



Town of Hingham, Massachusetts

Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2021

The Hingham Water Company was incorporated in 1879 by the General Court of Massachusetts through Chapter 139 “for the purpose of furnishing the inhabitants of Hingham with pure water for the extinguishment of fires, generation of steam, domestic, and other purposes...” Since its incorporation, the water company has been privately owned.

Section 11 of Chapter 139 allows the Town to purchase the property and rights of the water company “at any time” if approved by a 2/3 affirmative vote at Town Meeting. The statute further defines the cost to be “the actual cost of the same, together with interest thereon at a rate not exceeding ten percent per annum, said cost to include all actual loss or damage paid or suffered by said company...deducting from said cost any and all dividends which may have been paid...or at such a price as may be mutually agreed upon...”.

In 1881, the General Court authorized the Hingham Water Company to extend its water pipes through Hull and Cohasset. In 1924, the Hingham Water Company was authorized to extend its water pipes into the Town of Norwell.

According to Town records, the Town previously considered purchasing the water company at least twice. In 1958, a motion to investigate purchasing the water company was considered and voted down by Town Meeting. The 1984 Annual Town Meeting authorized funds to study the Town's water service, assess its ability to meet future demand, estimate the cost to acquire the company, and project operating costs assuming Town ownership. The study was completed in 1985. The Water Supply Committee reviewed the study and concluded it was not in the Town's best interests to purchase the water company at that time.

In recent years, the water company was owned by American Water Works, whose holdings included water companies in Connecticut, New Hampshire, Oxford MA, and Millbury MA. In 2002, American Water Works sold all of its New England subsidiaries to the United Kingdom-based Kelda Group. In 2006, Kelda sold its entire Aquarion subsidiary, including the companies purchased in 2002, to Australia's Macquarie Bank

Today, the Aquarion Water Company (“Aquarion”) supplies water to 42 cities and towns throughout Connecticut, New Hampshire, and Massachusetts. The part of the company that services Hingham is referred to as “Service Area A” and includes Hingham, Hull, 309 homes in North Cohasset, and 4 homes in Norwell. Hingham is one of few communities in the Commonwealth with a privately-owned water company.

— For the first time since the 1870s, the town officially owns its water system.

"This day was a long time in the making and the result of the dedication of town volunteers, town staff and external partners," said Mary Power, Chair of the Select Board and the board's liaison to the water transition team.

The process of buying the water system, which also serves Hull and part of Cohasset, began nearly nine years ago when a group of residents first explored the idea. In April 2019, a town meeting of nearly 2,000 residents voted overwhelmingly to spend \$114 million to buy the system from Aquarion Water Co., the private company that operated it.

Early in 2020, the Select Board voted to name the system the Weir River Water System after the river that feeds it. The system also recently got a new logo, which was designed by two local artists. The Town officially purchased the water company on July 31, 2020.

Picture by: Kate Richardsson

TOWN OF HINGHAM, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2021



Prepared by:

Accounting Department
Town Accountant
Susan M. Nickerson

TOWN OF HINGHAM, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

Introductory Section.....	1
Letter of Transmittal.....	2
Certificate of Achievement.....	7
Organizational Chart.....	8
Principal Town Officials.....	9
Administrative Staff.....	10
Financial Section.....	11
Independent Auditors' Report.....	12
Management's Discussion and Analysis.....	15
Basic Financial Statements.....	26
Statement of Net Position.....	27
Statement of Activities.....	28
Governmental Funds - Balance Sheet.....	30
Reconciliation of the Governmental Funds Total Fund Balances to the Statement of Net Position.....	31
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balance.....	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	33
Proprietary Funds - Statement of Fund Net Position.....	34
Proprietary Funds - Statement of Revenues, Expenses and Changes in Fund Net Position.....	35
Proprietary Funds - Statement of Cash Flows.....	36
Fiduciary Funds - Statement of Fiduciary Net Position.....	37
Fiduciary Funds - Statement of Changes in Fiduciary Net Position.....	38
Notes to Basic Financial Statements.....	39
Required Supplementary Information.....	86
General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	87
Community Preservation Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	91
Pension Plan Schedules.....	92
Schedule of Changes in Employers' Net Pension Liability and Related Ratios (System).....	92
Schedule of Employer Contributions (System).....	94

Schedule of Investment Returns (System).....	94
Schedule of Town’s Proportionate Share of the Net Pension Liability	95
Schedule of The Hingham Municipal Light Plant’s Proportionate Share of the Net Pension Liability	96
Schedule of Town’s Contributions	97
Schedule of Hingham Municipal Light Plant’s Contributions	98
Schedule of Special Funding Amounts of the Net Pension Liability (MTRS)	98
Other Postemployment Benefits Schedules	99
Schedule of Changes in the Net OPEB Liability and Related Ratios	99
Schedule of Town’s Contributions	100
Schedule of Investment Returns	100
Notes to Required Supplementary Information.....	101
Combining and Individual Fund Statements	103
Nonmajor Governmental Funds.....	104
Narrative.....	104
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	110
Statistical Section.....	115
Table of Contents	116
Net Position by Component	117
Changes in Net Position.....	118
Fund Balances, Governmental Funds	119
Changes in Fund Balances, Governmental Funds.....	120
General Fund Revenues by Source.....	121
General Fund Expenditures by Function	122
General Fund Tax Revenues by Source	123
General Fund Balance Compared to Annual Expenditures.....	124
Property Tax Levies and Collections.....	125
Assessed Value and Estimated Equal Value of Taxable Property	126
Assessed Value of Taxable Property by Classification	127
Property Tax Rates.....	128
Principal Taxpayers	129
Ratios of Outstanding Debt and General Bonded Debt	130
Computation of Legal Debt Margin.....	131
Direct and Overlapping Governmental Activities Debt.....	132
Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures	133
Demographic Statistics.....	134
Population Changes	135

School Enrollment Statistics	136
Median Age, Median Family Income, and Per Capita Income.....	137
Unemployment Rates	138
Building Permits and Construction Activity.....	139
Principal Employers	140
Number of Employees per Function of Government	141
Capital Assets Statistics by Function/Program.....	142
Operating Indicators by Function/Program.....	143
Free Cash and Stabilization Fund Balances.....	144

Introductory Section



Town of Hingham, Massachusetts
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

TOWN OF HINGHAM

OFFICE OF THE SELECT BOARD

Joseph M. Fisher, Chair
William C. Ramsey
Elizabeth F. Klein



Tom Mayo, Town Administrator
Michelle Monsegur, Assistant
Town Administrator
Arthur P. Robert, Assistant Town
Administrator

Letter of Transmittal

November 12, 2021

To the Citizens of the Town of Hingham, Massachusetts:

The Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021 for the Town of Hingham, Massachusetts is hereby submitted for your consideration.

State law requires the Town of Hingham to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to both protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. As management, we assert that this financial report is complete and reliable in all material respects.

The ACFR is designed to be used by the elected and appointed officials of Hingham in addition to those entities concerned with the Town's management and development including credit rating agencies, bond analysts, investors, and financial institutions. The format of the report enables the Town to present complex financial data in a manner that is easier for citizens and taxpayers of the Town of Hingham to review and understand.

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

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

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

Profile of the Town of Hingham

This ACFR includes all of the operational departments of the Town. The Hingham Housing Authority is not included in the reporting entity because it does not meet the criteria for inclusion. The Hingham Public Library, the Lincoln Apartments, LLC, and the Hingham Contributory Retirement System are included in this report as component units, with the Hingham Public Library and the Lincoln Apartments, LLC being presented as discrete units, and the Hingham Contributory Retirement System being presented as a fiduciary fund within the statement of fiduciary net position.

The Town of Hingham is a seacoast community located approximately 20 miles southeast of downtown Boston. Primarily an established single family community, Hingham has several historic village districts and more recent single family subdivisions that were constructed within the last 40 years.

The Town provides general government services including police and fire protection, disposal of rubbish, public education, streets, recreation, and a municipal golf course (The South Shore Country Club). The Massachusetts Water Resources Authority (MWRA) provides certain sewer services to the Town. A municipal sewer system serves approximately 27% of the households of the Town. The Hingham Municipal Lighting Plant, a self-supporting enterprise, provides electric power to the Town, and the Weir River Water System, a self-supporting enterprise, provides water services to the Town. The Town purchased the private water company (Aquarion) on July 31, 2020. This is the first year that the Weir River Water System is reported in the Town's financial statements. The Hingham Housing Authority maintains housing for elderly and handicapped residents. In addition, the Town has a Department of Elder Services to service senior citizens with various programs as well as outreach projects. Bus services are provided by the Massachusetts Bay Transit Authority and connect to established stations of the Authority.

Several recreational programs are provided among the parks located throughout the Town, in addition to significant beach and swimming facilities. Bare Cove Park contains 468 acres and was a former federal ammunition depot. It is mostly in its original pristine condition with many trees and forests and is adjacent to the scenic Back River. It provides walking and bicycle trails, nature studies, picnic facilities and other items of interest.

The Commonwealth of Massachusetts maintains Wompatuck State Park in the Towns of Hingham and Cohasset containing 3,509 acres, of which 2,047 acres are in Hingham. In addition to the facilities provided by Bare Cove Park, Wompatuck offers hiking trails in the summer which become cross country skiing trails in the winter, and extensive camping facilities are provided.

The Town is located in Plymouth County and the principal services provided by the County are court facilities, a jail and house of correction, and registry of deeds and probate.

The three-member elected Select Board is the administrative authority; however, the Town has a diverse government with many elected and autonomous boards and committees. A Town Administrator is appointed by the Select Board and is responsible for day to day administration.

Factors Affecting Economic and Financial Condition

During the third quarter of FY20, COVID-19 pandemic hit all facets of the country, the economy is no exception. The Town of Hingham continues to reflect a strong economic condition; per capita income is significantly higher than state averages and the unemployment rate has always been extremely low as compared to state and national averages. The unemployment rate has decreased this year after spiking last year due to the pandemic, it was at a historic high throughout the country. Although we are not at pre-pandemic levels yet, it is going in the right direction. Town Management has developed a Financial Plan to mitigate the effects of the pandemic on the economy. The plan used excess fund balance to bridge any projected revenue shortfalls and strict expenditure controls for FY2021 budget. As a result of this Financial Plan the town ended Fiscal Year 2021 with an increase to Fund Balance. The Town remains a very desirable community given its close proximity to Boston and the level and quality of services provided. The residential sales market has been and continues to be very strong, reflecting the great interest in the community.

Over the past ten years the town's population has increased approximately 6.5% while school enrollment has decreased 8.33%. This decrease has been in the last two years due to the pandemic. Hingham Public Schools were a combination of virtual, hybrid and in-person throughout the pandemic, while private schools were in-person. Hingham is known throughout the state for its high quality school system; Hingham students consistently score in the top percentiles on national and state tests and an extremely high percentage of students graduating from the high school go on to pursue higher education.

Long-term Financial Planning

The Town Administrator along with the financial officers, which consist of the Town Accountant, the Treasurer/Collector, and the Director of Assessing work closely with the Select Board, Advisory Committee, Capital Outlay Committee and Department Heads to develop short-term and long-term financial goals and to address the financial stability of the Town.

Major Initiatives

Since the mid 1990's the Town has consistently made capital expenditures a high priority. In the early 2000's due to economic conditions and budget restraints the amount of capital spending was reduced from normal levels of \$2-\$3 million annually. The Town expects to be able to appropriate capital spending in the \$2-\$2.3 million range for fiscal year 2022.

Financial Information

Financial Management. The Advisory Committee, Select Board and School Committee have adopted a Financial Policy. It is a comprehensive statement covering financial management, capital expenditures and debt service. The purpose of the Policy is to stabilize tax rates and control expenditures. It is expected to give guidance to the preparation, review and approval of budgets.

The Policy recommends that Available Reserves (Unassigned Fund Balance) be maintained at a level of no less than 16% and no more than 20% of total annual appropriations. Each year that Available Reserves increase, any excess of the above level should be available for spending or for tax reductions in accordance with the policy.

Internal Controls. 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 accurate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Town Administrator and the fiscal team are responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements. Because the cost of internal controls should not outweigh their benefits, the Town of Hingham's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement.

The Town voted at the Annual Town Meeting held on April 27, 2010 to establish an Audit Committee. The Committee assists in the selection and monitoring of an independent auditing firm to conduct annual audits of the financial statements of the Town. The Committee supervises and reviews the conduct of the audit and the auditor's relationship with the Town. The Chair of the Audit Committee is also a member of the Whistleblower Committee.

Budgetary Controls. The Town Administrator is responsible for the preparation of the executive budget and initiates the process with the development of a five-year financial forecast and budget guidelines for the coming year, which starts in October/November. The various department heads prepare the budgets for departments under their jurisdiction and meet with the Town Administrator for approval. The Town Administrator reviews all budgets and recommendations are submitted to the Select Board. The Select Board conducts budget meetings with each department to review their requests. The Select Board then recommends to the Advisory Committee the budget. The 15 member Advisory Committee reviews the budgets approved by the Select Board; attempts to resolve any differences and then prepares the annual budget recommendations to the Town Meeting, which is the body that has final approval authority. The Annual Town Meeting (April) legally adopts the budgets for the General Fund and the Community Preservation Fund. Once approved, the budgets are controlled at the department level with the Town Accountant approving all payrolls and invoices. The Advisory Committee, based on a recommendation of the Select Board, may approve subsequent transfers from a reserve fund.

The Treasurer/Collector is responsible for all of the Town's cash and investments, debt management and payment of invoices. The Town Accountant sets the tax rate, while the Assessors commit the real estate taxes, personal property taxes and motor vehicle excise taxes to the Treasurer/Collector for collection. About 99% of all real estate taxes are collected during the year of billing with the remaining 1% collected the following year. This efficiency greatly aids the Treasurer/Collector in not only reducing or avoiding temporary loans but also maximizing investment potential.

The Treasurer/Collector, in common with other towns as a result of permissive legislation, changed from a semi-annual billing system to a quarterly billing system in 1992. This change has not only eliminated the need for temporary borrowings, which were costing the Town \$150,000 per year, but also provided temporary excess cash beyond immediate needs which is available for short-term investment.

In addition to approval authority over all disbursements, the Town Accountant is responsible for providing accurate and timely estimates of the Town's current and future financial position to the Town Administrator. Also, the Town Accountant holds quarterly budget review meetings with departments to ensure they are within their approved budgeted appropriation.

The Town Administrator holds quarterly meetings with the Town's financial officers to establish goals and objectives and to review monthly reports of comparison of budgeted revenues and expenditures with actual.

Other Information

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Hingham for its ACFR for the year ended June 30, 2020. This was the twenty-fifth consecutive year that the government has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit (state, county, district, or town) must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards established by the Government Finance Officers Association of the United States and Canada (GFOA). Such reports must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Independent Audit. The financial statements for the year ended June 30, 2021 were audited by the public accounting firm of CliftonLarsonAllen LLP. The financial statements have received an "unmodified opinion" from the auditors. An "unmodified opinion" is the best opinion which a governmental unit can receive. It indicates that the financial statements were prepared in accordance with generally accepted accounting principles and that they are fairly presented in all material aspects.

Additionally, the Town is required to have a single audit, under the requirements of the Single Audit Act of 1984, of all Federal programs, as prescribed in the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

Acknowledgments

A special gratitude is owed to James Piotrowski and Christian Rogers, Manager and Principal at CliftonLarsonAllen LLP, whose attention to the 2021 financial statements was invaluable. We want to express our appreciation to the accounting personnel, Steve Becker, Huong Pham, Lynn Phillips, and Aksana Holmes for their invaluable assistance with the preparation of this ACFR; and to Kate Richardsson (IT Department) for her work on the cover design. We wish to acknowledge their efforts, and the efforts of all the Town departments that assisted in the production of the final report.

Cordially yours,



Tom Mayo
Town Administrator



Susan M. Nickerson
Town Accountant



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Hingham
Massachusetts**

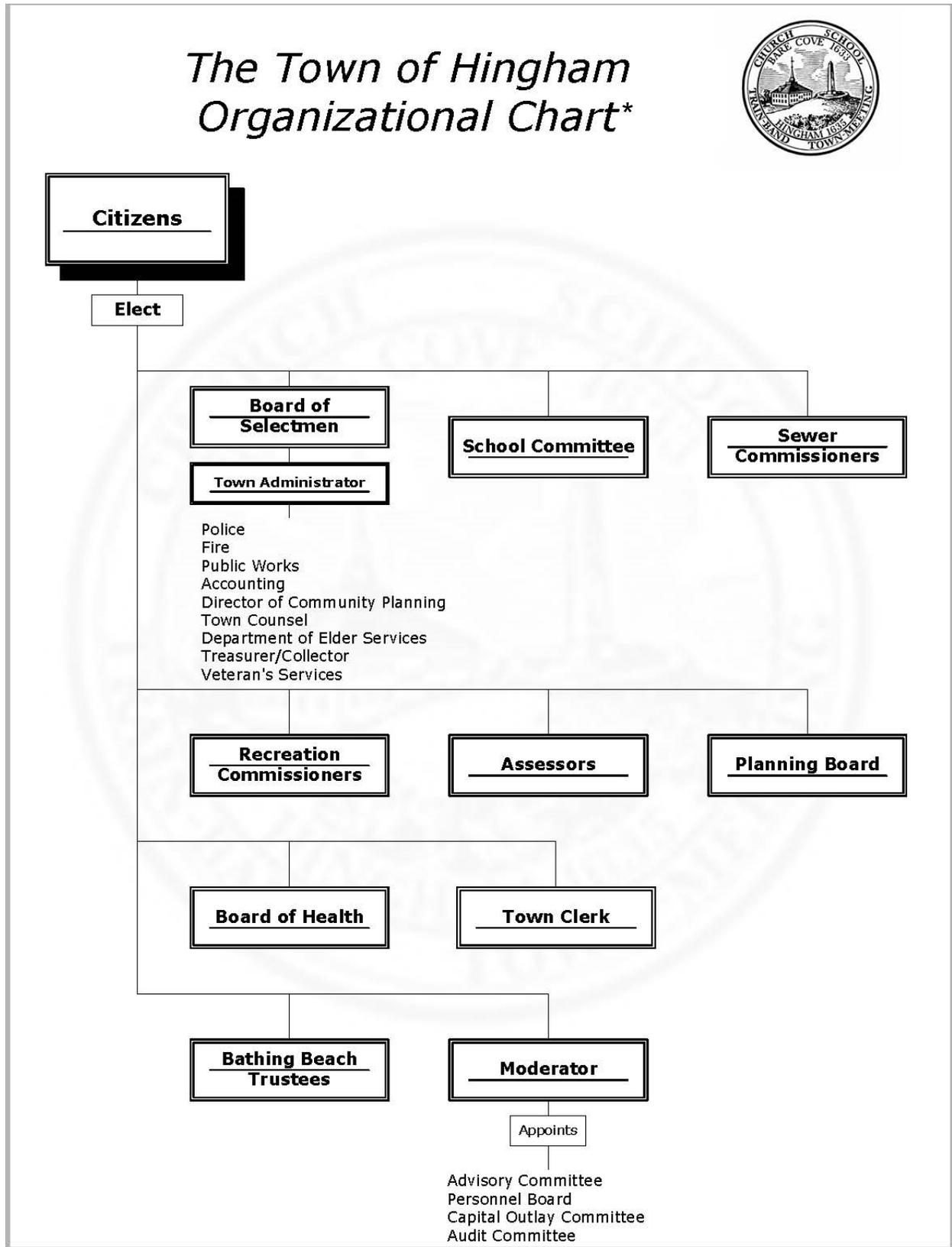
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

The Town of Hingham Organizational Chart*



*As of June 30, 2021

Elected Officials*

		<u>Term Expires</u>
MODERATOR (1 Year Term)	Michael J. Puzo	2022
SELECT BOARD (3 Year Term)	William C. Ramsey Joseph M. Fisher Elizabeth F. Klein	2023 2022 2024
TOWN CLERK (3 Year Term)	Carol M. Falvey	2024
BOARD OF ASSESSORS (3 Year Term)	Stuart Gregory Hall Christine M. Roberts Joshua M. Ross	2023 2022 2024
BOARD OF HEALTH (3 Year Term)	Elizabeth Eldredge Kirk J. Shilts Peter B. Bickford	2023 2022 2024
SCHOOL COMMITTEE (3 Year Term)	Michelle Ayer Jennifer Benham Elizabeth O'Reilly Carlos A. F. Da Silva Nancy Correnti Timothy "Miller" Dempsey Kerry J. Ni	2023 2023 2022 2022 2022 2024 2024
PLANNING BOARD (5 Year Term)	Rita Dasilva Kevin M. Ellis Judith Sneath Gordon M. Carr Gary S. Tondorf-Dick	2025 2024 2023 2022 2026
SEWER COMMISSIONERS (3 Year Term)	Stephen Harold Kirk J. Shilts Clark Frazier	2023 2022 2024

*As of June 30, 2021.

Administrative Staff*

Position	Official
Town Administrator	Tom Mayo
Superintendent of Schools	Dr. Paul Austin
Chief of Police	David P. Jones
Fire Chief	Steven Murphy
Assistant Town Administrator	Michelle Monsegur
Light Plant General Manager	Paul Heanue
Assistant Superintendent of Schools	James LaBillois
School Business Manager	John Ferris
Light Plant Business Manager	Joan Griffin
SSCC Superintendent	Kevin Whelan
DPW Superintendent	Randy Sylvester
Town Engineer	J. R. Frey
Town Accountant	Susan Nickerson
Treasurer/Collector	Jean Montgomery
Library Director	Linda Harper
Director Community Planning	Emily Wentworth
Executive Health Officer	Susan Sarni
Director of Recreation	Mark Thorell
Director of Assessing	Erin Walsh
Director of Elder Affairs	Jennifer Young
Veteran's Agent	Keith Jermyn

*As of June 30, 2021.

Financial Section



Town of Hingham, Massachusetts
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021



INDEPENDENT AUDITORS' REPORT

To the Honorable Select Board
Town of Hingham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregately discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Hingham, Massachusetts, as of and for the year ended June 30, 2021 (except for the Hingham Municipal Lighting Plant, Hingham Contributory Retirement System and Lincoln Apartments, LLC, a discretely presented component unit, which is as of and for the year ended December 31, 2020), and the related notes to the financial statements, which collectively comprise the Town of Hingham, Massachusetts' basic financial statements as listed in the table of contents.

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 did not audit the financial statements of the Hingham Municipal Lighting Plant as of December 31, 2020, which is both a major fund and represents 33%, 87%, and 71%, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities of the Hingham Municipal Lighting Plant, is based solely of the report of the other auditors. 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 from material misstatement. The financial statements of the Hingham Municipal Lighting Plant were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 other auditors, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Hingham, Massachusetts, as of June 30, 2021 (except for the Hingham Municipal Lighting Plant, Hingham Contributory Retirement System and Lincoln Apartments, LLC, a discretely presented component unit, which is as of and for the year ended December 31, 2020), 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.

Emphasis of Matter

During the fiscal year ended June 30, 2021, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As a result, the Town reported a restatement for the change in accounting principle (see Note 1). Our auditors' opinions were 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 general fund and community preservation fund budgetary comparisons and certain pension and other postemployment benefits information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion 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 of Hingham, Massachusetts' basic financial statements. The introductory section, combining and individual fund statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2021, on our consideration of the Town of Hingham, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Hingham, Massachusetts' internal control over financial reporting and compliance.



CliftonLarsonAllen, LLP

Boston, Massachusetts
November 12, 2021

Management's Discussion and Analysis

Management's Discussion and Analysis

This analysis, prepared by the Town Accountant, offers readers of the Town's financial statements a narrative overview and analysis of the financial activities of the Town of Hingham for the year ended June 30, 2021. This is the 17th year our financial statements have been prepared under the Government Accounting Standards Board Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditor's opinion. If the Town's financial statements have significant departures from GAAP the independent auditors may issue a modified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and our ability to borrow money at favorable interest rates. The Town has enjoyed an unmodified opinion on its financial statements for many years.

Financial Highlights

- The government-wide assets and deferred outflows of the Town of Hingham exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$61.6 million and \$58.2 million (net position) for governmental activities and business-type activities, respectively.
- At the close of the current year, the Town of Hingham's general fund reported an ending fund balance of \$47.8 million, including \$2.3 million set aside in stabilization funds, an increase of \$5.6 million over the prior year. Total fund balance represents 38.2% of total general fund expenditures. Approximately \$36.9 million of this total amount is available for appropriation at the Town's discretion.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector businesses.

The statement of net position presents information on all of the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them 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 Town's net position changed during the most recent 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, public education, public works, human services, culture and recreation, community preservation, and interest. The business-type activities include the activities of the South Shore Country Club, the Hingham Municipal Lighting Plant, and the Weir River Water System enterprise funds.

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.

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 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 year. Such information may be useful in evaluating a government's near-term financing requirements.

Fiscal year 2011 was the Town's initial year of implementation of GASB #54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The implementation of this standard has changed the fund balance components into nonspendable, restricted, committed, assigned and unassigned. Additionally, under the new standard, the Town's stabilization funds are reported within the general fund as unassigned.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Town's general fund, the Community Preservation fund, Recreation Drive fund and Sewer Maintenance fund are shown separately and the remaining governmental funds are aggregated and shown as nonmajor governmental funds.

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

Proprietary funds. The Town maintains one proprietary fund type.

Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements, only in more detail. The Town uses enterprise funds to account for its country club and electric lighting operations, both of which are considered major funds of the Town.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements 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 financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

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 of Hingham, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$119.8 million at the close of 2021.

Government-wide net position of \$136.7 million reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Hingham's net position, \$33 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position resulted in a deficit of \$49.8 million mainly related to the cumulative effects of recording pension and other postemployment liabilities.

Details related to the Town's governmental and business-type activities follow.

Governmental activities. The governmental activities net position increased by approximately \$8.2 million during the current year as compared to an increase in net position of approximately \$66,000 during the prior year. Total revenues increased 4.6%, while total expenses increased 0.5%, mainly from changes related to pensions and other employee benefits.

Governmental Activities Consolidated Statement of Net Position

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets.....	77,431,542	68,816,339
Noncurrent assets (excluding capital).....	832,349	966,246
Capital assets, non depreciable.....	28,693,515	24,014,244
Capital assets, net of accumulated depreciation.....	<u>136,145,495</u>	<u>139,821,201</u>
Total assets.....	<u>243,102,901</u>	<u>233,618,030</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>15,361,833</u>	<u>16,075,384</u>
LIABILITIES		
Current liabilities (excluding debt).....	10,838,386	8,100,185
Noncurrent liabilities (excluding debt).....	101,525,893	104,749,944
Current debt.....	21,388,565	17,561,853
Noncurrent debt.....	<u>40,240,234</u>	<u>44,873,899</u>
Total liabilities.....	<u>173,993,078</u>	<u>175,285,881</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>22,855,729</u>	<u>22,343,938</u>
NET POSITION		
Net Investment in Capital Assets.....	103,044,921	102,686,154
Restricted.....	17,208,587	15,823,008
Unrestricted.....	<u>(58,637,581)</u>	<u>(66,445,567)</u>
Total Net Position.....	<u>\$ 61,615,927</u>	<u>\$ 52,063,595</u>

Current assets increased by \$8.6 million primarily for an increase in cash (\$9.4 million). Noncurrent liabilities decreased \$7.9 million primarily for a decrease in the net pension liability (\$5.1 million).

As mentioned above, governmental activities net position increased by approximately \$8.2 million this year compared to an increase of approximately \$66,000 last year. Operating grants and contributions increased \$5.3 million (17.9%) and real estate and other taxes increased \$3.3 million (3.6%).

Governmental Activities Consolidated Statement of Activities

	2021	2020
PROGRAM REVENUES:		
Charges for services.....	\$ 12,059,518	\$ 12,968,019
Operating grants and contributions.....	35,219,104	29,877,473
Capital grants and contributions.....	859,926	1,601,460
GENERAL REVENUES:		
Real estate, personal property taxes, and motor vehicle and other excise taxes.....	96,060,525	92,759,293
Penalties and interest.....	428,063	265,089
Nonrestricted grants, contributions and other.....	1,801,214	1,925,956
Unrestricted investment income.....	292,581	929,707
Total revenues.....	146,720,931	140,326,997
EXPENSES:		
General government.....	6,792,457	7,625,986
Public safety.....	20,514,086	23,507,942
Education.....	94,267,921	89,458,820
Public works.....	12,217,565	11,870,047
Human services.....	1,868,203	1,996,517
Culture and recreation.....	3,261,159	4,309,915
Community preservation.....	808,232	141,262
Interest.....	1,466,365	1,644,032
Total expenses.....	141,195,988	140,554,521
EXCESS (DEFICIENCY) BEFORE TRANSFERS	5,524,943	(227,524)
Transfers.....	2,709,552	293,138
CHANGE IN NET POSITION	8,234,495	65,614
Net Position - Beginning of Year, As Restated.....	53,381,432	51,997,981
NET POSITION - END OF YEAR	\$ 61,615,927	\$ 52,063,595

Other financial notes related to governmental activities:

- Charges for services represented 8.2% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in this category.
- Operating grants and contributions accounted for 24.0% of the governmental activities resources. Most of these resources apply to educational operations. These resources offset costs within the school department and supplement their general fund operating budget.
- Capital grants and contributions accounted for 0.6% of the governmental activities resources. In 2021 these mainly consisted of state grants for public works highway projects.
- Property and other excise taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 65.5% of current revenues.

- All other revenues comprised a total of 1.7% percent of the governmental activities resources. These primarily include penalties & interest and unrestricted contributions.
- Education is by far the largest governmental activity of the Town. After subtracting \$30.0 million of program revenues (charges for services, operating grants and capital grants) as shown on the Statement of Activities, approximately \$64.3 million in taxes and other revenues were needed to cover its 2021 net operating expenses. A pension contribution of approximately \$17.2 million made by the State on-behalf of Hingham teachers was recorded as an expense and grant revenue in 2021. The 2020 amount was \$14.8 million which partially accounts for the increase in education expense and operating grants and contributions this year.
- Public safety and public works are the second and third largest activities of the Town. Approximately \$11.9 million and \$6.7 million, respectively, of taxes and other revenue were needed to cover their 2021 operating expenses.

Business-type activities. Business-type activities, consisting of the South Shore Country Club, Hingham Municipal Lighting Plant, and Weir River Water System, increased the Town's net position by approximately \$1.1 million. These results continue to reflect management's goal of maintaining the systems while only charging users for the cost of operations.

As shown below, business-type activities assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$58.2 million at the close of 2021. Net investment in capital assets was \$33.6 million, net position restricted for depreciation was \$15.7 million, and unrestricted net position was \$8.8 million.

Business-Type Activities Consolidated Statement of Net Position

	2021	2020
ASSETS		
Current assets.....	57,790,457	35,287,828
Noncurrent assets (excluding capital).....	362,115	362,170
Capital assets, non depreciable.....	20,774,740	7,624,723
Capital assets, net of accumulated depreciation.....	126,395,415	31,584,903
Total assets.....	205,322,727	74,859,624
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	1,795,223	1,764,437
LIABILITIES		
Current liabilities (excluding debt).....	5,551,311	3,425,239
Noncurrent liabilities (excluding debt).....	7,780,549	7,939,089
Current debt.....	7,777,453	528,503
Noncurrent debt.....	117,498,636	-
Total liabilities.....	138,607,949	11,892,831
TOTAL DEFERRED INFLOWS OF RESOURCES.....	10,341,791	7,684,436
NET POSITION		
Net Investment in Capital Assets.....	33,607,556	38,681,123
Restricted.....	15,746,555	12,749,509
Unrestricted.....	8,814,099	5,616,162
Total Net Position.....	\$ 58,168,210	\$ 57,046,794

The South Shore Country Club includes facilities for golf, bowling, tennis, swimming, and dining. Total revenues amounted to \$2 million; compared to \$1.6 million in 2020. Expenses decreased by approximately \$178,000 mainly relating to pension expense decreasing from the prior year. The Country Club's net position increased by approximately \$498,000 this past year.

The Hingham Municipal Lighting Plant provides electricity to Hingham residents. Total revenues amounted to \$31 million which was the same amount in the prior year. Expenses increased by \$2.3 million, and after transferring approximately \$475,000 to the general fund the Lighting Plant's net position increased by approximately \$1 million for the year.

The Weir River Water System was acquired by the Town in 2021 and distributes water to the Towns of Hingham, Hull, and Cohasset. Total revenues amounted to \$12.3 million in 2021 which was the first year of operation under Town ownership. Expenses totaled \$10.5 million, and after transferring approximately \$2.2 million to the general fund the Water System's net position decreased by approximately \$384,000 for the year.

Business-Type Activities Consolidated Statement of Activities

	<u>2021</u>	<u>2020</u>
PROGRAM REVENUES:		
Charges for services - South Shore Country Club.....	\$ 2,010,126	\$ 1,640,933
Charges for services - Hingham Municipal Light Plant.....	30,716,849	30,913,393
Charges for services - Weir River Water System.....	12,346,903	-
GENERAL REVENUES:		
Unrestricted investment income.....	207,191	418,064
Total revenues.....	<u>45,281,069</u>	<u>32,972,390</u>
EXPENSES:		
South Shore Country Club.....	1,512,412	1,690,567
Hingham Municipal Light Plant.....	29,430,458	27,117,384
Weir River Water System.....	10,507,231	-
Total expenses.....	<u>41,450,101</u>	<u>28,807,951</u>
EXCESS (DEFICIENCY) BEFORE TRANSFERS	3,830,968	4,164,439
Transfers.....	<u>(2,709,552)</u>	<u>(293,138)</u>
CHANGE IN NET POSITION.....	1,121,416	3,871,301
Net Position - Beginning of Year.....	<u>57,046,794</u>	<u>53,175,493</u>
NET POSITION - END OF YEAR.....	<u>\$ 58,168,210</u>	<u>\$ 57,046,794</u>

Financial Analysis of the Government's Major Funds

As noted earlier, The Town of Hingham 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, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported a combined ending fund balance of \$46 million, an increase of \$735,000 for the year. This is mainly related to the increase in fund balance of the general fund of \$5.6 million for the year due to the budgetary surplus recognized.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current year, the unassigned fund balance of the general fund was \$36.9 million, while the total fund balance was \$47.8 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 29.5% of total general fund expenditures, while the total fund balance represents 38.2% of that same amount.

The total fund balance of the General Fund increased by \$5.6 million during the year. The primary reason for the increase is, largely due to conservative budgeting, the Town experienced positive budget to actual variances for both revenues (\$3.8 million) and expenditures (\$4.4 million).

Community Preservation

The Community Preservation fund is a special revenue fund used to account for funds received in accordance with the Community Preservation Act (CPA). Fund Balance increased by approximately \$193,000, which was due to the excess of CPA surcharges in excess of expenditures.

Recreation Drive Major Fund

Recreation Drive is a capital project fund used to account for land acquisition and other recreational activities. To date the Town has financed these activities with Bond Anticipation Notes totaling \$3.1 million and the fund has a deficit fund balance until the bond anticipation notes are permanently financed. The fund received \$215,000 of transfers from the general fund in fiscal year 2021; which equaled the change in fund balance from fiscal year 2020.

Sewer Maintenance Major Fund

Sewer Maintenance is a special revenue fund used to fund the maintenance of the Town's sewer system. Fund balance decreased by approximately \$28,000 due to maintenance expenditures exceeding user charges.

Proprietary funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The final budget increased from the original budget by approximately \$2 million for various purposes.

Total general fund revenues were greater than budget overall by 3.5%.

Total expenditures and carryovers were less than budgeted amounts by approximately \$4.3 million. Virtually every Town department contributed to the savings.

Capital Assets and Debt Management

In conjunction with the operating budget, the Town annually prepares a capital budget which includes detailed information concerning those capital requests for the upcoming year as well as summary information for the following four years to identify current projections of what level of capital outlay will be required in future years.

Long-Term Debt

The Town of Hingham has maintained its bond rating of "Aaa" from Moody's Investor Services, "AAA" from Fitch Ratings, and "AAA" from Standard & Poor's. These bond ratings are consistent with the prior year. This is a significant achievement as only about 6% of Massachusetts communities receive these highest ratings.

Major capital assets are funded primarily by the issuance of long-term debt and at times from the receipt of capital grants. For capital assets acquired through debt, the effect on net position during the construction phase of the project is neutral since the Town increases its assets and associated liabilities by the same amount. For capital assets acquired through capital grants, the effect on net position is positive since the Town does not use its own resources to acquire the assets. In subsequent years the net position will be reduced through depreciation and will be increased by the revenues raised to support the debt principal payments. Outstanding long-term debt of the general government as of June 30, 2021, totaled \$44.9 million, a decrease of \$6.6 million from the prior year due to scheduled principal payments. Funding for the majority of this debt service is from real estate taxes that have been exempt from the tax levy limitation of Massachusetts' Proposition 2 ½.

Outstanding long-term debt of the business-type activities as of June 30, 2021 totaled \$120 million which is the result of the long-term debt issued to acquire the Weir River Water System. This debt service is funded by the Weir River Water System's water user charges.

Additional information on the Town's long-term debt can be found in Note 12 of this report.

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities at the end of the fiscal year totaled \$312,009,165 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery and equipment, infrastructure, and the Weir River Water System network.

Major capital asset events that occurred during the fiscal year include the following:

- Purchase of the Weir River Water System land and network of \$111,000,000
- Land purchase of \$5,482,000
- South Shore Country Club construction totaling \$152,000

Additional information on the Town's capital assets can be found in Note 6 of this report.

Pension Trust Fund

The Pension Trust Fund (System) realized an increase in net position of \$14.7 million for the year. Contributions and other additions of \$9.7 million were supplemented by net investment income of \$15.7 million, which was consistent with the prior year due to market conditions. Benefits and other deductions totaled \$10.8 million. Total net position of the System amounted to \$146.9 million at December 31, 2020.

Other Postemployment Benefits

The Town implemented GASB Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of June 30, 2018. The governmental activities have accumulated a liability for other postemployment benefits in the amount of \$64.2 million at June 30, 2021.

The Hingham Municipal Lighting Plant implemented GASB Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of December 31, 2018. The related business-type activities have accumulated a liability for other postemployment benefits of \$1.3 million as of December 31, 2020.

The OPEB Plan's total assets set aside in trust for future benefits amounted to approximately \$23.4 million at year-end. As discussed in Note 17, the Plan's Net OPEB Liability at June 30, 2021 amounted to \$65.7 million.

Discretely Presented Component Units

The net position of the Component Units represent the Hingham Public Library, a separate legal entity established in 1872, and the Lincoln Apartments, LLC a Massachusetts Limited Liability Company established in 2009 to operate affordable housing at the Lincoln School Apartment building owned by the Town.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Susan M. Nickerson, Town Accountant, 210 Central Street, Hingham, MA 02043.

Basic Financial Statements

**TOWN OF HINGHAM, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2021**

ASSETS	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Hingham Public Library	Lincoln Apartments, LLC (December 31, 2020)
Current Assets:					
Cash and Cash Equivalents.....	\$ 67,187,068	\$ 44,380,606	\$ 111,567,674	\$ 251,377	\$ 707,054
Investments.....	1,097,807	2,782,499	3,880,306	2,941,827	-
Receivables, Net of Allowance for Uncollectible Amounts:					
Real Estate and Personal Property Taxes.....	2,026,727	-	2,026,727	-	-
Tax and Utility Liens.....	957,253	-	957,253	-	-
Motor Vehicle and Other Excise Taxes.....	660,417	-	660,417	-	-
Community Preservation Taxes.....	9,841	-	9,841	-	-
User Charges.....	2,705,057	5,947,488	8,652,545	-	-
Special Assessments.....	70,527	-	70,527	-	-
Departmental and Other.....	527,587	1,141,440	1,669,027	-	-
Intergovernmental.....	2,029,277	-	2,029,277	-	-
Other Assets.....	-	-	-	-	3,253,907
Inventory.....	-	1,111,121	1,111,121	-	-
Purchase Power Advance Deposits.....	-	2,427,303	2,427,303	-	-
Assets Held for Resale.....	159,981	-	159,981	-	-
Total Current Assets.....	77,431,542	57,790,457	135,221,999	3,193,204	3,960,961
Noncurrent Assets:					
Receivables, Net of Allowance for Uncollectible Amounts:					
Special Assessments.....	446,089	-	446,089	-	-
Tax Foreclosures.....	386,260	-	386,260	-	-
Investment in Energy Providers.....	-	362,115	362,115	-	-
Capital Assets not being Depreciated.....	28,693,515	20,774,740	49,468,255	154,036	-
Capital Assets, Net of Accumulated Depreciation.....	136,145,495	126,395,415	262,540,910	-	161,094
Total Noncurrent Assets.....	165,671,359	147,532,270	313,203,629	154,036	161,094
Total Assets.....	243,102,901	205,322,727	448,425,628	3,347,240	4,122,055
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related.....	2,419,212	1,280,429	3,699,641	-	-
OPEB Related.....	12,942,621	514,794	13,457,415	-	-
Total Deferred Outflows of Resources.....	15,361,833	1,795,223	17,157,056	-	-
LIABILITIES					
Current Liabilities:					
Warrants Payable.....	1,179,413	2,572,565	3,751,978	1,262	44,115
Accrued Payroll.....	3,379,363	-	3,379,363	-	-
Accrued Liabilities.....	-	219,779	219,779	-	-
Other Liabilities.....	1,503,730	1,459,089	2,962,819	-	143,457
Accrued Interest.....	293,288	1,260,574	1,553,862	-	-
Capital Lease Obligations.....	769,530	-	769,530	-	-
Workers' Compensation Claims.....	138,555	-	138,555	-	-
Advance Collections - Fees.....	824,664	-	824,664	-	1,444
Unearned Revenue.....	1,291,558	-	1,291,558	-	-
Compensated Absences.....	1,458,285	39,304	1,497,589	-	-
Short-Term Notes Payable.....	16,754,900	5,288,752	22,043,652	-	-
Long-Term Bonds and Notes Payable.....	4,633,665	2,488,701	7,122,366	-	-
Total Current Liabilities.....	32,226,951	13,328,764	45,555,715	1,262	189,016
Noncurrent Liabilities:					
Workers' Compensation Claims.....	133,121	-	133,121	-	-
Compensated Absences.....	486,095	-	486,095	-	-
Customer Deposits.....	-	1,772,803	1,772,803	-	-
Net OPEB Liability.....	64,221,335	1,306,795	65,528,130	-	-
Net Pension Liability.....	36,685,342	4,700,951	41,386,293	-	-
Long-Term Bonds and Notes Payable.....	40,240,234	117,498,636	157,738,870	-	-
Total Noncurrent Liabilities.....	141,766,127	125,279,185	267,045,312	-	-
Total Liabilities.....	173,993,078	138,607,949	312,601,027	1,262	189,016
DEFERRED INFLOWS OF RESOURCES:					
Pension Related.....	9,119,187	1,024,413	10,143,600	-	-
OPEB Related.....	13,572,438	525,234	14,097,672	-	-
Deferred Rate Stabilization Reserve.....	-	8,792,144	8,792,144	-	-
Taxes Collected in Advance.....	164,104	-	164,104	-	-
Total Deferred Inflows of Resources.....	22,855,729	10,341,791	33,197,520	-	-
NET POSITION					
Net Investment in Capital Assets.....	103,044,921	33,607,556	136,652,477	154,036	161,094
Restricted for:					
Permanent Funds:					
Expendable.....	91,298	-	91,298	-	-
Nonexpendable.....	35,000	-	35,000	-	-
Depreciation.....	-	15,746,555	15,746,555	-	-
Grants and gifts.....	17,082,289	-	17,082,289	-	-
Unrestricted.....	(58,637,581)	8,814,099	(49,823,482)	3,191,942	3,771,945
Total Net Position.....	\$ 61,615,927	\$ 58,168,210	\$ 119,784,137	\$ 3,345,978	\$ 3,933,039

See notes to basic financial statements.

**TOWN OF HINGHAM, MASSACHUSETTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government.....	\$ 6,792,457	\$ 1,711,531	\$ 734,713	\$ -	\$ (4,346,213)
Public Safety.....	20,514,086	4,604,379	4,047,859	-	(11,861,848)
Education.....	94,267,921	314,068	29,650,231	-	(64,303,622)
Public Works.....	12,217,565	4,532,366	107,914	859,926	(6,717,359)
Health and Human Services.....	1,868,203	203,559	63,779	-	(1,600,865)
Culture and Recreation.....	3,261,159	693,615	50,302	-	(2,517,242)
Community Preservation.....	808,232	-	321,379	-	(486,853)
Debt Service-Interest.....	1,466,365	-	242,927	-	(1,223,438)
Total Governmental Activities.....	<u>141,195,988</u>	<u>12,059,518</u>	<u>35,219,104</u>	<u>859,926</u>	<u>(93,057,440)</u>
Business-Type Activities:					
South Shore Country Club.....	1,512,412	2,010,126	-	-	497,714
Electric Light.....	29,430,458	30,716,849	-	-	1,286,391
Weir River Water System.....	10,507,231	12,346,903	-	-	1,839,672
Total Business-Type Activities.....	<u>41,450,101</u>	<u>45,073,878</u>	<u>-</u>	<u>-</u>	<u>3,623,777</u>
Total Primary Government.....	<u>\$ 182,646,089</u>	<u>\$ 57,133,396</u>	<u>\$ 35,219,104</u>	<u>\$ 859,926</u>	<u>\$ (89,433,663)</u>
Component Units:					
Hingham Public Library.....	\$ 1,846,504	\$ 1,320	\$ 141,099	\$ -	\$ (1,704,085)
Lincoln Apartments, LLC.....	<u>1,070,093</u>	<u>328,642</u>	<u>1,064,952</u>	<u>-</u>	<u>323,501</u>
Total Component Units	<u>\$ 2,916,597</u>	<u>\$ 329,962</u>	<u>\$ 1,206,051</u>	<u>\$ -</u>	<u>\$ (1,380,584)</u>

(Continued)

See notes to basic financial statements.

**TOWN OF HINGHAM, MASSACHUSETTS
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Hingham Public Library	Lincoln Apartments, LLC (December 31, 2020)
CHANGES IN NET POSITION					
Net (Expense) Revenue (From Previous Page).....	\$ (93,057,440)	\$ 3,623,777	\$ (89,433,663)	\$ (1,704,085)	\$ 323,501
General Revenues:					
Real Estate and Personal Property Taxes.....	89,024,971	-	89,024,971	-	-
Motor Vehicle and Other Excise Taxes.....	4,958,961	-	4,958,961	-	-
Tax Liens.....	282,912	-	282,912	-	-
Meals Tax.....	617,896	-	617,896	-	-
Penalties and Interest on Taxes.....	428,063	-	428,063	-	-
Community Preservation Taxes.....	1,175,785	-	1,175,785	-	-
Grants and Contributions not Restricted to Specific Programs.....	1,801,214	-	1,801,214	-	-
Unrestricted Investment Income.....	292,581	207,191	499,772	764,678	46
Payments from Town of Hingham.....	-	-	-	1,641,130	-
Transfers, Net.....	2,709,552	(2,709,552)	-	-	-
Total General Revenues and Transfers.....	<u>101,291,935</u>	<u>(2,502,361)</u>	<u>98,789,574</u>	<u>2,405,808</u>	<u>46</u>
CHANGE IN NET POSITION	8,234,495	1,121,416	9,355,911	701,723	323,547
Net Position - Beginning of Year, As Restated.....	<u>53,381,432</u>	<u>57,046,794</u>	<u>110,428,226</u>	<u>2,644,255</u>	<u>3,609,492</u>
NET POSITION - END OF YEAR	<u>\$ 61,615,927</u>	<u>\$ 58,168,210</u>	<u>\$ 119,784,137</u>	<u>\$ 3,345,978</u>	<u>\$ 3,933,039</u>

(Concluded)

See notes to basic financial statements.

**TOWN OF HINGHAM, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

ASSETS	General	Community Preservation	Recreation Drive	Sewer Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents.....	\$ 46,474,046	\$ 2,077,126	\$ -	\$ -	\$ 18,635,896	\$ 67,187,068
Investments.....	-	-	-	-	1,097,807	1,097,807
Receivables, Net of Allowance for Uncollectible Amounts:						
Real Estate and Personal Property Taxes.....	2,026,727	-	-	-	-	2,026,727
Tax and Utility Liens.....	901,579	-	-	55,674	-	957,253
Motor Vehicle and Other Excise taxes.....	660,417	-	-	-	-	660,417
Community Preservation Taxes.....	-	9,841	-	-	-	9,841
User Charges.....	-	-	-	2,705,057	-	2,705,057
Special Assessments.....	516,616	-	-	-	-	516,616
Departmental and Other.....	368,821	-	-	-	158,766	527,587
Intergovernmental.....	-	-	-	-	2,029,277	2,029,277
Due from Other Funds.....	6,657,369	-	-	-	20,854	6,678,223
Tax Foreclosures	386,260	-	-	-	-	386,260
Assets Held for Sale.....	-	-	-	-	159,981	159,981
Total Assets.....	\$ 57,991,835	\$ 2,086,967	\$ -	\$ 2,760,731	\$ 22,102,581	\$ 84,942,114
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Warrants Payable.....	\$ 805,002	\$ -	\$ -	191,232	\$ 183,179	\$ 1,179,413
Accrued Payroll.....	3,325,878	-	-	7,792	45,693	3,379,363
Other Liabilities.....	1,503,730	-	-	-	-	1,503,730
Advance Collections - Fees.....	-	-	-	-	824,664	824,664
Unearned Revenue.....	-	-	-	-	1,291,558	1,291,558
Due to Other Funds.....	-	-	298,857	487,557	5,891,809	6,678,223
Short-Term Notes Payable.....	-	3,566,096	3,115,000	-	10,073,804	16,754,900
Total Liabilities.....	5,634,610	3,566,096	3,413,857	686,581	18,310,707	31,611,851
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue.....	4,396,414	9,841	-	2,760,744	-	7,166,999
Taxes Collected in Advance.....	164,104	-	-	-	-	164,104
Total Deferred Inflows of Resources.....	4,560,518	9,841	-	2,760,744	-	7,331,103
FUND BALANCES						
Nonspendable.....	-	-	-	-	35,000	35,000
Restricted.....	-	-	-	-	15,145,879	15,145,879
Committed.....	8,896,397	-	-	-	-	8,896,397
Assigned.....	1,995,459	-	-	-	-	1,995,459
Unassigned.....	36,904,851	(1,488,970)	(3,413,857)	(686,594)	(11,389,005)	19,926,425
Total Fund Balances.....	47,796,707	(1,488,970)	(3,413,857)	(686,594)	3,791,874	45,999,160
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	\$ 57,991,835	\$ 2,086,967	\$ -	\$ 2,760,731	\$ 22,102,581	\$ 84,942,114

See notes to basic financial statements.

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

Total Governmental Fund Balances	\$ 45,999,160
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.....	164,839,010
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.....	7,166,999
In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due.....	(293,288)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds and Notes Payable.....	(44,873,899)
Capital Lease Obligations.....	(769,530)
Workers' Compensation Claims.....	(271,676)
Compensated Absences.....	(1,944,380)
Net OPEB Liability, Net of Deferred Outflows and Inflows of Resources.....	(64,851,152)
Net Pension Liability, Net of Deferred Outflows and Inflows of Resources.....	<u>(43,385,317)</u>
Net Position of Governmental Activities	<u>\$ 61,615,927</u>

See notes to basic financial statements.

**TOWN OF HINGHAM, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2021**

	General	Community Preservation	Recreation Drive	Sewer Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Real Estate and Personal Property Taxes.....	\$ 89,377,528	\$ -	\$ -	\$ -	\$ -	\$ 89,377,528
Motor Vehicle and Other Excise Taxes.....	4,770,538	-	-	-	-	4,770,538
Meals Tax.....	617,896	-	-	-	-	617,896
Tax Liens.....	58,064	-	-	-	-	58,064
Community Preservation Taxes.....	-	1,186,445	-	-	-	1,186,445
Charges for Services.....	2,261,468	-	-	3,430,140	493,162	6,184,770
Intergovernmental.....	11,528,834	321,379	-	-	9,326,091	21,176,304
State Grant for Teachers Pension.....	17,219,932	-	-	-	-	17,219,932
Penalties and Interest on Taxes.....	428,063	-	-	-	-	428,063
Departmental and Other.....	2,282,596	-	-	23,921	4,137,780	6,444,297
Contributions.....	-	-	-	-	570,350	570,350
Investment Income.....	129,451	-	-	-	163,130	292,581
Total Revenues.....	<u>128,674,370</u>	<u>1,507,824</u>	<u>-</u>	<u>3,454,061</u>	<u>14,690,513</u>	<u>148,326,768</u>
EXPENDITURES						
Current:						
General Government.....	5,069,874	-	-	-	6,753,961	11,823,835
Public Safety.....	13,532,563	-	-	-	3,595,443	17,128,006
Education.....	57,149,966	-	-	-	7,431,622	64,581,588
Public Works.....	5,815,933	-	-	3,412,823	1,300,322	10,529,078
Health and Human Services.....	844,138	-	-	-	181,171	1,025,309
Culture and Recreation.....	1,865,789	-	-	-	965,660	2,831,449
Community Preservation.....	-	829,744	-	-	-	829,744
Teachers Pension Benefits - State Funded.....	17,219,932	-	-	-	-	17,219,932
Pension Benefits.....	5,090,917	-	-	-	-	5,090,917
Employee Benefits.....	8,924,254	-	-	-	-	8,924,254
Property and Liability Insurance.....	1,101,934	-	-	-	-	1,101,934
State and County Charges.....	1,035,944	-	-	-	-	1,035,944
Debt Service:						
Principal.....	5,792,923	-	-	-	338,422	6,131,345
Interest.....	1,843,772	90,018	-	13,825	100,496	2,048,111
Total Expenditures.....	<u>125,287,939</u>	<u>919,762</u>	<u>-</u>	<u>3,426,648</u>	<u>20,667,097</u>	<u>150,301,446</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	<u>3,386,431</u>	<u>588,062</u>	<u>-</u>	<u>27,413</u>	<u>(5,976,584)</u>	<u>(1,974,678)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In.....	2,768,052	-	215,000	-	782,146	3,765,198
Transfer Out.....	(546,853)	(394,993)	-	(55,300)	(58,500)	(1,055,646)
Total Other Financing Sources (Uses).....	<u>2,221,199</u>	<u>(394,993)</u>	<u>215,000</u>	<u>(55,300)</u>	<u>723,646</u>	<u>2,709,552</u>
NET CHANGE IN FUND BALANCES.....	<u>5,607,630</u>	<u>193,069</u>	<u>215,000</u>	<u>(27,887)</u>	<u>(5,252,938)</u>	<u>734,874</u>
Fund Balances - Beginning of Year, As Restated.....	<u>42,189,077</u>	<u>(1,682,039)</u>	<u>(3,628,857)</u>	<u>(658,707)</u>	<u>9,044,812</u>	<u>45,264,286</u>
FUND BALANCES - END OF YEAR.....	<u>\$ 47,796,707</u>	<u>\$ (1,488,970)</u>	<u>\$ (3,413,857)</u>	<u>\$ (686,594)</u>	<u>\$ 3,791,874</u>	<u>\$ 45,999,160</u>

See notes to basic financial statements.

TOWN OF HINGHAM, 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 Funds.....	\$	734,874
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts represent the related activity of the current period.</p>		
Capital Outlays.....		8,614,845
Depreciation.....		(7,587,806)
<p>In the statement of activities, the gain or loss on the disposals of capital assets is reported, whereas in the governmental funds the disposals are not reported as financial resources. As a result, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed.....</p>		
		(23,474)
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.....</p>		
		(1,605,839)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts represent the related activity of the current period.</p>		
Bond Maturities.....		6,131,345
Amortization of Bond Premiums.....		525,430
Capital Lease Maturities.....		213,926
<p>In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable.....</p>		
		56,316
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These amounts represent the net changes:</p>		
Workers' Compensation.....		(14,296)
Compensated Absences.....		(26,461)
Net OPEB Liability, Net.....		(1,107,746)
Net Pension Liability, Net.....		2,323,381
		8,234,495
Changes in Net Position of Governmental Activities.....	\$	8,234,495

See notes to basic financial statements.

**TOWN OF HINGHAM, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF FUND NET POSITION
JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			
ASSETS	South Shore Country Club	Lighting Plant (December 31, 2020)	Weir River Water System	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents.....	\$ 2,639,074	\$ 30,741,788	\$ 10,999,744	\$ 44,380,606
Investments.....	-	2,782,499	-	2,782,499
Receivables, Net of Allowance for Uncollectible Amounts:				
User Charges.....	-	2,483,406	3,464,082	5,947,488
Departmental and Other.....	-	1,141,440	-	1,141,440
Inventory.....	-	1,111,121	-	1,111,121
Purchase Power Advance Deposits.....	-	2,427,303	-	2,427,303
Total Current Assets.....	2,639,074	40,687,557	14,463,826	57,790,457
Noncurrent Assets:				
Investment in Energy Providers.....	-	362,115	-	362,115
Capital Assets not being Depreciated.....	7,160,328	748,086	12,866,326	20,774,740
Capital Assets, Net of Accumulated Depreciation.....	4,025,407	25,682,354	96,687,654	126,395,415
Total Noncurrent Assets.....	11,185,735	26,792,555	109,553,980	147,532,270
Total Assets.....	13,824,809	67,480,112	124,017,806	205,322,727
DEFERRED OUTFLOWS OF RESOURCES				
Pension related.....	73,506	1,206,923	-	1,280,429
OPEB related.....	-	514,794	-	514,794
Total Deferred Inflows.....	73,506	1,721,717	-	1,795,223
LIABILITIES				
Current Liabilities:				
Warrants Payable.....	104,302	2,016,145	452,118	2,572,565
Accrued Liabilities.....	19,877	197,729	2,173	219,779
Other Liabilities.....	-	1,459,089	-	1,459,089
Accrued Interest.....	-	-	1,260,574	1,260,574
Compensated Absences.....	39,304	-	-	39,304
Short-Term Notes Payable.....	2,588,752	-	2,700,000	5,288,752
Long-Term Bonds and Notes Payable.....	-	-	2,488,701	2,488,701
Total Current Liabilities.....	2,752,235	3,672,963	6,903,566	13,328,764
Noncurrent Liabilities:				
Customer Deposits.....	-	1,772,803	-	1,772,803
Net OPEB Liability.....	-	1,306,795	-	1,306,795
Net Pension Liability.....	1,114,658	3,586,293	-	4,700,951
Long-Term Bonds and Notes Payable.....	-	-	117,498,636	117,498,636
Total Noncurrent Liabilities.....	1,114,658	6,665,891	117,498,636	125,279,185
Total Liabilities.....	3,866,893	10,338,854	124,402,202	138,607,949
DEFERRED INFLOWS OF RESOURCES				
Rate Stabilization Reserve.....	-	8,792,144	-	8,792,144
Pension Related.....	277,080	747,333	-	1,024,413
OPEB Related.....	-	525,234	-	525,234
Total Deferred Inflows.....	277,080	10,064,711	-	10,341,791
FUND NET POSITION				
Net Investment in Capital Assets.....	10,731,607	26,430,440	(3,554,491)	33,607,556
Restricted for:				
Depreciation.....	-	15,746,555	-	15,746,555
Unrestricted.....	(977,265)	6,621,269	3,170,095	8,814,099
Total Net Position.....	\$ 9,754,342	\$ 48,798,264	\$ (384,396)	\$ 58,168,210

See notes to basic financial statements.

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

	Business-Type Activities - Enterprise Funds			
	South Shore Country Club	Hingham Municipal Lighting Plant (December 31, 2020)	Weir River Water System	Total
OPERATING REVENUES				
Charges for Services.....	\$ 2,010,129	\$ 30,579,042	\$ 12,346,899	\$ 44,936,070
Other.....	-	137,807	-	137,807
Total Operating Revenues.....	<u>2,010,129</u>	<u>30,716,849</u>	<u>12,346,899</u>	<u>45,073,877</u>
OPERATING EXPENSES				
Program Expenses.....	82,535	21,819,607	4,370,967	26,273,109
Administrative and General Salaries and Wages.....	843,582	351,714	107,392	1,302,688
Pension Benefits Adjustments.....	(115,216)	-	-	(115,216)
Grounds and Custodial Expenses.....	243,912	1,357,311	211,591	1,812,814
Other Administrative Expenses.....	110,420	2,329,090	187,428	2,626,938
Facilities Expenses.....	112,452	342,850	1,021,149	1,476,451
Depreciation.....	221,515	3,227,283	1,805,712	5,254,510
Total Operating Expenses.....	<u>1,499,200</u>	<u>29,427,855</u>	<u>7,704,239</u>	<u>38,631,294</u>
OPERATING INCOME (LOSS)	<u>510,929</u>	<u>1,288,994</u>	<u>4,642,660</u>	<u>6,442,583</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income.....	107	196,211	10,874	207,192
Interest Expense.....	(13,213)	(2,603)	(2,802,991)	(2,818,807)
Total Nonoperating Revenues (Expenses), Net.....	<u>(13,106)</u>	<u>193,608</u>	<u>(2,792,117)</u>	<u>(2,611,615)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>497,823</u>	<u>1,482,602</u>	<u>1,850,543</u>	<u>3,830,968</u>
Transfers Out.....	-	(474,613)	(2,234,939)	(2,709,552)
CHANGE IN FUND NET POSITION	497,823	1,007,989	(384,396)	1,121,416
Fund Net Position - Beginning of Year.....	<u>9,256,519</u>	<u>47,790,275</u>	<u>-</u>	<u>57,046,794</u>
FUND NET POSITION - END OF YEAR	<u>\$ 9,754,342</u>	<u>\$ 48,798,264</u>	<u>\$ (384,396)</u>	<u>\$ 58,168,210</u>

See notes to basic financial statements.

**TOWN OF HINGHAM, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			
	South Shore Country Club	Hingham Municipal Lighting Plant (December 31, 2020)	Weir River Water System	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users.....	\$ 2,010,129	\$ 30,090,213	\$ 8,882,817	\$ 40,983,159
Payments to Vendors.....	(1,183,880)	(20,122,407)	(5,339,017)	(26,645,304)
Payments to Employees.....	(121,568)	(3,171,166)	(105,219)	(3,397,953)
Net Cash Provided (Used) by Operating Activities.....	<u>704,681</u>	<u>6,796,640</u>	<u>3,438,581</u>	<u>10,939,902</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Out.....	-	(474,613)	(2,234,939)	(2,709,552)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from the Issuance of Bonds and Notes.....	2,588,752	-	122,991,038	125,579,790
Acquisition and Construction of Capital Assets.....	(193,788)	(1,661,559)	(111,359,692)	(113,215,039)
Principal Payments on Bonds and Notes.....	(528,503)	-	-	(528,503)
Interest Paid.....	(13,213)	(2,603)	(1,846,118)	(1,861,934)
Net Cash Provided (Used) by Capital and Related Financing Activities.....	<u>1,853,248</u>	<u>(1,664,162)</u>	<u>9,785,228</u>	<u>9,974,314</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sales and Maturities of Investments.....	-	178,569	-	178,569
Investment Income.....	107	196,211	10,874	207,192
Net Cash Provided by Investing Activities.....	<u>107</u>	<u>374,780</u>	<u>10,874</u>	<u>385,761</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	2,558,036	5,032,645	10,999,744	18,590,425
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	81,038	25,709,143	-	25,790,181
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ <u>2,639,074</u>	\$ <u>30,741,788</u>	\$ <u>10,999,744</u>	\$ <u>44,380,606</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income (Loss).....	\$ 510,929	\$ 1,288,994	\$ 4,642,660	\$ 6,442,583
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities not Requiring Current Cash Flows:				
Depreciation.....	221,515	3,227,283	1,805,712	5,254,510
Net OPEB Liability.....	-	176,646	-	176,646
Rate Stabilization Reserve.....	-	1,835,742	-	1,835,742
Net Pension Liability.....	(194,708)	(177,457)	-	(372,165)
Deferred Outflows of Resources Related to Pensions.....	58,732	102,086	-	160,818
Deferred Inflows of Resources Related to Pensions.....	20,760	346,200	-	366,960
Deferred Outflows of Resources Related to OPEB.....	-	(191,604)	-	(191,604)
Deferred Inflows of Resources Related to OPEB.....	-	454,653	-	454,653
Effect of Changes in Operating Assets and Liabilities:				
Investment in Energy Providers.....	-	55	-	55
User Charges.....	-	(145,195)	(3,464,082)	(3,609,277)
Departmental and Other.....	-	(419,225)	-	(419,225)
Other Assets.....	-	71,003	-	71,003
Inventory.....	-	(76,449)	-	(76,449)
Purchased Power Advances Deposits.....	-	(56,825)	-	(56,825)
Warrants Payable.....	93,805	16,019	452,118	561,942
Accrued Liabilities.....	1,758	(285,024)	2,173	(281,093)
Other Liabilities.....	-	592,759	-	592,759
Customer Deposits.....	-	36,979	-	36,979
Compensated Absences.....	(8,110)	-	-	(8,110)
Total Adjustments.....	<u>193,752</u>	<u>5,507,646</u>	<u>(1,204,079)</u>	<u>4,497,319</u>
Net Cash Provided (Used) by Operating Activities.....	<u>\$ 704,681</u>	<u>\$ 6,796,640</u>	<u>\$ 3,438,581</u>	<u>\$ 10,939,902</u>

See notes to basic financial statements.

**TOWN OF HINGHAM, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

ASSETS	Pension and Other Postemployment Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
Cash and Cash Equivalents.....	\$ 3,262,107	\$ 9,417	\$ 18,091
Investments:			
Equities and Equity Mutual Funds.....	-	5,167,250	-
Fixed Income Securities and Mutual Funds.....	-	2,126,455	-
External Investment Pool (PRIT).....	167,013,655	-	-
Receivables, Net of Allowance for Uncollectible Amounts:			
Departmental and Other.....	34,745	-	-
Total Assets.....	<u>170,310,507</u>	<u>7,303,122</u>	<u>18,091</u>
LIABILITIES			
Warrants Payable.....	11,974	-	-
Taxes Collected for Other Governments.....	-	-	18,091
Total Liabilities.....	<u>11,974</u>	<u>-</u>	<u>18,091</u>
NET POSITION			
Restricted for:			
Pensions.....	146,890,346	-	-
Postemployment Benefits Other Than Pensions.....	23,408,187	-	-
Individuals, Organizations and Other Governments.....	-	7,303,122	-
Total Net Position.....	<u>\$ 170,298,533</u>	<u>\$ 7,303,122</u>	<u>\$ -</u>

See notes to basic financial statements.

**TOWN OF HINGHAM, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

	Pension and Other Postemployment Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Employer.....	\$ 10,605,024	\$ -	\$ -
Plan Members.....	3,239,741	-	-
Private Donations.....	-	64,038	-
Total Contributions.....	<u>13,844,765</u>	<u>64,038</u>	<u>-</u>
Net Investment Income:			
Net Change in Fair Value of Investments.....	18,352,049	1,801,490	-
Interest.....	2,982,612	-	-
Total Investment Income.....	<u>21,334,661</u>	<u>1,801,490</u>	<u>-</u>
Less: Investment Expense.....	<u>(758,278)</u>	<u>-</u>	<u>-</u>
Net Investment Income.....	<u>20,576,383</u>	<u>1,801,490</u>	<u>-</u>
Intergovernmental.....	52,560	-	-
Transfers from Other Systems.....	677,275	-	-
Taxes Collected for Other Governments.....	-	-	28,213
Total Additions.....	<u>35,150,983</u>	<u>1,865,528</u>	<u>28,213</u>
DEDUCTIONS			
Administration.....	111,678	-	-
Retirement Benefits and Refunds.....	10,113,933	-	-
Other Postemployment Benefits.....	3,662,794	-	-
Transfers to Other Systems.....	542,127	-	-
Scholarships Awarded.....	-	247,850	-
Payments of Taxes to Other Governments.....	-	-	28,213
Total Deductions.....	<u>14,430,532</u>	<u>247,850</u>	<u>28,213</u>
CHANGE IN NET POSITION	<u>20,720,451</u>	<u>1,617,678</u>	<u>-</u>
Net Position - Beginning of Year.....	<u>149,578,082</u>	<u>5,685,444</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ 170,298,533</u>	<u>\$ 7,303,122</u>	<u>\$ -</u>

See notes to basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. General**

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

B. Reporting Entity

The Town was incorporated in 1635 under the statutes of the Commonwealth of Massachusetts (the "Commonwealth"). The Town is a municipal corporation governed by an elected Select Board.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. Three entities have been included as component units in the reporting entity, because of the significance of its operational and/or financial relationship.

Component Unit Presented as a Fiduciary Fund – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of the relationship between the Town and the component unit.

Fiduciary Fund Component Units

- (1) The Hingham Contributory Retirement System ("System") was established to provide retirement benefits to Town employees, the Hingham Housing Authority employees, and the South Shore Regional Emergency Communication Center employees, and their beneficiaries. Board members of the Retirement System consist of two elected members, who are employees or retirees within the system and who are elected by the members-in-service and retirees, an ex-officio member who is a member by virtue of holding the office of Town Accountant, and an appointed member who is chosen by the Select Board. The remaining four members select the fifth member of the Board. The System is presented using the accrual basis of accounting and is reported in the pension and other postemployment benefits trust funds in the fiduciary fund financial statements.
- (2) The Hingham Other Postemployment Benefits Trust Fund ("Fund") was established to accumulate resources to provide post-retirement benefits other than pensions to retirees and their beneficiaries. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Fund. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Fund is presented using the accrual basis of accounting and is reported in the pension and other postemployment benefits trust funds in the fiduciary fund financial statements.

Discretely Presented Component Units – Discretely presented component units are entities that are legally separate from the Town, but are financially accountable to the Town, or whose relationships with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town has included the following Discretely Presented Component Units:

- (3) The Hingham Public Library is a private non-profit corporation that operates a library for the Town of Hingham residents. The Board of Trustees for the Hingham Public Library consists of the members of the corporation, the superintendent of schools of the Town, the treasurer of the Town, a member of the Select Board, and five residents of which three are appointed by the Select Board and two are appointed by the Town Moderator. The library is financially accountable to the Town as a result of fiscal dependency and a financial burden relationship since the Town provides substantial financial support each year. The Town has the authority to approve and modify the budget of the library.
- (4) The Lincoln Apartments, LLC, a Massachusetts limited liability company, is owned by its sole member, the Town of Hingham, through the Hingham Affordable Housing Trust. The Select Board appoints all trustees. The LLC operates affordable housing for Hingham residents at the Lincoln School Apartment building owned by the Town. The affordable housing program is subsidized by the U.S. Department of Housing and Urban Development (HUD). Under the terms of a 30 year lease agreement, Lincoln Apartments, LLC will pay the Town an annual base rent equal to the debt service on the bonds issued by the Town to finance the building plus "Cash Flow Rent" and "Additional Rent" as defined in the Agreement. The LLC is financially accountable to the Town through the appointment of the trustees, the Town is the sole owner of the LLC and the LLC is responsible to pay rent equal to the debt service on the bonds.

Availability of Financial Information for Component Units, Lighting Plant Enterprise Fund, and Joint Venture

The Hingham Contributory Retirement System did not issue a separately audited financial statement. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by writing to the Hingham Retirement Board, 210 Central Street, Hingham, MA 02043.

The Hingham Other Postemployment Benefits Trust Fund does not issue a publicly available financial report that includes financial statements and related notes. The Fund is included as a pension and other postemployment benefits trust fund in the fiduciary fund financial statements. Additional note disclosures can be found at Note 17.

The Hingham Public Library issues an unaudited publicly available financial report that includes financial statements and related notes. Further information about the Public Library can be obtained from the Library's administrative offices, at 66 Leavitt Street, Hingham, MA 02043.

The Lincoln Apartments, LLC issues a publicly available financial report that includes financial statements and supplementary information. Copies of these financial statements may be obtained by writing to the Board of Managers, C/O the Hingham Affordable Housing Trust, 210 Central Street, Hingham, MA 02043.

The Hingham Municipal Lighting Plant issues a publicly available financial report that includes financial statements and required supplemental information. Copies of these financial statements may be obtained by writing to the Hingham Municipal Lighting Plant, 31 Bare Cove Park Drive, Hingham, MA 02043-2685.

Joint Venture - The Town has entered into a joint venture for the South Shore Regional Emergency Communications Center (SSRECC) along with the Towns of Cohasset, Hull, and Norwell to pool resources and share costs, risks, and rewards of operating a regional 911 call center. The Center became operational as of January 1, 2012, and the Town's 2021 assessment totaled \$896,364. Since the assets of the SSRECC were acquired with State grants there is currently no significant equity interest accruing to the member communities. The annual assessments are based on and equal to the operating costs of the Center. The SSRECC issues a publicly available financial report that includes its financial statements. Copies of these financial statements may be obtained by writing to the SSRECC's Executive Director, 210 Central Street, Hingham, MA 02043.

C. Implementation of New Accounting Principles

For the year ended June 30, 2021, the Town implemented GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*. The implementation of GASB Statement No. 84 resulted in certain activities formerly reported within the agency fund to be reported within the *custodial fund* of the fiduciary funds statement of net position and statement of changes in net position. In addition, certain activities formerly reported within the agency fund are reported as governmental activities in the government-wide statement of net position and statement of activities. Such activities are also reported in *nonmajor governmental funds* in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balance. As a result, the Town has restated its 2020 beginning net position and fund balance to reflect the implementation of this statement. The effect of the change in accounting principle is as follows:

	Governmental Activities	Nonmajor Governmental Funds
Net Position/Fund Balance, June 30, 2020, as previously reported.....	\$ 52,063,595	\$ 7,726,975
Cumulative Affects of Restatements:		
Implementation of GASB Statement No. 84.....	1,317,837	1,317,837
Net Position/Fund Balance, June 30, 2020, as restated.....	\$ 53,381,432	\$ 9,044,812

The implementation of GASB Statement No. 98 changed the name of this report to the Annual Comprehensive Financial Report (ACFR). GASB Statement No. 90 had no reporting impact for the Town.

D. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

Fiduciary funds are reported by fund type.

E. Measurement Focus, Basis of Accounting and Basis of Presentation

Government-Wide Financial Statements

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

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

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

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

Except for charges between the general fund and enterprise funds, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental funds financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the amounts have matured or are due and payable.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual criteria" is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

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

The *community preservation* fund is a special revenue fund used to account for all activity related to community preservation. The fund is financed primarily by real estate tax surcharges and intergovernmental revenues.

The *recreation drive* fund is a capital project fund used to account for recreational land acquisition and improvements.

The *sewer maintenance* fund is a special revenue fund used to account for the sewer system.

The nonmajor governmental funds consist of other special revenue, capital project 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:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

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

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

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

The following major proprietary funds are reported:

The *South Shore Country Club* manages and operates a recreational complex which primarily includes a municipal golf course in the Town of Hingham.

The *Hingham Municipal Lighting Plant* is used to account for the operations of the municipal lighting plant's activities.

The *Weir River Water System* is used to account for the operations of the Weir River Water System; the Town-owned water distribution network serving the Town of Hingham, Town of Hull, and Town of Cohasset.

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

The following fiduciary fund types are reported:

The *pension and other postemployment benefits trust funds* are used to account for the activities of the Hingham Contributory Retirement System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries. The funds are also used to accumulate resources to provide funding for future OPEB liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trust funds have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings. The Town's educational scholarships are accounted for in this fund.

The *custodial fund* is used to account for assets held in a purely custodial capacity. The Town's custodial fund consists of fees collected on behalf of other governments.

F. Cash and Investments

Government-Wide and Fund Financial Statements

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

Investments are carried at fair value, net asset value (NAV) or amortized cost, as further described in Note 4.

G. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate Taxes, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed annually after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

A statewide limitation statute known as "Proposition 2 ½" limits the annual property tax levy increases to an amount equal to 2 ½% of the value of all taxable property in the Town, plus taxes levied on property newly added to the tax rolls. Certain Proposition 2 ½ taxing limitations can be overridden by a Town wide referendum vote.

Although the Hingham Municipal Lighting Plant is exempt from property taxes, they pay amounts in lieu of taxes to the Town of Hingham. The Weir River Water System's property taxes paid to the Town of Hingham are reported as "Transfers Out".

Motor Vehicle Excise Taxes

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

User Charges

User charges and liens consist primarily of amounts due from residents for the providing of services by various departments including the Hingham Municipal Lighting Plant and Weir River Water System.

Departmental and Other

Departmental and other receivables consist primarily of police and fire details and are recorded as receivables in the year in which the service is performed.

Special Assessments

Special Assessments consist of apportioned and unapportioned sewer betterments assessed to homeowners whose properties were improved through Town-run construction projects.

Intergovernmental

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

H. Allowance for Uncollectible Amounts

The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis for the following accounts receivable:

- Personal property taxes
- Motor vehicle and other excise taxes
- Departmental and other (includes allowance for ambulance accounts receivable)
- User Charges

The following types of accounts receivable are secured via the lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible amounts is not reported.

- Real estate taxes and tax liens
- Special assessments

Intergovernmental receivables are considered 100% collectible.

I. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

Materials and supplies held by the Municipal Lighting Plant are generally recorded at cost, using the weighted average method.

J. Capital Assets

Government-Wide and Proprietary Funds Financial Statements

Capital assets, which include land, construction in process, land improvements, buildings, building improvements, plant in service, machinery and equipment, infrastructure (e.g., roads, street lights, sewer mains, and similar items), and network are reported in the applicable governmental or business-type activity column of the government-wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost, when actual historical cost could not be determined. Donated capital assets; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

For the Town of Hingham capital assets are defined as all purchases and construction costs in excess of \$5,000 which are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than three years.

Capital assets (excluding land and construction in progress) are depreciated over the estimated useful lives using the straight-line method. The estimated useful lives of capital assets being depreciated are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	10-30
Buildings.....	35
Building improvements.....	10-20
Plant in service.....	30-40
Machinery and equipment.....	3-20
Infrastructure.....	50

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

The statutory provision for depreciation of utility plant is computed on the straight-line method at three percent of cost of plant in service at the beginning of the year, exclusive of land and land rights. Therefore, no depreciation is taken in the year of plant additions. Massachusetts’ law stipulates that the Hingham Municipal Lighting Plant may change from the statutory depreciation rate only with the approval of the Department of Telecommunications & Energy (DTE). The Hingham Municipal Lighting Plant has consistently used a rate of 3.0%, which approximates GAAP. The Hingham Municipal Lighting Plant charges maintenance to expense when incurred. Replacements and betterments are charged to the utility plant.

Governmental Funds Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

K. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net 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 reported deferred outflows of resources related to pensions and OPEB in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has recorded advance tax collections and a rate stabilization reserve as deferred inflows of resources in the government-wide statement of net position. The Town has also reported deferred inflows of resources related to pensions and OPEB in this category.

Governmental Fund Financial Statements

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

L. *Interfund Receivables and Payables*

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

M. *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.

Government-Wide Financial Statements

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

Fund Financial Statements

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

N. *Unavailable Revenue*

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

O. Unearned Revenue

Unearned revenue is presented in the governmental-wide statement of net position and governmental funds balance sheet and represents federal grants received by the Town in advance of meeting eligibility requirements for revenue recognition.

P. Net Position and Fund Balances

Government-Wide and Proprietary Funds Financial Statements (Net Position)

Net position represents the residual difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources.

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 assets. Outstanding debt related to future reimbursements from the state’s school building program is not considered to be capital related debt.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted” for the following:

“Depreciation” – represents amounts restricted in the Electric department for the statutory reserve for funded depreciation.

“Permanent funds - expendable” represents the amount of realized and unrealized investment earnings of donor restricted funds. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted funds.

“Grants and gifts” represents amounts held for school grants, and other grants and gift funds.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Governmental Funds Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments’ or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision making authority that can, by Town Meeting vote of a Special Article, commit funds for a specific purpose. Once voted, the limitation imposed of the Special Article remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Town’s by-laws authorize the Town Accountant to assign portions of fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has 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. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation.

Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

Q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the Hingham Contributory Retirement System and the Massachusetts Teachers Retirement System and additions to/deductions from the System’s fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, net asset value (NAV), or amortized cost as further described in Note 4.

R. Other Postemployment Benefits (OPEB)

In addition to providing pension benefits, and as more fully described in Note 17, the Town provides health, dental and life insurance coverage for current and future retirees and their spouses.

S. Long-term DebtGovernment-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

T. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Compensated absences are reported in the governmental funds only if they have matured, i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement. Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

U. Investment Income

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

V. Use of EstimatesGovernment-Wide and Fund Financial Statements

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

W. Total Column**Government-Wide Financial Statements**

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

Fund Financial Statements

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved at the Annual Town Meeting. The Town has an advisory committee that submits reports on proposed appropriations at Town Meetings. The appropriated budget is prepared by fund, function and department. Transfers of appropriations among departments require the approval of Town Meeting.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds vote of the Select Board and written approval from the Massachusetts Department of Revenue. An annual budget is adopted for the general fund in conformity with the guidelines described above.

The original 2021 general fund and community preservation fund budgets consisted of \$114,163,281 and \$927,330, respectively, in appropriations and other amounts to be raised, including \$1,885,248 in the general fund for amounts carried over from previous years. During 2021, the Town authorized supplemental appropriations for the general fund totaling \$2,011,298, for a total budget of \$116,174,579.

The Accounting Office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

B. Fund Deficits

At June 30, 2021, the following governmental fund deficits exist:

Fund	Amount	Funding Source
Major Governmental Funds:		
Recreation Drive.....	\$ 3,413,857	Issuance of Long-Term Debt
CPA Fund.....	1,488,970	Issuance of Long-Term Debt
Sewer Maintenance.....	686,594	Available Funds
Nonmajor Governmental Funds:		
Other capital projects.....	7,463,791	Issuance of Long-Term Debt
Town Grants.....	1,980,898	State and Federal Grants
High School Fields.....	717,259	Issuance of Long-Term Debt
Sewer Capital.....	376,266	Issuance of Long-Term Debt
Middle School Building Project.....	369,146	Issuance of Long-Term Debt
New Elementary School.....	244,738	Issuance of Long-Term Debt
Plymouth River School Improvements.....	236,907	Issuance of Long-Term Debt
Total Nonmajor Governmental Funds.....	<u>11,389,005</u>	
Total Governmental Funds.....	<u>\$ 16,978,426</u>	

NOTE 3 - AFFORDABLE HOUSING TRUST

In January 2009 the Town entered into a lease agreement with Lincoln Apartments, LLC, a Massachusetts limited liability company that operates affordable housing for Hingham residents at the Lincoln School Apartments. The affordable housing program is subsidized by the U.S. Department of Housing and Urban Development (HUD). Under the terms of the 30 year lease agreement, Lincoln Apartments, LLC will pay the Town an annual base rent equal to the debt service on the bonds used by the Town to finance the Premises plus “Cash Flow Rent” and “Additional Rent” as defined in the Agreement.

In 2013, the Town borrowed \$200,000 to contribute to Lincoln Apartments, LLC’s property replacement reserve account. This amount will be repaid throughout the remaining life of the rental agreement (fiscal year 2033) as additional rent under the terms of the agreement. As of June 30, 2021, the remaining balance owed to the Town is \$133,332; which is based upon the remaining scheduled debt service payments of equal installments.

NOTE 4 - CASH AND INVESTMENTS

General - Town and Pension Trust

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 the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U. S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer’s Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth. The Town Treasurer is responsible for adhering to these statutes, and at June 30, 2021 the Town is in compliance with these requirements.

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

The System participates in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares.

Town policy provides that up to 100% of available cash may be invested in the State Treasurer’s pooled fund. Investment in a single institution may not exceed 10% of the institution’s capital and surplus position as of the most recent quarterly data available to the Town Treasurer. Investment in a single institution (other than MMDT) may not exceed 25% of the total cash balance at any time. The Town treasurer shall subscribe to information reports from a recognized bank rating company. Direct investment in an institution shall be restricted to those ranked in the upper half of rating categories utilized by the Town unless the Town Treasurer obtains additional adequate security for the investment or otherwise determines and documents in writing that the rating provided does not properly reflect the strength of the institution. Maintenance of disbursement or other types of accounts at an institution below a mid-range rating shall be limited, to the maximum extent possible, to a balance below \$100,000. When the rating falls to a “warning stage” or when more than one-half of the institution’s capital and surplus has been lost in a 12-month period, any accounts shall be closed forthwith.

The following table reconciles total Town cash and investments as reported in the financial statements to presentation of these same amounts in the Notes to Basic Financial Statements:

	Primary Government		Fiduciary Funds				Totals	
	Governmental Activities	Business-Type Activities	Pension and Other Postemployment Benefits Trust Funds		Other Fiduciary Funds			
			Other Postemployment Benefits Trust Fund	Pension Trust (As of 12/31/20)	Subtotal Pension and Other Postemployment Benefits Trust Funds	Private Purpose Trust Funds		Custodial Fund
Cash and Cash Equivalents.....	\$ 67,187,068	\$ 44,380,606	\$ 2,337,275	\$ 924,832	\$ 3,262,107	\$ 9,417	\$ 18,091	\$ 114,857,289
Investments.....	1,097,807	2,782,499	21,070,912	145,942,743	167,013,655	7,293,705	-	178,187,666
Total.....	\$ 68,284,875	\$ 47,163,105	\$ 23,408,187	\$ 146,867,575	\$ 170,275,762	\$ 7,303,122	\$ 18,091	\$ 293,044,955
Carrying value of cash:								
Primary Government.....	48,593,981							
Pension Trust.....		924,832						
Investments Considered Cash & Cash Equivalents:								
Money Market Mutual Funds.....	891,266							
External Investment Pool MMDT.....	64,447,210							
Cash and Cash Equivalents.....	114,857,289							
U.S. Treasury Securities.....	251,296							
Equity Mutual Funds.....	5,103,099							
Fixed Income Mutual Funds.....	2,269,603							
Equity Securities.....	609,106							
PRIT Investments.....	167,013,655							
Certificates of Deposit.....	2,782,499							
Corporate Bonds.....	158,408							
Investments.....	178,187,666							
Total Cash, Cash Equivalents and Investments.....	\$ 293,044,955							

Deposits and Investments – Town (Excluding Pension Trust)

Deposits - Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town policy for mitigating custodial credit risk is that the Town will not have on deposit amounts exceeding 10% of capital and surplus unless those deposits carry full FDIC insurance or are collateralized. In addition, it is the Town's policy that at no time shall any single bank or bank holding company hold an excess of 25% of the cash balance under the control of the Treasurer at any time.

At the respective year-ends of the Town and the Municipal Light Plant, the carrying amount (book value) of deposits totaled \$48,593,982 and the bank balances (as of June 30, 2021 for the Town and as of December 31, 2020 for the Municipal Light Plant) totaled \$53,685,903. Of the bank balance, \$2,250,000 was covered by Federal Depository Insurance, \$10,673,834 was covered by the Depositors Insurance Fund, \$5,523,932 was collateralized, and \$35,238,137 was exposed to custodial credit risk because it was uninsured and uncollateralized. The uncollateralized balances are deposits in three separate well-known banks offering municipal services that are monitored by the Town Treasurer as described above. These deposits are not in violation of Town policy.

Investments Summary

The Town's investments at June 30, 2021 are presented as follows:

Investment Type	Total Amount	Investment Maturities (in Years)		
		Less Than 1	1 - 5	5-10
<u>Debt Securities:</u>				
U.S. Treasury Securities.....	\$ 251,296	\$ 20,141	\$ 145,554	\$ 85,601
Money Market Mutual Funds.....	891,266	891,266	-	-
Fixed Income Mutual Funds.....	2,269,603	2,269,603	-	-
Certificates of Deposit.....	2,782,499	2,782,499	-	-
Corporate Bonds.....	158,408	-	52,814	105,594
External Investment Pool MMDT.....	64,447,210	64,447,210	-	-
Total Debt Securities.....	70,800,282	\$ 70,410,719	\$ 198,368	\$ 191,195
<u>Other Investments:</u>				
Equity Securities.....	609,106			
Equity Mutual Funds.....	5,103,099			
PRIT Investments -OPEB Trust.....	21,070,912			
Total Investments - Town	\$ 97,583,399			

Investments - Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Town's investment policy is to follow state statutes, which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Investments - Custodial Credit Risk

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party.

As of June 30, 2021, the Town's investments were not exposed to custodial credit risk.

The Town will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities listed in the Statutory Authority section of the Town's Investment Policy; and obtaining necessary documentation (e.g. broker certification forms and documentation of perfected security interests in pledged collateral) from the financial institutions, broker/dealers, intermediaries and advisors, as applicable, with which the Town will do business in accordance with this Investment Policy. Some of this risk will be managed requiring that the above referenced financial institutions, broker/dealers, intermediaries and advisors have Securities Investor Protection Corporation (SIPC) and excess SIPC Coverage.

Investments - Credit Risk of Debt Securities

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to meet its obligations. The Treasurer's policy for credit risk requires all financial institutions wishing to do business with the Town to read the Town's Investment Policy and agree to comply with it. This policy requires minimum standards of credit worthiness as well as guidance for the types of investment allowed.

The Town has disclosed the credit ratings of its investments in accordance with GASB Statement No. 40. At June 30, 2021 the Town's investments in U.S. Treasury Securities were rated AAA. At June 30, 2021, the Town's investments in Corporate Bonds of \$27,067 were rated AAA, \$57,610 were rated AA, \$52,814 were rated A, and \$20,917 were rated BBB. The Town's investments in money market mutual funds, fixed income mutual funds, external investment pools, and certificates of deposit were unrated at June 30, 2021.

Investments - Concentration of Credit Risk

The Town has adopted a formal policy to mitigate concentration of credit risk by mandating that the town may not at any one time have on deposit in a bank or trust company an amount exceeding 10% of the capital and surplus of that institution unless the deposits are fully collateralized.

The Town does not have any investments in any one issuer that represents 5% or more of its total investments requiring disclosure in these financial statements.

Investments - Fair Value Measurements

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

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

The Town has the following recurring fair value measurements as of June 30, 2021:

Investment Type	Total Amount	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments Measured by Fair Value Level</u>				
U.S. Treasury Securities.....	\$ 251,296	\$ 251,296	\$ -	\$ -
Equity Securities.....	609,106	609,106	-	-
Equity Mutual Funds.....	5,103,099	5,103,099	-	-
Corporate Bonds.....	158,408	-	158,408	-
Fixed Income Mutual Funds.....	2,269,603	-	2,269,603	-
Total Investments at Fair Value.....	8,391,512	\$ 5,963,501	\$ 2,428,011	\$ -
<u>Investments Measured at Amortized Cost:</u>				
Money Market Mutual Funds.....	891,266			
Certificates of Deposit.....	2,782,499			
External Investment Pool MMDT.....	64,447,210			
Total Investments Measured at Amortized Cost.....	68,120,975			
Total Investments Measured by Fair Value Level.....	76,512,487			
<u>Investments Measured at Net Asset Value (NAV):</u>				
PRIT Investments - OPEB Trust.....	21,070,912			
Total Investments - Town	\$ 97,583,399			

U.S. Treasury securities, equity securities, and equity mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income mutual funds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

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

Deposits and Investments - Pension Trust Fund - Hingham Contributory Retirement System (System)

Deposits - Custodial Credit Risk

At December 31, 2020 the carrying amount (book value) of the Retirement System's deposits totaled \$924,832; which equaled the bank balance. The bank balance was fully insured by Federal Depository Insurance.

Investments - Custodial Credit Risk

At December 31, 2020, the System’s \$145,942,743 investment in PRIT is not subject to custodial credit risk exposure because it is not evidenced by securities that exist in physical or book-entry form.

Investments - Concentration of Credit Risk

As of December 31, 2020, the Retirement System had investments in PRIT’s general allocation fund; which are not subject to concentration of credit risk.

Investments - Fair Value Measurements

The retiree pension defined benefit plan holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the plan’s activities, the plan shows greater disaggregation in its disclosures.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

PRIT Investments are valued using the net asset value (NAV) method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool’s shares. The System does not have the ability to control any of the investment decisions relative to its funds in PRIT.

NOTE 5 - ACCOUNTS RECEIVABLE

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real Estate and Personal Property Taxes.....	\$ 2,026,727	\$ -	\$ 2,026,727
Tax and Utility Liens.....	957,253	-	957,253
Motor Vehicle and Other Excise Taxes.....	660,417	-	660,417
Community Preservation Taxes.....	9,841	-	9,841
User charges.....	2,705,057	-	2,705,057
Special Assessments.....	516,616	-	516,616
Departmental and Other.....	1,541,479	(1,013,892)	527,587
Intergovernmental.....	2,029,277	-	2,029,277
	<u>\$ 10,446,667</u>	<u>\$ (1,013,892)</u>	<u>\$ 9,432,775</u>

At June 30, 2021 and December 31, 2020 respectively, receivables for the Weir River Water System and Hingham Municipal Light Plant enterprise funds, respectively, consisted of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
<i>Hingham Municipal Lighting Plant</i>			
User Charges.....	\$ 2,533,406	\$ (50,000)	\$ 2,483,406
Departmental and Other.....	1,141,440	-	1,141,440
<i>Weir River Water System</i>			
User charges.....	3,464,082	-	3,464,082
	<u>\$ 7,138,928</u>	<u>\$ (50,000)</u>	<u>\$ 7,088,928</u>

NOTE 6 – CAPITAL ASSETS

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

	July 1, 2020 Balance	Increases	Decreases	June 30, 2021 Balance
Governmental activities:				
Capital assets not being depreciated:				
Land.....	\$ 19,152,311	\$ 5,482,324	\$ -	\$ 24,634,635
Construction in progress.....	4,861,933	249,252	(1,052,305)	4,058,880
Sub-total	<u>24,014,244</u>	<u>5,731,576</u>	<u>(1,052,305)</u>	<u>28,693,515</u>
Capital assets being depreciated:				
Land improvements.....	3,107,391	242,431	-	3,349,822
Buildings.....	212,706,829	2,236,111	-	214,942,940
Machinery and Equipment.....	25,582,477	1,447,382	(442,630)	26,587,229
Infrastructure.....	58,431,658	9,650	-	58,441,308
Sub-total.....	<u>299,828,355</u>	<u>3,935,574</u>	<u>(442,630)</u>	<u>303,321,299</u>
Less: accumulated depreciation:				
Land improvements.....	(1,184,081)	(154,059)	-	(1,338,140)
Buildings.....	(103,994,741)	(4,794,387)	-	(108,789,128)
Machinery and Equipment.....	(19,466,085)	(1,596,525)	419,156	(20,643,454)
Infrastructure.....	(35,362,247)	(1,042,835)	-	(36,405,082)
Sub-total.....	<u>(160,007,154)</u>	<u>(7,587,806)</u>	<u>419,156</u>	<u>(167,175,804)</u>
Capital assets being depreciated, net.....	<u>139,821,201</u>	<u>(3,652,232)</u>	<u>(23,474)</u>	<u>136,145,495</u>
Governmental capital assets, net.....	<u>\$ 163,835,445</u>	<u>\$ 2,079,344</u>	<u>\$ (1,075,779)</u>	<u>\$ 164,839,010</u>
	July 1, 2020 Balance	Increases	Decreases	June 30, 2021 Balance
South Shore Country Club				
Capital assets not being depreciated:				
Land.....	\$ 7,008,200	\$ -	\$ -	\$ 7,008,200
Construction in progress.....	-	152,128	-	152,128
Sub-total	<u>7,008,200</u>	<u>152,128</u>	<u>-</u>	<u>7,160,328</u>
Capital assets being depreciated:				
Land improvements.....	2,330,087	8,250	-	2,338,337
Buildings.....	3,082,533	-	-	3,082,533
Machinery and Equipment.....	2,204,653	33,410	-	2,238,063
Infrastructure.....	40,820	-	-	40,820
Sub-total.....	<u>7,658,093</u>	<u>41,660</u>	<u>-</u>	<u>7,699,753</u>
Less: accumulated depreciation:				
Land improvements.....	(958,233)	(78,036)	-	(1,036,269)
Buildings.....	(1,023,075)	(36,599)	-	(1,059,674)
Machinery and Equipment.....	(1,470,094)	(106,064)	-	(1,576,158)
Infrastructure.....	(1,429)	(816)	-	(2,245)
Sub-total.....	<u>(3,452,831)</u>	<u>(221,515)</u>	<u>-</u>	<u>(3,674,346)</u>
Capital assets being depreciated, net.....	<u>4,205,262</u>	<u>(179,855)</u>	<u>-</u>	<u>4,025,407</u>
South Shore Country Club capital assets, net.....	<u>\$ 11,213,462</u>	<u>\$ (27,727)</u>	<u>\$ -</u>	<u>\$ 11,185,735</u>

	July 1, 2020 Balance	Increases	Decreases	June 30, 2021 Balance
Weir River Water System				
Capital assets not being depreciated:				
Land.....	\$ -	\$ 12,029,400	\$ -	\$ 12,029,400
Construction in progress.....	-	836,926	-	836,926
Sub-total	-	12,866,326	-	12,866,326
Capital assets being depreciated:				
Network.....	-	98,493,366	-	98,493,366
Less: accumulated depreciation:				
Network.....	-	(1,805,712)	-	(1,805,712)
Capital assets being depreciated, net.....	-	96,687,654	-	96,687,654
Weir River Water System capital assets, net.....	\$ -	\$ 109,553,980	\$ -	\$ 109,553,980
	January 1, 2020 Balance	Increases	Decreases	December 31, 2020 Balance
Hingham Municipal Lighting Plant				
Capital assets not being depreciated:				
Land.....	\$ 434,863	\$ -	\$ -	\$ 434,863
Construction in progress.....	181,660	864,071	(732,508)	313,223
Sub-total	616,523	864,071	(732,508)	748,086
Capital assets being depreciated:				
Plant in service.....	64,545,661	1,529,996	(184,750)	65,890,907
Less: accumulated depreciation:				
Plant in service.....	(37,166,020)	(3,227,283)	184,750	(40,208,553)
Capital assets being depreciated, net.....	27,379,641	(1,697,287)	-	25,682,354
Hingham Municipal Lighting Plant capital assets, net.....	\$ 27,996,164	\$ (833,216)	\$ (732,508)	\$ 26,430,440

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

Governmental Activities:

General Government.....	\$ 466,291
Public Safety.....	1,334,260
Public Education.....	3,893,541
Public works administration and support.....	1,519,140
Human Services.....	14,085
Culture and Recreation.....	360,489
	<u>\$ 7,587,806</u>

Business-Type Activities:

South Shore Country Club.....	\$	221,515
Hingham Municipal Lighting Plant.....		3,227,283
Weir River Water System.....		1,805,712
	\$	<u>5,254,510</u>

NOTE 7 - NET INVESTMENT IN CAPITAL ASSETS

The Town’s net investment in capital assets at June 30, 2021 is summarized as follows:

Governmental Activities

Capital Assets, Net of Accumulated Depreciation.....	\$	164,839,010
Less Outstanding Bonds and Notes Payable.....		(61,628,799)
Less outstanding capital leases.....		(769,530)
Add Unspent Proceeds of Capital Related Debt.....		<u>604,240</u>
Net Investment in Capital Assets.....	\$	<u>103,044,921</u>

Business-Type Activities

Capital Assets, Net of Accumulated Depreciation.....	\$	147,170,155
Less Outstanding Bonds and Notes Payable Related to Asset Aquisition.....		(125,276,089)
Add Unspent Proceeds of Capital Related Debt.....		<u>11,713,490</u>
Net Investment in Capital Assets.....	\$	<u>33,607,556</u>

NOTE 8 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables between funds at June 30, 2021, as summarized as follows:

Receivable Fund	Payable Fund	Amount
General Fund.....	Town Grants.....	\$ 3,895,637 (2)
General Fund.....	Middle School Building.....	626,888 (1)
General Fund.....	Sewer Maintenance.....	487,557 (1)
General Fund.....	South Shore Regional Communications Center.....	426,301 (1)
General Fund.....	Recreation Drive.....	298,857 (1)
General Fund.....	New Elementary School Project.....	244,738 (1)
General Fund.....	Plymouth River School.....	236,907 (1)
General Fund.....	Other Capital.....	201,510 (1)
General Fund.....	Other Town.....	182,946 (1)
General Fund.....	School Federal Grants.....	29,978 (2)
School Revolving.....	Town Grants.....	20,854 (2)
General Fund.....	School State Grants.....	17,667 (2)
General Fund.....	Sewer Capital.....	<u>8,383 (1)</u>
		<u>\$ 6,678,223</u>

- (1) Represents advances between funds to meet temporary cash flow needs.
- (2) Represents advance funding pending receipt of grant reimbursements.

Interfund transfers for the fiscal year ended June 30, 2021 are summarized as follows:

Transfers Out:	Transfers In:			
	General Fund	Nonmajor Governmental Funds	Recreation Drive	Total
General Fund.....	\$ -	\$ 331,853	\$ 215,000	\$ 546,853 (1)
Community Preservation Fund.....	-	394,993	-	394,993 (2)
Nonmajor Governmental Funds.....	58,500	-	-	58,500 (3)
Sewer Maintenance Fund.....	-	55,300	-	55,300 (4)
Hingham Municipal Light Plant Enterprise Fund.....	474,613	-	-	474,613 (5)
Weir River Water System Enterprise Fund.....	2,234,939	-	-	2,234,939 (6)
	<u>\$ 2,768,052</u>	<u>\$ 782,146</u>	<u>\$ 215,000</u>	<u>\$ 3,765,198</u>

- (1) Represents budgeted transfers to the Road Improvements (\$320,770), Sewer (\$11,083), and Recreation Drive (\$215,000) capital projects funds.
- (2) Represents budgeted transfer from the Community Preservation Fund to the Hingham Affordable Housing Trust Fund (\$272,300) and Bathhouse capital projects fund (\$122,693).
- (3) Represents budgeted transfers from the waterways fund to the general fund.
- (4) Represents transfer from the Sewer Maintenance Fund to the sewer capital projects funds.
- (5) Represents transfers in from the Hingham Municipal Light Plant enterprise fund (in lieu of taxes).
- (6) Represents transfer from the Weir River Water System to the general fund for feasibility study costs (\$1,490,000) and real estate and property taxes (\$744,939).

NOTE 9 - CAPITAL LEASE

The Town leases school buses under a capital lease for which payments conclude in fiscal year 2022. The lease began in fiscal year 2017 with equal payments annually for 5 years, followed by one final payment of \$787,600. The lease agreement contains a bargain purchase option which would allow the Town to purchase the buses at the end of the lease term. The cost of the lease for the year ended June 30, 2021 was \$237,019, and is reported as an educational expenditure of the general fund.

The future minimum lease payments are as follows at June 30, 2021:

<u>Fiscal Years Ending June 30,</u>	<u>Amount</u>
2022.....	\$ 787,600
Less: Amounts Representing Interest.....	(18,070)
Present Value of Minimum Lease Payments.....	<u>\$ 769,530</u>

Machinery and equipment and the related accumulated depreciation under the capital lease is as follows:

<u>Asset:</u>	<u>Governmental Activities</u>
Machinery and Equipment.....	\$ 1,833,250
Less: Accumulated Amortization.....	(1,527,708)
Total	<u>\$ 305,542</u>

NOTE 10 - SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise fund, respectively.

Details related to the short-term debt activity for the fiscal year ended June 30, 2021, is as follows:

Notes Payable - Governmental Funds

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at 7/1/2020	Increases	Decreases	Balance at 6/30/2021
BAN	Municipal Purpose.....	5/13/20	5/13/21	2.50%	\$ 10,905,078	\$ -	\$ (10,905,078)	\$ -
BAN	Municipal Purpose.....	5/12/21	5/12/22	2.00%	-	16,754,900	-	16,754,900
	Total.....				\$ 10,905,078	\$ 16,754,900	\$ (10,905,078)	\$ 16,754,900

Notes Payable - Business-Type Activities

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at 7/1/2020	Increases	Decreases	Balance at 6/30/2021
BAN	Municipal Purpose.....	5/13/20	5/13/21	2.50%	\$ 528,503	\$ -	\$ (528,503)	\$ -
BAN	Municipal Purpose - SSCC.....	5/12/21	5/12/22	2.00%	-	2,588,752	-	2,588,752
BAN	Municipal Purpose - WRWS...	5/12/21	5/12/22	2.00%	-	2,700,000	-	2,700,000
	Total.....				\$ 528,503	\$ 5,288,752	\$ (528,503)	\$ 5,288,752

NOTE 11 - LONG-TERM OBLIGATIONS

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2021:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion
Governmental Activities:					
Bonds and Notes Payable.....	\$ 48,133,778	\$ -	\$ (6,131,345)	\$ 42,002,433	\$ 4,156,776
Unamortized Premium.....	3,396,896	-	(525,430)	2,871,466	476,889
Bonds and Notes Payable, Gross.....	51,530,674	-	(6,656,775)	44,873,899	4,633,665
Workers' Compensation Claims.....	257,380	402,676	(388,380)	271,676	138,555
Capital Lease Obligation.....	983,456	-	(213,926)	769,530	769,530
Compensated Absences.....	1,917,919	71,423	(44,962)	1,944,380	1,458,285
Total.....	<u>\$ 54,689,429</u>	<u>\$ 474,099</u>	<u>\$ (7,304,043)</u>	<u>\$ 47,859,485</u>	<u>\$ 7,000,035</u>
Business-Type Activities:					
Bonds and Notes Payable.....	\$ -	\$ 111,180,000	\$ -	\$ 111,180,000	\$ 2,185,000
Unamortized Premium.....	-	9,111,038	(303,701)	8,807,337	303,701
Bonds and Notes Payable, Gross.....	-	120,291,038	(303,701)	119,987,337	2,488,701
Customer Deposits.....	1,735,824	36,979	-	1,772,803	-
Compensated Absences.....	47,414	-	(8,110)	39,304	39,304
Total.....	<u>\$ 1,783,238</u>	<u>\$ 120,328,017</u>	<u>\$ (311,811)</u>	<u>\$ 121,799,444</u>	<u>\$ 2,528,005</u>

Governmental activities long-term liabilities are generally liquidated by the general fund. Business-type activities long-term liabilities are normally paid from the funds reporting the liability, namely the South Shore Country Club, Weir River Water System, or Hingham Municipal Lighting Plant.

NOTE 12 - LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Details related to the outstanding indebtedness at June 30, 2021, and the debt service requirements are as follows:

Bonds and Notes Payable - Governmental Funds

Project	Date of Issue	Maturity Date	Interest Rate (%)	Outstanding at June 30,		Outstanding at June 30,	
				2020	Issued	Redeemed	2021
MCWT - 2006 Bonds*	12/14/06	4/15/28	2.0 - 3.0	\$ 158,778	\$ -	\$ (21,345)	\$ 137,433
Municipal Purpose GOB of 2002 - Refunding Debt	10/26/10	4/1/21	2.0	1,975,000	-	(1,975,000)	-
Municipal Purpose Bonds of 2015	5/15/16	5/15/37	3.0 - 5.0	28,730,000	-	(1,995,000)	26,735,000
2007 Multi Purpose Bonds - Refunded Debt	5/19/16	9/15/28	2.0 - 5.0	1,795,000	-	(240,000)	1,555,000
Municipal Purpose Refunding Bonds of 2016	5/19/16	9/15/28	2.0 - 5.0	15,475,000	-	(1,900,000)	13,575,000
Sub-Total				48,133,778	-	(6,131,345)	42,002,433
Add: Unamortized Premium				3,396,896	-	(525,430)	2,871,466
Total Governmental Funds				\$ 51,530,674	\$ -	\$ (6,656,775)	\$ 44,873,899

*** Notes from direct borrowings**

The Massachusetts Clean Water Trust (MCWT) operates a water pollution abatement bond program for community owned water systems. For each community approved for the project, financial assistance received from the MCWT consists of subsidized interest-bearing loans payable in annual installments. At June 30, 2021, the outstanding principal amount of these loans totaled \$137,433.

Debt service requirements for principal and interest for governmental funds in future fiscal years are as follows:

Fiscal Year	Bonded Debt		Notes from Direct Borrowings		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 4,135,000	\$ 1,516,175	\$ 21,776	\$ 2,531	\$ 4,156,776	\$ 1,518,706
2023	4,165,000	1,308,675	22,216	2,091	4,187,216	1,310,766
2024	4,185,000	1,099,925	22,664	1,642	4,207,664	1,101,567
2025	4,070,000	910,150	23,122	1,185	4,093,122	911,335
2026	4,070,000	758,475	23,589	718	4,093,589	759,193
2027	4,030,000	640,175	24,066	241	4,054,066	640,416
2028	3,655,000	525,325	-	-	3,655,000	525,325
2029	1,685,000	450,925	-	-	1,685,000	450,925
2030	1,490,000	404,275	-	-	1,490,000	404,275
2031	1,490,000	357,712	-	-	1,490,000	357,712
2032	1,490,000	309,287	-	-	1,490,000	309,287
2033	1,480,000	259,000	-	-	1,480,000	259,000
2034	1,480,000	209,050	-	-	1,480,000	209,050
2035	1,480,000	157,250	-	-	1,480,000	157,250
2036	1,480,000	105,450	-	-	1,480,000	105,450
2037	1,480,000	53,650	-	-	1,480,000	53,650
Total	\$ 41,865,000	\$ 9,065,499	\$ 137,433	\$ 8,408	\$ 42,002,433	\$ 9,073,907

The Town received school construction assistance through the Massachusetts School Building Authority (MSBA) on bonded projects completed in prior years. The MSBA provides resources for eligible construction costs and related debt interest and borrowing costs. During 2021, approximately \$1.6 million of such assistance was received; which represents reimbursement of approved construction costs. The deferred inflow for the entire grant has been recognized as revenue in the conversion to the government-wide financial statements in prior years. No amounts associated with this assistance are due to the Town as of June 30, 2021.

Bonds and Notes Payable – Enterprise Funds

Project	Date of Issue	Maturity Date	Interest Rate (%)	Outstanding at June 30, 2020	Issued	Redeemed	Outstanding at June 30, 2021
WRWS General Obligation Water Bonds of 2020.....	7/30/20	2/15/50	2.0 - 5.0	\$ -	\$ 111,180,000	\$ -	\$ 111,180,000
Sub-Total.....				-	111,180,000	-	111,180,000
Add: Unamortized Premium.....				-	9,111,038	(303,701)	8,807,337
Total Enterprise Funds.....				\$ -	\$ 120,291,038	\$ (303,701)	\$ 119,987,337

Debt service requirements for principal and interest for enterprise funds in future fiscal years are as follows:

Fiscal Year	Bonded Debt		
	Principal	Interest	Total
2022.....	\$ 2,185,000	\$ 3,408,218	\$ 5,593,218
2023.....	2,290,000	3,298,969	5,588,969
2024.....	2,405,000	3,184,469	5,589,469
2025.....	2,480,000	3,112,319	5,592,319
2026.....	2,605,000	2,988,319	5,593,319
2027.....	2,730,000	2,858,069	5,588,069
2028.....	2,870,000	2,721,569	5,591,569
2029.....	3,015,000	2,578,069	5,593,069
2030.....	3,135,000	2,457,469	5,592,469
2031.....	3,260,000	2,332,069	5,592,069
2032.....	3,390,000	2,201,669	5,591,669
2033.....	3,525,000	2,066,069	5,591,069
2034.....	3,665,000	1,925,069	5,590,069
2035.....	3,775,000	1,815,119	5,590,119
2036.....	3,890,000	1,701,869	5,591,869
2037.....	4,005,000	1,585,169	5,590,169
2038.....	4,125,000	1,465,019	5,590,019
2039.....	4,250,000	1,341,269	5,591,269
2040.....	4,335,000	1,256,269	5,591,269
2041.....	4,420,000	1,169,569	5,589,569
2042.....	4,525,000	1,064,594	5,589,594
2043.....	4,635,000	957,125	5,592,125
2044.....	4,745,000	847,044	5,592,044
2045.....	4,855,000	734,350	5,589,350
2046.....	4,970,000	619,044	5,589,044
2047.....	5,090,000	501,006	5,591,006
2048.....	5,210,000	380,119	5,590,119
2049.....	5,335,000	256,381	5,591,381
2050.....	5,460,000	129,675	5,589,675
Total.....	\$ 111,180,000	\$ 50,955,962	\$ 162,135,962

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2021, the Town had the following authorized and unissued debt:

Purpose	Amount
Town Wharf Repair/Reconstruction	\$ 5,650,000
School Buildings/New Middle School	4,721,264
Plymouth River School Windows	3,993,600
Hingham Harbor Dredging	3,500,000
Weir River Water System	2,820,000
Sewer - Route 3A	800,000
Fiber Optic Network Purchase & Upgrade	343,000
Design & Engineering/North Fire Station	762,653
Sewer/Weir River 2	451,887
Road Reconstruction - Seawalls	362,000
School Buildings/Foster School Feasibility	350,000
Town Data Center D&E and Renovation	296,000
Wharf Repair and Restoration	200,000
Wastewater Treat Facility	190,000
Road Reconstruction	157,000
Acquire Lincoln School Apartments	100,000
High School Fields Improvement Project - I	75,000
School Buildings - Hingham Middle School/Feasibility Study	59,678
Land Acquisitions - 335 Lincoln St	42,676
Sewer Construction	40,000
Sewer Construction/Thaxter to Kents Lane	35,000
School Buildings - A&E various schools	19,000
Sewer - Green Street Court	17,842
	<hr/>
Total	\$ <u>24,986,600</u>

NOTE 13 - GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The constraints on fund balances as listed in the aggregate in the Governmental Funds Balance Sheet are detailed as follows:

	General	Community Preservation	Recreation Drive	Sewer Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Permanent Fund Principal.....	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000
Restricted:						
Town gift funds.....	-	-	-	-	906,695	906,695
School gift funds.....	-	-	-	-	138,923	138,923
School state grant funds.....	-	-	-	-	1,705,463	1,705,463
School federal grant funds.....	-	-	-	-	812,101	812,101
Affordable housing trust.....	-	-	-	-	715,971	715,971
School revolving funds.....	-	-	-	-	3,408,789	3,408,789
Town revolving funds.....	-	-	-	-	833,335	833,335
Town trust funds.....	-	-	-	-	261,784	261,784
Town other funds.....	-	-	-	-	3,871,399	3,871,399
Preservation projects.....	-	-	-	-	1,371,459	1,371,459
Conservation.....	-	-	-	-	123,857	123,857
Sewer inflow/infiltration.....	-	-	-	-	738,704	738,704
Foster school.....	-	-	-	-	33,187	33,187
Middle school additions.....	-	-	-	-	8,722	8,722
Regional emergency communication center.....	-	-	-	-	124,192	124,192
Conservation permanent fund.....	-	-	-	-	89,882	89,882
Town permanent funds.....	-	-	-	-	1,416	1,416
Sub-Total - Restricted.....	-	-	-	-	15,145,879	15,145,879
Committed:						
Subsequent year's expenditures.....	6,759,009	-	-	-	-	6,759,009
Hingham Affordable Housing Trust.....	1,000,000	-	-	-	-	1,000,000
Continuing appropriations.....	1,137,388	-	-	-	-	1,137,388
Sub-Total - Committed.....	8,896,397	-	-	-	-	8,896,397
Assigned:						
General Government.....	290,437	-	-	-	-	290,437
Public Safety.....	657,567	-	-	-	-	657,567
Education.....	662,434	-	-	-	-	662,434
Public Works.....	82,343	-	-	-	-	82,343
Health and Human Services.....	43,937	-	-	-	-	43,937
Culture and Recreation.....	191,895	-	-	-	-	191,895
Other.....	66,846	-	-	-	-	66,846
Sub-Total - Assigned.....	1,995,459	-	-	-	-	1,995,459
Unassigned.....	36,904,851	(1,488,970)	(3,413,857)	(686,594)	(11,389,005)	19,926,425
	<u>\$ 47,796,707</u>	<u>\$ (1,488,970)</u>	<u>\$ (3,413,857)</u>	<u>\$ (686,594)</u>	<u>\$ 3,791,874</u>	<u>\$ 45,999,160</u>

At June 30, 2021, approximately \$2.3 million has been set aside in a stabilization fund classified as unassigned balance in the general fund in the governmental funds financial statements. Municipal finance laws of the Commonwealth of Massachusetts authorize municipalities to establish stabilization funds on an as needed basis. The number of and exact purpose of the stabilization funds of the Town are dependent upon authorization and approval of Town Meeting. The stabilization fund balance can be used for general and/or capital purposes upon approval of Town Meeting. Additions to the fund can only be made upon Town Meeting approval.

NOTE 14 - 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.

The Town participates in premium-based health care plans for its active employees and retirees. The Town is self-insured for workers' compensation and unemployment benefits, and also self-insures property coverage over a group of vacant buildings given to them by the federal government. The Town maintains liability coverage on these respective buildings. The Town records an estimated liability for workers' compensation claims based on estimates of the ultimate cost of reported claims and an estimate for claims incurred but not reported based on historical experience. At June 30, 2021, the estimated liability for workers' compensation claims totaled \$271,676; which includes \$138,555 of claims due within one year.

Changes in the Workers' Compensation claims liability amount for the years ended June 30 were as follows:

	Balance at Beginning of Fiscal Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Fiscal Year-end
Fiscal year 2020.....	\$ 234,532	\$	297,617	\$	(274,769)	\$	257,380
Fiscal year 2021.....	257,380		402,676		(388,380)		271,676

Unemployment claims at June 30, 2021 are considered to be immaterial for these financial statements.

NOTE 15 - PENSION PLAN - HINGHAM CONTRIBUTORY RETIREMENT SYSTEM

General Information

Plan Description - The Town is a member of the Hingham Contributory Retirement System (HCRS), a cost-sharing multiple employer defined benefit pension plan covering eligible employees of the 3 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is included in the financial statements as a blended fiduciary component unit.

Benefits Provided - The System provides retirement, disability, survivor and death benefits to plan members and beneficiaries. The System provides retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Plan Membership - At December 31, 2020, the System's membership consists of the following:

Active members.....	667
Retirees and beneficiaries entitled to but not yet receiving benefits.....	243
Retirees and beneficiaries currently receiving benefits.....	355
Total.....	1,265

Contributions - Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the HCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The total member units' contribution for the year ended December 31, 2020 was \$5,748,074, which is actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town's proportionate share of the required contribution was \$5,090,917 which equaled its actual contribution.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of January 1, 2020, which was rolled forward to the measurement date of December 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation date..... January 1, 2020
- Investment rate of return/Discount rate..... 7.40%, net of pension plan investment expense, including inflation (previously 7.50% as of January 1, 2018)
- Projected salary increases..... Group 1: 4.25%-6.00%, based on service
Group 4: 4.75%-7.00%, based on service
- Inflation rate..... 2.40% per year (previously 2.00% as of January 1, 2018)
- Cost of living adjustments..... 3.00% of the first \$14,000 of retirement income
- Mortality Rates..... RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2018. For disabled lives, the mortality rates were based on the RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scale MP-2018.
- Actuarial cost method..... Entry Age Normal

Amortization method.....	Increasing dollar amount at 4% to reduce the Unfunded Actuarial Accrued Liability to zero on or before June 30, 2035
Remaining amortization period.....	19 years from July 1, 2016
Asset valuation method.....	The Actuarial Value of Assets is the market value of assets as of the valuation date reduced by the sum of: <ul style="list-style-type: none"> a.) 80% of gains and losses of the prior year, b.) 60% of gains and losses of the second prior year, c.) 40% of gains and losses of the third prior year and, d.) 20% of gains and losses of the fourth prior year. Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 90% or more than 110% of market value.

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

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. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Asset Allocation
Global equity.....	4.38%	39.00%
Fixed income.....	4.05%	23.00%
Private equity.....	8.00%	13.00%
Real estate.....	3.80%	10.00%
Timber/Natural Resources.....	4.40%	4.00%
Portfolio Completion (PCS).....	3.00%	11.00%
		<u>100.00%</u>

Rate of Return - For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate - The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan'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.

Plan Reporting

Net Pension Liability - The components of the net pension liability of the participating member units at December 31, 2020 were as follows:

Total pension liability.....	189,569,729
Fiduciary net position.....	<u>(146,890,346)</u>
Net pension liability.....	<u><u>42,679,383</u></u>
Plan fiduciary net position as a percentage of the net pension liability.....	77.49%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability, calculated using the discount rate of 7.40%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.40%) or 1-percentage-point higher (8.40%) than the current rate:

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
System's Net Pension Liability \$	<u><u>63,690,944</u></u>	<u><u>42,679,383</u></u>	<u><u>24,879,499</u></u>

Employer Reporting

Net Pension Liability - At June 30, 2021, the Town reported a liability of \$37,800,000 for its proportionate share of the net pension liability. At December 31, 2020, the Municipal Light Plant reported a liability of \$3,586,293 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020 for the Town and December 31, 2019 for the Municipal Light Plant, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 for the Town and for the Municipal Light Plant.

The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2020, the Town's proportion was 88.57%, compared to a proportion of 88.44% in the prior year. At December 31, 2019, the Hingham Municipal Light Plant's proportion was 7.37 %, compared to a proportion of 6.87% as of December 31, 2018.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources - For the year ended June 30, 2021, the Town recognized pension expense of \$2,652,319. At June 30, 2021, the Town reported deferred outflows of resources related to pensions of \$3,699,641 and deferred inflows of resources related to pensions of \$10,143,600, from the following deferred categories:

Deferral Category:	Town of Hingham		Municipal Lighting Plant (12/31/20)		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience.....	\$ -	\$ 2,152,732	\$ -	\$ 359,856	\$ -	\$ 2,512,588
Differences between projected and actual earnings.....	-	7,105,920	-	356,131	-	7,462,051
Changes of assumptions.....	2,410,999	-	404,574	-	2,815,573	-
Changes in proportion and differences between actual and proportionate share of contributions.....	81,719	137,615	384,196	31,346	465,915	168,961
Contributions subsequent to the measurement date.....	-	-	418,153	-	418,153	-
	<u><u>\$ 2,492,718</u></u>	<u><u>\$ 9,396,267</u></u>	<u><u>\$ 1,206,923</u></u>	<u><u>\$ 747,333</u></u>	<u><u>\$ 3,699,641</u></u>	<u><u>\$ 10,143,600</u></u>

The Town's amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Amount
2022.....	\$ (2,716,338)
2023.....	(649,224)
2024.....	(2,511,555)
2025.....	(1,027,878)
2026.....	1,446
	\$ (6,903,549)

The \$418,153 reported as deferred outflows of resources related to pensions resulting from the Hingham Municipal Light Plant contributions subsequent to the measurement date but before the employer’s year-end will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The remaining net deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Amount
2021.....	\$ 26,687
2022.....	(26,036)
2023.....	104,589
2024.....	(72,156)
2025.....	8,353
	\$ 41,437

Sensitivity of the net pension liability to changes in the discount rate - The following presents the Town’s (excluding the Hingham Municipal Lighting Plant) proportionate share of the net pension liability as of the measurement date of 12/31/20, calculated using the discount rate of 7.40%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.40%) or 1-percentage-point higher (8.40%) than the current rate:

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Town's Proportionate Share of the Net Pension Liability	\$ 56,409,383	\$ 37,800,000	\$ 22,035,114

The following presents the Hingham Municipal Lighting Plant’s proportionate share of the net pension liability as of the measurement date of 12/31/19, calculated using the discount rate of 7.40%, as well as what the Hingham Municipal Lighting Plant’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.40%) or 1-percentage-point higher (8.40%) than the current rate:

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Hingham Municipal Lighting Plant's Proportionate Share of the Net Pension Liability	\$ 5,077,951	\$ 3,586,293	\$ 2,322,398

NOTE 16 - PENSION PLAN - MASSACHUSETTS TEACHERS RETIREMENT SYSTEM

General Information about the Pension Plan

Plan description. Public school teachers and certain administrators are provided with pensions through the Massachusetts Teachers’ Retirement System (MTRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Massachusetts Teachers’ Retirement Board. The MTRS is part of the Commonwealth of Massachusetts’ (Commonwealth) reporting entity and does not issue a stand-alone audited financial report. The MTRS is reported as a Pension Trust Fund in the Commonwealth’s audited financial statements that can be obtained at <https://www.macomptroller.org/annual-comprehensive-financial-reports/>.

Benefits provided. MTRS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit requirements. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

Contributions. The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Member contributions for MTRS vary depending on the most recent date of membership, ranging from 5-11% of regular compensation. Members hired in 1979 or subsequent contribute an additional 2% of regular compensation in excess of \$30,000.

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in MTRS.

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

Since the Town does not contribute directly to MTRS, the Town does not report a proportionate share of the net pension liability of the MTRS at June 30, 2021. The Commonwealth's net pension liability associated with the Town was \$139,416,472.

The MTRS' net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to June 30, 2020.

For the year ended June 30, 2021, the Town recognized pension expense of \$17,219,932 associated with MTRS and revenue of the same amount for support provided by the Commonwealth.

Actuarial assumptions. The MTRS' total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of January 1, 2019 rolled forward to June 30, 2020. This valuation used the following assumptions:

Investment rate of return - 7.15%

Salary increases - Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service

Mortality Rates - Pre-retirement reflects the Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct). Post-retirement reflects the Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct). Disability is assumed to be in accordance with the Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct).

Other - 3.5% interest rate credited to the annuity savings fund and 3.0% cost of living increase per year.

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. 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 rates of return 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 rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund’s target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity.....	39.0%	4.8%
Core Fixed Income.....	15.0%	0.7%
Private Equity.....	13.0%	8.2%
Portfolio Completion Strategies.....	11.0%	3.2%
Real Estate.....	10.0%	3.5%
Value Added Fixed Income.....	8.0%	4.2%
Timber/Natural Resources.....	4.0%	4.1%
	100.0%	

Discount rate. The discount rate used to measure the MTRS’ total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the 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.

Pension plan fiduciary net position. Detailed information about the MTRS’ fiduciary net position is available in the Commonwealth’s audited financial statements.

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS

General Information

Plan Description - The Town maintains a single employer defined benefit healthcare plan (“The Other Postemployment Benefit Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Plan. The plan provides the benefits by participating in the Mayflower Municipal Health Group. Medical and prescription drug benefits are provided to all eligible retirees through a plan offered by Blue Cross Blue Shield of Massachusetts. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The plan also pays approximately 50% of the retiree life insurance premiums. The OPEB Plan does not issue a publicly available financial report.

The Town adopted MGL, Chapter 32B, Section 18 in April 2006, requiring all Medicare-eligible retirees to enroll in a Medicare supplement plan. The effects of this adoption have been included in the actuarial determination of OPEB liabilities by the Town’s actuary.

Plan Membership - The number of participants as of June 30, 2021 is as follows:

Active members.....	951
Retirees and beneficiaries currently receiving benefits.....	<u>561</u>
Total.....	<u><u>1,512</u></u>

Funding Policy - Contribution requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute between 10% and 50% of the cost of benefits provided depending on the plan they choose. The Town and the HMLP are required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish the Postemployment Benefit Trust Fund and to enable the Town to raise taxes necessary to begin pre-funding its OPEB liabilities. During 2021, the Town pre-funded future OPEB liabilities in the amount of \$1,194,156.

The annual money-weighted rate of return on OPEB plan investments was 27.45%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amount actually invested.

Significant Actuarial Methods and Assumptions - The Plan’s total OPEB liability is based on a July 1, 2019 actuarial valuation rolled forward to June 30, 2021. The significant methods and assumptions used to measure the total OPEB liability are as follows:

- Valuation date..... July 1, 2019
- Actuarial cost method..... Entry Age Normal
- Investment rate of return.....6.6%, net of investment expenses, including inflation
- Healthcare cost trend rate.....7 percent for 2019, decreasing 0.45 percent per year to 5.2 percent, then grading down to an ultimate trend rate of 4 percent, utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.
- Amortization Method..... Increasing at 3.5% over 30 years on an open amortization period
- Mortality..... Pre/Post-Retirement General and Public Safety: RP-2014 Blue Collar, projected with generational mortality improvement using scale MP-2018.

Pre/Post-Retirement Teachers: RP-2014 White Collar, base year 2014, projected with generational mortality improvement using scale MP-2016.

Investment Policy - The Town's policy in regard to the allocation of invested assets is established and may be amended by the Select Board by a majority vote. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy.

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. Best estimates of arithmetic real rates of return for each major asset class include in the target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity.....	39.00%	4.38%
Private Equity.....	13.00%	8.00%
Core Fixed Income.....	15.00%	0.05%
Value Added Fixed Income.....	8.00%	4.00%
Real Estate.....	10.00%	3.80%
Timberland.....	4.00%	4.40%
Portfolio Completion Strategies.....	11.00%	3.00%
	100.00%	

Discount Rate - The discount rate used to measure the total OPEB liability was 6.6%. The projection of cash flows used to determine the discount rate assumed that contributions from the Town will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB Plan'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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Plan Reporting

Components of the Net OPEB Liability - The following table represents the components of the Plan's Net OPEB liability as of the measurement date of June 30, 2021:

Total OPEB Liability.....	\$ 89,080,029
Plan Fiduciary Net Position.....	(23,408,187)
Net OPEB Liability.....	\$ 65,671,842
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability.....	26.3%

Sensitivity of the Net OPEB liability to Changes in the Discount Rate - The following table presents the plan's net other postemployment benefit liability, calculated using the discount rate of 6.6%, as well as what the plan's net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.6%) or 1-percentage-point higher (7.6%) than the current rate.

	1% Decrease (5.6%)	Current Discount Rate (6.6%)	1% Increase (7.6%)
Plan's Net OPEB Liability	\$ <u>79,294,866</u>	\$ <u>65,671,842</u>	\$ <u>54,722,288</u>

Sensitivity of the net OPEB Liability to Changes in the Healthcare Trend Rate - The following table presents the net other postemployment benefit liability, calculated using the current healthcare trend rate, as well as what the net other postemployment benefit liability would be if it was 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Trend Rate	1% Increase
Plan's Net OPEB Liability	\$ <u>52,696,575</u>	\$ <u>65,671,842</u>	\$ <u>82,164,926</u>

Employer Reporting

Net OPEB Liabilities - The following table represents the components of the Town's proportion of the net OPEB liability as of the measurement date of June 30, 2021:

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2020	\$ 76,922,166	\$ 15,299,404	61,622,762
Changes for the year:			
Service Cost	1,819,950	-	1,819,950
Interest	5,390,070	-	5,390,070
Changes of assumptions	4,673,516	-	4,673,516
Contributions- employer	-	4,676,384	(4,676,384)
Net investment income	-	4,608,579	(4,608,579)
Benefit payments	(3,482,228)	(3,482,228)	-
Net Changes	<u>8,401,308</u>	<u>5,802,735</u>	<u>2,598,573</u>
Balance at June 30, 2021	<u>\$ 85,323,474</u>	<u>\$ 21,102,139</u>	<u>\$ 64,221,335</u>

The following table represents the components of the Hingham Municipal Light Plant's proportion of the net OPEB liability as of the measurement date of June 30, 2020:

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2019	\$ 3,106,835	\$ 1,976,686	1,130,149
Changes for the year:			
Service Cost	152,302	-	152,302
Interest	230,488	-	230,488
Changes of benefit terms	(24,117)	-	(24,117)
Differences between expected and actual experience	(90,855)	-	(90,855)
Changes of assumptions	163,818	-	163,818
Contributions- employer	-	159,976	(159,976)
Net investment income	-	95,014	(95,014)
Benefit payments	(159,976)	(159,976)	-
Net Changes	<u>271,660</u>	<u>95,014</u>	<u>176,646</u>
Balance at June 30, 2020	<u>\$ 3,378,495</u>	<u>\$ 2,071,700</u>	<u>\$ 1,306,795</u>

Sensitivity of the Net OPEB Liabilities to Changes in the Discount Rate - The following table presents the Town's proportionate share of the net other postemployment benefit liability, calculated using the discount rate of 6.6%, as well as what the Town's proportionate share of the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.6%) or 1-percentage-point higher (7.6%) than the current rate.

	1% Decrease (5.6%)	Current Discount Rate (6.6%)	1% Increase (7.6%)
Town's Proportionate Share of the Net OPEB Liability	\$ <u>77,543,465</u>	\$ <u>64,221,335</u>	\$ <u>53,513,626</u>

The following table presents the Hingham Municipal Lighting Plant's proportionate share of the net other postemployment benefit liability, calculated using the discount rate of 7.00% as of June 30, 2020, as well as what the proportionate share of the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
HMLP's Proportionate Share of the Net OPEB Liability	\$ <u>1,552,913</u>	\$ <u>1,306,795</u>	\$ <u>1,107,797</u>

Sensitivity of the Net OPEB Liabilities to Changes in the Healthcare Trend Rate - The following table presents Town's proportionate share of the net other postemployment benefit liability, calculated using the current healthcare trend rate, as well as what the Town's proportionate share of the net other postemployment benefit liability would be if it was 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Trend Rate	1% Increase
Town's Proportionate Share of the Net OPEB Liability	\$ <u>51,532,655</u>	\$ <u>64,221,335</u>	\$ <u>80,350,133</u>

The following table presents Hingham Municipal Lighting Plant’s proportionate share of the net other postemployment benefit liability, calculated using the current healthcare trend rate, as well as what the proportionate share of the net other postemployment benefit liability would be if it was 1-percentage-point lower or 1-percentage-point higher than the current rate.

HMLP’s Proportionate Share of the Net OPEB Liability	<u>\$ 1,083,520</u>	<u>\$ 1,306,795</u>	<u>\$ 1,587,458</u>
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2021, the Town recognized OPEB expense of \$5,784,132. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferral Category:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between actual and expected experience.....	\$ -	\$ (11,533,319)	\$ (11,533,319)
Differences between projected and actual earnings.....	-	(2,039,119)	(2,039,119)
Changes of assumptions.....	12,942,621	-	12,942,621
	<u>\$ 12,942,621</u>	<u>\$ (13,572,438)</u>	<u>\$ (629,817)</u>

The Town’s amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>Amount</u>
2022.....	\$ (25,665)
2023.....	(5,904)
2024.....	(37,916)
2025.....	(571,763)
2026.....	(414,436)
Thereafter.....	425,867
	<u>\$ (629,817)</u>

For the year ended December 31, 2020, the Hingham Municipal Lighting Plant recognized OPEB expense of \$599,671. At December 31, 2020, the Hingham Municipal Lighting Plant reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferral Category:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between actual and expected experience.....	\$ -	\$ (525,234)	\$ (525,234)
Differences between projected and actual earnings.....	94,131	-	94,131
Changes of assumptions.....	420,663	-	420,663
	<u>\$ 514,794</u>	<u>\$ (525,234)</u>	<u>\$ (10,440)</u>

The Hingham Municipal Lighting Plant's amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	<u>Amount</u>
2021.....	\$ 40
2022.....	40
2023.....	170
2024.....	(40)
2025.....	(3,545)
Thereafter.....	<u>(7,105)</u>
	<u>\$ (10,440)</u>

NOTE 18 - COMBINING FIDUCIARY FUND FINANCIAL STATEMENTS

The Town's Pension Trust Fund and OPEB Trust Fund Statements of Fiduciary net position are as follows:

	<u>Pension Trust Fund (As of 12/31/20)</u>	<u>OPEB Trust Fund (As of 6/30/21)</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents.....	\$ 924,832	\$ 2,337,275	\$ 3,262,107
Investments:			
External Investment Pool (PRIT).....	145,942,743	21,070,912	167,013,655
Receivables, Net of Allowance for Uncollectible Amounts:			
Departmental and Other.....	<u>34,745</u>	<u>-</u>	<u>34,745</u>
Total Assets.....	<u>146,902,320</u>	<u>23,408,187</u>	<u>170,310,507</u>
LIABILITIES			
Warrants Payable.....	<u>11,974</u>	<u>-</u>	<u>11,974</u>
NET POSITION			
Restricted for Pensions and Other Post Employment Benefits.....	<u>\$ 146,890,346</u>	<u>\$ 23,408,187</u>	<u>\$ 170,298,533</u>

The Town's Pension Trust Fund and OPEB Trust Fund Statements of Fiduciary net position are as follows:

	Pension Trust Fund (Year ended 12/31/20)	OPEB Trust Fund (Year ended 6/30/21)	Total
ADDITIONS			
Contributions:			
Employer.....	\$ 5,748,074	\$ 4,856,950	\$ 10,605,024
Plan Members.....	3,239,741	-	3,239,741
Total Contributions.....	8,987,815	4,856,950	13,844,765
Net Investment Income:			
Net Appreciation in Fair Value of Investments.....	13,416,341	4,935,708	18,352,049
Interest and Dividends.....	2,982,612	-	2,982,612
Total Investment Income.....	16,398,953	4,935,708	21,334,661
Less: Investment Expense.....	(665,497)	(92,781)	(758,278)
Net Investment Income.....	15,733,456	4,842,927	20,576,383
Intergovernmental.....	52,560	-	52,560
Transfers from Other Systems.....	677,275	-	677,275
Total Additions.....	25,451,106	9,699,877	35,150,983
DEDUCTIONS			
Administration.....	111,678	-	111,678
Retirement Benefits and Refunds.....	10,113,933	-	10,113,933
Other Postemployment Benefits.....	-	3,662,794	3,662,794
Transfers to Other Systems.....	542,127	-	542,127
Total Deductions.....	10,767,738	3,662,794	14,430,532
CHANGE IN NET POSITION.....	14,683,368	6,037,083	20,720,451
Net Position - Beginning of Year.....	132,206,978	17,371,104	149,578,082
NET POSITION - END OF YEAR.....	\$ 146,890,346	\$ 23,408,187	\$ 170,298,533

NOTE 19 - COMMITMENTS

The Town is authorized to borrow approximately \$25 million for various projects throughout the Town. Additionally, significant encumbrances and continuing appropriations from the general fund totaled \$3,132,847.

The HMLP has various power purchase commitments as more fully described in Note 20.

NOTE 20 - POWER PURCHASE COMMITMENTSPower Purchase Commitments

Hingham Municipal Lighting Plant has entered into various power contracts through Energy New England (ENE), as their acting agent. These power contracts began in 2008 and some go through to the life of the unit.

HMLP is a .5% entitlement owner in the Seabrook nuclear power plant and is entitled to almost 6MW. The average 2020 energy price for Seabrook was \$0.00482/kWh. This contract is a life of unit contract.

HMLP is a .1% entitlement owner in the Millstone nuclear power plant and is entitled to almost 1 ¼ MW. The average 2020 energy price for Millstone was \$0.00626/kWh. This contract is a life of unit contract.

HMLP is a 6% entitlement owner in the Brown Bear (formerly Miller Hydro) plant for hydroelectric renewable energy and is entitled to almost 1.2 MW. The HMLP is contracted with Brown Bear through 2025. The average 2020 energy price for Brown Bear was \$0.05137/kWh.

HMLP has entered into a 15-year contract terminating in 2026 with Spruce Mountain Wind Farm for renewable wind energy. HMLP has an ownership entitlement of 9% with a commitment to purchase almost 2 MW. The average 2020 energy price for Spruce Mountain Wind was \$0.09925/kWh.

HMLP has entered into a 20-year contract terminating in 2035 with Saddleback Ridge Wind for renewable wind energy. HMLP has an ownership entitlement of 5.6% with a commitment to purchase almost 2 MW. The average 2020 energy price for Saddleback Ridge Wind was \$0.09725/kWh.

HMLP has entered into a 20 year contract terminating in 2037 with Canton Mountain. HMLP has an ownership entitlement of 7.25% in this 20 MW facility, which should provide about 5,000 megawatt-hours of electricity annually for the Lighting Plant. The average 2020 energy price for Canton Mountain Wind was \$0.10240/kWh.

HMLP has a supply contract with the New Bedford Landfill for 25% of the output from the 3.2 megawatt plant. In 2020, HMLP received 347,363 kWh of electricity from this facility at an average cost of \$0.04030/kWh.

HMLP has entered into a twenty-five year contract terminating in 2041 with NUGen-Harrington St. PV for renewable solar energy. HMLP has an ownership entitlement of 20% in each of the two 5.996 MW DC facilities. Each facility is projected to produce about 7,000 megawatt-hours of electricity each year with a degradation rate of approximately 0.5% per annually. In 2020, these two facilities produced a combined 50k kWh of electricity for HMLP at an average cost of \$0.06503/kWh.

HMLP has entered into a 19-year contract terminating in 2037 with Granite Reliable Power for renewable wind energy. The project began delivering power on January 1, 2019 and has thirty-three (33) wind turbines each having a nameplate rating of 3 megawatts in the Town of Coos County, New Hampshire. HMLP has an ownership entitlement of 1.1% in this facility which meant HMLP received about 1.09 MW of electricity. The average 2020 energy price for Granite Wind was \$0.06867 per kWh.

HMLP is a 2% entitlement owner in the NYPA Hydro Base and Peaking plants for hydroelectric renewable energy. The contracts are life of unit contracts. The average 2020 energy price for the NYPA units is \$0.00497/kWh.

HMLP has entered into a contract with Firstlight Power Resources, a hydroelectric generating facility entity, located in Connecticut commencing in March of 2019 and commencing through the end of 2023. HMLP is entitled to 3.55% of the Shepaug hydroelectric station's output and 2.51% of the Stevenson hydroelectric station's output. Between both plants HMLP received approximately 1013 MW and the average 2020 energy price for Firstlight electricity was \$0.06014 per kWh.

Hingham Municipal Lighting Plant has entered into a contract with Braintree Electric Lighting Department as a 10% entitlement owner to the Watson Power Plant. This purchase power contract is effective from 2009 thru 2029. Watson Units 1 and 2 entitle HMLP to 11.4 MWs. They are natural gas fired, but can burn oil if needed for reliability. The average 2020 energy price for Watson was \$0.03504/kWh. HMLP is a 2.3% entitlement owner to Potter 2 CC which is a life of unit contract. Potter 2 CC entitles HMLP to 2.1 MW of electricity when the plant runs.

HMLP is an entitlement owner in the Stony Brook Intermediate (4%) and Peaking (5 1/3%) units. The Intermediate units can run on either gas or oil while the peaking unit runs on oil. Units 1A, B and C of the Intermediate entitle HMLP to a total of 14 MW. Units 2A and B of the Peaking units entitle HMLP to a total of 9.2MW. The contracts are for the life of the units. The average 2020 energy price for the Peaking units was \$0.13710/kWh. The average 2020 energy price for the Intermediate units was \$0.01799/kWh

HMLP has other contracts with various generators, which allows for the purchase of energy when various price points come into play. In 2020, the companies HMLP bought from under this agreement were NextEra and Shell Energy. For NextEra the average per kWh price was \$0.03559 and for Shell was \$0.02760.

Additionally, HMLP has the ability to purchase from ISO-New England's Energy Interchange. In 2020, HMLP paid \$0.03785/kWh for energy through ISO-New England.

Future Power Purchase Commitments

HMLP entered into a ten-year power purchase agreement with NextEra that starts on January 1, 2020. The Contract will provide 2.5 megawatts of electricity every hour. The price is \$40.87/MWh, escalating at 2.5% annually.

MMWEC Contingencies and Liabilities

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

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

On July 19, 2019, MMWEC sold its 3.7% interest in the W.F. Wyman Unit No. 4 plant, which is operated and owned by its majority owner, FPL Energy Wyman IV, LLC.

MMWEC sells all of the capability (Project Capability) of each of its Projects to its Members and other utilities (Project Participants) under Power Sales Agreements (PSAs). The Light Department has entered into PSAs with *Town of Hingham, Massachusetts*

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

Pursuant to the PSAs, the MMWEC Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which costs are being funded through monthly Project billings. Also, the Millstone and Seabrook Project Participants are liable for their proportionate share of the uninsured costs of a nuclear incident that might be imposed under the Price-Anderson Act (Act). Originally enacted in 1957, the Act has been renewed several times. In July 2005, as part of the Energy Policy Act of 2005, Congress extended the Act until the end of 2025.

As of July 1, 2019, MMWEC has no debt service obligations outstanding relating to the Projects. MMWEC is involved in various legal actions. In the opinion of management, the outcome of such litigation or claims will not have a material adverse effect on the financial position of the company.

The total capital expenditures and annual capacity, fuel, and transmission costs (which include debt service and decommissioning expenses as discussed above) associated with the Department's Project Capability of the Projects in which it participates for the years ended December 31, 2020 and 2019, respectively are listed below.

Projects	Percentage Share	Total Capital Expenditures 2020	Capacity, Fuel and Transmission Billed 2020	Capacity, Fuel and Transmission Billed 2019
Stony Brook Peaking	\$ 5.3307%	\$ 3,224,282	\$ 201,347	\$ 194,506
Stony Brook Int.	4.3870%	7,923,089	609,256	569,083
Nuclear Mix 1-SBK	3.4281%	348,896	16,078	18,717
Nuclear Mix 1-MLS	3.4281%	2,106,104	203,671	201,013
Nuclear Project 3-MLS	1.4311%	2,144,140	170,415	168,667
Nuclear Project 4-SBK	3.4180%	10,295,397	428,078	499,658
Nuclear Project 5-SBK	1.6644%	1,357,533	53,502	62,422
Project No. 6-SBK	5.0331%	28,148,978	883,408	1,157,440
		\$ 55,548,419	\$ 2,565,755	\$ 2,871,506

NOTE 21 - CONTINGENCIES

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2021, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2021.

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) through June 30, 2021, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 22 - FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS

The GASB has issued the following statements:

- Statement No. 87, *Leases*, which is required to be implemented during fiscal year 2022. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented during fiscal year 2022. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 91, *Conduit Debt Obligations*, which is required to be implemented during fiscal year 2023. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 92, *Omnibus 2020*, which is required to be implemented during fiscal year 2022. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which is required to be implemented during fiscal year 2022. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented during fiscal year 2023. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented during fiscal year 2023. Management is evaluating the Statement's future impact on the basic financial statements.
- 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*, which is required to be implemented during fiscal year 2022. Management is evaluating the Statement's future impact on the basic financial statements.

These pronouncements will be implemented by their respective implementation dates.

Required Supplementary Information

**TOWN OF HINGHAM, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance Positive/ (Negative)
	Original Budget	Final Budget			
REVENUES					
Real estate and personal property taxes..... \$	89,791,443	89,791,443	90,464,567	-	673,124
Motor vehicle and other excise taxes.....	4,035,000	4,035,000	4,770,538	-	735,538
Meals taxes.....	250,000	250,000	617,896	-	367,896
Tax liens.....	-	-	58,064	-	58,064
Charges for services.....	1,008,535	1,008,535	2,261,468	-	1,252,933
Intergovernmental.....	11,594,380	11,594,380	11,505,313	-	(89,067)
Penalties and interest on taxes.....	250,000	250,000	428,063	-	178,063
Departmental and other.....	1,670,000	1,670,000	2,282,596	-	612,596
Investment income.....	143,000	143,000	122,364	-	(20,636)
TOTAL REVENUES.....	108,742,358	108,742,358	112,510,869	-	3,768,511
EXPENDITURES					
GENERAL GOVERNMENT					
Selectmen					
Payroll.....	474,343	483,700	470,474	-	13,226
Expenditures.....	73,540	73,540	37,356	35,989	195
Total.....	547,883	557,240	507,830	35,989	13,421
Human Resources					
Payroll.....	132,840	136,643	136,643	-	-
Expenditures.....	3,350	3,350	2,426	-	924
Total.....	136,190	139,993	139,069	-	924
Advisory Committee					
Reserve Fund.....	629,100	131,878	-	-	131,878
Town Accountant					
Payroll.....	275,572	281,294	279,388	-	1,906
Expenditures.....	11,357	11,357	4,683	325	6,349
Audit.....	71,500	71,500	66,250	-	5,250
Total.....	358,429	364,151	350,321	325	13,505
Information Technology.....					
Payroll.....	303,358	308,850	245,102	-	63,748
Expenditures.....	272,346	272,346	257,490	4,299	10,557
New Equipment.....	133,275	133,275	99,715	33,559	1
Total.....	708,979	714,471	602,307	37,858	74,306
Assessors					
Payroll.....	273,737	279,073	233,833	-	45,240
Expenditures.....	71,264	71,264	37,530	-	33,734
Total.....	345,001	350,337	271,363	-	78,974
Treasurer and Collector					
Payroll.....	355,702	362,496	356,510	-	5,986
Expenditures.....	47,973	48,223	47,143	-	1,080
Tax Titles.....	17,000	17,000	6,378	10,622	-
New Equipment.....	7,000	7,000	6,880	-	120
Total.....	427,675	434,719	416,911	10,622	7,186
Legal Services					
Expenditures.....	312,525	977,710	891,380	82,932	3,398
Town Meetings					
Payroll.....	2,692	2,692	634	-	2,058
Expenditures.....	42,982	87,982	45,484	-	42,498
Total.....	45,674	90,674	46,118	-	44,556
Town Clerk					
Payroll.....	195,808	200,226	200,216	-	10
Expenditures.....	14,550	14,550	9,342	-	5,208
New Equipment.....	10,200	10,200	10,200	-	-
Total.....	220,558	224,976	219,758	-	5,218

(continued)

**TOWN OF HINGHAM, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance Positive/ (Negative)
	Original Budget	Final Budget			
Elections and Registers					
Payroll.....	29,292	29,292	29,292	-	-
Expenditures.....	21,845	21,845	21,671	-	174
Total.....	51,137	51,137	50,963	-	174
Conservation Commission					
Payroll.....	183,401	192,770	192,648	-	122
Expenditures.....	15,806	15,806	5,412	9,500	894
Total.....	199,207	208,576	198,060	9,500	1,016
Community Planning					
Payroll.....	161,175	134,399	112,345	-	22,054
Expenditures.....	24,210	54,210	27,794	-	26,416
Total.....	185,385	188,609	140,139	-	48,470
Land Use & Development					
Payroll.....	144,986	147,886	122,908	-	24,978
Expenditures.....	7,375	7,375	4,773	60	2,542
Total.....	152,361	155,261	127,681	60	27,520
Bare Cove Park					
Payroll.....	18,657	19,030	18,961	-	69
Expenditures.....	10,390	10,390	5,582	1,000	3,808
Total.....	29,047	29,420	24,543	1,000	3,877
Town Office Building					
Payroll.....	256,234	261,319	257,241	-	4,078
Expenditures.....	461,431	461,431	358,027	59,000	44,404
New Equipment.....	129,817	129,817	74,383	50,443	4,991
Total.....	847,482	852,567	689,651	109,443	53,473
GAR Hall					
Expenditures.....	19,275	19,275	15,564	2,708	1,003
Total.....	19,275	19,275	15,564	2,708	1,003
TOTAL GENERAL GOVERNMENT.....	5,215,908	5,490,994	4,691,658	290,437	508,899
PROTECTION OF PERSONS AND PROPERTY					
Public Safety and Protective Services - Police:					
Payroll.....	5,848,049	5,946,554	5,609,853	-	336,701
Expenditures.....	417,150	433,150	403,492	-	29,658
New Equipment.....	465,247	465,247	369,470	8,500	87,277
Total.....	6,730,446	6,844,951	6,382,815	8,500	453,636
Public Safety and Protective Services - Fire:					
Payroll.....	5,595,953	5,606,092	4,675,206	-	930,886
Expenditures.....	524,013	524,013	420,891	42,992	60,130
New Equipment.....	185,168	589,288	92,916	493,506	2,866
Total.....	6,305,134	6,719,393	5,189,013	536,498	993,882
Public Safety and Protective Services - All Other:					
Payroll.....	502,341	512,325	469,293	-	43,032
Expenditures.....	1,660,030	1,671,307	1,497,319	112,569	61,419
Total.....	2,162,371	2,183,632	1,966,612	112,569	104,451
TOTAL PROTECTION OF PERSONS AND PROPERTY.....	15,197,951	15,747,976	13,538,440	657,567	1,551,969
SCHOOL DEPARTMENT.....	58,909,271	58,909,271	57,149,966	662,434	1,096,871
PUBLIC WORKS AND FACILITIES					
Project Engineering					
Expenditures.....	35,000	35,000	21,332	-	13,668

(continued)

**TOWN OF HINGHAM, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance Positive/ (Negative)
	Original Budget	Final Budget			
Department of Public Works					
Payroll.....	2,376,898	2,363,988	2,171,348	-	192,640
Expenditures.....	873,659	873,659	675,668	51,522	146,469
New Equipment.....	363,500	363,500	357,881	5,619	-
Snow Removal.....	563,365	577,346	577,346	-	-
Resurfacing.....	382,500	382,500	357,298	25,202	-
Total.....	<u>4,559,922</u>	<u>4,560,993</u>	<u>4,139,541</u>	<u>82,343</u>	<u>339,109</u>
Landfill/Recycling					
Payroll.....	611,875	624,005	584,350	-	39,655
Expenditures.....	901,229	961,229	908,611	-	52,618
New Equipment.....	163,000	163,000	162,101	-	899
Total.....	<u>1,676,104</u>	<u>1,748,234</u>	<u>1,655,062</u>	<u>-</u>	<u>93,172</u>
TOTAL PUBLIC WORKS AND FACILITIES.....	<u>6,271,026</u>	<u>6,344,227</u>	<u>5,815,935</u>	<u>82,343</u>	<u>445,949</u>
HEALTH AND HUMAN SERVICES					
Health Department					
Payroll.....	335,862	342,569	323,443	-	19,126
Expenditures.....	19,862	19,862	16,495	-	3,367
Total.....	<u>355,724</u>	<u>362,431</u>	<u>339,938</u>	<u>-</u>	<u>22,493</u>
Elder Services					
Personnel.....	260,410	265,604	246,066	-	19,538
Expenditures.....	24,969	24,969	4,985	2,012	17,972
New Equipment.....	27,000	27,000	-	27,000	-
Total.....	<u>312,379</u>	<u>317,573</u>	<u>251,051</u>	<u>29,012</u>	<u>37,510</u>
Veteran's Services					
Payroll.....	106,788	108,924	104,727	-	4,197
Expenditures.....	10,178	10,178	5,117	425	4,636
Benefits.....	206,946	206,946	143,305	1,700	61,941
Total.....	<u>323,912</u>	<u>326,048</u>	<u>253,149</u>	<u>2,125</u>	<u>70,774</u>
Health Imperatives.....	5,400	5,400	-	5,400	-
South Shore Women's Center.....	7,400	7,400	-	7,400	-
TOTAL HEALTH AND HUMAN SERVICES.....	<u>1,004,815</u>	<u>1,018,852</u>	<u>844,138</u>	<u>43,937</u>	<u>130,777</u>
CULTURE AND RECREATION					
Library:					
Payroll.....	1,521,020	1,551,087	1,337,303	-	213,784
Expenditures.....	348,239	348,239	275,285	1,584	71,370
New Equipment.....	221,500	221,500	23,114	176,624	21,762
Total.....	<u>2,090,759</u>	<u>2,120,826</u>	<u>1,635,702</u>	<u>178,208</u>	<u>306,916</u>
Recreation:					
Payroll.....	105,990	109,044	109,043	-	1
Total.....	<u>105,990</u>	<u>109,044</u>	<u>109,043</u>	<u>-</u>	<u>1</u>
Trustees of Bathing Beach:					
Payroll.....	24,077	24,559	24,414	-	145
Expenditures.....	8,058	8,058	4,243	3,815	-
New Equipment.....	4,322	4,322	-	4,322	-
Total.....	<u>36,457</u>	<u>36,939</u>	<u>28,657</u>	<u>8,137</u>	<u>145</u>
Historic Preservation					
Payroll.....	74,194	75,808	75,807	-	1
Expenditures.....	9,843	9,843	2,434	-	7,409
Total.....	<u>84,037</u>	<u>85,651</u>	<u>78,241</u>	<u>-</u>	<u>7,410</u>
Celebrations.....	21,115	21,115	14,146	5,550	1,419
TOTAL CULTURE AND RECREATION.....	<u>2,338,358</u>	<u>2,373,575</u>	<u>1,865,789</u>	<u>191,895</u>	<u>315,891</u>
DEBT SERVICE					
Principal.....	5,792,923	5,792,923	5,792,923	-	-
Interest.....	1,857,737	1,857,737	1,846,516	-	11,221

(continued)

**TOWN OF HINGHAM, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance Positive/ (Negative)
	Original Budget	Final Budget			
TOTAL DEBT SERVICE.....	7,650,660	7,650,660	7,639,439	-	11,221
PENSION BENEFITS.....	5,090,917	5,090,917	5,090,917	-	-
PROPERTY AND LIABILITY INSURANCE.....	767,183	1,120,230	1,119,180	-	1,050
EMPLOYEE BENEFITS.....	9,343,007	9,341,861	8,964,020	66,846	310,995
STATE AND COUNTY CHARGES.....	-	1,035,944	1,035,944	-	-
SPECIAL ARTICLES.....	1,827,332	1,503,219	365,831	1,137,388	-
TOTAL EXPENDITURES.....	113,616,428	115,627,726	108,121,257	3,132,847	4,373,622
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(4,874,070)	(6,885,368)	4,389,612	(3,132,847)	8,142,133
OTHER FINANCING SOURCES (USES):					
Transfers in.....	678,836	678,836	2,248,884	-	1,570,048
Transfers out.....	(546,853)	(546,853)	(546,853)	-	-
Total other financing sources (uses).....	131,983	131,983	1,702,031	-	1,570,048
NET CHANGE IN FUND BALANCE.....	(4,742,087)	(6,753,385)	6,091,643	(3,132,847)	9,712,181
FUND BALANCE AT BEGINNING OF YEAR.....	37,233,957	37,233,957	37,233,957	-	-
FUND BALANCE AT END OF YEAR.....	\$ 32,491,870	\$ 30,480,572	\$ 43,325,600	\$ (3,132,847)	\$ 9,712,181

(concluded)

See accompanying notes to required supplementary information.

**TOWN OF HINGHAM, MASSACHUSETTS
COMMUNITY PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance Positive/ (Negative)
	Original Budget	Final Budget			
REVENUES					
Community preservation taxes.....	\$ 927,330	\$ 927,330	\$ 1,186,446	\$ -	\$ 259,116
Intergovernmental	-	-	321,379	-	321,379
TOTAL REVENUES.....	927,330	927,330	1,507,825	-	580,495
EXPENDITURES					
Projects and Acquisitions.....	423,834	423,834	334,413	89,421	-
Debt Service Interest.....	108,503	108,503	90,018	-	18,485
TOTAL EXPENDITURES.....	532,337	532,337	424,431	89,421	18,485
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....					
	394,993	394,993	1,083,394	(89,421)	598,980
OTHER FINANCING SOURCES (USES):					
Transfers out.....	(394,993)	(394,993)	(394,993)	-	-
NET CHANGE IN FUND BALANCE.....	-	-	688,401	(89,421)	598,980
FUND BALANCE AT BEGINNING OF YEAR.....	(1,534,032)	(1,534,032)	(1,534,032)	-	-
FUND BALANCE AT END OF YEAR.....	\$(1,534,032)	\$(1,534,032)	\$(845,631)	\$(89,421)	\$ 598,980

See accompanying notes to required supplementary information.

**TOWN OF HINGHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

PENSION PLAN SCHEDULES

**SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY
AND RELATED RATIOS (SYSTEM) (1)**

	2020	2019	2018	2017	2016
<u>Total pension liability</u>					
Service cost.....	\$ 5,376,888	\$ 5,230,285	\$ 5,029,120	\$ 4,812,414	\$ 4,627,321
Interest.....	13,410,033	12,772,379	12,182,229	12,193,144	11,572,453
Changes in benefit terms.....	-	848,079	-	-	1,363,018
Differences between expected and actual experience.....	-	(887,998)	-	(7,290,664)	(1,921,950)
Changes of assumptions.....	-	2,745,997	-	4,053,778	5,375,091
Benefit payments, including refunds of member contributions.....	(10,113,933)	(9,760,213)	(9,327,468)	(8,445,632)	(8,306,286)
Net change in total pension liability.....	8,672,988	10,948,529	7,883,881	5,323,040	12,709,647
Total pension liability - beginning.....	180,896,741	169,948,212	162,064,331	156,741,291	144,031,644
Total pension liability - ending (a).....	<u>\$ 189,569,729</u>	<u>\$ 180,896,741</u>	<u>\$ 169,948,212</u>	<u>\$ 162,064,331</u>	<u>\$ 156,741,291</u>
<u>Plan fiduciary net position</u>					
Contributions - employer.....	\$ 5,748,074	\$ 5,397,253	\$ 5,067,843	\$ 4,758,538	\$ 4,528,111
Contributions - member.....	3,239,741	3,215,028	3,011,972	2,972,604	3,143,850
Net investment income.....	15,733,456	18,413,490	(2,795,996)	17,745,883	7,689,342
Benefit payments, including refunds of member contributions.....	(10,113,933)	(9,760,213)	(9,327,468)	(8,445,632)	(8,306,286)
Administrative expense.....	(111,678)	(130,595)	(116,296)	(141,797)	(173,373)
Other.....	187,708	(90,100)	(129,083)	71,408	38,101
Net change in plan fiduciary net position.....	14,683,368	17,044,863	(4,289,028)	16,961,004	6,919,745
Plan fiduciary net position - beginning.....	132,206,978	115,162,115	119,451,143	102,490,139	95,570,394
Plan fiduciary net position - ending (b).....	<u>\$ 146,890,346</u>	<u>\$ 132,206,978</u>	<u>\$ 115,162,115</u>	<u>\$ 119,451,143</u>	<u>\$ 102,490,139</u>
Net pension liability - ending (a) - (b).....	<u>\$ 42,679,383</u>	<u>\$ 48,689,763</u>	<u>\$ 54,786,097</u>	<u>\$ 42,613,188</u>	<u>\$ 54,251,152</u>
Plan fiduciary net position as a percentage of the total pension liability	77.49%	73.08%	67.76%	73.71%	65.39%
Covered payroll	\$ 33,068,856	\$ 29,725,273	\$ 28,164,990	\$ 28,558,307	\$ 32,647,107
Net pension liability as a percentage of covered payroll	129.06%	163.80%	194.52%	149.21%	166.17%

**TOWN OF HINGHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

**SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY
AND RELATED RATIOS (SYSTEM) (CONTINUED) (1)**

	2015	2014
<u>Total pension liability</u>		
Service cost.....	\$ 4,139,996	\$ 4,139,996
Interest.....	10,635,592	9,818,513
Changes in benefit terms.....	-	-
Differences between expected and actual experience.....	-	-
Changes of assumptions.....	-	-
Benefit payments, including refunds of member contributions.....	(7,674,772)	(7,436,340)
Net change in total pension liability.....	7,100,816	6,522,169
Total pension liability - beginning.....	136,930,828	130,408,659
Total pension liability - ending (a).....	\$ 144,031,644	\$ 136,930,828
<u>Plan fiduciary net position</u>		
Contributions - employer.....	\$ 4,381,261	\$ 4,182,459
Contributions - member.....	2,751,726	2,672,455
Net investment income.....	(920,663)	6,123,665
Benefit payments, including refunds of member contributions.....	(7,674,771)	(7,436,340)
Administrative expense.....	(130,864)	(132,768)
Other.....	34,868	-
Net change in plan fiduciary net position.....	(1,558,443)	5,409,471
Plan fiduciary net position - beginning.....	97,128,837	91,719,366
Plan fiduciary net position - ending (b).....	\$ 95,570,394	\$ 97,128,837
Net pension liability - ending (a) - (b).....	\$ 48,461,250	\$ 39,801,991
Plan fiduciary net position as a percentage of the total pension liability	66.35%	70.93%
Covered payroll	\$ 28,254,497	\$ 27,037,796
Net pension liability as a percentage of covered payroll	171.52%	147.21%

(1) Data is being accumulated annually to present 10 years of the reported information

**TOWN OF HINGHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS (SYSTEM) (1)(2)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 5,748,074	5,397,253	5,067,843	4,758,538	4,468,111
Contributions in relation to the actuarially determined contribution	<u>5,748,074</u>	<u>5,397,253</u>	<u>5,067,843</u>	<u>4,758,538</u>	<u>4,468,111</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 31,933,053	31,754,200	31,147,590	30,379,900	33,999,844
Contributions as a percentage of covered payroll	18.00%	17.00%	16.27%	15.66%	13.14%

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 4,381,261	4,182,459
Contributions in relation to the actuarially determined contribution	<u>4,381,261</u>	<u>4,182,459</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>
Covered payroll	\$ 29,686,892	29,576,661
Contributions as a percentage of covered payroll	14.76%	14.14%

- (1) Data is being accumulated annually to present 10 years of the reported information
(2) The contributions in this table also represent the contribution requirements of the System's employers as of the employers' most recent fiscal year-ends.

SCHEDULE OF INVESTMENT RETURNS (SYSTEM) (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	12.00%	16.08%	-2.40%	17.54%	8.10%	-0.87%	6.68%

- (1) Data is being accumulated annually to present 10 years of the reported information

**TOWN OF HINGHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (1)(2)**

	2021	2020	2019	2018	2017
Town's proportion of the net pension liability.....	88.57%	88.44%	88.84%	88.71%	88.84%
Town's proportionate share of the net pension liability.....	37,800,000	43,061,422	48,669,502	37,800,369	48,194,445
Town's covered payroll.....	28,277,707	25,365,338	24,143,716	24,492,012	28,228,989
Town's proportionate share of the net pension liability as a percentage of its covered payroll.....	133.67%	169.76%	201.58%	154.34%	170.73%
Plan fiduciary net position as a percentage of the total pension liability.....	77.49%	73.08%	67.76%	73.71%	65.39%
		<u>2016</u>	<u>2015</u>		
Town's proportion of the net pension liability.....		88.79%	91.97%		
Town's proportionate share of the net pension liability.....		43,027,582	36,595,224		
Town's covered payroll.....		24,536,931	23,876,305		
Town's proportionate share of the net pension liability as a percentage of its covered payroll.....		175.36%	153.27%		
Plan fiduciary net position as a percentage of the total pension liability.....		66.35%	70.93%		

(1) Amounts presented were determined as of December 31 of the previous calendar year.

(2) Data is being accumulated annually to present 10 years of the reported information

**TOWN OF HINGHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

**SCHEDULE OF THE HINGHAM MUNICIPAL LIGHT PLANT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (1)(2)**

	2020	2019	2018
Light Plant's proportion of the net pension liability.....	7.37%	6.87%	6.97%
Light Plant's proportionate share of the net pension liability.....	3,586,293	3,763,750	2,968,051
Light Plant's covered payroll.....	2,841,611	2,471,404	2,510,092
Light Plant's proportionate share of the net pension liability as a percentage of its covered payroll.....	126.21%	152.29%	118.24%
Plan fiduciary net position as a percentage of the total pension liability.....	73.08%	67.76%	73.71%
	<hr/>	<hr/>	<hr/>
	2017	2016	2015
Light Plant's proportion of the net pension liability.....	6.18%	6.21%	5.90%
Light Plant's proportionate share of the net pension liability.....	3,353,532	3,309,805	2,349,591
Light Plant's covered payroll.....	3,218,083	2,552,772	2,850,178
Light Plant's proportionate share of the net pension liability as a percentage of its covered payroll.....	104.21%	129.66%	82.44%
Plan fiduciary net position as a percentage of the total pension liability.....	65.39%	64.21%	70.93%

(1) Amounts presented were determined as of December 31 of the previous calendar year.

(2) Data is being accumulated annually to present 10 years of the reported information

**TOWN OF HINGHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

SCHEDULE OF TOWN'S CONTRIBUTIONS (1)

	2021	2020	2019	2018	2017
Actuarially Required Contribution.....	\$ 5,090,917	\$ 4,773,356	\$ 4,502,044	\$ 4,221,102	\$ 4,302,489
Contributions in Relation to the Actuarially Required Contribution.....	5,090,917	4,773,356	4,502,044	4,221,102	4,302,489
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ -	\$ -	\$ -
 Town's Covered Payroll.....	 28,994,714	 28,912,589	 28,676,186	 27,869,808	 \$ 30,781,761
 Contributions as a Percentage of Covered Payroll.....	 17.56%	 16.51%	 15.70%	 15.15%	 13.98%
		2016	2015		
Actuarially Required Contribution.....		\$ 4,162,197	\$ 4,092,386		
Contributions in Relation to the Actuarially Required Contribution.....		4,162,197	4,092,386		
Contribution Deficiency (Excess).....		\$ -	\$ -		
 Town's Covered Payroll.....		 \$ 26,803,088	 \$ 26,726,483		
 Contributions as a Percentage of Covered Payroll.....		 15.53%	 15.31%		

(1) Amounts presented were determined as of fiscal years ended June 30

(2) Data is being accumulated annually to present 10 years of the reported information.

**TOWN OF HINGHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS**

SCHEDULE OF HINGHAM MUNICIPAL LIGHT PLANT'S CONTRIBUTIONS (1) (2)

	2020	2019	2018	2017	2016	2015
Actuarially Required Contribution.....	\$ 397,538	\$ 348,157	\$ 331,435	\$ 279,906	\$ 272,180	\$ 246,899
Contributions in Relation to the Actuarially Required Contribution.....	397,538	348,157	331,435	279,906	272,180	246,899
Contribution Deficiency (Excess).....	<u>\$ -</u>					
Light Plant's Covered Payroll.....	\$ 2,841,611	\$ 2,471,404	\$ 2,510,092	\$ 3,218,083	\$ 2,883,804	\$ 2,850,178
Contributions as a Percentage of Covered Payroll.....	13.99%	14.09%	13.20%	8.70%	9.44%	8.66%

- (1) Amounts presented were determined as of December 31 of the previous calendar year
(2) Data is being accumulated annually to present 10 years of the reported information

**SCHEDULE OF SPECIAL FUNDING AMOUNTS OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (1) (2)**

	2021	2020	2019	2018	2017
Town's proportionate share of the net pension liability.....	\$ 139,416,472	\$ 122,006,768	\$ 113,568,043	\$ 108,156,852	\$ 103,636,990
Commonwealth's proportionate share of the Town's net pension liability.....	<u>139,416,472</u>	<u>122,006,768</u>	<u>113,568,043</u>	<u>108,156,852</u>	<u>103,636,990</u>
Town's net pension liability.....	<u>\$ -</u>				
Town's expense and revenue recognized for Commonwealth's support.....	\$ 17,219,932	\$ 14,795,438	\$ 11,508,477	\$ 11,288,646	\$ 10,571,652
Plan fiduciary net position as a percentage of the total pension liability.....	50.67%	53.95%	54.84%	54.25%	52.73%
	2016	2015			
Town's proportionate share of the net pension liability.....	\$ 91,801,693	\$ 68,975,411			
Commonwealth's proportionate share of the Town's net pension liability.....	<u>91,801,693</u>	<u>68,975,411</u>			
Town's net pension liability.....	<u>\$ -</u>	<u>\$ -</u>			
Town's expense and revenue recognized for Commonwealth's support.....	\$ 7,445,934	\$ 4,792,053			
Plan fiduciary net position as a percentage of the total pension liability.....	55.38%	61.64%			

- (1) Amounts presented were determined as of June 30 of the prior year
(2) Data is being accumulated annually to present 10 years of the reported information

**TOWN OF HINGHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS -
OTHER POSTEMPLOYMENT BENEFITS PLAN (1)**

	2021	2020	2019	2018	2017
<u>Total OPEB liability</u>					
Service cost.....	\$ 1,953,352	\$ 2,143,208	\$ 1,939,549	\$ 1,941,276	\$ 1,866,612
Interest.....	5,629,582	6,252,292	5,917,372	5,960,440	5,649,691
Changes of benefit terms.....	-	(798,835)	-	(8,123,482)	-
Differences between expected and actual experience.....	-	(15,023,382)	-	(2,678,788)	-
Changes of assumptions.....	4,859,228	5,333,343	2,813,121	8,454,640	-
Benefit payments.....	(3,662,794)	(3,402,521)	(3,664,459)	(3,461,484)	(3,701,124)
Net change in total OPEB liability.....	8,779,368	(5,495,895)	7,005,583	2,092,602	3,815,179
Total OPEB liability - beginning.....	80,300,661	85,796,556	78,790,973	76,698,371	72,883,192
Total OPEB liability - ending (a).....	\$ 89,080,029	\$ 80,300,661	\$ 85,796,556	\$ 78,790,973	\$ 76,698,371
<u>Plan fiduciary net position</u>					
Contributions - employer.....	\$ 4,856,950	\$ 4,555,766	\$ 4,800,944	\$ 4,275,659	\$ 4,496,187
Net investment income.....	4,842,927	328,048	855,163	1,027,627	1,160,271
Benefit payments.....	(3,662,794)	(3,402,521)	(3,664,459)	(3,461,484)	(3,701,124)
Net change in plan fiduciary net position.....	6,037,083	1,481,293	1,991,648	1,841,802	1,955,334
Plan fiduciary net position - beginning.....	17,371,104	15,889,811	13,898,163	12,056,361	10,101,027
Plan fiduciary net position - ending (b).....	\$ 23,408,187	\$ 17,371,104	\$ 15,889,811	\$ 13,898,163	\$ 12,056,361
Net OPEB liability - ending (a) - (b).....	\$ 65,671,842	\$ 62,929,557	\$ 69,906,745	\$ 64,892,810	\$ 64,642,010
Plan fiduciary net position as a percentage of the total OPEB liability	26.28%	21.63%	18.52%	17.64%	15.72%
Covered payroll.....	\$ 64,181,630	\$ 67,430,655	\$ 65,275,464	\$ 62,209,592	\$ 61,312,938
Net OPEB liability as a percentage of covered payroll.....	102.32%	93.32%	107.09%	104.31%	105.43%

(1) Data is being accumulated annually to present 10 years of the reported information

**TOWN OF HINGHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

**SCHEDULE OF TOWN CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS
PLAN (1)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Required Contribution.....	\$ 5,578,928	\$ 6,292,996	\$ 5,905,399	\$ 6,011,352	\$ 5,658,433
Contributions in Relation to the Actuarially Required Contribution.....	<u>4,856,950</u>	<u>4,555,766</u>	<u>4,800,944</u>	<u>4,275,659</u>	<u>4,496,187</u>
Contribution Deficiency (Excess).....	<u>\$ 721,978</u>	<u>\$ 1,737,230</u>	<u>\$ 1,104,455</u>	<u>\$ 1,735,693</u>	<u>\$ 1,162,246</u>
Town's Covered Payroll.....	\$ 64,181,630	\$ 67,430,655	\$ 65,275,464	\$ 67,430,655	\$ 61,312,938
Contributions as a Percentage of Covered Payroll.....	7.57%	6.76%	7.35%	6.34%	7.33%

(1) Data is being accumulated annually to present 10 years of the reported information

**SCHEDULE OF INVESTMENT RETURNS - OTHER POSTEMPLOYMENT BENEFITS
PLAN (1)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	27.45%	2.02%	6.00%	8.91%	11.67%

(1) Data is being accumulated annually to present 10 years of the reported information

NOTE A - BUDGETARY - GAAP RECONCILIATION

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund and community preservation fund for the fiscal year ended June 30, 2021, is presented below:

General Fund

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual.....	\$ 112,510,869	\$ 111,254,104	\$ 1,702,031
<u>Adjustments and Reclassifications</u>			
Net change in recording 60-day receipts.....	(342,078)	-	-
Net change in recording other revenues and expenditures.....	23,500	(2,739)	(23,519)
To record MTRS on-behalf payments.....	17,219,932	17,219,932	-
To record encumbrances and continuing appropriations.....	-	(3,132,847)	-
To reclassify property and liability insurance expenditures.....	-	(1,112,680)	-
To reclassify workers' compensation activities.....	-	-	(23,416)
To reclassify the stabilization funds to the general fund.....	7,086	-	(178,836)
To reclassify the municipal buildings trust funds to the general fund.....	-	1,101,934	-
To reclassify Weir River Water System tax payments.....	(744,939)	-	744,939
To reclassify the employee benefits trust funds to the general fund.....	-	(39,765)	-
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	<u>\$ 128,674,370</u>	<u>\$ 125,287,939</u>	<u>\$ 2,221,199</u>

Community Preservation Fund

	<u>Expenditures</u>
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual.....	\$ 513,852
<u>Adjustments</u>	
Net change in recording other expenditures.....	495,331
To record encumbrances and continuing appropriations.....	<u>(89,421)</u>
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	<u>\$ 919,762</u>

NOTE B - SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION

The following methods and assumptions from the January 1, 2018 valuation were used to determine the most recent actuarially determined contribution rates:

Methods:

Actuarial Cost Method	Entry Age Normal Cost
Asset Valuation Method	The Actuarial Value of Assets is the market value of assets as of the valuation date reduced by the sum of: <ul style="list-style-type: none"> a.) 80% of gains and losses of the prior year, b.) 60% of gains and losses of the second prior year, c.) 40% of gains and losses of the third prior year and, d.) 20% of gains and losses of the fourth prior year. <p>Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 90% or more than 110% of market value.</p>

Assumptions:

Salary Increases	Group 1: 6%-4.25% per year, based on service Group 4: 7%-4.75% per year, based on service
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation.
Cost of Living Adjustment	3.0% annually on the first \$13,000
Mortality	RP-2000 Mortality Table (base year 2009) with full generational mortality improvement using Scale BB. For disabled lives, the mortality rates were based on the RP-2000 Mortality Table (base year 2012) with full generational mortality improvement using Scale BB.

NOTE C - METHODS AND ASSUMPTIONS - ACTUARIALLY DETERMINED CONTRIBUTIONS - OPEB

The following methods and assumptions from the July 1, 2019 valuation were used to determine the most recent actuarially determined contribution rates:

Methods:

Actuarial Cost Method	Entry Age Normal Cost
Asset Valuation Method	Market Value
Amortization Method	Increasing at 3.5% over 30 years on an open amortization period for partial pre-funding.

Assumptions:

Remaining Amortization Period	30 years as of July 1, 2019
Inflation Rate	2.40%
Healthcare/Medical Cost Trend Rate	7% for 2019, decreasing 0.45 percent per year to 5.2 percent, then grading down to an ultimate trend rate of 4 percent, utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.

Combining and Individual Fund Statements

Nonmajor Governmental Funds

Narrative

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds are grouped into the following categories:

Town Gifts – These funds are used to account for gifts received by the Town. These include unrestricted and restricted gifts and the expenditures relating to these gifts.

School Gifts – These funds are used to account for gifts received by the Town to be used specifically by the School Department.

Town Grants – This fund accounts for intergovernmental state grants received by the Town and related expenditures.

School State Grants – This fund is used to account for specific state grants received by the Town to be used by the School Department and the related expenditures.

School Federal Grants – This fund is used to account for specific federal grants received by the Town to be used by the School Department and the related expenditures.

Affordable Housing Trust – This fund is used to account for the Town’s affordable housing program.

School Revolving – This fund is used to account for self-supporting programs sponsored by the Town.

Town Revolving – This fund is used to account for activity where specific revenues are earmarked for specific purposes.

Town Trusts – This fund is used to account for revenues and expenditures relating to other various programs provided for the Town residents.

Town Other – This fund is used to account for revenues and expenditures related to other various programs provided for the Town residents.

Preservation Projects – This fund is used to account for revenues and expenditures related to other various programs provided for the Town preservation projects.

Conservation – This fund is used to account for revenues and expenditures related to other various programs provided for the Town conservation projects.

Sewer Inflow/Infiltration – This fund is used to account for revenues and expenditures relating to the maintenance of the sewer inflow/infiltration system of the Town.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The capital projects funds are grouped into the following categories:

Sewer – This fund is used to account for the construction/repairs of the Town’s sewer system.

Foster School – This fund is used to account for the planning and repair of the Foster Elementary School.

Plymouth River School – This fund is used to account for the planning and repair of the Plymouth River School.

Middle School Additions – This fund is used to account for the planning and repair of the Town’s Middle School.

Middle School Building Project – This fund is used to account for all activity relating to the Middle School Building project

New Elementary School – This fund is used to account for the construction of the East elementary school.

High School Field Improvements – This fund is used to account for the renovations to the High School track and fields.

The South Shore Regional Emergency Communications Center – This fund is used to account for the operations of the regional dispatch center for the Towns of Hingham, Cohasset, Hull and Norwell.

Other – This fund is used to account for capital expenditures not already assigned to any other fund.

Permanent Funds

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government’s programs and benefit the government or its citizenry. The permanent funds are grouped into the following categories:

Conservation – This fund is used to account for assets relating to the environmental conservation of various plots of land in the Town.

Town– This fund is used to account for activity relating to various maintenance and improvements to Town property.

**TOWN OF HINGHAM, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021**

<i>Special Revenue Funds</i>							
ASSETS	Town Gifts	School Gifts	Town Grants	School State Grants	School Federal Grants	Affordable Housing Trust	School Revolving
Cash and cash equivalents.....	\$ 893,749	\$ 139,745	\$ 1,692,272	\$ 1,739,393	\$ 826,952	\$ 725,488	\$ 3,400,711
Investments.....	19,424	-	-	-	-	-	-
Receivables, Net of Uncollectibles:							
Departmental and Other.....	-	-	-	-	-	-	3,185
Intergovernmental.....	-	-	1,582,624	5,083	46,658	-	-
Due from other funds.....	-	-	-	-	-	-	20,854
Assets Held for Sale.....	-	-	-	-	-	159,981	-
TOTAL ASSETS.....	\$ 913,173	\$ 139,745	\$ 3,274,896	\$ 1,744,476	\$ 873,610	\$ 885,469	\$ 3,424,750
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES:							
Warrants Payable.....	\$ 6,478	\$ 822	\$ 44,366	\$ 20,721	\$ 29,494	\$ 47,275	\$ 10,801
Accrued Payroll.....	-	-	3,379	625	2,037	-	5,160
Advance collections - fees.....	-	-	-	-	-	-	-
Unearned revenue.....	-	-	1,291,558	-	-	-	-
Due to Other Funds.....	-	-	3,916,491	17,667	29,978	-	-
Short-Term Notes Payable.....	-	-	-	-	-	122,223	-
TOTAL LIABILITIES.....	6,478	822	5,255,794	39,013	61,509	169,498	15,961
FUND BALANCES:							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	906,695	138,923	-	1,705,463	812,101	715,971	3,408,789
Unassigned.....	-	-	(1,980,898)	-	-	-	-
TOTAL FUND BALANCES.....	906,695	138,923	(1,980,898)	1,705,463	812,101	715,971	3,408,789
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 913,173	\$ 139,745	\$ 3,274,896	\$ 1,744,476	\$ 873,610	\$ 885,469	\$ 3,424,750

Special Revenue Funds

	Town Revolving	Town Trusts	Town Other	Preservation Projects	Conservation	Sewer Inflow/Infiltration	Sub-total
\$	1,688,929	\$ 126,433	\$ 4,536,614	\$ 893,271	\$ 567	\$ 739,939	\$ 17,404,063
	-	135,351	39,184	478,188	123,290	-	795,437
	-	-	-	-	-	-	3,185
	-	-	-	-	-	-	1,634,365
	-	-	-	-	-	-	20,854
	-	-	-	-	-	-	159,981
\$	<u>1,688,929</u>	<u>261,784</u>	<u>4,575,798</u>	<u>1,371,459</u>	<u>123,857</u>	<u>739,939</u>	<u>20,017,885</u>
\$	12,855	\$ -	\$ 5,036	\$ -	\$ -	\$ 1,235	\$ 179,083
	18,075	-	16,417	-	-	-	45,693
	824,664	-	-	-	-	-	824,664
	-	-	-	-	-	-	1,291,558
	-	-	182,946	-	-	-	4,147,082
	-	-	500,000	-	-	-	622,223
	<u>855,594</u>	<u>-</u>	<u>704,399</u>	<u>-</u>	<u>-</u>	<u>1,235</u>	<u>7,110,303</u>
	-	-	-	-	-	-	-
	833,335	261,784	3,871,399	1,371,459	123,857	738,704	14,888,480
	-	-	-	-	-	-	(1,980,898)
	<u>833,335</u>	<u>261,784</u>	<u>3,871,399</u>	<u>1,371,459</u>	<u>123,857</u>	<u>738,704</u>	<u>12,907,582</u>
\$	<u>1,688,929</u>	<u>261,784</u>	<u>4,575,798</u>	<u>1,371,459</u>	<u>123,857</u>	<u>739,939</u>	<u>20,017,885</u>

(continued)

**TOWN OF HINGHAM, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021**

ASSETS	<i>Capital Projects</i>				
	Sewer	Foster School	Plymouth River School	Middle School Additions	Middle School Building Project
Cash and cash equivalents.....	\$ 151,984	\$ 33,187	\$ -	\$ 8,722	\$ 257,742
Investments.....	-	-	-	-	-
Receivables, Net of Uncollectibles:					
Departmental and Other.....	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-
Due from other funds.....	-	-	-	-	-
Assets Held for Sale.....	-	-	-	-	-
TOTAL ASSETS.....	\$ 151,984	\$ 33,187	\$ -	\$ 8,722	\$ 257,742
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Warrants Payable.....	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Payroll.....	-	-	-	-	-
Advance collections - fees.....	-	-	-	-	-
Unearned revenue.....	-	-	-	-	-
Due to Other Funds.....	8,383	-	236,907	-	626,888
Short-Term Notes Payable.....	519,867	-	-	-	-
TOTAL LIABILITIES.....	528,250	-	236,907	-	626,888
FUND BALANCES:					
Nonspendable.....	-	-	-	-	-
Restricted.....	-	33,187	-	8,722	-
Unassigned.....	(376,266)	-	(236,907)	-	(369,146)
TOTAL FUND BALANCES.....	(376,266)	33,187	(236,907)	8,722	(369,146)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 151,984	\$ 33,187	\$ -	\$ 8,722	\$ 257,742

<i>Capital Projects</i>					<i>Permanent Funds</i>			Total
New Elementary School	High School Field Improvements	South Shore Regional Communications Center	Other	Sub-total	Conservation	Town	Sub-total	Nonmajor Governmental Funds
\$ -	\$ 410,347	\$ -	\$ 369,273	\$ 1,231,255	\$ 503	\$ 75	\$ 578	\$ 18,635,896
-	176,650	-	-	176,650	109,379	16,341	125,720	1,097,807
-	-	155,581	-	155,581	-	-	-	158,766
-	-	394,912	-	394,912	-	-	-	2,029,277
-	-	-	-	-	-	-	-	20,854
-	-	-	-	-	-	-	-	159,981
-	586,997	550,493	369,273	1,958,398	109,882	16,416	126,298	22,102,581
\$ -	\$ 4,096	\$ -	\$ -	\$ 4,096	\$ -	\$ -	\$ -	\$ 183,179
-	-	-	-	-	-	-	-	45,693
-	-	-	-	-	-	-	-	824,664
-	-	-	-	-	-	-	-	1,291,558
244,738	-	426,301	201,510	1,744,727	-	-	-	5,891,809
-	1,300,160	-	7,631,554	9,451,581	-	-	-	10,073,804
244,738	1,304,256	426,301	7,833,064	11,200,404	-	-	-	18,310,707
-	-	-	-	-	20,000	15,000	35,000	35,000
-	-	124,192	-	166,101	89,882	1,416	91,298	15,145,879
(244,738)	(717,259)	-	(7,463,791)	(9,408,107)	-	-	-	(11,389,005)
(244,738)	(717,259)	124,192	(7,463,791)	(9,242,006)	109,882	16,416	126,298	3,791,874
\$ -	\$ 586,997	\$ 550,493	\$ 369,273	\$ 1,958,398	\$ 109,882	\$ 16,416	\$ 126,298	\$ 22,102,581

(concluded)

**TOWN OF HINGHAM, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds						
	Town Gifts	School Gifts	Town Grants	School State Grants	School Federal Grants	Affordable Housing Trust	School Revolving
REVENUES							
Charges for Services.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,305	\$ -
Intergovernmental	-	-	4,915,839	2,288,080	1,651,056	-	399,745
Departmental and Other.....	206,420	73,780	-	-	-	449,171	132,313
Contributions.....	563,970	-	-	-	-	-	-
Investment Income.....	1,957	-	-	-	-	542	-
TOTAL REVENUES.....	772,347	73,780	4,915,839	2,288,080	1,651,056	482,018	532,058
EXPENDITURES							
Current:							
General Government.....	614,412	-	326,228	-	-	167,551	-
Public Safety.....	20,288	-	1,941,627	11,854	61,574	-	-
Education.....	-	14,738	2,742,398	2,077,888	1,092,077	-	1,098,040
Public Works.....	1,281	-	1,066,386	-	-	-	-
Health and Human Services.....	40,016	-	83,143	12,658	-	-	-
Culture and Recreation.....	3,332	-	50,917	-	-	-	-
Debt service:							
Principal.....	-	-	-	-	-	338,422	-
Interest.....	-	-	-	-	-	100,496	-
TOTAL EXPENDITURES.....	679,329	14,738	6,210,699	2,102,400	1,153,651	606,469	1,098,040
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	93,018	59,042	(1,294,860)	185,680	497,405	(124,451)	(565,982)
OTHER FINANCING SOURCES (USES)							
Transfers In.....	-	-	-	-	-	272,300	-
Transfers Out.....	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES.....	-	-	-	-	-	272,300	-
NET CHANGE IN FUND BALANCES.....	93,018	59,042	(1,294,860)	185,680	497,405	147,849	(565,982)
FUND BALANCES AT BEGINNING OF YEAR.....	813,677	79,881	(686,038)	1,519,783	314,696	568,122	3,974,771
FUND BALANCES AT END OF YEAR.....	\$ 906,695	\$ 138,923	\$ (1,980,898)	\$ 1,705,463	\$ 812,101	\$ 715,971	\$ 3,408,789

Special Revenue Funds

Town Revolving	Town Trusts	Town Other	Preservation Projects	Conservation	Sewer Inflow/Infiltration	Sub-total
\$ -	\$ -	\$ 378,683	\$ -	\$ -	\$ 82,174	\$ 493,162
-	-	62,102	-	-	-	9,316,822
889,514	40,364	2,346,138	-	-	-	4,137,700
-	1,000	4,579	801	-	-	570,350
-	24,443	3,472	102,010	9,523	135	142,082
<u>889,514</u>	<u>65,807</u>	<u>2,794,974</u>	<u>102,811</u>	<u>9,523</u>	<u>82,309</u>	<u>14,660,116</u>
-	53,358	97,873	-	9,215	-	1,268,637
309,594	-	1,183,006	-	-	-	3,527,943
-	-	254,135	-	-	-	7,279,276
-	-	23,133	-	-	168,355	1,259,155
35,526	-	9,828	-	-	-	181,171
789,468	-	-	63,917	-	-	907,634
-	-	-	-	-	-	338,422
-	-	-	-	-	-	100,496
<u>1,134,588</u>	<u>53,358</u>	<u>1,567,975</u>	<u>63,917</u>	<u>9,215</u>	<u>168,355</u>	<u>14,862,734</u>
<u>(245,074)</u>	<u>12,449</u>	<u>1,226,999</u>	<u>38,894</u>	<u>308</u>	<u>(86,046)</u>	<u>(202,618)</u>
-	-	-	-	-	-	272,300
-	-	(58,500)	-	-	-	(58,500)
-	-	(58,500)	-	-	-	213,800
<u>(245,074)</u>	<u>12,449</u>	<u>1,168,499</u>	<u>38,894</u>	<u>308</u>	<u>(86,046)</u>	<u>11,182</u>
<u>1,078,409</u>	<u>249,335</u>	<u>2,702,900</u>	<u>1,332,565</u>	<u>123,549</u>	<u>824,750</u>	<u>12,896,400</u>
<u>\$ 833,335</u>	<u>\$ 261,784</u>	<u>\$ 3,871,399</u>	<u>\$ 1,371,459</u>	<u>\$ 123,857</u>	<u>\$ 738,704</u>	<u>\$ 12,907,582</u>

(continued)

**TOWN OF HINGHAM, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2021**

	<i>Capital Projects</i>				
	Sewer	Foster School	Plymouth River School	Middle School Additions	Middle School Building Project
REVENUES					
Charges for Services.....	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Departmental and Other.....	-	-	-	-	-
Contributions.....	-	-	-	-	-
Investment Income.....	-	-	-	-	-
TOTAL REVENUES.....	-	-	-	-	-
EXPENDITURES					
Current:					
General Government.....	-	-	-	-	-
Public Safety.....	30,425	-	-	-	-
Education.....	-	-	-	-	69,303
Public Works.....	39,936	-	-	-	-
Health and Human Services.....	-	-	-	-	-
Culture and Recreation.....	-	-	-	-	-
Debt service:					
Principal.....	-	-	-	-	-
Interest.....	-	-	-	-	-
TOTAL EXPENDITURES.....	70,361	-	-	-	69,303
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(70,361)	-	-	-	(69,303)
OTHER FINANCING SOURCES (USES)					
Transfers In.....	66,383	-	-	-	-
Transfers Out.....	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	66,383	-	-	-	-
NET CHANGE IN FUND BALANCES.....	(3,978)	-	-	-	(69,303)
FUND BALANCES AT BEGINNING OF YEAR.....	(372,288)	33,187	(236,907)	8,722	(299,843)
FUND BALANCES AT END OF YEAR.....	\$ (376,266)	\$ 33,187	\$ (236,907)	\$ 8,722	\$ (369,146)

<i>Capital Projects</i>					<i>Permanent Funds</i>			Total
New Elementary School	High School Field Improvements	Communications Center	Other	Sub-total	Conservation	Town	Sub-total	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 493,162
-	-	9,269	-	9,269	-	-	-	9,326,091
-	80	-	-	80	-	-	-	4,137,780
-	-	-	-	-	-	-	-	570,350
-	11,796	-	-	11,796	8,077	1,175	9,252	163,130
-	11,876	9,269	-	21,145	8,077	1,175	9,252	14,690,513
-	-	-	5,482,324	5,482,324	3,000	-	3,000	6,753,961
-	-	9,269	27,806	67,500	-	-	-	3,595,443
-	83,043	-	-	152,346	-	-	-	7,431,622
-	-	-	1,231	41,167	-	-	-	1,300,322
-	-	-	-	-	-	-	-	181,171
-	-	-	58,026	58,026	-	-	-	965,660
-	-	-	-	-	-	-	-	338,422
-	-	-	-	-	-	-	-	100,496
-	83,043	9,269	5,569,387	5,801,363	3,000	-	3,000	20,667,097
-	(71,167)	-	(5,569,387)	(5,780,218)	5,077	1,175	6,252	(5,976,584)
-	-	-	443,463	509,846	-	-	-	782,146
-	-	-	-	-	-	-	-	(58,500)
-	-	-	443,463	509,846	-	-	-	723,646
-	(71,167)	-	(5,125,924)	(5,270,372)	5,077	1,175	6,252	(5,252,938)
(244,738)	(646,092)	124,192	(2,337,867)	(3,971,634)	104,805	15,241	120,046	9,044,812
\$ (244,738)	\$ (717,259)	\$ 124,192	\$ (7,463,791)	\$ (9,242,006)	\$ 109,882	\$ 16,416	\$ 126,298	\$ 3,791,874

(concluded)

This page left intentionally blank.

Statistical Section



Town of Hingham, Massachusetts
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Statistical Section

This part of the Town of Hingham's annual comprehensive financial report presents detailed 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 (pages 117 – 120)

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 (pages 121 – 129)

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

Debt Capacity (pages 130 – 133)

These schedules contain 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 (pages 134 – 140)

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 (pages 141 – 144)

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 annual comprehensive financial reports for the relevant year.

**TOWN OF HINGHAM, MASSACHUSETTS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets.....	\$ 72,361,430	\$ 86,629,936	\$ 94,286,033	\$ 95,609,007	\$ 97,137,802	\$ 99,935,544	\$ 102,148,838	\$ 102,031,185	\$ 102,686,154	\$ 103,044,921
Restricted.....	4,322,038	3,091,710	4,539,617	3,725,202	3,343,337	2,431,713	14,794,270	14,857,336	15,823,008	17,208,587
Unrestricted.....	18,615,065	20,929,045	(8,501,111)	(5,068,321)	(3,908,332)	(9,889,395)	(64,319,708)	(64,890,540)	(66,445,567)	(58,637,581)
Total Governmental Activities Net Position.....	\$ 95,298,533	\$ 110,650,691	\$ 90,324,539	\$ 94,265,888	\$ 96,572,807	\$ 92,477,862	\$ 52,623,400	\$ 51,997,981	\$ 52,063,595	\$ 61,615,927
Business-Type Activities										
Net Investment in Capital Assets.....	32,642,589	32,068,037	31,991,194	31,335,098	37,401,714	39,127,509	40,187,899	39,659,310	38,681,123	33,607,556
Restricted.....	6,843,356	8,175,888	10,129,197	12,651,262	12,651,262	6,959,061	8,542,548	10,571,304	12,749,509	15,746,555
Unrestricted.....	602,229	2,199,054	2,692,522	1,623,049	(1,700,461)	5,419,514	5,622,088	2,944,879	5,616,162	8,814,099
Total Business-Type Activities Net Position.....	\$ 40,088,174	\$ 42,442,979	\$ 44,812,913	\$ 45,609,409	\$ 48,352,515	\$ 51,506,084	\$ 54,352,535	\$ 53,175,493	\$ 57,046,794	\$ 58,168,210
Primary Government										
Net Investment in Capital Assets.....	105,004,019	118,697,973	126,277,227	126,944,105	134,539,516	139,063,053	142,336,737	141,690,495	141,367,277	136,652,477
Restricted.....	11,165,394	11,267,598	14,668,814	16,376,464	15,994,599	9,390,774	23,336,818	25,428,640	28,572,517	32,955,142
Unrestricted.....	19,217,294	23,128,099	(5,808,589)	(3,445,272)	(5,608,793)	(4,469,881)	(58,697,620)	(61,945,661)	(60,829,405)	(49,823,482)
Total Primary Government Net Position.....	\$ 135,386,707	\$ 153,093,670	\$ 135,137,452	\$ 139,875,297	\$ 144,925,322	\$ 143,983,946	\$ 106,975,935	\$ 105,173,474	\$ 109,110,389	\$ 119,784,137

The Town implemented GASB Statements #67, #68, and #71 in 2015 which required the net pension liability to be recorded for the first time. This also required the revision of the ending net position in 2014.

The Town implemented GASB Statement #75 in 2018 which required the net OPEB liability to be recorded for the first time. This also required the revision of the ending net position in 2017.

The Town implemented GASB Statement #84 in 2021 which required certain activities previously reported in the agency fund to be reported within governmental activities for the first time. This also required the revision of the ending net position in 2020.

**TOWN OF HINGHAM, MASSACHUSETTS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government.....	\$ 5,942,879	\$ 5,531,669	\$ 6,838,831	\$ 7,084,511	\$ 6,532,229	\$ 8,119,185	\$ 6,197,234	\$ 8,347,858	\$ 7,625,986	\$ 6,792,457
Public Safety.....	20,189,039	17,064,620	17,188,102	17,979,243	18,974,841	21,457,244	17,366,820	19,396,371	23,507,942	20,514,086
Education.....	60,092,877	61,329,548	63,532,065	62,771,088	69,690,936	76,810,877	76,009,002	85,061,524	89,458,820	94,267,921
Public Works.....	10,743,766	10,283,605	11,099,791	13,596,602	12,654,118	13,331,559	12,704,994	12,566,691	11,870,047	12,217,565
Health and Human Services.....	1,191,783	1,307,992	1,232,437	1,339,016	1,396,198	1,500,507	1,829,560	2,024,761	1,996,517	1,868,203
Culture and Recreation.....	3,127,819	3,122,258	3,344,603	3,700,943	4,009,169	4,646,565	4,160,669	4,451,508	4,309,915	3,261,159
Community Preservation.....	123,324	376,463	134,873	432,954	1,588,118	661,240	549,084	257,689	141,262	808,232
Unallocated Interest on Long Term Debt.....	1,940,022	2,430,517	2,177,845	2,051,283	2,427,821	1,861,076	2,189,431	3,680,035	1,644,032	1,466,365
Total Government Activities Expenses.....	103,351,509	101,446,672	105,548,547	108,955,640	117,273,430	128,388,253	121,006,794	135,786,437	140,554,521	141,195,988
Business-Type Activities:										
Country Club.....	2,061,404	1,976,008	2,128,067	2,250,244	2,723,430	2,209,167	1,886,961	2,198,404	1,690,567	1,512,412
Hingham Municipal Lighting Plant.....	27,268,237	26,296,157	26,115,318	28,318,206	27,691,721	26,271,581	24,609,627	28,882,502	27,117,384	29,430,458
Weir River Water System.....	-	-	-	-	-	-	-	-	-	10,507,231
Total Business-Type Activities Expenses.....	29,329,641	28,272,165	28,243,385	30,568,450	30,415,151	28,480,748	26,496,588	31,080,906	28,807,951	41,450,101
Total Primary Government Expenses.....	\$ 132,681,150	\$ 129,718,837	\$ 133,791,932	\$ 139,524,090	\$ 147,688,581	\$ 156,869,001	\$ 147,503,382	\$ 166,867,343	\$ 169,362,472	\$ 182,646,089
Program Revenues										
Governmental Activities:										
General Government Charges for Services.....	\$ 2,511,730	\$ 2,786,484	\$ 2,759,337	\$ 2,474,151	\$ 2,150,106	\$ 2,285,997	\$ 4,474,945	\$ 2,909,771	\$ 1,512,074	\$ 1,711,531
Public Safety Charges for Services.....	1,630,183	1,590,872	1,483,042	1,472,816	2,248,458	1,989,220	2,062,676	2,261,458	3,055,945	4,604,379
Education Charges for Services.....	2,275,103	2,306,585	2,522,500	2,786,563	3,412,475	3,338,218	3,504,692	3,588,348	2,926,326	314,068
Public Works Charges for Services.....	2,746,526	2,606,859	2,851,187	2,796,747	2,870,934	3,100,188	4,035,312	3,575,433	3,809,066	4,532,366
Human Services Charges for Services.....	228,815	228,411	230,160	229,334	237,767	256,830	254,179	292,285	252,366	203,559
Culture and Recreation Charges for Services.....	696,642	721,804	741,109	1,043,489	1,207,250	1,334,366	1,484,054	1,543,514	1,412,242	693,615
Operating Grants and Contributions.....	21,061,709	20,313,250	21,849,504	17,624,819	20,838,882	23,053,214	24,332,438	25,860,645	29,877,473	35,219,104
Grants and Contributions - Country Club.....	2,706,963	12,190,209	10,184,444	2,221,806	1,173,057	328,187	323,792	683,715	1,601,460	859,926
Total Government Activities Program Revenues.....	33,857,671	42,744,474	42,621,283	30,649,725	34,138,929	35,686,220	40,472,088	40,715,169	44,446,952	48,138,548
Business-Type Activities:										
Country Club Charges for Services.....	1,982,729	1,957,909	2,048,677	1,928,182	1,981,411	1,857,554	1,821,105	1,834,776	1,640,933	2,010,126
Hingham Municipal Lighting Plant Charges for Services.....	30,060,173	28,603,027	29,473,287	31,468,866	31,359,635	30,112,054	27,527,844	28,683,612	30,913,393	30,716,849
Weir River Water System Charges for Services.....	-	-	-	-	-	-	-	-	-	12,346,903
Grants and Contributions - Country Club.....	-	-	-	-	-	-	95,150	63,505	-	-
Total Business-Type Activities Program Revenues.....	32,042,902	30,560,936	31,521,964	33,397,048	33,341,046	31,969,608	29,444,099	30,581,893	32,554,326	45,073,878
Total Primary Government Program Revenues.....	\$ 65,900,573	\$ 73,305,410	\$ 74,143,247	\$ 64,046,773	\$ 67,479,975	\$ 67,655,828	\$ 69,916,187	\$ 71,297,062	\$ 77,001,278	\$ 93,212,426
Net (Expense)/Revenue										
Governmental Activities.....	\$ (69,493,838)	\$ (58,702,198)	\$ (62,927,264)	\$ (78,305,915)	\$ (83,134,501)	\$ (92,702,033)	\$ (80,534,706)	\$ (95,071,268)	\$ (96,107,569)	\$ (93,057,440)
Business-Type Activities.....	2,713,261	2,288,771	3,278,579	2,828,598	2,925,895	3,488,860	2,947,511	(499,013)	3,746,375	3,623,777
Total Primary Government Net Expense.....	\$ (66,780,577)	\$ (56,413,427)	\$ (59,648,685)	\$ (75,477,317)	\$ (80,208,606)	\$ (89,213,173)	\$ (77,587,195)	\$ (95,570,281)	\$ (92,361,194)	\$ (89,433,663)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes.....	\$ 68,836,981	\$ 71,812,957	\$ 74,831,789	\$ 79,846,398	\$ 82,859,668	\$ 85,705,687	\$ 87,478,598	\$ 90,407,391	\$ 92,759,293	\$ 96,060,525
Unrestricted Grants and Contributions.....	1,576,677	1,604,856	1,809,955	1,685,759	1,722,571	1,766,163	1,869,845	1,925,830	1,925,956	1,801,214
Penalties and Interest on Taxes.....	431,791	252,485	398,883	269,223	339,622	331,201	319,948	453,914	265,089	428,063
Investment Earnings.....	89,498	157,975	155,149	117,884	272,598	394,533	758,447	1,325,436	929,707	292,581
Miscellaneous.....	-	-	14,082	1,000	2,247	2,180	-	-	-	-
Gain on Sale of Capital Assets.....	-	250,561	-	-	-	-	-	-	-	-
Transfers, Net.....	247,829	(24,478)	500,989	327,000	244,714	407,324	320,586	333,278	293,138	2,709,552
Total Governmental Activities.....	71,182,776	74,054,356	77,710,847	82,247,264	85,441,420	88,607,088	90,747,424	94,445,849	96,173,183	101,291,935
Business-Type Activities:										
Investment Earnings.....	49,287	41,556	54,782	64,325	61,925	72,033	112,694	285,333	418,064	207,191
Transfers, Net.....	(247,829)	24,478	(500,989)	(327,000)	(244,714)	(407,324)	(320,586)	(333,278)	(293,138)	(2,709,552)
Total Business-Type Activities.....	(198,542)	66,034	(446,207)	(262,675)	(182,789)	(335,291)	(207,892)	(47,945)	124,926	(2,502,361)
Total Primary Government.....	\$ 70,984,234	\$ 74,120,390	\$ 77,264,640	\$ 81,984,589	\$ 85,258,631	\$ 88,271,797	\$ 90,539,532	\$ 94,397,904	\$ 96,298,109	\$ 98,789,574
Changes in Net Position										
Governmental Activities.....	\$ 1,688,938	\$ 15,352,158	\$ 14,783,583	\$ 3,941,349	\$ 2,306,919	\$ (4,094,945)	\$ 10,212,718	\$ (625,419)	\$ 65,614	\$ 8,234,495
Business-Type Activities.....	2,514,719	2,354,805	2,832,372	2,565,923	2,743,106	3,153,569	2,739,619	(546,958)	3,871,301	1,121,416
Total Primary Government.....	\$ 4,203,657	\$ 17,706,963	\$ 17,615,955	\$ 6,507,272	\$ 5,050,025	\$ (941,376)	\$ 12,952,337	\$ (1,172,377)	\$ 3,936,915	\$ 9,355,911

**TOWN OF HINGHAM, MASSACHUSETTS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

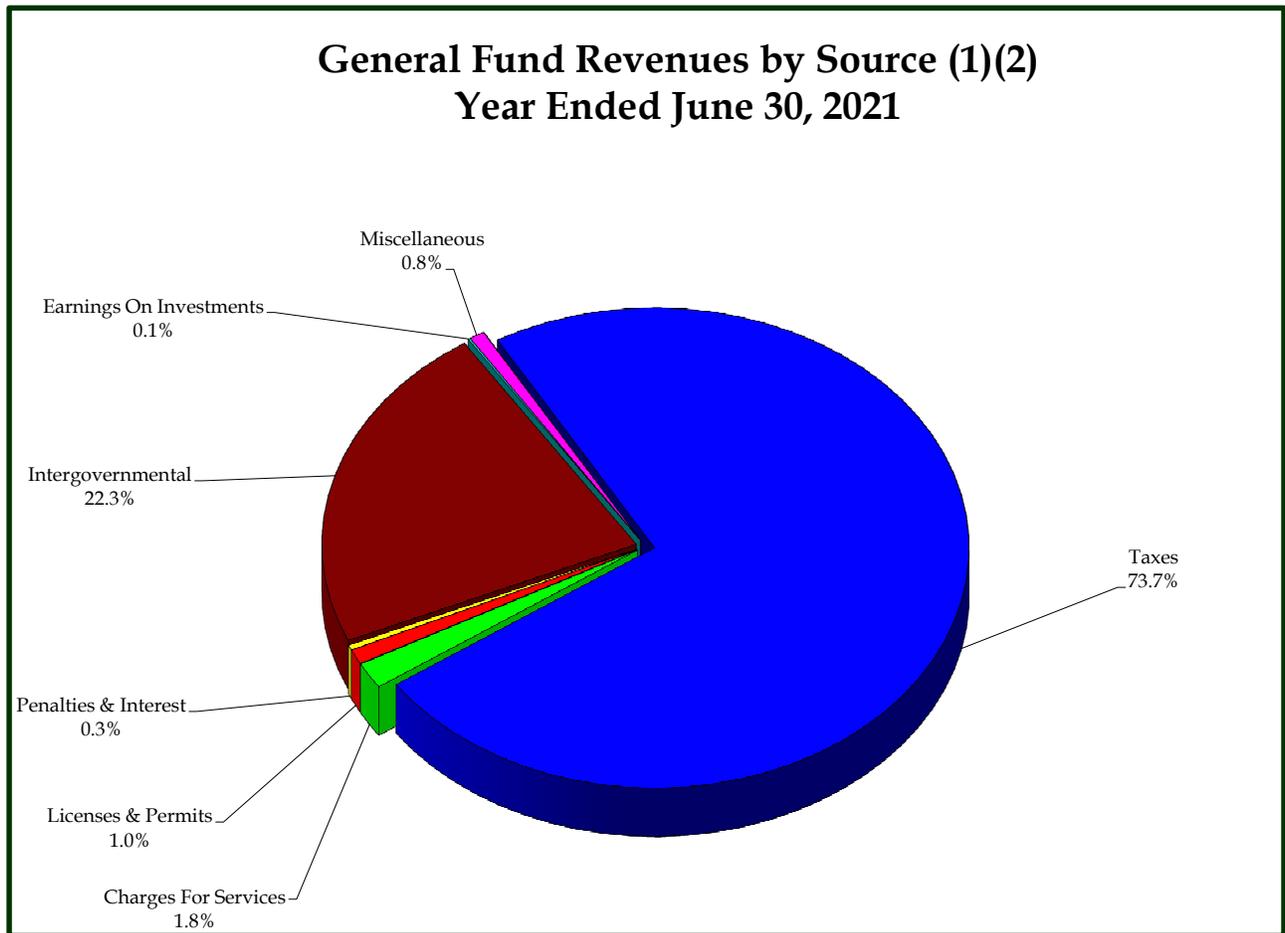
	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted.....	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ -
Committed.....	610,152	1,033,485	1,473,926	1,428,425	519,030	1,759,764	1,990,081	1,090,038	1,288,878	8,896,397
Assigned.....	2,325,501	2,679,682	2,374,893	3,488,503	4,230,263	2,811,447	1,166,574	1,812,812	1,596,370	1,995,459
Unassigned.....	<u>14,467,148</u>	<u>16,706,680</u>	<u>20,610,844</u>	<u>25,203,869</u>	<u>25,503,897</u>	<u>26,739,817</u>	<u>31,251,431</u>	<u>34,344,988</u>	<u>38,053,829</u>	<u>36,904,851</u>
Total General Fund.....	\$ <u>18,652,801</u>	\$ <u>21,669,847</u>	\$ <u>25,709,663</u>	\$ <u>31,370,797</u>	\$ <u>31,503,190</u>	\$ <u>32,561,028</u>	\$ <u>35,658,086</u>	\$ <u>38,497,838</u>	\$ <u>42,189,077</u>	\$ <u>47,796,707</u>
All Other Governmental Funds										
Nonspendable.....	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Restricted.....	9,725,814	9,112,470	10,850,736	10,996,682	12,052,931	11,168,990	13,194,383	13,697,199	12,515,748	15,145,879
Unassigned.....	<u>(3,020,664)</u>	<u>(23,814,076)</u>	<u>(39,791,279)</u>	<u>(4,958,748)</u>	<u>(5,077,510)</u>	<u>(9,685,531)</u>	<u>(8,984,458)</u>	<u>(9,460,031)</u>	<u>(10,793,376)</u>	<u>(16,978,426)</u>
Total All Other Governmental Funds.....	\$ <u>6,740,150</u>	\$ <u>(14,666,606)</u>	\$ <u>(28,905,543)</u>	\$ <u>6,072,934</u>	\$ <u>7,010,421</u>	\$ <u>1,518,459</u>	\$ <u>4,244,925</u>	\$ <u>4,272,168</u>	\$ <u>1,757,372</u>	\$ <u>(1,797,547)</u>

**TOWN OF HINGHAM, MASSACHUSETTS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes.....	\$ 70,205,364	\$ 71,142,869	\$ 74,453,910	\$ 79,020,413	\$ 82,231,703	\$ 85,123,935	\$ 87,014,453	\$ 90,839,802	\$ 92,526,812	\$ 96,438,534
Intergovernmental.....	26,472,612	35,037,693	34,440,598	23,392,379	24,474,784	27,276,871	28,303,338	29,660,217	34,079,834	38,396,236
Charges for Services.....	4,451,604	4,713,862	4,751,993	4,744,135	4,314,600	4,786,987	7,910,927	5,277,858	5,304,390	6,184,770
Investment Income.....	89,498	157,975	155,149	117,884	272,598	394,533	758,447	1,325,436	929,707	292,581
Other Revenues.....	6,768,709	8,105,592	7,263,968	7,292,384	8,650,185	8,656,192	8,709,344	9,126,885	8,140,315	7,014,647
Total Revenue.....	107,987,787	119,157,991	121,065,618	114,567,195	119,943,870	126,238,518	132,696,509	136,230,198	140,981,058	148,326,768
Expenditures:										
General Government.....	4,388,371	8,093,357	5,093,279	5,345,171	5,556,583	5,713,417	5,947,655	6,644,336	5,986,539	11,823,835
Public Safety.....	13,240,642	12,466,949	12,268,192	14,392,868	13,705,450	14,511,026	13,777,552	16,306,021	18,527,066	17,128,006
Education.....	45,757,078	73,406,386	70,881,088	53,375,067	52,495,567	54,109,031	56,756,056	59,351,780	61,988,018	64,581,588
Public Works.....	9,807,486	8,024,323	9,332,181	12,053,075	10,676,352	10,871,547	10,731,046	11,002,294	9,762,675	10,529,078
Health and Human Services.....	883,629	994,695	1,023,134	1,018,277	1,019,261	1,048,858	1,029,712	1,107,488	1,054,513	1,025,309
Culture and Recreation.....	2,183,380	2,284,767	2,528,016	2,980,834	3,057,891	4,492,109	3,432,054	3,768,973	4,462,334	2,831,449
Pension Benefits.....	3,532,879	3,648,502	3,716,341	3,845,487	3,881,034	4,030,938	4,221,102	4,502,044	4,773,356	5,090,917
Group Health Insurance.....	8,963,822	8,247,415	8,257,215	8,338,761	8,224,135	9,163,823	8,377,982	8,229,272	8,387,489	8,924,254
Community Preservation.....	342,411	2,070,939	740,381	922,202	1,790,296	5,695,980	549,084	257,689	185,807	829,744
Other.....	1,135,085	1,165,666	572,432	1,380,342	1,451,744	1,497,397	1,538,948	1,631,459	1,726,325	2,137,878
Intergovernmental.....	8,635,341	9,258,650	9,857,159	4,792,053	7,445,934	10,571,652	11,288,646	11,508,477	14,795,438	17,219,932
Debt Service.....										
Principal.....	5,489,462	5,525,064	5,081,369	4,985,065	7,077,307	7,060,083	6,896,582	6,676,334	6,165,922	6,131,345
Interest.....	2,337,998	2,336,510	2,414,941	2,193,598	2,737,150	2,391,922	2,737,281	2,715,345	2,282,271	2,048,111
Total Expenditures.....	106,697,584	137,523,223	131,765,728	115,622,800	119,118,704	131,157,783	127,283,700	133,701,512	140,097,753	150,301,446
Excess of Revenues Over (Under) Expenditures.....	1,290,203	(18,365,232)	(10,700,110)	(1,055,605)	825,166	(4,919,265)	5,412,809	2,528,686	883,305	(1,974,678)
Other Financing Sources (Uses)										
Issuance of Bonds and Notes.....	-	-	-	38,952,298	-	-	-	-	-	-
Premium from Issuance of Bonds.....	111,917	-	-	2,415,918	2,760,752	77,817	90,129	5,031	-	-
Issuance of Refunding Bonds.....	-	-	-	-	19,688,046	-	-	-	-	-
Payments to Refunding Bonds Escrow Agent.....	-	-	-	-	(22,448,798)	-	-	-	-	-
Sale of Capital Assets.....	-	-	-	-	-	-	-	-	-	-
Transfers In.....	841,908	564,518	514,653	888,500	2,402,625	594,999	1,228,011	1,882,256	1,326,389	3,765,198
Transfers Out.....	(594,079)	(588,996)	(13,664)	(561,500)	(2,157,911)	(187,675)	(907,425)	(1,548,978)	(1,033,251)	(1,055,646)
Total Other Financing Sources (Uses).....	359,746	(24,478)	500,989	41,695,216	244,714	485,141	410,715	338,309	293,138	2,709,552
Net Change in Fund Balance.....	\$ 1,649,949	\$ (18,389,710)	\$ (10,199,121)	\$ 40,639,611	\$ 1,069,880	\$ (4,434,124)	\$ 5,823,524	\$ 2,866,995	\$ 1,176,443	\$ 734,874
Debt Service as a Percentage of Noncapital Expenditures.....	7.79%	7.17%	7.17%	6.64%	8.49%	7.67%	7.70%	7.27%	6.19%	5.77%

**TOWN OF HINGHAM, MASSACHUSETTS
GENERAL FUND REVENUES BY SOURCE
LAST TEN YEARS (1)(2)**

Year Ended June 30,	Taxes (3)	Charges For Services	Licenses & Permits	Inter- Governmental (4)	Penalties & Interest	Earnings On Investments	Misc.	Total
2012	\$ 69,774	\$ 2,101	\$ 1,364	\$ 17,833	\$ 432	\$ 64	\$ 410	\$ 91,978
2013	\$ 70,890	\$ 2,145	\$ 1,355	\$ 18,988	\$ 252	\$ 95	\$ 634	\$ 94,359
2014	\$ 74,055	\$ 2,188	\$ 1,402	\$ 19,228	\$ 399	\$ 87	\$ 554	\$ 97,913
2015	\$ 78,751	\$ 2,133	\$ 1,364	\$ 15,087	\$ 269	\$ 94	\$ 234	\$ 97,932
2016	\$ 81,892	\$ 2,201	\$ 1,377	\$ 17,821	\$ 340	\$ 165	\$ 272	\$ 104,068
2017	\$ 84,790	\$ 2,339	\$ 1,634	\$ 21,483	\$ 331	\$ 328	\$ 203	\$ 104,068
2018	\$ 85,652	\$ 3,253	\$ 3,026	\$ 22,197	\$ 320	\$ 757	\$ 252	\$ 115,457
2019	\$ 89,304	\$ 2,825	\$ 1,172	\$ 22,898	\$ 454	\$ 1,206	\$ 183	\$ 118,042
2020	\$ 91,152	\$ 3,184	\$ 972	\$ 26,454	\$ 265	\$ 885	\$ 174	\$ 123,086
2021	\$ 94,824	\$ 2,261	\$ 1,282	\$ 28,749	\$ 428	\$ 129	\$ 1,001	\$ 128,674



(1) All amounts in thousands (000's).

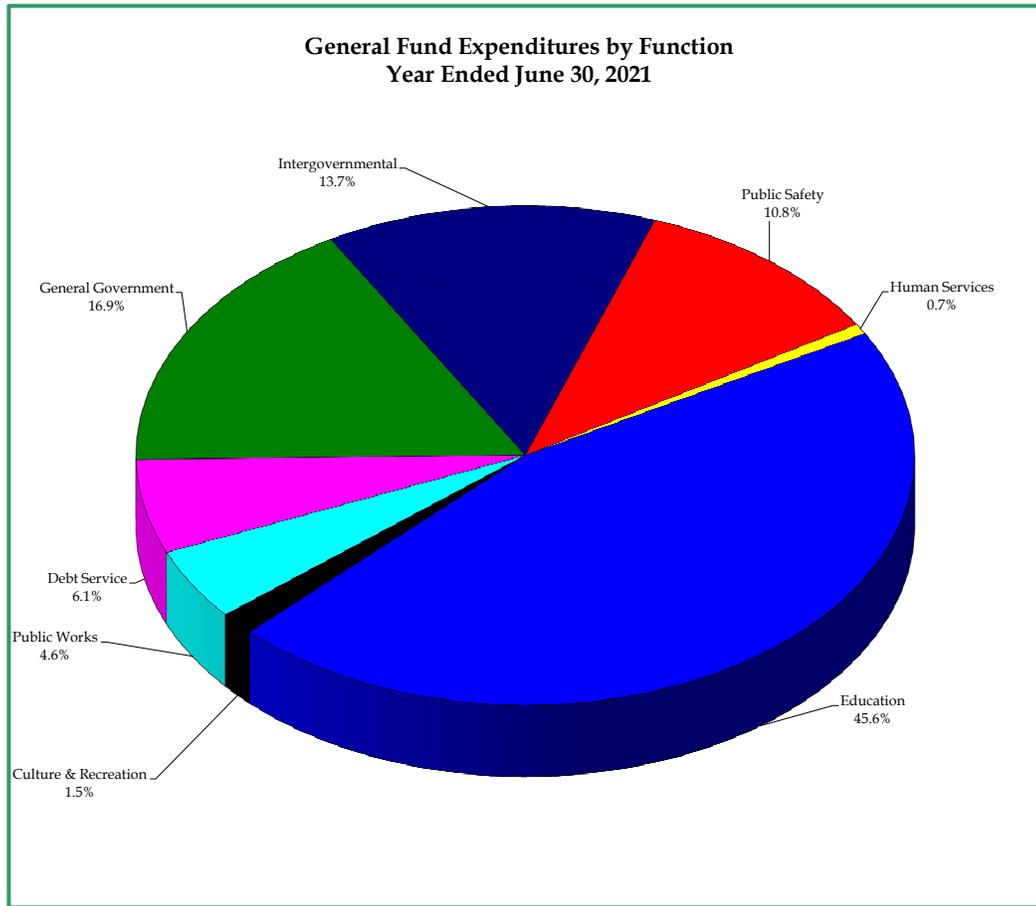
(2) Excluding transfers in.

(3) Includes real estate, personal property, motor vehicle and other taxes.

(4) Intergovernmental revenues primarily represent state funding for School operations, Teacher's pensions and the Town's share in State Lottery proceeds.

**TOWN OF HINGHAM, MASSACHUSETTS
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN YEARS (1)**

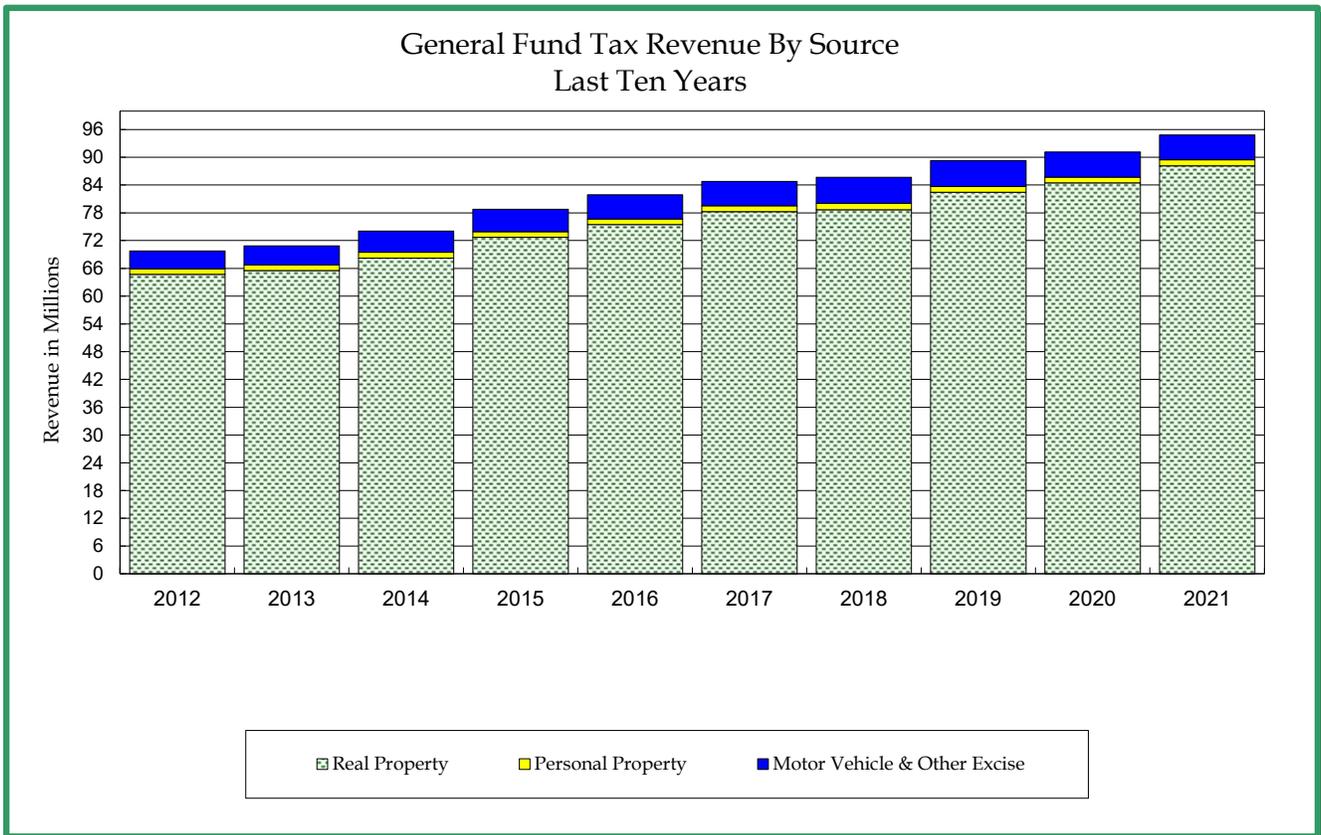
Year Ended June 30,	General Government(2)	Public Safety	Public Education	Public Works	Human Services	Culture & Recreation(3)	Inter-Governmental(4)	Debt Services	Total
2012	\$ 16,980	\$ 10,279	\$ 37,702	\$ 4,624	\$ 759	\$ 1,449	\$ 8,635	\$ 7,193	\$ 87,621
2013	\$ 16,739	\$ 11,344	\$ 39,729	\$ 4,850	\$ 844	\$ 1,565	\$ 9,259	\$ 6,982	\$ 91,312
2014	\$ 16,785	\$ 11,345	\$ 41,164	\$ 5,807	\$ 893	\$ 1,600	\$ 9,857	\$ 6,927	\$ 94,378
2015	\$ 18,092	\$ 13,089	\$ 44,028	\$ 6,893	\$ 882	\$ 1,813	\$ 4,792	\$ 6,625	\$ 96,214
2016	\$ 17,892	\$ 12,667	\$ 46,147	\$ 5,987	\$ 876	\$ 1,782	\$ 7,446	\$ 9,814	\$ 102,611
2017	\$ 19,186	\$ 13,221	\$ 48,471	\$ 5,837	\$ 890	\$ 2,939	\$ 10,572	\$ 9,452	\$ 102,611
2018	\$ 18,916	\$ 13,226	\$ 50,509	\$ 6,349	\$ 856	\$ 1,896	\$ 11,289	\$ 9,140	\$ 112,181
2019	\$ 19,063	\$ 13,681	\$ 52,709	\$ 6,300	\$ 879	\$ 1,942	\$ 11,508	\$ 8,704	\$ 114,786
2020	\$ 19,688	\$ 13,939	\$ 54,866	\$ 5,088	\$ 856	\$ 2,043	\$ 14,795	\$ 7,867	\$ 119,142
2021	\$ 21,222	\$ 13,533	\$ 57,150	\$ 5,816	\$ 844	\$ 1,866	\$ 17,220	\$ 7,637	\$ 125,288



(1) All amounts in thousands (000's).
(2) Includes employee benefits and miscellaneous.
(3) Includes General Fund expenditures for Library component unit.
(4) Intergovernmental expenditures consist of the gross-up for State funded Teacher's pensions.

**TOWN OF HINGHAM, MASSACHUSETTS
GENERAL FUND TAX REVENUES BY SOURCE
LAST TEN YEARS**

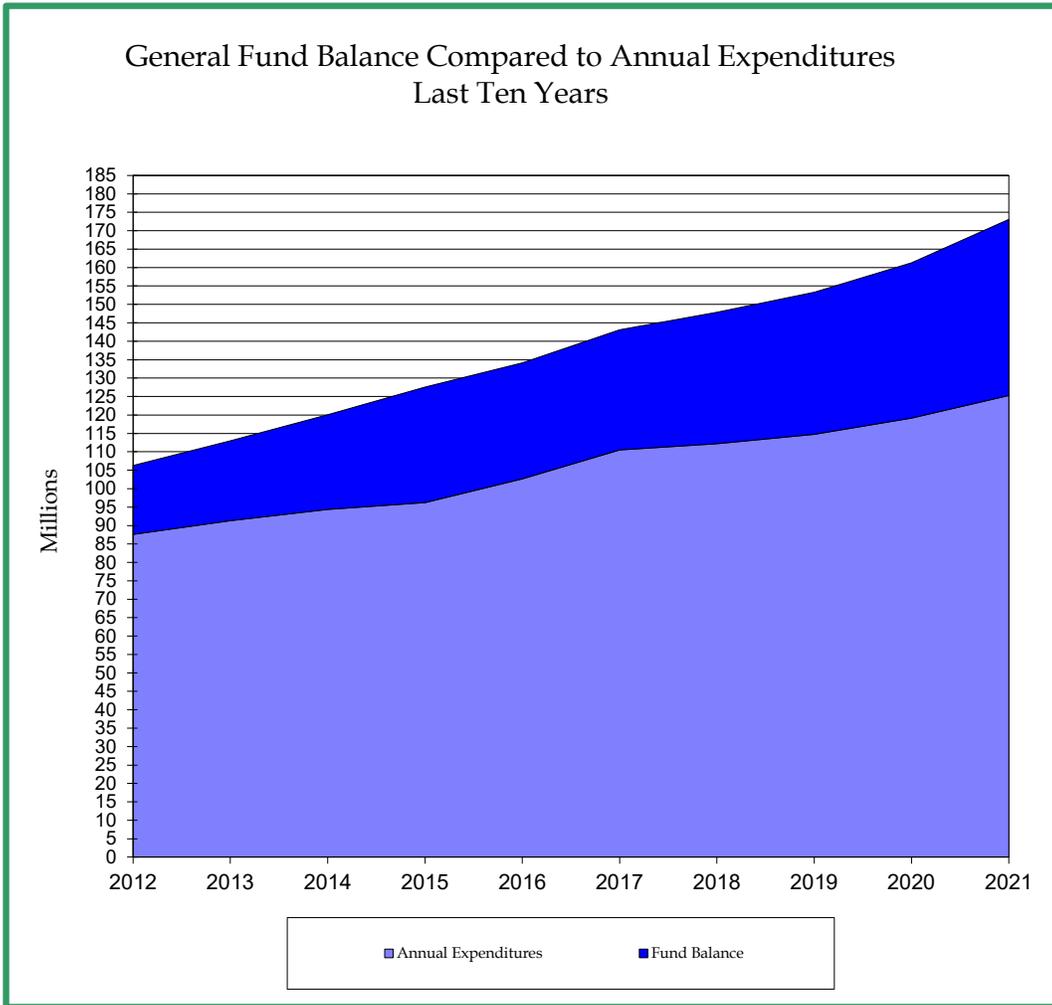
Year Ended June 30,	Real Property	Personal Property	Motor Vehicle & Other Excise	Total
2012	\$ 64,727,199	\$ 1,151,269	\$ 3,895,105	\$ 69,773,573
2013	\$ 65,520,015	\$ 1,226,694	\$ 4,143,675	\$ 70,890,384
2014	\$ 68,252,233	\$ 1,258,808	\$ 4,543,986	\$ 74,055,027
2015	\$ 72,738,279	\$ 1,205,826	\$ 4,807,085	\$ 78,751,190
2016	\$ 75,459,842	\$ 1,229,702	\$ 5,202,537	\$ 81,892,081
2017	\$ 78,275,722	\$ 1,237,879	\$ 5,279,133	\$ 81,892,081
2018	\$ 78,627,515	\$ 1,430,760	\$ 5,593,856	\$ 85,652,131
2019	\$ 82,447,069	\$ 1,221,790	\$ 5,635,154	\$ 89,304,013
2020	\$ 84,469,830	\$ 1,226,938	\$ 5,455,193	\$ 91,151,961
2021	\$ 88,129,304	\$ 1,306,288	\$ 5,388,434	\$ 94,824,026



Source: Audited financial statements, Town Accountant's records.

**TOWN OF HINGHAM, MASSACHUSETTS
GENERAL FUND FUND BALANCE COMPARED TO ANNUAL EXPENDITURES
LAST TEN YEARS**

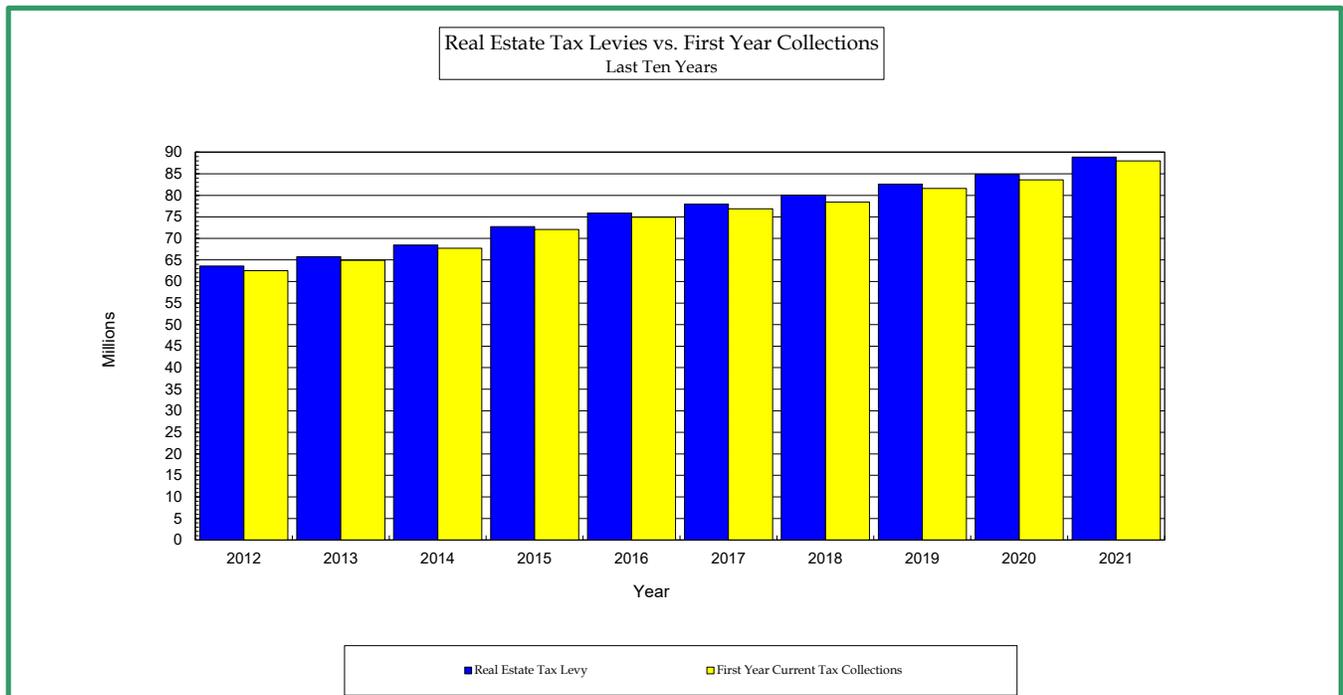
Year Ended June 30,	Fund Balance	Annual Expenditures	Balance as % of Expenditures
2012	\$ 18,652,801	\$ 87,621,170	21.29%
2013	\$ 21,669,847	\$ 91,311,575	23.73%
2014	\$ 25,709,663	\$ 94,378,040	27.24%
2015	\$ 31,370,797	\$ 96,214,249	32.61%
2016	\$ 31,503,190	\$ 102,610,743	30.70%
2017	\$ 32,561,028	\$ 110,535,572	30.70%
2018	\$ 35,658,086	\$ 112,180,550	31.79%
2019	\$ 38,497,838	\$ 114,785,674	33.54%
2020	\$ 42,189,077	\$ 119,142,820	35.41%
2021	\$ 47,796,707	\$ 125,287,939	38.15%



Source: Audited financial statements, Town Accountant's records.

**TOWN OF HINGHAM, MASSACHUSETTS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

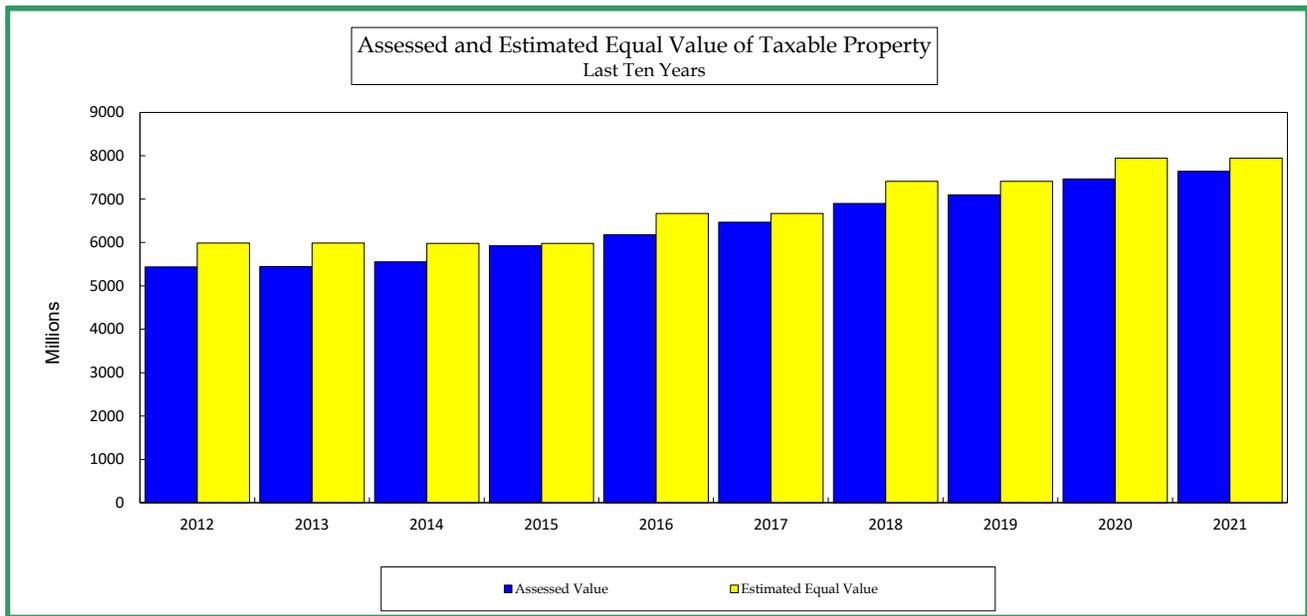
Year Ended June 30,	Real Estate Tax Levy (1)	First Year Current Tax Collections (2)	Percent of Levy Collected	Delinquent Levy Tax Collections	Total Tax Collections To Date	Percent of Levy Collected
2012	\$ 63,559,312	\$ 62,540,324	98.4%	\$ 531,413	\$ 63,071,737	99.2%
2013	\$ 65,785,681	\$ 64,928,353	98.7%	\$ 319,409	\$ 65,247,762	99.2%
2014	\$ 68,428,367	\$ 67,739,699	99.0%	\$ 559,891	\$ 68,299,590	99.8%
2015	\$ 72,761,462	\$ 72,051,714	99.0%	\$ 641,471	\$ 72,693,185	99.9%
2016	\$ 75,896,635	\$ 74,959,517	98.8%	\$ 511,765	\$ 75,471,282	99.4%
2017	\$ 77,962,344	\$ 76,868,786	98.6%	\$ 281,382	\$ 77,150,168	99.0%
2018	\$ 80,037,341	\$ 78,404,487	98.0%	\$ 289,777	\$ 78,694,264	98.3%
2019	\$ 82,596,842	\$ 81,633,312	98.8%	\$ 369,212	\$ 82,002,524	99.3%
2020	\$ 84,845,859	\$ 83,596,919	98.5%	\$ 816,500	\$ 84,413,419	99.5%
2021	\$ 88,860,041	\$ 88,016,467	99.1%	\$ -	\$ 88,016,467	99.1%



Source: Audited financial statements, Treasurer/Collector's records.
 (1) Real Estate Tax Levy net of allowance for abateements and refunds.
 (2) The "First Year Current Tax Collections" is the collection of the current year's taxes during the first fiscal year.

**TOWN OF HINGHAM, MASSACHUSETTS
 ASSESSED VALUE AND ESTIMATED EQUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS**

Year Ended June 30,	Assessed Value (1)	Estimated Equal Value (2)	As Of	Assessed Value to Estimated Equal Value	Total Direct Rate
2012	\$ 5,438,188,940	\$ 5,984,621,300	01/01/2012	90.9%	\$ 11.89
2013	\$ 5,439,457,670	\$ 5,984,621,300	01/01/2012	90.9%	\$ 12.32
2014	\$ 5,548,991,980	\$ 5,981,636,700	01/01/2014	92.8%	\$ 12.56
2015	\$ 5,919,438,780	\$ 5,981,636,700	01/01/2015	99.0%	\$ 12.53
2016	\$ 6,175,354,200	\$ 6,668,867,000	01/01/2016	92.6%	\$ 12.49
2017	\$ 6,465,789,910	\$ 6,668,867,000	01/01/2016	97.0%	\$ 12.25
2018	\$ 6,900,020,290	\$ 7,407,974,100	01/01/2018	93.1%	\$ 11.77
2019	\$ 7,097,584,950	\$ 7,407,974,100	01/01/2018	95.8%	\$ 11.81
2020	\$ 7,462,620,230	\$ 7,942,260,800	01/01/2020	94.0%	\$ 11.53
2021	\$ 7,641,780,240	\$ 7,942,260,800	01/01/2021	96.2%	\$ 11.80



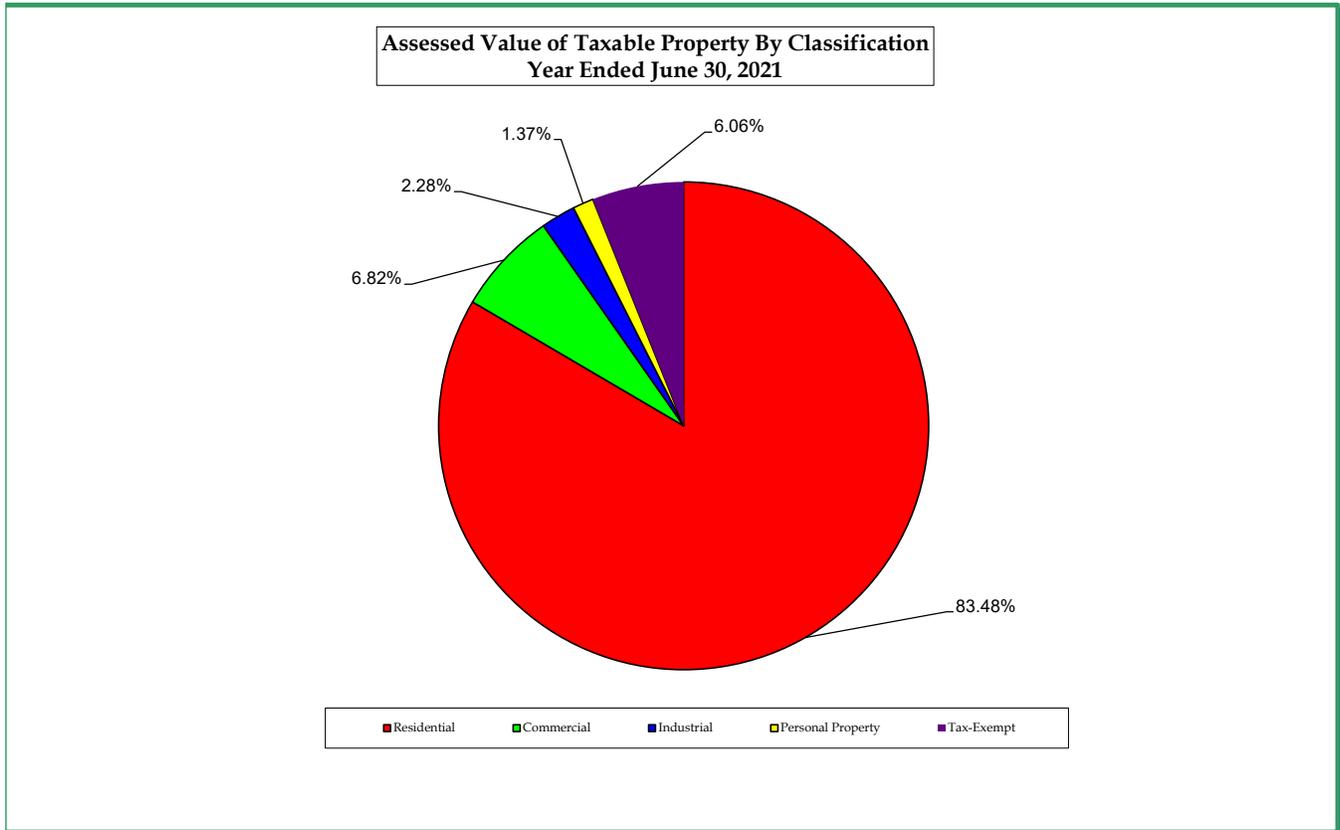
Source: Assessors Department, Town of Hingham

(1) Assessed valuations are determined annually as of January 1 and used for the year beginning on the next July 1. Taxable property in this chart refers only to real estate.

(2) The Commissioner of Revenue makes a determination of the fair cash value of the taxable property in each municipality in order to determine appropriate relative values for the purpose of certain distributions to and assessments upon cities and towns. This is known as "equalized value".

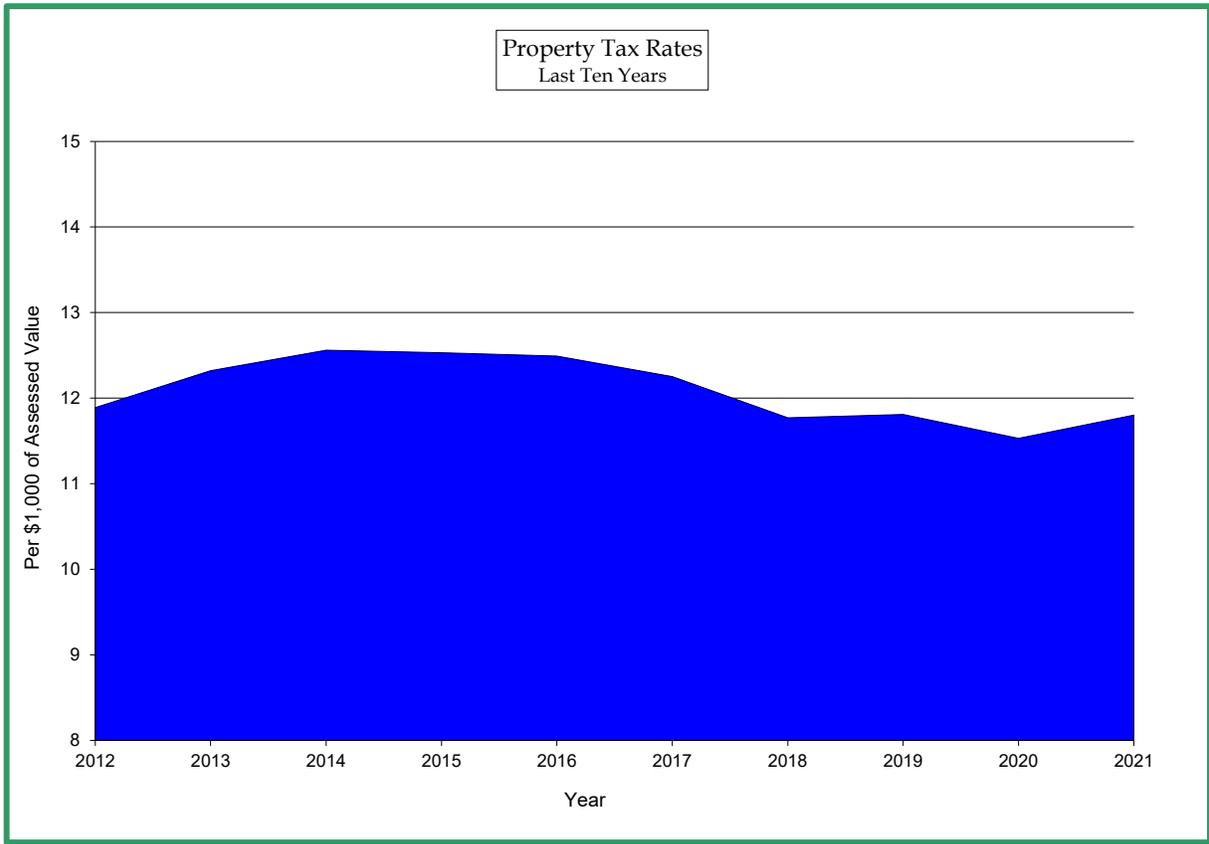
**TOWN OF HINGHAM, MASSACHUSETTS
 ASSESSED VALUE OF TAXABLE PROPERTY BY CLASSIFICATION
 LAST TEN YEARS (1)**

Year Ended June 30, (2)	Residential Valuation	Commercial Valuation	Industrial Valuation	Personal Property Valuation	Less: Tax-Exempt Property	Total Valuation
2012	\$ 4,742,405,100	\$ 434,205,900	\$ 164,218,200	\$ 97,359,740	\$ 358,700,200	\$ 5,079,488,740
2013	\$ 4,743,269,100	\$ 438,829,300	\$ 157,648,400	\$ 99,710,870	\$ 368,419,500	\$ 5,071,038,170
2014	\$ 4,838,079,100	\$ 454,806,400	\$ 155,232,900	\$ 100,873,580	\$ 369,281,800	\$ 5,179,710,180
2015	\$ 5,163,772,860	\$ 487,558,500	\$ 171,610,500	\$ 96,496,920	\$ 408,561,100	\$ 5,510,877,680
2016	\$ 5,411,453,260	\$ 495,113,900	\$ 170,024,500	\$ 98,762,540	\$ 408,537,000	\$ 5,766,817,200
2017	\$ 5,665,777,460	\$ 521,896,100	\$ 176,387,600	\$ 101,728,750	\$ 424,892,600	\$ 5,766,817,200
2018	\$ 6,086,543,946	\$ 539,513,614	\$ 171,822,200	\$ 102,140,530	\$ 482,690,100	\$ 6,417,330,190
2019	\$ 6,289,130,546	\$ 535,949,214	\$ 168,725,700	\$ 103,779,490	\$ 483,240,800	\$ 6,614,344,150
2020	\$ 6,652,412,754	\$ 533,509,206	\$ 168,948,850	\$ 107,749,420	\$ 481,010,400	\$ 6,981,609,830
2021	\$ 6,790,348,860	\$ 554,522,700	\$ 185,302,100	\$ 111,607,580	\$ 492,554,000	\$ 7,149,227,240
10 yr. average	\$ 5,638,319,299	\$ 499,590,483	\$ 168,992,095	\$ 102,020,942	\$ 427,788,750	\$ 5,953,726,058



**TOWN OF HINGHAM, MASSACHUSETTS
PROPERTY TAX RATES
PER \$1,000 OF ASSESSED VALUE
LAST TEN YEARS**

Year Ended June 30,	Residential		Commercial (1)		Industrial (1)		Personal	
2012	\$	11.89	\$	11.89	\$	11.89	\$	11.89
2013	\$	12.32	\$	12.32	\$	12.32	\$	12.32
2014	\$	12.56	\$	12.56	\$	12.56	\$	12.56
2015	\$	12.53	\$	12.53	\$	12.53	\$	12.53
2016	\$	12.49	\$	12.49	\$	12.49	\$	12.49
2017	\$	12.25	\$	12.25	\$	12.25	\$	12.25
2018	\$	11.77	\$	11.77	\$	11.77	\$	11.77
2019	\$	11.81	\$	11.81	\$	11.81	\$	11.81
2020	\$	11.53	\$	11.53	\$	11.53	\$	11.53
2021	\$	11.80	\$	11.80	\$	11.80	\$	11.80

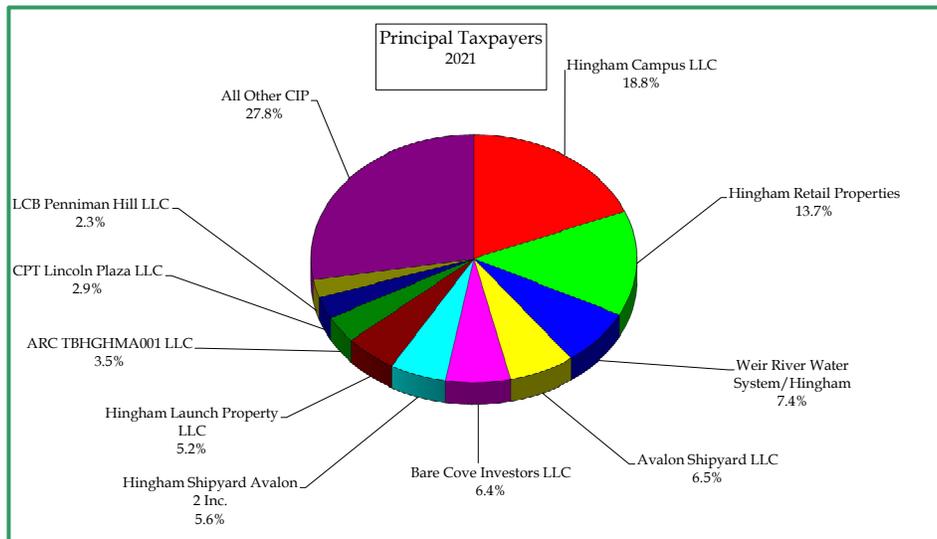


SOURCE: Assessor's Department, Town of Hingham

(1) Towns in Massachusetts are permitted to charge a higher rate for commercial and industrial properties; however, the Town of Hingham has always maintained a single rate structure.

**TOWN OF HINGHAM, MASSACHUSETTS
PRINCIPAL TAXPAYERS (1)
CURRENT YEAR AND NINE YEARS AGO**

Name	Nature of Business	2021			2012		
		Assessed Valuation	Rank	Percentage of CIP(2)	Percentage of Total Tax Levy(3)	Assessed Valuation	Rank
Hingham Campus LLC	Housing	\$160,000,000	1	18.8%	2.1%	\$245,045,900	1
Hingham Retail Properties	Mall	\$116,425,100	2	13.7%	1.5%	\$90,545,700	2
Weir River Water System/Hingham	Utilities	\$62,788,400	3	7.4%	0.8%		
Avalon Shipyard LLC	Apartments	\$55,621,400	4	6.5%	0.7%	\$28,099,300	4
Bare Cove Investors LLC	Utilities	\$54,801,600	5	6.4%	0.7%		
Hingham Shipyard Avalon 2 Inc.	Office/Manufacturing	\$47,531,500	6	5.6%	0.6%		
Hingham Launch Property LLC	Land Comm. & Ind. Bldg.	\$44,103,400	7	5.2%	0.6%		
ARC TBHGHMA001 LLC	Apartments	\$29,705,900	8	3.5%	0.4%		
CPT Lincoln Plaza LLC	Retail	\$24,299,100	9	2.9%	0.3%		
LCB Penniman Hill LLC	Assisted Living	\$19,602,700	10	2.3%	0.3%		
Curtlo LLC	Mall					\$16,478,900	7
John J Flatley	Land Comm. & Ind. Bldg.					\$15,693,700	8
Aquarion Water Company of Massachusetts	Utilities	-	-	-	-	\$20,033,400	6
A W Perry, Inc.	Land & Building	-	-	-	-	\$13,432,600	10
Samuels & Assoc. Hingham	Commercial	-	-	-	-	\$36,802,700	3
Perry Rockland LLC	Land & Buildings	-	-	-	-	\$22,919,400	5
Talbots	Office/Manufacturing					\$14,227,300	9
		<u>\$614,879,100</u>		<u>72.2%</u>	<u>8.0%</u>	<u>\$503,278,900</u>	



(1) SOURCE: Assessor's Department, Town of Hingham
(2) Total Commercial, Industrial & Personal Property (CIP) valuation \$851,432,380.
(3) Total valuation of all property \$7,641,781,240.

**TOWN OF HINGHAM, MASSACHUSETTS
RATIOS OF OUTSTANDING DEBT AND GENERAL BONDED DEBT
LAST TEN FISCAL YEARS**

Year Ended June 30,	Governmental Activities							
	Population	Personal Income	Assessed Value	General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2012	22,973	\$ 1,323,566,422	\$ 5,438,188,940	\$ 60,960,972	\$ -	\$ 2,654	4.61%	1.12%
2013	22,249	\$ 1,281,853,886	\$ 5,439,457,670	\$ 55,512,838	\$ -	\$ 2,495	4.33%	1.02%
2014	22,451	\$ 1,293,491,914	\$ 5,439,457,670	\$ 50,222,555	\$ -	\$ 2,237	3.88%	0.92%
2015	22,368	\$ 1,288,709,952	\$ 5,919,438,780	\$ 82,841,960	\$ -	\$ 3,704	6.43%	1.40%
2016	23,132	\$ 1,332,727,048	\$ 6,175,354,200	\$ 80,904,795	\$ -	\$ 3,498	6.07%	1.31%
2017	23,055	\$ 1,328,290,770	\$ 6,465,789,910	\$ 73,130,465	\$ -	\$ 3,172	5.51%	1.13%
2018	23,488	\$ 1,353,237,632	\$ 6,900,020,290	\$ 60,976,034	\$ 1,396,695	\$ 2,656	4.51%	0.88%
2019	23,058	\$ 1,377,738,558	\$ 7,097,584,950	\$ 58,270,867	\$ 1,192,473	\$ 2,579	4.23%	0.82%
2020	23,303	\$ 1,824,648,203	\$ 7,462,620,230	\$ 51,530,674	\$ 983,456	\$ 2,254	2.88%	0.70%
2021	24,456	\$ 2,353,351,968	\$ 7,641,781,240	\$ 44,873,899	\$ 769,530	\$ 1,866	1.94%	0.60%

Year Ended June 30,	Business-type Activities (1)		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2012	\$ 1,085,000	\$ 164,232	\$ 62,210,204	\$ 2,708	4.70%	1.14%
2013	\$ 950,000	\$ 125,016	\$ 56,587,854	\$ 2,543	4.41%	1.04%
2014	\$ 805,000	\$ 84,567	\$ 51,112,122	\$ 2,277	3.95%	0.94%
2015	\$ 846,418	\$ 42,938	\$ 83,731,316	\$ 3,743	6.50%	1.41%
2016	\$ 635,516	\$ -	\$ 81,540,311	\$ 3,525	6.12%	1.32%
2017	\$ 427,662	\$ -	\$ 73,558,127	\$ 3,191	5.54%	1.14%
2018	\$ 214,808	\$ -	\$ 62,587,537	\$ 2,665	4.63%	0.91%
2019	\$ -	\$ -	\$ 59,463,340	\$ 2,579	4.32%	0.84%
2020	\$ -	\$ -	\$ 52,514,130	\$ 2,254	2.88%	0.70%
2021	\$ 119,987,337	\$ -	\$ 165,630,766	\$ 6,773	7.04%	2.17%

(1) South Shore Country Club and Weir River Water System

Source: Audited Financial Statements, U.S. Census

Note: The 2013 and 2014 amounts for population and personal income were estimated because actual data was not available.

**TOWN OF HINGHAM, MASSACHUSETTS
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS (1),(2)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Equalized value established January 1 by Comm. of Massachusetts.....	\$ <u>5,984,621</u>	\$ <u>5,984,621</u>	\$ <u>5,981,636</u>	\$ <u>5,981,636</u>	\$ <u>6,668,867</u>	\$ <u>6,668,867</u>	\$ <u>7,407,974</u>	\$ <u>7,407,974</u>	\$ <u>7,942,260</u>	\$ <u>7,942,260</u>
Debt limit.....	\$ 299,231	\$ 299,231	\$ 299,082	\$ 299,082	\$ 333,443	\$ 333,443	\$ 370,399	\$ 370,399	\$ 397,113	\$ 397,113
Less:										
Total net debt applicable to limit.....	\$ <u>60,267</u>	\$ <u>54,906</u>	\$ <u>49,680</u>	\$ <u>83,688</u>	\$ <u>75,568</u>	\$ <u>68,300</u>	\$ <u>61,190</u>	\$ <u>54,300</u>	\$ <u>48,134</u>	\$ <u>153,952</u>
Legal debt margin.....	\$ <u>238,964</u>	\$ <u>244,325</u>	\$ <u>249,402</u>	\$ <u>215,394</u>	\$ <u>257,875</u>	\$ <u>265,143</u>	\$ <u>309,209</u>	\$ <u>316,099</u>	\$ <u>348,979</u>	\$ <u>243,161</u>
Total net debt applicable to the limit as a percentage of debt limit.....	20.14%	18.35%	16.61%	27.98%	22.66%	20.48%	16.52%	14.66%	12.12%	38.77%

(Dollar amounts in thousands)

(1) Massachusetts General Laws, Chapter 44, Section 10 states that a town shall not authorize indebtedness to an amount exceeding five percent (5%) of the town's equalized valuation as determined by the Commissioner of Revenue. As of June 30, 2020 the most recent valuation was as of Jan 1, 2020. A town may; however, borrow up to ten percent (10%) of such equalized valuation with the approval of the Emergency Finance Board established under Chapter 49 of the Acts of 1993.

(2) The Town of Hingham does not have a debt service fund.

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

	<u>Outstanding Long Term Debt</u>	<u>Hingham's Estimated Share (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Plymouth County Overlapping Debt (2)..... \$	N/A	N/A	\$ 150,151
MWRA Overlapping Debt (3).....	3,153,683,000	0.0395%	<u>1,246,445</u>
Subtotal Overlapping Debt.....			1,396,596
Town Direct Debt.....	N/A	N/A	165,630,766
Town Direct and Overlapping Debt.....			<u>\$ 167,027,362</u>

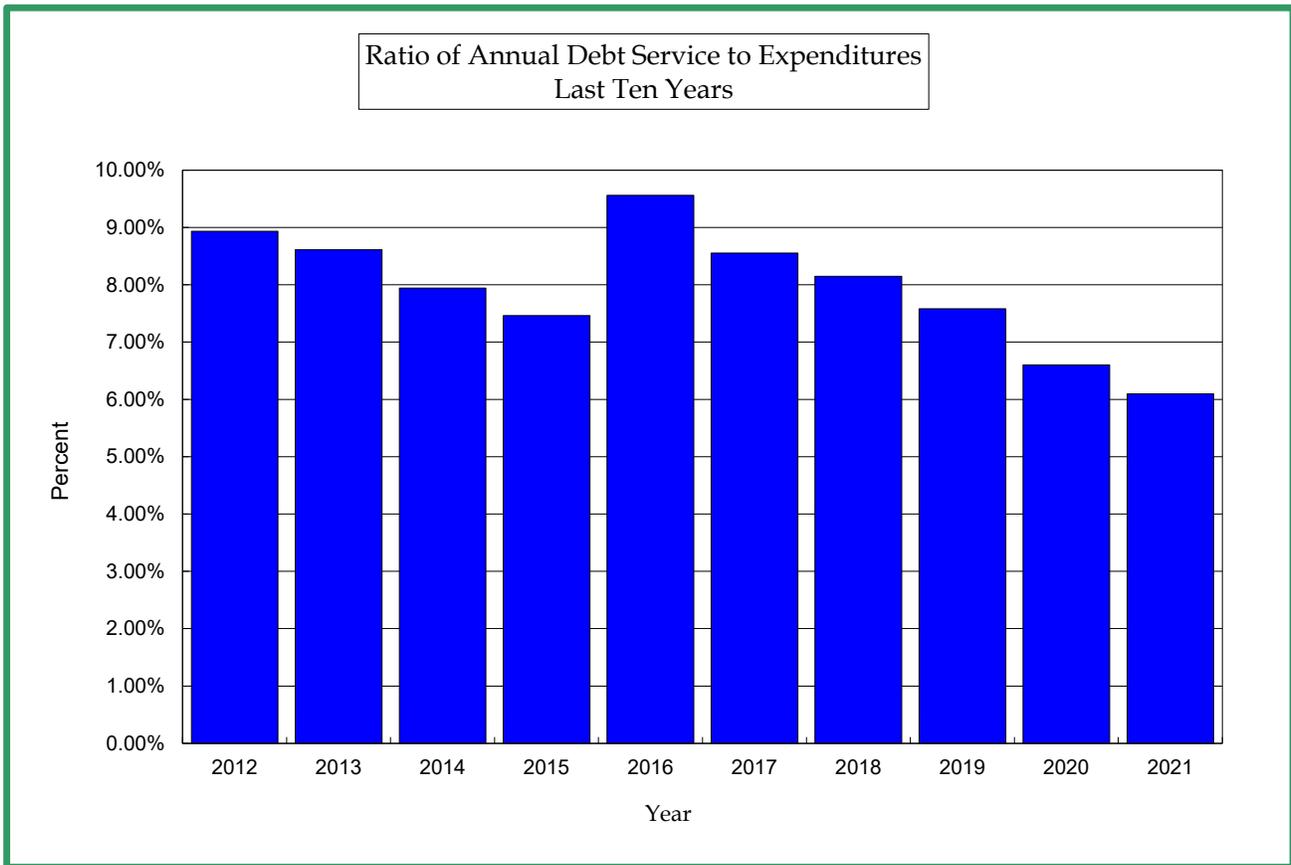
(1) Estimated share based upon operating expenses.

(2) Source: County Treasurer. County expenses, including debt service, are assessed upon the towns within the county in proportion to their taxable valuation.

(3) Source: Massachusetts Water Resources Authority (MWRA). Sewer debt only as of June 30, 2020. The MWRA provides water and sewer services to its member towns. Hingham is not a member of the MWRA water division as Hingham receives water from a private company.

TOWN OF HINGHAM, MASSACHUSETTS
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND
EXPENDITURES
LAST TEN FISCAL YEARS

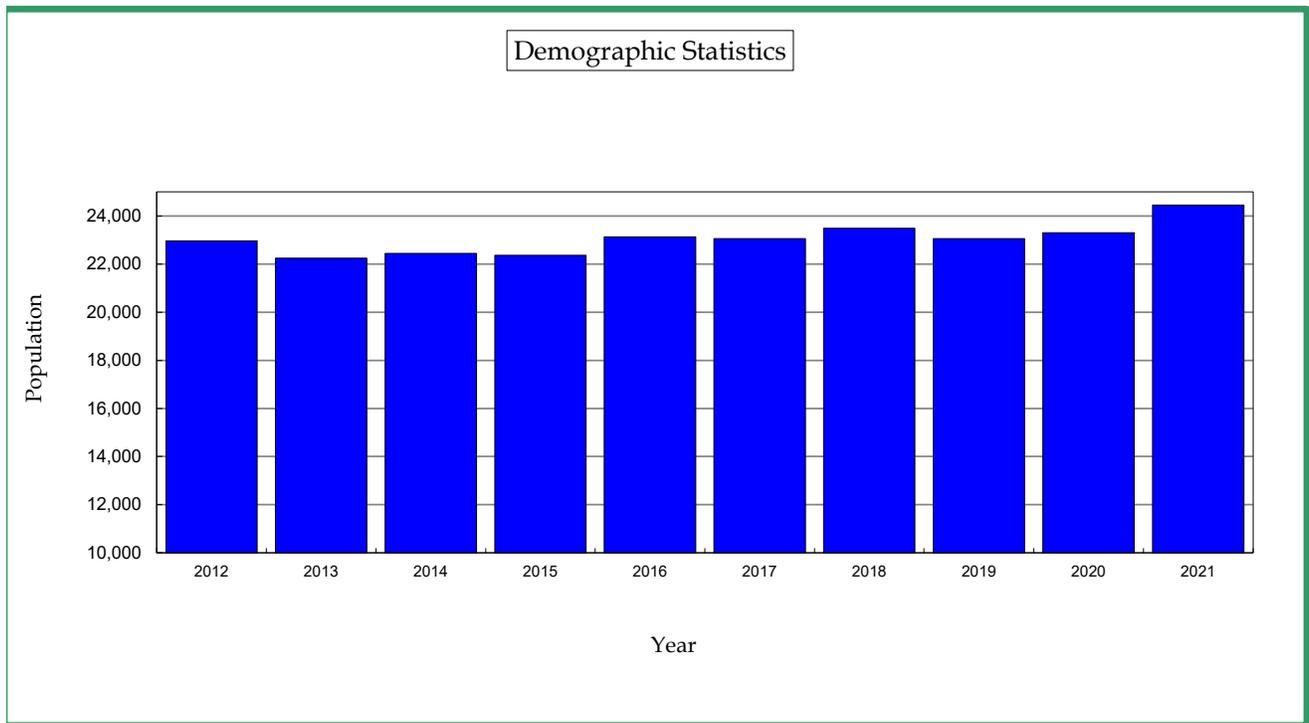
Year Ended Ended June 30,	Annual Debt Service	Total General Fund Expenditures	Ratio of Annual Debt Service to Expenditures
2012	\$ 7,827,460	\$ 87,621,170	8.9%
2013	\$ 7,861,574	\$ 91,311,575	8.6%
2014	\$ 7,496,310	\$ 94,378,040	7.9%
2015	\$ 7,178,663	\$ 96,214,249	7.5%
2016	\$ 9,814,457	\$ 102,610,743	9.6%
2017	\$ 9,452,005	\$ 110,535,572	8.6%
2018	\$ 9,139,747	\$ 112,180,550	8.1%
2019	\$ 8,703,763	\$ 114,785,674	7.6%
2020	\$ 7,867,091	\$ 119,142,820	6.6%
2021	\$ 7,636,695	\$ 125,287,939	6.1%



Source: Audited financial statements, Town Accountant's records.

**TOWN OF HINGHAM, MASSACHUSETTS
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

Year	Town of Hingham Population (1)	Plymouth County Population (2)	Commonwealth of Massachusetts Population (2)
2012	22,973	497,579	6,587,536
2013	22,249	499,759	6,646,144
2014	22,451	501,915	6,692,824
2015	22,368	507,022	6,745,408
2016	23,132	510,393	6,794,422
2017	23,055	513,565	6,811,779
2018	23,488	529,193	6,925,129
2019	23,058	518,122	6,902,149
2020	23,303	521,202	6,892,503
2021	24,456	530,819	7,029,917

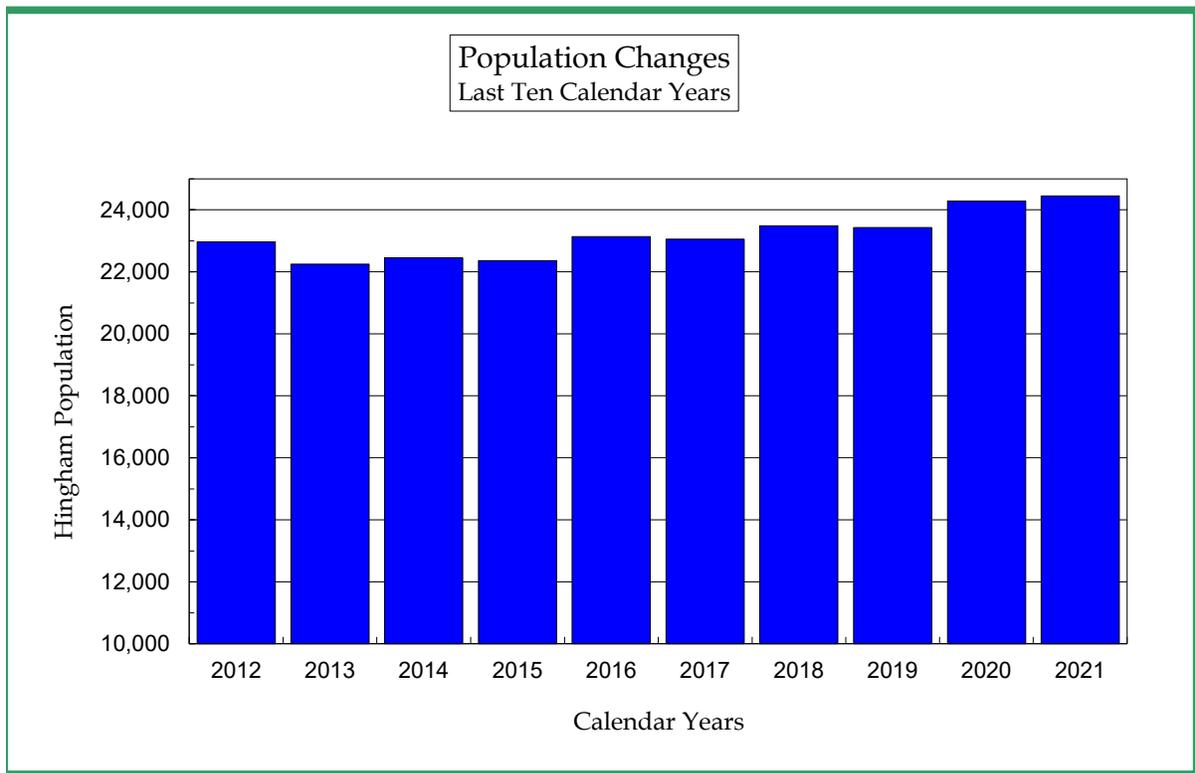


(1) Source: Hingham Town Clerk's Office.

(2) Source: US Department of Commerce, Bureau of the Census

**TOWN OF HINGHAM, MASSACHUSETTS
POPULATION CHANGES
LAST TEN CALENDAR YEARS**

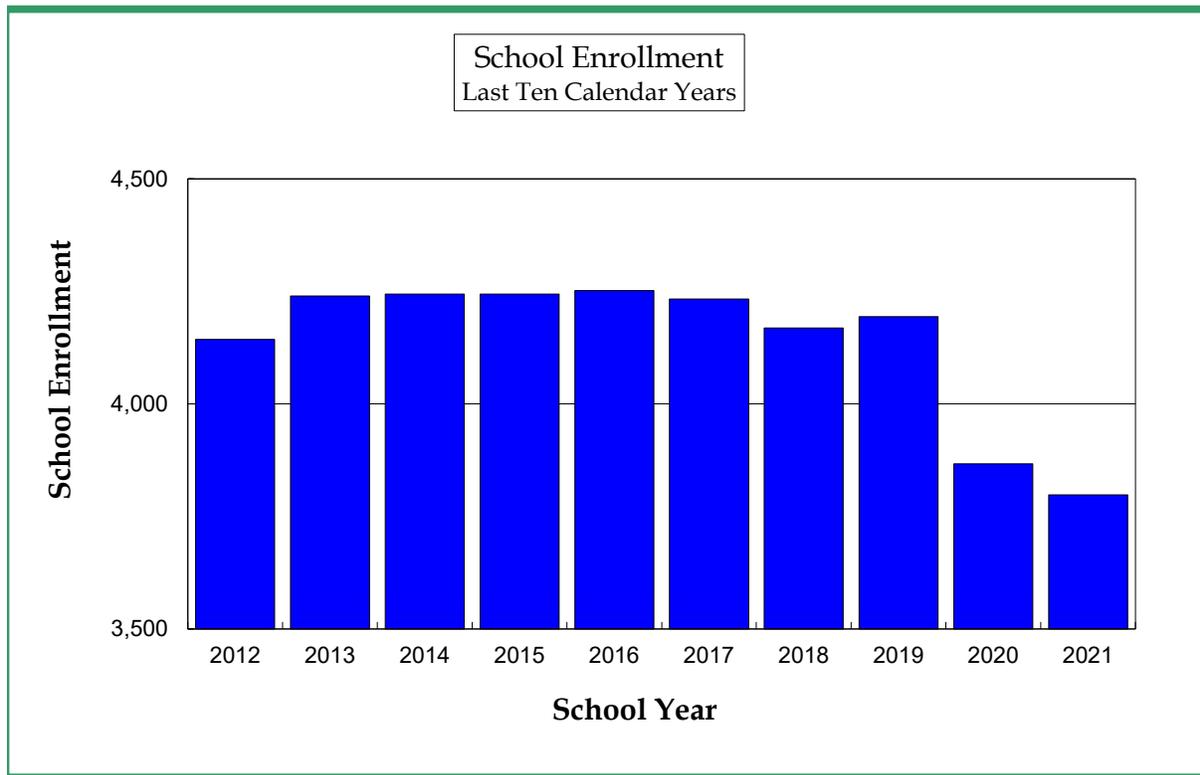
Year	Population	Increase (Decrease)
2012	22,973	1,908
2013	22,249	(724)
2014	22,451	202
2015	22,368	(83)
2016	23,132	764
2017	23,055	(77)
2018	23,488	433
2019	23,426	(62)
2020	24,287	861
2021	24,456	169



Source: Annual census data provided by the Town Clerk, Town of Hingham

**TOWN OF HINGHAM, MASSACHUSETTS
SCHOOL ENROLLMENT STATISTICS
LAST TEN YEARS**

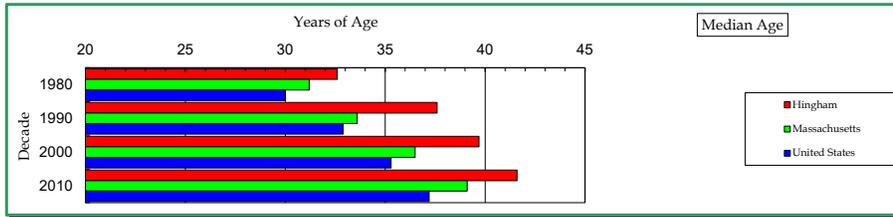
School Year	School Enrollment	Increase (Decrease)
2012	4,143	0
2013	4,240	97
2014	4,244	4
2015	4,244	0
2016	4,252	8
2017	4,233	(19)
2018	4,169	(64)
2019	4,194	25
2020	3,867	(327)
2021	3,798	(69)



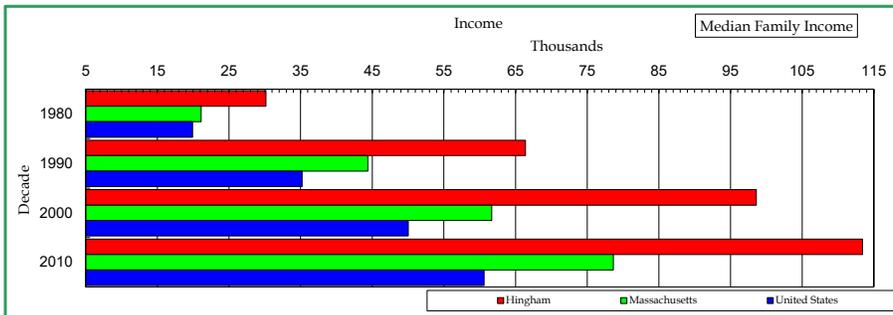
Source: Hingham's School Business Administration Office (K-12) In-district

**TOWN OF HINGHAM, MASSACHUSETTS
MEDIAN AGE, MEDIAN FAMILY INCOME, AND PER CAPITA INCOME**

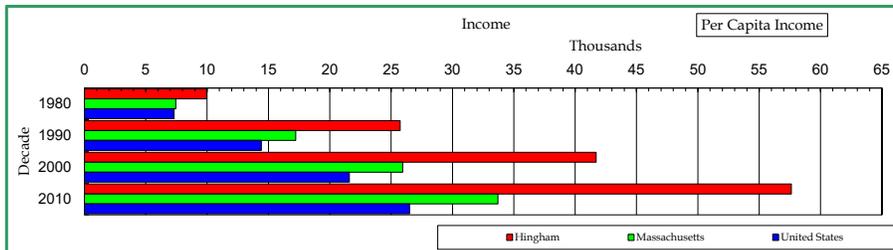
Median Age	Hingham	Massachusetts	United States
1980	32.6	31.2	30.0
1990	37.6	33.6	32.9
2000	39.7	36.5	35.3
2010	41.6	39.1	37.2



Median Family Income	Hingham	Massachusetts	United States
1980	\$ 30,157	\$ 21,116	\$ 19,908
1990	\$ 66,386	\$ 44,367	\$ 35,225
2000	\$ 98,598	\$ 61,664	\$ 50,046
2010	\$ 113,412	\$ 78,653	\$ 60,609



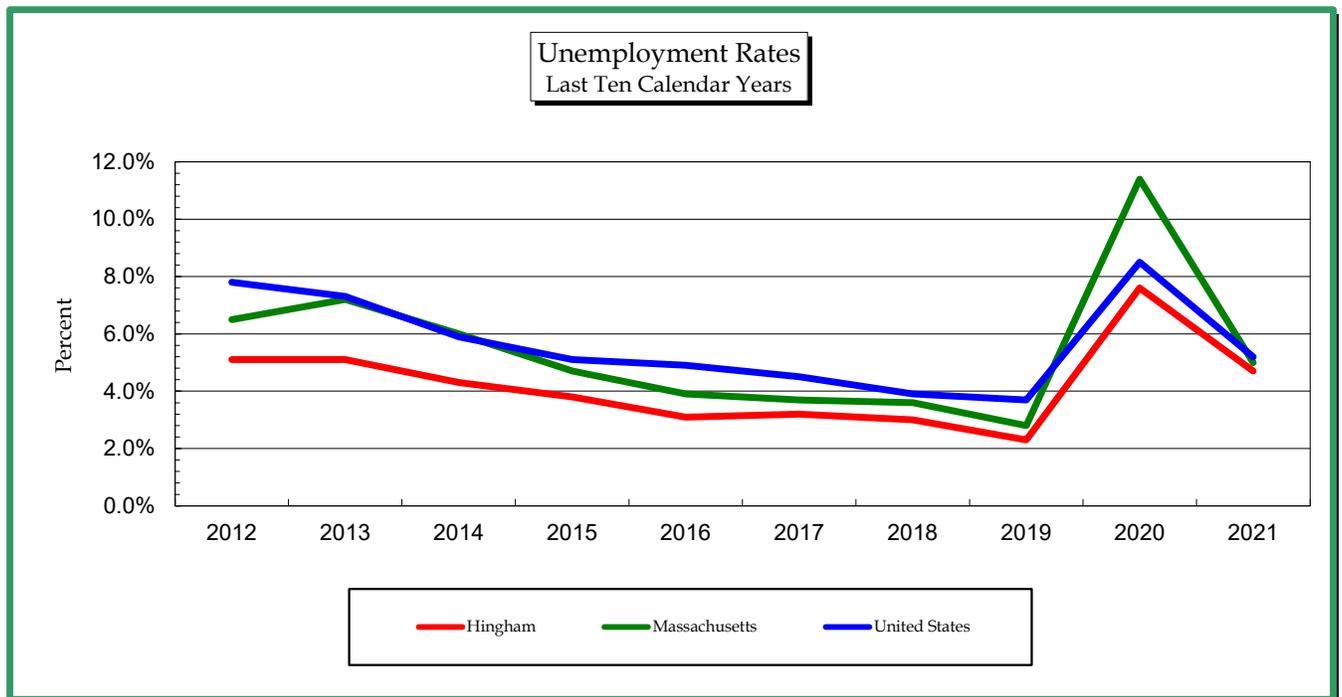
Per Capita Income	Hingham	Massachusetts	United States
1980	\$ 9,949	\$ 7,459	\$ 7,313
1990	\$ 25,726	\$ 17,224	\$ 14,420
2000	\$ 41,703	\$ 25,952	\$ 21,587
2010	\$ 57,614	\$ 33,704	\$ 26,505



Source: Federal Bureau of the Census.

**TOWN OF HINGHAM, MASSACHUSETTS
UNEMPLOYMENT RATES
LAST TEN CALENDAR YEARS**

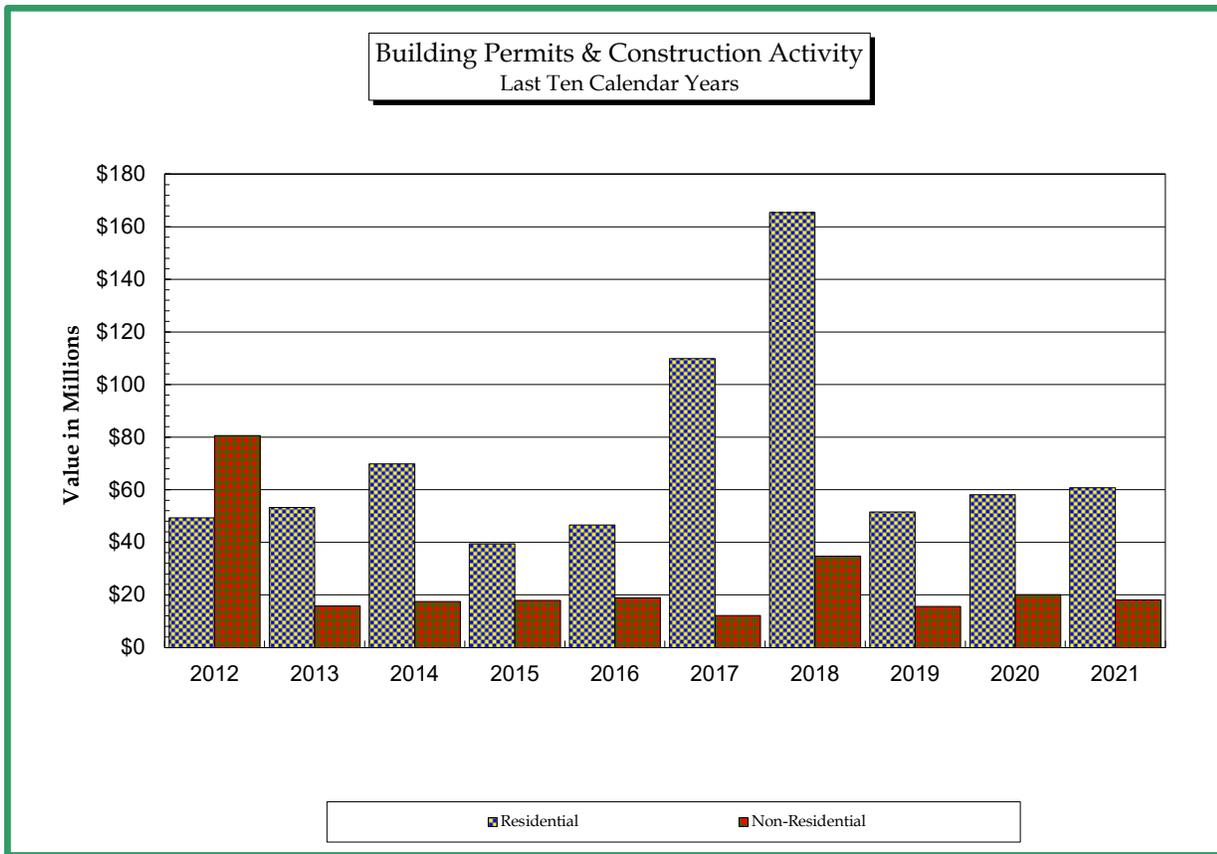
Year	Hingham (1)	Massachusetts (1)	United States (1)
2012	5.1%	6.5%	7.8%
2013	5.1%	7.2%	7.3%
2014	4.3%	6.0%	5.9%
2015	3.8%	4.7%	5.1%
2016	3.1%	3.9%	4.9%
2017	3.2%	3.7%	4.5%
2018	3.0%	3.6%	3.9%
2019	2.3%	2.8%	3.7%
2020	7.6%	11.4%	8.5%
2021	4.7%	5.0%	5.2%



(1) Source: Massachusetts Division of Employment and Training
(As of August in each year)

**TOWN OF HINGHAM, MASSACHUSETTS
BUILDING PERMITS AND CONSTRUCTION ACTIVITY
LAST TEN FISCAL YEARS**

Year	Residential		Non-Residential		Total
	Number	Value	Number	Value	
2012	716	\$ 49,275,795	331	\$ 80,578,827	\$ 129,854,622
2013	656	\$ 53,258,863	304	\$ 15,744,282	\$ 69,003,145
2014	847	\$ 69,769,445	263	\$ 17,518,199	\$ 87,287,644
2015	862	\$ 39,402,588	295	\$ 17,860,008	\$ 57,262,596
2016	1057	\$ 46,649,068	301	\$ 18,911,509	\$ 65,560,577
2017	931	\$ 109,928,064 (1)	263	\$ 12,102,620	\$ 122,030,684
2018	1045	\$ 165,415,589	275	\$ 34,716,235	\$ 200,131,824
2019	1050	\$ 51,589,368	285	\$ 15,527,843	\$ 67,117,211
2020	960	\$ 58,134,892	200	\$ 20,135,601	\$ 78,270,493
2021	893	\$ 60,687,392	186	\$ 18,128,485	\$ 78,815,877



Source: Building Inspector, Town of Hingham. Includes additions and alterations.

(1) The increase in Residential Values in 2017 relates to new construction and additions, and to Phase III of the Linden Ponds Retirement Community.

**TOWN OF HINGHAM, MASSACHUSETTS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

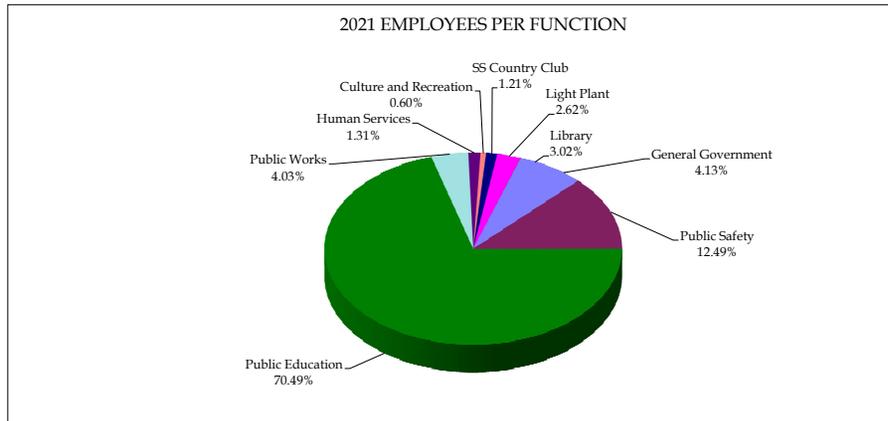
2021				
Employer	Business	Employees	Rank	% of Total Employment
Blue Cross/Blue Shield	Health Care	1,519	1	9.27%
Town of Hingham	Government	993	2	6.06%
Linden Ponds	Health Care	695	3	4.24%
Serono Laboratories	Bio-Technology	454	4	2.77%
Talbots	Retail Clothing	411	5	2.51%
Whole Foods	Retail	220	6	1.34%
Russ Electric	Manufacturing	198	7	1.21%
Harbor House	Health Care	184	9	1.12%
Stop & Shop	Retail	180	8	1.10%
Eat Well	Restaurant	180	10	1.10%
		<u>5,034</u>		<u>30.73%</u>

2012				
Employer	Business	Employees	Rank	% of Total Employment
Blue Cross/Blue Shield	Health Care	970	1	8.62%
Town of Hingham	Government	947	2	8.41%
Linden Ponds	Health Care	779	3	6.92%
Serono Laboratories	Bio-Technology	596	4	5.29%
Talbots	Retail Clothing	550	5	4.89%
Russ Electric	Manufacturing	237	6	2.11%
Whole Foods	Retail	225	8	2.00%
Stop & Shop	Retail	200	7	1.78%
Harbor House	Health Care	185	9	1.64%
Eat Well	Restaurant	160	10	1.42%
		<u>4,849</u>		<u>47.46%</u>

Source: Mass Department of Labor and Workforce Development
Town of Hingham Accounting Office

**TOWN OF HINGHAM, MASSACHUSETTS
NUMBER OF EMPLOYEES PER FUNCTION OF GOVERNMENT
LAST TEN FISCAL YEARS**

Function	2021		2020		2019		2018		2017		2016		2015		2014		2013		2012	
	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees
Governmental Activities																				
General Government	41	4.13%	42	4.23%	40	4.03%	47	4.78%	51	5.18%	50	5.05%	49	5.09%	49	5.17%	49	5.22%	48	5.07%
Public Safety	124	12.49%	113	11.38%	116	11.69%	112	11.38%	114	11.57%	117	11.81%	111	11.53%	106	11.19%	108	11.51%	109	11.51%
Public Education	700	70.49%	694	69.89%	673	67.84%	666	67.68%	658	66.80%	660	66.60%	635	65.94%	625	66.00%	621	66.20%	638	67.37%
Public Works	40	4.03%	43	4.33%	47	4.74%	45	4.57%	50	5.08%	49	4.94%	49	5.09%	47	4.96%	45	4.80%	44	4.65%
Human Services	13	1.31%	16	1.61%	16	1.61%	13	1.32%	14	1.42%	14	1.41%	15	1.56%	15	1.58%	16	1.71%	14	1.48%
Culture and Recreation	6	0.60%	11	1.11%	14	1.41%	17	1.73%	20	2.03%	20	2.02%	24	2.49%	24	2.53%	21	2.24%	23	2.43%
Business-Type Activities																				
SS Country Club	12	1.21%	15	1.51%	18	1.81%	16	1.63%	15	1.52%	14	1.41%	14	1.45%	11	1.16%	9	0.96%	9	0.95%
Light Plant	26	2.62%	28	2.82%	29	2.92%	27	2.74%	26	2.64%	28	2.83%	28	2.91%	28	2.96%	28	2.99%	27	2.85%
Weir River Water System	1	0.10%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Component Unit																				
Library	30	3.02%	30	3.02%	31	3.13%	35	3.56%	37	3.76%	39	3.94%	38	3.95%	42	4.44%	41	4.37%	35	3.70%
TOTAL EMPLOYEES	993	100.00%	992	99.90%	984	99.19%	978	99.39%	985	100.00%	991	100.00%	963	100.00%	947	100.00%	938	100.00%	947	100.00%



Source: Various Town Departments.
Does not include seasonal employees

**TOWN OF HINGHAM, MASSACHUSETTS
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS**

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government										
Number of Buildings	4	4	4	4	4	4	5	5	5	5
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Fire Station										
Number of Stations	3	3	3	3	3	3	3	3	3	3
Public Education										
Number of elementary schools	4	4	4	4	4	4	4	4	4	4
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										
Streets to maintain (approx. miles)	140	140	140	140	140	140	140	140	140	140
Sidewalks to maintain (approx. miles)	60	60	60	60	60	60	60	60	60	60
Tree & Park Division										
Tree Plantings	56	60	48	48	73	86	81	61	29	0
Tree Removals	211	217	185	185	217	249	378	357	247	193
Human Services										
Senior Center Facility	1	1	1	1	1	1	1	1	1	1
Cultural and Recreation										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Parks (acreage)	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Playgrounds	8	8	8	8	8	8	8	8	8	8
Public beaches	1	1	1	1	1	1	1	1	1	1
Tennis courts (individual)	25	25	25	25	25	25	25	25	25	25
Basketball courts (inside & outside)	15	15	15	15	15	15	15	15	15	15
Athletic Fields	32	32	32	32	32	32	32	32	32	32
Country Club	1	1	1	1	1	1	1	1	1	1

Source: Annual Town Reports, Town of Hingham's website

**TOWN OF HINGHAM, MASSACHUSETTS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government										
Town Clerk										
Population	21,065	22,973	22,249	22,451	22,368	23,132	23,055	23,055	23,426	24,287
Houses, including condominiums	7,173	7,223	7,346	7,402	7,249	7,448	7,476	7,473	7,555	7,523
Registered voters, Annual Town Election	15,939	16,995	16,595	16,546	16,768	16,768	16,897	16,897	17,936	18,933
Births	221	205	216	201	222	220	206	197	196	197
Marriages	74	73	80	85	84	78	74	67	71	82
Deaths	335	275	281	402	491	448	493	496	482	489
Community Planning										
Building Permits issued	976	964	1,051	1,125	1,312	1,217	1,201	1,398	1,242	1,218
Police										
Emergency responses	18,301	18,927	20,854	20,527	24,374	23,857	20,796	22,582	26,031	26,564
Motor vehicle accidents	803	819	879	776	839	855	813	1,066	1,097	499
Parking tickets issued	656	848	538	367	243	152	411	220	283	117
Fire										
Emergency responses	3,859	3,874	3,985	3,936	4,332	4,372	4,389	4,487	4,616	4,268
Public Works										
Recycling/ tons	2,427	2,621	2,411	2,426	2,197	2,085	2,470	2,052	2,019	2,315
Return bottle program:										
Donated cans	263,590	263,300	247,340	271,320	348,490	368,060	410,960	407,000	474,000	545,600
Donated bottles	70,855	60,235	75,650	78,100	53,530	54,810	56,560	58,800	56,700	65,100
Snow & Ice										
Inches of snow	48	11	64	74	113	54	74	57	34	39
Snowplowing operations	12	2	6	6	20	8	9	7	7	4
Sanding operations	28	6	28	31	45	30	29	23	23	18
Council on Aging										
Van trips	5,158	5,556	4,797	5,008	4,569	4,907	4,631	5,749	1,806	585
Volunteers	170	167	153	142	157	141	139	136	114	47
Total Volunteer hours	10,369	11,034	9,628	10,454	10,086	10,075	9,731	9,699	3,805	932
Health										
Permits issued	1,298	1,069	1,856	1,941	2,065	2,283	1,988	1,987	2,128	2,221
Library										
Number of patrons	260,537	266,445	260,000	241,000	230,269	247,000	254,000	246,827	252,000	N/A
Check-out items	427,843	420,467	403,882	396,694	356,524	350,000	334,000	322,609	327,000	68,395
Card holders	14,123	14,276	13,000	12,500	12,343	12,000	12,000	12,000	12,700	12,700
Program attendance	6,216	6,354	6,968	7,547	17,000	16,800	18,700	19,343	20,000	6,019
Public Education										
Public school enrollment	4,143	4,143	4,240	4,244	4,244	4,252	4,233	4,169	4,194	3,884
Professional staff	389	380	358	359	369	369	366	382	391	393
Support staff	221	253	307	305	308	305	283	307	297	301
Recreation										
Total program revenue	\$ 645,495	\$ 632,135	\$ 662,784	\$ 685,231	\$ 958,867	\$ 1,071,443	\$ 1,231,971	\$ 1,378,715	\$ 1,439,640	\$ 1,344,129
Veteran Services										
Total Veteran's benefits	\$ 176,142	\$ 190,814	\$ 229,705	\$ 231,948	\$ 225,947	\$ 206,310	\$ 191,969	\$ 193,471	\$ 193,471	\$ 148,600
Retirement										
Total membership	944	987	1,036	1,066	1,128	1,172	1,199	1,236	1,236	1,267

Source: Annual Town Reports, Town Departments
2021 data is not yet available

**TOWN OF HINGHAM, MASSACHUSETTS
FREE CASH AND STABILIZATION FUND BALANCES
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Free Cash</u>	<u>Stabilization Fund</u>
FY2021.....	\$ N/A	\$ 2,338,809
FY2020.....	\$ 24,607,647	\$ 2,513,004
FY2019.....	\$ 26,384,668	\$ 2,769,998
FY2018.....	\$ 25,089,020	\$ 3,322,579
FY2017.....	\$ 19,293,902	\$ 3,894,342
FY2016.....	\$ 17,641,268	\$ 2,339,996
FY2015.....	\$ 18,172,013	\$ 2,171,733
FY2014.....	\$ 16,753,238	\$ 1,884,504
FY2013.....	\$ 12,958,685	\$ 2,057,450
FY2012.....	\$ 10,956,404	\$ 1,486,375

Source: Town Records
N/A: FY2021 Free Cash not yet available