739,754               | 486,733              | 562,612               |
| Plan fiduciary net position - beginning of year                         | 3,681,241             | 3,130,312             | 2,390,558             | 1,903,825            | 1,341,213             |
| Plan fiduciary net position - end of year (b)                           | <u>\$ 4,248,650</u>   | <u>\$ 3,681,241</u>   | <u>\$ 3,130,312</u>   | <u>\$ 2,390,558</u>  | <u>\$ 1,903,825</u>   |
| Net OPEB liability - end of year (a) - (b)                              | <u>\$ 131,842,223</u> | <u>\$ 124,270,197</u> | <u>\$ 114,873,787</u> | <u>\$ 93,677,687</u> | <u>\$ 108,416,734</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 3.12%                 | 2.88%                 | 2.65%                 | 2.49%                | 1.73%                 |
| Covered payroll                                                         | \$ 40,819,723         | \$ 37,265,400         | \$ 36,180,000         | \$ 26,400,000        | \$ 26,950,000         |
| Net OPEB liability as a percentage of covered-employee payroll          | 322.99%               | 333.47%               | 317.51%               | 354.84%              | 402.29%               |

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 NANTUCKET, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2021

SCHEDULE OF CONTRIBUTIONS

|                                                                      | Year Ended June 30,                                                   |                     |                     |                     |                     |
|----------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                      | 2021                                                                  | 2020                | 2019                | 2018                | 2017                |
| Actuarially-determined contribution                                  | \$ 9,861,865                                                          | \$ 11,208,030       | \$ 10,458,732       | \$ 9,639,685        | \$ 9,698,176        |
| Contributions in relation to the actuarially-determined contribution | (4,054,743)                                                           | (4,129,738)         | (3,738,016)         | (3,695,050)         | (3,730,121)         |
| Contribution deficiency (excess)                                     | <u>\$ 5,807,122</u>                                                   | <u>\$ 7,078,292</u> | <u>\$ 6,720,716</u> | <u>\$ 5,944,635</u> | <u>\$ 5,968,055</u> |
| Covered payroll                                                      | \$ 40,819,723                                                         | \$ 37,265,400       | \$ 36,180,000       | \$ 26,400,000       | \$ 26,950,000       |
| Contribution as a percentage of covered payroll                      | 9.9%                                                                  | 11.1%               | 10.3%               | 14.0%               | 13.8%               |
| Valuation date                                                       | July 1, 2020                                                          | July 1, 2018        | July 1, 2018        | July 1, 2016        | July 1, 2016        |
| Amortization period                                                  | 30 years                                                              | 30 years            | 30 years            | 30 years            | 30 years            |
| Investment rate of return                                            | 5.95%                                                                 | 4.99%               | 4.88%               | 5.51%               | 5.74%               |
| Municipal bond rate                                                  | 2.18%                                                                 | 2.66%               | 2.79%               | 3.45%               | 3.16%               |
| Single equivalent bond rate                                          | 4.25%                                                                 | 3.75%               | 4.00%               | 4.00%               | 4.50%               |
| Inflation                                                            | 2.50%                                                                 | 2.50%               | 2.75%               | 2.75%               | 2.75%               |
| Healthcare cost trend rates                                          | 4.50%                                                                 | 4.50%               | 4.50%               | 5.00%               | 5.00%               |
| Salary increases                                                     | 3.00%                                                                 | 3.00%               | 3.00%               | 3.00%               | 3.00%               |
| Actuarial cost method                                                | Individual Entry Age Normal (for all years presented)                 |                     |                     |                     |                     |
| Asset valuation method                                               | Market Value of Assets as of Reporting Date (for all years presented) |                     |                     |                     |                     |

SCHEDULE OF INVESTMENT RETURNS

|                                                                 | Year Ended June 30, |       |        |        |       |
|-----------------------------------------------------------------|---------------------|-------|--------|--------|-------|
|                                                                 | 2021                | 2020  | 2019   | 2018   | 2017  |
| Annual money-weighted rate of return, net of investment expense | 15.41%              | 1.63% | 10.03% | -0.47% | 4.53% |

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

See accompanying independent auditor's report.

## TOWN OF NANTUCKET, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

|                                               | Budgeted Amounts  |                   | Actual             |              | Actual             | Variance          |
|-----------------------------------------------|-------------------|-------------------|--------------------|--------------|--------------------|-------------------|
|                                               | Original          | Final             | Budgetary          |              | Budgetary          | Positive          |
|                                               | Budget            | Budget            | Amounts            | Encumbrances | Adjusted           | (Negative)        |
| <b>Revenues:</b>                              |                   |                   |                    |              |                    |                   |
| <i>Taxes:</i>                                 |                   |                   |                    |              |                    |                   |
| Real estate taxes                             | \$ 86,297,258     | \$ 86,297,258     | \$ 86,464,563      | \$ -         | 86,464,563         | 167,305           |
| Personal property taxes                       | 2,244,605         | 2,244,605         | 2,212,983          | -            | 2,212,983          | (31,622)          |
| Tax title                                     | -                 | -                 | 352,089            | -            | 352,089            | 352,089           |
| Motor vehicle excise                          | 2,250,000         | 2,250,000         | 3,329,078          | -            | 3,329,078          | 1,079,078         |
| Boat and other excise                         | 25,000            | 25,000            | 81,847             | -            | 81,847             | 56,847            |
| Meals taxes                                   | 120,270           | 120,270           | 851,755            | -            | 851,755            | 731,485           |
| Room occupancy taxes                          | 1,600,000         | 1,600,000         | 7,980,286          | -            | 7,980,286          | 6,380,286         |
|                                               | <u>92,537,133</u> | <u>92,537,133</u> | <u>101,272,601</u> | <u>-</u>     | <u>101,272,601</u> | <u>8,735,468</u>  |
| <i>Intergovernmental:</i>                     |                   |                   |                    |              |                    |                   |
| State aid - chapter 70                        | 3,600,249         | 3,600,249         | 3,600,249          | -            | 3,600,249          | -                 |
| State aid - unrestricted                      | 84,135            | 84,135            | 84,135             | -            | 84,135             | -                 |
| State aid - state owned land                  | 189,838           | 189,838           | 189,838            | -            | 189,838            | -                 |
| State aid - other                             | 2,308             | 2,308             | 76,274             | -            | 76,274             | 73,966            |
|                                               | <u>3,876,530</u>  | <u>3,876,530</u>  | <u>3,950,496</u>   | <u>-</u>     | <u>3,950,496</u>   | <u>73,966</u>     |
| <i>Departmental fees, charges, and other:</i> |                   |                   |                    |              |                    |                   |
| Payments in lieu of taxes                     | 8,000             | 8,000             | 16,524             | -            | 16,524             | 8,524             |
| Selectmen rentals                             | 132,700           | 132,700           | 173,651            | -            | 173,651            | 40,951            |
| Marina rentals                                | 185,000           | 185,000           | 230,981            | -            | 230,981            | 45,981            |
| Municipal lien certificate fees               | 28,000            | 28,000            | 40,959             | -            | 40,959             | 12,959            |
| Planning office filing and inspection fees    | 95,000            | 95,000            | 74,877             | -            | 74,877             | (20,123)          |
| Police department fees                        | 131,000           | 131,000           | 215,907            | -            | 215,907            | 84,907            |
| Public safety detail charges                  | 60,000            | 60,000            | 93,267             | -            | 93,267             | 33,267            |
| Fire department fees                          | 46,700            | 46,700            | 72,310             | -            | 72,310             | 25,610            |
| Inspection fees                               | 151,500           | 151,500           | 413,198            | -            | 413,198            | 261,698           |
| Conservation fees                             | 22,500            | 22,500            | 26,728             | -            | 26,728             | 4,228             |
| Historic district fees                        | 215,000           | 215,000           | 338,218            | -            | 338,218            | 123,218           |
| Town gas                                      | 43,000            | 43,000            | 54,756             | -            | 54,756             | 11,756            |
| Other miscellaneous                           | 129,198           | 129,198           | 646,906            | -            | 646,906            | 517,708           |
|                                               | <u>1,247,598</u>  | <u>1,247,598</u>  | <u>2,398,282</u>   | <u>-</u>     | <u>2,398,282</u>   | <u>1,150,684</u>  |
| <i>Licenses and permits:</i>                  |                   |                   |                    |              |                    |                   |
| Liquor licenses                               | -                 | -                 | 224,205            | -            | 224,205            | 224,205           |
| Building permits                              | 446,000           | 446,000           | 1,227,192          | -            | 1,227,192          | 781,192           |
| Other licenses and permits                    | 178,100           | 178,100           | 305,940            | -            | 305,940            | 127,840           |
|                                               | <u>624,100</u>    | <u>624,100</u>    | <u>1,757,337</u>   | <u>-</u>     | <u>1,757,337</u>   | <u>1,133,237</u>  |
| <i>Fines and forfeitures:</i>                 |                   |                   |                    |              |                    |                   |
| Parking and court fines                       | 280,000           | 280,000           | 237,086            | -            | 237,086            | (42,914)          |
| Other fines                                   | 10,000            | 10,000            | 67,198             | -            | 67,198             | 57,198            |
|                                               | <u>290,000</u>    | <u>290,000</u>    | <u>304,284</u>     | <u>-</u>     | <u>304,284</u>     | <u>14,284</u>     |
| <i>Penalties and interest on taxes</i>        | <u>475,000</u>    | <u>475,000</u>    | <u>793,136</u>     | <u>-</u>     | <u>793,136</u>     | <u>318,136</u>    |
| <i>Interest and investment income</i>         | <u>275,000</u>    | <u>275,000</u>    | <u>205,481</u>     | <u>-</u>     | <u>205,481</u>     | <u>(69,519)</u>   |
| Total Revenues                                | <u>99,325,361</u> | <u>99,325,361</u> | <u>110,681,617</u> | <u>-</u>     | <u>110,681,617</u> | <u>11,356,256</u> |

## TOWN OF NANTUCKET, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

|                            | Budgeted Amounts |           | Actual    |              | Actual    | Variance   |
|----------------------------|------------------|-----------|-----------|--------------|-----------|------------|
|                            | Original         | Final     | Budgetary | Encumbrances | Budgetary | Positive   |
|                            | Budget           | Budget    | Amounts   |              | Adjusted  | (Negative) |
| <b>Expenditures:</b>       |                  |           |           |              |           |            |
| <i>General Government:</i> |                  |           |           |              |           |            |
| Moderator:                 |                  |           |           |              |           |            |
| Salary                     | 183              | 183       | 178       | -            | 178       | 5          |
| Operating                  | 1,500            | 1,500     | -         | -            | -         | 1,500      |
|                            | 1,683            | 1,683     | 178       | -            | 178       | 1,505      |
| Town Administration:       |                  |           |           |              |           |            |
| Salary                     | 1,182,166        | 1,572,166 | 1,362,166 | -            | 1,362,166 | 210,000    |
| Operating                  | 766,220          | 556,220   | 380,251   | 168,247      | 548,498   | 7,722      |
| Articles                   | 1,091,483        | 1,091,483 | 13,930    | 1,077,553    | 1,091,483 | -          |
|                            | 3,039,869        | 3,219,869 | 1,756,347 | 1,245,800    | 3,002,147 | 217,722    |
| Finance Committee:         |                  |           |           |              |           |            |
| Operating                  | 18,680           | 25,392    | 25,392    | -            | 25,392    | -          |
| Articles                   | 500,000          | 400,000   | -         | -            | -         | 400,000    |
|                            | 518,680          | 425,392   | 25,392    | -            | 25,392    | 400,000    |
| Finance and Operations:    |                  |           |           |              |           |            |
| Salary                     | 886,311          | 886,311   | 713,105   | -            | 713,105   | 173,206    |
| Operating                  | 256,360          | 256,360   | 204,104   | 67,449       | 271,553   | (15,193)   |
| Articles                   | 32,097           | 60,935    | 52,892    | 7,609        | 60,501    | 434        |
|                            | 1,174,768        | 1,203,606 | 970,101   | 75,058       | 1,045,159 | 158,447    |
| Assessor:                  |                  |           |           |              |           |            |
| Salary                     | 449,609          | 449,609   | 401,909   | -            | 401,909   | 47,700     |
| Operating                  | 144,350          | 144,350   | 69,886    | 150          | 70,036    | 74,314     |
|                            | 593,959          | 593,959   | 471,795   | 150          | 471,945   | 122,014    |
| Collector:                 |                  |           |           |              |           |            |
| Salary                     | 332,439          | 332,439   | 315,685   | -            | 315,685   | 16,754     |
| Operating                  | 101,469          | 101,469   | 66,480    | 13,358       | 79,838    | 21,631     |
|                            | 433,908          | 433,908   | 382,165   | 13,358       | 395,523   | 38,385     |
| Treasurer:                 |                  |           |           |              |           |            |
| Salary                     | 281,368          | 281,368   | 338,272   | -            | 338,272   | (56,904)   |
| Operating                  | 63,454           | 63,454    | 14,427    | -            | 14,427    | 49,027     |
|                            | 344,822          | 344,822   | 352,699   | -            | 352,699   | (7,877)    |
| Information Systems/GIS:   |                  |           |           |              |           |            |
| Salary                     | 767,359          | 767,359   | 755,016   | -            | 755,016   | 12,343     |
| Operating                  | 740,251          | 865,805   | 630,079   | 125,403      | 755,482   | 110,323    |
|                            | 1,507,610        | 1,633,164 | 1,385,095 | 125,403      | 1,510,498 | 122,666    |
| Legal:                     |                  |           |           |              |           |            |
| Operating                  | 590,841          | 840,840   | 610,372   | 175,456      | 785,828   | 55,012     |
|                            | 590,841          | 840,840   | 610,372   | 175,456      | 785,828   | 55,012     |
| Human Resources:           |                  |           |           |              |           |            |
| Salary                     | 445,193          | 445,193   | 249,839   | -            | 249,839   | 195,354    |
| Operating                  | 147,700          | 147,700   | 81,433    | 4,996        | 86,429    | 61,271     |
|                            | 592,893          | 592,893   | 331,272   | 4,996        | 336,268   | 256,625    |
| Town Clerk:                |                  |           |           |              |           |            |
| Salary                     | 257,551          | 269,551   | 269,551   | -            | 269,551   | -          |
| Operating                  | 70,783           | 158,783   | 116,389   | 40,076       | 156,465   | 2,318      |
|                            | 328,334          | 428,334   | 385,940   | 40,076       | 426,016   | 2,318      |

(continued)

## TOWN OF NANTUCKET, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

|                                 | Budgeted Amounts  |                   | Actual            |                  | Actual            | Variance         |
|---------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|------------------|
|                                 | Original          | Final             | Budgetary         | Encumbrances     | Budgetary         | Positive         |
|                                 | Budget            | Budget            | Amounts           |                  | Adjusted          | (Negative)       |
| Nantucket Planning Office:      |                   |                   |                   |                  |                   |                  |
| Salary                          | 1,002,581         | 1,002,581         | 1,025,020         | -                | 1,025,020         | (22,439)         |
| Operating                       | 271,755           | 271,755           | 233,357           | 2,497            | 235,854           | 35,901           |
|                                 | 1,274,336         | 1,274,336         | 1,258,377         | 2,497            | 1,260,874         | 13,462           |
| Public Buildings:               |                   |                   |                   |                  |                   |                  |
| Operating                       | 1,282,265         | 1,282,265         | 1,082,034         | 38,915           | 1,120,949         | 161,316          |
|                                 | 1,282,265         | 1,282,265         | 1,082,034         | 38,915           | 1,120,949         | 161,316          |
| Natural Resources:              |                   |                   |                   |                  |                   |                  |
| Salary                          | 780,227           | 780,227           | 772,008           | -                | 772,008           | 8,219            |
| Operating                       | 154,866           | 154,866           | 133,743           | -                | 133,743           | 21,123           |
|                                 | 935,093           | 935,093           | 905,751           | -                | 905,751           | 29,342           |
| Insurances:                     |                   |                   |                   |                  |                   |                  |
| Auto casualty                   | 165,000           | 165,000           | 165,000           | -                | 165,000           | -                |
| Blanket liability               | 1,781,028         | 1,288,027         | 1,157,746         | 7,747            | 1,165,493         | 122,534          |
| Claims deductible               | 137,294           | 135,552           | 52,107            | -                | 52,107            | 83,445           |
| Insurance consulting            | 59,469            | 57,500            | 29,517            | -                | 29,517            | 27,983           |
|                                 | 2,142,791         | 1,646,079         | 1,404,370         | 7,747            | 1,412,117         | 233,962          |
| <i>Total General Government</i> | <u>14,761,852</u> | <u>14,856,243</u> | <u>11,321,888</u> | <u>1,729,456</u> | <u>13,051,344</u> | <u>1,804,899</u> |
| <i>Public Safety:</i>           |                   | -                 |                   |                  |                   |                  |
| Police:                         |                   |                   |                   |                  |                   |                  |
| Salary - police                 | 6,082,874         | 5,982,874         | 5,933,433         | -                | 5,933,433         | 49,441           |
| Operating                       | 868,097           | 868,097           | 632,529           | 213,441          | 845,970           | 22,127           |
|                                 | 6,950,971         | 6,850,971         | 6,565,962         | 213,441          | 6,779,403         | 71,568           |
| Fire:                           |                   |                   |                   |                  |                   |                  |
| Salary                          | 2,921,589         | 2,921,589         | 2,541,009         | -                | 2,541,009         | 380,580          |
| Operating                       | 451,300           | 451,300           | 273,992           | -                | 273,992           | 177,308          |
|                                 | 3,372,889         | 3,372,889         | 2,815,001         | -                | 2,815,001         | 557,888          |
| Inspectors:                     |                   |                   |                   |                  |                   |                  |
| Salary                          | 690,097           | 690,097           | 633,158           | -                | 633,158           | 56,939           |
| Operating                       | 21,000            | 21,000            | 8,830             | 380              | 9,210             | 11,790           |
|                                 | 711,097           | 711,097           | 641,988           | 380              | 642,368           | 68,729           |
| Emergency Management:           |                   |                   |                   |                  |                   |                  |
| Operating                       | 8,000             | 8,000             | 800               | -                | 800               | 7,200            |
|                                 | 8,000             | 8,000             | 800               | -                | 800               | 7,200            |
| Marine:                         |                   |                   |                   |                  |                   |                  |
| Salary                          | 797,591           | 897,591           | 897,591           | -                | 897,591           | -                |
| Operating                       | 98,548            | 98,548            | 57,663            | 1,277            | 58,940            | 39,608           |
| Articles                        | 16,211            | 16,211            | -                 | 16,211           | 16,211            | -                |
|                                 | 912,350           | 1,012,350         | 955,254           | 17,488           | 972,742           | 39,608           |
| <i>Total Public Safety</i>      | <u>11,955,307</u> | <u>11,955,307</u> | <u>10,979,005</u> | <u>231,309</u>   | <u>11,210,314</u> | <u>744,993</u>   |

## TOWN OF NANTUCKET, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

|                                        | Budgeted Amounts  |                   | Actual            |                | Actual            | Variance        |
|----------------------------------------|-------------------|-------------------|-------------------|----------------|-------------------|-----------------|
|                                        | Original          | Final             | Budgetary         | Encumbrances   | Budgetary         | Positive        |
|                                        | Budget            | Budget            | Amounts           |                | Adjusted          | (Negative)      |
| <i>Education:</i>                      |                   |                   |                   |                |                   |                 |
| Salary and operating                   | 31,788,009        | 31,853,009        | 30,952,693        | 624,340        | 31,577,033        | 275,976         |
| Articles                               | 94,678            | 94,678            | 34,899            | 59,779         | 94,678            | -               |
| <i>Total Education</i>                 | <u>31,882,687</u> | <u>31,947,687</u> | <u>30,987,592</u> | <u>684,119</u> | <u>31,671,711</u> | <u>275,976</u>  |
| <i>Public Works:</i>                   |                   |                   |                   |                |                   |                 |
| Public Works:                          |                   |                   |                   |                |                   |                 |
| Salary                                 | 2,547,082         | 2,547,083         | 2,301,328         | -              | 2,301,328         | 245,755         |
| Operating                              | 695,401           | 695,340           | 626,229           | 74,664         | 700,893           | (5,553)         |
| Articles                               | 26,389            | 26,450            | -                 | 26,450         | 26,450            | -               |
|                                        | <u>3,268,872</u>  | <u>3,268,873</u>  | <u>2,927,557</u>  | <u>101,114</u> | <u>3,028,671</u>  | <u>240,202</u>  |
| Street Lighting:                       |                   |                   |                   |                |                   |                 |
| Operating                              | 165,015           | 165,015           | 114,044           | -              | 114,044           | 50,971          |
|                                        | <u>165,015</u>    | <u>165,015</u>    | <u>114,044</u>    | <u>-</u>       | <u>114,044</u>    | <u>50,971</u>   |
| Mosquito Control:                      |                   |                   |                   |                |                   |                 |
| Operating                              | 168,501           | 168,501           | 110,500           | -              | 110,500           | 58,001          |
|                                        | <u>168,501</u>    | <u>168,501</u>    | <u>110,500</u>    | <u>-</u>       | <u>110,500</u>    | <u>58,001</u>   |
| Snow and Ice Removal:                  |                   |                   |                   |                |                   |                 |
| Operating                              | 82,600            | 82,600            | 163,373           | -              | 163,373           | (80,773)        |
|                                        | <u>82,600</u>     | <u>82,600</u>     | <u>163,373</u>    | <u>-</u>       | <u>163,373</u>    | <u>(80,773)</u> |
| Gas/Town Vehicles:                     |                   |                   |                   |                |                   |                 |
| Operating                              | 415,026           | 415,025           | 306,002           | 5,119          | 311,121           | 103,904         |
|                                        | <u>415,026</u>    | <u>415,025</u>    | <u>306,002</u>    | <u>5,119</u>   | <u>311,121</u>    | <u>103,904</u>  |
| <i>Total Public Works</i>              | <u>4,100,014</u>  | <u>4,100,014</u>  | <u>3,621,476</u>  | <u>106,233</u> | <u>3,727,709</u>  | <u>372,305</u>  |
| <i>Health and Human Services:</i>      |                   |                   |                   |                |                   |                 |
| Health:                                |                   |                   |                   |                |                   |                 |
| Salary                                 | 459,761           | 459,760           | 476,269           | -              | 476,269           | (16,509)        |
| Operating                              | 77,825            | 77,825            | 78,085            | 5,738          | 83,823            | (5,998)         |
|                                        | <u>537,586</u>    | <u>537,585</u>    | <u>554,354</u>    | <u>5,738</u>   | <u>560,092</u>    | <u>(22,507)</u> |
| Commission on Disability:              |                   |                   |                   |                |                   |                 |
| Salary                                 | 10,317            | 10,317            | 4,535             | -              | 4,535             | 5,782           |
| Operating                              | 1,700             | 1,700             | 1,809             | -              | 1,809             | (109)           |
|                                        | <u>12,017</u>     | <u>12,017</u>     | <u>6,344</u>      | <u>-</u>       | <u>6,344</u>      | <u>5,673</u>    |
| Senior Services/Council on Aging:      |                   |                   |                   |                |                   |                 |
| Salary                                 | 185,602           | 185,602           | 184,202           | -              | 184,202           | 1,400           |
| Operating                              | 29,372            | 29,372            | 12,119            | 1,287          | 13,406            | 15,966          |
|                                        | <u>214,974</u>    | <u>214,974</u>    | <u>196,321</u>    | <u>1,287</u>   | <u>197,608</u>    | <u>17,366</u>   |
| Veterans Services:                     |                   |                   |                   |                |                   |                 |
| Salary                                 | 33,425            | 33,425            | 4,174             | -              | 4,174             | 29,251          |
| Operating                              | 18,728            | 18,728            | 12,391            | -              | 12,391            | 6,337           |
|                                        | <u>52,153</u>     | <u>52,153</u>     | <u>16,565</u>     | <u>-</u>       | <u>16,565</u>     | <u>35,588</u>   |
| Human Services:                        |                   |                   |                   |                |                   |                 |
| Salary                                 | 174,763           | 206,051           | 199,017           | -              | 199,017           | 7,034           |
| Operating                              | 15,002            | 30,003            | 28,534            | 58             | 28,592            | 1,411           |
| Articles                               | 667,600           | 661,312           | 464,485           | 220,605        | 685,090           | (23,778)        |
|                                        | <u>857,365</u>    | <u>897,366</u>    | <u>692,036</u>    | <u>220,663</u> | <u>912,699</u>    | <u>(15,333)</u> |
| <i>Total Health and Human Services</i> | <u>1,674,095</u>  | <u>1,714,095</u>  | <u>1,465,620</u>  | <u>227,688</u> | <u>1,693,308</u>  | <u>20,787</u>   |

(Continued)

## TOWN OF NANTUCKET, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

|                                           | Budgeted Amounts  |                   | Actual            |              | Actual            | Variance       |
|-------------------------------------------|-------------------|-------------------|-------------------|--------------|-------------------|----------------|
|                                           | Original          | Final             | Budgetary         | Encumbrances | Budgetary         | Positive       |
|                                           | Budget            | Budget            | Amounts           |              | Adjusted          | (Negative)     |
| <i>Culture and Recreation:</i>            |                   |                   |                   |              |                   |                |
| Atheneum (Library):                       |                   |                   |                   |              |                   |                |
| Operating                                 | 747,400           | 747,400           | 747,400           | -            | 747,400           | -              |
|                                           | 747,400           | 747,400           | 747,400           | -            | 747,400           | -              |
| Visitor Services:                         |                   |                   |                   |              |                   |                |
| Salary                                    | 315,927           | 315,927           | 241,769           | -            | 241,769           | 74,158         |
| Operating                                 | 148,650           | 148,650           | 89,017            | 758          | 89,775            | 58,875         |
|                                           | 464,577           | 464,577           | 330,786           | 758          | 331,544           | 133,033        |
| Town Clock:                               |                   |                   |                   |              |                   |                |
| Operating                                 | 4,743             | 4,743             | 2,106             | -            | 2,106             | 2,637          |
|                                           | 4,743             | 4,743             | 2,106             | -            | 2,106             | 2,637          |
| <i>Total Culture and Recreation</i>       | <i>1,216,720</i>  | <i>1,216,720</i>  | <i>1,080,292</i>  | <i>758</i>   | <i>1,081,050</i>  | <i>135,670</i> |
| <i>State and County Assessments:</i>      |                   |                   |                   |              |                   |                |
| State assessments and charges             | 61,442            | 61,442            | 60,510            | -            | 60,510            | 932            |
| Transportation authorities assessments    | 865,290           | 865,290           | 865,290           | -            | 865,290           | -              |
| Tuition assessments                       | 75,313            | 75,313            | 73,440            | -            | 73,440            | 1,873          |
| County assessments and charges            | 170,201           | 170,201           | 170,201           | -            | 170,201           | -              |
| <i>Total State and County Assessments</i> | <i>1,172,246</i>  | <i>1,172,246</i>  | <i>1,169,441</i>  | <i>-</i>     | <i>1,169,441</i>  | <i>2,805</i>   |
| <i>Pension and Fringe Benefits:</i>       |                   |                   |                   |              |                   |                |
| Medical Insurance:                        |                   |                   |                   |              |                   |                |
| Salary                                    | 13,382,377        | 12,882,450        | 12,294,666        | -            | 12,294,666        | 587,784        |
|                                           | 13,382,377        | 12,882,450        | 12,294,666        | -            | 12,294,666        | 587,784        |
| Unemployment:                             |                   |                   |                   |              |                   |                |
| Salary                                    | 175,000           | 175,000           | 175,000           | -            | 175,000           | -              |
|                                           | 175,000           | 175,000           | 175,000           | -            | 175,000           | -              |
| Workers' Compensation:                    |                   |                   |                   |              |                   |                |
| Salary                                    | 267,181           | 267,181           | 267,181           | -            | 267,181           | -              |
|                                           | 267,181           | 267,181           | 267,181           | -            | 267,181           | -              |
| Laborer's Union Pension:                  |                   |                   |                   |              |                   |                |
| Salary                                    | 45,778            | 45,778            | 45,778            | -            | 45,778            | -              |
|                                           | 45,778            | 45,778            | 45,778            | -            | 45,778            | -              |
| Pension Assessments:                      |                   |                   |                   |              |                   |                |
| Barnstable Retirement                     | 5,203,970         | 5,638,897         | 5,638,897         | -            | 5,638,897         | -              |
|                                           | 5,203,970         | 5,638,897         | 5,638,897         | -            | 5,638,897         | -              |
| Other Employee Benefits:                  |                   |                   |                   |              |                   |                |
| Salary                                    | 400,000           | 400,000           | 99,857            | -            | 99,857            | 300,143        |
|                                           | 400,000           | 400,000           | 99,857            | -            | 99,857            | 300,143        |
| <i>Total Pension and Fringe Benefits</i>  | <i>19,474,306</i> | <i>19,409,306</i> | <i>18,521,379</i> | <i>-</i>     | <i>18,521,379</i> | <i>887,927</i> |

## TOWN OF NANTUCKET, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

|                                                                                                                                | Budgeted Amounts    |                     | Actual              |                  | Actual                 | Variance             |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|------------------|------------------------|----------------------|
|                                                                                                                                | Original            | Final               | Budgetary           | Encumbrances     | Budgetary              | Positive             |
|                                                                                                                                | Budget              | Budget              | Amounts             |                  | Adjusted               | (Negative)           |
| <i>Debt Service</i>                                                                                                            | 9,310,589           | 9,310,589           | 9,228,546           | -                | 9,228,546              | 82,043               |
| <b>Total Expenditures</b>                                                                                                      | <b>95,547,816</b>   | <b>95,682,207</b>   | <b>88,375,239</b>   | <b>2,979,563</b> | <b>91,354,802</b>      | <b>4,327,405</b>     |
| <b>Other Financing Sources (Uses)</b>                                                                                          |                     |                     |                     |                  |                        |                      |
| Transfers in                                                                                                                   | 616,300             | 696,853             | 696,853             |                  | 696,853                | -                    |
| Transfers out                                                                                                                  | (12,238,905)        | (13,488,905)        | (13,488,905)        |                  | (13,488,905)           | -                    |
| <b>Total Other Financing Sources (Uses)</b>                                                                                    | <b>(11,622,605)</b> | <b>(12,792,052)</b> | <b>(12,792,052)</b> |                  | <b>\$ (12,792,052)</b> | <b>-</b>             |
| <i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures/Uses Of Prior Year Budgetary Fund Balance</i> | <b>(7,845,060)</b>  | <b>(9,148,898)</b>  | <b>\$ 9,514,326</b> |                  |                        | <b>\$ 15,683,661</b> |
| <b>Other Budgetary Items</b>                                                                                                   |                     |                     |                     |                  |                        |                      |
| Use of unassigned fund balance (free cash)                                                                                     | \$ 4,848,999        | \$ 6,127,837        |                     |                  |                        |                      |
| Use of excess abatement reserve (overlay surplus)                                                                              | -                   | 25,000              |                     |                  |                        |                      |
| Prior year encumbrances                                                                                                        | 1,791,551           | 1,791,551           |                     |                  |                        |                      |
| Prior year articles                                                                                                            | 1,204,510           | 1,204,510           |                     |                  |                        |                      |
| <b>Total Other Budgetary Items</b>                                                                                             | <b>7,845,060</b>    | <b>9,148,898</b>    |                     |                  |                        |                      |
| <b>Net budget and actual</b>                                                                                                   | <b>\$ -</b>         | <b>\$ -</b>         |                     |                  |                        |                      |

(Concluded)

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

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

# TOWN OF NANTUCKET, MASSACHUSETTS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2021

### I. Budgetary Basis of Accounting

Budgetary Information – An annual budget is legally adopted for the General Fund and the Enterprise Funds. The annual budgets are prepared by Town Administration, reviewed and approved by the Select Board, recommended by the Finance Committee and voted by the taxpayers at the Annual Town Meeting. Expenditures may not legally exceed appropriations at the department level, or in the categories of personnel and non-personnel expenses. Transfers between and within departments require approval at a Special Town Meeting, unless allowed under Massachusetts General Law. At the close of each fiscal year, unencumbered appropriation balances lapse and revert to unassigned fund balance.

The Town Meeting adopts an annual budget for the general fund in conformity with the guidelines described above. During fiscal year 2021, Town Meeting approved various supplemental budgetary appropriations between functions that did not materially increase the total original voted budget, exclusive of a \$1,250,000 transfer to capital projects to fund roadway improvements. The Finance Director's Office 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 to conform to the Uniform Municipal Accounting System basis of accounting as prescribed by the Massachusetts Department of Revenue. A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2021, is as follows:

|                                                 | Basis of<br>Accounting<br>Differences | Fund Perspective<br>Differences | Total                 |
|-------------------------------------------------|---------------------------------------|---------------------------------|-----------------------|
| Revenues on a budgetary basis                   |                                       |                                 | \$ 110,681,617        |
| Stabilization revenue                           | \$ -                                  | \$ 428,862                      | 428,862               |
| Nursing home revenues                           | -                                     | 6,650,737                       | 6,650,737             |
| Landfill revenues                               | -                                     | 3,419,485                       | 3,419,485             |
| Change in revenue accruals                      | 800,484                               | -                               | 800,484               |
| On behalf payments                              | 8,251,011                             | -                               | 8,251,011             |
| Revenues on a GAAP basis                        | <u>\$ 9,051,495</u>                   | <u>\$ 10,499,084</u>            | <u>\$ 130,232,196</u> |
| Expenditures on a budgetary basis               |                                       |                                 | \$ 88,375,239         |
| Reclass indirect transfers against expenditures | \$ (409,000)                          | \$ -                            | (409,000)             |
| Nursing home expenditures                       | -                                     | 7,373,270                       | 7,373,270             |
| Landfill expenditures                           | -                                     | 10,708,153                      | 10,708,153            |
| Bond issuance costs                             | 74,269                                | -                               | 74,269                |
| On behalf payments                              | 8,251,011                             | -                               | 8,251,011             |
| Transfer to enterprise fund for debt service    | (1,055,736)                           | -                               | (1,055,736)           |
| Expenditures on a GAAP basis                    | <u>\$ 6,860,544</u>                   | <u>\$ 18,081,423</u>            | <u>\$ 113,317,206</u> |

|                                                 | Basis of<br>Accounting<br>Differences | Fund Perspective<br>Differences | Total                 |
|-------------------------------------------------|---------------------------------------|---------------------------------|-----------------------|
| Other financing (uses) on a budgetary basis     |                                       |                                 | \$ (12,792,052)       |
| Reclass indirect transfers against expenditures | \$ (409,000)                          | \$ -                            | (409,000)             |
| Premiums from bonds and notes                   | 74,269                                | -                               | 74,269                |
| Nursing home transfers                          | -                                     | 3,407,700                       | 3,407,700             |
| Landfill transfers                              | -                                     | 6,228,105                       | 6,228,105             |
| Transfer to enterprise fund for debt service    | (1,055,736)                           | -                               | (1,055,736)           |
| Other financing (uses) on a GAAP basis          | <u>\$ (1,390,467)</u>                 | <u>\$ 9,635,805</u>             | <u>\$ (4,546,714)</u> |

Appropriation Deficits – During the fiscal year ended, the Town overspent its appropriation for snow and ice removal by \$80,773, which will be funded from available revenues in the subsequent year.



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## **Combining Statements**

## **Nonmajor Governmental Fund**

### *Special Revenue Funds –*

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

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

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

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

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

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

*Community Preservation* – This fund accounts for monies received by the Town through a tax surcharge to its taxpayers and a match from the State. The purpose of the fund is for the preservation of space in Nantucket.

*Road Improvements* – This fund accounts for monies received from the State under MGL Chapter 90 for eligible road improvements.

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

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

*Property Sale Proceeds* – This fund accounts for receipts collected from the sale of Town owned real property.

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

*Permanent Funds* –

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

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

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

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
JUNE 30, 2021

|                                                                           | <b>Special Revenue Funds</b> |                                      |                                    |                                    |                                  |
|---------------------------------------------------------------------------|------------------------------|--------------------------------------|------------------------------------|------------------------------------|----------------------------------|
|                                                                           | <b>School<br/>Lunch</b>      | <b>School<br/>Federal<br/>Grants</b> | <b>School<br/>State<br/>Grants</b> | <b>Town<br/>Federal<br/>Grants</b> | <b>Town<br/>State<br/>Grants</b> |
| <b>Assets:</b>                                                            |                              |                                      |                                    |                                    |                                  |
| Cash and cash equivalents                                                 | \$ 65,961                    | \$ 227,350                           | \$ 360,472                         | \$ 988,512                         | \$ 2,074,375                     |
| Investments                                                               | -                            | -                                    | -                                  | -                                  | -                                |
| Receivables, net of allowance for uncollectibles:                         |                              |                                      |                                    |                                    |                                  |
| Property taxes                                                            | -                            | -                                    | -                                  | -                                  | -                                |
| Departmental and other                                                    | -                            | -                                    | -                                  | -                                  | -                                |
| Intergovernmental                                                         | -                            | -                                    | -                                  | 18,501                             | -                                |
| Loans                                                                     | -                            | -                                    | -                                  | -                                  | -                                |
| <b>Total Assets</b>                                                       | <b>65,961</b>                | <b>227,350</b>                       | <b>360,472</b>                     | <b>1,007,013</b>                   | <b>2,074,375</b>                 |
| <b>Total Deferred Outflows of Resources</b>                               | <b>-</b>                     | <b>-</b>                             | <b>-</b>                           | <b>-</b>                           | <b>-</b>                         |
| <b>Total Assets and Deferred Outflows of Resources</b>                    | <b>\$ 65,961</b>             | <b>\$ 227,350</b>                    | <b>\$ 360,472</b>                  | <b>\$ 1,007,013</b>                | <b>\$ 2,074,375</b>              |
| <b>Liabilities and Fund Balances:</b>                                     |                              |                                      |                                    |                                    |                                  |
| Liabilities:                                                              |                              |                                      |                                    |                                    |                                  |
| Warrants and accounts payable                                             | \$ -                         | \$ 13,068                            | \$ -                               | \$ 277                             | \$ 346,520                       |
| Accrued payroll and withholdings                                          | -                            | 53,843                               | 3,443                              | 765                                | 972                              |
| Unearned revenue                                                          | -                            | -                                    | -                                  | 596,558                            | -                                |
| Other liabilities                                                         | -                            | -                                    | -                                  | -                                  | -                                |
| Due to other funds                                                        | -                            | -                                    | -                                  | -                                  | -                                |
| Bond anticipation notes payable                                           | -                            | -                                    | -                                  | -                                  | -                                |
| <b>Total Liabilities</b>                                                  | <b>-</b>                     | <b>66,911</b>                        | <b>3,443</b>                       | <b>597,600</b>                     | <b>347,492</b>                   |
| <b>Deferred Inflows of Resources</b>                                      |                              |                                      |                                    |                                    |                                  |
| Unavailable revenue - property taxes                                      | -                            | -                                    | -                                  | -                                  | -                                |
| Unavailable revenue - other                                               | -                            | -                                    | -                                  | -                                  | -                                |
| <b>Total Deferred Inflows of Resources</b>                                | <b>-</b>                     | <b>-</b>                             | <b>-</b>                           | <b>-</b>                           | <b>-</b>                         |
| Fund Balances:                                                            |                              |                                      |                                    |                                    |                                  |
| Nonspendable                                                              | -                            | -                                    | -                                  | -                                  | -                                |
| Restricted                                                                | 65,961                       | 160,439                              | 357,029                            | 409,413                            | 2,057,308                        |
| Unassigned                                                                | -                            | -                                    | -                                  | -                                  | (330,425)                        |
| <b>Total Fund Balances</b>                                                | <b>65,961</b>                | <b>160,439</b>                       | <b>357,029</b>                     | <b>409,413</b>                     | <b>1,726,883</b>                 |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$ 65,961</b>             | <b>\$ 227,350</b>                    | <b>\$ 360,472</b>                  | <b>\$ 1,007,013</b>                | <b>\$ 2,074,375</b>              |

| <u>Community<br/>Preservation</u> | <u>Road<br/>Improvements</u> | <u>School<br/>Revolving</u> | <u>Town<br/>Revolving</u> | <u>Property Sale<br/>Proceeds</u> | <u>Gift<br/>Funds</u> | <u>Sub-total<br/>Special<br/>Revenue Funds</u> |
|-----------------------------------|------------------------------|-----------------------------|---------------------------|-----------------------------------|-----------------------|------------------------------------------------|
| \$ 6,434,876                      | \$ -                         | \$ 2,218,791                | \$ 8,085,621              | \$ 2,381,370                      | \$ 1,253,637          | \$ 24,090,965                                  |
| -                                 | -                            | -                           | -                         | -                                 | -                     | -                                              |
| 264,793                           | -                            | -                           | -                         | -                                 | -                     | 264,793                                        |
| -                                 | -                            | -                           | 746,150                   | -                                 | -                     | 746,150                                        |
| -                                 | -                            | -                           | -                         | -                                 | -                     | 18,501                                         |
| -                                 | -                            | -                           | -                         | -                                 | -                     | -                                              |
| <u>6,699,669</u>                  | <u>-</u>                     | <u>2,218,791</u>            | <u>8,831,771</u>          | <u>2,381,370</u>                  | <u>1,253,637</u>      | <u>25,120,409</u>                              |
| <u>-</u>                          | <u>-</u>                     | <u>-</u>                    | <u>-</u>                  | <u>-</u>                          | <u>-</u>              | <u>-</u>                                       |
| <u>\$ 6,699,669</u>               | <u>\$ -</u>                  | <u>\$ 2,218,791</u>         | <u>\$ 8,831,771</u>       | <u>\$ 2,381,370</u>               | <u>\$ 1,253,637</u>   | <u>\$ 25,120,409</u>                           |
|                                   |                              |                             |                           |                                   |                       |                                                |
| \$ 472,645                        | \$ 2,361                     | \$ 65,552                   | \$ 45,761                 | \$ -                              | \$ 2,468              | \$ 948,652                                     |
| 5,251                             | -                            | 43,750                      | 76,566                    | -                                 | 3,269                 | 187,859                                        |
| -                                 | -                            | -                           | -                         | -                                 | -                     | 596,558                                        |
| 45,370                            | -                            | 150,259                     | 9,774                     | -                                 | -                     | 205,403                                        |
| -                                 | 406,665                      | -                           | -                         | -                                 | -                     | 406,665                                        |
| -                                 | -                            | -                           | -                         | -                                 | -                     | -                                              |
| <u>523,266</u>                    | <u>409,026</u>               | <u>259,561</u>              | <u>132,101</u>            | <u>-</u>                          | <u>5,737</u>          | <u>2,345,137</u>                               |
| 264,793                           | -                            | -                           | -                         | -                                 | -                     | 264,793                                        |
| -                                 | -                            | -                           | 746,150                   | -                                 | -                     | 746,150                                        |
| <u>264,793</u>                    | <u>-</u>                     | <u>-</u>                    | <u>746,150</u>            | <u>-</u>                          | <u>-</u>              | <u>1,010,943</u>                               |
| -                                 | -                            | -                           | -                         | -                                 | -                     | -                                              |
| 5,911,610                         | -                            | 1,959,230                   | 7,953,520                 | 2,381,370                         | 1,247,900             | 22,503,780                                     |
| -                                 | (409,026)                    | -                           | -                         | -                                 | -                     | (739,451)                                      |
| <u>5,911,610</u>                  | <u>(409,026)</u>             | <u>1,959,230</u>            | <u>7,953,520</u>          | <u>2,381,370</u>                  | <u>1,247,900</u>      | <u>21,764,329</u>                              |
| <u>\$ 6,699,669</u>               | <u>\$ -</u>                  | <u>\$ 2,218,791</u>         | <u>\$ 8,831,771</u>       | <u>\$ 2,381,370</u>               | <u>\$ 1,253,637</u>   | <u>\$ 25,120,409</u>                           |

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
JUNE 30, 2021

|                                                                           | <b>Permanent Funds</b>     |                                |                         |                                 | <b>Total</b>                      |
|---------------------------------------------------------------------------|----------------------------|--------------------------------|-------------------------|---------------------------------|-----------------------------------|
|                                                                           | Cemetery<br>Trust<br>Funds | Affordable<br>Housing<br>Trust | Other<br>Trust<br>Funds | Sub-total<br>Permanent<br>Funds | Nonmajor<br>Governmental<br>Funds |
| <b>Assets:</b>                                                            |                            |                                |                         |                                 |                                   |
| Cash and cash equivalents                                                 | \$ -                       | \$ 3,386,814                   | \$ -                    | \$ 3,386,814                    | \$ 27,477,779                     |
| Investments                                                               | 202,473                    | -                              | 20,391                  | 222,864                         | 222,864                           |
| Receivables, net of allowance for uncollectibles:                         |                            |                                |                         |                                 |                                   |
| Property taxes                                                            | -                          | -                              | -                       | -                               | 264,793                           |
| Departmental and other                                                    | -                          | -                              | -                       | -                               | 746,150                           |
| Intergovernmental                                                         | -                          | -                              | -                       | -                               | 18,501                            |
| Loans                                                                     | -                          | 2,678,200                      | -                       | 2,678,200                       | 2,678,200                         |
| <b>Total Assets</b>                                                       | <u>202,473</u>             | <u>6,065,014</u>               | <u>20,391</u>           | <u>6,287,878</u>                | <u>31,408,287</u>                 |
| <b>Total Deferred Outflows of Resources</b>                               | <u>-</u>                   | <u>-</u>                       | <u>-</u>                | <u>-</u>                        | <u>-</u>                          |
| <b>Total Assets and Deferred Outflows of Resources</b>                    | <u><u>\$ 202,473</u></u>   | <u><u>\$ 6,065,014</u></u>     | <u><u>\$ 20,391</u></u> | <u><u>\$ 6,287,878</u></u>      | <u><u>\$ 31,408,287</u></u>       |
| <b>Liabilities and Fund Balances:</b>                                     |                            |                                |                         |                                 |                                   |
| Liabilities:                                                              |                            |                                |                         |                                 |                                   |
| Warrants and accounts payable                                             | \$ -                       | \$ 639,088                     | \$ -                    | \$ 639,088                      | \$ 1,587,740                      |
| Accrued payroll and withholdings                                          | -                          | -                              | -                       | -                               | 187,859                           |
| Unearned revenue                                                          | -                          | -                              | -                       | -                               | 596,558                           |
| Other liabilities                                                         | -                          | -                              | -                       | -                               | 205,403                           |
| Due to other funds                                                        | -                          | -                              | -                       | -                               | 406,665                           |
| Bond anticipation notes payable                                           | -                          | 4,347,500                      | -                       | 4,347,500                       | 4,347,500                         |
| <b>Total Liabilities</b>                                                  | <u>-</u>                   | <u>4,986,588</u>               | <u>-</u>                | <u>4,986,588</u>                | <u>7,331,725</u>                  |
| <b>Deferred Inflows of Resources</b>                                      |                            |                                |                         |                                 |                                   |
| Unavailable revenue - property taxes                                      | -                          | -                              | -                       | -                               | 264,793                           |
| Unavailable revenue - other                                               | -                          | -                              | -                       | -                               | 746,150                           |
| <b>Total Deferred Inflows of Resources</b>                                | <u>-</u>                   | <u>-</u>                       | <u>-</u>                | <u>-</u>                        | <u>1,010,943</u>                  |
| Fund Balances:                                                            |                            |                                |                         |                                 |                                   |
| Nonspendable                                                              | 44,305                     | -                              | 660                     | 44,965                          | 44,965                            |
| Restricted                                                                | 158,168                    | 1,078,426                      | 19,731                  | 1,256,325                       | 23,760,105                        |
| Unassigned                                                                | -                          | -                              | -                       | -                               | (739,451)                         |
| <b>Total Fund Balances</b>                                                | <u>202,473</u>             | <u>1,078,426</u>               | <u>20,391</u>           | <u>1,301,290</u>                | <u>23,065,619</u>                 |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <u><u>\$ 202,473</u></u>   | <u><u>\$ 6,065,014</u></u>     | <u><u>\$ 20,391</u></u> | <u><u>\$ 6,287,878</u></u>      | <u><u>\$ 31,408,287</u></u>       |

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**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2021

|                                                              | <b>Special Revenue Funds</b> |                                      |                                    |                                    |                                  |
|--------------------------------------------------------------|------------------------------|--------------------------------------|------------------------------------|------------------------------------|----------------------------------|
|                                                              | <u>School<br/>Lunch</u>      | <u>School<br/>Federal<br/>Grants</u> | <u>School<br/>State<br/>Grants</u> | <u>Town<br/>Federal<br/>Grants</u> | <u>Town<br/>State<br/>Grants</u> |
| <b>Revenues:</b>                                             |                              |                                      |                                    |                                    |                                  |
| Intergovernmental                                            | \$ 269,741                   | \$ 1,148,781                         | \$ 571,989                         | \$ 94,934                          | \$ 1,628,312                     |
| Motor vehicle and other excises                              | -                            | -                                    | -                                  | -                                  | -                                |
| Community preservation surcharges                            | -                            | -                                    | -                                  | -                                  | -                                |
| Investment income                                            | 1,871                        | -                                    | -                                  | 31                                 | -                                |
| Departmental and other revenue                               | 5,595                        | -                                    | -                                  | -                                  | 340,394                          |
| Contributions and donations                                  | -                            | -                                    | -                                  | -                                  | -                                |
| <b>Total Revenues</b>                                        | <u>277,207</u>               | <u>1,148,781</u>                     | <u>571,989</u>                     | <u>94,965</u>                      | <u>1,968,706</u>                 |
| <b>Expenditures:</b>                                         |                              |                                      |                                    |                                    |                                  |
| Current:                                                     |                              |                                      |                                    |                                    |                                  |
| General government                                           | -                            | -                                    | -                                  | 167,213                            | 879,529                          |
| Public safety                                                | -                            | -                                    | -                                  | 2,703                              | 4,035                            |
| Education                                                    | 275,564                      | 1,063,410                            | 556,068                            | -                                  | -                                |
| Public works                                                 | -                            | -                                    | -                                  | -                                  | 429,940                          |
| Health and human services                                    | -                            | -                                    | -                                  | -                                  | 825,472                          |
| Culture and recreation                                       | -                            | -                                    | -                                  | -                                  | 5,903                            |
| Debt service:                                                |                              |                                      |                                    |                                    |                                  |
| Principal                                                    | -                            | -                                    | -                                  | -                                  | 373,793                          |
| Interest                                                     | -                            | -                                    | -                                  | -                                  | 19,500                           |
| <b>Total Expenditures</b>                                    | <u>275,564</u>               | <u>1,063,410</u>                     | <u>556,068</u>                     | <u>169,916</u>                     | <u>2,538,172</u>                 |
| Excess (Deficiency) Of Revenues<br>Over (Under) Expenditures | <u>1,643</u>                 | <u>85,371</u>                        | <u>15,921</u>                      | <u>(74,951)</u>                    | <u>(569,466)</u>                 |
| <b>Other Financing Sources (Uses):</b>                       |                              |                                      |                                    |                                    |                                  |
| Issuance of bonds and notes                                  | -                            | -                                    | -                                  | -                                  | 1,040,600                        |
| Premium from bonds and notes                                 | -                            | -                                    | -                                  | -                                  | -                                |
| Sale of capital assets                                       | -                            | -                                    | -                                  | -                                  | -                                |
| Transfers in                                                 | -                            | -                                    | -                                  | -                                  | -                                |
| Transfers out                                                | -                            | -                                    | -                                  | -                                  | -                                |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>-</u>                     | <u>-</u>                             | <u>-</u>                           | <u>-</u>                           | <u>1,040,600</u>                 |
| <b>Net Change in Fund Balances</b>                           | <u>1,643</u>                 | <u>85,371</u>                        | <u>15,921</u>                      | <u>(74,951)</u>                    | <u>471,134</u>                   |
| Fund Balances - Beginning of Year, as restated               | <u>64,318</u>                | <u>75,068</u>                        | <u>341,108</u>                     | <u>484,364</u>                     | <u>1,255,749</u>                 |
| Fund Balances - End of Year                                  | <u>\$ 65,961</u>             | <u>\$ 160,439</u>                    | <u>\$ 357,029</u>                  | <u>\$ 409,413</u>                  | <u>\$ 1,726,883</u>              |

| <u>Community<br/>Preservation</u> | <u>Road<br/>Improvements</u> | <u>School<br/>Revolving</u> | <u>Town<br/>Revolving</u> | <u>Property Sale<br/>Proceeds</u> | <u>Gift<br/>Funds</u> | <u>Sub-total<br/>Special<br/>Revenue Funds</u> |
|-----------------------------------|------------------------------|-----------------------------|---------------------------|-----------------------------------|-----------------------|------------------------------------------------|
| \$ 745,154                        | \$ 106,861                   | \$ -                        | \$ 182,860                | \$ -                              | \$ -                  | \$ 4,748,632                                   |
| -                                 | -                            | -                           | 34,614                    | -                                 | -                     | 34,614                                         |
| 2,491,130                         | -                            | -                           | -                         | -                                 | -                     | 2,491,130                                      |
| 14,337                            | -                            | 487                         | 692                       | -                                 | -                     | 17,418                                         |
| 17,602                            | -                            | 741,526                     | 3,233,755                 | -                                 | -                     | 4,338,872                                      |
| -                                 | -                            | -                           | -                         | -                                 | 429,790               | 429,790                                        |
| <u>3,268,223</u>                  | <u>106,861</u>               | <u>742,013</u>              | <u>3,451,921</u>          | <u>-</u>                          | <u>429,790</u>        | <u>12,060,456</u>                              |
| -                                 | -                            | -                           | 357,839                   | 105                               | 5,885                 | 1,410,571                                      |
| -                                 | -                            | -                           | 2,184,842                 | -                                 | 32,042                | 2,223,622                                      |
| -                                 | -                            | 1,267,174                   | -                         | -                                 | 216,959               | 3,379,175                                      |
| -                                 | 515,887                      | -                           | 25,294                    | -                                 | -                     | 971,121                                        |
| -                                 | -                            | -                           | 99,964                    | -                                 | 158                   | 925,594                                        |
| 2,159,372                         | -                            | -                           | 85,569                    | -                                 | 12,135                | 2,262,979                                      |
| 210,000                           | -                            | -                           | -                         | -                                 | -                     | 583,793                                        |
| 30,228                            | -                            | -                           | -                         | -                                 | -                     | 49,728                                         |
| <u>2,399,600</u>                  | <u>515,887</u>               | <u>1,267,174</u>            | <u>2,753,508</u>          | <u>105</u>                        | <u>267,179</u>        | <u>11,806,583</u>                              |
| <u>868,623</u>                    | <u>(409,026)</u>             | <u>(525,161)</u>            | <u>698,413</u>            | <u>(105)</u>                      | <u>162,611</u>        | <u>253,873</u>                                 |
| -                                 | -                            | -                           | -                         | -                                 | -                     | 1,040,600                                      |
| -                                 | -                            | -                           | -                         | -                                 | -                     | -                                              |
| -                                 | -                            | -                           | -                         | 231,999                           | -                     | 231,999                                        |
| -                                 | -                            | 550,000                     | -                         | -                                 | -                     | 550,000                                        |
| -                                 | -                            | -                           | (948,288)                 | -                                 | -                     | (948,288)                                      |
| <u>-</u>                          | <u>-</u>                     | <u>550,000</u>              | <u>(948,288)</u>          | <u>231,999</u>                    | <u>-</u>              | <u>874,311</u>                                 |
| 868,623                           | (409,026)                    | 24,839                      | (249,875)                 | 231,894                           | 162,611               | 1,128,184                                      |
| <u>5,042,987</u>                  | <u>-</u>                     | <u>1,934,391</u>            | <u>8,203,395</u>          | <u>2,149,476</u>                  | <u>1,085,289</u>      | <u>20,636,145</u>                              |
| <u>\$ 5,911,610</u>               | <u>\$ (409,026)</u>          | <u>\$ 1,959,230</u>         | <u>\$ 7,953,520</u>       | <u>\$ 2,381,370</u>               | <u>\$ 1,247,900</u>   | <u>\$ 21,764,329</u>                           |

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2021

|                                                              | <b>Permanent Funds</b>     |                                |                         |                                 | <b>Total</b>                      |
|--------------------------------------------------------------|----------------------------|--------------------------------|-------------------------|---------------------------------|-----------------------------------|
|                                                              | Cemetery<br>Trust<br>Funds | Affordable<br>Housing<br>Trust | Other<br>Trust<br>Funds | Sub-total<br>Permanent<br>Funds | Nonmajor<br>Governmental<br>Funds |
| <b>Revenues:</b>                                             |                            |                                |                         |                                 |                                   |
| Intergovernmental                                            | \$ -                       | \$ -                           | \$ -                    | \$ -                            | \$ 4,748,632                      |
| Motor vehicle and other excises                              | -                          | -                              | -                       | -                               | 34,614                            |
| Community preservation surcharges                            | -                          | -                              | -                       | -                               | 2,491,130                         |
| Investment income                                            | 6,607                      | 10,598                         | 809                     | 18,014                          | 35,432                            |
| Departmental and other revenue                               | 9,000                      | 443,000                        | -                       | 452,000                         | 4,790,872                         |
| Contributions and donations                                  | -                          | 22,632                         | -                       | 22,632                          | 452,422                           |
| <b>Total Revenues</b>                                        | <u>15,607</u>              | <u>476,230</u>                 | <u>809</u>              | <u>492,646</u>                  | <u>12,553,102</u>                 |
| <b>Expenditures:</b>                                         |                            |                                |                         |                                 |                                   |
| Current:                                                     |                            |                                |                         |                                 |                                   |
| General government                                           | -                          | 10,520,241                     | -                       | 10,520,241                      | 11,930,812                        |
| Public safety                                                | -                          | -                              | -                       | -                               | 2,223,622                         |
| Education                                                    | -                          | -                              | -                       | -                               | 3,379,175                         |
| Public works                                                 | 2,000                      | -                              | -                       | 2,000                           | 973,121                           |
| Health and human services                                    | -                          | -                              | -                       | -                               | 925,594                           |
| Culture and recreation                                       | -                          | -                              | -                       | -                               | 2,262,979                         |
| Debt service:                                                |                            |                                |                         |                                 |                                   |
| Principal                                                    | -                          | -                              | -                       | -                               | 583,793                           |
| Interest                                                     | -                          | -                              | -                       | -                               | 49,728                            |
| <b>Total Expenditures</b>                                    | <u>2,000</u>               | <u>10,520,241</u>              | <u>-</u>                | <u>10,522,241</u>               | <u>22,328,824</u>                 |
| Excess (Deficiency) Of Revenues<br>Over (Under) Expenditures | <u>13,607</u>              | <u>(10,044,011)</u>            | <u>809</u>              | <u>(10,029,595)</u>             | <u>(9,775,722)</u>                |
| <b>Other Financing Sources (Uses):</b>                       |                            |                                |                         |                                 |                                   |
| Issuance of bonds and notes                                  | -                          | 9,732,500                      | -                       | 9,732,500                       | 10,773,100                        |
| Premium from bonds and notes                                 | -                          | 750,000                        | -                       | 750,000                         | 750,000                           |
| Sale of capital assets                                       | -                          | -                              | -                       | -                               | 231,999                           |
| Transfers in                                                 | -                          | -                              | -                       | -                               | 550,000                           |
| Transfers out                                                | -                          | -                              | -                       | -                               | (948,288)                         |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>-</u>                   | <u>10,482,500</u>              | <u>-</u>                | <u>10,482,500</u>               | <u>11,356,811</u>                 |
| <b>Net Change in Fund Balances</b>                           | <u>13,607</u>              | <u>438,489</u>                 | <u>809</u>              | <u>452,905</u>                  | <u>1,581,089</u>                  |
| Fund Balances - Beginning of Year, as restated               | <u>188,866</u>             | <u>639,937</u>                 | <u>19,582</u>           | <u>848,385</u>                  | <u>21,484,530</u>                 |
| Fund Balances - End of Year                                  | <u>\$ 202,473</u>          | <u>\$ 1,078,426</u>            | <u>\$ 20,391</u>        | <u>\$ 1,301,290</u>             | <u>\$ 23,065,619</u>              |

(Concluded)

## **Internal Service Funds**

Internal service funds are used to account for the financing of services provided by one department to other departments or governmental units. The Town's risk financing activities accounts for in the internal service funds can be distinctly categorized into the following groupings:

*Health Claims* – This fund accounts for the group health and dental insurance activity for active Town employees and retirees.

*Workers' Compensation Claims* – This fund accounts for workers' compensation benefits, replacement wages and medical claims expenses of employees that qualify for such benefits.

# INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF NET POSITION JUNE 30, 2021

|                                                            | Health<br>Claims    | Workers'<br>Compensation | Total<br>Internal<br>Service Funds |
|------------------------------------------------------------|---------------------|--------------------------|------------------------------------|
| <b>Assets:</b>                                             |                     |                          |                                    |
| Current assets:                                            |                     |                          |                                    |
| Cash and cash equivalents                                  | \$ 8,982,457        | \$ 538,788               | \$ 9,521,245                       |
| Reinsured claims receivable                                | 477,261             | -                        | 477,261                            |
| Prepaid items                                              | 23,647              | -                        | 23,647                             |
| <b>Total Assets</b>                                        | <b>9,483,365</b>    | <b>538,788</b>           | <b>10,022,153</b>                  |
| <b>Total Deferred Outflows of Resources</b>                | <b>-</b>            | <b>-</b>                 | <b>-</b>                           |
| <b>Total Assets and Deferred Outflows of Resources</b>     | <b>9,483,365</b>    | <b>538,788</b>           | <b>10,022,153</b>                  |
| <b>Liabilities:</b>                                        |                     |                          |                                    |
| Current liabilities:                                       |                     |                          |                                    |
| Warrants and accounts payable                              | \$ 98,171           | \$ -                     | \$ 98,171                          |
| Health claims incurred but not reported                    | 1,049,282           | -                        | 1,049,282                          |
| Workers' compensation claims                               | -                   | 40,778                   | 40,778                             |
| <b>Total Current Liabilities</b>                           | <b>1,147,453</b>    | <b>40,778</b>            | <b>1,188,231</b>                   |
| <b>Total Deferred Inflows of Resources</b>                 | <b>-</b>            | <b>-</b>                 | <b>-</b>                           |
| <b>Total Liabilities and Deferred Inflows of Resources</b> | <b>1,147,453</b>    | <b>40,778</b>            | <b>1,188,231</b>                   |
| <b>Net Position:</b>                                       |                     |                          |                                    |
| Unrestricted                                               | 8,335,912           | 498,010                  | 8,833,922                          |
| <b>TOTAL NET POSITION</b>                                  | <b>\$ 8,335,912</b> | <b>\$ 498,010</b>        | <b>\$ 8,833,922</b>                |

## INTERNAL SERVICE FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FISCAL YEAR ENDED JUNE 30, 2021

|                                   | Health<br>Claims           | Workers'<br>Compensation | Total<br>Internal Service<br>Funds |
|-----------------------------------|----------------------------|--------------------------|------------------------------------|
| Operating Revenues:               |                            |                          |                                    |
| Employee contributions            | \$ 2,210,295               | \$ -                     | \$ 2,210,295                       |
| Employer contributions            | 15,062,331                 | 372,428                  | 15,434,759                         |
| Reinsured claims proceeds         | 946,347                    | -                        | 946,347                            |
|                                   | <u>18,218,973</u>          | <u>372,428</u>           | <u>18,591,401</u>                  |
| Total Operating Revenues          |                            |                          |                                    |
| Operating Expenditures:           |                            |                          |                                    |
| Employee benefits                 | 17,554,197                 | 193,596                  | 17,747,793                         |
|                                   | <u>17,554,197</u>          | <u>193,596</u>           | <u>17,747,793</u>                  |
| Operating Income (loss)           | 664,776                    | 178,832                  | 843,608                            |
|                                   | <u>664,776</u>             | <u>178,832</u>           | <u>843,608</u>                     |
| Nonoperating Revenues:            |                            |                          |                                    |
| Investment income                 | 51,167                     | 2,542                    | 53,709                             |
|                                   | <u>51,167</u>              | <u>2,542</u>             | <u>53,709</u>                      |
| Income (loss) Before Transfers    | 715,943                    | 181,374                  | 897,317                            |
|                                   | <u>715,943</u>             | <u>181,374</u>           | <u>897,317</u>                     |
| Change in Net Position            | 715,943                    | 181,374                  | 897,317                            |
|                                   | <u>715,943</u>             | <u>181,374</u>           | <u>897,317</u>                     |
| Fund Balances - Beginning of Year | 7,619,969                  | 316,636                  | 7,936,605                          |
|                                   | <u>7,619,969</u>           | <u>316,636</u>           | <u>7,936,605</u>                   |
| Fund Balances - End of Year       | \$ 8,335,912               | \$ 498,010               | \$ 8,833,922                       |
|                                   | <u><u>\$ 8,335,912</u></u> | <u><u>\$ 498,010</u></u> | <u><u>\$ 8,833,922</u></u>         |

# INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF CASH FLOWS FISCAL YEAR ENDED JUNE 30, 2021

|                                                                                                             | Health<br>Claims | Workers'<br>Compensation | Total<br>Internal Service<br>Funds |
|-------------------------------------------------------------------------------------------------------------|------------------|--------------------------|------------------------------------|
| Cash Flows From Operating Activities:                                                                       |                  |                          |                                    |
| Receipts from employees                                                                                     | \$ 2,210,295     | \$ -                     | \$ 2,210,295                       |
| Receipts from employer                                                                                      | 15,062,331       | 372,428                  | 15,434,759                         |
| Receipts from reinsured claims                                                                              | 1,155,639        | -                        | 1,155,639                          |
| Payments for interfund services used                                                                        | (17,219,717)     | (213,884)                | (17,433,601)                       |
| Net Cash Provided by (Used in) Operating Activities                                                         | 1,208,548        | 158,544                  | 1,367,092                          |
| Cash Flows From Investing Activities:                                                                       |                  |                          |                                    |
| Investment income                                                                                           | 51,167           | 2,542                    | 53,709                             |
| Investment of operating cash                                                                                | -                | 247,579                  | 247,579                            |
| Net Cash Provided by (Used in) Investing Activities                                                         | 51,167           | 250,121                  | 301,288                            |
| Net Change in Cash and Cash Equivalents                                                                     | 1,259,715        | 408,665                  | 1,668,380                          |
| Cash and Cash Equivalents:                                                                                  |                  |                          |                                    |
| Beginning of the Year                                                                                       | 7,722,742        | 130,123                  | 7,852,865                          |
| End of the Year                                                                                             | \$ 8,982,457     | \$ 538,788               | \$ 9,521,245                       |
| Reconciliation of Operating Income to Net Cash<br>Provided by (Used in) Operating Activities:               |                  |                          |                                    |
| Operating income (loss)                                                                                     | \$ 664,776       | \$ 178,832               | \$ 843,608                         |
| Adjustments to reconcile operating income (loss) to net<br>cash provided by (used in) operating activities: |                  |                          |                                    |
| Changes in assets and liabilities:                                                                          |                  |                          |                                    |
| Receivables                                                                                                 | 209,292          | -                        | 209,292                            |
| Prepaid items                                                                                               | 507,070          | -                        | 507,070                            |
| Accounts payable and accrued expenses                                                                       | (172,590)        | (703)                    | (173,293)                          |
| Accrued benefits payable                                                                                    | -                | (19,585)                 | (19,585)                           |
| Net Cash Provided by (Used in) Operating Activities                                                         | \$ 1,208,548     | \$ 158,544               | \$ 1,367,092                       |

# STATISTICAL SECTION



Above: One of the many local merchants readying itself for an exciting Christmas season on the island. Christmas is always a popular time in Nantucket, especially with the popular Christmas Stroll being an annual event.



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# Statistical Section

This part of the comprehensive annual 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.



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NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

|                                                  | 2012                  | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  |
|--------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities:                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Invested in capital assets.....                  | \$ 180,988,633        | \$ 179,338,227        | \$ 175,687,378        | \$ 181,710,594        | \$ 186,717,700        | \$ 203,168,454        | \$ 222,919,137        | \$ 229,696,540        | \$ 230,221,877        | \$ 225,048,258        |
| Restricted.....                                  | 2,459,409             | 15,818,386            | 20,511,155            | 20,995,512            | 27,381,162            | 23,523,901            | 24,663,139            | 18,070,833            | 21,770,947            | 24,076,562            |
| Unrestricted.....                                | 1,293,781             | (1,831,770)           | 1,501,847             | (36,480,970)          | (45,200,433)          | (59,910,475)          | (110,316,541)         | (111,963,882)         | (116,554,936)         | (113,318,699)         |
| Total governmental activities net position.....  | <u>\$ 184,741,823</u> | <u>\$ 193,324,843</u> | <u>\$ 197,700,380</u> | <u>\$ 166,225,136</u> | <u>\$ 168,898,429</u> | <u>\$ 166,781,880</u> | <u>\$ 137,265,735</u> | <u>\$ 135,803,491</u> | <u>\$ 135,437,888</u> | <u>\$ 135,806,121</u> |
| Business-type activities:                        |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Invested in capital assets.....                  | \$ 118,502,610        | \$ 116,596,172        | \$ 112,541,419        | \$ 119,242,898        | \$ 120,659,914        | \$ 105,477,803        | \$ 121,715,832        | \$ 126,071,273        | \$ 127,049,683        | \$ 131,905,999        |
| Restricted.....                                  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Unrestricted.....                                | 9,865,892             | 11,287,299            | 15,914,047            | (1,523,044)           | 6,361,265             | 25,927,826            | 11,798,292            | 6,668,726             | 9,053,421             | 24,628,955            |
| Total business-type activities net position..... | <u>\$ 128,368,502</u> | <u>\$ 127,883,471</u> | <u>\$ 128,455,466</u> | <u>\$ 117,719,854</u> | <u>\$ 127,021,179</u> | <u>\$ 131,405,629</u> | <u>\$ 133,514,124</u> | <u>\$ 132,739,999</u> | <u>\$ 136,103,104</u> | <u>\$ 156,534,954</u> |
| Primary government:                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Invested in capital assets.....                  | \$ 299,491,243        | \$ 295,934,399        | \$ 288,228,797        | \$ 300,953,492        | \$ 307,377,614        | \$ 308,646,257        | \$ 344,634,969        | \$ 355,767,813        | \$ 357,271,560        | \$ 356,954,257        |
| Restricted.....                                  | 2,459,409             | 15,818,386            | 20,511,155            | 20,995,512            | 27,381,162            | 23,523,901            | 24,663,139            | 18,070,833            | 21,770,947            | 24,076,562            |
| Unrestricted.....                                | 11,159,673            | 9,455,529             | 17,415,894            | (38,004,014)          | (38,839,168)          | (33,982,649)          | (98,518,249)          | (105,295,156)         | (107,501,515)         | (88,689,744)          |
| Total primary government net position.....       | <u>\$ 313,110,325</u> | <u>\$ 321,208,314</u> | <u>\$ 326,155,846</u> | <u>\$ 283,944,990</u> | <u>\$ 295,919,608</u> | <u>\$ 298,187,509</u> | <u>\$ 270,779,859</u> | <u>\$ 268,543,490</u> | <u>\$ 271,540,992</u> | <u>\$ 292,341,075</u> |

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

|                                                             | 2012                   | 2013                   | 2014                   | 2015                   | 2016                   | 2017                   | 2018                   | 2019                   | 2020                   | 2021                   |
|-------------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses -                                                  |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities:                                    |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| General government.....                                     | \$ 10,015,072          | \$ 9,765,641           | \$ 10,068,331          | \$ 11,574,757          | \$ 13,375,694          | \$ 15,652,032          | \$ 13,660,766          | \$ 15,765,219          | \$ 14,739,182          | \$ 20,368,598          |
| Public safety.....                                          | 13,601,442             | 14,042,554             | 14,779,274             | 15,484,735             | 17,211,310             | 17,548,899             | 19,236,351             | 22,887,964             | 21,070,019             | 22,246,562             |
| Education.....                                              | 29,011,944             | 35,190,752             | 36,829,209             | 38,839,302             | 40,296,659             | 46,524,011             | 47,854,776             | 52,485,059             | 59,004,917             | 60,956,805             |
| Public works.....                                           | 4,692,304              | 4,171,361              | 4,862,640              | 5,131,842              | 5,404,039              | 20,248,200             | 19,697,228             | 20,574,322             | 18,470,036             | 22,181,705             |
| Health and human services.....                              | 3,741,941              | 2,301,279              | 1,641,325              | 1,528,171              | 1,544,941              | 7,705,797              | 7,817,065              | 8,194,864              | 8,753,033              | 9,195,506              |
| Culture and recreation.....                                 | 2,170,903              | 2,327,315              | 5,622,457              | 5,397,098              | 4,646,084              | 4,770,808              | 4,034,143              | 3,867,395              | 4,272,867              | 3,792,528              |
| Interest expense.....                                       | 2,082,337              | 2,368,538              | 2,075,324              | 1,616,600              | 1,478,749              | 2,147,432              | 2,486,810              | 3,004,920              | 2,942,449              | 2,782,017              |
| Total government activities expenses.....                   | 65,315,943             | 70,167,440             | 75,878,560             | 79,572,505             | 83,957,476             | 114,597,179            | 114,787,139            | 126,779,743            | 129,252,503            | 141,523,721            |
| Business-type activities:                                   |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Siasconset Water.....                                       | 682,682                | 712,820                | 724,927                | 738,719                | 811,237                | 749,495                | 617,825                | 692,972                | 661,611                | 412,501                |
| Wannacomet Water.....                                       | 3,674,493              | 3,785,742              | 3,624,731              | 3,544,191              | 4,088,800              | 4,345,647              | 4,428,396              | 4,856,369              | 4,575,055              | 4,746,503              |
| Sewer.....                                                  | 5,760,776              | 6,149,616              | 6,002,582              | 6,255,624              | 6,338,700              | 6,110,762              | 7,912,679              | 7,463,953              | 10,230,935             | 11,591,322             |
| Solid waste.....                                            | 8,851,378              | 11,302,336             | 8,963,029              | 10,324,817             | 11,587,152             | -                      | -                      | -                      | -                      | -                      |
| Nantucket Memorial Airport.....                             | 15,331,231             | 14,523,220             | 15,592,198             | 15,096,177             | 14,287,119             | 15,087,914             | 15,379,560             | 16,842,531             | 16,864,915             | 17,630,422             |
| Our Island Home.....                                        | 6,923,716              | 7,079,676              | 7,670,514              | 7,945,959              | 8,358,350              | -                      | -                      | -                      | -                      | -                      |
| Total business-type activities expenses.....                | 41,224,276             | 43,553,410             | 42,577,981             | 43,905,487             | 45,471,358             | 26,293,818             | 28,338,460             | 29,855,825             | 32,332,516             | 34,380,748             |
| Total primary government expenses.....                      | <u>\$ 106,540,219</u>  | <u>\$ 113,720,850</u>  | <u>\$ 118,456,541</u>  | <u>\$ 123,477,992</u>  | <u>\$ 129,428,834</u>  | <u>\$ 140,890,997</u>  | <u>\$ 143,125,599</u>  | <u>\$ 156,635,568</u>  | <u>\$ 161,585,019</u>  | <u>\$ 175,904,469</u>  |
| Program Revenues -                                          |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities:                                    |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for services:                                       |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| General government.....                                     | \$ 741,512             | \$ 622,049             | \$ 917,730             | \$ 771,006             | \$ 1,121,165           | \$ 1,215,294           | \$ 1,414,603           | \$ 1,542,176           | \$ 1,463,420           | \$ 1,903,422           |
| Public safety.....                                          | 1,668,420              | 2,771,517              | 3,213,998              | 3,203,714              | 3,703,493              | 4,145,232              | 4,006,734              | 4,206,210              | 4,085,076              | 5,095,030              |
| Education.....                                              | 780,977                | 1,488,121              | 1,490,713              | 1,433,969              | 1,500,573              | 1,817,891              | 1,710,119              | 1,728,718              | 1,370,934              | 747,121                |
| Public works.....                                           | 276,502                | 300,317                | 340,272                | 376,600                | 278,408                | 3,505,449              | 3,469,380              | 3,458,221              | 3,111,654              | 3,698,822              |
| Health and human services.....                              | 82,788                 | 132,655                | 188,221                | 190,627                | 227,273                | 5,977,366              | 5,246,151              | 5,145,194              | 4,452,669              | 7,401,435              |
| Culture and recreation.....                                 | 522,063                | 248,089                | 295,416                | 346,626                | 329,022                | 433,829                | 455,763                | 404,014                | 357,786                | 469,707                |
| Operating grants and contributions.....                     | 2,131,096              | 6,022,440              | 6,230,362              | 6,761,994              | 9,241,317              | 10,995,900             | 11,348,091             | 12,857,189             | 14,895,880             | 16,062,638             |
| Capital grants and contributions.....                       | 1,030,215              | 1,874,830              | 289,066                | 1,886,943              | 1,881,938              | 508,050                | 14,502,773             | 2,571,891              | 859,038                | 1,062,956              |
| Total government activities program revenues.....           | 7,233,573              | 13,460,018             | 12,965,778             | 14,971,479             | 18,283,189             | 28,599,011             | 42,153,614             | 31,913,613             | 30,596,457             | 36,441,131             |
| Business-type activities:                                   |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for services.....                                   | 32,847,185             | 31,799,794             | 33,592,609             | 33,738,945             | 39,612,392             | 27,063,403             | 28,655,420             | 30,055,443             | 29,125,632             | 32,909,280             |
| Operating grants and contributions.....                     | 746,499                | 85,992                 | 91,000                 | 90,820                 | 133,570                | 70,458                 | 123,647                | 133,619                | 658,259                | 3,560,965              |
| Capital grants and contributions.....                       | 2,146,931              | 1,989,292              | 2,479,717              | 6,078,185              | 3,175,470              | 2,680,075              | 3,186,264              | 2,111,745              | 5,006,466              | 16,370,498             |
| Total business-type activities program revenues.....        | 35,740,615             | 33,875,078             | 36,163,326             | 39,907,950             | 42,921,432             | 29,813,936             | 31,965,331             | 32,300,807             | 34,790,357             | 52,840,743             |
| Total primary government program revenues.....              | <u>\$ 42,974,188</u>   | <u>\$ 47,335,096</u>   | <u>\$ 49,129,104</u>   | <u>\$ 54,879,429</u>   | <u>\$ 61,204,621</u>   | <u>\$ 58,412,947</u>   | <u>\$ 74,118,945</u>   | <u>\$ 64,214,420</u>   | <u>\$ 65,386,814</u>   | <u>\$ 89,281,874</u>   |
| Net (Expense)/Program Revenue                               |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities.....                                | \$ (58,082,370)        | \$ (56,707,422)        | \$ (62,912,782)        | \$ (64,601,026)        | \$ (65,674,287)        | \$ (85,998,168)        | \$ (72,633,525)        | \$ (94,866,130)        | \$ (98,656,046)        | \$ (105,082,590)       |
| Business-type activities.....                               | (5,483,661)            | (9,678,332)            | (6,414,655)            | (3,997,537)            | (2,549,926)            | 3,520,118              | 3,626,871              | 2,444,982              | 2,457,841              | 18,459,995             |
| Total primary government net (expense)/program revenue..... | <u>\$ (63,566,031)</u> | <u>\$ (66,385,754)</u> | <u>\$ (69,327,437)</u> | <u>\$ (68,598,563)</u> | <u>\$ (68,224,213)</u> | <u>\$ (82,478,050)</u> | <u>\$ (69,006,654)</u> | <u>\$ (92,421,148)</u> | <u>\$ (96,198,205)</u> | <u>\$ (86,622,595)</u> |

Note: Beginning in 2017, Our Island Home and Solid Waste business-type activities have been reported as governmental activities; fiscal year 2012 - 2016 were not restated to reflect this.

(continued)

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**

|                                                                                         | 2012                 | 2013                 | 2014                 | 2015                 | 2016                  | 2017                 | 2018                  | 2019                 | 2020                 | 2021                  |
|-----------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
| <b>General Revenues and other Changes in Net Position -</b>                             |                      |                      |                      |                      |                       |                      |                       |                      |                      |                       |
| <b>Governmental activities:</b>                                                         |                      |                      |                      |                      |                       |                      |                       |                      |                      |                       |
| Real estate and personal property taxes,                                                |                      |                      |                      |                      |                       |                      |                       |                      |                      |                       |
| net of tax refunds payable.....                                                         | \$ 61,863,287        | \$ 63,594,267        | \$ 64,160,459        | \$ 65,895,498        | \$ 68,978,062         | \$ 74,061,321        | \$ 77,739,238         | \$ 79,997,125        | \$ 84,077,242        | \$ 88,601,808         |
| Motor vehicle and other excise taxes.....                                               | 2,066,878            | 2,338,423            | 2,314,472            | 2,607,277            | 2,801,463             | 2,949,704            | 3,154,909             | 3,212,027            | 3,241,429            | 3,625,685             |
| Hotel and meals excise.....                                                             | 2,745,571            | 3,092,446            | 3,558,082            | 4,026,389            | 4,486,662             | 4,535,824            | 4,743,787             | 5,005,958            | 6,654,185            | 9,797,223             |
| Penalties and interest on taxes.....                                                    | 687,221              | 677,906              | 598,411              | 882,916              | 657,303               | 687,316              | 584,164               | 605,321              | 544,079              | 793,136               |
| Community Preservation Fund surcharges.....                                             | 1,724,556            | 1,745,927            | 1,782,598            | 1,835,287            | 1,944,202             | 2,088,375            | 2,190,884             | 2,254,544            | 2,364,095            | 2,486,042             |
| Grants and contributions not restricted to specific programs.....                       | 307,901              | 737,402              | 278,049              | 186,666              | 179,523               | 190,963              | 193,824               | 246,669              | 269,158              | 278,227               |
| Unrestricted investment income.....                                                     | 173,698              | 66,235               | 159,229              | 257,230              | 389,334               | 231,448              | 284,739               | 937,170              | 605,877              | 591,186               |
| Gain on sale of capital assets.....                                                     | 813,011              | 736,256              | 1,379,639            | 2,430,079            | -                     | -                    | 201,248               | 1,536,070            | 112,905              | 231,999               |
| Land fill revenue sharing.....                                                          | -                    | -                    | -                    | -                    | -                     | -                    | -                     | -                    | -                    | -                     |
| Unrealized loss on investments.....                                                     | -                    | -                    | -                    | -                    | -                     | -                    | -                     | -                    | -                    | -                     |
| Other revenue.....                                                                      | 438,678              | 604,871              | -                    | -                    | -                     | -                    | -                     | -                    | -                    | 340,371               |
| Transfers.....                                                                          | (11,231,986)         | (8,303,291)          | (6,942,620)          | (7,881,295)          | (8,659,384)           | -                    | 285,264               | -                    | (755,164)            | (1,904,024)           |
| <b>Total governmental activities.....</b>                                               | <b>59,588,815</b>    | <b>65,290,442</b>    | <b>67,288,319</b>    | <b>70,240,047</b>    | <b>70,777,165</b>     | <b>84,744,951</b>    | <b>89,378,057</b>     | <b>93,794,884</b>    | <b>97,113,806</b>    | <b>104,841,653</b>    |
| <b>Business-type activities:</b>                                                        |                      |                      |                      |                      |                       |                      |                       |                      |                      |                       |
| Unrestricted investment income.....                                                     | 11,993               | 55,748               | 44,030               | 32,935               | 62,084                | 71,855               | 95,529                | 161,926              | 150,100              | 67,831                |
| Gain on sale of capital assets.....                                                     | -                    | -                    | -                    | 829,212              | -                     | -                    | -                     | -                    | -                    | -                     |
| Transfers.....                                                                          | 11,231,986           | 8,303,291            | 6,942,620            | 7,881,295            | 8,659,384             | -                    | (285,264)             | -                    | 755,164              | 1,904,024             |
| <b>Total business-type activities.....</b>                                              | <b>11,243,979</b>    | <b>8,359,039</b>     | <b>6,986,650</b>     | <b>8,743,442</b>     | <b>8,721,468</b>      | <b>71,855</b>        | <b>(189,735)</b>      | <b>161,926</b>       | <b>905,264</b>       | <b>1,971,855</b>      |
| <b>Total primary government general revenues and other changes in net position.....</b> | <b>\$ 70,832,794</b> | <b>\$ 73,649,481</b> | <b>\$ 74,274,969</b> | <b>\$ 78,983,489</b> | <b>\$ 79,498,633</b>  | <b>\$ 84,816,806</b> | <b>\$ 89,188,322</b>  | <b>\$ 93,956,810</b> | <b>\$ 98,019,070</b> | <b>\$ 106,813,508</b> |
| <b>Changes in Net Position</b>                                                          |                      |                      |                      |                      |                       |                      |                       |                      |                      |                       |
| Governmental activities.....                                                            | \$ 2,881,393         | \$ 2,377,660         | \$ 2,687,293         | \$ 4,565,760         | \$ (15,221,003)       | \$ 12,111,426        | \$ (5,488,073)        | \$ (1,071,246)       | \$ (1,542,240)       | \$ (240,937)          |
| Business-type activities.....                                                           | 1,565,647            | 1,944,384            | 2,989,113            | 6,193,516            | 12,241,586            | 3,698,726            | 2,255,247             | 2,606,908            | 3,363,105            | 20,431,850            |
| <b>Total primary government changes in net position.....</b>                            | <b>\$ 4,447,040</b>  | <b>\$ 4,322,044</b>  | <b>\$ 5,676,406</b>  | <b>\$ 10,759,276</b> | <b>\$ (2,979,417)</b> | <b>\$ 15,810,152</b> | <b>\$ (3,232,826)</b> | <b>\$ 1,535,662</b>  | <b>\$ 1,820,865</b>  | <b>\$ 20,190,913</b>  |

(concluded)

**FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

|                                         | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 |
|-----------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund:                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable.....                       | \$ -                 | \$ -                 | \$ -                 | \$ 11,406            | \$ -                 | \$ -                 | \$ -                 | \$ 3,113,226         | \$ 2,641,982         | \$ 2,406,361         |
| Restricted.....                         | 1,485,147            | 1,577,323            | 650,518              | 488,344              | 414,514              | 346,780              | 285,872              | 231,468              | 78,354               | 55,245               |
| Committed.....                          | 1,941,738            | 2,114,218            | 8,061,318            | 4,013,474            | 2,267,807            | 13,140,419           | 10,884,444           | 9,245,767            | 7,985,981            | 9,787,120            |
| Assigned.....                           | 2,182,323            | 5,146,635            | 2,047,757            | 6,323,207            | 3,028,651            | 7,295,378            | 7,257,920            | 7,539,217            | 6,640,550            | 6,415,772            |
| Unassigned.....                         | 14,373,770           | 13,881,601           | 14,745,606           | 15,470,669           | 17,571,873           | 17,942,453           | 21,550,897           | 22,764,258           | 23,405,646           | 34,456,291           |
| Total general fund.....                 | <u>\$ 19,982,978</u> | <u>\$ 22,719,777</u> | <u>\$ 25,505,199</u> | <u>\$ 26,307,100</u> | <u>\$ 23,282,845</u> | <u>\$ 38,725,030</u> | <u>\$ 39,979,133</u> | <u>\$ 42,893,936</u> | <u>\$ 40,752,513</u> | <u>\$ 53,120,789</u> |
| All Other Governmental Funds:           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable.....                       | \$ 44,305            | \$ 44,305            | \$ 114,762           | \$ 44,805            | \$ 44,805            | \$ 44,805            | \$ 44,805            | \$ 44,965            | \$ 44,965            | \$ 44,965            |
| Restricted.....                         | 18,987,991           | 17,267,229           | 18,709,640           | 20,950,707           | 27,086,357           | 23,331,672           | 24,282,474           | 31,414,635           | 37,094,141           | 36,012,525           |
| Unassigned.....                         | (104,106)            | -                    | -                    | (1,109,351)          | (17,737,453)         | (9,779,936)          | (5,012,857)          | (3,451,045)          | (3,212,380)          | (2,395,932)          |
| Total all other governmental funds..... | <u>\$ 18,928,190</u> | <u>\$ 17,311,534</u> | <u>\$ 18,824,402</u> | <u>\$ 19,886,161</u> | <u>\$ 9,393,709</u>  | <u>\$ 13,596,541</u> | <u>\$ 19,314,422</u> | <u>\$ 28,008,555</u> | <u>\$ 33,926,726</u> | <u>\$ 33,661,558</u> |

Note: The Town consolidated Our Island Home and Solid Waste activities into the General Fund in fiscal year 2017; none of the previous years were restated for this change.

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

|                                                                     | 2012                | 2013                | 2014                | 2015                | 2016                   | 2017                | 2018                | 2019                | 2020                | 2021                 |
|---------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| <b>Revenues:</b>                                                    |                     |                     |                     |                     |                        |                     |                     |                     |                     |                      |
| Real estate and personal property taxes,<br>net of tax refunds..... | \$ 62,120,715       | \$ 63,517,709       | \$ 63,434,664       | \$ 66,805,456       | \$ 69,040,526          | \$ 73,938,122       | \$ 78,224,629       | \$ 79,748,325       | \$ 82,970,599       | \$ 88,864,937        |
| Motor vehicle and other excise.....                                 | 1,986,900           | 1,913,789           | 2,512,609           | 2,592,035           | 2,747,276              | 2,823,655           | 3,026,951           | 3,410,343           | 3,064,077           | 3,445,539            |
| Hotel and meals excise.....                                         | 2,745,571           | 3,092,446           | 3,558,082           | 4,026,389           | 4,486,662              | 4,535,824           | 4,743,787           | 5,005,958           | 6,654,185           | 9,797,223            |
| User charges.....                                                   | -                   | -                   | -                   | -                   | -                      | 9,229,547           | 8,345,708           | 8,093,931           | 7,147,978           | 10,052,709           |
| Departmental and other.....                                         | 6,414,807           | 4,910,252           | 4,641,243           | 4,606,897           | 5,218,934              | 5,844,352           | 5,912,072           | 7,079,014           | 5,889,874           | 7,337,705            |
| Communities Preservation surcharges.....                            | 1,724,556           | 1,739,157           | 1,773,519           | 1,844,628           | 1,930,955              | 2,072,835           | 2,188,658           | 2,240,059           | 2,287,031           | 2,491,130            |
| Penalties and interest on taxes.....                                | 687,221             | 677,906             | 598,411             | 882,916             | 657,303                | 687,316             | 584,164             | 605,321             | 544,079             | 793,136              |
| Licenses and permits.....                                           | 1,058,052           | 1,075,074           | 1,405,911           | 1,455,080           | 1,712,506              | 1,698,765           | 1,613,059           | 1,688,035           | 1,324,373           | 1,757,337            |
| Fines and forfeitures.....                                          | 223,054             | 208,503             | 296,917             | 283,179             | 269,441                | 334,451             | 367,483             | 408,220             | 320,746             | 304,284              |
| Intergovernmental.....                                              | 7,280,969           | 7,148,723           | 8,119,346           | 8,728,025           | 10,894,441             | 11,007,339          | 25,667,485          | 13,582,182          | 15,536,399          | 16,950,139           |
| Contributions.....                                                  | -                   | 258,425             | 372,331             | 107,578             | 408,337                | 687,574             | 377,203             | 1,046,223           | 487,677             | 453,682              |
| Investment income.....                                              | 164,936             | 63,751              | 147,521             | 252,185             | 375,220                | 228,864             | 286,452             | 923,459             | 600,829             | 537,477              |
| <b>Total Revenue.....</b>                                           | <b>84,406,781</b>   | <b>84,605,735</b>   | <b>86,860,554</b>   | <b>91,584,368</b>   | <b>97,741,601</b>      | <b>113,088,644</b>  | <b>131,337,651</b>  | <b>123,831,070</b>  | <b>126,827,847</b>  | <b>142,785,298</b>   |
| <b>Expenditures:</b>                                                |                     |                     |                     |                     |                        |                     |                     |                     |                     |                      |
| General government.....                                             | 7,179,875           | 7,114,409           | 7,596,379           | 8,658,027           | 8,946,404              | 8,960,868           | 10,155,695          | 11,448,203          | 10,210,770          | 15,317,532           |
| Public safety.....                                                  | 10,041,235          | 9,018,372           | 9,284,157           | 9,444,096           | 10,698,049             | 10,711,350          | 11,981,461          | 13,524,480          | 12,211,082          | 12,856,806           |
| Education.....                                                      | 23,829,685          | 23,139,532          | 24,585,011          | 25,775,358          | 25,329,925             | 29,017,484          | 30,442,447          | 32,773,059          | 34,707,378          | 35,538,007           |
| Public works.....                                                   | 2,582,349           | 2,242,399           | 2,700,144           | 2,977,129           | 2,981,431              | 11,974,875          | 14,356,435          | 14,371,492          | 13,537,825          | 16,367,581           |
| Health and human services.....                                      | 1,305,274           | 1,899,449           | 1,236,079           | 1,080,864           | 1,051,897              | 6,830,966           | 7,134,552           | 7,311,155           | 7,885,694           | 8,185,585            |
| Culture and recreation.....                                         | 1,492,926           | 1,842,298           | 5,083,442           | 4,875,189           | 4,128,951              | 4,335,613           | 3,722,357           | 3,394,866           | 3,809,157           | 3,343,271            |
| Pension and fringe benefits.....                                    | 11,479,906          | 14,831,570          | 15,661,255          | 16,212,172          | 18,393,297             | 23,325,610          | 23,225,437          | 24,274,664          | 27,481,844          | 28,645,994           |
| State and county charges.....                                       | 531,772             | 546,250             | 566,814             | 574,275             | 591,536                | 606,206             | 632,692             | 734,866             | 683,317             | 1,169,441            |
| Capital outlay and other.....                                       | 5,047,157           | 7,481,872           | 5,202,852           | 8,504,352           | 26,106,919             | 37,467,736          | 27,044,203          | 19,565,622          | 7,702,749           | 15,650,643           |
| Debt service:                                                       |                     |                     |                     |                     |                        |                     |                     |                     |                     |                      |
| Principal.....                                                      | 6,657,855           | 5,496,332           | 5,405,944           | 5,478,306           | 5,511,741              | 5,785,385           | 5,651,238           | 4,694,769           | 5,476,448           | 5,645,743            |
| Interest.....                                                       | 2,171,097           | 2,260,152           | 2,186,325           | 1,746,458           | 1,550,529              | 1,599,106           | 3,131,571           | 2,936,359           | 3,268,387           | 3,203,201            |
| <b>Total Expenditures.....</b>                                      | <b>72,319,131</b>   | <b>75,872,635</b>   | <b>79,508,402</b>   | <b>85,326,226</b>   | <b>105,290,679</b>     | <b>140,615,199</b>  | <b>137,478,088</b>  | <b>135,029,535</b>  | <b>126,974,651</b>  | <b>145,923,804</b>   |
| <b>Excess of revenues over (under) expenditures.....</b>            | <b>12,087,650</b>   | <b>8,733,100</b>    | <b>7,352,152</b>    | <b>6,258,142</b>    | <b>(7,549,078)</b>     | <b>(27,526,555)</b> | <b>(6,140,437)</b>  | <b>(11,198,465)</b> | <b>(146,804)</b>    | <b>(3,138,506)</b>   |
| <b>Other Financing Sources (Uses):</b>                              |                     |                     |                     |                     |                        |                     |                     |                     |                     |                      |
| Issuances from bonds and notes.....                                 | 3,200,000           | 478,449             | -                   | 993,000             | 1,188,709              | 35,735,550          | 11,730,000          | 16,804,000          | 3,345,000           | 15,393,700           |
| Issuances from refunding bonds.....                                 | 1,329,900           | 8,685,000           | -                   | 758,200             | 3,935,000              | 3,515,450           | -                   | -                   | 5,380,000           | -                    |
| Premiums from debt issuances.....                                   | 212,513             | 808,509             | -                   | 51,600              | 123,130                | 1,700,430           | 895,909             | 1,018,631           | 1,138,749           | 910,769              |
| Payments to refunded bond escrow agent.....                         | (1,519,037)         | (9,505,125)         | -                   | (790,820)           | (3,995,000)            | (3,976,820)         | -                   | -                   | (6,474,575)         | -                    |
| Sale of capital assets.....                                         | -                   | 865,210             | 3,888,758           | 2,474,833           | 1,439,916              | 208,199             | 201,248             | 1,635,924           | 112,905             | 231,999              |
| Transfers in.....                                                   | 1,008,975           | 919,323             | 2,101,972           | 1,631,000           | 15,779,728             | 2,448,154           | 9,294,704           | 8,946,552           | 8,823,943           | 3,826,353            |
| Transfers out.....                                                  | (12,409,606)        | (9,864,323)         | (9,044,592)         | (9,512,295)         | (24,439,112)           | (2,448,154)         | (9,009,440)         | (8,946,552)         | (9,579,107)         | (5,730,377)          |
| <b>Total other financing sources (uses).....</b>                    | <b>(8,177,255)</b>  | <b>(7,612,957)</b>  | <b>(3,053,862)</b>  | <b>(4,394,482)</b>  | <b>(5,967,629)</b>     | <b>37,182,809</b>   | <b>13,112,421</b>   | <b>19,458,555</b>   | <b>2,746,915</b>    | <b>14,632,444</b>    |
| <b>Net change in fund balance.....</b>                              | <b>\$ 3,910,395</b> | <b>\$ 1,120,143</b> | <b>\$ 4,298,290</b> | <b>\$ 1,863,660</b> | <b>\$ (13,516,707)</b> | <b>\$ 9,656,254</b> | <b>\$ 6,971,984</b> | <b>\$ 8,260,090</b> | <b>\$ 2,600,111</b> | <b>\$ 11,493,938</b> |
| Debt service as a percentage of noncapital expenditures.....        | 13.12%              | 11.34%              | 10.22%              | 9.40%               | 8.92%                  | 7.16%               | 7.95%               | 6.61%               | 7.33%               | 6.79%                |

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

**LAST TEN FISCAL YEARS**

| Fiscal<br>Year | Assessed Value       |                     |                     |                     |                      |                              |                        |                             | Ratio of<br>Assessed to<br>Equalized<br>Value | Tax Rates               |                        |                     |
|----------------|----------------------|---------------------|---------------------|---------------------|----------------------|------------------------------|------------------------|-----------------------------|-----------------------------------------------|-------------------------|------------------------|---------------------|
|                | Residential<br>Value | Open Space<br>Value | Commercial<br>Value | Industrial<br>Value | Personal<br>Property | Total<br>Commercial<br>Value | Total<br>Town<br>Value | State<br>Equalized<br>Value |                                               | Residential<br>Tax Rate | Commercial<br>Tax Rate | Average<br>Tax Rate |
|                |                      |                     |                     |                     |                      |                              |                        |                             |                                               |                         |                        |                     |
| 2012           | \$ 15,502,597,155    | \$ 21,974,500       | \$ 1,056,502,692    | \$ 53,625,153       | \$ 209,470,691       | \$ 1,319,598,536             | \$ 16,844,170,191      | \$ 21,914,393,400           | 76.86%                                        | \$ 3.62                 | \$ 6.47                | \$ 3.70             |
| 2013           | 15,890,745,965       | 22,428,100          | 932,271,034         | 50,373,351          | 205,311,229          | 1,187,955,614                | 17,101,129,679         | 18,041,019,200              | 94.79%                                        | 3.67                    | 6.51                   | 3.72                |
| 2014           | 15,734,218,626       | 11,460,900          | 939,061,724         | 48,571,000          | 206,415,205          | 1,194,047,929                | 16,939,727,455         | 18,041,019,200              | 93.90%                                        | 3.76                    | 6.68                   | 3.82                |
| 2015           | 16,946,921,756       | 11,664,300          | 944,004,094         | 49,617,300          | 229,217,719          | 1,222,839,113                | 18,181,425,169         | 17,816,255,100              | 102.05%                                       | 3.61                    | 6.38                   | 3.65                |
| 2016           | 19,250,070,530       | 11,465,100          | 998,753,099         | 51,031,421          | 232,693,446          | 1,282,477,966                | 20,544,013,596         | 17,816,255,100              | 115.31%                                       | 3.36                    | 5.93                   | 3.38                |
| 2017           | 20,458,398,100       | 1,862,400           | 1,032,434,600       | 51,432,021          | 242,474,296          | 1,326,340,917                | 21,786,601,417         | 21,682,664,300              | 100.48%                                       | 3.39                    | 5.99                   | 3.42                |
| 2018           | 20,839,860,173       | 1,917,600           | 1,098,763,770       | 54,697,357          | 260,672,715          | 1,414,133,842                | 22,255,911,615         | 21,682,664,300              | 102.64%                                       | 3.53                    | 5.97                   | 3.56                |
| 2019           | 22,216,363,900       | 1,878,500           | 1,316,412,396       | 61,967,704          | 274,770,615          | 1,653,150,715                | 23,871,393,115         | 23,796,647,900              | 100.31%                                       | 3.36                    | 5.71                   | 3.28                |
| 2020           | 22,760,163,953       | 2,128,000           | 1,319,694,097       | 59,023,800          | 305,592,179          | 1,684,310,076                | 24,446,602,029         | 23,796,647,900              | 102.73%                                       | 3.45                    | 5.86                   | 3.45                |
| 2021           | 22,581,497,590       | 2,128,000           | 1,383,412,874       | 60,008,200          | 362,033,140          | 1,805,454,214                | 24,389,079,804         | 26,096,711,600              | 93.46%                                        | 3.63                    | 6.20                   | 3.65                |

Source: Official Statements, State Division of Local Services

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

**PRINCIPAL TAXPAYERS**

**CURRENT YEAR AND NINE YEARS AGO**

| Taxpayer                     | Nature of Business | 2021                  |      |                                            | 2012                  |      |                                            |
|------------------------------|--------------------|-----------------------|------|--------------------------------------------|-----------------------|------|--------------------------------------------|
|                              |                    | Assessed Valuation    | Rank | Percentage of Total Taxable Assessed Value | Assessed Valuation    | Rank | Percentage of Total Taxable Assessed Value |
| NIR Retail LLC               | Resort             | \$ 122,707,629        | 1    | 0.50%                                      | \$ 94,815,683         | 1    | 0.56%                                      |
| Nantucket Electric Company   | Private Utility    | 69,283,605            | 2    | 0.28%                                      | 51,642,160            | 3    | 0.31%                                      |
| Nantucket Yacht Club         | Recreation         | 54,109,342            | 3    | 0.22%                                      | 44,784,922            | 4    | 0.27%                                      |
| New England Power Company    | Private Utility    | 50,374,817            | 4    | 0.21%                                      |                       |      |                                            |
| Penant Realty LLC            | Residential        | 49,883,114            | 5    | 0.21%                                      |                       |      |                                            |
| Greenhill, Robert            | Residential        | 48,737,900            | 6    | 0.22%                                      |                       |      |                                            |
| Nantucket Island Resort LLC  | Resort             | 48,200,213            | 7    | 0.22%                                      | 40,866,050            | 5    | 0.24%                                      |
| Great Harbor Yacht Club Inc. | Recreation         | 46,980,896            | 8    | 0.21%                                      |                       |      |                                            |
| Sankaty Head Golf Club, Inc. | Recreation         | 28,982,656            | 9    | 0.13%                                      | 14,532,106            | 8    | 0.09%                                      |
| White Elephant Hotel LLC     | Resort             | 28,607,703            | 10   | 0.12%                                      |                       |      |                                            |
| Walter Glowacki              | Private            |                       |      |                                            | 59,157,763            | 2    | 0.35%                                      |
| Nantucket Golf Club          | Recreation         |                       |      |                                            | 16,230,110            | 6    | 0.10%                                      |
| NIR Retail III LLC           | Resort             |                       |      |                                            | 15,869,101            | 7    | 0.09%                                      |
| Westmoor Club                | Resort             |                       |      |                                            | 12,575,364            | 9    | 0.07%                                      |
| Wauwinet Inn, LLC            | Resort             |                       |      |                                            | 10,674,447            | 10   | 0.06%                                      |
|                              | Totals             | <u>\$ 547,867,875</u> |      | <u>2.32%</u>                               | <u>\$ 361,147,706</u> |      | <u>2.14%</u>                               |

Source: Official Statements

## PROPERTY TAX LEVIES AND COLLECTIONS

### LAST TEN FISCAL YEARS

| Fiscal<br>Year | Total<br>Tax Levy | Collections                              |                         |                                  |                             | Percent of<br>Total Tax<br>Collections to<br>Net Tax Levy |
|----------------|-------------------|------------------------------------------|-------------------------|----------------------------------|-----------------------------|-----------------------------------------------------------|
|                |                   | First Year<br>Current<br>Tax Collections | Percent of<br>Collected | Delinquent<br>Tax<br>Collections | Total<br>Tax<br>Collections |                                                           |
| 2012           | \$ 62,274,744     | \$ 59,645,473                            | 95.78%                  | \$ 1,805,852                     | \$ 61,451,325               | 98.68%                                                    |
| 2013           | 63,618,273        | 60,028,036                               | 94.36%                  | 2,648,869                        | 62,676,905                  | 98.52%                                                    |
| 2014           | 64,647,039        | 60,979,366                               | 94.33%                  | 3,033,794                        | 64,013,160                  | 99.02%                                                    |
| 2015           | 66,329,953        | 63,876,955                               | 96.30%                  | 1,635,015                        | 65,511,970                  | 98.77%                                                    |
| 2016           | 69,636,373        | 67,228,059                               | 96.54%                  | 1,245,005                        | 68,473,064                  | 98.33%                                                    |
| 2017           | 74,553,632        | 72,289,087                               | 96.96%                  | 1,384,525                        | 73,673,612                  | 98.82%                                                    |
| 2018           | 78,168,480        | 76,433,219                               | 97.78%                  | 1,478,271                        | 77,911,490                  | 99.67%                                                    |
| 2019           | 79,549,650        | 78,531,659                               | 98.72%                  | 1,017,991                        | 79,549,650                  | 100.00%                                                   |
| 2020           | 84,281,637        | 79,367,207                               | 94.17%                  | 2,033,229                        | 81,400,436                  | 96.58%                                                    |
| 2021           | 88,899,100        | 86,419,886                               | 97.21%                  | -                                | 86,419,886                  | 97.21%                                                    |

Source: Accounting Records and Official Statements

# **RATIOS OF OUTSTANDING DEBT AND GENERAL OBLIGATION DEBT**

## **LAST TEN FISCAL YEARS**

| Fiscal Year | U. S. Census Population | Personal Income | Assessed Value    | Governmental Activities Debt             |            |                               |                              |
|-------------|-------------------------|-----------------|-------------------|------------------------------------------|------------|-------------------------------|------------------------------|
|             |                         |                 |                   | General Obligation Bonds and Other Notes | Per Capita | Percentage of Personal Income | Percentage of Assessed Value |
| 2012        | 10,298                  | \$ 550,016,180  | \$ 16,844,170,191 | \$ 65,559,307                            | \$ 6,366   | 11.92%                        | 0.39%                        |
| 2013        | 10,298                  | 550,016,180     | 17,101,129,679    | 60,299,542                               | 5,855      | 10.96%                        | 0.35%                        |
| 2014        | 10,298                  | 550,016,180     | 16,939,727,455    | 54,871,053                               | 5,328      | 9.98%                         | 0.32%                        |
| 2015        | 10,298                  | 550,016,180     | 18,181,425,169    | 50,350,913                               | 4,889      | 9.15%                         | 0.28%                        |
| 2016        | 10,298                  | 550,016,180     | 20,544,013,596    | 46,068,679                               | 4,474      | 8.38%                         | 0.22%                        |
| 2017        | 10,298                  | 550,016,180     | 21,786,601,417    | 78,299,239                               | 7,603      | 14.24%                        | 0.36%                        |
| 2018        | 10,298                  | 550,016,180     | 22,255,911,615    | 84,972,254                               | 8,251      | 15.45%                        | 0.38%                        |
| 2019        | 10,298                  | 550,016,180     | 23,871,393,115    | 97,800,207                               | 9,497      | 17.78%                        | 0.41%                        |
| 2020        | 10,298                  | 550,016,180     | 24,446,602,029    | 95,445,097                               | 9,268      | 17.35%                        | 0.39%                        |
| 2021        | 10,298                  | 550,016,180     | 24,389,079,804    | 105,536,321                              | 10,248     | 19.19%                        | 0.43%                        |

| Fiscal Year | Business Type Activities Debt |            |                               |                              | Total Primary Government |            |                               |                              |
|-------------|-------------------------------|------------|-------------------------------|------------------------------|--------------------------|------------|-------------------------------|------------------------------|
|             | General Obligation Bonds      | Per Capita | Percentage of Personal Income | Percentage of Assessed Value | Total Debt Outstanding   | Per Capita | Percentage of Personal Income | Percentage of Assessed Value |
| 2012        | \$ 87,513,595                 | \$ 8,498   | 15.91%                        | 0.52%                        | 153,072,902              | 14,864     | 27.8%                         | 0.91%                        |
| 2013        | 83,901,285                    | 8,147      | 15.25%                        | 0.49%                        | 144,200,827              | 14,003     | 26.2%                         | 0.84%                        |
| 2014        | 82,305,570                    | 7,992      | 14.96%                        | 0.49%                        | 137,176,623              | 13,321     | 24.9%                         | 0.81%                        |
| 2015        | 83,147,112                    | 8,074      | 15.12%                        | 0.46%                        | 133,498,025              | 12,963     | 24.3%                         | 0.73%                        |
| 2016        | 78,182,138                    | 7,592      | 14.21%                        | 0.38%                        | 124,250,817              | 12,066     | 22.6%                         | 0.60%                        |
| 2017        | 75,230,489                    | 7,305      | 13.68%                        | 0.35%                        | 153,529,728              | 14,909     | 27.9%                         | 0.70%                        |
| 2018        | 71,430,250                    | 6,936      | 12.99%                        | 0.32%                        | 156,402,504              | 15,188     | 28.4%                         | 0.70%                        |
| 2019        | 91,939,854                    | 8,928      | 16.72%                        | 0.39%                        | 189,740,061              | 18,425     | 34.5%                         | 0.79%                        |
| 2020        | 97,522,655                    | 9,470      | 17.73%                        | 0.40%                        | 192,967,752              | 18,738     | 35.1%                         | 0.79%                        |
| 2021        | 100,937,235                   | 9,802      | 18.35%                        | 0.41%                        | 206,473,556              | 20,050     | 37.5%                         | 0.85%                        |

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

**COMPUTATION OF LEGAL DEBT MARGIN**

**LAST TEN FISCAL YEARS**

|                                                                          | 2012                  | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  |
|--------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Equalized Valuation.....                                                 | \$ 21,914,393,400     | \$ 18,041,019,200     | \$ 18,041,019,200     | \$ 17,816,255,100     | \$ 17,816,255,100     | \$ 21,682,664,300     | \$ 21,682,664,300     | \$ 23,796,647,900     | \$ 23,796,647,900     | \$ 26,096,711,600     |
| Debt Limit.....                                                          | 1,095,719,670         | 902,050,960           | 902,050,960           | 890,812,755           | 890,812,755           | 1,084,133,215         | 1,084,133,215         | 1,189,832,395         | 1,189,832,395         | 1,304,835,580         |
| Outstanding general obligation bonds..                                   | 153,072,902           | 144,200,827           | 137,176,623           | 133,498,025           | 124,250,817           | 153,529,728           | 156,402,504           | 189,740,061           | 192,967,752           | 206,473,556           |
| Authorized and unissued debt.....                                        | 48,369,825            | 51,318,862            | 24,976,578            | 87,611,526            | 166,096,099           | 124,200,429           | 157,015,166           | 204,519,266           | 241,336,013           | 294,910,157           |
| Debt not applicable to debt limit.....                                   | (47,042,147)          | (43,393,647)          | (42,671,460)          | (38,186,867)          | (48,673,610)          | (35,291,063)          | (33,240,034)          | (33,069,749)          | (30,754,017)          | (34,935,300)          |
| Legal debt margin.....                                                   | <u>\$ 847,234,796</u> | <u>\$ 663,137,624</u> | <u>\$ 697,226,299</u> | <u>\$ 631,516,337</u> | <u>\$ 551,792,229</u> | <u>\$ 771,111,995</u> | <u>\$ 737,475,511</u> | <u>\$ 762,503,319</u> | <u>\$ 724,774,613</u> | <u>\$ 768,516,567</u> |
| Total debt applicable to the limit<br>as a percentage of debt limit..... | 14.09%                | 16.86%                | 13.25%                | 20.53%                | 27.13%                | 22.36%                | 25.84%                | 30.36%                | 33.92%                | 35.75%                |

Source: State Division of Local Services, Accounting Records

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****AS OF JUNE 30, 2021**

|                                           | <u>Debt<br/>Outstanding *</u> | <u>Estimated<br/>Percentage<br/>Applicable</u> | <u>Estimated<br/>Share of<br/>Overlapping<br/>Debt</u> |
|-------------------------------------------|-------------------------------|------------------------------------------------|--------------------------------------------------------|
| Debt repaid with property taxes:          |                               |                                                |                                                        |
| Nantucket Regional Transit Authority..... | \$ -                          | 100%                                           | \$ -                                                   |
| Nantucket County.....                     | -                             | 100%                                           | -                                                      |
| Subtotal, overlapping debt.....           |                               |                                                | -                                                      |
| Town direct debt.....                     |                               |                                                | <u>105,536,321</u>                                     |
| Total direct and overlapping debt.....    |                               |                                                | <u><u>\$ 105,536,321</u></u>                           |

\*Outstanding debt as of June 30, 2020.

Source: Official Statements, Accounting Records

The estimated percentage applicable is based 100% to the Town.

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN FISCAL YEARS

| Fiscal<br>Year | Population<br>Estimates | Personal<br>Income | Per<br>Capita<br>Personal<br>Income | Median<br>Age | School<br>Enrollment | Unemployment<br>Rate |
|----------------|-------------------------|--------------------|-------------------------------------|---------------|----------------------|----------------------|
| 2012           | 10,298                  | 550,016,180        | 53,410                              | 39.4          | 1,331                | 6.00%                |
| 2013           | 10,298                  | 550,016,180        | 53,410                              | 39.4          | 1,386                | 5.90%                |
| 2014           | 10,298                  | 550,016,180        | 53,410                              | 39.4          | 1,483                | 6.20%                |
| 2015           | 10,298                  | 550,016,180        | 53,410                              | 39.4          | 1,557                | 5.50%                |
| 2016           | 10,298                  | 550,016,180        | 53,410                              | 39.4          | 1,570                | 4.20%                |
| 2017           | 10,298                  | 550,016,180        | 53,410                              | 39.4          | 1,588                | 4.20%                |
| 2018           | 10,298                  | 550,016,180        | 53,410                              | 39.4          | 1,627                | 2.00%                |
| 2019           | 10,298                  | 550,016,180        | 53,410                              | 39.4          | 1,686                | 2.00%                |
| 2020           | 10,298                  | 550,016,180        | 53,410                              | 39.4          | 1,683                | 4.20%                |
| 2021           | 10,298                  | 550,016,180        | 53,410                              | 39.4          | 1,658                | 4.10%                |

Source: U. S. Census, Division of Local Services, Massachusetts  
 Department of Elementary and Secondary Education  
 Median age is based on most recent census data

**PRINCIPAL EMPLOYERS (INCLUDING TOWN)**

**CURRENT YEAR AND NINE YEARS AGO**

| Employer                   | Nature<br>of<br>Business | 2021                    |      |                                           | 2012                    |      |                                           |
|----------------------------|--------------------------|-------------------------|------|-------------------------------------------|-------------------------|------|-------------------------------------------|
|                            |                          | Employees<br>Year-Round | Rank | Percentage<br>of Total Town<br>Employment | Employees<br>Year-Round | Rank | Percentage<br>of Total Town<br>Employment |
| Town of Nantucket          | Government               | 670                     | 1    | 8.66%                                     | 941                     | 1    | 17.52%                                    |
| Nantucket Cottage Hospital | Medical                  | 180                     | 2    | 2.33%                                     | 180                     | 2    | 3.35%                                     |
| Nantucket Island Resorts   | Hospitality              | 125                     | 3    | 1.62%                                     | 125                     | 4    | 2.33%                                     |
| Marine Home Center         | Retail                   | 90                      | 4    | 1.16%                                     | 135                     | 3    | 2.51%                                     |
| Stop & Shop                | Retail                   | 90                      | 5    | 1.16%                                     | 65                      | 6    | 1.21%                                     |
| Blue Hills Bank            | Finance                  | 60                      | 6    | 0.78%                                     |                         |      |                                           |
| Myles Reis Trucking        | Haulage                  | 30                      | 7    | 0.39%                                     | 30                      | 7    | 0.56%                                     |
| Steamship Authority        | Transportation           | 28                      | 8    | 0.36%                                     | 28                      | 9    | 0.52%                                     |
| Don Allen                  | Auto Dealership          | 25                      | 9    | 0.32%                                     | 25                      | 10   | 0.47%                                     |
| Bartlett Oceanview Farm    | Farm/Retail              | 25                      | 10   | 0.32%                                     | 25                      | 10   | 0.47%                                     |
| Nantucket Bank             | Finance                  |                         |      |                                           | 80                      | 5    | 1.49%                                     |
| A&P/Grand Union            | Retail Food              |                         |      |                                           | 30                      | 7    | 0.56%                                     |

Source: Official Statements

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

**LAST TEN FISCAL YEARS**

| Function                                 | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       |
|------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| General government.....                  | 63         | 60         | 66         | 68         | 73         | 75         | 76         | 82         | 82         | 83         |
| Public safety.....                       | 81         | 81         | 81         | 81         | 83         | 85         | 85         | 88         | 88         | 92         |
| Education.....                           | 299        | 299        | 301        | 301        | 310        | 315        | 321        | 332        | 332        | 338        |
| Public works.....                        | 28         | 27         | 30         | 30         | 32         | 31         | 32         | 35         | 32         | 32         |
| Health and human services.....           | 74         | 75         | 75         | 75         | 75         | 75         | 67         | 70         | 67         | 70         |
| Culture and recreation.....              | 9          | 10         | 10         | 10         | 10         | 10         | 10         | 10         | 10         | 10         |
| Sub-total governmental activities .....  | 554        | 552        | 563        | 565        | 583        | 591        | 591        | 617        | 611        | 625        |
| Nantucket Memorial Airport.....          | 44         | 44         | 41         | 41         | 44         | 44         | 46         | 48         | 49         | 49         |
| Siasconset Water.....                    | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Wannacomet Water.....                    | 11         | 11         | 11         | 11         | 11         | 11         | 12         | 13         | 13         | 13         |
| Sewer.....                               | 10         | 10         | 10         | 10         | 10         | 10         | 11         | 13         | 13         | 13         |
| Sub-total business-type activities ..... | 65         | 65         | 62         | 62         | 65         | 65         | 69         | 74         | 75         | 75         |
| Total Town employees.....                | <u>619</u> | <u>617</u> | <u>625</u> | <u>627</u> | <u>648</u> | <u>656</u> | <u>660</u> | <u>691</u> | <u>686</u> | <u>700</u> |

Source: Town personnel records

Health and human services includes Our Island Home employees

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**LAST TEN FISCAL YEARS**

| Function                        | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      | 2021      |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| General Government:             |           |           |           |           |           |           |           |           |           |           |
| Town Clerk                      |           |           |           |           |           |           |           |           |           |           |
| Registered voters.....          | 8,394     | 8,546     | 8,618     | 8,618     | 9,100     | 9,263     | 9,263     | 9,150     | 9,212     | 9,390     |
| Public Safety:                  |           |           |           |           |           |           |           |           |           |           |
| Police                          |           |           |           |           |           |           |           |           |           |           |
| Criminal offenses               |           |           |           |           |           |           |           |           |           |           |
| Arrests.....                    | 1,531     | 992       | 584       | 568       | 887       | 952       | 952       | 369       | 475       | 544       |
| Reported crimes.....            | 479       | 490       | 501       | 356       | 345       | 345       | 345       | 2,116     | 595       | 1,501     |
| Motor vehicle responses.....    | 3,469     | 3,411     | 3,432     | 3,493     | 4,322     | 4,625     | 4,625     | 6,283     | 5,789     | 1,870     |
| Other responses.....            | 20,648    | 17,899    | 21,576    | 23,678    | 22,023    | 24,327    | 24,327    | 10,762    | 20,152    | 13,397    |
| Total criminal offenses.....    | 26,127    | 22,792    | 26,093    | 28,095    | 27,577    | 30,249    | 30,249    | 19,530    | 27,011    | 17,312    |
| Fire                            |           |           |           |           |           |           |           |           |           |           |
| Incidents                       |           |           |           |           |           |           |           |           |           |           |
| Fires.....                      | 52        | 67        | 82        | 86        | 66        | 68        | 68        | 70        | 73        | 47        |
| Non-fire incidents.....         | 3,721     | 4,915     | 3,893     | 3,942     | 4,011     | 4,234     | 4,234     | 4,081     | 4,158     | 4,839     |
| Total fire calls.....           | 3,773     | 4,982     | 3,975     | 4,028     | 4,077     | 4,302     | 4,302     | 4,151     | 4,231     | 4,886     |
| Inspectional Services:          |           |           |           |           |           |           |           |           |           |           |
| Number of building permits..... | 1,639     | 1,797     | 2,010     | 2,137     | 1,996     | 1,875     | 1,875     | 1,985     | 1,892     | 2,031     |
| Education:                      |           |           |           |           |           |           |           |           |           |           |
| Number of students.....         | 1,331     | 1,386     | 1,483     | 1,557     | 1,570     | 1,588     | 1,627     | 1,686     | 1,683     | 1,666     |
| Public Works:                   |           |           |           |           |           |           |           |           |           |           |
| Landfill                        |           |           |           |           |           |           |           |           |           |           |
| Solid waste tonnage.....        | 33,710    | 37,400    | 38,000    | 39,000    | 38,000    | 33,237    | 33,237    | 35,689    | 34,285    | 36,896    |
| Health and Human Services:      |           |           |           |           |           |           |           |           |           |           |
| Board of Health                 |           |           |           |           |           |           |           |           |           |           |
| Inspections                     |           |           |           |           |           |           |           |           |           |           |
| Food establishments.....        | 230       | 247       | 262       | 668       | 675       | 675       | 675       | 814       | 862       | 885       |
| Other.....                      | 358       | 367       | 380       | 1,373     | 1,563     | 1,563     | 1,563     | 744       | 928       | 983       |
| Total inspections.....          | 588       | 614       | 642       | 2,041     | 2,238     | 2,238     | 2,238     | 1,558     | 1,790     | 1,868     |
| Our Island Home - Nursing Home  |           |           |           |           |           |           |           |           |           |           |
| Number of beds.....             | 45        | 45        | 45        | 45        | 45        | 45        | 45        | 45        | 45        | 45        |
| Culture and Recreation:         |           |           |           |           |           |           |           |           |           |           |
| Beaches                         |           |           |           |           |           |           |           |           |           |           |
| Beach Stickers                  | 3,795     | 3,973     | 4,102     | 4,259     | 4,559     | 4,680     | 4,680     | 4,992     | 5,023     | 6,257     |
| Transportation:                 |           |           |           |           |           |           |           |           |           |           |
| Nantucket Memorial Airport      |           |           |           |           |           |           |           |           |           |           |
| Number of enplanements.....     | 178,303   | 174,129   | 164,290   | 138,752   | 124,321   | 122,356   | 122,356   | 127,733   | 124,983   | 71,810    |
| Number of tower operations..... | 126,898   | 119,976   | 109,225   | 106,186   | 104,913   | 102,678   | 102,678   | 69,817    | 99,356    | 61,274    |
| Gallons of jet fuel sold.....   | 1,164,958 | 1,194,978 | 1,207,361 | 1,277,228 | 1,309,802 | 1,346,285 | 1,346,285 | 1,616,388 | 1,795,385 | 1,686,370 |

N/A - Information not available

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

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

**LAST TEN FISCAL YEARS**

| Function                          | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------------------|------|------|------|------|------|------|------|------|------|------|
| General Government:               |      |      |      |      |      |      |      |      |      |      |
| Number of buildings.....          | 7    | 7    | 7    | 7    | 7    | 7    | 7    | 7    | 7    | 7    |
| Public Safety:                    |      |      |      |      |      |      |      |      |      |      |
| Police                            |      |      |      |      |      |      |      |      |      |      |
| Number of stations.....           | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Fire                              |      |      |      |      |      |      |      |      |      |      |
| Number of stations.....           | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 3    | 3    | 3    |
| Education:                        |      |      |      |      |      |      |      |      |      |      |
| Number of elementary schools..... | 1    | 1    | 1    | 1    | 1    | 2    | 2    | 2    | 2    | 2    |
| 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    |
| Public Works:                     |      |      |      |      |      |      |      |      |      |      |
| Number of cemeteries.....         | 8    | 8    | 8    | 8    | 8    | 8    | 8    | 8    | 8    | 8    |
| Human Services                    |      |      |      |      |      |      |      |      |      |      |
| Number of nursing homes.....      | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Culture and Recreation:           |      |      |      |      |      |      |      |      |      |      |
| Number of beaches.....            | 17   | 17   | 17   | 17   | 17   | 17   | 17   | 17   | 17   | 17   |
| Transportation:                   |      |      |      |      |      |      |      |      |      |      |
| Number of airports.....           | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |

Source: Various Town Departments and State websites.



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## Agenda Item Summary

|               |           |
|---------------|-----------|
| Agenda Item # | IX. 4.    |
| Date          | 10/5/2022 |

### Staff

Assistant Town Manager, Strategic Projects Manager

### Subject

MADEP SRF Loan Application (Water Main Project) Signatory Authority

### Executive Summary

The Massachusetts Department of Environmental Protection's (MADEP) State Revolving Fund (SRF) Loan Application for the water main expansion west of the airport is due on Friday, October 14, 2022. This project is a voluntary effort of the Town's response to PFAS found in private wells west of the airport. The Town is awarded \$7.8M SRF loan funding for this project. In order for the Town to file its preliminary SRF project application to MADEP the Town Manager requires an Authority to File vote from the Select Board.

### Staff Recommendation

Authorize the Town Manager to file the SRF application on behalf of the Town.

### Background/Discussion

In early 2021, the Town's PFAS Team began discussing the feasibility to expand public water service to 75 homes (up to 150 homes if subdivided) west of the Nantucket Memorial Airport in addition to the water main being installed along Monohansett Road by the Airport in response to the PFAS contamination and remediation required by MassDEP's (DEP) Massachusetts Contingency Plan (MCP).

Because of known Aqueous Film Forming Foam (AFFF) release within the Airport site and identified groundwater contamination identified on- and off-site, and the concern over potential plumes of PFAS that can expand the contamination, as well as the fortuitous circumstance of a water main extension along the Airport perimeter, the Town's PFAS Team proposed investigating the expansion of water service farther west of the airport's project in an abundance of caution, pending Town approval, funding availability, and sufficient capacity and permitting by the Nantucket Water Company.

In August 2021 the Town applied for and subsequently was awarded a MADEP State Revolving Fund (SRF) loan of \$7.8M ( [DEP's SRF Intended Use Plan](#) ); \$9,000,000 was approved at 2022 ATM (Article 10 – New Water Main West of Airport Debt exclusion);



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\$9,000,000 was approved at the 2022 ATE (Ballot Question - approved 1,738 Yes, 496 No, 140 Blank).

CDM Smith is contracted to assist the Town with SRF application process.

The PFAS Team will be updating this project at the October 12, 2022 Select Board meeting.

|                              |                                     |        |                                     |           |                                     |       |                                     |
|------------------------------|-------------------------------------|--------|-------------------------------------|-----------|-------------------------------------|-------|-------------------------------------|
| <b>Impact:</b> Environmental | <input checked="" type="checkbox"/> | Fiscal | <input checked="" type="checkbox"/> | Community | <input checked="" type="checkbox"/> | Other | <input checked="" type="checkbox"/> |
| Other: Public Health         |                                     |        |                                     |           |                                     |       |                                     |

|                                        |
|----------------------------------------|
| <b>Board/Commission Recommendation</b> |
| N/A                                    |

|                        |
|------------------------|
| <b>Public Outreach</b> |
| N/A                    |

|                                      |
|--------------------------------------|
| <b>Attachments</b>                   |
| 1.1 MADEP Authority to File document |



## **AUTHORITY TO FILE**

Whereas, the **Town of Nantucket**, after thorough investigation, has determined that the work activity consisting of:

### **Water Main Expansion West of Nantucket Airport (DWSRF 7011)**

is both in the public interest and necessary to protect the public health, and that to undertake this activity, it is necessary to apply for assistance; and

Whereas, the Massachusetts Department of Environmental Protection (MassDEP) and the Massachusetts Clean Water Trust (the Trust) of the Commonwealth of Massachusetts, pursuant to Chapter 21 and Chapter 29C of the General Laws of the Commonwealth (Chapter 21 and Chapter 29C) are authorized to make loans to municipalities for the purpose of funding planning and construction activities relative to Water Pollution Abatement Projects; and

Whereas, the Applicant has examined the provisions of the Act, Chapter 21 and Chapter 29C, and believes it to be in the public interest to file a loan application.

NOW, THEREFORE, BE IT RESOLVED by the **Select Board of the Town of Nantucket** as follows:

1. That the **Town Manager** is hereby authorized on behalf of the Applicant to file applications and execute agreements for grant and/or loan assistance as well as furnishing such information, data and documents pertaining to the applicant for a grant(s) and/or loan(s) as may be required; and otherwise to act as the authorized representative of the Applicant in connection with this application.
2. That the purpose of said loan(s), if awarded, shall be to fund construction activities.
3. That if said award is made the Applicant agrees to pay those costs which constitute the required Applicant's share of the project cost.

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Jason Bridges, Chair

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Dawn E. Hill Holdgate, Vice Chair

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Clerk

NANTUCKET SELECT BOARD

# FY24 Preliminary Capital Improvement Plan Update October 5, 2022

Finance Department

Brian E. Turbitt, Director of Municipal Finance

Susan M. Carmel, Assistant Finance Director



# Agenda

1. Progress to-date
2. FY24 General Fund and Enterprise Fund Preliminary Requests (including out-years)
3. FY24 Potential Debt Exclusion Projects
4. Out-year Potential Debt Exclusion Projects
5. Unknowns in Capital Improvement Plan
6. Next Steps
7. Discussion and Questions

# Progress Update

- August 15<sup>th</sup> update to Select Board, Finance Committee and Capital Program Committee Chairs
- Town Manager project review and prioritization near completion
- Refinements to General Fund and Enterprise Fund requests continue
- Capital Program Committee review still in progress
- Significant improvements in supporting documentation
- Town Manager review of prior year projects with departments
- Continued enhancements to software

# General Fund: Town Administration

[illegible]

# General Fund: Public Safety

| <b>Fire Department</b>                                    |          |                     |                     |                     |                   |                   |                   |             |             |             |             |                      |
|-----------------------------------------------------------|----------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------|-------------|-------------|-------------|----------------------|
| Project Name                                              | Priority | FY24                | FY25                | FY26                | FY27              | FY28              | FY29              | FY30        | FY31        | FY32        | FY33        | TOTAL                |
| Fire Department Staff Vehicle                             | medium   | \$ -                | \$ -                | \$ -                | \$ -              | \$ 85,000         | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 85,000            |
| Ambulance 2                                               | medium   | \$ -                | \$ -                | \$ -                | \$ 405,000        | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 405,000           |
| Fire Department Staff Vehicle F-2090                      | medium   | \$ -                | \$ -                | \$ -                | \$ -              | \$ 55,000         | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 55,000            |
| Rescue Equipment (new)                                    | high     | \$ 375,000          | \$ -                | \$ -                | \$ -              | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 375,000           |
| Engine 3                                                  | high     | \$ -                | \$ 700,000          | \$ -                | \$ -              | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 700,000           |
| 'Sconset Fire Station Design, OPM, Construction           | medium   | \$ -                | \$ 850,000          | \$ 7,000,000        | \$ -              | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 7,850,000         |
| Fire Department Staff Vehicle F-6073                      | medium   | \$ -                | \$ -                | \$ -                | \$ 60,000         | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 60,000            |
| Engine 1                                                  | high     | \$ 850,000          | \$ 50,000           | \$ -                | \$ -              | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 900,000           |
| Fire Department Staff Vehicle F-5429                      | medium   | \$ 80,000           | \$ -                | \$ -                | \$ -              | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 80,000            |
| Ambulance 4                                               | medium   | \$ -                | \$ 390,000          | \$ -                | \$ -              | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 390,000           |
| Engine 2                                                  | medium   | \$ -                | \$ -                | \$ -                | \$ 525,000        | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 525,000           |
| Public Safety Auxiliary Building                          | medium   | \$ -                | \$ 5,000,000        | \$ -                | \$ -              | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 5,000,000         |
| Replace Ladder Truck                                      | medium   | \$ -                | \$ -                | \$ 1,500,000        | \$ -              | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 1,500,000         |
| Breathing Apparatus Refill Trailer                        | high     | \$ 225,000          | \$ -                | \$ -                | \$ -              | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 225,000           |
|                                                           |          | <b>\$ 1,530,000</b> | <b>\$ 6,990,000</b> | <b>\$ 8,500,000</b> | <b>\$ 990,000</b> | <b>\$ 140,000</b> | <b>\$ -</b>       | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 18,150,000</b> |
| <b>Marine Department</b>                                  |          |                     |                     |                     |                   |                   |                   |             |             |             |             |                      |
| Project Name                                              | Priority | FY24                | FY25                | FY26                | FY27              | FY28              | FY29              | FY30        | FY31        | FY32        | FY33        | TOTAL                |
| Polpis & Madaket Harbors: Permitting, Planning & Dredging | medium   | \$ 555,000          | \$ -                | \$ -                | \$ -              | \$ -              | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 555,000           |
|                                                           |          | <b>\$ 555,000</b>   | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 555,000</b>    |
| <b>Police Department</b>                                  |          |                     |                     |                     |                   |                   |                   |             |             |             |             |                      |
| Project Name                                              | Priority | FY24                | FY25                | FY26                | FY27              | FY28              | FY29              | FY30        | FY31        | FY32        | FY33        | TOTAL                |
| Replacement of Duty Firearms                              | medium   | \$ -                | \$ -                | \$ -                | \$ -              | \$ 83,500         | \$ -              | \$ -        | \$ -        | \$ -        | \$ -        | \$ 83,500            |
| Public Safety Building Maintenance                        | medium   | \$ -                | \$ -                | \$ -                | \$ -              | \$ -              | \$ 200,000        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 200,000           |
|                                                           |          | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ 83,500</b>  | <b>\$ 200,000</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 283,500</b>    |

# General Fund: Public Works

| DPW - Facilities                                                                            |          |               |               |               |              |              |              |              |              |              |              |               |
|---------------------------------------------------------------------------------------------|----------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Project Name                                                                                | Priority | FY24          | FY25          | FY26          | FY27         | FY28         | FY29         | FY30         | FY31         | FY32         | FY33         | TOTAL         |
| Public Works Campus-wide Improvements                                                       | medium   | \$ -          | \$ 3,000,000  | \$ 15,000,000 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 18,000,000 |
| Washington Street Parking Lot Reconstruction                                                | medium   | \$ 2,000,000  | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 2,000,000  |
| Security Cameras and Lighting                                                               | low      | \$ 50,000     | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 50,000     |
| Tom Nevers Berm Construction                                                                | high     | \$ -          | \$ 2,000,000  | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 2,000,000  |
|                                                                                             |          | \$ 2,050,000  | \$ 5,000,000  | \$ 15,000,000 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 22,050,000 |
| DPW - Transportation                                                                        |          |               |               |               |              |              |              |              |              |              |              |               |
| Project Name                                                                                | Priority | FY24          | FY25          | FY26          | FY27         | FY28         | FY29         | FY30         | FY31         | FY32         | FY33         | TOTAL         |
| Replace DPW Fuel Tank                                                                       | high     | \$ 375,000    | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 375,000    |
| Sidewalk Improvement Plan (SBSP)                                                            | medium   | \$ 1,125,000  | \$ 1,160,000  | \$ 1,200,000  | \$ 1,230,000 | \$ 1,300,000 | \$ 1,300,000 | \$ 1,300,000 | \$ 1,300,000 | \$ -         | \$ -         | \$ 9,915,000  |
| Road Improvements/Maintenance Island-wide (SBSP)                                            | medium   | \$ 3,000,000  | \$ 3,000,000  | \$ 3,200,000  | \$ 3,500,000 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 12,700,000 |
| Old South Road Reconstruction - Rotary to Amelia Drive                                      | medium   | \$ -          | \$ 1,204,287  | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 1,204,287  |
| Old South Road/Amelia Drive Intersection Mini-Roundabout                                    | medium   | \$ -          | \$ 299,574    | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 299,574    |
| Millie's Bridge Abutment Stabilization & Dune Restoration                                   | medium   | \$ 1,000,000  | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 1,000,000  |
| Multi-use Path Maintenance (SBSP)                                                           | high     | \$ 1,000,000  | \$ 1,000,000  | \$ 1,030,000  | \$ 1,070,000 | \$ 1,100,000 | \$ 1,130,000 | \$ 1,160,000 | \$ 1,190,000 | \$ 1,230,000 | \$ 1,260,000 | \$ 11,170,000 |
| Cobblestone Improvements                                                                    | high     | \$ 550,000    | \$ 565,000    | \$ 580,000    | \$ 600,000   | \$ 620,000   | \$ 640,000   | \$ 660,000   | \$ 680,000   | \$ 700,000   | \$ 725,000   | \$ 6,320,000  |
| Wauwinet Road Multi-use Path                                                                | medium   | \$ -          | \$ 3,000,000  | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 3,000,000  |
| 'Sconset Footbridge Construction                                                            | medium   | \$ 100,000    | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 100,000    |
| Decommission Fire Cisterns                                                                  | medium   | \$ -          | \$ 175,000    | \$ 175,000    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 350,000    |
| Surfside Area Roads Reconstruction: Lover's Lane/Monohansett/Okorwaw (supplemental funding) | medium   | \$ 13,000,000 | \$ -          | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 13,000,000 |
| Tom Nevers Bike Path Construction                                                           | low      | \$ -          | \$ 5,000,000  | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 5,000,000  |
|                                                                                             |          | \$ 20,150,000 | \$ 15,403,861 | \$ 6,185,000  | \$ 6,400,000 | \$ 3,020,000 | \$ 3,070,000 | \$ 3,120,000 | \$ 3,170,000 | \$ 1,930,000 | \$ 1,985,000 | \$ 64,433,861 |

# General Fund: Public Works (cont'd)

| DPW - General                                                          |          |              |              |              |               |      |      |      |      |      |      |               |
|------------------------------------------------------------------------|----------|--------------|--------------|--------------|---------------|------|------|------|------|------|------|---------------|
| Project Name                                                           | Priority | FY24         | FY25         | FY26         | FY27          | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 | TOTAL         |
| Nobadeer Field Improvements (Artificial Turf Replacement)              | medium   | \$ -         | \$ 250,000   | \$ -         | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 250,000    |
| Storm Water Management Plan Implementation-Inland ((#F4 (#F2, #F6))    | medium   | \$ -         | \$ 100,000   | \$ -         | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 100,000    |
| Parks and Rec Master Plan                                              | medium   | \$ -         | \$ 5,000,000 | \$ 7,500,000 | \$ 10,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 22,500,000 |
| Pony Field Stormwater Improvements                                     | medium   | \$ -         | \$ 675,000   | \$ -         | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 675,000    |
| Fleet Mechanic's Truck                                                 | low      | \$ -         | \$ 120,000   | \$ -         | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 120,000    |
| Earthquake Study (#EQ2)                                                | low      | \$ -         | \$ -         | \$ 50,000    | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 50,000     |
| Nobadeer Soccer Field Addition & Expansion (Parks and Rec Master Plan) | medium   | \$ 3,800,000 | \$ -         | \$ -         | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,800,000  |
| Storm Water Management Plan Implementation (Downtown) (#F2)            | medium   | \$ -         | \$ 50,000    | \$ -         | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 50,000     |
| Storm Water CCTV and Management (#F3)                                  | medium   | \$ -         | \$ 100,000   | \$ -         | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 100,000    |
|                                                                        |          | \$ 3,800,000 | \$ 6,295,000 | \$ 7,550,000 | \$ 10,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 27,645,000 |

# ation & Natural

| FY29          | FY30 | FY31 | FY32 | FY33 | TOTAL         |
|---------------|------|------|------|------|---------------|
| \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 200,000    |
| \$ 10,000,000 | \$ - | \$ - | \$ - | \$ - | \$ 10,250,000 |
| \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 250,000    |
| \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 250,000    |
| \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 4,000,000  |
| \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 100,000    |
| \$ 10,000,000 | \$ - | \$ - | \$ - | \$ - | \$ 15,050,000 |
|               |      |      |      |      |               |
|               |      |      |      |      |               |
|               |      |      |      |      |               |
|               |      |      |      |      |               |
|               |      |      |      |      |               |
| FY29          | FY30 | FY31 | FY32 | FY33 | TOTAL         |
| \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 2,500,000  |
| \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 250,000    |
| \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 2,750,000  |

| Hazard Mitigation                                                    |          |              |            |            |            |            |               |      |      |      |      |               |
|----------------------------------------------------------------------|----------|--------------|------------|------------|------------|------------|---------------|------|------|------|------|---------------|
| Project Name                                                         | Priority | FY24         | FY25       | FY26       | FY27       | FY28       | FY29          | FY30 | FY31 | FY32 | FY33 | TOTAL         |
| Consue Springs Storm Water Study (#F5)                               | medium   | \$ -         | \$ 200,000 | \$ -       | \$ -       | \$ -       | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 200,000    |
| Polpis Road/Sesachacha Pond Interim Hardening (HMP #F17)             | high     | \$ -         | \$ -       | \$ -       | \$ -       | \$ 250,000 | \$ 10,000,000 | \$ - | \$ - | \$ - | \$ - | \$ 10,250,000 |
| Madaket / Long Pond Hardening (#F14)                                 | medium   | \$ -         | \$ 250,000 | \$ -       | \$ -       | \$ -       | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 250,000    |
| Madaket / Long Pond Hardening (#F15)                                 | medium   | \$ -         | \$ 250,000 | \$ -       | \$ -       | \$ -       | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 250,000    |
| Miacomet Pond Design, Permitting & Dredging Work                     | medium   | \$ 4,000,000 | \$ -       | \$ -       | \$ -       | \$ -       | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 4,000,000  |
| Harbors Plan HMP Implementation (Year 3) (#SC2)                      | medium   | \$ 100,000   | \$ -       | \$ -       | \$ -       | \$ -       | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 100,000    |
|                                                                      |          | \$ 4,100,000 | \$ 700,000 | \$ -       | \$ -       | \$ 250,000 | \$ 10,000,000 | \$ - | \$ - | \$ - | \$ - | \$ 15,050,000 |
|                                                                      |          |              |            |            |            |            |               |      |      |      |      |               |
|                                                                      |          |              |            |            |            |            |               |      |      |      |      |               |
|                                                                      |          |              |            |            |            |            |               |      |      |      |      |               |
|                                                                      |          |              |            |            |            |            |               |      |      |      |      |               |
| Natural Resources                                                    |          |              |            |            |            |            |               |      |      |      |      |               |
| Project Name                                                         | Priority | FY24         | FY25       | FY26       | FY27       | FY28       | FY29          | FY30 | FY31 | FY32 | FY33 | TOTAL         |
| Baseline Environmental Data Program                                  | high     | \$ 500,000   | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 2,500,000  |
| Wauwinet Road Polpis Harbor Hardening Design & Permitting (HMP #F18) | medium   | \$ -         | \$ 250,000 | \$ -       | \$ -       | \$ -       | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 250,000    |
|                                                                      |          | \$ 500,000   | \$ 750,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ -          | \$ - | \$ - | \$ - | \$ - | \$ 2,750,000  |

# General Fund: Information Technology

| IS/GIS                                |          |           |           |           |            |           |           |           |           |            |            |             |
|---------------------------------------|----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|------------|------------|-------------|
| Project Name                          | Priority | FY24      | FY25      | FY26      | FY27       | FY28      | FY29      | FY30      | FY31      | FY32       | FY33       | TOTAL       |
| Maintain Network Infrastructure       | medium   | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000  | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000  | \$ 50,000  | \$ 500,000  |
| Server Virtualization and Maintenance | medium   | \$ -      | \$ 75,000 | \$ -      | \$ 75,000  | \$ -      | \$ 75,000 | \$ -      | \$ 75,000 | \$ -       | \$ -       | \$ 300,000  |
| Replace Town Computers                | medium   | \$ 69,000 | \$ 73,000 | \$ 76,000 | \$ 80,000  | \$ 84,000 | \$ 88,000 | \$ 93,000 | \$ 97,000 | \$ 102,000 | \$ 107,000 | \$ 869,000  |
| GIS Digital Imaging Updates           | medium   | \$ -      | \$ -      | \$ -      | \$ 300,000 | \$ -      | \$ -      | \$ -      | \$ -      | \$ -       | \$ 300,000 | \$ 600,000  |
|                                       |          | \$119,000 | \$198,000 | \$126,000 | \$505,000  | \$134,000 | \$213,000 | \$143,000 | \$222,000 | \$152,000  | \$457,000  | \$2,269,000 |

# General Fund: Summary

**Preliminary FY24 Requests: \$37,424,000**

FY23 Approved Requests: \$69,250,150

## **FY24 includes:**

- Surfside Area Roads Reconstruction - \$13 million
- Miacomet Pond Dredging Design & Construction - \$4 million
- Nobadeer Soccer Field Addition & Expansion - \$3.8 million

# Enterprise Fund - Airport

| <b>Airport</b>                                               |          |                     |                      |                      |                     |                     |                     |                   |                    |                   |             |                       |
|--------------------------------------------------------------|----------|---------------------|----------------------|----------------------|---------------------|---------------------|---------------------|-------------------|--------------------|-------------------|-------------|-----------------------|
| Project Name                                                 | Priority | FY24                | FY25                 | FY26                 | FY27                | FY28                | FY29                | FY30              | FY31               | FY32              | FY33        | TOTAL                 |
| Nantucket Operations and ARFF                                | medium   | \$ -                | \$ 100,000           | \$ 85,000            | \$ 25,000           | \$ -                | \$ 200,000          | \$ 90,000         | \$ -               | \$ -              | \$ -        | \$ 500,000            |
| Nobadeer Farm Road Housing Development Phase 2: Construction | high     | \$ 5,130,000        | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 5,130,000          |
| Maintenance/Equipment/Vehicle Purchases                      | medium   | \$ -                | \$ 461,100           | \$ -                 | \$ -                | \$ 170,000          | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 631,100            |
| IT and Equipment Upgrades                                    | low      | \$ -                | \$ -                 | \$ -                 | \$ -                | \$ 115,000          | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 115,000            |
| Paint and Beads & Rubber/Markings Removal                    | high     | \$ 503,500          | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 503,500            |
| Terminal Improvements-AIP (supplemental funding)             | medium   | \$ 9,000,000        | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 9,000,000          |
| AIP Projects: Out-years                                      | high     | \$ -                | \$ 13,600,000        | \$ 83,130,000        | \$ -                | \$ 28,900,000       | \$ 19,750,000       | \$ 750,000        | \$ 2,350,000       | \$ 900,000        | \$ -        | \$ 149,380,000        |
| Snow Removal Equipment Building Expansion                    | medium   | \$ -                | \$ -                 | \$ -                 | \$ 5,000,000        | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 5,000,000          |
| Runway 24 High Speed Exit Taxiway-AIP                        | high     | \$ 5,040,000        | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 5,040,000          |
| South Apron Expansion-AIP (supplemental funding)             | high     | \$ 22,680,000       | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 22,680,000         |
| Perimeter Road and Fence Relocation-AIP                      | high     | \$ 1,000,000        | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 1,000,000          |
| EV Charging Infrastructure                                   | medium   | \$ 1,200,000        | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 1,200,000          |
| Jet A Tank Exterior Painting                                 | medium   | \$ 96,000           | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 96,000             |
| Replace Airport 15, Repainting Parking Lot and Luggage Carts | medium   | \$ 110,000          | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 110,000            |
| Replace Lektro Tug                                           | medium   | \$ 384,000          | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 384,000            |
| ARFF Tools and Equipment & PFAS Decontamination              | high     | \$ 392,000          | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 392,000            |
| Infrastructure Out-years Placeholder                         | medium   | \$ -                | \$ 430,000           | \$ 50,000            | \$ -                | \$ -                | \$ -                | \$ -              | \$ -               | \$ -              | \$ -        | \$ 480,000            |
|                                                              |          | <b>\$45,535,500</b> | <b>\$ 14,591,100</b> | <b>\$ 83,265,000</b> | <b>\$ 5,025,000</b> | <b>\$29,185,000</b> | <b>\$19,950,000</b> | <b>\$ 840,000</b> | <b>\$2,350,000</b> | <b>\$ 900,000</b> | <b>\$ -</b> | <b>\$ 201,641,600</b> |

# Enterprise Fund – Our Island Home

| Our Island Home             |          |            |               |            |      |            |      |      |      |      |      |               |
|-----------------------------|----------|------------|---------------|------------|------|------------|------|------|------|------|------|---------------|
| Project Name                | Priority | FY24       | FY25          | FY26       | FY27 | FY28       | FY29 | FY30 | FY31 | FY32 | FY33 | TOTAL         |
| Our Island Home Facility    | high     | \$ -       | \$ 50,000,000 | \$ -       | \$ - | \$ -       | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 50,000,000 |
| Building Improvements       | medium   | \$ -       | \$ -          | \$ 250,000 | \$ - | \$ 250,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 500,000    |
| Purchase of Replacement Van | medium   | \$ 175,000 | \$ -          | \$ -       | \$ - | \$ -       | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 175,000    |
|                             |          | \$ 175,000 | \$ 50,000,000 | \$ 250,000 | \$ - | \$ 250,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 50,675,000 |

# Enterprise Fund – Sewer & Stormwater

[illegible]

# Enterprise Fund: Wannacomet & Solid Waste

[illegible]

# Enterprise Fund: Summary

**FY24 Preliminary Requests: \$71,568,000**

FY23 Approved Requests: \$32,406,168

## **FY24 includes:**

- South Apron Expansion AIP - \$22.7 million
- Terminal Improvements AIP - \$9 million
- Surfside WWTF Upgrade Phase 2 Design & Construction - \$7 million
- Nobadeer Farm Road Housing Development Phase 2 Construction - \$5.1 million
- Landfill Closure Phase 1 (supplemental funding) - \$5 million

# FY24 Potential Debt Exclusions

- Surfside Area Roads Reconstruction \$13,000,000
- Landfill Closure - Phase 1 (supplemental funding) \$ 5,000,000
- Miacomet Pond Dredging \$ 4,000,000
- Nobadeer Soccer Field Addition & Expansion \$ 3,800,000

**Estimated Total    \$25,800,000**

# Potential Out-year Debt Exclusions

|           |                                            |                      |
|-----------|--------------------------------------------|----------------------|
| FY2025    | Our Island Home Construction               | \$ 50,000,000        |
| FY2025    | 2 Fairgrounds Municipal Office Building    | \$ 56,000,000        |
| FY2025    | Intermodal Transportation Center           | \$ 23,000,000        |
| FY2025    | Public Safety Auxiliary Building           | \$ 5,000,000         |
| FY25-FY26 | New Senior Center                          | \$ 30,000,000        |
| FY25–FY26 | Public Works New Campus Construction       | \$ 18,000,000        |
| FY25–FY26 | ‘Sconset Fire Station                      | \$ 7,850,000         |
| FY25–FY27 | Parks and Rec Master Plan                  | \$ 22,500,000        |
| FY2032    | Nantucket Public Schools-New Middle School | <u>\$ 50,000,000</u> |

**Estimated Total    \$262,350,000**

# Unknowns with Potential CIP Impact

- Comprehensive Plan for Baxter Road Relocation
- Scope of PFAS Remediation
- Public Works Campus Improvements - decision to remain or relocate
- Financial impact of new project recommendations from Coastal Resiliency Advisory Committee
- Parks and Rec Master Plan - possible revisions due to Coastal Resiliency Plan and other island projects

# Next Steps

- Determine Funding Sources
- Complete Capital Program Committee Reviews, RORIs & FY24 Report & Recommendations
- Select Board and Finance Committee Review of Capital Program Committee's Recommendations

# Conclusion

- Discussion and Questions

## Contact Information:

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Susan Carmel, Assistant Finance Director [scarmel@nantucket-ma.gov](mailto:scarmel@nantucket-ma.gov)





## Agenda Item Summary

|               |            |
|---------------|------------|
| Agenda Item # | X. 3.      |
| Date          | 10/05/2022 |

*As of 09/29/22*

### Staff

Town Manager, Assistant Town Managers, Administration Staff, Others

### Subject

Town Manager Monthly Management Report

### Highlighted Activity

- **2022 ICMA Annual Conference Highlights**
- **2022 ATM/ATE continuing follow-up**
  - Active items:
    - bylaws – approval status with Attorney General, varies
    - Article 39: STR Regulations adopted/follow-up advertising, etc, in process; work group in progress
- **2023 ATM**
  - Prep
- **FY 2024 Budget**
  - Prep
- **Climate Action Plan/Sustainability Framework**
  - Funding for a Sustainability position was approved in the FY 23 budget; a position description has been developed and is underway to go through union review, advertising/hiring
- **Baxter Road long-term planning**
  - Update to Board scheduled for Oct 5; monthly staff meetings on this; summer forum held in Aug
- **SBPF Erosion Control Project**
- **Solar Project at Wannacomet/1 Milestone Rd**
- **Madaket Sewer**

- **Joint meeting with Vineyard Select Boards – 10/18**
- **New Marijuana Law**
- **Solid Waste Long-term Planning**
  - Monthly meetings, including SB member and a FC member
  - Funding for a Solid Waste Manager position was approved in FY 23 budget; a position description has been developed and is underway to go through union review, advertising/hiring
  - Recycling Coordinator has resigned; holding off on that until Solid Waste Manager is hired
- **Strategic Plan**
  - Starting to prep for a Nov workshop
- **PFAS Town-wide Risk Assessment**
  - On-going & active
- **Stormwater/drainage issues**
- **Personnel:**
  - Hiring key positions approved at ATM2022
  - Classification & Compensation Study – project underway
  - Succession Planning and Retention long-term strategy – underway with internal review
  - Collective Bargaining Negotiations (~~DONE!~~) Prep underway for contracts that will expire 6/30/23
    - Working to schedule joint xs with School Comm, Water Comm, Airport Comm and SB
  - New Fire Chief arrives 10/1 – meet & greet with staff and public scheduled for 10/4
  - Asst Finance Director hired
  - ⊖ 27+- vacancies Town -wide (excluding School, Airport, Water; new positions for FY 23)
- **Project management** – still working on this:
  - Project Management position
  - Current projects to be handled by outside firm:
    - Pleasant St (Silver to Main)
    - Pleasant St (Williams to Mid-Island Roundabout)
    - Somerset Rd – Raceway Dr stormwater drainage
    - Millie’s Bridge (coastal resiliency)
    - Newtown Rd (reconstruction plus side path, traffic calming)
- **Projects**
  - OIH/Senior Center

- PFAS water main ext, west of Airport
- Central fleet management
- DEI Assessment
- WRAP funding application approved

### **Housing**

- Finalizing \$1m Town Employee Housing Assistance pilot program
- “State of Housing” held in August
- Working on planning for how Town manage/maintain its own housing stock (internal discussion re “out of the box” ideas)