

COUNTY OF BARNSTABLE, MASSACHUSETTS

**BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2015

**COUNTY OF BARNSTABLE, MASSACHUSETTS
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YEAR ENDED JUNE 30, 2015**

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INDEPENDENT AUDITORS' REPORT

To the Assembly of Delegates and County Commissioners
County of Barnstable, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Barnstable, Massachusetts (County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During fiscal year ended June 30, 2015, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. As a result of the implementation of these standards, the County reported a restatement for the change in accounting principle (see Note 17). Our auditors' opinion was not modified with respect to the restatement.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (located on pages 4 through 12) and budgetary comparison and certain pension and other postemployment benefits information (located on pages 56 through 62) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The additional information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2016 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 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 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.



CliftonLarsonAllen LLP

Boston, Massachusetts
March 30, 2016

**COUNTY OF BARNSTABLE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

As management of the County of Barnstable, Massachusetts (County), we offer readers of these financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2015.

Financial Highlights

- The liabilities of the County exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$33,732,914 (deficit net position).
- The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment for GASB Statement No. 27*. The implementation resulted in the recognition of the long-term obligation for pension benefits as a liability and restatement of the 2014 total net position. The liability at June 30, 2015 was \$43,187,586. The 2014 total net position was restated from \$10,491,062 to (\$32,336,501) for a total reduction of net position of \$42,827,563.
- The County's total net position decreased by \$1,396,413.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$2,159,668, or 12.9% of total general fund expenditures and transfers out.
- The County's total bonded debt decreased by \$1,014,211 during the fiscal year; \$200,000 of new Massachusetts Clean Water Trust (MCWT) debt was issued.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the *basic financial statements*, which consists of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements.

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

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 of the County's non-fiduciary assets, deferred outflows of resources and liabilities, with the differences reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

**COUNTY OF BARNSTABLE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes, assessments, fees and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Governmental activities include County Commissioners, information technology services, resource development office, Assembly of Delegates, department of finance, department of facilities, cooperative extension, registry of deeds, county health, children's cove, human services, human services grants, fire training, economic development council, water quality initiatives, retirees' and pension benefits, Cape Cod Commission, debt service – interest and other. Business-type activities consist of the dredge operations.

The government-wide financial statements can be found on pages 13-15 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

1. Governmental funds
2. Proprietary funds
3. 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 funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains many individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, Cape Cod Commission (special revenue), HUD home program (special revenue), mitigation (special revenue) and septic loan program (special revenue) funds, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation titled *nonmajor governmental funds*.

The basic governmental fund financial statements can be found on pages 16-21 of this report.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Proprietary funds

The County maintains one type of proprietary fund. The *enterprise fund* is used to report the same function presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its dredge operations, which is considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's other programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The fiduciary fund financial statements provide separate information for the County's agency funds. Agency funds are reported and combined into a single, aggregate presentation in the fiduciary fund financial statements under the caption "agency funds".

The basic fiduciary fund financial statement can be found on page 25 of this report.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-54 of this report.

Required supplementary and other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information are the budget comparisons for the general and Cape Cod Commission funds, as well as certain pension and other postemployment benefits information, which can be found on pages 56-62 of this report.

This report also presents additional information regarding the revenues and expenses of various grant funds maintained by the Cape Cod Commission. The additional information can be found on pages 63-69.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Government-Wide Financial Analysis

The following tables present current and prior year data on the government-wide financial statements.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's liabilities exceeded assets and deferred outflows of resources by \$33,732,914 at the close of the fiscal year and are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2015	2014*	2015	2014*	2015	2014*
Assets						
Current assets	\$ 27,805,185	\$ 25,780,604	\$ 1,804,737	\$ 1,673,986	\$ 29,609,922	\$ 27,454,590
Noncurrent assets (excluding capital assets)	17,379,699	17,557,822	-	-	17,379,699	17,557,822
Capital assets (net)	<u>6,677,994</u>	<u>7,133,272</u>	<u>304,893</u>	<u>392,912</u>	<u>6,982,887</u>	<u>7,526,184</u>
Total assets	<u>51,862,878</u>	<u>50,471,698</u>	<u>2,109,630</u>	<u>2,066,898</u>	<u>53,972,508</u>	<u>52,538,596</u>
Deferred Outflows of Resources	<u>72,994</u>	<u>-</u>	<u>969</u>	<u>-</u>	<u>73,963</u>	<u>-</u>
Liabilities						
Current liabilities (excluding debt)	4,324,884	3,970,890	23,027	34,504	4,347,911	4,005,394
Noncurrent liabilities (excluding debt)	55,126,040	53,855,157	973,178	957,179	56,099,218	54,812,336
Current debt	3,753,311	1,214,211	-	-	3,753,311	1,214,211
Noncurrent debt	<u>23,578,945</u>	<u>24,843,156</u>	<u>-</u>	<u>-</u>	<u>23,578,945</u>	<u>24,843,156</u>
Total liabilities	<u>86,783,180</u>	<u>83,883,414</u>	<u>996,205</u>	<u>991,683</u>	<u>87,779,385</u>	<u>84,875,097</u>
Net Assets						
Net investment in capital assets	5,877,704	7,124,876	304,893	392,912	6,182,597	7,517,788
Restricted	15,590,873	14,507,228	-	-	15,590,873	14,507,228
Unrestricted	<u>(56,315,885)</u>	<u>(55,043,820)</u>	<u>809,501</u>	<u>682,303</u>	<u>(55,506,384)</u>	<u>(54,361,517)</u>
Total net assets	<u>\$ (34,847,308)</u>	<u>\$ (33,411,716)</u>	<u>\$ 1,114,394</u>	<u>\$ 1,075,215</u>	<u>\$ (33,732,914)</u>	<u>\$ (32,336,501)</u>

* As restated (see Note 17)

A portion of the County's net position (\$6,182,597) reflects its net investment in capital assets (e.g., land, construction in progress, land improvements, buildings, buildings improvements, machinery and equipment, vehicles and intangible assets). These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (\$15,590,873) represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position in the business-type activities of \$809,501 may be used to meet the County's on-going obligations to citizens and creditors for the County's dredge activities.

The County has no unrestricted net position available for the support of governmental activities. Such resources have been consumed with the recognition of postemployment benefit and pension liabilities.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Changes in Net Position

For the fiscal year ended June 30, 2015, the County's total net position decreased by \$1,396,413, compared to a decrease of \$869,770 in the prior fiscal year. These amounts are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2015*	2014	2015*	2014	2015*	2014
Revenues						
<i>Program Revenues:</i>						
Charges for services	\$ 10,381,976	\$ 9,937,424	\$ 842,484	\$ 984,434	\$ 11,224,460	\$ 10,921,858
Operating grants and contributions	7,436,754	7,735,378	2,770	2,428	7,439,524	7,737,806
Capital grants and contributions	-	-	-	40,000	-	40,000
<i>General Revenues:</i>						
Town assessments	2,972,551	2,972,551	-	-	2,972,551	2,972,551
County deeds excise tax	8,487,216	7,947,890	-	-	8,487,216	7,947,890
Unrestricted investment income	18,533	13,230	-	-	18,533	13,230
Gain (loss) on disposal of capital assets	(893)	(1,400)	-	-	(893)	(1,400)
Total revenues	29,296,137	28,605,073	845,254	1,026,862	30,141,391	29,631,935
Expenses						
County commissioners	468,469	461,957	-	-	468,469	461,957
Information technology services	1,945,895	1,375,404	-	-	1,945,895	1,375,404
Resource development office	1,683,737	1,590,461	-	-	1,683,737	1,590,461
Home consortium	5,000	-	-	-	5,000	-
Cape Light Compact	33,434	26,228	-	-	33,434	26,228
Grants to towns of Barnstable county	6,246	179,056	-	-	6,246	179,056
Assembly of delegates	298,878	317,881	-	-	298,878	317,881
Department of finance	874,031	684,947	-	-	874,031	684,947
Department of facilities	2,639,098	2,956,585	-	-	2,639,098	2,956,585
Cooperative extension	2,376,924	2,350,418	-	-	2,376,924	2,350,418
Registry of deeds	2,967,928	2,811,470	-	-	2,967,928	2,811,470
Regional services initiatives	604,572	349,069	-	-	604,572	349,069
County health	4,217,778	3,431,340	-	-	4,217,778	3,431,340
Children's cove	727,337	617,174	-	-	727,337	617,174
Human services	1,647,040	716,808	-	-	1,647,040	716,808
Human services grants	80,000	75,000	-	-	80,000	75,000
Fire training	424,468	476,438	-	-	424,468	476,438
Economic development council	389,159	337,754	-	-	389,159	337,754
Water quality initiatives	486,245	180,629	-	-	486,245	180,629
Retiree's benefits	-	1,001,422	-	-	-	1,001,422
Pension benefits - Corrections	1,182,776	1,023,457	-	-	1,182,776	1,023,457
Other	519,947	481,007	-	-	519,947	481,007
Cape Cod Commission	6,258,508	7,203,477	-	-	6,258,508	7,203,477
Debt service - interest	894,259	884,257	-	-	894,259	884,257
Dredge	-	-	806,075	969,466	806,075	969,466
Total expenses	30,731,729	29,532,239	806,075	969,466	31,537,804	30,501,705
Change in net assets	(1,435,592)	(927,166)	39,179	57,396	(1,396,413)	(869,770)
Net assets - beginning of year (as restated)	(33,411,716)	9,781,990	1,075,215	1,578,842	(32,336,501)	11,360,832
Net assets - end of year	\$ (34,847,308)	\$ 8,854,824	\$ 1,114,394	\$ 1,636,238	\$ (33,732,914)	\$ 10,491,062

* As restated (see Note 17)

Governmental activities decreased the County's net position by \$1,435,592. In the prior year, governmental activities decreased the County's net position by \$927,166. The key element of this change is the increase in long-term liabilities for OPEB and net pension. Business-type activities increased the County's net position by \$39,179, consistent with the prior year increase of \$57,396.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Fund Financial Statement Analysis

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

Governmental funds

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements

At the end of the current fiscal year, the governmental funds reported combined ending fund balances totaling \$38,685,892, a decrease of \$790,428 in comparison with the prior year. Unassigned fund balance shows a deficit of approximately (\$5,936,000). The remainder of fund balance includes the following constraints:

- Restricted - \$40,632,928
- Committed - \$3,351,957
- Assigned - \$636,615

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,159,668, while total fund balance was \$6,913,083. 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 and transfers out. Unassigned fund balance represents 12.9% of total general fund expenditures and transfers out, while total fund balance represents 41.4% of that same amount.

The balance of the County's general fund increased \$1,119,802 during fiscal year 2015. Although the general fund recognized a budgetary surplus of approximately \$2,806,000 (excluding encumbrances and continuing appropriations), reserves totaling approximately \$1,686,000 were used to fund the fiscal year 2015 operating budget.

Financial highlights of the County's other major governmental funds are as follows:

The balance of the Cape Cod Commission fund (special revenue) increased by \$479,761 during fiscal year 2015. The fund recognized \$3,186,980 in environmental protection taxes, \$723,601 in intergovernmental revenues and \$29,108 in departmental revenues. Expenditures of \$3,920,994 were incurred during the fiscal year. The fund received \$461,066 of transfers from other funds, primarily related to overhead reimbursements from grant funds.

The balance of the HUD Home program fund (special revenue) increased \$163,060 during the current fiscal year. The fund recognized \$677,099 in intergovernmental revenues. Expenditures of \$514,039 were incurred during the fiscal year.

The balance of the mitigation fund (special revenue) increased \$78,804 during fiscal year 2015. The fund recognized \$129,121 in departmental revenues and \$4,063 in investment income. Expenditures of \$54,380 were incurred during the fiscal year.

The balance of the septic loan program fund (special revenue) decreased \$996,819 during fiscal year 2015. The fund recognized \$894,259 in intergovernmental revenues and \$816,374 in departmental revenues. Expenditures of \$2,111,547 were incurred during the fiscal year. The fund received \$200,000 of proceeds of bonds and notes during the fiscal year. Transfers to the septic loan administration fund totaled \$795,905 during the fiscal year.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Proprietary funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the dredge enterprise fund at the end of the year amounted to \$809,501. The dredge enterprise fund had an increase in net position for the year of \$39,179. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The original general fund budget of \$18,296,926 was decreased by \$113,464 (0.6%) during the fiscal year. The following table summarizes the decrease:

<u>Purpose of Increase/(Decrease)</u>	<u>Amount</u>	<u>Funding Source</u>
New vehicle	\$ 25,000	Unassigned fund balance
Closed purchase orders	<u>(138,464)</u>	Assigned fund balance
Total net decrease	<u>\$ (113,464)</u>	

During the year, general fund revenues and expenditures and encumbrances and continuing appropriations were less than budgetary estimates, resulting in a positive budget to actual variance of \$1,221,725.

Capital Asset and Debt Administration

Capital assets

The County's investment in capital assets for its governmental and business type activities at the end of the fiscal year totaled \$6,982,887 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles and intangible assets. The total decrease in the investment in capital assets for the current fiscal year totaled 7.2%.

The following table summarizes the County's capital assets (net of accumulated depreciation):

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 697,995	\$ 697,995	\$ -	\$ -	\$ 697,995	\$ 697,995
Construction in progress	-	54,985	-	-	-	54,985
Land improvements	461,507	491,039	-	-	461,507	491,039
Buildings	652,495	697,335	-	-	652,495	697,335
Buildings improvements	3,650,278	3,821,416	-	-	3,650,278	3,821,416
Machinery and equipment	943,718	1,012,690	200,902	267,658	1,144,620	1,280,348
Vehicles	198,151	245,821	103,991	125,254	302,142	371,075
Intangible assets	<u>73,850</u>	<u>111,991</u>	<u>-</u>	<u>-</u>	<u>73,850</u>	<u>111,991</u>
Total capital assets	<u>\$ 6,677,994</u>	<u>\$ 7,133,272</u>	<u>\$ 304,893</u>	<u>\$ 392,912</u>	<u>\$ 6,982,887</u>	<u>\$ 7,526,184</u>

Additional information on the County's capital assets can be found in Note 5 on pages 39-40 of this report.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$25,043,156 of MCWT notes and bonds, a decrease of \$1,014,211 (3.9%), with new debt issuances totaling \$200,000. Additional information on the County's long-term debt can be found in Note 9 on pages 42-44 of this report.

Economic Factors and Next Year's Budgets and Rates

Barnstable County revenues for fiscal year 2017 are expected to increase conservatively over the prior year. The Registry of Deeds tax, driven by the real estate market in Barnstable County, is expected to continue to grow steadily in the 2017 year.

The County Tax Assessment authorized by Massachusetts General Law Chapter 35, Sections 30 and 31, and the Cape Cod Environmental Protection Fund Tax (the Cape Cod Commission Tax) authorized by Chapter 716 of the Acts of 1989, as amended by Chapter 2 of the Acts of 1990 of the Commonwealth of Massachusetts are primary revenue sources which are limited in growth to 2 ½ % per year of the assessed tax of the prior year. The Cape Cod Environmental Protection Fund tax is restricted to use by the Cape Cod Commission.

Other significant revenue sources that are expected to remain stable during fiscal year 2017 include the Registry of Deeds "business revenue", and the Health Department laboratory revenues. Each of these revenue sources are predicted to remain stable or show deliberate increases as additional taxes and fees are approved. Grant revenues are projected to increase moderately.

The Septic Betterment Program administered by the Health and Environment Department is expected to continue to be utilized more widely by homeowners and businesses across the Cape. The County has borrowed funds through the Massachusetts Clean Water Trust at zero interest and is able to loan these proceeds to homeowners at low interest rates. The funds derived from the repayment of these loans are used to repay the bonds to the Trust and cover the County costs of administration. During fiscal year 2017, the County anticipates to continue to make residential and some commercial loans totaling millions of dollars.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance/Treasurer, Barnstable County, P.O. Box 427, Superior Court House, Barnstable, MA 02630.

COUNTY OF BARNSTABLE, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 5,765,626	\$ 1,416,605	\$ 7,182,231
Restricted Cash and Cash Equivalents	18,833,028	-	18,833,028
Receivable, Net of Allowance for Uncollectible:			
User Charges	-	388,132	388,132
Department and Other	241,960	-	241,960
Intergovernmental	1,431,462	-	1,431,462
Loans	1,533,109	-	1,533,109
Total Current Assets	<u>27,805,185</u>	<u>1,804,737</u>	<u>29,609,922</u>
Noncurrent Assets:			
Restricted Investments	496,151	-	496,151
Receivable, Net of Allowance for Uncollectible:			
Loans	16,883,548	-	16,883,548
Capital Assets not being Depreciated	697,995	-	697,995
Capital Assets, Net of Accumulated Depreciation	5,979,999	304,893	6,284,892
Total Noncurrent Assets	<u>24,057,693</u>	<u>304,893</u>	<u>24,362,586</u>
Total Assets	<u>51,862,878</u>	<u>2,109,630</u>	<u>53,972,508</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pension	72,994	969	73,963
LIABILITIES			
Current Liabilities:			
Warrants Payable	516,125	2,085	518,210
Accrued Payroll	530,234	15,766	546,000
Other Liabilities	2,893,517	3,028	2,896,545
Liabilities Due Depositors	270,016	-	270,016
Capital Lease Obligations	4,314	-	4,314
Compensated Absences	110,678	2,148	112,826
Short-Term Notes Payable	2,289,100	-	2,289,100
Long-Term Bonds and Notes Payable	1,464,211	-	1,464,211
Total Current Liabilities	<u>8,078,195</u>	<u>23,027</u>	<u>8,101,222</u>
Noncurrent Liabilities:			
Compensated Absences	996,101	19,334	1,015,435
Net OPEB Obligation	11,508,083	388,114	11,896,197
Net Pension Liability	42,621,856	565,730	43,187,586
Long-Term Bonds and Notes Payable	23,578,945	-	23,578,945
Total Noncurrent Liabilities	<u>78,704,985</u>	<u>973,178</u>	<u>79,678,163</u>
Total Liabilities	<u>86,783,180</u>	<u>996,205</u>	<u>87,779,385</u>
NET POSITION			
Net Investment in Capital Assets	5,877,704	304,893	6,182,597
Restricted for:			
Statutory Reserve	304,687	-	304,687
Life Insurance	468,177	-	468,177
Cape Cod Commission	3,281,448	-	3,281,448
HUD Home Program	2,959,981	-	2,959,981
Mitigation	2,896,576	-	2,896,576
Other Specific Purposes	5,680,004	-	5,680,004
Unrestricted	(56,315,885)	809,501	(55,506,384)
Total Net Position	<u>\$ (34,847,308)</u>	<u>\$ 1,114,394</u>	<u>\$ (33,732,914)</u>

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

COUNTY OF BARNSTABLE, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Net (Expense)/ Revenue
Primary Government:				
Governmental Activities:				
County Commissioners	\$ 468,469	\$ -	-	\$ (468,469)
Information Technology Services	1,945,895	157,316	-	(1,788,579)
Resource Development Office	1,683,737	265,460	446,341	(971,936)
Home Consortium	5,000	-	-	(5,000)
Cape Light Compact	33,434	-	-	(33,434)
Grants to Towns of Barnstable County	6,246	-	-	(6,246)
Assembly of Delegates	298,878	-	-	(298,878)
Department of Finance	874,031	63,155	8,554	(802,322)
Department of Facilities	2,639,098	1,736,349	43,878	(858,871)
Cooperative Extension	2,376,924	133,932	429,839	(1,813,153)
Registry of Deeds	2,967,928	2,405,404	582,000	19,476
Regional Services Initiatives	604,572	59,670	-	(544,902)
County Health	4,217,778	2,006,238	518,105	(1,693,435)
Children's Cove	727,337	-	245,650	(481,687)
Human Services	1,647,040	4,130	957,516	(685,394)
Human Services Grant	80,000	-	-	(80,000)
Fire Training	424,468	211,524	-	(212,944)
Economic Development Council	389,159	-	335,535	(53,624)
Water Quality Initiative	486,245	-	-	(486,245)
Pension Benefits - Corrections	1,182,776	-	-	(1,182,776)
Other	519,947	122,855	1,460	(395,632)
Cape Cod Commission	6,258,508	3,215,943	2,973,617	(68,948)
Debt Services - Interest	894,259	-	894,259	-
Total Governmental Activities	30,731,729	10,381,976	7,436,754	(12,912,999)
Business Type Activities:				
Dredge	806,075	842,484	2,770	39,179
Total Primary Government	\$ 31,537,804	\$ 11,224,460	\$ 7,439,524	\$ (12,873,820)

COUNTY OF BARNSTABLE, MASSACHUSETTS
STATEMENT OF ACTIVITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Changes in Net Position:			
Net Expense (Revenue) (from Previous Page)	\$ (12,912,999)	\$ 39,179	\$ (12,873,820)
General Revenues:			
Town Assessments	2,972,551	-	2,972,551
County Deeds Excise Tax	8,487,216	-	8,487,216
Unrestricted Investment Income	18,533	-	18,533
Gain (Loss) on Disposal of Capital Assets	(893)	-	(893)
Total General Revenues	<u>11,477,407</u>	<u>-</u>	<u>11,477,407</u>
CHANGE IN NET POSITION	(1,435,592)	39,179	(1,396,413)
Net Position - Beginning of Year (As Restated)	<u>(33,411,716)</u>	<u>1,075,215</u>	<u>(32,336,501)</u>
NET POSITION - END OF YEAR	<u>\$ (34,847,308)</u>	<u>\$ 1,114,394</u>	<u>\$ (33,732,914)</u>

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

COUNTY OF BARNSTABLE, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015

ASSETS	<u>General</u>	<u>Cape Cod Commission</u>	<u>HUD Home Program</u>
Cash and Cash Equivalents	\$ 5,765,626	\$ -	\$ -
Receivables, Net of Allowance for Uncollectible Amounts:			
Departmental and Other	188,007	-	-
Intergovernmental	686,163	168,369	-
Loans	-	-	2,959,981
Due from Other Funds	625,496	-	-
Restricted Assets:			
Cash and Cash Equivalents	2,288,668	3,611,653	10,000
Investments	496,151	-	-
Total Assets	<u>\$ 10,050,111</u>	<u>\$ 3,780,022</u>	<u>\$ 2,969,981</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Warrants Payable	\$ 180,934	\$ 31,827	\$ 10,000
Accrued Payroll	356,187	113,704	-
Other Liabilities	2,599,907	83,027	-
Liabilities Due Depositors	-	270,016	-
Due to Other Funds	-	-	-
Short-Term Notes Payable	-	-	-
Total Liabilities	<u>3,137,028</u>	<u>498,574</u>	<u>10,000</u>
 FUND BALANCES			
Restricted	772,864	3,281,448	2,959,981
Committed	3,343,936	-	-
Assigned	636,615	-	-
Unassigned	2,159,668	-	-
Total Fund Balances	<u>6,913,083</u>	<u>3,281,448</u>	<u>2,959,981</u>
Total Liabilities and Fund Balances	<u>\$ 10,050,111</u>	<u>\$ 3,780,022</u>	<u>\$ 2,969,981</u>

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

Mitigation Fund	Septic Loan Program	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 5,765,626
-	-	53,952	241,959
-	-	576,930	1,431,462
-	15,238,350	218,326	18,416,657
-	-	-	625,496
2,896,576	10,026,132	-	18,833,029
-	-	-	496,151
<u>\$ 2,896,576</u>	<u>\$ 25,264,482</u>	<u>\$ 849,208</u>	<u>\$ 45,810,380</u>
\$ -	\$ 122,618	\$ 170,746	\$ 516,125
-	-	60,343	530,234
-	99,809	110,774	2,893,517
-	-	-	270,016
-	-	625,496	625,496
-	-	2,289,100	2,289,100
<u>-</u>	<u>222,427</u>	<u>3,256,459</u>	<u>7,124,488</u>
2,896,576	25,042,055	5,680,004	40,632,928
-	-	8,021	3,351,957
-	-	-	636,615
<u>-</u>	<u>-</u>	<u>(8,095,276)</u>	<u>(5,935,608)</u>
<u>2,896,576</u>	<u>25,042,055</u>	<u>(2,407,251)</u>	<u>38,685,892</u>
<u>\$ 2,896,576</u>	<u>\$ 25,264,482</u>	<u>\$ 849,208</u>	<u>\$ 45,810,380</u>

COUNTY OF BARNSTABLE, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General	Cape Cod Commission	HUD Home Program
REVENUES			
Town Assessment	\$ 2,972,551	\$ -	\$ -
County Deeds Excise Tax	8,487,216	-	-
Registry of Deeds	2,405,404	-	-
Court House Rental	1,718,968	-	-
Environment Protection Taxes	-	3,186,980	-
Intergovernmental	306,078	723,601	677,099
Departmental	947,789	29,108	-
Investment Income	26,087	-	-
Total Revenues	<u>16,864,093</u>	<u>3,939,689</u>	<u>677,099</u>
EXPENDITURES			
Current:			
County Commissioners	434,475	-	-
Information Technology Services	1,135,609	-	-
Resource Development Office	856,277	-	-
Home Consortium	5,000	-	-
Cape Light Compact	-	-	-
Grants to Towns of Barnstable County	6,246	-	-
Assembly of Delegates	281,610	-	-
Department of Finance	776,156	-	-
Department of Facilities	2,225,451	-	-
Cooperative Extension	1,702,338	-	-
Registry of Deeds	2,439,341	-	-
Regional Services Initiatives	335,358	-	-
County Health	2,115,951	-	-
Children's Cove	412,135	-	-
Human Services	557,051	-	-
Human Services Grant	80,000	-	-
Fire Training	367,871	-	-
Cape Cod Commission	-	3,920,994	514,039
Economic Development Council	-	-	-
Water Quality Initiatives	486,245	-	-
Retirees' Benefits	921,381	-	-
Pension Benefits - Retired Corrections Employees	1,064,708	-	-
Other	486,088	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>16,689,291</u>	<u>3,920,994</u>	<u>514,039</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>174,802</u>	<u>18,695</u>	<u>163,060</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	945,000	461,066	-
Proceeds of Bonds and Notes	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>945,000</u>	<u>461,066</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,119,802	479,761	163,060
Fund Balances - Beginning of Year	<u>5,793,281</u>	<u>2,801,687</u>	<u>2,796,921</u>
FUND BALANCES AT END OF YEAR	<u>\$ 6,913,083</u>	<u>\$ 3,281,448</u>	<u>\$ 2,959,981</u>

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

Mitigation Fund	Septic Loan Program	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,972,551
-	-	-	8,487,216
-	-	-	2,405,404
-	-	-	1,718,968
-	-	-	3,186,980
-	894,259	4,767,347	7,368,384
129,121	816,374	1,204,985	3,127,377
4,063	-	-	30,150
<u>133,184</u>	<u>1,710,633</u>	<u>5,972,332</u>	<u>29,297,030</u>
-	-	9,508	443,983
-	-	628,682	1,764,291
-	-	696,647	1,552,924
-	-	-	5,000
-	-	33,434	33,434
-	-	-	6,246
-	-	-	281,610
-	-	3,157	779,313
-	-	150,682	2,376,133
-	-	469,061	2,171,399
-	-	155,317	2,594,658
-	-	232,639	567,997
-	3,077	1,626,915	3,745,943
-	-	246,638	658,773
-	-	1,037,336	1,594,387
-	-	-	80,000
-	-	-	367,871
54,380	-	1,264,337	5,753,750
-	-	389,159	389,159
-	-	-	486,245
-	-	21,098	942,479
-	-	-	1,064,708
-	-	32,597	518,685
-	1,214,211	-	1,214,211
-	894,259	-	894,259
<u>54,380</u>	<u>2,111,547</u>	<u>6,997,207</u>	<u>30,287,458</u>
<u>78,804</u>	<u>(400,914)</u>	<u>(1,024,875)</u>	<u>(990,428)</u>
-	-	795,905	2,201,971
-	200,000	-	200,000
-	(795,905)	(1,406,066)	(2,201,971)
-	(595,905)	(610,161)	200,000
78,804	(996,819)	(1,635,036)	(790,428)
<u>2,817,772</u>	<u>26,038,874</u>	<u>(772,215)</u>	<u>39,476,320</u>
<u>\$ 2,896,576</u>	<u>\$ 25,042,055</u>	<u>\$ (2,407,251)</u>	<u>\$ 38,685,892</u>

COUNTY OF BARNSTABLE, MASSACHUSETTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total Governmental Fund Balances (Page 17)	\$ 38,685,892
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	6,677,994
In the statement of net position, deferred outflows of resources are reported for amounts related to pensions	72,994
Long-term liabilities are not due and payable in the current period, and therefore, reported in the governmental funds.	
Bonds and Notes Payable	(25,043,156)
Capital Lease Obligations	(4,314)
Compensated Absences	(1,106,779)
Net OPEB Obligation	(11,508,083)
Net Pension Liability	<u>(42,621,856)</u>
Net Position of Governmental Activities (Page 13)	<u>\$ (34,847,308)</u>

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

COUNTY OF BARNSTABLE, MASSACHUSETTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Net Change in Fund Balances - Total Governmental Funds (Page 19) \$ (790,428)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts represent the related activity of the current period.

Capital outlays	211,777
Depreciation	(666,162)

In the statement of activities, the gain/loss on the disposal of capital assets is reported, whereas in the governmental funds the disposal of capital assets are not reported as financial resources. As a result, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed. (893)

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts represent the related activity of the current period.

Bond proceeds	(200,000)
Bond maturities	1,214,211
Capital lease maturities	4,082

Some expenses reported in the statement activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.

These amounts represent the net changes:

Compensated absences	(59,755)
Net OPEB obligation	(866,102)
Net Pension Liability	(355,316)

In the statement of activities, deferred outflows related to pensions are amortized and recognized as pension expense. This amount represents the net change in deferred outflows related to pensions. 72,994

Changes in Net Position of Governmental Activities (Page 15) \$ (1,435,592)

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

COUNTY OF BARNSTABLE, MASSACHUSETTS
 PROPRIETARY FUND
 STATEMENT OF FUND NET POSITION
 JUNE 30, 2015

	Business- Type Activities - Enterprise Fund
	Dredge
ASSETS	
Current assets:	
Cash and Cash Equivalents	\$ 1,416,605
Receivables, Net of Allowance for Uncollectible Amounts:	
User Charges	388,132
Total Current Assets	1,804,737
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	304,893
Total Assets	2,109,630
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pension	969
LIABILITIES	
Current Liabilities:	
Warrants Payable	2,085
Accrued Payroll	15,766
Other Liabilities	3,028
Compensated Absences	2,148
Total Current Liabilities	23,027
Noncurrent Liabilities:	
Compensated Absences	19,334
Net OPEB Obligation	388,114
Net Pension Liability	565,730
Total Noncurrent Liabilities	973,178
Total Liabilities	996,205
FUND NET POSITION	
Net investment in Capital Assets	304,893
Unrestricted	809,501
Total Net Position	\$ 1,114,394

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

COUNTY OF BARNSTABLE, MASSACHUSETTS
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business- Type Activities - Enterprise Fund
	Dredge
OPERATING REVENUES	
Charges for Services	\$ 842,365
Other	119
Total Operating Revenues	842,484
OPERATING EXPENSES	
Cost of Service and Administration	695,543
Depreciation	110,532
Total Operating Expenses	806,075
OPERATING INCOME	36,409
NONOPERATING REVENUES (EXPENSES)	
Investment Income	2,770
CHANGE IN FUND NET POSITION	39,179
FUND NET POSITION AT BEGINNING OF YEAR (AS RESTATED)	1,075,215
FUND NET POSITION AT END OF YEAR	\$ 1,114,394

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

COUNTY OF BARNSTABLE, MASSACHUSETTS
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business- Type Activities - Enterprise Fund
	Dredge
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 632,722
Payments to Vendors	(338,242)
Payments to Employees	(353,748)
Net Cash Provided by Operating Activities	(59,268)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(22,513)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	2,770
NET CHANGE IN CASH AND CASH EQUIVALENTS	(79,011)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,495,616
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,416,605
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES	
Operating Income (Loss)	\$ 36,409
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Adjustments not Requiring Current Cash Flows:	
Depreciation	110,532
Net OPEB Obligation	25,590
Net Pension Liability	4,707
Deferred Outflows of Resources Related to Pension	(969)
Effect of Changes in Operating Assets and Liabilities:	
User Charges Receivable	(209,762)
Warrants Payable	(14,000)
Accrued Payroll	3,320
Other Liabilities	792
Compensated Absences	(15,887)
Total Adjustments	(95,677)
NET CASH FROM OPERATING ACTIVITIES	\$ (59,268)

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

COUNTY OF BARNSTABLE, MASSACHUSETTS
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,435,673
Receivables, Net of Allowance for Uncollectible Amounts:	
Departmental and Other	<u>3,190,642</u>
Total Assets	<u><u>5,626,315</u></u>
LIABILITIES	
Warrants Payable	366,235
Accrued Payroll	62,211
Other Liabilities	9,921
Liabilities Due Depositors	<u>5,187,948</u>
Total Liabilities	<u><u>\$ 5,626,315</u></u>

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

COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

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

B. Reporting Entity

The County of Barnstable, Massachusetts adheres to the County form of government prescribed by Massachusetts General Laws (MGL) and the County of Barnstable Home Rule Charter, enacted under Chapter 163 of the Acts of 1988, Chapter 716 of the Acts of 1989 and Chapter 2 of the Acts of 1990. The County is governed by an elected Board of Commissioners (three members) and the Assembly of Delegates. The Assembly of Delegates is comprised of representatives from each municipality within Barnstable County, elected for terms of two years each by the voters in each of the municipalities of the County.

For financial reporting purposes, the basic financial statements include all funds, organizations, agencies, boards, commissions and institutions that are not legally separate from the County.

The County has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and/or significance of their relationship with the County are such that exclusion would cause the County's basic financial statements to be misleading or incomplete. It has been determined that there are no component units that require inclusion in the basic financial statements.

C. Implementation of New Accounting Principles

For the year ending June 30, 2015, the County implemented the following pronouncements issued by the GASB:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*
- GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*

The implementation of GASB Statement No. 68 required the reporting of pension items for the County's future pension benefits obligations and also expanded footnote disclosures and required supplementary information.

The implementation of GASB Statements No. 69 and 71 had no reporting impact for the County.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

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

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

Program revenues include the following:

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

Member Town assessments and other items not identifiable as program revenues are reported as general revenues.

Except for charges between the general fund and enterprise fund, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

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

The following major governmental funds are reported:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund.

The *Cape Cod Commission fund* is a special revenue fund used to account for the activities of the Cape Cod Commission. These activities involve promotion of affordable housing, sponsorship of economic development programs, preservation of historic sites, preservation of open space, planning and analyses of transportation, solid waste and hazardous waste management, and protection of water quality and water supplies.

The *HUD home program fund* is a special revenue fund used to account for the activities of the affordable housing program. These activities involve housing rehabilitation, loan assistance for home purchases and repairs, and operating support for regional nonprofits. This program is funded by federal financial assistance.

The *mitigation fund* is a special revenue fund used to account for financial resources to mitigate issues arising from construction and development.

The *septic loan program fund* is a special revenue fund used to account for the activities of a community septic management program. These activities involve loan assistance to comply with Title V (related to septic systems) requirements. This program is funded by long-term debt.

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

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

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The following major proprietary fund is reported:

The *dredge enterprise fund* is used to account for the County dredge operations.

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

The following fiduciary fund type is reported:

The *agency fund* is primarily used to account for certain assets of the Cape Light Compact held in a custodial capacity. Agency funds do not present the results of operations or have a measurement focus.

F. Deposits and Investments

Government-Wide and Fund Financial Statements

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

G. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

User Charges

User charges represent amounts owed for dredge services and are levied when the service is provided.

Departmental and Other

Departmental and other receivables represent amounts owed for services provided by the County Health Lab and other various departmental activities. Departmental and other receivables are recorded when the service has been provided or the applicable agreement has been entered into.

COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intergovernmental

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

Loans

The County administers various loan programs to member Town residents that provide assistance to comply with Title V (related to septic systems) requirements and for home purchases and repairs and also to various types of legal entities that are developing affordable housing (HUD home program). Loans are recorded as receivables upon issuance.

H. Allowance for Uncollectible Amounts

The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis. Based on historical analysis, 100% of user charges and departmental and other receivables have been collected and therefore do not report an allowance for uncollectible amounts. Title V loan receivables are considered 100% collectible because they are secured via a lien process and therefore do not report an allowance for uncollectible amounts. HUD home program loan receivables are considered between 50 – 100% uncollectible (depending on the type of loan) based on historical trends and specific account analysis. Intergovernmental receivables are considered 100% collectible and therefore do not report an allowance for uncollectible amounts.

I. Restricted Assets

Government-Wide and Fund Financial Statements

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

J. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which consist of land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, vehicles, and intangible assets, are reported in the applicable governmental or business-type activities column of the government-wide financial statements.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Asset Type	Estimated Useful Life (in years)
Land improvements	20
Buildings	20-40
Buildings improvements	10-20
Machinery and equipment	3-20
Vehicles	5-10
Intangible assets	5-10

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

Governmental Fund Financial Statements

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

K. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds.

Government-Wide Financial Statements

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

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. Deferred outflows of resources related to pensions is reported in the government-wide financial statements statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County does not have items that qualify for reporting in this category.

N. Net Position and Fund Balances

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

Net position is reported as restricted when amounts are restricted by outside parties for a specific future use.

Net position has been “restricted” for the following:

“Statutory reserve” represents the portion of net position required by statute to be maintained on hand.

“Life insurance” represents amounts restricted for life insurance benefits.

“Cape Cod Commission” represents amounts restricted for the activities of the Cape Cod Commission.

“HUD Home program” represents amounts restricted for the activities of the affordable housing program.

“Mitigation” represents amounts restricted for financial resources to mitigate issues arising from construction and development.

“Other specific purposes” represents other restrictions placed on assets from outside parties.

Governmental Funds Financial Statements (Fund Balances)

The following fund balance classifications describe the relative strength of the spending constraints:

Nonspendable — represents amounts that cannot be spent either because they are in nonspendable form (i.e., prepaid amounts) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

Restricted — represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed — represents amounts that can be used only for specific purposes imposed by a formal action of the County Commissioners, which is the highest level of decision-making authority for the County. Committed amounts may be established, modified, or rescinded only through actions approved by the County Commissioners.

Assigned — represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the County's structure, only authorized assignments for non-contractual encumbrances can be made by individual department heads.

Unassigned — represents the residual fund balance for the General Fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

O. Long-Term Debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

P. Investment Income

Excluding certain special revenue funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by MGL.

Investment income from the proprietary fund is maintained in the proprietary fund.

Q. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

Accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Financial Statements

Accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon employee retirements and resignations.

R. Pensions

Government-Wide and Fund Financial Statements

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

S. Postemployment Benefits

Government-Wide and Fund Financial Statements

In addition to providing pension benefits, and as more fully described in Note 10, the County provides health, dental and life insurance coverage for current and future retirees and their spouses.

T. Use of Estimates

Government-Wide and Fund Financial Statements

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

U. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The general expenses of the County are financed by receipts from various fees, charges, other miscellaneous income and by a tax levied annually and collected semi-annually on the Towns in the County. The basis of apportionment of the tax among the Towns in the County is established by Chapter 58, Section 10C, of the MGL. The tax is based on the equalized valuation of the Towns as determined every two years by the Commissioner of Revenue of the Commonwealth of Massachusetts (the Commonwealth).

COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Every County agency or department submits to the County Administrator its requested annual budget on or before the date designated by the Board of County Commissioners. The County Administrator, operating within guidelines and instructions issued by the Board of County Commissioners, prepares a proposed operating budget for the ensuing fiscal year and submits it to the Board of County Commissioners for its review. Within a time fixed by ordinance, the Board of County Commissioners submits to the Assembly of Delegates its proposed operating budget for the ensuing fiscal year with an accompanying budget message and supporting documents.

The Board of County Commissioners shall provide a general summary of the proposed budget to be made available to representatives of the communications media and shall cause a legal notice to be published in a local newspaper indicating the times and places at which complete copies of the proposed budget and accompanying materials are available for inspection by the public.

The Assembly of Delegates shall notify the Board of Selectmen in Barnstable County of its receipt of the Board of County Commissioners proposed budget. Copies of the budget shall be submitted to each Town upon request.

The Assembly of Delegates, through its standing committee on finance, shall cause review by standing committees of the Assembly of Delegates, in open public meetings, of the detailed expenditures proposed for each County department or agency. The Clerk of the Assembly of Delegates shall notify the Town Council in the Town of Barnstable and each Board of Selectmen in Barnstable County of the dates, times and places of such meetings. The standing committees may confer with any County department or agency in connection with its review and consideration. The standing committee on finance, or other designated standing committees, may require the Board of County Commissioners, the County Administrator, or any other County department or agency through the County Administrator, to furnish it with additional information as it may deem necessary to assist it in its review of the proposed budget.

The standing committee on finance shall receive information from other standing committees reviewing the budget, and shall file a report with the Assembly of Delegates containing its recommendations with respect to each item contained in the proposed budget. The report shall contain its reason or reasons for each recommendation that differs from the recommendation of the Board of County Commissioners.

The Assembly of Delegates adopts a budget for the ensuing fiscal year no later than the first day of June in the preceding fiscal year. If the Assembly of Delegates does not take final action with respect to any amount recommended in the proposed budget by the first day of June, such amount shall, without any action by the Assembly of Delegates, become a part of the appropriations for the ensuing fiscal year.

An annual budget is adopted for the general fund and Cape Cod Commission fund in conformity with the guidelines described above. The original fiscal year 2015 approved budget for the general fund and Cape Cod Commission fund authorized \$18,296,926 and \$5,276,004, respectively, in appropriations. During fiscal year 2015, there were reductions of appropriations in the general fund totaling \$113,464 and reductions of appropriations in the Cape Cod Commission fund totaling \$33,103.

The Finance Department has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system. The legal level of budgetary control is the department level.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Fund Deficits

At June 30, 2015, the following fund deficits are expected to be funded with long-term debt and/or reimbursements:

Fund	Amount	Funding Source
Superior Court Miscellaneous	\$ 295,165	Long-term debt/reimbursements
2nd District Court Elevator/Access Ramp	280,000	Long-term debt/reimbursements
2nd District Court Driveway Repairs & Paving	198,829	Long-term debt/reimbursements
1st District Court Miscellaneous	188,735	Long-term debt/reimbursements
2nd District Court Miscellaneous	188,440	Long-term debt/reimbursements
Deeds Court Miscellaneous	162,526	Long-term debt/reimbursements
1st District Court Roof Replacement	140,000	Long-term debt/reimbursements
Superior Court Exterior Repairs	130,000	Long-term debt/reimbursements
Deeds Court Roof Replacement	130,000	Long-term debt/reimbursements

At June 30, 2015, the following fund deficits are expected to be funded with long-term debt:

Fund	Amount	Funding Source
Wide Area Network Computer System	\$ 1,210,597	Long-term debt
Lab Facility Relocation	900,001	Long-term debt
Major Software Systems	870,794	Long-term debt
Telephone System	680,260	Long-term debt
Miscellaneous Capital Improvements	507,493	Long-term debt
Old Jail Renovations	307,913	Long-term debt
Lab Emerging Contaminants	296,037	Long-term debt
Planimetrics	232,639	Long-term debt
Public Safety Building Renovations	199,995	Long-term debt
County Complex ADA Improvements	191,322	Long-term debt
County Complex Miscellaneous	179,942	Long-term debt
Health Lab Plasma & AA Spectrophotometers	178,496	Long-term debt
County Complex Paving Repairs	170,153	Long-term debt
County Complex Water Line	170,000	Long-term debt
Children's Cove Building Addition & Improvements	152,159	Long-term debt
Interior Renovations-IT Department	133,782	Long-term debt

Of the fund deficits, \$2,289,100 is financed by short-term notes outstanding at June 30, 2015.

COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 DEPOSITS AND INVESTMENTS

The municipal finance laws of the Commonwealth authorize the County to invest temporarily idle cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. treasury or agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer's investment pool – the Massachusetts Municipal Depository Trust (MMDT).

A cash and investment pool is maintained that is available for use by all funds with unrestricted cash and investments.

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be recovered. As of June 30, 2015, none of the County's bank balance of \$30,861,141 was exposed to custodial credit risk.

Investments Summary

The County's investments at June 30, 2015 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

<u>Investment Type</u>	<u>Fair Value</u>
<u>Other Investments:</u>	
Equity securities	\$ 496,151

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The County's policy is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flows demands of the County. As of June 30, 2015, the County does not have any debt security investments.

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's policy is for its investments to be insured and registered in the name of the County. As of June 30, 2015, the County's investments were not exposed to custodial credit risk.

Investments - Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. As of June 30, 2015, the County does not have any debt security investments.

Investments – Concentration of Credit Risk

Concentration of credit risk for investments is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The County does not have a policy for concentration of credit risk of investments. As of June 30, 2015, the County's investment in Prudential Financial, Inc. in the amount of \$496,151 represented 100% of the County's investments.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 ACCOUNTS RECEIVABLE

At June 30, 2015, receivables for the individual major governmental funds and nonmajor governmental and fiduciary funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

<u>Receivable Type</u>	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Loans:</u>			
Title V septic	\$ 15,238,350	\$ -	\$ 15,238,350
HUD home	10,369,043	(7,409,062)	2,959,981
Other	<u>218,326</u>	<u>-</u>	<u>218,326</u>
Total loans	25,825,719	(7,409,062)	18,416,657
<u>Other Receivables:</u>			
Departmental and other	3,432,601	-	3,432,601
Intergovernmental	<u>1,431,462</u>	<u>-</u>	<u>1,431,462</u>
Total accounts receivable	<u>\$ 30,689,782</u>	<u>\$ (7,409,062)</u>	<u>\$ 23,280,720</u>

At June 30, 2015, receivables for the dredge enterprise fund consist of the following:

<u>Receivable Type</u>	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
User charges	<u>\$ 388,132</u>	<u>\$ -</u>	<u>\$ 388,132</u>

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land	\$ 697,995	\$ -	\$ -	\$ 697,995
Construction in progress	<u>54,985</u>	<u>-</u>	<u>(54,985)</u>	<u>-</u>
Total capital assets not being depreciated.....	<u>752,980</u>	<u>-</u>	<u>(54,985)</u>	<u>697,995</u>
<u>Capital assets being depreciated:</u>				
Land improvements	697,644	-	-	697,644
Buildings	6,533,702	-	-	6,533,702
Buildings improvements	5,170,349	59,600	-	5,229,949
Machinery and equipment	2,719,366	186,262	(34,089)	2,871,539
Vehicles	670,457	20,900	-	691,357
Intangible assets	<u>322,790</u>	<u>-</u>	<u>-</u>	<u>322,790</u>
Total capital assets being depreciated	<u>16,114,308</u>	<u>266,762</u>	<u>(34,089)</u>	<u>16,346,981</u>
<u>Less accumulated depreciation for:</u>				
Land improvements	(206,605)	(29,532)	-	(236,137)
Buildings	(5,836,367)	(44,840)	-	(5,881,207)
Buildings improvements	(1,348,933)	(230,738)	-	(1,579,671)
Machinery and equipment	(1,706,676)	(254,341)	33,196	(1,927,821)
Vehicles	(424,636)	(68,570)	-	(493,206)
Intangible assets	<u>(210,799)</u>	<u>(38,141)</u>	<u>-</u>	<u>(248,940)</u>
Total accumulated depreciation	<u>(9,734,016)</u>	<u>(666,162)</u>	<u>33,196</u>	<u>(10,366,982)</u>
Total capital assets being depreciated, net	<u>6,380,292</u>	<u>(399,400)</u>	<u>(893)</u>	<u>5,979,999</u>
Total governmental activities capital assets, net	<u>\$ 7,133,272</u>	<u>\$ (399,400)</u>	<u>\$ (55,878)</u>	<u>\$ 6,677,994</u>

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
<u>Capital assets being depreciated:</u>				
Machinery and equipment	\$ 1,615,897	\$ 22,513	\$ -	\$ 1,638,410
Vehicles	205,575	-	-	205,575
Intangible assets	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>
Total capital assets being depreciated	<u>1,833,472</u>	<u>22,513</u>	<u>-</u>	<u>1,855,985</u>
<u>Less accumulated depreciation for:</u>				
Machinery and equipment	(1,348,239)	(89,269)	-	(1,437,508)
Vehicles	(80,321)	(21,263)	-	(101,584)
Intangible assets	<u>(12,000)</u>	<u>-</u>	<u>-</u>	<u>(12,000)</u>
Total accumulated depreciation	<u>(1,440,560)</u>	<u>(110,532)</u>	<u>-</u>	<u>(1,551,092)</u>
Total business-type activities capital assets, net	<u>\$ 392,912</u>	<u>\$ (88,019)</u>	<u>\$ -</u>	<u>\$ 304,893</u>

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

Governmental Activities:

Information technology services	\$ 149,253
Resource development office	5,383
Department of finance	16,753
Department of facilities	100,583
Cooperative extension	28,567
Registry of deeds	66,323
County health	261,257
Children's cove	5,538
Fire training	12,882
Cape Cod commission	<u>19,623</u>

Total depreciation expense - governmental activities \$ 666,162

Business-Type Activities:

Dredge \$ 110,532

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

At June 30, 2015, there is a receivable and payable between the general fund and nonmajor governmental funds, respectively, in the amount of \$625,496 for cash advances.

Interfund transfers for the fiscal year ended June 30, 2015, are summarized as follows:

Transfers Out:	Transfers In:			Total
	General Fund	Cape Cod Commission Fund	Nonmajor Governmental Funds	
Septic Loan Program	\$ -	\$ -	\$ 795,905	795,905 (1)
Nonmajor Governmental Funds	945,000	461,066	-	1,406,066 (2)
	<u>\$ 945,000</u>	<u>\$ 461,066</u>	<u>\$ 795,905</u>	<u>\$ 2,201,971</u>

- (1) Represents transfer from the septic loan program major fund to the septic administration nonmajor special revenue fund to fund administrative expenses of the septic loan program.
- (2) Represents budgeted transfers to the general fund from the Workers' Compensation Reserve Fund and the Unemployment Reserve Fund (\$945,000) and various transfers from grant funds to the Cape Cod Commission major fund for overhead reimbursements (\$461,066).

NOTE 7 SHORT-TERM FINANCING

The County issues short-term debt in accordance with Chapter 35 of the MGL. Details related to the short-term debt activity for the fiscal year ended June 30, 2015, is as follows:

Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2014	Increases	Decreases	Balance at June 30, 2015
Municipal Purpose Loan	6/30/15	6/30/16	0.50%	\$ -	\$ 2,289,100	\$ -	\$ 2,289,100

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 LONG-TERM OBLIGATIONS

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2015.

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion
Governmental Activities:					
Bonds and notes payable	\$ 26,057,367	\$ 200,000	(1,214,211)	\$ 25,043,156	\$ 1,464,211
Capital lease obligations	8,396	-	(4,082)	4,314	4,314
Net OPEB obligation	10,641,981	2,288,049	(1,421,947)	11,508,083	-
Net Pension Liability	42,266,540	355,316	-	42,621,856	-
Compensated absences	1,047,024	59,755	-	1,106,779	110,678
Total	<u>\$ 80,021,308</u>	<u>\$ 2,903,120</u>	<u>\$ (2,640,240)</u>	<u>\$ 37,754,768</u>	<u>\$ 1,579,203</u>
Business-type Activities:					
Net OPEB obligation	\$ 362,524	\$ 67,602	(42,012)	\$ 388,114	\$ -
Net Pension Liability	561,023	4,707	-	565,730	-
Compensated absences	37,369	-	(15,887)	21,482	2,148
Total	<u>\$ 960,916</u>	<u>\$ 67,602</u>	<u>\$ (57,899)</u>	<u>\$ 975,326</u>	<u>\$ 2,148</u>

The net OPEB obligation and net pension liability of governmental activities is liquidated by the general fund. Bonds and notes payable liabilities are liquidated by the septic loan program fund. Compensated absences of governmental activities are liquidated by the general fund and Cape Cod Commission fund.

Long-term liabilities of business-type activities are liquidated by the dredge enterprise fund.

NOTE 9 LONG-TERM DEBT

The County issues long-term debt in accordance with Chapter 35 of the MGL. Details related to the outstanding indebtedness at June 30, 2015, and the debt service requirements are as follows:

Bonds and Notes Payable – Governmental Funds

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
MCWT Septic Loan Program	07/15/27	0.00%	\$ 2,100,000	\$ -	\$ (150,000)	\$ 1,950,000
MCWT Septic Loan Program	07/15/29	0.00%	2,147,367	-	(134,211)	2,013,156
MCWT Septic Loan Program	07/15/30	0.00%	3,060,000	-	(180,000)	2,880,000
MCWT Septic Loan Program	07/15/30	0.00%	2,550,000	-	(150,000)	2,400,000
MCWT Septic Loan Program	01/15/33	0.00%	3,800,000	-	(200,000)	3,600,000
MCWT Septic Loan Program	01/15/33	0.00%	2,850,000	-	(150,000)	2,700,000
MCWT Septic Loan Program	01/15/33	0.00%	4,750,000	-	(250,000)	4,500,000
MCWT Septic Loan Program	01/15/35	0.00%	4,800,000	200,000	-	5,000,000
Total governmental funds			<u>\$ 26,057,367</u>	<u>\$ 200,000</u>	<u>\$ (1,214,211)</u>	<u>\$ 25,043,156</u>

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 LONG-TERM DEBT (CONTINUED)

During fiscal year 2015, the County recognized \$200,000 of MCWT bond proceeds as part of a \$5,000,000 note issued for the purpose of financing costs of the community septic management loan program. The note is dated August 15, 2012 and matures January 15, 2035.

The County has received permanent financing from MCWT pursuant to \$30,000,000 of MCWT note authorizations adopted by Ordinances of the Assembly of Delegates on August 17, 2005 (\$10,000,000), March 5, 2008 (\$10,000,000) and December 1, 2010 (\$10,000,000). The County anticipates funding the debt principal on the permanent MCWT bonds from payments received on the loans the County is issuing to member Town residents for septic system improvements.

The County receives subsidy assistance from MCWT. Interest on the outstanding MCWT notes and bonds is subsidized over the life of the notes to assist the County in the repayment of this future debt. During fiscal year 2015, the County's subsidy totaled approximately \$894,000. Future subsidies will total approximately \$7,602,000. The amount of MCWT bonds outstanding at June 30, 2015, totaled \$25,043,156.

Debt service requirements for principal for governmental bonds and notes payable in future fiscal years are as follows:

Fiscal Year	Principal
2016	\$ 1,464,211
2017	1,464,211
2018	1,464,211
2019	1,464,211
2020	1,464,211
2021	1,464,211
2022	1,464,210
2023	1,464,210
2024	1,464,210
2025	1,464,210
2026	1,464,210
2027	1,464,210
2028	1,464,210
2029	1,314,210
2030	1,314,210
2031	1,180,000
2032	850,000
2033	850,000
2034	250,000
2035	250,000
Total	\$ 25,043,156

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 LONG-TERM DEBT (CONTINUED)

The County is subject to various debt limits by statute. At June 30, 2015, the County had the following authorized and unissued debt:

Purpose	Amount
Various capital projects	\$ 15,977,704 *

* Includes short-term notes outstanding at June 30, 2015 in the amount of \$2,289,100

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The County provides health, dental and life insurance coverage for its retirees and their survivors (hereinafter referred to as the “Plan”) as a single-employer defined benefit Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to plan design and contribution rates must be accomplished through the collective bargaining process. The Plan does not issue a stand alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The number of participants as of June 30, 2014, the latest actuarial valuation, is as follows:

Active employees	173
Retired employees, beneficiaries and dependents	161
Total	334

Funding Policy - The contribution requirements of Plan members and the County are established and may be amended by the County. The required health and dental insurance (including Medicare Part B) contribution rates of Plan members and the County are 25% and 75%, respectively. The Plan members and County contribute 25% and 75%, respectively, towards a \$10,000 term life insurance premium. The County currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the County.

Annual OPEB Cost and Net OPEB Obligation - The County’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an actuarially determined amount that is calculated in accordance with the parameters set forth in GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The following table identifies the components of the County's annual OPEB cost for the year, the actual amount contributed to the plan, and changes in the County's net OPEB obligation:

	Amount
Annual required contribution (ARC)	\$ 2,097,504
Interest on net OPEB obligation	495,203
Adjustment to annual required contribution	(401,639)
Annual OPEB cost	2,191,068
Contributions made	(896,244)
Other adjustments	(403,132)
Increase in net OPEB obligation	891,692
Net OPEB obligation at beginning of year	11,004,505
Net OPEB obligation at end of year	\$ 11,896,197

Trend information regarding annual OPEB cost, the percentage of the annual OPEB cost contributed and the net OPEB obligation is as follows:

Fiscal Year Ending	Annual OPEB Cost (AOPEBC)	Percentage of AOPEBC Contributed	Net OPEB Obligation
June 30, 2013	\$ 2,165,393	37.2%	\$ 9,528,717
June 30, 2014	2,276,350	35.2%	11,004,505
June 30, 2015	2,191,068	40.9%	11,896,197

Funded Status and Funding Progress – The funded status of the Plan at June 30, 2014, the most recent actuarial valuation, was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
06/30/14	\$ -	\$ 29,573,226	\$ 29,573,226	-	\$ 10,444,327	283.2%

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The significant methods and assumptions as of the latest actuarial valuation are as follows:

Valuation date:	June 30, 2014
Actuarial cost method:	Entry Age Normal
Amortization method:	Amortization payments increasing at 4.0%
Remaining amortization period:	30 years at July 1, 2014 (open period)
Interest discount rate:	4.5%
Healthcare/Medical cost trend rate:	Under 65: 10% decreasing by 2% for 1 year and 0.5% for 6 years to an ultimate rate of 5.0% per year Over 65: 10% decreasing 0.5% for 10 years to an ultimate rate of 5.0% per year
Inflation rate:	4.0%

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Allocation of AOPEBC – AOPEBC costs were allocated to the County's functions as follows:

Governmental Activities:

County commissioners	\$ 42,367
Information technology services	97,133
Resource development office	141,967
Assembly of delegates	16,517
Department of finance	94,508
Department of facilities	191,189
Cooperative extension	205,907
Registry of deeds	292,074
Regional services initiatives	24,739
County health	336,779
Children's cove	76,208
Human services	62,116
Fire training	41,293
Other	3,102
Cape Cod commission	<u>502,290</u>

Total AOPEBC - governmental activities	<u>2,128,189</u>
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Business-Type Activities:

Dredge	<u>62,879</u>
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Total AOPEBC	<u><u>\$ 2,191,068</u></u>
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**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 FUND BALANCES

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

	General	Cape Cod Commission	HUD Home Program	Mitigation Fund	Septic Loan Program	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:							
Statutory reserve	\$ 304,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 304,687
Life insurance	468,177	-	-	-	-	-	468,177
Cape Cod Commission	-	3,281,448	-	-	-	687,824	3,969,272
HUD Home program	-	-	2,959,981	-	-	-	2,959,981
Mitigation	-	-	-	2,896,576	-	-	2,896,576
Septic program	-	-	-	-	25,042,055	-	25,042,055
County commissioners	-	-	-	-	-	1,119	1,119
Resource development office	-	-	-	-	-	6,156	6,156
Cape light compact	-	-	-	-	-	76,860	76,860
Department of facilities	-	-	-	-	-	468	468
Cooperative extension	-	-	-	-	-	334,465	334,465
Registry of deeds - technology	-	-	-	-	-	671,339	671,339
Registry of deeds - Other	-	-	-	-	-	425,413	425,413
County health - septic administration	-	-	-	-	-	2,495,084	2,495,084
County health - other	-	-	-	-	-	653,423	653,423
Children's cove	-	-	-	-	-	2,222	2,222
Human services	-	-	-	-	-	151,530	151,530
Economic development council	-	-	-	-	-	162,661	162,661
Other	-	-	-	-	-	11,438	11,438
Sub-total - Restricted	<u>772,864</u>	<u>3,281,448</u>	<u>2,959,981</u>	<u>2,896,576</u>	<u>25,042,055</u>	<u>5,680,004</u>	<u>40,632,928</u>
Committed:							
Employee benefits	121,305	-	-	-	-	8,021	129,326
Continuing appropriations	947,409	-	-	-	-	-	947,409
Subsequent year's expenditures	<u>2,275,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,275,222</u>
Sub-total - Committed	<u>3,343,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,021</u>	<u>3,351,957</u>
Assigned:							
Encumbrances	<u>636,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>636,615</u>
Unassigned							
	<u>2,159,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,095,276)</u>	<u>(5,935,608)</u>
Total fund balances	<u>\$ 6,913,083</u>	<u>\$ 3,281,448</u>	<u>\$ 2,959,981</u>	<u>\$ 2,896,576</u>	<u>\$ 25,042,055</u>	<u>\$ (2,407,251)</u>	<u>\$ 38,685,892</u>

NOTE 12 OPERATING LEASES

The County is committed under an operating lease for office facilities used by the Cape Cod Commission and Economic Development Council. Future minimum payments under this operating lease are as follows:

Fiscal Year Ending June 30	Amount
2016	\$ 144,953
2017	144,953
2018	144,953
2019	<u>60,397</u>
Total minimum lease payments	<u>\$ 495,256</u>

Rent expenditures were approximately \$145,000 for the fiscal year ended June 30, 2015 and are reported as Cape Cod Commission expenditures.

COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 RISK FINANCING

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance.

Health Insurance

The County participates in a health insurance risk pool administered by the Cape Cod Municipal Health Group (Group). The Group offers a variety of premium based plans to its members with each participating governmental unit charged a premium for coverage based on rates established by the Group. The amount of claim settlements has not exceeded insurance coverage in the past three fiscal years.

Workers' Compensation

The County participates in a premium-based workers' compensation policy for all employees. There is no material outstanding workers' compensation claims payable at June 30, 2015 and, therefore, no liability is reported. The amount of claim settlements has not exceeded insurance coverage in the past three fiscal years.

NOTE 14 PENSION PLAN

Plan description. Employees of the County deemed eligible by the Barnstable County Retirement Board are provided with pensions through the BCRA - a cost-sharing multiple-employer defined benefit pension plan administered by the Barnstable County Retirement Board. Membership in the BCRA is mandatory immediately upon the commencement of employment for all permanent employees working a minimum of 25 hours per week. The BCRA issues a publicly available financial report that can be obtained by contacting the BCRA located at 750 Attucks Lane, Hyannis, Massachusetts, 02601.

Benefits provided. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The plan provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are three classes of membership in the plan; Group 1, Group 2 and Group 4. Group 1 consists of general employees which includes clerical and administrative positions. Group 2 consists of positions that have been specified as hazardous. Lastly, Group 4 consists of police officers, firefighters, and other hazardous positions.

Any individual in Group 1 or Group 2 whose membership began before January 1, 1978, and who maintains an annuity savings fund account, is eligible to receive a superannuation retirement allowance at age 55 or later, regardless of how many years of credible service he or she has completed.

There are no minimum vesting requirements for individuals in Group 4.

Members in Groups 1 and 2, hired after January 1, 1978 and prior to April 2, 2012, are eligible to receive a superannuation retirement allowance upon the completion of 20 years of service or upon the completion of 10 years of service and upon reaching the age of 55.

COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 PENSION PLAN (CONTINUED)

Members in Groups 1 and 2, hired on or after April 2, 2012, are eligible to receive a superannuation retirement allowance upon the completion of 10 years of service and upon reaching the age of 60 (Group 1) or age 55 (Group 2).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension.

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

Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Contributions. Chapter 32 of the MGL assigns authority to establish and amend contribution requirements of the plan. Employers are required to pay an actuarially determined annual appropriation. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the plan's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The pension fund appropriations are allocated amongst employers based on covered payroll. Active member employees contribute between 5% and 9% of their gross regular compensation. The percentage rate is keyed to the date upon which an employee's membership commences. Members hired on or after January 1, 1979, contribute an additional 2% of annual regular compensation in excess of \$30,000. Contributions to the pension plan from the County were \$3,614,837 for the year ended June 30, 2015.

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

At June 30, 2015, the County reported a liability of \$43,187,586 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 for which update procedures were used to roll forward the total pension liability to the measurement date. The County proportion of the net pension liability is a blended rate of the proportionate share of active employer's covered payroll, direct charges for early retirement incentives and the direct amortization of the actuarial determined net pension liability for employer members that no longer have active covered payroll.

At December 31, 2014, the County proportion was 7.65 percent, which was the same proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$4,232,819. At June 30, 2015, the County reported deferred outflows of resources related to pensions of \$73,963 from the net difference between projected and actual investment earnings on plan investments.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 PENSION PLAN (CONTINUED)

The amount reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2016	\$ 18,491
2017	18,491
2018	18,491
2019	18,490

Actuarial assumptions. The total pension liability was determined using the following actuarial assumptions:

Inflation rate:	4.00%
Salary increases	Varies by length of service with ultimate rates of 4.25% for Group 1, 4.50% for Group 2 and 4.75% for Group 4.
Mortality Rates:	<p>Pre-Retirement - The RP-2000 Employee Mortality Table projected generationally with a Scale AA from 2010</p> <p>Healthy Retiree - The RP-2000 Healthy Annuitant Mortality Table projected generationally with a Scale AA from 2010.</p> <p>Disabled Retiree - The RP-2000 Healthy Annuitant Mortality Table set forward three years for males only projected generationally with Scale AA from 2010</p>
Investment rate of return	7.75%, net of pension plan investment expense, including inflation (previously 7.875%)

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2012 to January 1, 2014.

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 14 PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	20%	6.6%
International Equity - Developed Markets	16%	7.1%
International Equity - Emerging Markets	7%	9.4%
Core Fixed Income	13%	2.2%
High-Yield Fixed Income	10%	4.7%
Real Estate	10%	4.4%
Commodities	4%	4.4%
Hedge Fund, GTAA, Risk Parity	10%	3.9%
Private Equity	10%	11.7%
Totals	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's 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 7.75 percent, as well as what the County proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County of Barnstable's Proportionate Share of the Net Pension Liability	\$ 55,675,462	\$ 43,187,586	\$ 32,598,515

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

**COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 COMMITMENTS

The County is planning to enter into contracts totaling approximately \$483,000 for various capital projects.

Other significant commitments include the encumbrances and continuing appropriations outstanding for the general fund and Cape Cod Commission fund, which totaled approximately \$1,584,000 and \$113,000, respectively, at June 30, 2015.

NOTE 16 CONTINGENCIES

Various legal actions and claims are pending against the County. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2015, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the County at June 30, 2015.

The County participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2015, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 17 CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2015, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This pronouncement requires the restatement of the June 30, 2014, net position of the governmental activities, business-type activities and enterprise funds as shown as follows:

	Governmental Activities	Business-Type Activities	Dredge Enterprise Fund
Net Position, June 30, 2014, as Previously Reported	\$ 8,854,824	\$ 1,636,238	\$ 1,636,238
Cumulative Affect of Application of GASB 68, Net Pension Liability	<u>(42,266,540)</u>	<u>(561,023)</u>	<u>(561,023)</u>
Net Position, June 30, 2014, as Restated	<u>\$ (33,411,716)</u>	<u>\$ 1,075,215</u>	<u>\$ 1,075,215</u>

NOTE 18 FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS

- Statement No. 72, Fair Value Measurement and Application, which is required to be implemented during fiscal year 2016. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 73, Accounting and Financial Reporting Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, which is required to be implemented during fiscal year 2016. Management is evaluating the Statement's future impact on the basic financial statements.

COUNTY OF BARNSTABLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which is required to be implemented during fiscal year 2018. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented during fiscal year 2016. Management does not believe the implementation of this Statement will impact the basic financial statements.
- Statement No. 77, *Tax Abatement Disclosures*, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the financial statements
- Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 79, *Certain External Investment Pools and Pool Participants*, which is required to be implemented during fiscal year 2016, except for the provisions in paragraphs 18, 19, 23-26, and 40, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements
- Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements.

These pronouncements will be implemented by their respective implementation dates.

This information is an integral part of the accompanying financial statements.

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COUNTY OF BARNSTABLE, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Town Assessments	\$ -	\$ 2,972,551	\$ -	\$ 2,972,551
County Deeds Excise Tax	-	8,750,000	-	8,750,000
Registry of Deeds	-	3,250,000	-	3,250,000
Court House Rental	-	1,625,000	-	1,625,000
Intergovernmental	-	635,603	-	635,603
Departmental	-	898,906	-	898,906
Investment Income	-	164,866	-	164,866
Total Revenue	<u>-</u>	<u>18,296,926</u>	<u>-</u>	<u>18,296,926</u>
EXPENDITURES				
Current:				
County Commissioners	51,200	481,942	(61,843)	471,299
Information Technology Services	118,583	1,141,012	(2,058)	1,257,537
Resource Development Office	80,782	882,591	7,803	971,176
Cape Light Compact	30,000	-	-	30,000
Assembly of Delegates	82	300,863	1,544	302,489
Department of Finance	25,871	769,849	21,645	817,365
Home Consortium	5,000	-	-	5,000
Grants to Town's of Barnstable County	6,246	-	-	6,246
Department of Facilities	109,463	2,450,538	108,742	2,668,743
Cooperative Extension	400,012	1,763,418	(88,139)	2,075,291
Registry of Deeds	43,353	2,797,745	(17,023)	2,824,075
Regional Services Initiatives	304,247	174,148	(10,982)	467,413
County Health	37,350	2,263,722	(26,720)	2,274,352
Children's Cove	32,245	504,239	(1,163)	535,321
Human Services	121,716	649,199	(1,750)	769,165
Human Services Grants	-	80,000	-	80,000
Fire Training	2,223	442,909	2,487	447,619
Public Safety	50,000	-	-	50,000
Water Quality Initiatives	412,328	427,000	-	839,328
Retirees' Benefits	188,548	1,228,243	-	1,416,791
Pension Benefits - Retired Corrections Employees	-	1,064,708	-	1,064,708
Other	725,162	609,800	(46,007)	1,288,955
Debt Service:	-	-	-	-
Principal	-	65,000	-	65,000
Interest	-	200,000	-	200,000
Total Expenditures	<u>2,744,411</u>	<u>18,296,926</u>	<u>(113,464)</u>	<u>20,927,873</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,744,411)	-	113,464	(2,630,947)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	945,000	945,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>945,000</u>	<u>945,000</u>
NET CHANGE IN FUND BALANCE	(2,744,411)	-	1,058,464	(1,685,947)
Fund Balance - Beginning of Year	5,793,281	5,793,281	5,793,281	5,793,281
FUND BALANCE - END OF YEAR	<u>\$ 3,048,870</u>	<u>\$ 5,793,281</u>	<u>\$ 6,851,745</u>	<u>\$ 4,107,334</u>

See accompanying notes to required supplementary information.

	Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$	2,972,551	\$ -	\$ 2,972,551	\$ -
	8,487,216	-	8,487,216	(262,784)
	2,405,404	-	2,405,404	(844,596)
	1,718,968	-	1,718,968	93,968
	306,078	-	306,078	(329,525)
	947,789	-	947,789	48,883
	26,087	-	26,087	(138,779)
	<u>16,864,093</u>	<u>-</u>	<u>16,864,093</u>	<u>(1,432,833)</u>
	434,475	34,362	468,837	2,462
	1,135,609	66,004	1,201,613	55,924
	856,277	85,536	941,813	29,363
	-	-	-	30,000
	281,610	327	281,937	20,552
	776,156	20,803	796,959	20,406
	5,000	-	5,000	-
	6,246	-	6,246	-
	2,225,450	66,138	2,291,588	377,155
	1,702,338	143,774	1,846,112	229,179
	2,439,342	17,843	2,457,185	366,890
	335,358	129,043	464,401	3,012
	2,115,951	22,890	2,138,841	135,511
	412,135	29,924	442,059	93,262
	557,051	69,989	627,040	142,125
	80,000	-	80,000	-
	367,871	8,138	376,009	71,610
	-	-	-	50,000
	486,245	348,237	834,482	4,846
	921,381	15,620	937,001	479,790
	1,064,708	-	1,064,708	-
	486,088	525,396	1,011,484	277,471
	-	-	-	65,000
	-	-	-	200,000
	<u>16,689,291</u>	<u>1,584,024</u>	<u>18,273,315</u>	<u>2,654,558</u>
	174,802	(1,584,024)	(1,409,222)	1,221,725
	945,000	-	945,000	-
	-	-	-	-
	<u>945,000</u>	<u>-</u>	<u>945,000</u>	<u>-</u>
	1,119,802	(1,584,024)	(464,222)	1,221,725
	5,793,281	-	5,793,281	-
\$	<u><u>6,913,083</u></u>	<u><u>(1,584,024)</u></u>	<u><u>5,329,059</u></u>	<u><u>1,221,725</u></u>

COUNTY OF BARNSTABLE, MASSACHUSETTS
 CAPE COD COMMISSION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NON-GAAP BUDGETARY BASIS)
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Environmental Protection Taxes	\$ -	\$ 3,186,980	\$ -	\$ 3,186,980
Intergovernmental	-	978,820	-	978,820
Departmental	-	140,000	-	140,000
Total Revenue	-	4,305,800	-	4,305,800
EXPENDITURES				
Current:				
Cape Cod Commission	93,082	5,276,004	(33,103)	5,335,983
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(93,082)	(970,204)	33,103	(1,030,183)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	300,000	-	300,000
NET CHANGE IN FUND BALANCE	(93,082)	(670,204)	33,103	(730,183)
Fund Balance - Beginning of Year	1,658,947	1,658,947	1,658,947	1,658,947
FUND BALANCE - END OF YEAR	\$ 1,565,865	\$ 988,743	\$ 1,692,050	\$ 928,764

See accompanying notes to required supplementary information.

	<u>Actual</u>	<u>Current Year Encumbrances and Continuing Appropriations</u>	<u>Actual and Encumbrances and Continuing Appropriations</u>	<u>Variance Positive/ (Negative)</u>
\$	3,186,980	\$ -	\$ 3,186,980	\$ -
	1,013,601	-	1,013,601	34,781
	<u>29,108</u>	-	<u>29,108</u>	<u>(110,892)</u>
	<u>4,229,689</u>	-	<u>4,229,689</u>	<u>(76,111)</u>
	<u>4,301,487</u>	<u>113,357</u>	<u>4,414,844</u>	<u>921,139</u>
	(71,798)	(113,357)	(185,155)	845,028
	<u>461,066</u>	-	<u>461,066</u>	<u>161,066</u>
	389,268	(113,357)	275,911	1,006,094
	<u>1,658,947</u>	-	<u>1,658,947</u>	-
\$	<u><u>2,048,215</u></u>	<u><u>(113,357)</u></u>	<u><u>1,934,858</u></u>	<u><u>1,006,094</u></u>

**COUNTY OF BARNSTABLE. MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
BARNSTABLE COUNTY RETIREMENT ASSOCIATION**

	2015*
County's proportion of the net pension liability	7.65%
County's proportionate share of the net pension liability	\$ 43,187,586
County's covered-employee payroll	\$ 11,524,598
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	374.74%
Plan fiduciary net position as a percentage of the total pension liability	60.43%

* Amounts were determined as of the measurement date of December 31, 2014

SCHEDULE OF CONTRIBUTIONS – BARNSTABLE COUNTY RETIREMENT ASSOCIATION

	2015
Actuarially Required Contribution	\$ 3,618,501
Contributions in Relation to the Actuarially Required Contribution	(3,618,501)
Contribution Deficiency (Excess)	\$ -
County's Covered-Employee Payroll	\$ 11,524,598
Contributions as a Percentage of Covered Employee Payroll	31.40%

OTHER POSTEMPLOYMENT BENEFITS SCHEDULE

The following schedule provides information related to the County's other postemployment benefits plan:

SCHEDULES OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
06/30/10	\$ -	\$ 34,443,031	\$ 34,443,031	-	\$ 10,774,494	319.7%
06/30/12	-	30,936,888	30,936,888	-	10,979,737	281.8%
06/30/14	-	29,573,226	29,573,226	-	10,444,327	283.2%

**COUNTY OF BARNSTABLE. MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

The significant changes in the methods and assumptions used in the June 30, 2014 actuarial valuation that impacted trends in the schedule of funding progress are as follows:

- The healthcare/medical cost trend rate was increased to 10.0% decreasing by 2.0% for 1 year and 0.5% for 6 years to an ultimate level of 5% (previously 8.0% decreasing by 0.5% for 6 years.)

The significant changes in the methods and assumptions used in the June 30, 2012 actuarial valuation that impacted trends in the schedule of funding progress are as follows:

- The amortization method reflects payments increasing at 4.0% (previously 4.5%)
- The interest discount rate was lowered from 5.0% to 4.5%.
- The healthcare/medical cost trend rates were lowered to 8.0% decreasing by 0.5% for 6 years to an ultimate level of 5% (previously 10.0% decreasing by 0.75% for 6 years and by 0.5% for 1 year to an ultimate level of 5.0%)

**COUNTY OF BARNSTABLE. MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE A BUDGETARY – GAAP RECONCILIATION

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the fiscal year ended June 30, 2015, is presented below:

General fund

	<u>Expenditures</u>	<u>Fund Balance</u>
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual	\$ 18,273,315	\$ 5,329,059
<u>Adjustments</u>		
To record encumbrances and continuing appropriations	<u>(1,584,024)</u>	<u>1,584,024</u>
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 16,689,291</u>	<u>\$ 6,913,083</u>

Cape Cod Commission fund

	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual	\$ 4,229,689	\$ 4,414,844	1,934,858
<u>Adjustments</u>			
License plate grant revenues recorded in the nonmajor governmental funds for GAAP purposes	(290,000)	-	(290,000)
Indirect costs not recorded for GAAP purposes		(380,493)	1,523,233
To record encumbrances and continuing appropriations	<u>-</u>	<u>(113,357)</u>	<u>113,357</u>
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 3,939,689</u>	<u>\$ 3,920,994</u>	<u>\$ 3,281,448</u>

Additional Information

The following Additional Information is a requirement of the Massachusetts Department of Transportation (MDOT). The Combining Schedule of Revenues and Expenditures reports the activity of the grants, agreements and contracts for the County Department of the Cape Cod Commission.

COUNTY OF BARNSTABLE, MASSACHUSETTS
 CAPE COD COMMISSION
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	MA DOT 73494 0011	FTA MA80-0008 0013	FTA MA80-X009 0013
REVENUES			
Federal, State and Local Grants	\$ 574,439	\$ 69,142	\$ -
Local Assessments	<u>-</u>	<u>12,922</u>	<u>1,454</u>
Total Revenue	<u>574,439</u>	<u>82,064</u>	<u>1,454</u>
EXPENDITURES			
Direct Salaries	264,965	29,249	3,168
Indirect Costs	318,038	35,107	3,803
Direct Costs	<u>16,884</u>	<u>254</u>	<u>299</u>
Total Expenditures	<u>599,887</u>	<u>64,610</u>	<u>7,270</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (25,448)</u>	<u>\$ 17,454</u>	<u>\$ (5,816)</u>

HUD FFY10 202310 0014	HUD FFY11 202311 0014	HUD FFY13 202313 0014	HUD FFY14 202314 0014	HUD Program Income 2023	FEMA PDM 2025	EDC 2nd HO Survey 2101
\$ 134,180	\$ 263,655	\$ 31,059	\$ 103,074	\$ 25,321	-	\$ -
-	-	-	-	-	1,357	-
<u>134,180</u>	<u>263,655</u>	<u>31,059</u>	<u>103,074</u>	<u>25,321</u>	<u>1,357</u>	<u>-</u>
-	-	-	19,617	-	617	-
-	-	-	23,546	-	740	-
<u>134,180</u>	<u>263,655</u>	<u>31,059</u>	<u>65,596</u>	<u>25,321</u>	<u>-</u>	<u>5,634</u>
<u>134,180</u>	<u>263,655</u>	<u>31,059</u>	<u>108,759</u>	<u>25,321</u>	<u>1,357</u>	<u>5,634</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,685)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (5,634)</u>

(Continued)

COUNTY OF BARNSTABLE, MASSACHUSETTS
 CAPE COD COMMISSION
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Regional Economic Strategy Executive Team 2146	US EDA CEDS 2168	DOD JLUS 2201
REVENUES			
Federal, State and Local Grants	\$ 290,000	\$ 12,859	\$ 22,514
Local Assessments	<u>-</u>	<u>22,561</u>	<u>5,782</u>
Total Revenue	<u>290,000</u>	<u>35,420</u>	<u>28,296</u>
EXPENDITURES			
Direct Salaries	118,601	20,507	17,530
Indirect Costs	142,357	24,615	21,042
Direct Costs	<u>64,538</u>	<u>-</u>	<u>298</u>
Total Expenditures	<u>325,496</u>	<u>45,122</u>	<u>38,870</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (35,496)</u>	<u>\$ (9,702)</u>	<u>\$ (10,574)</u>

DEP 208 Plan Update 2209	MA DOT INVEST 2221	DHCD District Local Tech Assistance 2228	APCC USGS Sea Level Rise 2232	FEMA MHM Planning 2233	NPS Bike Master Plan 2242	DHCD District Local Tech Assistance 2247	CZM Coastal Resiliency 2251
\$ 1,037,880	\$ 8,953	\$ -	\$ 42,000	19,556	88,463	184,667	\$ -
<u>884,532</u>	<u>5,569</u>	<u>10,433</u>	<u>-</u>	<u>5,493</u>	<u>-</u>	<u>10,590</u>	<u>10,653</u>
<u>1,922,412</u>	<u>14,522</u>	<u>10,433</u>	<u>42,000</u>	<u>25,049</u>	<u>88,463</u>	<u>195,257</u>	<u>10,653</u>
443,328	5,048	11,548	-	9,928	56,778	5,348	8,448
532,127	6,059	13,861	-	11,917	68,150	6,419	10,140
<u>591,899</u>	<u>32</u>	<u>130,000</u>	<u>39,700</u>	<u>125</u>	<u>1,100</u>	<u>66,951</u>	<u>-</u>
<u>1,567,354</u>	<u>11,139</u>	<u>155,409</u>	<u>39,700</u>	<u>21,970</u>	<u>126,028</u>	<u>78,718</u>	<u>18,588</u>
<u>\$ 355,058</u>	<u>\$ 3,383</u>	<u>\$ (144,976)</u>	<u>\$ 2,300</u>	<u>3,079</u>	<u>(37,565)</u>	<u>116,539</u>	<u>\$ (7,935)</u>

(Continued)

COUNTY OF BARNSTABLE, MASSACHUSETTS
 CAPE COD COMMISSION
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Mitigation 8023	Affordable Housing 8061	Ready Renters 8083
REVENUES			
Federal, State and Local Grants	\$ 133,184	\$ 105	\$ (250)
Local Assessments	-	-	-
Total Revenue	133,184	105	(250)
EXPENDITURES			
Direct Salaries	-	-	-
Indirect Costs	-	-	-
Direct Costs	54,379	24,865	-
Total Expenditures	54,379	24,865	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 78,805	\$ (24,760)	\$ (250)

SIO Projects 8085	Total
\$ 15,000	\$ 3,055,801
<u>-</u>	<u>971,346</u>
<u>15,000</u>	<u>4,027,147</u>
-	1,014,680
-	1,217,921
<u>5,625</u>	<u>1,522,394</u>
<u>5,625</u>	<u>3,754,995</u>
<u>\$ 9,375</u>	<u>\$ 272,152</u>

(Concluded)