



# **COUNTY OF PLYMOUTH, MASSACHUSETTS**

Financial Statements  
For the Year Ended June 30, 2022

(With Independent Auditors' Report Thereon)

# COUNTY OF PLYMOUTH, MASSACHUSETTS

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
County of Plymouth, Massachusetts

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Plymouth, Massachusetts (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Plymouth, Massachusetts as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

## ***Required Supplementary Information***

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

statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2024 on our consideration of the County's 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Marcum LLP*

Merrimack, NH  
January 9, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the County of Plymouth, Massachusetts (the County) we offer readers this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2022.

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

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required 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 County's finances in a manner similar to a private-sector business.

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

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

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

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

##### ***Governmental Funds***

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental

funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Reconciliations are provided to facilitate the comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

#### *Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs.

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

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

#### **Required Supplementary Information**

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

### **Financial Highlights**

- As of the close of the current fiscal year, net position in governmental activities was \$(16,532,990), a change of \$8,544,297 in comparison to the prior fiscal year, as further discussed in the next section.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$10,518,622, a change of \$626,128 in comparison to the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,330,822, a change of \$(1,518,785) in comparison to the prior fiscal year. This decrease is a result of the County assigning \$1,500,000 for the subsequent year budget.
- In fiscal year 2022, the County applied for and received approximately \$50 million pursuant to the American Rescue Plan Act (ARPA), money designated specifically for state and local governments to be expended for allowable purposes related to COVID-19. These funds are available through an application process designed to allow cities and towns within Plymouth County to apply for necessary Coronavirus-related funding that meets ARPA requirements in a manner consistent with federal guidelines. During the current fiscal year, approximately \$2.4 million was awarded to member cities and towns.



## Government-Wide Financial Analysis

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

NET POSITION		
	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current and other assets	\$ 66,714,311	\$ 59,321,432
Capital assets	<u>6,193,514</u>	<u>6,543,024</u>
Total Assets	72,907,825	65,864,456
<b>Deferred Outflows of Resources</b>	1,296,439	6,945,981
<b>Liabilities</b>		
Other liabilities	56,195,689	49,428,938
Long-term liabilities	<u>22,159,944</u> *	<u>43,989,029</u>
Total Liabilities	78,355,633	93,417,967
<b>Deferred Inflows of Resources</b>	12,381,621	4,469,757
<b>Net Position</b>		
Net investment in capital assets	5,638,514	5,710,524
Restricted	1,899,271	1,448,108
Unrestricted	<u>(24,070,775)</u>	<u>(32,235,919)</u>
Total Net Position	<u>\$ (16,532,990)</u>	<u>\$ (25,077,287)</u>

\*The decrease in long-term liabilities from the previous fiscal year is a result of significant changes in the County's actuarial valuations for the net pension and OPEB liabilities.

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. At the close of the most recent fiscal year, total net position was \$(16,532,990), a change of \$8,544,297 from the prior fiscal year.

The largest portion of net position, \$5,638,514, reflects our investment in capital assets (e.g., land, land improvements, buildings and improvements, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$1,899,271, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position reflects a deficit exclusively resulting from unfunded net pension and net OPEB liabilities, pursuant to the implementation of GASB 68 and 75.

Change in net position of the County's governmental activities for the current and prior year is as follows:

### CHANGE IN NET POSITION

	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 7,488,470	\$ 8,196,021
Operating grants and contributions	49,174,163	49,199,552
General revenues:		
County taxes	1,697,105	1,655,712
Rental income	2,067,049	2,369,084
Investment income	44,232	125,653
Parking tickets	36,876	35,224
Sale of assets	-	42,000
Other	456,802	237,147
Total Revenues	60,964,697	61,860,393
<b>Expenses</b>		
Commissioners	372,866	324,547
Registry of deeds	3,253,509	2,830,822
Buildings maintenance	2,651,843	2,366,985
Dredge	13,552	12,341
Treasurer	631,019	466,776
Human services	44,390,421	45,663,185
Employee benefits	205,448 *	10,507,829
General and administrative	745,736	637,853
Contribution to OPEB Trust Fund	125,000	525,000
Interest	31,006	41,124
Total Expenses	52,420,400	63,376,462
Change in Net Position	8,544,297	(1,516,069)
Net Position - Beginning of Year	(25,077,287)	(23,561,218)
Net Position - End of Year	\$ (16,532,990)	\$ (25,077,287)

\*The decrease in employee benefits expense from the previous fiscal year is the result of the change in expense related to the County's actuarially determined net pension and OPEB liabilities.

Governmental activities for the year resulted in a change in net position of \$8,544,297. Key elements of this change are as follows:

Governmental funds operating results	\$ 626,128
Purchase of capital assets	105,372
Principal debt service in excess of depreciation expense	(46,237)
Loss on disposal of assets	(131,145)
Increase in compensated absences liability	(25,325)
Decrease in net pension liability and related deferrals	7,075,501
Decrease in net OPEB liability and related deferrals	940,003
Total	<u>\$ 8,544,297</u>

### Financial Analysis of the County's Governmental Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

#### **General Fund**

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,330,822, while total fund balance was \$8,643,988. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
Unassigned fund balance	\$ 6,330,822	\$ 7,849,607	\$ (1,518,785)
Total fund balance	\$ 8,643,988	\$ 8,469,012	\$ 174,976

As a percentage of total

General Fund expenditures:

Unassigned fund balance	52.1%	58.4%	-6.3%
Total fund balance	71.1%	63.0%	8.1%

The total fund balance of the General Fund changed by \$174,976 during the current fiscal year. Key factors related to this change are as follows:

Revenues in excess of budget	\$ 1,485,423
Expenditures less than budget	289,553
Use of fund balance as a funding source	(2,600,000)
Transfer to stabilization fund	<u>1,000,000</u>
Total	<u>\$ 174,976</u>

Included in the total General Fund unassigned fund balance is the County's stabilization fund with the following balance:

	<u>6/30/22</u>	<u>6/30/21</u>	<u>Change</u>
General stabilization	\$ 3,197,954	\$ 2,191,754	\$ 1,006,200

Additional information on the County's stabilization fund can be found in Note 16.

### **General Fund Budgetary Highlights**

Differences between the original and final budget reflect line-item transfers that were approved by the Commissioners and the County Advisory Board and resulted in an increase in appropriations of \$1,000,000 that was funded by unassigned fund balance. The increase in appropriations relates to further funding the County's general stabilization fund.

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

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

Total investment in capital assets at year-end amounted to \$6,193,514 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, and vehicles. The County did not carry out any major capital asset events during the current fiscal year.

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

#### ***Long-Term Debt***

At the end of the current fiscal year, total bonded debt (including unamortized bond premium) outstanding was \$555,000, all of which was backed by the full faith and credit of the County and the Commonwealth of Massachusetts.

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

## **Requests for Information**

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

Board of Commissioners  
County of Plymouth, Massachusetts  
44 Obery Street  
Plymouth, Massachusetts 02360

**COUNTY OF PLYMOUTH, MASSACHUSETTS**

Statement of Net Position  
June 30, 2022

	Governmental Activities
<b>Assets</b>	
Current:	
Cash and short-term investments	\$ 9,219,659
Restricted cash	57,251,655
Receivables	49,704
Prepaid expenses	<u>193,293</u>
Total Current Assets	66,714,311
Noncurrent:	
Capital assets:	
Nondepreciable capital assets	1,315,575
Other capital assets, net of accumulated depreciation	<u>4,877,939</u>
Total Noncurrent Assets	<u>6,193,514</u>
Total Assets	72,907,825
<b>Deferred Outflows of Resources</b>	
Related to pension	1,110,428
Related to OPEB	<u>186,011</u>
Total Deferred Outflows of Resources	1,296,439
<b>Liabilities</b>	
Current:	
Accounts payable	622,261
Accrued payroll and related liabilities	127,392
Payable to external parties	4,176,283
Other liabilities	500
Unearned revenue	51,269,253
Current portion of noncurrent liabilities:	
Bonds payable	277,500
Compensated absences liability	<u>338,104</u>
Total Current Liabilities	56,811,293
Noncurrent:	
Bonds payable, net of current portion	277,500
Compensated absences liability, net of current portion	166,354
Net pension liability	7,425,217
Net OPEB liability	<u>13,675,269</u>
Total Noncurrent Liabilities	<u>21,544,340</u>
Total Liabilities	78,355,633
<b>Deferred Inflows of Resources</b>	
Related to pension	11,405,601
Related to OPEB	<u>976,020</u>
Total Deferred Inflows of Resources	12,381,621
<b>Net Position</b>	
Net investment in capital assets	5,638,514
Restricted for:	
Registry technology	1,850,008
Other purposes	49,263
Unrestricted	<u>(24,070,775)</u>
Total Net Position	\$ <u>(16,532,990)</u>

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

# COUNTY OF PLYMOUTH, MASSACHUSETTS

## Statement of Activities For the Year Ended June 30, 2022

		Program Revenues		Net (Expenses)
		Charges for	Operating	Revenues and
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>	<u>Change in</u>
			<u>Contributions</u>	<u>Net Position</u>
<b>Governmental Activities</b>				
Commissioners	\$ 372,866	\$ -	\$ -	\$ (372,866)
Registry of deeds	3,253,509	7,089,340	1,191,393	5,027,224
Buildings maintenance	2,651,843	-	-	(2,651,843)
Dredge	13,552	6,130	-	(7,422)
Treasurer	631,019	-	-	(631,019)
Human services	44,390,421	-	44,058,825	(331,596)
Employee benefits	205,448	-	3,464,951	3,259,503
General and administrative	745,736	393,000	458,994	106,258
Contribution to OPEB Trust Fund	125,000	-	-	(125,000)
Interest	31,006	-	-	(31,006)
Total Governmental Activities	<u>\$ 52,420,400</u>	<u>\$ 7,488,470</u>	<u>\$ 49,174,163</u>	4,242,233
<b>General Revenues</b>				
				1,697,105
				2,067,049
				44,232
				36,876
				456,802
Total General Revenues				<u>4,302,064</u>
Change in Net Position				8,544,297
<b>Net Position</b>				
Beginning of year				<u>(25,077,287)</u>
End of year				<u>\$ (16,532,990)</u>

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

**COUNTY OF PLYMOUTH, MASSACHUSETTS**

Governmental Funds  
Balance Sheet  
June 30, 2022

	General Fund	Sheriff Retired Employee Pension Fund	CARES Act Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and short-term investments	\$ 9,219,659	\$ -	\$ -	\$ -	\$ -	\$ 9,219,659
Restricted cash	3,817,827	6,750	3,532,678	47,987,708	1,906,692	57,251,655
Receivables	49,704	-	-	-	-	49,704
Prepaid expenditures	193,293	-	-	-	-	193,293
Due from other funds	487,434	-	-	-	-	487,434
<b>Total Assets</b>	<b>\$ 13,767,917</b>	<b>\$ 6,750</b>	<b>\$ 3,532,678</b>	<b>\$ 47,987,708</b>	<b>\$ 1,906,692</b>	<b>\$ 67,201,745</b>
<b>Liabilities</b>						
Accounts payable	\$ 587,266	\$ -	\$ -	\$ -	\$ 34,995	\$ 622,261
Accrued payroll and related liabilities	127,392	-	-	-	-	127,392
Due to custodial funds	4,176,283	-	-	-	-	4,176,283
Other liabilities	500	-	-	-	-	500
Unearned revenue	232,488	-	3,049,057	47,987,708	-	51,269,253
Due to other funds	-	6,750	458,995	-	21,689	487,434
<b>Total Liabilities</b>	<b>5,123,929</b>	<b>6,750</b>	<b>3,508,052</b>	<b>47,987,708</b>	<b>56,684</b>	<b>56,683,123</b>
<b>Fund Balances</b>						
Nonspendable:						
Prepaid expenditures	193,293	-	-	-	-	193,293
Restricted:						
Registry technology	-	-	-	-	1,850,008	1,850,008
Ed Stevens memorial	24,637	-	-	-	-	24,637
CARES programs	-	-	24,626	-	-	24,626
Committed:						
Capital purposes	172,208	-	-	-	-	172,208
Capital improvements	226,474	-	-	-	-	226,474
Assigned:						
Registry building construction and maintenance	196,554	-	-	-	-	196,554
Subsequent year budget	1,500,000	-	-	-	-	1,500,000
Unassigned:						
General stabilization	3,197,954	-	-	-	-	3,197,954
Remaining unassigned fund balance	3,132,868	-	-	-	-	3,132,868
<b>Total Fund Balances</b>	<b>8,643,988</b>	<b>-</b>	<b>24,626</b>	<b>-</b>	<b>1,850,008</b>	<b>10,518,622</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,767,917</b>	<b>\$ 6,750</b>	<b>\$ 3,532,678</b>	<b>\$ 47,987,708</b>	<b>\$ 1,906,692</b>	<b>\$ 67,201,745</b>

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



**COUNTY OF PLYMOUTH, MASSACHUSETTS**

Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
in the Statement of Net Position  
June 30, 2022

<b>Total governmental fund balances</b>	<b>\$ 10,518,622</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	6,193,514
Deferred outflows of resources related to pension to be recognized in pension expense in future periods.	1,110,428
Deferred outflows of resources related to OPEB to be recognized in OPEB expense in future periods.	186,011
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:	
Bonds payable	(555,000)
Compensated absences liability	(504,458)
Net pension liability	(7,425,217)
Net OPEB liability	(13,675,269)
Deferred inflows of resources related to pension to be recognized in pension expense in future periods.	(11,405,601)
Deferred inflows of resources related to OPEB to be recognized in OPEB expense in future periods.	<u>(976,020)</u>
<b>Net position of governmental activities</b>	<b>\$ <u>(16,532,990)</u></b>

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

**COUNTY OF PLYMOUTH, MASSACHUSETTS**

Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2022

	General Fund	Sheriff Retired Employee Pension Fund	CARES Act Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
County taxes	\$ 1,697,105	\$ -	\$ -	\$ -	\$ -	\$ 1,697,105
Charges for services	7,488,470	-	-	-	-	7,488,470
Intergovernmental revenues	483,361	3,464,951	41,207,122	2,630,981	1,387,748	49,174,163
Rental income	2,067,049	-	-	-	-	2,067,049
Investment income (loss)	(27,743)	-	24,626	47,349	-	44,232
Parking tickets	36,876	-	-	-	-	36,876
Other	585,447	-	-	-	-	585,447
Total Revenues	12,330,565	3,464,951	41,231,748	2,678,330	1,387,748	61,093,342
<b>Expenditures</b>						
Current:						
Commissioners	371,528	-	-	-	-	371,528
Registry of deeds	2,282,802	-	-	-	764,866	3,047,668
Buildings maintenance	2,640,338	-	-	-	-	2,640,338
Dredge	2,934	-	-	-	-	2,934
Treasurer	621,171	-	-	-	-	621,171
Human services	307,556	-	41,207,122	2,678,330	196,356	44,389,364
Employee benefits	4,756,001	3,464,951	-	-	-	8,220,952
General and administrative	742,253	-	-	-	-	742,253
Contribution to OPEB Trust Fund	125,000	-	-	-	-	125,000
Debt service:						
Principal	275,000	-	-	-	-	275,000
Interest	31,006	-	-	-	-	31,006
Total Expenditures	12,155,589	3,464,951	41,207,122	2,678,330	961,222	60,467,214
Change in Fund Balances	174,976	-	24,626	-	426,526	626,128
Fund Balances, at Beginning of Year	8,469,012	-	-	-	1,423,482	9,892,494
Fund Balances, at End of Year	\$ 8,643,988	\$ -	\$ 24,626	\$ -	\$ 1,850,008	\$ 10,518,622

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

## COUNTY OF PLYMOUTH, MASSACHUSETTS

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2022

<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 626,128</b>
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital asset purchases	105,372
Depreciation	(323,737)
Loss on disposal of fixed assets	(131,145)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Repayments of bonds payable	275,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Bond premium amortization	2,500
Compensated absences liability	(25,325)
Change in net pension liability and related deferred outflows and inflows	7,075,501
Change in net OPEB liability and related deferred outflows and inflows	<u>940,003</u>

<b>Change in net position - governmental activities</b>	<b><u>\$ 8,544,297</u></b>
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The accompanying notes are an integral part of these financial statements.

**COUNTY OF PLYMOUTH, MASSACHUSETTS**

General Fund

Statement of Revenues and Other Sources, and Expenditures and Other Uses – Budget and Actual  
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues and Other Sources</b>				
County taxes	\$ 1,697,105	\$ 1,697,105	\$ 1,697,105	\$ -
Charges for services	6,408,000	6,408,000	7,488,470	1,080,470
Intergovernmental revenues	35,000	35,000	483,361	448,361
Rental income	2,365,037	2,365,037	2,067,049	(297,988)
Investment income (loss)	20,000	20,000	(27,743)	(47,743)
Parking tickets	75,000	75,000	36,876	(38,124)
Other	245,000	245,000	585,447	340,447
Use of fund balance	<u>1,600,000</u>	<u>2,600,000</u>	<u>2,600,000</u>	<u>-</u>
Total Revenues and Other Sources	12,445,142	13,445,142	14,930,565	1,485,423
<b>Expenditures and Other Uses</b>				
Current:				
Commissioners	352,815	364,582	371,528	(6,946)
Registry of deeds	2,247,200	2,253,423	2,282,802	(29,379)
Buildings maintenance	2,053,187	2,307,673	2,640,338	(332,665)
Dredge	15,000	15,000	2,934	12,066
Treasurer	632,942	632,942	621,171	11,771
Human services	360,291	357,968	307,556	50,412
Employee benefits	5,147,401	5,002,023	4,756,001	246,022
General and administrative	1,055,300	930,525	742,253	188,272
Contribution to OPEB Trust Fund	125,000	125,000	125,000	-
Debt service:				
Principal	275,000	275,000	275,000	-
Interest	31,006	31,006	31,006	-
Transfer to Stabilization Fund	<u>150,000</u>	<u>1,150,000</u>	<u>1,000,000</u>	<u>150,000</u>
Total Expenditures and Other Uses	<u>12,445,142</u>	<u>13,445,142</u>	<u>13,155,589</u>	<u>289,553</u>
Excess of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,774,976</u>	\$ <u>1,774,976</u>

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

**COUNTY OF PLYMOUTH, MASSACHUSETTS**

Fiduciary Funds  
Statement of Fiduciary Net Position  
June 30, 2022

	Other Post- Employment Benefits <u>Trust Fund</u>	Custodial <u>Funds</u>
<b>Assets</b>		
Cash	\$ -	\$ 435,547
Pooled investment in Plymouth County OPEB Trust	1,749,500	-
Due from primary government	<u>-</u>	<u>4,176,283</u>
Total Assets	1,749,500	4,611,830
 <b>Liabilities</b>		
Due to Commonwealth of Massachusetts	<u>-</u>	<u>4,176,283</u>
Total Liabilities	<u>-</u>	<u>4,176,283</u>
 <b>Net Position</b>		
Restricted for OPEB purposes	1,749,500	-
Restricted for individuals and other governments	<u>-</u>	<u>435,547</u>
Total Net Position	\$ <u><u>1,749,500</u></u>	\$ <u><u>435,547</u></u>

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

**COUNTY OF PLYMOUTH, MASSACHUSETTS**

Fiduciary Funds  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2022

	Other Post- Employment Benefits Trust Fund	Custodial Funds
<b>Additions</b>		
Contributions from employer	\$ 1,047,309	\$ -
Taxes collected for Commonwealth of Massachusetts	-	43,322,086
Funds collected for others	-	50,000
Investment income (loss):		
Increase (decrease) in fair value of investments	(264,584)	236
Less: management fees	<u>(7,324)</u>	<u>-</u>
Net investment income (loss)	<u>(271,908)</u>	<u>236</u>
Total additions	775,401	43,372,322
<b>Deductions</b>		
Benefit payments	922,309	-
Payment of taxes collected to Commonwealth of Massachusetts	-	43,322,086
Payments on behalf of others	<u>-</u>	<u>95,949</u>
Total deductions	<u>922,309</u>	<u>43,418,035</u>
Change in Net Position	(146,908)	(45,713)
<b>Restricted Net Position</b>		
Beginning of year	<u>1,896,408</u>	<u>481,260</u>
End of year	<u><u>\$ 1,749,500</u></u>	<u><u>\$ 435,547</u></u>

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

## COUNTY OF PLYMOUTH, MASSACHUSETTS

### Notes to Financial Statements For the Year Ended June 20, 2022

#### 1. Organization

The County of Plymouth, Massachusetts (the County), was established in 1685. The County is a body of politic and corporate organized under Section 1 of Chapter 34 of the General Laws of Massachusetts (MGL). The County operates pursuant to MGL, under a County Commissioner form of government. The Advisory Board, consisting of officials from each member community, performs the legislative function. The County has no charter or other founding documents.

The County is statutorily responsible for providing and maintaining various County properties and operations, including courthouses and registry of deeds. The Commonwealth of Massachusetts provides rental income to the County for the judicial branch occupying the courthouses, which are owned, operated, and maintained by the County.

#### 2. Summary of Significant Accounting Policies

The accounting policies of the County conform to Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental and financial reporting principles. The following is a summary of significant accounting policies:

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

As required by GAAP, these financial statements present the County (primary government) and applicable component units for which the County is considered to be financially accountable. In fiscal year 2022, it was determined that no entities met the requirements of GASB 14 (as amended).

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

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the County. The effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or

segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### *Fund Financial Statements*

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

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

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

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

##### *Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. All other revenue items are considered to be measurable and available only when cash is received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures, such as debt service, compensated absences, claims and judgments, and pension and OPEB costs are recorded as expenditures only when payment is due.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.
- The *Sheriff Retired Employee Pension Fund* is used to account for additional Registry of Deeds excise revenue to fund Sheriff retirees' retirement payments to the Plymouth County Retirement Association (see Note 15).
- The *CARES Act Fund* is used to account for federal funds awarded as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES).



- The *ARPA Fund* is used to account for federal funds awarded as part of the American Rescue Plan Act (ARPA).

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

The County reports the following fiduciary funds:

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

### ***Cash and Investments***

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue and fiduciary funds segregate cash, and investment earnings become a part of those funds. Deposits with financial institutions consist primarily of demand deposits, certificates of deposit, and savings accounts.

Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using Net Asset Value (NAV). The NAV per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification.

The County invests in the Massachusetts Municipal Depository Trust (MMDT) cash portfolio, an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts. This cash portfolio meets the requirements of GASB Statement No. 79, *Certain Investment Pools and Pool Participants*, where investments are valued at amortized cost, which approximates the net asset value of \$1 per share.

### ***Interfund Receivables and Payables***

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., the current portion of interfund loans).

### ***Capital Assets***

Capital assets, which include land, land improvements, buildings and improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Land improvements	20 - 50
Buildings and improvements	40 - 50
Equipment	10
Vehicles	5

### ***Compensated Absences***

It is the County's policy to permit certain employees to accumulate earned but unused vacation and sick pay benefits. All vested vacation and sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. At June 30, 2022, the County did not report a liability on the governmental funds Balance Sheet for compensated absences, pursuant to GASB 34.

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

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the Statement of Net Position.

### ***Fund Equity***

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

### ***Fund Balance***

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

The County's fund balance classifications are as follows:

- *Nonspendable* represents amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- *Restricted* represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- *Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest decision-making authority (i.e., County Advisory Board).
- *Assigned* represents amounts that are constrained by the County's intent to use these resources for a specific purpose. This fund balance classification includes General Fund encumbrances that have been established by County departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period and surplus set aside to be used in the subsequent year's budget.
- *Unassigned* represents amounts that are available to be spent in future periods and the County's stabilization fund (see Note 16).

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

#### ***Net Position***

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

#### ***Use of Estimates***

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

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

#### ***Budgetary Information***

The budgets for all departments and operations of the County are prepared under the direction of the County Commissioners. Original and supplemental appropriations are acted upon by a separate vote of the County Commissioners and the County Advisory Board. All General Fund functions are budgeted. The County does not have legally adopted annual budgets for its special revenue funds. Budgets for various special revenue funds utilized to account for specific grant programs are established in accordance with the requirements of the Commonwealth or other grantor agencies.

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

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

#### ***Budgetary Basis***

The General Fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

#### ***Budget/GAAP Reconciliation***

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

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

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
GAAP Basis	\$ 12,330,565	\$ 12,155,589
Recognize use of fund balance as funding source	2,600,000	-
Record budgeted transfers to stabilization fund	-	1,000,000
Budgetary Basis	<u>\$ 14,930,565</u>	<u>\$ 13,155,589</u>

#### 4. Deposits

Massachusetts General Laws, Chapter 35, Section 22, place certain limitation on cash deposits and investments available to the County. Authorized deposits include demand deposits, term deposits, and certificates of deposit in trust companies, national banks, savings banks, and certain other financial institutions. Deposits may not exceed certain levels without collateralization of the excess by the financial institution involved. The County may also invest in securities issued by or unconditionally guaranteed by the U.S. government or an agency thereof, and having a maturity from date of purchase of one year or less. The County may also invest in repurchase agreements guaranteed by such government securities with maturity dates of not more than ninety days from the date of purchase. The County may invest in units of the Massachusetts Municipal Depository Trust (MMDT), an external investment pool managed by the Treasurer of the Commonwealth of Massachusetts, which meets the criteria established by GASB No. 19, *Certain External Investment Pools and Pool Participants*. MMDT has an average maturity of less than 1 year and is not rated or subject to custodial credit risk disclosure. MGL Chapter 44, Section 54 provides additional investment options for certain special revenue, trust, and OPEB funds.

The County invests in the MMDT cash and bond portfolio, which is an external investment pool and is not SEC-registered. Funds are state-regulated and are valued at amortized cost.

##### ***Custodial Credit Risk***

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

As of June 30, 2022, \$11,465,801 of the County's bank balance of \$69,159,356 was exposed to custodial credit risk as uninsured or uncollateralized. The County has not

experienced any losses in its accounts and believes it is not exposed to any significant credit risk. Additionally, \$63,864 was invested in MMDT, which is not subject to this disclosure.

## **5. Restricted Cash**

Restricted cash represents cash and short-term investments where use is limited by legal requirements. Within the General Fund, the restricted cash amount of \$3,817,827 is comprised of amounts from the Ed Stevens memorial fund, capital purposes fund, capital improvements fund, Registry building construction and maintenance fund, and stabilization fund.

## **6. Investments – OPEB Trust Fund**

The OPEB Trust Fund investments are invested in the Plymouth County OPEB Trust (PCOT), an external investment pool, which the County voluntarily participates in. PCOT assists public entities in Plymouth County and neighboring counties with pre-funding their obligations for OPEB by investing in a manner in accordance with the Massachusetts Government Code and within Internal Revenue Code (IRC) Section 115 governing multiple employer trusts. PCOT has a formal investment policy, guidelines, and performance objectives applicable to the assets of the PCOT investment pool, managed by the PCOT Investment Committee.

The County of Plymouth, Massachusetts designed and sponsors PCOT. The Treasurer of the County of Plymouth, Massachusetts serves as the Program Administrator for PCOT and chairs the PCOT Investment Committee.

As of June 30, 2022, the County's OPEB Trust Fund investments were not subject to credit risk, custodial credit risk, or concentration of credit risk exposure because the related securities were held in an Employee Retirement Income Security Act of 1974 (ERISA) approved trust.

### ***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 County does not have formal OPEB Trust Fund investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2022 none of the County's investments were exposed to interest rate risk.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The County does not have formal OPEB Trust Fund investment policies related to foreign currency risk.

At June 30, 2022, none of the County's investments were exposed to foreign currency risk.

**Fair Value**

The County categorizes its fair value measurements within the fair value hierarchy established by GASB No. 72, *Fair Value Measurement and Application* (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of an asset or liability. 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.

All of the OPEB Trust Fund's investments are in PCOT at June 30, 2022 which is measured using NAV. The NAV per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification. The reported value of investments in PCOT is the same as the fair value of the pool shares.

**7. Interfund Accounts****Receivables/Payables**

Although self-balancing funds are maintained, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The composition of interfund balances as of June 30, 2022 was as follows:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Fund	\$ 487,434	\$ -
Sheriff Retired Employee Pension Fund	-	6,750
CARES Act Fund	-	458,995
Nonmajor Governmental Funds:		
Registry Equipment and Technology Fund	-	21,689
Total	\$ <u>487,434</u>	\$ <u>487,434</u>

## 8. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Land improvements	\$ 17	\$ -	\$ -	\$ 17
Buildings and improvements	20,091	106	(150)	20,047
Equipment	942	-	-	942
Vehicles	<u>52</u>	<u>-</u>	<u>-</u>	<u>52</u>
Total capital assets, being depreciated	21,102	106	(150)	21,058
Less accumulated depreciation for:				
Land improvements	(4)	(1)	-	(5)
Buildings and improvements	(15,440)	(252)	19	(15,673)
Equipment	(384)	(66)	-	(450)
Vehicles	<u>(47)</u>	<u>(5)</u>	<u>-</u>	<u>(52)</u>
Total accumulated depreciation	<u>(15,875)</u>	<u>(324)</u>	<u>19</u>	<u>(16,180)</u>
Capital assets, being depreciated, net	5,227	(218)	(131)	4,878
Capital assets, not being depreciated:				
Land	<u>1,316</u>	<u>-</u>	<u>-</u>	<u>1,316</u>
Total capital assets, not being depreciated	<u>1,316</u>	<u>-</u>	<u>-</u>	<u>1,316</u>
Capital assets, net	<u>\$ 6,543</u>	<u>\$ (218)</u>	<u>\$ (131)</u>	<u>\$ 6,194</u>

Depreciation expense was charged to functions of the County as follows (in thousands):

Registry of deeds	\$ 193
Buildings maintenance	120
Dredge	<u>11</u>
Total depreciation expense	<u>\$ 324</u>

## 9. Deferred Outflows of Resources

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



## 10. Unearned Revenue

Unearned revenue primarily represents grant funds received by the County from the ARPA and CARES Acts. These funds will be used for COVID-19 related expenditures or negative economic impacts of COVID-19 over the upcoming years.

## 11. Long-Term Debt

### ***General Obligation Bonds***

The County issues general obligation bonds (including direct placements and public offerings) to provide funds for the acquisition and construction of major capital facilities. Governmental activities general obligation bonds outstanding were as follows:

<u>General Obligation Bonds</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/22</u>
Registry - public offering	12/15/23	2.50% - 4.55%	\$ 550,000

### ***Future Debt Service***

Annual payments to retire general obligation bonds (public offerings) outstanding as of June 30, 2022 were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 275,000	\$ 18,700	\$ 293,700
2024	<u>275,000</u>	<u>6,256</u>	<u>281,256</u>
Total	<u>\$ 550,000</u>	<u>\$ 24,956</u>	<u>\$ 574,956</u>

The General Fund has been designated as the source to repay the general obligation bonds outstanding as of June 30, 2022.

### **Changes in Long-Term Liabilities**

During the year ended June 30, 2022, the following changes occurred in long-term liabilities (in thousands):

	Beginning			Ending	Less	Equals
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Current</u>	<u>Long-Term</u>
					<u>Portion</u>	<u>Portion</u>
Bonds payable	\$ 825	\$ -	\$ (275)	\$ 550	\$ (275)	\$ 275
Bond premium	8	-	(3)	5	(2)	3
Subtotal	833	-	(278)	555	(277)	278
Compensated absences liability	479	25	-	504	(338)	166
Net pension liability	27,450	-	(20,025)	7,425	-	7,425
Net OPEB liability	15,227	-	(1,552)	13,675	-	13,675
Totals	<u>\$ 43,989</u>	<u>\$ 25</u>	<u>\$ (21,855)</u>	<u>\$ 22,159</u>	<u>\$ (615)</u>	<u>\$ 21,544</u>

## **12. Deferred Inflows of Resources**

Deferred inflows of resources are the acquisition of net assets that apply to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes.

## **13. Plymouth County Retirement Association – Pension (GASB 68)**

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

### **Plan Description**

All full-time employees of the County are members of the Plymouth County Retirement Association (the Association), a cost sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the Association. The Association provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of Massachusetts General Laws establishes the authority of the Association, contribution percentages, and benefits paid. The Plymouth County Retirement Association Board does not have the authority to amend benefit provisions. Additional information is disclosed in the Association's annual financial reports publicly available from the Association located at 60 Industrial Park Road, Plymouth, Massachusetts 02360.

The Treasurer of the County of Plymouth, Massachusetts serves as the Chairman of the Board of the Plymouth County Retirement Association.

### ***Participant Contributions***

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

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

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

### ***Participant Retirement Benefits***

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

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

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

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

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

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

### ***Methods of Payment***

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

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

### ***Participant Refunds***

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily

withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

### ***Employer Contributions***

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

The County's contribution to the Association for the year ended June 30, 2022 was \$6,027,484, which exceeded its annual required contribution by \$2,924,289. This excess contribution represents additional funding of the Sheriff retirees unfunded liability (see Note 15).

### ***Summary of Significant Accounting Policies***

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

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

At June 30, 2022, the County reported a liability of \$7,425,217 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2021, the County's proportion was 1.5874001%, which was a decrease of 3.0958001% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the County recognized a reduction in pension expense of \$(4,292,721). In addition, the County reported deferred outflows of

resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 823,521	\$ -
Changes of assumptions	25,225	-
Net difference between projected and actual earnings on pension plan investments	-	2,037,365
Changes in proportion and differences between contributions and proportionate share of contributions	<u>261,682</u>	<u>9,368,236</u>
Total	<u>\$ 1,110,428</u>	<u>\$ 11,405,601</u>

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

Year Ended June 30:

2023	\$ (2,718,389)
2024	(3,473,363)
2025	(2,978,988)
2026	<u>(1,124,433)</u>
Total	<u>\$ (10,295,173)</u>

***Actuarial Assumptions and Other Inputs***

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

Actuarial cost method	Individual Entry Age Normal Cost Method.
Asset valuation method	Assets held by the fund are valued at market value as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value of assets is determined using a five-year smoothing of asset returns greater than or less than the assumed rate of return, with a 20% corridor.

Projected salary increases	3.75% per year.
Cost of living adjustments	3.0% of the first \$16,000 of retirement income.
Rates of disability	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).
Investment rate of return/	
Discount rate	7.875%, nominal rate, net of investment expense.

It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2016, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and three years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward three years for males and six years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward six years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2016.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of the most recent experience study.

### ***Target Allocations***

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	23.00%	6.8%
International developed equity	3.00%	7.5%
Emerging markets equity	9.00%	4.6%
Global equity	11.00%	7.2%
Core bonds	10.00%	2.4%
Value-added fixed income	7.00%	4.0%
Hedge funds	7.00%	4.4%
Real estate	10.00%	7.4%
Private equity	12.00%	7.3%
Real assets	6.00%	7.7%
Cash and cash equivalents	2.00%	1.7%
Total	<u>100.00%</u>	

### ***Discount Rate***

The discount rate used to measure the total pension liability was 7.875%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.875%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.875%) or one percentage-point higher (8.875%) than the current rate:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 10,522,747	\$ 7,425,217	\$ 4,784,932

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

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



#### **14. Other Post-Employment Benefits – OPEB (GASB 74 and GASB 75)**

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2016, the County established an OPEB Trust Fund to provide funding for future employee health care costs. The OPEB Trust Fund does not issue a stand-alone financial report.

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

The following OPEB disclosures are based on a measurement date of June 30, 2022.

##### ***General Information About the OPEB Plan***

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

The County provides post-employment healthcare and life insurance benefits for retired employees through the County's plan. The County obtains health insurance coverage through the Mayflower Municipal Health Group (MMHG), which is a self-insured joint purchase group that was established pursuant to Massachusetts General Laws, Chapter 32B, Section 12. By participating in the MMHG, the County has access to high quality plans with low premiums.

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

Through the MMHG, the County provides medical, prescription drug, mental health/substance abuse, and life insurance to retirees and their covered dependents. All active employees who retire from the County and meet the eligibility criteria will receive these benefits.

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

The County's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on actuarially determined amounts.

### ***Plan Membership***

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	195
Active employees	<u>68</u>
Total	<u><u>263</u></u>

### ***Investments***

The OPEB Trust Fund's assets consist of pooled investments in the Plymouth County OPEB Trust (PCOT), which the County voluntarily participates in (see Note 6).

For the year ended June 30, 2022, the annual money-weighted rate of returns on investments, net of investment expense, was not available.

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

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

Inflation	3%
Salary increases	3.5%, average, including inflation
Investment rate of return	7%, net of investment expense
Discount rate	7%
Healthcare cost trend rates	4.5% for 2022 and later years
Retirees' share of benefit-related costs	25%
Participation rate	95% of retirees to participate in the medical plan, 90% of retirees to elect dental coverage, and 95% of retirees to elect life insurance

The mortality assumptions were changed from the prior valuation. It is assumed that mortality is represented by the various SOA Pub-2010 Public Retirement Plans Mortality Tables specific to the Group, Pre-retirement versus Post, Disabled and Beneficiaries, with Scale MP-2018 improvements until 2025.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study as of July 1, 2016.

### ***Target Allocations***

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

long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic large stocks	30.00%	6.60%
Domestic mid stocks	15.00%	7.92%
Domestic small stocks	5.00%	6.86%
International developed markets equity	16.00%	9.94%
International emerging markets equity	7.00%	11.22%
Investment grade corporate bonds	18.00%	6.23%
High yield fixed income	5.00%	8.06%
Real estate	4.00%	7.67%
Total	<u>100.00%</u>	

### ***Contributions***

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

### ***Discount Rate***

The discount rate used to measure the net OPEB liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

### ***Net OPEB Liability***

The components of the net OPEB liability, measured as of June 30, 2022, were as follows:

Total OPEB liability	\$ 15,424,769
Plan fiduciary net position	<u>1,749,500</u>
Net OPEB liability	<u>\$ 13,675,269</u>

Plan fiduciary net position as a percentage of the total OPEB liability	11.34%
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The fiduciary net position has been determined on the same basis used by the OPEB plan. For this purpose, the plan recognizes benefit payments when due and payable.

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

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	\$ 17,123,638	\$ 1,896,408	\$ 15,227,230
Changes for the year:			
Service cost	174,068	-	174,068
Interest	1,187,321	-	1,187,321
Experience (gain) and loss	(2,137,949)	-	(2,137,949)
Contributions - employer	-	1,047,309	(1,047,309)
Net investment income	-	(271,908)	271,908
Benefit payments	<u>(922,309)</u>	<u>(922,309)</u>	<u>-</u>
Net Changes	<u>(1,698,869)</u>	<u>(146,908)</u>	<u>(1,551,961)</u>
Balances, end of year	\$ <u>15,424,769</u>	\$ <u>1,749,500</u>	\$ <u>13,675,269</u>

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

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

1% Decrease	Current Discount Rate	1% Increase
\$ 15,536,611	\$ 13,675,269	\$ 12,694,849

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

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

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 12,904,413	\$ 13,675,269	\$ 15,230,459

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

For the year ended June 30, 2022, the County recognized an OPEB expense of \$99,363. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 976,020
Net difference between projected and actual earnings on OPEB investments	<u>186,011</u>	<u>-</u>
Total	<u>\$ 186,011</u>	<u>\$ 976,020</u>

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

<u>Year Ended June 30:</u>	
2023	\$ (937,836)
2024	37,902
2025	29,647
2026	<u>80,278</u>
Total	<u>\$ (790,009)</u>

**15. Sheriff Retired Employee Pension Fund**

On January 1, 2010, the Sheriff's department was transferred to the Commonwealth of Massachusetts as a result of Chapter 61 of the Acts of 2009. The Commonwealth did not assume the entire liability of the retirement system costs for the Sheriff's department retirees. These retirees continued to be members of the County's retirement system, but the County received a greater share of Deeds excise revenue to fund a portion of the Sheriff retirees' retirement payments. In fiscal year 2014, the County petitioned the Legislature, and the Legislature amended Chapter 61 of the Acts of 2009, to allow the County to receive an even greater share of Deeds excise revenue in an effort to fully fund the retirement system costs of the Sheriff retirees in fiscal year 2014 and beyond. In fiscal year 2022, these additional excise revenues and the amounts paid to the Plymouth County Retirement Association were reflected in the Sheriff Retired Employee Pension Fund.

Even though the Sheriff retirees are no longer employees of the County, they are still being treated as such for the purposes of calculating the County's net pension liability, in accordance with GASB Statement No. 68 (see Note 13). The statutorily required contribution assessed by the Public Employee Retirement Administration Commission (PERAC) includes the annual assessment for the Sheriff retirees; however, the assessment is offset by additional Deeds excise revenue, collected by the County. The County expects to collect approximately \$220,000 in additional Deeds excise revenue for fiscal years 2023 and 2024, respectively.

## 16. Unassigned Fund Balance

Included in the County's unassigned fund balance is the County's stabilization fund. Massachusetts General Laws, Chapter 151 of the Acts of 2016 allow for the establishment of County stabilization funds for one or more different purposes. The creation of a fund requires two-thirds vote of the County Advisory Board and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the County Advisory Board. In fiscal year 2017, the County voted to establish and fund a stabilization fund to be used as a funding source for potential future economic downturns. The stabilization fund is reported within unassigned fund balance in the General Fund. The following is the composition of unassigned fund balance as of June 30, 2022:

	General Fund
General stabilization	\$ 3,197,954
Remaining unassigned fund balance	<u>3,132,868</u>
Total	<u>\$ 6,330,822</u>

## 17. Leases

### **Lessee**

The County has entered into various rental agreements as a lessee for equipment and office space, with maturities ranging from fiscal years 2023 to 2026. Management has determined that the effect of implementing GASB 87 related to these leases is immaterial to its financial statements.

### **Lessor**

The County has entered into various land usage agreements as a lessor with maturities ranging from fiscal years 2024 to 2025. Management has determined that the effect of implementing GASB 87 related to these leases is immaterial to its financial statements.

## **18. Commitments and Contingencies**

### ***Outstanding Legal Matters***

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

### ***Grants***

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

## **19. Subsequent Events**

Management has evaluated subsequent events through January 9, 2024, which is the date the financial statements were available to be issued.

On February 4, 2023, a pipe burst at the County Administration Office located at 44 Obery Street Plymouth, Massachusetts. This flood damage resulted in the closure of the building and has required significant repairs totaling approximately one million dollars. While the incident is covered by the County's insurance, at the time of the financial statement's issuance, the exact amount of the future claim is indeterminable. The County has utilized unassigned funds to cover costs to date.

## **20. New Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB No. 96, *Subscription-Based Information Technology Arrangements*, effective for the County beginning with its fiscal year ending June 30, 2023. These statements establish new reporting and disclosure requirements related to these arrangements in the financial statements. Management is in the process of evaluating the impact of implementing these GASB pronouncements.

**COUNTY OF PLYMOUTH, MASSACHUSETTS**

Required Supplementary Information  
Schedule of Proportionate Share of the Net Pension Liability  
(Unaudited)

<b>Plymouth County Retirement Association</b>						
<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2022	December 31, 2021	1.5874001%	\$ 7,425,217	\$ 3,864,241	192.15%	75.49%
June 30, 2021	December 31, 2020	4.6832002%	\$27,450,166	\$ 3,880,708	707.35%	67.90%
June 30, 2020	December 31, 2019	4.9405197%	\$33,706,568	\$ 3,963,985	850.32%	61.61%
June 30, 2019	December 31, 2018	5.2544368%	\$38,491,745	\$ 3,828,076	1005.51%	56.11%
June 30, 2018	December 31, 2017	4.7066048%	\$23,399,390	\$ 3,654,724	640.25%	65.56%
June 30, 2017	December 31, 2016	4.5325112%	\$28,713,717	\$ 3,475,566	826.16%	58.32%
June 30, 2016	December 31, 2015	5.5253448%	\$35,043,195	\$ 3,435,585	1020.01%	56.80%
June 30, 2015	December 31, 2014	5.5253448%	\$32,207,685	\$ 4,011,942	802.80%	58.88%

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

See notes to the County's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.



**COUNTY OF PLYMOUTH, MASSACHUSETTS**

Required Supplementary Information  
Schedule of Pension Contributions  
(Unaudited)

**Plymouth County Retirement Association**

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2022	December 31, 2021	\$ 3,103,195	\$ 6,027,484	\$ (2,924,289)	\$ 3,995,644	150.85%
June 30, 2021	December 31, 2020	\$ 3,119,908	\$ 7,419,908	\$ (4,300,000)	\$ 3,869,797	191.74%
June 30, 2020	December 31, 2019	\$ 3,646,029	\$ 4,321,029	\$ (675,000)	\$ 3,755,117	115.07%
June 30, 2019	December 31, 2018	\$ 3,310,510	\$ 3,994,510	\$ (684,000)	\$ 3,803,751	105.02%
June 30, 2018	December 31, 2017	\$ 3,268,477	\$ 4,613,162	\$ (1,344,685)	\$ 3,800,891	121.37%
June 30, 2017	December 31, 2016	\$ 3,227,080	\$ 3,364,797	\$ (137,717)	\$ 3,572,423	94.19%
June 30, 2016	December 31, 2015	\$ 3,276,888	\$ 7,629,339	\$ (4,352,451)	\$ 3,234,756	235.86%
June 30, 2015	December 31, 2014	\$ 2,997,840	\$ 1,075,253	\$ 1,922,587	\$ 3,767,229	28.54%

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

See notes to the County's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

**COUNTY OF PLYMOUTH, MASSACHUSETTS**

Required Supplementary Information  
Schedule of Changes in the Net OPEB Liability  
(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>						
Service cost	\$ 174,068	\$ 166,572	\$ 159,399	\$ 173,413	\$ 165,945	\$ 153,246
Interest	1,187,321	1,147,395	1,159,122	1,156,731	1,345,706	1,323,430
Experience (gain) and loss	(2,137,949)	-	(2,038,762)	-	(3,283,719)	-
Changes of assumptions	-	-	1,602,754	-	-	-
Benefit payments, including refunds of member contributions	<u>(922,309)</u>	<u>(1,038,538)</u>	<u>(1,085,272)</u>	<u>(1,227,063)</u>	<u>(1,174,223)</u>	<u>(1,319,674)</u>
Net change in total OPEB liability	(1,698,869)	275,429	(202,759)	103,081	(2,946,291)	157,002
Total OPEB liability - beginning	<u>17,123,638</u>	<u>16,848,209</u>	<u>17,050,968</u>	<u>16,947,887</u>	<u>19,894,178</u>	<u>19,737,176</u>
Total OPEB liability - ending (a)	<u>\$ 15,424,769</u>	<u>\$ 17,123,638</u>	<u>\$ 16,848,209</u>	<u>\$ 17,050,968</u>	<u>\$ 16,947,887</u>	<u>\$ 19,894,178</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 1,047,309	\$ 1,563,538	\$ 1,260,272	\$ 1,352,063	\$ 1,449,223	\$ 1,594,674
Net investment income	(271,908)	339,433	21,281	47,750	37,351	24,221
Benefit payments, including refunds of member contributions	<u>(922,309)</u>	<u>(1,038,538)</u>	<u>(1,085,272)</u>	<u>(1,227,063)</u>	<u>(1,174,223)</u>	<u>(1,319,674)</u>
Net change in plan fiduciary net position	(146,908)	864,433	196,281	172,750	312,351	299,221
Plan fiduciary net position - beginning	<u>1,896,408</u>	<u>1,031,975</u>	<u>835,694</u>	<u>662,944</u>	<u>350,593</u>	<u>51,372</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,749,500</u>	<u>\$ 1,896,408</u>	<u>\$ 1,031,975</u>	<u>\$ 835,694</u>	<u>\$ 662,944</u>	<u>\$ 350,593</u>
Net OPEB liability (asset) - ending (a-b)	<u>\$ 13,675,269</u>	<u>\$ 15,227,230</u>	<u>\$ 15,816,234</u>	<u>\$ 16,215,274</u>	<u>\$ 16,284,943</u>	<u>\$ 19,543,585</u>

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

See notes to the County's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

**COUNTY OF PLYMOUTH, MASSACHUSETTS**

Required Supplementary Information  
Schedules of Net OPEB Liability, Contributions, and Investment Returns  
(Unaudited)

**Schedule of Net OPEB Liability**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability	\$ 15,424,769	\$ 17,123,638	\$ 16,848,209	\$ 17,050,968	\$ 16,947,887	\$ 19,894,178
Plan fiduciary net position	<u>1,749,500</u>	<u>1,896,408</u>	<u>1,031,975</u>	<u>835,694</u>	<u>662,944</u>	<u>350,593</u>
Net OPEB liability (asset)	<u>\$ 13,675,269</u>	<u>\$ 15,227,230</u>	<u>\$ 15,816,234</u>	<u>\$ 16,215,274</u>	<u>\$ 16,284,943</u>	<u>\$ 19,543,585</u>
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%	11.07%	6.13%	4.90%	3.91%	1.76%
Covered employee payroll	\$ 3,926,609	\$ 3,851,998	\$ 3,721,737	\$ 3,866,855	\$ 3,736,092	\$ 3,262,603
Net OPEB liability (asset) as a percentage of covered employee payroll	348.27%	395.31%	424.97%	419.34%	435.88%	599.02%

**Schedule of Contributions**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,074,593	\$ 1,273,683	\$ 1,237,261	\$ 1,457,865	\$ 1,427,906	\$ 1,342,385
Contributions in relation to the actuarially determined contribution	<u>(1,047,309)</u>	<u>(1,563,538)</u>	<u>(1,260,272)</u>	<u>(1,352,063)</u>	<u>(1,449,223)</u>	<u>(1,594,674)</u>
Contribution deficiency (excess)	<u>\$ 27,284</u>	<u>\$ (289,855)</u>	<u>\$ (23,011)</u>	<u>\$ 105,802</u>	<u>\$ (21,317)</u>	<u>\$ (252,289)</u>
Covered employee payroll	\$ 3,926,609	\$ 3,851,998	\$ 3,721,737	\$ 3,866,855	\$ 3,736,092	\$ 3,262,603
Contributions as a percentage of covered employee payroll	26.67%	40.59%	33.86%	34.97%	38.79%	48.88%

**Schedule of Investment Returns**

	<u>2022</u>	<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	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

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

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

See Independent Auditors' Report.