

## **TOWN OF WEST TISBURY, MASSACHUSETTS**

The Town of West Tisbury, incorporated in 1892, is governed by the open town meeting form of government.

### **CONSTITUTIONAL STATUS AND FORM OF GOVERNMENT**

Massachusetts cities and towns are subject to the plenary legislative power of the Commonwealth. As stated by the Supreme Judicial Court:

A town is not an independent sovereignty. It is merely a subordinate agency of the State Government. It is a creature of the Commonwealth, from which are derived all its powers and those of its voters and officers.

Cities and towns provide general governmental services at the local level. Municipalities were traditionally authorized to exercise only those powers granted by the State legislature, but Massachusetts adopted a Home Rule Amendment to its Constitution in 1966, under which a city or town may exercise by ordinance or by-law any power which the State legislature could confer upon it, provided that the ordinance or by-law is consistent with the laws enacted by the State legislature. Certain powers are excluded from home rule and may still be exercised only when authorized by State law; these powers include the power to levy taxes, the power to borrow money, and the power to enact private or civil law governing civil relationships except as an incident to the exercise of an independent municipal power. Under the Home Rule Amendment the State legislature may enact general laws relating to a class of two or more municipalities but (except in limited circumstances) may enact a special law relating to a particular city or town only on request of the city or town or on recommendation of the Governor and passage by a two-thirds vote of both houses of the legislature.

An amendment to the State Constitution provides that any law imposing additional costs on two or more cities or towns by regulating aspects of municipal employment will not be effective within a city or town until the city council or town meeting accepts the law. Local acceptance will not be required if the legislature has either passed the law by a two-thirds vote or provided that the additional costs would be assumed by the State.

Cities and towns may change their form of government by adopting home rule charters or amending existing charters. A town of less than 12,000 population may not change to a city form of government and a town of less than 6,000 inhabitants may not change from the open town meeting form of government to a limited or representative town meeting form.

Cities are generally governed by a city council and an elected mayor who has the power to veto council actions; the council may override a mayoral veto by a two-thirds vote of the councilors. Some cities are governed by a city council and an appointed city manager who has no power to veto council actions; some municipalities, although still called "towns," have adopted a similar city form of government with a town council and Town manager or administrator. Provision is often made for a referendum on council actions, and for initiation of measures, upon petition of a sufficient number of voters.

Most towns are governed by open town meetings in which any voter may participate. Others have an elected representative town meeting, often with public officers serving as ex officio members of the town meeting. Provision is usually made for a referendum on actions of the representative town meeting upon petition of a sufficient number of voters. Administrative affairs are generally managed by a board of three or more selectmen, sometimes with the assistance of a town manager or executive secretary.

School affairs of cities and towns are administered by an elected school committee, except in those towns whose educational functions are carried out entirely through a regional school district.

### **GOVERNING BODIES AND OFFICERS**

Local legislative decisions are made by an open town meeting consisting of all registered voters in the Town. Subject to the legislative decisions made by Town Meeting, the affairs of the Town are generally administered by a three member select board, elected for staggered three-year terms on an at-large basis who are assisted by a Town Administrator. Local taxes are assessed by a board of three assessors elected for staggered three-year terms.

The following are the principal executive officers:

<u>Office</u>	<u>Name</u>	<u>Manner of Selection and Term</u>	<u>Term Expires</u>
Select Board	Jeffrey “Skipper” Manter, Vice Chair	Elected/3 years	2025
	Jessica Miller	Elected/3 years	2023
	Cynthia Mitchell, Chair	Elected/3 years	2024
Town Administrator	Jennifer Rand	Appointed/1 year	2023
Town Treasurer/ Collector	Katherine Logue	Appointed/3 years	2025
Town Clerk	Tara J. Whiting-Wells	Elected/1 year	2023
Accountant	Bruce K. Stone	Appointed/3 years	2025
Town Counsel	Ronald H. Rappaport	Appointed/1 year	2023

## **SERVICES**

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, streets, parks and recreation, and cemetery maintenance and operation. Public education in grades pre-kindergarten through eight is provided by the Up-Island School District which operates two facilities; one located in West Tisbury and the other in the neighboring town of Chilmark. Education in grades 9-12 is provided by the Martha’s Vineyard Regional School District. The Martha’s Vineyard Public Charter School, created in 1996, provides academic education, island-wide, to grades K-12. The Charter school’s current enrollment (as of October 1, 2020) is 176 of which 31 students are from West Tisbury.

The Martha’s Vineyard Refuse Disposal and Resource Recovery District provides residential refuse and recycling services to the Town.

The principal services provided by The County of Dukes County are space for courts, a jail and house of correction, and registry of deeds. Legislation was enacted in 1997 abolishing the county governments of Franklin and Middlesex counties as of July 1, 1997, with their assets, functions, debts and other obligations being assumed by the Commonwealth. The abolishment of the Middlesex County government was in part in response to a default by the county in the payment of its general obligation notes. The legislation also abolished the county governments of Hampden and Worcester counties as of July 1, 1998. Legislation enacted in 1998 abolished the county governments of Hampshire, Essex and Berkshire counties as of January 1, 1999, July 1, 1999 and July 1, 2000, respectively. The legislation also requires the state secretary for administration and finance to establish a plan to recover the Commonwealth’s expenditures for the liabilities and other debts assumed and paid by the Commonwealth on behalf of an abolished county. Unless these provisions are changed by further legislation, the state treasurer shall assess upon each city and town within the jurisdiction of an abolished county an amount equal to the county tax paid by each such city and town for the fiscal year immediately prior to the abolishment of the county (or two years in the case of Essex county) until such expenditures by the Commonwealth are recovered. It is possible that similar legislation will be sought to provide for the abolishment of county governments in other counties.

The Woods Hole, Martha’s Vineyard and Nantucket Steamship Authority provides ferry service to Martha’s Vineyard and Nantucket from Woods Hole, Hyannis and New Bedford. Bus transportation is provided by The Martha’s Vineyard Transit Authority from mid-June through Columbus Day with limited year-round routes.

## **COVID-19**

COVID-19 is a respiratory disease caused by a novel coronavirus that has not previously been seen in humans. On March 10, 2020, the Governor of The Commonwealth of Massachusetts declared a state of emergency to support the Commonwealth's response to the outbreak of the virus. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President declared a national emergency due to the outbreak, which has enabled disaster funds to be made available to states to fight the pandemic.

On May 18, 2020, the Governor of The Commonwealth of Massachusetts announced a phased plan to reopen businesses and services. On March 15, 2020, the Governor declared a state of emergency in the Commonwealth of Massachusetts due to the pandemic. On June 15, 2020, the state of emergency in the Commonwealth was lifted.

In response to the COVID-19 pandemic, federal and state legislation was signed into law that provides various forms of financial assistance and other relief to state and local governments. For example, the U.S. Congress enacted and the President signed the CARES Act on March 27, 2020 (Pub. Law 116-136) which includes various forms of financial relief. Shortly thereafter, on April 3, 2020, the Massachusetts Legislature enacted and the Governor signed into law legislation, becoming Chapter 53 of the Acts of 2020, which provided municipal governments new tools to combat the pandemic relative to municipal finance and other matters including but not limited to authorizing cities and towns the ability to extend property tax bill due dates and to waive penalty interest on certain late payments of excise, tax, betterment assessments or certain other municipal charges. In addition, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") which was signed into law on March 27, 2020 and the American Rescue Plan (the "ARP") Act of 2021, which was signed into law on March 11, 2021. Both acts provided fiscal relief to States and municipalities affected by the pandemic.

The Town received \$176,157.80 in CARES funding to be spent in fiscal years 2020, 2021 and 2022. The Town also received reimbursement from the Federal Emergency Management Agency (FEMA) in the amount of \$174,680.34 for COVID-19 expenditures. The Town is eligible to receive \$303,957.48 in ARPA Funds and has received all \$303,857.48 in ARPA Funds to date. It is fully expected that these Coronavirus Relief Funds will be sufficient to meet the necessary COVID-19 expenditure requirements of the Town without the need for deficit spending.

While the Town's Fiscal Years 2020, 2021 and 2022 results were not negatively affected by the COVID-19 pandemic, the virus and the resulting actions by national, state and local governments has altered and continues to alter the behavior of businesses and people in a manner that may have negative impacts on global and local economies. There can be no assurances regarding the extent to which COVID-19, or any other national health crisis or pandemic, will impact the national and state economies and, accordingly, how it will adversely impact municipalities, including the Town. These negative impacts could include reduced collections of property taxes and other revenues, including room occupancy taxes and local meals tax revenue, motor vehicle excise taxes and other fees and charges collected by the Town. The Town may also be affected by any reductions in state aid resulting from reduced revenues at the State level. In addition, stock markets in the United States and globally could see significant recent instability attributable to the coronavirus pandemic or any other national health crisis or pandemic and such instability could adversely affect the funding status of the Town's pension funds and resulting funding schedules. The Town cannot quantify these effects at this time.

## **AUTHORIZATION OF GENERAL OBLIGATION BONDS AND NOTES**

Serial bonds and notes are authorized by a two-thirds vote of the town meeting. Refunding bonds and notes are authorized by the select board. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Temporary loans in anticipation of the revenue of the fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be incurred by the Treasurer with the approval of the Selectmen.

## **DEBT LIMITS**

**General Debt Limit.** The General Debt Limit of the Town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit for the Town is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The present debt limit of the Town, based on the 2022 equalized valuation (\$3,290,703,900), is

\$164,535,195. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes, emergency loans, loans exempted by special laws, certain school bonds, sewer bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing; and subject to special debt limits, bonds for water (limited to 10 per cent of equalized valuation), housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems (subject to separate limits). Revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit for water bonds apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

**Revenue Anticipation Notes.** The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years (see "Tax Levies"- "Taxation to Meet Deficits" herein). In any event, the period from the original borrowing to its final maturity cannot exceed one year.

## **TYPES OF OBLIGATIONS**

**General Obligations.** Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

**Serial Bonds and Notes.** These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the first principal payment of any of the bonds or notes being refunded thereby, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as "qualified bonds" with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

**Tax Credit Bonds or Notes.** Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as "tax credit bonds" to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be

established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

**Bond Anticipation Notes.** These generally must mature within two years of their original dates of issuance, but may be refunded from time to time for a period not to exceed ten years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds has been issued at the end of the second year. For certain school projects, however, notes may be refunded from time to time for a period not to exceed seven years without having to pay any portion of the principal of the notes from revenue funds. The maximum term of bonds issued to refund bond anticipation notes is measured (except for certain school projects) from the date of the original issue of the notes.

**Revenue Anticipation Notes.** These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may under statute be refunded from time to time up to one year from the original date of issue.

**Grant Anticipation Notes.** These are issued for temporary financing in anticipation of federal grants and state reimbursements. They must generally mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

**Revenue Bonds.** Cities and towns may issue revenue bonds for solid waste disposal facilities and for projects financed under the Commonwealth's Water Pollution Abatement or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition to general obligation bonds and notes, cities and towns having electric departments may issue electric revenue bonds and notes in anticipation of such bonds, subject to approval of the State Department of Telecommunications and Energy. The Town does not have an electric department.

## **DEBT** <sup>(1)</sup>

	Outstanding <u>2/16/2023</u>
Long-Term Indebtedness (2)(3)	
Within the general debt limit:	
Other Building	\$3,430,000
Streets Sidewalks & Parking	<u>775,000</u>
Total Within the General Debt Limit	\$4,205,000
Outside the general debt limit:	
Total Outside the General Debt Limit	<u>\$ 0</u>
Total Long-Term Indebtedness	<u>\$4,205,000</u>
	Outstanding <u>2/16/2023</u>
Short-Term Indebtedness	
Revenue Anticipation Notes	0
Grant Anticipation Notes	0
Bond Anticipation Notes	<u>514,886</u>
Total Short-Term Indebtedness	<u>\$ 514,886</u>
Total Current Indebtedness	<u>\$4,719,886</u>

(1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt and unfunded pension liability.

(2) At the present time the normal General Debt Limit is \$164,535,195 and the Double General Debt Limit is \$329,070,390.

**(3) Debt service on \$4,205,000 principal amount of outstanding bonds has been excluded from the provisions of Proposition 2 1/2.**

(4) Debt service on \$125,000 principal amount of outstanding bonds is expected to be self-supporting.

## **AUTHORIZED UNISSUED DEBT AND PROSPECTIVE FINANCING**

The Town currently has \$514,886 authorized and unissued debt which consists of, \$200,000 for affordable housing and \$314,886 for a highway building. The Town will be paying debt service with the annual principal paydowns.

### **Five Years Outstanding Debt (1)**

	<b>As of June 30</b>				
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Long-Term Indebtedness					
Within the General Debt Limit:					
Other Building	\$3,765,000	\$4,225,000	\$4,685,000	\$5,145,000	5,605,000
Streets Sidewalks & Parking	<u>930,000</u>	<u>1,085,000</u>	<u>1,240,000</u>	<u>1,400,000</u>	<u>1,560,000</u>
Total Within the General Debt Limit	\$4,695,000	\$5,310,000	\$5,925,000	\$6,545,000	\$7,165,000
Outside the General Debt Limit:					
Total Outside the General Debt Limit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Long-Term Indebtedness	<u>\$4,695,000</u>	<u>\$5,310,000</u>	<u>\$5,925,000</u>	<u>\$6,545,000</u>	<u>\$ 7,165,000</u>
Short-Term Indebtedness					
Revenue Anticipation Notes	\$ 0	\$ 0	\$2,000,000	\$ 0	\$ 0
Grant Anticipation Notes	0	0	0	0	0
Bond Anticipation Notes	<u>644,886</u>	<u>854,636</u>	<u>968,834</u>	<u>1,258,917</u>	<u>1,629,000</u>
Total Short-Term Indebtedness	\$ 644,886	\$ 854,636	\$2,968,834	<u>\$1,258,917</u>	<u>\$ 1,629,000</u>
Total Outstanding Indebtedness	<u>\$5,339,886</u>	<u>\$6,164,636</u>	<u>\$8,893,834</u>	<u>\$7,803,917</u>	<u>\$10,241,500</u>

(1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability and other post-employment benefits liability.

## **BONDED DEBT VS. POPULATION, VALUATIONS AND INCOME**

	<b>As of June 30</b>				
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Amount (1)	\$4,695,000	\$5,310,000	\$5,925,000	\$6,545,000	\$7,165,000
Per Capita (2)	\$1,292	\$1,814	\$2,024	\$2,254	\$2,470
Percent of Assessed Valuation (3)	0.15	0.19	0.21	0.24	0.27
Percent of Equalized Valuation (4)	0.16	0.18	0.22	0.25	0.29
Per Capita as a percent of					
Personal Income (2) per capita	1.71	1.93	2.68	2.98	3.27

(1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability and other post-employment benefits liability.

(2) Source: U.S. Department of Commerce, Bureau of the Census - Latest applicable actuals or estimates.

(3) Source: Board of Assessors - Assessed valuation as of the prior January 1.

(4) Source: Massachusetts Department of Revenue - Equalized valuation in effect for that fiscal year (equalized valuations are established for January 1 of each even-numbered year).

## **ANNUAL DEBT SERVICE** <sup>(1)</sup>

Fiscal Year	Outstanding 02/15/23		Total Debt	Cumulative % Principal
	<u>Principal</u>	<u>Interest</u>	<u>Service</u>	<u>Retired</u>
2023	\$ 125,000	\$ 65,735	\$ 190,735	3.0%
2024	610,000	121,033	731,033	17.5
2025	605,000	103,676	708,676	31.9
2026	605,000	85,413	690,413	46.3
2027	605,000	66,623	671,623	60.6
2028	605,000	47,689	652,689	75.0
2029	450,000	30,475	480,475	85.7
2030	120,000	21,000	141,000	88.6
2031	120,000	16,800	136,800	91.4
2032	120,000	12,600	132,600	94.3
2033	120,000	8,400	128,400	97.1
2034	<u>120,000</u>	<u>4,200</u>	<u>124,200</u>	<u>100.0%</u>
Total	<u>\$4,205,000</u>	<u>\$583,643</u>	<u>\$4,788,643</u>	

*(1) Excludes revenue anticipation notes, grant anticipation notes, bond anticipation notes, lease and installment purchase obligations, overlapping debt and unfunded pension liability.*

*(2) **Principal totaling \$4,205,000 and interest totaling \$583,642 has been excluded from the provisions of Proposition 2 1/2.***

*(3) Principal totaling \$125,000 and interest totaling \$15,188 is expected to be self-supporting.*

## **REVENUE ANTICIPATION BORROWING**

The Town issued a \$2,000,000 revenue anticipation note dated May 15, 2020 which matured on September 15, 2020. The Town does not expect to issue revenue anticipation notes for fiscal 2023 and beyond.

## **OVERLAPPING DEBT** <sup>(1)</sup>

The following table indicates the portion of overlapping debt relating to the Town:

	<b><u>Outstanding</u></b>	<b><u>Authorized Unissued</u></b>	<b><u>Estimated Share of West Tisbury</u></b>	<b><u>Assessments for Operations and Debt Service Fiscal Year 2023</u></b>
The County of Dukes County <sup>(2)</sup>	\$ 640,000	\$ 650,000	13.10%	\$65,894
Martha's Vineyard Regional School District <sup>(3)</sup>	\$ 180,000	\$ 850,000	16.50%	\$3,029,021
Up-Island Regional School District <sup>(4)</sup>	\$ 398,000	\$ 0	65.17%	\$9,331,876
Martha's Vineyard Refuse Disposal and Resource Recovery District <sup>(5)</sup>	\$ 0	\$1,686,940	15.50%	\$124,258

<sup>(1)</sup> Excludes temporary loans in anticipation of revenue. Omits debt of the Commonwealth.

<sup>(2)</sup> Source: Treasurer, Dukes County. Outstanding debt is as of February 16, 2023. Authorized debt includes debt authorized by the County Commissioners under general laws and debt permitted by special enabling acts whether or not yet voted by County Commissioners. Shares of debt service vary from year to year according to valuations of taxable property as last equalized by the State Department of Revenue. Amount shown here is based on the 2020 equalized valuations.

<sup>(3)</sup> Source: Martha's Vineyard Regional School District. Debt is as of February 16, 2023. The other District members are the Towns of Aquinnah, Chilmark, Edgartown, Oak Bluffs and Tisbury. Towns may organize regional school districts to carry out general or specialized educational functions. The debt service of regional school districts is apportioned among the member municipalities in accordance with the agreements establishing the districts. The Town has voted to exclude their share of the District's debt service from the limitations of Proposition 2½.

<sup>(4)</sup> Source: Up-Island School District. Debt as of February 16, 2023. The other District members are the Towns of Aquinnah and Chilmark.

<sup>(5)</sup> Source: Treasurer, Martha's Vineyard Refuse Disposal and Resource Recovery District. Debt is as of February 16, 2023.

## **CONTRACTS**

Municipal contracts are generally limited to currently available appropriations. A city or town generally has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interests, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases to enter into long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There may be implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies.

Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities. The Town does not have an electric department.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases. The Town does not have any contracts of a substantial nature.



## **CONTINGENT LIABILITIES**

The Woods Hole, Martha's Vineyard and Nantucket Steamship Authority. The Woods Hole, Martha's Vineyard and Nantucket Steamship Authority (the "Authority") was created by Chapter 701 of the Massachusetts Acts of 1960, as amended, (the "Act"). The Act provides for the acquisition, maintenance and operation of a boat service operating between the mainland and the islands of Nantucket and Martha's Vineyard and authorizes the Authority to issue revenue bonds for replacement and new construction or acquisition of vessels and other facilities required to provide adequate service.

The Authority is composed of five voting members: one resident of the County of Nantucket County appointed by the County Commissioners; one resident of The County of Dukes County appointed by the County Commissioners; one resident of the Town of Falmouth appointed by the selectmen; one resident of the Town of Barnstable appointed by the Town Council; and one member who is a resident of the City of New Bedford appointed by the Mayor of the City of New Bedford with the approval of the City Council.

Section 9 of the Act establishing the Authority provides that, if at any time any principal or interest is due or about to become due on bonds issued by the Authority and funds to pay the same are not available, the Authority shall certify to the State Treasurer the amount required to meet such obligations and the Commonwealth shall thereupon pay over to the Authority the amount so certified. In the opinion of bond counsel to the Authority, the obligation of the Commonwealth to pay the required amount to the Authority is a general obligation of the Commonwealth and the full faith and credit of the Commonwealth is pledged to make such payment. Section 9 further provides that the Authority or any holder of any unpaid bond shall have the right to require the Commonwealth to pay the Authority the amount remaining unpaid, which right shall be enforceable as a claim against the Commonwealth.

Also under Section 9 of the Act, if on the last day of December in any year the amount remaining in the Authority's reserve fund shall be insufficient to meet the cost of service, including interest on and amortization of bonds or notes of the Authority, the Authority shall notify the State Treasurer of the amount of such deficiency, less the amount in the reserve fund applicable thereto, and The Commonwealth of Massachusetts shall thereupon pay over to the Authority the amount of such deficiency, and the Authority shall apply the amount so received from the Commonwealth in payment of such deficiency. In order to meet any such payment by the Commonwealth the State Treasurer may borrow such sums as may be necessary therefor, in anticipation of the assessments described below to be levied upon the towns specified. Depending on the term of any such borrowing, a two-thirds vote of the legislature and a recommendation by the Governor of the term of the borrowing may be prerequisites to a borrowing by the State Treasurer. The Act further provides that, pending such payment by the Commonwealth, the Authority shall borrow such amount as may be necessary to enable it to make all payments as they become due.

In addition the Act provides that, in the event the Commonwealth shall be called upon to pay the Authority any amount on account of any such deficiency, such amount with interest or other charges incurred in borrowing the money for the purpose, except such amounts as may be appropriated by the general court therefore, shall be assessed on the Towns of Barnstable, Falmouth and Nantucket and the City of New Bedford and The County of Dukes County, in the following proportions: 10% each on the Towns of Barnstable and Falmouth and the City of New Bedford; 35% on the Town of Nantucket, and 35% on The County of Dukes County. The County Commissioners of the County of Dukes County shall allocate such assessment upon said County to be paid severally by the towns in said county, excepting the Town of Gosnold, in the same proportions as in the assessment of the county tax. The City of New Bedford shall be assessed fifty percent of any net operating losses, not to exceed \$650,000 annually, accrued for any passenger and freight service run by the Authority from the port of New Bedford which is directly attributable to such service, excluding any net operating losses resulting from the operation of the Authority's M/V Schamonchi, in the calendar years 2003, 2004 and 2005 and 25 percent of any such net operating losses, not to exceed \$650,000 annually, accrued in calendar years 2006 and 2007. In calendar year 2008 and thereafter, the City of New Bedford shall pay ten percent of any annual deficiency, in an identical fashion, to the Towns of Falmouth and Barnstable, pursuant to this section. At the end of each calendar year beginning with the calendar year subsequent to 2002, the Authority shall prepare a report calculating the operating losses in accordance with generally accepted accounting principles and shall submit the same to the Auditor of the Commonwealth for his approval. The amount certified by the Auditor shall be paid to the Authority by the State Treasurer and assessed on the City of New Bedford in accordance with the above principles.

Pursuant to Chapter 580 of the Act of 1980 as amended by Chapter 782 of the Acts of 1981 ("Proposition 2½ "), the annual increase in the total assessments on account of the Authority's operations is limited to (a) 2 1/2 percent of the prior year's assessments and (b) "any increase in costs, charges or fees for service customarily provided locally or for services subscribed to at local option". No such assessments have needed to be made since the effective date of Proposition 2 1/2. The obligation of the Commonwealth to make payments under Section 9 of the Act, is not in any way conditional upon the payment of such assessments.

The obligation of the Commonwealth to make a payment required by Section 9 of the Act, the payment of a judgment obtained against the Commonwealth under Section 9 of the Act, and the ability of the State Treasurer to issue notes of the Commonwealth to make any payment pursuant to Section 9 of the Act, may be subject to legislative appropriation of the necessary funds.

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*Source: The Woods Hole, Martha's Vineyard and Nantucket Steamship Authority.*

## **RETIREMENT PLAN**

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the actuarial annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2030, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must provide that payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding schedule receive annual pension funding grants from the Commonwealth for the first 16 years of such funding schedule. Pursuant to recent legislation, a system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments. The Dukes County Retirement system is on schedule to be fully funded by January 2030.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves

Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

The Town participates in the contributory retirement system of The County of Dukes County. The annual contributions of the Town to the retirement system for the most recent fiscal years as well as budgeted amount for fiscal 2023 are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2023 (budgeted)	\$593,338
2022	560,965
2021	549,853
2020	518,240
2019	501,305
2018	477,434

As of January 1, 2020 (the latest valuation available), The Dukes County Retirement System had assets valued at \$173,576,041 to support an actuarial accrued liability of \$221,851,135 leaving an estimated unfunded liability in the amount of \$48,275,095, applying a 7.5% expected rate of return. The System is expected to be fully funded in 2031. West Tisbury's share of the unfunded liability is \$3,432,360 (approximately 7.11% of the System. <sup>(1)</sup> (See the attached 2022 audited financial statements for further information).

The foregoing data does not include the retirement system costs or liabilities attributable to employees of the county or the retirement system costs or liabilities of any other entity of which the Town is a constituent part.

<sup>(1)</sup> Source: Dukes County Retirement System.

## **OTHER POST-EMPLOYMENT BENEFITS**

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities or towns is generally provided on a pay-as-you-go basis.

The Governmental Accounting Standards Board ("GASB") promulgated its Statement Nos. 43 and 45, which requires public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards do not require pre-funding such benefits, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Cities and towns that choose to self-insure all or a portion of the cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose of paying claims. Massachusetts General Laws were recently amended to provide cities and towns with general legal authority to establish a trust fund for the purpose of pre-funding non-pension, post-employment benefits liability in the same manner as traditional pension benefits.

The Town was required to implement the GASB reporting requirements for other post-employment benefits beginning in fiscal year 2010, but in fact chose to implement in fiscal 2009. The Town, together with 14 other municipal employers in Dukes County, hired an outside firm to perform the second actuarial valuation of its post-employment benefit liability; the first valuation was completed as of July 1, 2009. After the first study, the Town eliminated its most expensive indemnity-based health insurance plan and adopted Section 18 of the Massachusetts General Laws, Chapter 32B, which requires that those retirees who are eligible for Medicare make Medicare their primary insurance. After the second study, the Town's joint purchase group (Cape Cod Municipal Health Group) made plan design changes to raise deductibles and co-pays

while reducing premium costs. Per the most recent actuarial study (as of June 30, 2022), the Town's total OPEB liability, assuming a 30-year amortization, and payment schedule for the unfunded liability, and a 6.6% discount rate, is \$5,789,422 with a cumulative Net OPEB Liability of \$2,411,410 and a funded ratio of 58.3%. The most recent study complies with both GASB 45 and the new GASB 74/75 reporting and disclosure requirements.

In January 2009, the Town Treasurer collaborated with 14 other municipal employers in Dukes County to file special legislation to create a Dukes County Pooled OPEB Trust Fund; the legislation was enacted as Chapter 149 of the Acts of 2010 in July 2010. On November 1, 2010, the first two member units signed the Trust document. The Town voted to join the Dukes County Pooled OPEB Trust at the Town's April 2011 Annual Town Meeting and authorized the transfer of the stabilization fund appropriated to date to that Trust during fiscal 2012. At the April 2012 Annual Town Meeting, an additional \$175,000 was designated toward the Trust and all OPEB funds (a cumulative total of \$706,377, with interest) were transferred to the custody of the Dukes County Pooled OPEB Trust in June 2012. As of June 30, 2022, the Town's total contribution to the OPEB Trust Fund was \$ 3,378,012, including accumulated earnings.

## **PROPERTY TAXATION AND VALUATION**

**Tax Rate and Valuation - General.** Property is classified for the purpose of taxation according to its use. The legislature has in substance created three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 per cent of its share of the total taxable valuation; the effective rate for open space must be at least 75 per cent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 20 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every three years, or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain forest land, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property. Land classified as forest land is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes his own redetermination of the fair cash value of the taxable property in each municipality. This is known as the "equalized valuation" (see [Debt Limits](#) herein).

## **VALUATIONS**

The following shows the assessed and equalized valuations for the current and most recent fiscal years:

	<b>For Fiscal Year</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Real Property (2)	\$4,309,559,270	\$3,115,862,193	\$2,808,609,241	\$2,779,426,199	\$2,665,978,727
Personal Property (2)	<u>44,899,800</u>	<u>46,057,640</u>	<u>44,901,380</u>	<u>45,210,030</u>	<u>43,118,330</u>
Total	<u>\$4,354,459,070</u>	<u>\$3,161,919,833</u>	<u>\$2,853,510,621</u>	<u>\$2,824,636,229</u>	<u>\$2,709,097,057</u>
Equalized Value (3)	\$3,290,703,900	\$3,002,267,300	\$3,002,267,300	\$2,646,075,100	\$2,646,075,100
Percent of Total Assessed to Equalized Valuation	132.3	105.3	95.0	106.7	102.4

(1) Source: Massachusetts Department of Revenue.

(2) As of January 1 of the prior fiscal year.

(3) The equalized valuations in effect for each year.

**Assessed Valuation Of Property By Class (1)**

<b>Type of Property</b>	<b>For Fiscal Year</b>					
	<b><u>2023</u></b>	<b><u>% of Total</u></b>	<b><u>2022</u></b>	<b><u>% of Total</u></b>	<b><u>2021</u></b>	<b><u>% of Total</u></b>
Residential	\$4,174,786,283	95.9	\$3,009,225,573	95.2	\$2,212,298,795	95.1
Commercial	118,009,852	2.7	94,089,345	3.0	85,611,386	3.0
Industrial	16,763,135	0.4	12,547,275	0.4	10,699,060	0.4
Personal	44,899,800	1.0	46,057,640	1.5	44,901,380	1.6
Total	<u>\$4,354,459,070</u>	<u>100.0</u>	<u>\$3,161,919,833</u>	<u>100.0</u>	<u>\$2,853,510,621</u>	<u>100.0</u>

(1) Source: Massachusetts Department of Revenue.

**Tax Rates Per \$1,000 (1)**

<b>Type of Property</b>	<b>For Fiscal Year</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Residential	\$4.36	\$5.82	\$6.10	\$6.07	\$6.18
Commercial	4.36	5.82	6.10	6.07	6.18
Industrial	4.36	5.82	6.10	6.07	6.18
Personal	<u>4.36</u>	<u>5.82</u>	<u>6.10</u>	<u>6.07</u>	<u>6.18</u>
Average Tax Rate	<u>\$4.36</u>	<u>\$5.82</u>	<u>\$6.10</u>	<u>\$6.07</u>	<u>\$6.18</u>
Full Value Tax Rate (2)	\$5.77	\$6.13	\$6.58	\$6.48	\$6.33

(1) Source: Massachusetts Department of Revenue.

(2) Based on the equalized valuation in effect for each year.

**LARGEST TAXPAYERS <sup>(1)</sup>**

The following shows the top ten largest taxpayers:

<b><u>Name</u></b>	<b><u>Nature of Business</u></b>	<b><u>Fiscal 2023 Assessed Valuation</u></b>	<b><u>Amount of Tax</u></b>	<b><u>% of Total Levy</u></b>
Individual	Residential	\$89,635,650	\$390,811	2.06%
Individual	Residential	37,407,380	163,096	0.86
Individual	Residential	31,011,920	135,212	0.71
Individual	Residential	28,218,800	123,034	0.65
Individual	Residential	28,118,420	122,596	0.65
Individual	Residential	26,293,600	114,640	0.60
Individual	Residential	21,837,320	95,211	0.50
Individual	Residential	20,928,770	91,249	0.48
Individual	Residential	20,450,620	89,165	0.47
Individual	Residential	20,211,440	88,122	0.46
Total		<u>\$324,113,920</u>	<u>\$1,413,137</u>	<u>7.44%</u>

(1) As of January 1, 2022. All of the largest taxpayers listed above are current on their real estate and personal property taxes.

**TAX LEVIES**

**Levy-General.** The principal tax of Massachusetts cities and towns is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is

subject to certain limits prescribed by law; for a description of those limits see "Tax Limitations" herein. As to the inclusion of debt service and final judgments, see Security and Remedies herein.

The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years.

Although an allowance is made in the tax levy for abatements (see "Abatements and Overlay" herein) no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see "Taxation to Meet Deficits" herein).

**Taxation to Meet Deficits.** As noted elsewhere (see "Abatements and Overlay" herein) overlay deficits, i.e. tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits, i.e. those resulting from non-property tax revenues being less than anticipated, are also required to be added to the tax levy (at least to the extent not covered by surplus revenue).

Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, utilities must be paid at established rates and certain established salaries, e.g. civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

In the opinion of Bond Counsel, cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as "free cash" deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

**Tax Limitations.** Chapter 59, Section 21C of the General Laws, known as "Proposition 2½", imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year's valuation.

This "growth" limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the "growth" limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the board of selectmen of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund.

The applicable tax limits may also be reduced in any year by a majority of the voters.

The State Commissioner of Revenue may adjust any tax limit "to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year".

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculations of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. **As noted above, \$4,205,000 par amount of currently outstanding bonds and notes, is exempt from the limitations of Proposition 2½, subject to the provisions of Chapter 44, Section 20 of the General Laws.** It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures or for the city or town's apportioned share for certain capital outlay expenditures by a regional governmental unit. In addition, the city council of a city, with the approval of the mayor if required, or the board of selectmen or the town council of a town may vote to exclude from the Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality's sewer or water charges are reduced accordingly.

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA, and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year's assessments and (b) "any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option". Regional water districts, regional sewerage districts and regional veteran's districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district's governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under Proposition 2½ any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

**Pledged Taxes.** Taxes on certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes (see "Tax Increment Financing for Development Districts", herein).

**Initiative Petitions.** Various other proposals have been made in recent years for legislative amendments to the Massachusetts Constitution to impose limits on state and local taxes. To be adopted such amendments must be approved by two successive legislatures and then by the voters at a state election.

## **CALCULATION OF TAX LEVIES**

The following table shows the details of the calculation of the tax levies for the current and most recent fiscal years:

	<b>For Fiscal Year (000)</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Gross Amount to be Raised:					
Appropriations	\$24,952	\$22,621	\$21,978	\$20,908	\$20,544
Other Local Expenditures	108	43	7	10	40
State & County Charges	211	206	201	197	195
Overlay Reserve	<u>62</u>	<u>76</u>	<u>47</u>	<u>26</u>	<u>48</u>
Total Gross Amount to be Raised	\$25,332	\$22,945	\$22,232	\$21,142	\$20,827
Less Estimated Receipts & Other Revenue:					
Estimated Receipts from State	1,508	1,215	1,047	1,053	982
Estimated Receipts - Local	3,642	2,761	3,018	2,305	2,496
Available Funds Appropriated:					
Free Cash	522	3	70	65	53
Revenue Sharing	0	0	0	0	0
Other Available Funds	56	1	190	24	0
Free Cash & Other Revenue Used to Reduce the Tax Rate	<u>619</u>	<u>562</u>	<u>500</u>	<u>550</u>	<u>554</u>
Total Estimated Receipts & Revenue	<u>6,347</u>	<u>4,543</u>	<u>4,826</u>	<u>3,997</u>	<u>4,085</u>
Net Amount to be Raised (Tax Levy)	<u>\$18,985</u>	<u>\$18,402</u>	<u>\$ 17,406</u>	<u>\$ 17,146</u>	<u>\$ 16,742</u>

(1) Source: Massachusetts Department of Revenue.

The following table shows the details of the calculation of the tax levies for the current and most recent fiscal years:

	<b>For Fiscal Year (000)</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Primary Levy Limit (2)	\$108,861	\$79,048	\$71,338	\$70,616	\$67,727
Prior Fiscal Year Levy Limit	17,722	16,771	16,232	15,688	14,784
2.5% Levy Growth	443	419	406	392	370
New Growth (3)	247	231	134	152	134
Overrides	<u>0</u>	<u>300</u>	<u>0</u>	<u>0</u>	<u>400</u>
Growth Levy Limit	18,412	17,722	16,771	16,232	15,688
Debt Exclusions	864	997	1,019	1,048	1,085
Capital Expenditure Exclusions	423	0	0	0	0
Other Adjustments	<u>40</u>	<u>39</u>	<u>42</u>	<u>42</u>	<u>42</u>
Tax Levy Limit	19,739	\$18,758	\$17,833	\$17,322	\$16,815
Tax Levy	<u>18,895</u>	<u>18,402</u>	<u>17,406</u>	<u>17,146</u>	<u>16,742</u>
Unused Levy Capacity (4)	<u>\$ 844</u>	<u>\$ 356</u>	<u>\$ 427</u>	<u>\$ 176</u>	<u>\$ 73</u>
Unused Primary Levy Capacity (5)	<u>\$ 90,449</u>	<u>\$61,326</u>	<u>\$54,566</u>	<u>\$54,384</u>	<u>\$52,039</u>

(1) Source: Massachusetts Department of Revenue.

(2) 2.5% of assessed valuation.

(3) Allowed increase for new valuations (or required reduction) - certified by the Department of Revenue.

(4) Tax Levy Limit less Tax Levy.

(5) Primary Levy Limit less Growth Levy Limit.



## **TAX COLLECTIONS AND ABATEMENTS**

**Payment Dates.** The Town has accepted a statute providing for quarterly tax payments. Under that statute preliminary tax payments are to be due on August 1 and November 1 with payment of the actual tax bill (after credit is given for the preliminary payments) in installments on February 1 and May 1 if the actual tax bills are mailed by December 31. Interest accrues on delinquent taxes at the rate of 14 percent per annum.

**Lien.** Real property (land and buildings) is subject to a lien for the taxes assessed upon it, subject to any paramount federal lien and subject to bankruptcy and insolvency laws. (In addition, real property is subject to a lien for certain unpaid municipal charges or fees.) If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment.

**Personal Liability.** The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described in "Taking and Sale" herein.

The following shows the total tax levy, the reserve for abatements, the net levy and the amounts collected during each fiscal year and as of a more recent date for the current and most recent fiscal years:

	For Fiscal Year				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Tax Levy	\$18,985,442	\$18,402,373	\$17,406,415	\$17,145,542	\$16,742,220
Overlay Reserve for Abatements	<u>61,716</u>	<u>75,510</u>	<u>46,877</u>	<u>26,090</u>	<u>48,426</u>
Net Tax Levy (1)	<u>\$18,923,726</u>	<u>\$18,326,864</u>	<u>\$17,359,538</u>	<u>\$17,119,451</u>	<u>\$16,693,794</u>
Amount Collected					
During Fiscal Year Payable (2)	NA	\$28,038,065	\$17,109,833	\$16,611,630	\$16,443,014
Percent of Net Tax Levy	NA	98.4%	98.6%	97.0%	98.5%
Amount Collected Through 01/31/23	\$12,561,608	\$18,323,549	\$17,353,921	\$17,120,599	\$16,705,725
Percent of Net Tax Levy	66.4%	100.0%	100.0%	100.0%	100.1%

(1) Net after deductions of overlay reserve for abatements.

(2) Actual collections of levy less refunds and amounts refundable but including proceeds of tax titles and tax possessions attributed to such levy but not including abatements or other credits.

**Abatements and Overlay.** A city or town is authorized to increase each tax levy by an amount approved by the State Commissioner of Revenue as an "overlay" to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the excess is required to be added to the next tax levy.

Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue. But uncollected real property taxes are ordinarily not written off until they become municipal "tax titles" by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.

The following shows the abatements granted during each fiscal year as well as through a more recent date for the current and most recent fiscal years:

	For Fiscal Year (000)				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Levy (1)	\$18,985,442	\$18,402,373	\$17,406,415	\$17,145,542	\$16,742,220
Overlay Reserve for Abatements (1)	\$61,716	\$75,510	\$46,877	\$26,090	\$48,426
Percent of Tax Levy	0.3	0.4	0.3	0.2	0.3
Abatements Granted:					
During Fiscal Year of Levy	NA	\$50,049	\$51,451	\$24,217	\$25,297
Through 01/1/23	\$0	\$50,049	\$51,795	\$24,217	\$32,763

(1) Source: Massachusetts Department of Revenue.

**Sale of Tax Receivables.** Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk.

**Taking and Sale.** Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for nonpayment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments), it can be foreclosed by petition to the Land Court. Upon foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal purposes.

## **TOWN FINANCES**

### **BUDGET AND APPROPRIATION PROCESS**

The annual appropriations of the Town are ordinarily made at the annual meeting which takes place in April. Appropriations may also be voted at special meetings. The Finance Committee (also the Board of Selectmen) is required to submit reports and recommendations on proposed expenditures at the annual town meeting.

Under certain circumstances and subject to certain limits and requirements, the city council of a city, upon the recommendation of the mayor, may transfer amounts appropriated for the use of one department (except for a municipal light department or a school department) to another appropriation for the same department or for the use of any other department. In a town, town meeting may at any time vote to transfer any amount previously appropriated to any other authorized use by law, and, under certain circumstances and subject to certain limits and requirements, the selectmen of a town, with the concurrence of the finance committee, may transfer amounts appropriated for the use of any department to any other appropriation for the same department or to any other department.

Water and sewer department expenditures are included in the budgets adopted by city councils and town meetings but electric and gas department funds may be appropriated by the municipal light boards. Under certain legislation any city or town which accepts the legislation may provide that the appropriation for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. It is assumed that this general provision does not alter the pre-existing power of an electric or gas department to appropriate its own receipts.

The school budget is limited to the total amount appropriated by the town meeting, but the school committee retains full power to allocate the funds appropriated. State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs and may affect the level of State aid to be received for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. In fiscal 1994 through budgeted 2023, the Town's net school spending exceeded the minimum required local contribution.

State and county assessments, the overlay for abatements in excess of overlays, principal and interest not otherwise provided for and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy. (See Property Taxation and Valuation herein.)

The following table sets forth the general governmental budgets for fiscal years 2019-2023:

### **BUDGET COMPARISON**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Government	\$ 1,904,204	\$ 1,812,738	\$ 1,748,083	\$ 1,695,923	\$ 1,644,041
Protection of Persons & Property	2,925,238	2,609,299	2,493,242	2,365,274	2,289,134
Sanitation	135,924	135,924	139,923	144,913	146,516
Public Works	462,071	412,939	342,300	333,687	289,899
Library & Recreation	1,078,405	1,024,056	941,269	923,956	911,290
Education	12,360,898	11,172,502	11,237,096	10,637,016	10,471,500
Human Services	631,314	641,761	591,844	586,121	587,718
Insurance & Employee Benefits	1,709,632	1,534,144	1,419,108	1,526,940	1,478,351
County/State Assessments	210,575	202,381	201,038	197,429	195,048
Debt Service	<u>924,022</u>	<u>970,905</u>	<u>986,935</u>	<u>1,022,953</u>	<u>1,034,612</u>
Total	<u>\$22,342,283</u>	<u>\$20,516,649</u>	<u>\$20,101,298</u>	<u>\$19,434,212</u>	<u>\$19,048,109</u>

### **STATE AID**

In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use, and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. The formulas for determining a municipality's state aid entitlement are subject to amendment by the state legislature and, while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

The following table sets forth the amount of state aid to the Town in recent years:

<u>Fiscal Year</u>	<u>Total State Aid</u>
2023 (budgeted)	\$1,508,057
2022	1,214,626
2021	1,076,246
2020	1,052,983
2019	979,500
2018	937,641

### **STATE SCHOOL BUILDING ASSISTANCE PROGRAM**

Under its school building assistance program, The Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

The range of reimbursement rates for new project grant applications submitted to the Authority on or after July 1, 2007 has been reduced to between 40% and 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay

grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

### **MOTOR VEHICLE EXCISE**

An excise is imposed on the registration of motor vehicles (subject to exemptions) at a uniform rate of \$25 per \$1,000 of valuation. The excise is collected by and for the benefit of the municipality in which the motor vehicle is customarily kept. Valuations are determined by a statutory formula based on manufacturer's list price and year of manufacture. Bills, not paid when due, bear interest at 12 percent per annum. Provision is also made, after notice to the owner, for suspension of the owner's operating license or registration by the registrar of motor vehicles.

The following table shows the actual receipts from the motor vehicle excise in each of the most recent years as well as the amount budgeted for fiscal year 2022:

<b><u>Fiscal Year</u></b>	<b><u>Receipts<sup>(1)</sup></u></b>
2023 (budgeted)	\$
2022	
2021	666,476
2020	549,023
2019	562,445
2018	559,387

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<sup>(1)</sup> Net after refunds. Includes receipts for prior years.

### **OTHER TAXES**

Four additional sources of revenue for local governments are the room occupancy excise tax, local meals excise tax, the cannabis tax, and the aviation fuel tax. All taxes take effect only where accepted by individual municipalities. Under the room occupancy excise tax, local governments may tax the provision of hotel, motel, or lodging house rooms at a rate not to exceed four percent of the cost of renting such rooms. The tax is paid by the operator of the hotel, motel, or lodging house to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located. At the 2019 Town Meeting, the Town voted to implement the rooms excise tax to be effective July 1, 2019 (fiscal year 2020).

The following table shows the actual Room Occupancy receipts for the most recent fiscal years and the budgeted amount for fiscal 2023:

<b><u>Fiscal Year</u></b>	<b><u>Receipts</u></b>
2023 (budgeted)	\$440,000
2022	506,675
2021	316,044
2020	165,874

The local meals excise tax, effective for sales of restaurant meals on or after October 1, 2009, is a three-fourths percent tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the municipality in which the meal was sold. The Town has not voted to impose any of these taxes.

## **COMMUNITY PRESERVATION ACT**

The Massachusetts Community Preservation Act (the “CPA”) permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and affordable housing and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see “*Tax Limitations*” under “TAX LEVIES” herein). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge and dedication of revenue. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on taxes, the dedication of revenue and received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for affordable housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

The Town voted to accept the provisions of the CPA at the 2005 Annual Town Meeting. The Town approved the 3% surcharge with the exemption for the first \$100,000 and the exemption for low-income individuals and moderate-income senior citizens. As of June 30, 2022, the available balance in the Fund, net of outstanding appropriations, was \$609,722.

## **TAX INCREMENT FINANCING FOR DEVELOPMENT DISTRICTS**

Cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town's development program for the district. This included pledging such "tax increments" for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2½ (see "Tax Limitations" under "Tax Levies" herein). The Town has not established any development districts.

## **UNASSIGNED GENERAL FUND BALANCE AND FREE CASH**

Under Massachusetts law an amount known as "free cash" is certified as of the beginning of each fiscal year by the State Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy. Subject to certain adjustments, free cash is surplus revenue less uncollected and overdue property taxes from prior years. The Town Accountant may certify as available for appropriation an adjusted free cash figure by adding back those uncollected and overdue property taxes which are subsequently collected between July 1 and the following March 31 of any year.

The following shows the unassigned general fund balance and free cash for the most recent fiscal years:

<b><u>July 1,</u></b>	<b><u>Unassigned General Fund Balance <sup>(1)</sup></u></b>	<b><u>Free Cash</u></b>
2022 (draft audit)	\$2,090,774	\$1,189,798
2021	2,054,336	1,229,606
2020	1,590,102	572,124
2019	1,454,262	613,429
2018	1,418,949	687,790

## **STABILIZATION FUND**

The Town has maintained a Stabilization Fund for several years. Under Massachusetts statutes, funds may be appropriated from the Fund for any municipal purpose by a two-thirds vote of the town meeting. The following is the balance in the account at the end of the most recent fiscal years:

<b><u>Fiscal Year</u></b>	<b><u>Stabilization Fund</u></b>	<b><u>Ambulance Fund</u></b>	<b><u>Fire Equip. Fund</u></b>	<b><u>Building Maintenance</u></b>
2022	\$529,150	\$59,268	\$104,852	\$ 88,122
2021	527,933	59,144	4,713	37,971
2020	627,257	58,916	4,694	37,819
2019	517,954	57,946	4,626	37,268
2018	508,319	56,650	64,468	36,574

## **INVESTMENTS**

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, s.55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares of SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

MMDT is an investment pool created by the Commonwealth. The State Treasurer is the sole trustee and the funds are managed under contract by an investment firm. According to the State Treasurer the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable

fixed income instruments, including U.S. Government Obligations and highly-rated corporate securities with maturities of one year or less.

Trust funds, unless otherwise provided by the donor, may be invested in accordance with section 54 of Chapter 44 of the General Laws, which permits a broader range of investments than section 55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by sections 54 and 55 do not apply to city and town retirement systems.

### **COLLECTIVE BARGAINING**

City and town employees (other than managerial and confidential employees) are entitled to join unions and bargain collectively on questions of wages, hours and other terms and conditions of employment. The Town employs approximately 40 full-time and 39 part-time employees, as well as 21 seasonal employees. However, the Town does not have any unions or collective bargaining groups.

### **PHYSICAL AND ECONOMIC CHARACTERISTICS**

The Town of West Tisbury is located on the island of Martha's Vineyard. The Town is bordered on the northeast by the Town of Tisbury (Vineyard Haven), Edgartown to the east, the Atlantic Ocean to the south and Vineyard Sound on the northwest and the Town of Chilmark to the west. The Steamship Authority provides year-round passenger and freight service in the neighboring Town of Tisbury.

Based on fiscal 2023 assessed valuations, approximately 95.9% of the property is residential while 3.1% is commercial and industrial. According to the 2010 Federal Census, the Town has a year-round population of 2,740. However, it is estimated that the Town's seasonal population increases to 8,437 (source: Martha's Vineyard Regional Transportation Plan).

The Town is a member of the Martha's Vineyard Commission. Formed in 1974, the Commission was the first regional land-use planning agency in the State.

### **PRINCIPAL EMPLOYERS** <sup>(1)</sup>

The following are the principal year-round employers, other than the Town itself, located in the Town:

<b><u>Company</u></b>	<b><u>Nature of Business</u></b>	<b><u>Approximate Current Employees</u></b>
Up-Island Regional School Dist.	Public School	78
MV Charter School	Public School	55
Martha's Vineyard Savings Bank	Bank	38
South Mountain Company	Contractor	38
Dukes County including Airport	Municipal entity	45
E.C. Cottle, Inc.	Lumber yard	21
John Keene Excavation	Excavation contractor	19
Beetlebung Tree Care	Landscaping contractor	21
Dukes County Sheriff	Municipal entity	19
Cape Air	Airline	12
Cronig's Market (Up-Island)	Supermarket	13
Animal Health Care Associates	Veterinary office	10
Oakleaf Landscape	Landscaping contractor	9
Vineyard Gardens	Landscaping contractor	10

<sup>(1)</sup> Source: *The Town, as of January 2023.*

## **EMPLOYMENT BY INDUSTRY**

<b><u>Employment by Industry</u></b>	<b>Calendar Year Average</b>				
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Construction & Natural Resources	75	77	102	122	121
Trade, Transportation & Utilities	111	81	91	86	89
Financial Activities	13	10	10	11	9
Professional & Business Services	130	110	126	174	169
Education & Health Services	19	15	19	20	161
Leisure & Hospitality	62	48	100	102	108
Information & Other Services	27	20	66	53	52
Public Administration	69	81	77	74	75
Total Employment	<u>717</u>	<u>658</u>	<u>777</u>	<u>822</u>	<u>827</u>
Number of Establishments	125	108	116	116	113
Total Annual Wage (000)	\$46,377	\$41,156	\$45,136	\$47,148	\$45,895
Average Weekly Wage	\$1,244	\$1,203	\$1,117	\$1,103	\$1,067

(1) Source: Massachusetts Executive Office of Labor & Workforce Development.

## **BUILDING PERMITS**

<b><u>Calendar Year</u></b>	<b><u>Number</u></b>	<b><u>Estimated Value</u></b>
2022	385	\$87,307,269
2021	285	42,919,212
2020	271	28,052,253
2019	405	50,013,041
2018	366	22,270,606

## **OTHER DATA**

### **Employment (1)**

<b><u>Calendar Year (2)(3)</u></b>	<b><u>Labor Force</u></b>	<b><u>Employment</u></b>	<b>Unemployment Rate</b>			
			<b><u>Town</u></b>	<b><u>County</u></b>	<b><u>State</u></b>	<b><u>US</u></b>
2022 (November)	1,372	1,337	2.6	5.0	2.9	3.4
2021	1,571	1,510	3.9	6.5	5.7	5.3
2020	1,530	1,447	5.4	9.2	8.9	8.1
2019	1,571	1,535	2.3	4.3	3.0	3.7
2018	1,587	1,538	3.1	4.7	3.4	3.9

(1) Source: Massachusetts Executive Office of Labor & Workforce Development.

(2) Full year averages except for 2022 which is for the month indicated.

(3) Low unemployment due to the seasonal nature of West Tisbury's resort community as well as many businesses employed as sole proprietors.



**Population (1)**

<u>Year</u>	<u>West Tisbury</u>		<u>Dukes County</u>		<u>Massachusetts</u>	
	<u>Number</u>	<u>% Change</u>	<u>Number</u>	<u>% Change</u>	<u>Number</u>	<u>% Change</u>
2021 estimate	3,635	32.7	21,097	27.6	6,984,723	6.7
2010	2,740	11.1	16,535	10.3	6,547,629	3.1
2000	2,467	44.8	14,987	28.8	6,349,097	5.5
1990	1,704	63.8	11,639	30.2	6,016,425	4.9
1980	1,040	0.0	8,942	0.0	5,737,037	0.0

(1) Source: U.S. Department of Commerce for actuals and estimates.

**Population Density (1)**

<u>Year</u>	<u>West Tisbury</u>		<u>Dukes County</u>		<u>Massachusetts</u>	
	<u>Number</u>	<u>Density</u>	<u>Number</u>	<u>Density</u>	<u>Number</u>	<u>Density</u>
2021 estimate	3,635	145.2	21,097	203.2	6,984,723	891.1
2010	2,740	109.5	16,535	159.3	6,547,629	835.4
2000	2,467	98.5	14,987	144.4	6,349,097	810.0
1990	1,704	68.1	11,639	112.1	6,016,425	767.6
1980	1,040	41.5	8,942	86.1	5,737,037	732.0

(1) Source: U.S. Department of Commerce for actuals and estimates.

(2) Based on 25.0 square miles.

**Population Composition By Age (1)**

<u>Age</u>	<u>West Tisbury</u>		<u>Dukes County</u>		<u>Massachusetts</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5 Years	177	5.9	817	4.0	357,943	5.1
5 Years to 19 Years	382	12.8	3,290	16.2	1,244,386	17.8
20 Years to 64 Years	1,407	47.3	11,300	55.7	4,233,492	60.5
65 Years and Over	1,010	33.9	4,870	24.0	1,156,031	16.5
Total	2,976	100.0	20,277	100.0	6,991,852	100.0
Median Age	53.9		47.9		39.6	
Median Age (2000)	41.1		40.7		36.5	

(1) Source: U.S. Department of Commerce. 2021 5-year estimates.

**Per Capita Income Levels (1)**

<u>Year</u>	<u>West Tisbury</u>		<u>Dukes County</u>		<u>Massachusetts</u>	
	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>
2021 5-year estimates	\$75,630	231.7	\$51,354	0.0	\$48,617	46.4
2009	22,803	-26.5	-0-	0.0	33,203	27.9
1999	31,021	88.8	26,472	44.8	25,952	50.7
1989	16,428	130.6	18,280	149.7	17,224	131.0
% Below Poverty Level (2021 5-year estimates)	0		2.3		6.6	

(1) Source: U.S. Department of Commerce.

**Family Income Distribution (1)**

<b><u>Income for Families</u></b>	<b><u>West Tisbury</u></b>		<b><u>Dukes County</u></b>		<b><u>Massachusetts</u></b>	
	<b><u>Families</u></b>	<b><u>Percent</u></b>	<b><u>Families</u></b>	<b><u>Percent</u></b>	<b><u>Families</u></b>	<b><u>Percent</u></b>
Less than \$25,000	-0-	0.0	200	4.8	138,385	8.1
25,000 - 49,999	8	1.4	578	13.8	204,871	12.0
50,000 - 74,999	118	20.4	697	16.6	210,040	12.3
75,000 - 99,999	26	4.5	450	10.7	202,619	11.8
100,000 - 149,999	82	14.2	850	20.3	349,104	20.4
150,000 - 199,999	70	12.1	581	13.9	235,992	13.8
200,000 or more	<u>274</u>	<u>47.4</u>	<u>831</u>	<u>19.8</u>	<u>370,681</u>	<u>21.7</u>
Total	<u>578</u>	<u>100.0</u>	<u>4,187</u>	<u>100.0</u>	<u>1,711,692</u>	<u>100.0</u>
Median Income	\$173,500		\$111,385		\$112,543	

(1) Source: U.S. Department of Commerce. 2021 5-year estimates.

**Household Income Distribution (1)**

<b><u>Income for Households</u></b>	<b><u>West Tisbury</u></b>		<b><u>Dukes County</u></b>		<b><u>Massachusetts</u></b>	
	<b><u>Households</u></b>	<b><u>Percent</u></b>	<b><u>Households</u></b>	<b><u>Percent</u></b>	<b><u>Households</u></b>	<b><u>Percent</u></b>
Less than \$25,000	129	13.1	848	12.5	411,803	15.2
25,000 - 49,999	59	6.0	1,158	17.0	394,541	14.5
50,000 - 74,999	127	12.9	1,273	18.7	365,914	13.5
75,000 - 99,999	108	11.0	703	10.3	316,270	11.7
100,000 - 149,999	151	15.4	1,149	16.9	483,378	17.8
150,000 - 199,999	92	9.4	631	9.3	300,065	11.1
200,000 or more	<u>316</u>	<u>32.2</u>	<u>1,039</u>	<u>15.3</u>	<u>442,477</u>	<u>16.3</u>
Total	<u>982</u>	<u>100.0</u>	<u>6,801</u>	<u>100.0</u>	<u>2,714,448</u>	<u>100.0</u>
Median Income	\$117,035		\$77,392		\$89,026	

(1) Source: U.S. Department of Commerce. 2021 5-year estimates.

**Value Distribution Of Specified Owner-Occupied Housing Units (1)**

<b><u>Units</u></b>	<b><u>West Tisbury</u></b>		<b><u>Dukes County</u></b>		<b><u>Massachusetts</u></b>	
	<b><u>Number</u></b>	<b><u>Percent</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>
Less than \$100,000	-0-	0.0	68	1.4	47,508	2.8
100,000 - 199,999	-0-	0.0	26	0.5	133,340	7.9
200,000 - 299,999	46	5.3	80	1.6	275,404	16.3
300,000 - 499,999	106	12.3	669	13.4	592,224	35.0
500,000 - 999,999	372	43.2	2,346	47.0	523,243	30.9
1,000,000 or more	<u>338</u>	<u>39.2</u>	<u>1,798</u>	<u>36.1</u>	<u>122,688</u>	<u>7.2</u>
Total	<u>862</u>	<u>100.0</u>	<u>4,987</u>	<u>100.0</u>	<u>1,694,407</u>	<u>100.0</u>
Median Value	\$900,200		\$857,600		\$424,700	

(1) Source: U.S. Department of Commerce. 2021 5-year estimates.

**Age Distribution Of Housing Units (1)**

<b><u>Year Built</u></b>	<b><u>West Tisbury</u></b>		<b><u>Dukes County</u></b>		<b><u>Massachusetts</u></b>	
	<b><u>Number</u></b>	<b><u>Percent</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>
2000 or later	376	15.1	2,955	16.9	354,321	11.9
1980 to 1999	1,274	51.0	6,677	38.1	552,763	18.6
1940 to 1979	711	28.5	4,995	28.5	1,133,932	38.1
1939 or Earlier	<u>137</u>	<u>5.5</u>	<u>2,902</u>	<u>16.6</u>	<u>938,618</u>	<u>31.5</u>
Total	<u>2,498</u>	<u>100.0</u>	<u>17,529</u>	<u>100.0</u>	<u>2,979,634</u>	<u>100.0</u>

(1) Source: U.S. Department of Commerce. 2021 5-year estimates.

**Housing Unit Inventory (1)**

<b><u>Units in Structure</u></b>	<b><u>West Tisbury</u></b>		<b><u>Dukes County</u></b>		<b><u>Massachusetts</u></b>	
	<b><u>Number</u></b>	<b><u>Percent</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>
1, Detached	2,460	98.5	15,936	90.9	1,541,923	51.7
1, Attached	-0-	0.0	250	1.4	167,536	5.6
2 to 4	38	1.5	1,008	5.8	605,237	20.3
5 to 9	-0-	0.0	159	0.9	172,089	5.8
10 to 19	-0-	0.0	68	0.4	127,146	4.3
20 or More	-0-	0.0	62	0.4	341,547	11.5
Mobile Home, Trailer, Other	<u>-0-</u>	<u>0.0</u>	<u>46</u>	<u>0.3</u>	<u>24,156</u>	<u>0.8</u>
Total	<u>2,498</u>	<u>100.0</u>	<u>17,529</u>	<u>100.0</u>	<u>2,979,634</u>	<u>100.0</u>

(1) Source: U.S. Department of Commerce. 2021 5-year estimates.

**Educational Attainment (1)**

<b><u>Years of School Completed</u></b>	<b><u>West Tisbury</u></b>		<b><u>Dukes County</u></b>		<b><u>Massachusetts</u></b>	
	<b><u>Number</u></b>	<b><u>Percent</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>
Less than 9th Grade	-0-	0.0	210	1.3	207,481	4.2
9th to 12th Grade, No Diploma	30	1.3	442	2.8	225,734	4.6
High School Graduate	271	11.4	3,945	25.4	1,137,085	23.2
Some College, No Degree	360	15.1	2,580	16.6	739,611	15.1
Associate's Degree	207	8.7	1,215	7.8	376,608	7.7
Bachelor's Degree	468	19.7	4,015	25.8	1,215,939	24.8
Graduate or Professional Degree	1,045	43.9	3,149	20.2	1,000,410	20.4
Total	<u>2,381</u>	<u>100.0</u>	<u>15,556</u>	<u>100.0</u>	<u>4,902,868</u>	<u>100.0</u>
High School Graduate or Higher	2,351	98.7	14,904	95.8	4,469,653	91.2
Bachelor's Degree or Higher	1,513	63.5	7,164	46.1	2,216,349	45.2

(1) Source: U.S. Department of Commerce. 2021 5-year estimates

## **SCHOOL FACILITIES**

The Town is a member of the Up-Island Regional School District which provides education in grades K-8. The District has two school facilities. The West Tisbury Elementary School contains grades K-8 with the capacity of 500 pupils, while the Chilmark Elementary School houses grades K-5 with a capacity of 100 pupils. As of October 1, 2021, 234 pupils from West Tisbury attended the West Tisbury Elementary School, which has a current enrollment of 352 students. Twelve pupils from West Tisbury attend the Chilmark Elementary School, which currently has an enrollment of 57 students.

The Town is a member of the Martha's Vineyard Regional High School District which provides facilities for pupils in grades 9 - 12. Other members of the District are the Towns of Aquinnah, Chilmark, Edgartown, Oak Bluffs and Tisbury. As of October 1, 2021, 101 pupils from West Tisbury attended the Martha's Vineyard Regional High School, which has a total student population of 706.

## **PUBLIC SCHOOL ENROLLMENTS** <sup>(1)(2)(3)</sup>

	<b><u>Actual</u></b>					<b><u>Projected</u></b>		
	<b><u>2018-19</u></b>	<b><u>2019-20</u></b>	<b><u>2020-21</u></b>	<b><u>2021-22</u></b>	<b><u>2022-23</u></b>	<b><u>2023-24</u></b>	<b><u>2024-25</u></b>	<b><u>2025-26</u></b>
Pre K-8	238	231	215	236	218	208	248	240
9-12	84	94	83	101	113	84	126	141
Total	322	325	298	337	331	292	374	381

<sup>(1)</sup> As of October 1 of each year.

<sup>(2)</sup> West Tisbury students only.

<sup>(3)</sup> Excludes students enrolled in the M.V. Public Charter School.

## **West Tisbury Student Enrollment** <sup>(1)</sup>

	<b><u>West Tisbury Elementary</u></b>	<b><u>Other Public Schools</u></b>	<b><u>Private/ Home Schooled</u></b>
K-8	218	33	8

<sup>(1)</sup> As of 1/1/23.

## **LITIGATION**

At the present time, there are a number of suits pending in which the Town is a defendant. In the opinion of the Town, there is no litigation, either pending or threatened, which is considered likely to result, either individually or in the aggregate, in final judgments which would materially affect the Town's financial position.

**TOWN OF WEST TISBURY**  
**Massachusetts**

By: /s/ Katherine Logue  
Treasurer

Dated: February 16, 2023

## **APPENDIX A**

The Balance Sheets for fiscal years ending June 30, 2018 through 2021, and the Comparative Statements of Revenues, Expenditures and Changes in Fund Balances for fiscal years ending June 30, 2018 through 2021, have been taken from the audited financial statements of the Town. The Balance Sheet and Comparative Statements of Revenues, Expenditures and Changes in Fund Balance for fiscal 2022 have been taken from the draft audited statements and are not expected to change.

The Town engaged R.E. Brown & Company, Certified Public Accountants, to audit the accounts for the Town for the year ending June 30, 2022. That draft audit is reproduced in Appendix B.

**TOWN OF WEST TISBURY  
MASSACHUSETTS  
BALANCE SHEET  
GENERAL FUND  
June 30, <sup>(1)</sup>**

	<u>2022</u> <sup>(2)</sup>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Assets:</b>					
Cash & Cash Equivalents	\$4,406,486	\$3,432,881	\$4,781,410	\$2,472,243	\$2,414,818
Receivables:					
Property Taxes	325,859	245,496	488,450	274,643	231,343
Excise Taxes/Fees	59,065	69,803	75,409	58,290	78,660
Tax Liens	11,108	15,185	28,928	15,893	28,519
Intergovernmental	<u>-</u>	<u>0</u>	<u>0</u>	<u>72,570</u>	<u>0</u>
Total Assets	<u>\$4,802,518</u>	<u>\$3,763,365</u>	<u>\$5,374,297</u>	<u>\$2,893,639</u>	<u>\$2,753,340</u>
<b>Liabilities:</b>					
Warrants and Accounts Payable	\$ 263,491	\$ 229,289	\$ 202,638	\$ 176,951	\$ 139,243
Deferred Revenue	-	171,027	-	228,685	269,097
Other	214,934	156,937	112,884	50,597	36,942
Notes Payable	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 478,425</u>	<u>\$ 557,253</u>	<u>\$2,315,552</u>	<u>\$ 456,233</u>	<u>\$ 445,282</u>
<b>Fund Balances:</b>					
Restricted	0	0	0	3,119	0
Committed	1,062,933	462,479	567,270	286,036	201,035
Assigned	988,769	689,297	626,765	693,989	688,074
Unassigned	<u>2,090,774</u>	<u>2,054,336</u>	<u>1,590,102</u>	<u>1,454,262</u>	<u>1,418,949</u>
Total Fund Equity	<u>4,142,476</u>	<u>3,206,112</u>	<u>2,784,137</u>	<u>2,437,406</u>	<u>2,308,058</u>
Total Liabilities & Fund Equity	<u>\$4,082,518</u>	<u>\$3,763,365</u>	<u>\$5,374,297</u>	<u>\$2,893,639</u>	<u>\$2,753,340</u>

<sup>(1)</sup> Extracted from the audited financial statements of the Town.

<sup>(2)</sup> Extracted from the draft audited financial statements of the Town.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE**  
**GENERAL FUND <sup>(1)</sup>**

	<b>June 30</b>				
	<b><u>2022</u> <sup>(2)</sup></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b><u>REVENUES</u></b>					
Taxes	\$18,334,811	\$17,461,387	\$17,083,575	\$16,744,718	\$15,814,569
Excise and Other Taxes	734,769	666,476	549,023	562,445	559,387
Penalties & Interest on Taxes	69,886	88,995	51,135	83,228	67,792
Departmental	950,930	845,705	853,247	828,046	783,607
Interest on Investments	5,391	12,189	34,318	34,649	31,569
Intergovernmental	<u>1,725,697</u>	<u>1,381,966</u>	<u>1,208,494</u>	<u>982,244</u>	<u>950,880</u>
Total Revenues	<u>\$21,821,484</u>	<u>\$20,456,718</u>	<u>\$19,779,792</u>	<u>\$19,235,330</u>	<u>\$18,207,804</u>
<b><u>EXPENDITURES</u></b>					
General Government	\$ 1,814,819	\$ 1,695,964	\$ 1,619,314	\$ 1,628,264	\$ 1,582,193
Public Safety	2,625,332	2,447,439	2,345,629	2,433,463	2,186,346
Sanitation	129,300	130,176	129,937	126,712	137,293
Public Works	599,550	447,982	326,624	312,002	319,963
Culture and Recreation	1,002,548	908,773	904,458	900,048	848,024
Education	11,468,136	11,306,558	10,815,997	10,511,914	10,295,373
Health & Human Services	676,744	592,796	579,993	585,729	578,099
Insurance and Employee Benefits	1,440,622	1,331,740	1,507,722	1,387,974	1,301,352
State Assessments	173,312	193,090	168,028	193,440	190,354
Debt Service	<u>771,040</u>	<u>795,368</u>	<u>826,802</u>	<u>840,028</u>	<u>847,829</u>
Total Expenditures	<u>20,701,403</u>	<u>19,849,886</u>	<u>19,224,504</u>	<u>18,919,574</u>	<u>18,286,826</u>
Excess (Deficiency) of Revenues Over Expenditures	1,120,081	606,832	555,288	315,756	(79,022)
<b><u>OTHER FINANCING SOURCES</u></b>					
<b><u>(USES):</u></b>					
Operating Transfers In	16,033	25,226	1,526	23,675	8,200
Operating Transfers Out	<u>(199,750)</u>	<u>(210,083)</u>	<u>(210,083)</u>	<u>(210,083)</u>	<u>(158,500)</u>
Total Other Financing Sources (Uses)	<u>(183,717)</u>	<u>(184,857)</u>	<u>(208,557)</u>	<u>(186,408)</u>	<u>(150,300)</u>
Excess of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Uses	936,364	421,975	346,731	129,348	(229,322)
Fund Equity at Beginning of Year	<u>3,206,112</u>	<u>2,784,137</u>	<u>2,437,406</u>	<u>2,308,058</u>	<u>2,537,380</u>
Fund Equity at End of Year	<u>\$ 4,142,476</u>	<u>\$3,206,112</u>	<u>\$2,784,137</u>	<u>\$2,437,406</u>	<u>\$2,308,058</u>

<sup>(1)</sup> Excerpts from the audited financial statements of the Town prepared by R.E. Brown & Company, C.P.A.

<sup>(2)</sup> Extracted from the draft audited financial statements of the Town.

## **APPENDIX B**

There follows in this Appendix the draft audited financial statements of the Town of West Tisbury, Massachusetts, as of June 30, 2022 prepared by R.E. Brown & Company, Certified Public Accountants.



**TOWN OF WEST TISBURY, MASSACHUSETTS**

**REPORT ON EXAMINATION OF  
BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**TOWN OF WEST TISBURY, MASSACHUSETTS  
REPORT ON EXAMINATION OF  
BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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**TOWN OF WEST TISBURY, MASSACHUSETTS  
REPORT ON EXAMINATION OF  
BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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25 CEMETERY STREET – P.O. BOX 230  
Mendon, Massachusetts 01756

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Select Board  
Town of West Tisbury, Massachusetts

**Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of West Tisbury, Massachusetts, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of West Tisbury, Massachusetts, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and Dukes County Contributory Retirement System schedules - Town's proportionate share of the net pension liability, and Town's contribution, Other Postemployment Benefit schedules - Town's Net OPEB Liability and Related Ratios, Town's contributions, and Investment Return, and notes to required supplementary information on pages 3 – 9, 58 – 59, 60 - 62 and 63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Certified Public Accountant

March 15, 2023

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

As management of the Town of West Tisbury (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider this information in addition to the statements and notes.

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

### ***Financial Highlights***

- The assets of the Town exceeded its liabilities at the close of fiscal year 2022 by \$19.1 million (net position). Of this amount, a negative \$1.7 million is considered unrestricted (net unrestricted position) primarily due to unfunded liabilities for pension and other post-employment benefits. Liabilities for pension and other postemployment benefits were \$3.1 million. Under the policies of the Dukes County Contributory Retirement System the pension liability is projected to be fully funded by 2031.
- The governmental activities total net position increased by \$1,987,877, up 11.6% from fiscal 2021.
- In fiscal 2022, the Town continued its aggressive policy toward funding other post-employment benefits (OPEB) by directly paying for benefits of current retirees while also budgeting to lower its unfunded liability. For fiscal 2022 the Town budgeted and transferred \$200,000 to the Dukes County Pooled OPEB Trust. This contribution combined with a \$367,549 investment loss left the Town's balance in the trust as of June 30, 2022 at \$3,378,012.
- Also related to OPEB, the most recent financial report by KMS Actuaries stated OPEB liability in their most recent disclosures under GASB 74 and 75 as of June 30, 2022 for the Town of West Tisbury showed OPEB liability as of June 30, 2022 was \$5,789,422. The percentage of the liability funded by the balance of the Dukes County OPEB Trust decreased slightly to 58.3% because of investment losses in fiscal 2022. The KMS disclosures continued to use a discount rate of 6.6% (down from 7.0% used in the 2020 study) for determining the total liability.
- The Town's general fund reported an unassigned fund balance of \$2,090,774 at the end of fiscal 2022. This represents 10.1% of total general fund expenditures. An additional amount of \$618,680 of the assigned fund balance was designated for decreasing the town tax levy in the fiscal year 2023.
- The total expense of all Town governmental activities for fiscal 2022 was \$21,859,185, an increase of \$408,726 or 1.9%.
- The Town's total revenue from governmental activities increased to \$23,847,062 million, an increase of \$1,842,671 or 8.4%.
- At the Annual Town Meeting in April, 2019, the Town had voted to adopt the local option room excise tax at the maximum level of 6% to go into effect July 1, 2019. Since inception, receipts have increased

substantially each fiscal year. Receipts in FY 2022 were \$506,675 which reflects a 60.3% increase over fiscal 2021.

- The Town accepted a local option to add a 3% excise on the retail sale of marijuana at its special town meeting in October, 2020. The first excise collections of \$13,163 were received in fiscal 2022 even though collections did not cover an entire 12-months of operations in town.
- Early in fiscal 2022, the town received its final reimbursement from FEMA for Covid-19 related expenditures. This brought the total reimbursement from FEMA and the CARES Act to \$350,838 and covered all identified emergency expenditures incurred during the pandemic.
- At the end of fiscal 2022, the town still had its entire balance of \$151,979 available from the first Coronavirus State and Local Fiscal Recovery Funds of the federal American Rescue Plan Act disbursement. This was the first of two equal annual amounts to be paid to the town. The second half of funding was being processed at year-end but not yet received as of June 30<sup>th</sup>.

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

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These basic financial statements are comprised of three components:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Basic Financial Statements

*Government-wide Financial Statements* – The government-wide financial statements are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position 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 periods, (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, sanitation, human services, culture and recreation, employee benefits, debt service, and state and county assessments. The Town currently does not operate or maintain any business-type activities.

*Fund Financial Statements* – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. All of the funds can be divided into three main categories: governmental funds, proprietary funds and fiduciary funds. The Town currently does not operate or maintain any proprietary 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 statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. 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 Town of West Tisbury adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

*Fiduciary Fund* – Fiduciary fund is used to account for resources held for the benefit of parties outside the government. Fiduciary fund is not reflected in the government-wide financial statements, as the resources of this fund is **not** available to support the Town’s own programs. The fiduciary fund uses the full accrual basis of accounting.

*Post Employment Benefits Trust fund* – The Fiduciary fund is reported into a single, aggregate presentation in the fiduciary fund financial statements under the caption “post employment benefits trust fund”.

*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 funds financial statements.

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

The chart on the following page summarizes key financial components of the Town’s financial statements.

As noted earlier, assets exceed liabilities by \$19,102,542 at the close of fiscal year 2022.

The largest component of the Town’s net position is its *investment in capital assets* (e.g., land, buildings, machinery and equipment, vehicles, and infrastructure), less any related outstanding debt used to acquire those assets, and is \$15,100,095 or 79.0 % of total net position. The Town uses these capital assets to provide services to citizens; consequently, these assets **are not** available for future spending. Although the investment in the Town’s capital assets is reported net of its 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.

The second largest component of the Town’s net position are its *restricted assets* totaling \$5,682,924 (29.7%) which represent resources that are subject to external restrictions on how they may be used.

The third component of the Town’s net position is its *unrestricted net position* totaling a negative \$1,680,477 (-8.7%). This negative balance is impacted by GASB reporting requirements for net pension and postemployment liabilities it should be noted that the negative unrestricted net position improved by \$570,831 from the end of the prior fiscal year. Please refer to notes 12 and 13 for further discussion of postemployment benefits and pension plan descriptions.

The total change in net position in fiscal 2022 was an increase of \$1,987,877, or 11.6%.



**Town of West Tisbury - Financial Highlights**

	<b>Governmental Activities</b>		<b>% Increase (Decrease)</b>	
	<b>FY 2022</b>	<b>FY 2021</b>	<b>Increase (Decrease)</b>	<b>Increase (Decrease)</b>
<b>Assets:</b>				
Current assets	\$ 8,487,850	\$ 6,858,055	\$ 1,629,795	23.76%
Capital assets	20,439,792	21,339,938	(900,146)	-4.22%
<b>Total assets</b>	<b>28,927,642</b>	<b>28,197,993</b>	<b>729,649</b>	<b>2.59%</b>
<b>Deferred Outflows of Resources:</b>	<b>2,130,572</b>	<b>1,826,507</b>	<b>304,065</b>	<b>16.65%</b>
<b>Liabilities:</b>				
Current liabilities (excluding debt)	858,012	809,277	48,735	6.02%
Noncurrent liabilities (excluding debt)	3,269,062	3,846,366	(577,304)	-15.01%
Current debt	1,259,886	1,469,636	(209,750)	-14.27%
Noncurrent debt	4,080,000	4,695,000	(615,000)	-13.10%
<b>Total liabilities</b>	<b>9,466,960</b>	<b>10,820,279</b>	<b>(1,353,319)</b>	<b>-12.51%</b>
<b>Deferred Inflows of Resources:</b>	<b>2,488,712</b>	<b>2,089,556</b>	<b>399,156</b>	<b>19.10%</b>
<b>Net Position:</b>				
Net investment in capital assets	15,100,095	15,175,491	(75,396)	-0.50%
Restricted	5,682,924	4,190,482	1,492,442	35.62%
Unrestricted	(1,680,477)	(2,251,308)	570,831	-25.36%
<b>Total net position</b>	<b>\$ 19,102,542</b>	<b>\$ 17,114,665</b>	<b>\$ 1,987,877</b>	<b>11.62%</b>
<b>Revenues</b>				
<i>Program Revenues:</i>				
Charges for services	\$ 887,500	\$ 810,424	\$ 77,076	9.51%
Operating grants and contributions	1,104,251	885,150	219,101	24.75%
Capital grants and contributions	-	27,237	(27,237)	
<i>General Revenues:</i>				
Real Estate and personal property taxes	18,319,535	17,330,090	989,445	5.71%
Tax Liens	36,604	33,292	3,312	9.95%
Motor vehicle and other excise taxes	724,031	660,870	63,161	9.56%
Penalties & interest on taxes	69,886	88,995	(19,109)	-21.47%
Non restricted grants & contributions	2,570,319	2,069,145	501,174	24.22%
Departmental	129,333	86,719	42,614	49.14%
Unrestricted investment income	5,603	12,469	(6,866)	-55.06%
<b>Total Revenues</b>	<b>23,847,062</b>	<b>22,004,391</b>	<b>1,842,671</b>	<b>8.37%</b>
<b>Expenses:</b>				
General Government	2,834,695	2,416,762	417,933	17.29%
Public Safety	3,075,628	3,174,012	(98,384)	-3.10%
Education	11,760,541	11,569,230	191,311	1.65%
Public Works	726,736	717,597	9,139	1.27%
Sanitation	129,300	130,176	(876)	-0.67%
Human Services	704,048	631,116	72,932	11.56%
Culture and Recreation	1,338,484	1,242,072	96,412	7.76%
Employee Benefits	961,488	1,190,741	(229,253)	-19.25%
State and County Assessments	173,312	193,090	(19,778)	-10.24%
Interest	154,953	185,663	(30,710)	-16.54%
<b>Total Expenses</b>	<b>21,859,185</b>	<b>21,450,459</b>	<b>408,726</b>	<b>1.91%</b>
<b>Change in Net Position</b>	<b>1,987,877</b>	<b>553,932</b>	<b>1,433,945</b>	<b>258.87%</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>50,380</b>	<b>(50,380)</b>	
<b>Net Position - beginning</b>	<b>17,114,665</b>	<b>16,510,353</b>	<b>604,312</b>	<b>3.66%</b>
<b>Net Position - ending</b>	<b>\$ 19,102,542</b>	<b>\$ 17,114,665</b>	<b>\$ 1,987,877</b>	<b>11.62%</b>

### ***Financial analysis of the Government's Funds***

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$7,042,191 a \$1,734,912 increase from the prior year's ending fund balances of \$5,307,279.

The general fund is the primary operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,090,774 while total fund balance of the general fund stood at \$4,142,476. 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 fund expenditures. Unassigned fund balance represents 10.1% of total general fund expenditures, while total general fund balance of represents 20.0% of that same expenditure amount.

The unassigned stabilization fund has accumulated a fund balance of \$529,150 which represents 2.6% of annual general fund expenditures. These funds can be used for general or capital purposes upon Town Meeting approval.

### ***General Fund Budget Highlights***

At its Annual Town Meeting on May 18, 2021, the Town appropriated \$21,893,166 through raise and appropriate articles from the fiscal 2022 general fund. There was a subsequent Special Town Meeting on November 15, 2021 at which an additional \$257,370 of raise and appropriate articles were approved. The tax levy for fiscal 2022 was \$18,402,373, an increase of \$995,958 or 5.7% over fiscal 2021. \$562,124 of free cash from fiscal 2021 was used to decrease the fiscal 2022 tax levy. At year end, \$566,662 of unexpended budget appropriation balances offset by an approved snow and ice deficit of \$42,989 were closed out to unassigned fund balance. Also, state revenue and local receipts (not including property taxes and tax lien redemptions) exceeded budget by \$533,201.

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

***Capital Assets*** - In conjunction with the operating budget process, the Town has a Capital Improvements Planning Committee (CIPC) to assist in budgeting for current and future capital needs. The CIPC reviews all capital project requests from Town departments, maintains a five-year plan for capital projects, and makes recommendations on capital appropriations for Town Meetings.

The Town's investment in capital assets for governmental activities, as summarized below, as of June 30, 2022, amounts to \$20,439,792, net of accumulated depreciation. The investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, and infrastructure.

The governmental activities capital assets decreased by \$900,146; a \$45,552 increase due to a new hybrid SUV for the police department and \$101,736 expended to replace an important road culvert were offset by \$1,047,434 in FY 2022 asset depreciation.

**Capital Assets  
(Net of Depreciation)**

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
	<b>2022</b>	<b>2021</b>		
Land	\$ 1,877,108	\$ 1,877,108	\$ -	0.00%
Buildings & Improvements	15,272,135	15,960,110	(687,975)	-4.31%
Machinery and Equipment	51,197	55,306	(4,109)	-7.43%
Vehicles	852,127	944,207	(92,080)	-9.75%
Infrastructure	2,387,225	2,503,207	(115,982)	-4.63%
<b>Total Capital Assets</b>	<b>\$ 20,439,792</b>	<b>\$ 21,339,938</b>	<b>\$ (900,146)</b>	<b>-4.22%</b>

**Long Term Debt** - The Town's debt burden is reasonable in relation to other communities its size. Outstanding long term debt, as of June 30, 2022, totaled \$4,695,000. Total debt consists of the following:

**Outstanding Debt at Year End**

<b>Governmental Activities</b>	<b>Outstanding June 30, 2022</b>	<b>Outstanding June 30, 2021</b>	<b>Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
General Obligation Bonds	\$ 4,695,000	\$ 5,310,000	\$ (615,000)	-11.58%

Please refer to Notes 5, 7 and 8 for further discussion of the major capital asset and debt activity.

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

The Town's leadership (elected and appointed officials) considered many factors when setting the fiscal 2023 budget and tax rates including the following:

- The fiscal 2023 tax rate is projected to be \$4.36, a \$1.46 decrease from fiscal 2022. The percentage decrease in the tax rate is 25.0%. The overall assessed value of property in the town increased by \$1,192,539,237 or 37.7% to \$4,354,459,070. The excess levy capacity will be \$573,243 or 3.0% of the tax levy. The tax levy is nearly \$90 million under the levy ceiling.
- The town did vote a one-time capital exclusion of \$423,000 for the Howes House renovation project to ensure the town would remain below the town's maximum tax levy amount under proposition 2 ½.

- The Board of Selectmen voted during their classification hearing to maintain the same tax rate for all classes of property.
- The 6% local room excise tax adopted in 2019 level of collections paid to the town has increased to a level such that we included a conservative estimate of \$440,000 in local receipts on the fiscal 2023 tax recapitulation for setting the tax rate.
- The Town accepted a local option to add a 3% excise on the retail sale of marijuana at its special town meeting in October, 2020. The first excise collection of \$13,163 was received in fiscal 2022 allowing an estimate of \$13,000 in local receipts when setting the fiscal 2023 tax rate. Actual fiscal 2023 should exceed this as fiscal year 2022 collections did not reflect a full year of vendor operations and should lead to higher estimates to be used in subsequent years.
- Regional school district budgets comprise 55.9% of the Town's operating budget for fiscal 2023. Both districts had large increases in fiscal 2023. Due to an increased Town enrollment percentage at the regional high school, the Town's share of the assessment increased by \$612,250 or 25.3%. Likewise, the Up-island Regional School District budget assessment increased \$576,146 or 6.6%. The town, however, had to also raise and appropriate an additional \$747,763 as its share of regional school district projects voted as separate town meeting warrant articles.
- Due to a new assessment formula for the regional ambulance service (Tri-Town Ambulance) agreed to by the member towns of West Tisbury, Chilmark and Aquinnah, West Tisbury's assessment increased by \$131,318 or 33.7%
- The fiscal 2023 budget included \$200,000 to transfer to the Dukes County OPEB Trust in the health insurance line item. It is management's intent to continue to make contributions to reduce OPEB liability through the budget process. While funds are being transferred to the trust, the town continues to pay retiree health insurance benefits directly.
- No new debt is projected in fiscal 2023. Capital projects and the resultant debt repayment schedules are being phased in as existing debt declines or is retired, so that capital expenditures and debt services may remain as level as possible over time.
- After completing a feasibility study, a proposed project for renovation and expansion of the Howes House, the home of the Up-Island Council on Aging, continued to proceed in fiscal 2023. An appropriation of \$523,000 was appropriated at the 2022 Annual Town Meeting to continue design plans, pre-development costs and to engage an owner's project manager to oversee the next stages of the plan development.

### ***Request for Information***

This financial report is designed to provide a general overview of the Town of West Tisbury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Town Accountant, PO Box 278, West Tisbury, MA 02575.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<b>PRIMARY GOVERNMENT</b>
	<b>GOVERNMENTAL ACTIVITIES</b>
<b><u>ASSETS</u></b>	
CURRENT:	
CASH AND SHORT-TERM INVESTMENTS	\$ 8,002,524
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:	
REAL ESTATE AND PERSONAL PROPERTY TAXES	325,859
TAX LIENS	11,108
MOTOR VEHICLE EXCISE TAXES	59,065
DEPARTMENTAL AND OTHER	9,873
INTERGOVERNMENTAL	79,421
NONCURRENT:	
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	20,439,792
TOTAL ASSETS	28,927,642
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
RELATED TO POST EMPLOYMENT BENEFITS	972,207
RELATED TO PENSIONS	1,158,365
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,130,572
<b><u>LIABILITIES</u></b>	
CURRENT:	
ACCOUNTS PAYABLE	310,829
OTHER LIABILITIES	221,517
ACCRUED INTEREST	21,875
LANDFILL POSTCLOSURE CARE COSTS	8,000
COMPENSATED ABSENCES	295,791
BONDS AND NOTES PAYABLE	1,259,886
NONCURRENT:	
LANDFILL POSTCLOSURE CARE COSTS	40,000
COMPENSATED ABSENCES	171,993
POSTEMPLOYMENT BENEFITS	2,411,410
NET PENSION LIABILITY	645,659
BONDS AND NOTES PAYABLE	4,080,000
TOTAL LIABILITIES	9,466,960
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>	
RELATED TO POST EMPLOYMENT BENEFITS	397,882
RELATED TO PENSIONS	2,090,830
TOTAL DEFERRED INFLOWS OF RESOURCES	2,488,712
<b><u>NET POSITION</u></b>	
NET INVESTMENT IN CAPITAL ASSETS	15,100,095
RESTRICTED FOR:	
STREETS	76,937
PERMANENT FUNDS:	
EXPENDABLE	9,889
NONEXPENDABLE	65,333
OTHER PURPOSES	5,530,765
UNRESTRICTED	(1,680,477)
TOTAL NET POSITION	\$ 19,102,542

See accompanying notes to the basic financial statements

**TOWN OF WEST TISBURY, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2022**

<b><u>FUNCTIONS/PROGRAMS</u></b>	<b><u>EXPENSES</u></b>	<b><u>PROGRAM REVENUES</u></b>		<b><u>NET (EXPENSE) REVENUE</u></b>
		<b><u>CHARGES FOR SERVICES</u></b>	<b><u>OPERATING GRANTS AND CONTRIBUTIONS</u></b>	
<b>PRIMARY GOVERNMENT:</b>				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 2,834,695	\$ 42,090	\$ 459,601	\$ (2,333,004)
PUBLIC SAFETY	3,075,628	675,709	196,205	(2,203,714)
EDUCATION	11,760,541	-	-	(11,760,541)
PUBLIC WORKS	726,736	23,900	111	(702,725)
SANITATION	129,300	-	-	(129,300)
HUMAN SERVICES	704,048	43,853	225,419	(434,776)
CULTURE & RECREATION	1,338,484	101,948	222,915	(1,013,621)
EMPLOYEE BENEFITS	961,488	-	-	(961,488)
STATE & COUNTY ASSESSMENTS	173,312	-	-	(173,312)
INTEREST	154,953	-	-	(154,953)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 21,859,185</b>	<b>\$ 887,500</b>	<b>\$ 1,104,251</b>	<b>\$ (19,867,434)</b>

See accompanying notes to the basic financial statements

(continued)

**TOWN OF WEST TISBURY, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2022**

	<b>PRIMARY GOVERNMENT</b>
	<b>GOVERNMENTAL ACTIVITIES</b>
<b>CHANGES IN NET POSITION:</b>	
NET (EXPENSE) REVENUE FROM PREVIOUS PAGE	<b>\$ (19,867,434)</b>
GENERAL REVENUES:	
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS PAYABLE	18,319,535
TAX LIENS	36,604
MOTOR VEHICLE EXCISE TAXES	724,031
PENALTIES AND INTEREST ON TAXES	69,886
GRANTS AND CONTRIBUTIONS NOT RESTRICTED TO SPECIFIC PROGRAMS	2,570,319
UNRESTRICTED INVESTMENT INCOME	5,603
MISCELLANEOUS	129,333
TOTAL GENERAL REVENUES AND TRANSFERS	21,855,311
CHANGE IN NET POSITION	1,987,877
<b>NET POSITION:</b>	
BEGINNING OF YEAR	17,114,665
END OF YEAR	<b>\$ 19,102,542</b>

See accompanying notes to the basic financial statements

(concluded)

**TOWN OF WEST TISBURY, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2022**

<b>ASSETS</b>	<b>GENERAL</b>	<b>COMMUNITY PRESERVATION</b>	<b>HIGHWAY BUILDING PROJECT</b>	<b>FIRE TRUCK</b>	<b>NONMAJOR GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
CASH AND SHORT-TERM INVESTMENTS	\$ 4,406,486	\$ 1,604,673	\$ -	\$ -	\$ 1,991,365	\$ 8,002,524
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:						
REAL ESTATE AND PERSONAL PROPERTY TAXES	325,859	-	-	-	-	325,859
TAX LIENS	11,108	-	-	-	-	11,108
MOTOR VEHICLE TAXES	59,065	-	-	-	-	59,065
DEPARTMENTAL AND OTHER	-	9,873	-	-	-	9,873
INTERGOVERNMENTAL	-	-	-	-	79,421	79,421
DUE FROM OTHER FUNDS	-	-	-	-	189	189
<b>TOTAL ASSETS</b>	<b>\$ 4,802,518</b>	<b>\$ 1,614,546</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,070,975</b>	<b>\$ 8,488,039</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>						
LIABILITIES:						
ACCOUNTS PAYABLE	\$ 263,491	\$ 129	\$ -	\$ -	\$ 47,209	\$ 310,829
DUE TO OTHER FUNDS	-	-	189	-	-	189
OTHER LIABILITIES	214,934	6,583	-	-	-	221,517
NOTES PAYABLE	-	250,000	314,886	80,000	-	644,886
<b>TOTAL LIABILITIES</b>	<b>478,425</b>	<b>256,712</b>	<b>315,075</b>	<b>80,000</b>	<b>47,209</b>	<b>1,177,421</b>
DEFERRED INFLOWS OF RESOURCES:						
ADVANCE COLLECTIONS - TAXES						
UNAVAILABLE REVENUE	181,617	9,873	-	-	76,937	268,427
FUND BALANCES:						
NONSPENDABLE	-	-	-	-	65,333	65,333
RESTRICTED	-	1,347,961	-	-	1,898,643	3,246,604
COMMITTED	1,062,933	-	-	-	-	1,062,933
ASSIGNED	988,769	-	-	-	-	988,769
UNASSIGNED	2,090,774	-	(315,075)	(80,000)	(17,147)	1,678,552
<b>TOTAL FUND BALANCES</b>	<b>4,142,476</b>	<b>1,347,961</b>	<b>(315,075)</b>	<b>(80,000)</b>	<b>1,946,829</b>	<b>7,042,191</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>	<b>\$ 4,802,518</b>	<b>\$ 1,614,546</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,070,975</b>	<b>\$ 8,488,039</b>

See accompanying notes to the basic financial statements



**TOWN OF WEST TISBURY, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2022**

	GENERAL	COMMUNITY PRESERVATION	HIGHWAY BUILDING PROJECT	FIRE TRUCK	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>						
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 18,334,811	\$ -	\$ -	\$ -	\$ -	\$ 18,334,811
MOTOR VEHICLE EXCISE TAXES	734,769	-	-	-	-	734,769
PENALTIES AND INTEREST ON TAXES	69,886	-	-	-	-	69,886
INTERGOVERNMENTAL	1,725,697	353,489	-	-	342,721	2,421,907
CHARGES FOR SERVICES	-	-	-	-	258,572	258,572
INVESTMENT INCOME	5,391	2,958	-	-	4,037	12,386
CONTRIBUTIONS & DONATIONS	-	-	-	-	514,617	514,617
DEPARTMENTAL AND OTHER	950,930	499,249	-	-	35,627	1,485,806
TOTAL REVENUES	21,821,484	855,696	-	-	1,155,574	23,832,754
<b>EXPENDITURES:</b>						
CURRENT:						
GENERAL GOVERNMENT	1,814,819	761,769	-	-	129,957	2,706,545
PUBLIC SAFETY	2,625,332	-	-	-	238,893	2,864,225
EDUCATION	11,468,136	51,005	-	-	2,826	11,521,967
PUBLIC WORKS	599,550	-	-	-	-	599,550
SANITATION	129,300	-	-	-	-	129,300
HUMAN SERVICES	676,744	-	-	-	23,814	700,558
CULTURE & RECREATION	1,002,548	-	-	-	152,593	1,155,141
EMPLOYEE BENEFITS	1,440,622	-	-	-	33,967	1,474,589
STATE & COUNTY ASSESSMENTS	173,312	-	-	-	-	173,312
DEBT SERVICE						
PRINCIPAL	615,000	-	-	-	-	615,000
INTEREST	156,040	1,615	-	-	-	157,655
TOTAL EXPENDITURES	20,701,403	814,389	-	-	582,050	22,097,842
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,120,081	41,307	-	-	573,524	1,734,912
<b>OTHER FINANCING SOURCES (USES)</b>						
OPERATING TRANSFERS IN	16,033	-	79,750	80,000	40,000	215,783
OPERATING TRANSFERS OUT	(199,750)	-	-	-	(16,033)	(215,783)
TOTAL OTHER FINANCING SOURCES (USES)	(183,717)	-	79,750	80,000	23,967	-
NET CHANGE IN FUND BALANCES	936,364	41,307	79,750	80,000	597,491	1,734,912
FUND BALANCES AT BEGINNING OF YEAR	3,206,112	1,306,654	(394,825)	(160,000)	1,349,338	5,307,279
FUND BALANCES AT END OF YEAR	\$ 4,142,476	\$ 1,347,961	\$ (315,075)	\$ (80,000)	\$ 1,946,829	\$ 7,042,191

See accompanying notes to the basic financial statements

**TOWN OF WEST TISBURY, MASSACHUSETTS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022**

<b>TOTAL GOVERNMENTAL FUND BALANCES</b>		\$ 7,042,191
CAPITAL ASSETS (NET) USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS		20,439,792
ACCOUNTS RECEIVABLE ARE NOT AVAILABLE TO PAY FOR CURRENT-PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS		268,427
IN THE STATEMENT OF ACTIVITIES, INTEREST IS ACCRUED ON OUTSTANDING LONG-TERM DEBT, WHEREAS IN GOVERNMENTAL FUNDS INTEREST IS NOT REPORTED UNTIL DUE		(21,875)
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE GOVERNMENTAL FUNDS		
BONDS AND NOTES PAYABLE	(4,695,000)	
NET PENSION LIABILITY	(645,659)	
DEFERRED INFLOWS OF RESOURCES - RELATED TO PENSIONS	(2,090,830)	
DEFERRED INFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	(397,882)	
DEFERRED OUTFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	972,207	
DEFERRED OUTFLOWS OF RESOURCES - RELATED TO PENSIONS	1,158,365	
COMPENSATED ABSENCES	(467,784)	
POSTEMPLOYMENT BENEFITS	(2,411,410)	
LANDFILL POSTCLOSURE CARE COSTS	<u>(48,000)</u>	
NET EFFECT OF REPORTING LONG-TERM LIABILITIES		<u>(8,625,993)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 19,102,542</u></b>

See accompanying notes to the basic financial statements

**TOWN OF WEST TISBURY, MASSACHUSETTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2022**

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>		<b>\$ 1,734,912</b>
GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER, IN THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR ESTIMATED USEFUL LIVES AND REPORTED AS DEPRECIATION EXPENSE.		
CAPITAL OUTLAY	46,924	
DEPRECIATION EXPENSE	<u>(947,070)</u>	
NET EFFECT OF REPORTING CAPITAL ASSETS		(900,146)
REVENUES IN THE STATEMENT OF ACTIVITIES THAT DO NOT PROVIDE CURRENT FINANCIAL RESOURCES ARE FULLY DEFERRED IN THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES. THEREFORE, THE RECOGNITION OF REVENUE FOR VARIOUS TYPES OF ACCOUNTS RECEIVABLE (I.E. REAL ESTATE AND PERSONAL PROPERTY, MOTOR VEHICLE EXCISE, ETC.) DIFFER BETWEEN THE TWO STATEMENTS. THIS AMOUNT REPRESENTS THE NET CHANGE IN DEFERRED REVENUE		
		14,308
THE ISSUANCE OF LONG-TERM DEBT (E.G., BONDS) PROVIDES CURRENT FINANCIAL RESOURCES TO GOVERNMENTAL FUNDS, WHILE THE REPAYMENT OF THE PRINCIPAL OF LONG-TERM DEBT CONSUMES THE FINANCIAL RESOURCES OF GOVERNMENTAL FUNDS. NEITHER TRANSACTION, HOWEVER, HAS ANY EFFECT ON NET ASSETS. 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.		
DEBT SERVICE PRINCIPAL PAYMENTS	<u>615,000</u>	
NET EFFECT OF REPORTING LONG-TEM DEBT		615,000
SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES DO NOT REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS.		
NET CHANGE IN COMPENSATED ABSENCES ACCRUAL	43,352	
NET CHANGE IN POSTEMPLOYMENT BENEFITS ACCRUAL	(461,340)	
NET CHANGE IN LANDFILL POSTCLOSURE CARE ACCRUAL	8,000	
NET CHANGE IN ACCRUED INTEREST ON LONG-TERM DEBT	2,702	
NET CHANGE IN NET PENSION LIABILITY	1,026,180	
NET CHANGE IN DEFERRED OUTFLOW OF RESOURCES - RELATED TO PENSIONS	395,392	
NET CHANGE IN DEFERRED OUTFLOW OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	(91,327)	
NET CHANGE IN DEFERRED INFLOW OF RESOURCES - RELATRD TO PENSIONS	(894,055)	
DEFERRED INFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	<u>494,899</u>	
NET EFFECT OF RECORDING LONG-TERM LIABILITIES		<u>523,803</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 1,987,877</u></b>

See accompanying notes to the basic financial statements

**TOWN OF WEST TISBURY, MASSACHUSETTS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FISCAL YEAR ENDED JUNE 30, 2022**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>BUDGETARY AMOUNTS</b>	<b>OVER/UNDER</b>
<b>REVENUES:</b>				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 18,326,864	\$ 18,326,864	\$ 18,334,811	\$ 7,947
MOTOR VEHICLE EXCISE TAXES	610,000	610,000	734,769	124,769
PENALTIES & INTEREST ON TAXES	50,000	50,000	69,886	19,886
INTERGOVERNMENTAL	1,507,781	1,507,781	1,725,697	217,916
INVESTMENT INCOME	9,000	9,000	3,800	(5,200)
DEPARTMENTAL AND OTHER	775,100	775,100	950,930	175,830
<b>TOTAL REVENUES</b>	<b>21,278,745</b>	<b>21,278,745</b>	<b>21,819,893</b>	<b>541,148</b>
<b>EXPENDITURES:</b>				
CURRENT:				
GENERAL GOVERNMENT	2,130,531	2,210,815	1,814,819	395,996
PUBLIC SAFETY	2,783,272	2,961,835	2,625,332	336,503
EDUCATION	11,939,779	11,953,436	11,468,136	485,300
PUBLIC WORKS	619,995	761,105	599,550	161,555
SANITATION	135,924	135,924	129,300	6,624
HUMAN SERVICES	765,542	769,655	676,744	92,911
CULTURE & RECREATION	1,043,410	1,043,410	1,002,548	40,862
EMPLOYEE BENEFITS	1,514,115	1,514,115	1,440,622	73,493
STATE & COUNTY ASSESSMENTS	205,697	205,697	173,312	32,385
DEBT SERVICE:				
PRINCIPAL	645,334	645,334	615,000	30,334
INTEREST	165,821	165,821	156,040	9,781
<b>TOTAL EXPENDITURES</b>	<b>21,949,420</b>	<b>22,367,147</b>	<b>20,701,403</b>	<b>1,665,744</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(670,675)</b>	<b>(1,088,402)</b>	<b>1,118,490</b>	<b>2,206,892</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
OPERATING TRANSFERS IN	-	16,033	16,033	-
OPERATING TRANSFERS OUT	(179,750)	(199,750)	(199,750)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(179,750)</b>	<b>(183,717)</b>	<b>(183,717)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(850,425)</b>	<b>(1,272,119)</b>	<b>934,773</b>	<b>2,206,892</b>
<b>BUDGETARY FUND BALANCE, BEGINNING OF YEAR</b>	<b>2,576,310</b>	<b>2,576,310</b>	<b>2,576,310</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, END OF YEAR</b>	<b>\$ 1,725,885</b>	<b>\$ 1,304,191</b>	<b>\$ 3,511,083</b>	<b>\$ 2,206,892</b>

See accompanying notes to the basic financial statements

TOWN OF WEST TISBURY, MASSACHUSETTS  
FIDUCIARY FUND  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2022

	POSTEMPLOYMENT BENEFITS TRUST FUND
<b><u>ASSETS</u></b>	
DEPOSITS HELD BY TRUSTEE	\$ 3,378,012
<b><u>LIABILITIES</u></b>	-
<b><u>NET POSITION</u></b>	
NET POSITION - HELD IN TRUST FOR POST-EMPLOYMENT BENEFITS	\$ 3,378,012

See accompanying notes to the basic financial statements

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**TOWN OF WEST TISBURY, MASSACHUSETTS  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
JUNE 30, 2022**

	<b>POSTEMPLOYMENT BENEFITS TRUST FUND</b>
<b><u>ADDITIONS:</u></b>	
CONTRIBUTIONS:	
EMPLOYER CONTRIBUTIONS	\$ 200,000
EMPLOYER CONTRIBUTIONS TO PAY FOR OPEB BENEFITS	228,867
NET INVESTMENT INCOME (LOSS):	
INVESTMENT INCOME	<u>(367,549)</u>
TOTAL ADDITIONS	61,318
<b><u>DEDUCTIONS:</u></b>	
BENEFIT PAYMENTS	<u>228,867</u>
CHANGES IN NET POSITION	(167,549)
NET POSITION AT BEGINNING OF YEAR	<u>3,545,561</u>
NET POSITION AT END OF YEAR	<u><u>\$ 3,378,012</u></u>

See accompanying notes to the basic financial statements

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

Primary Government

The Town is a municipal corporation that is governed by an elected three member Select Board (the Board). The Board is responsible for appointing a Town Administrator whose responsibility is to manage the day to day operations. For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units, blended or discretely presented, for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations and discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. It has been determined that there are no component units (blended or discretely presented) for inclusion in the primary government's financial reporting entity.

Joint Ventures

Municipal joint ventures pool resources to share the costs, risks and rewards of providing services to their participants, the general public or others. The Town is a participant in the following joint ventures:

Name	Purpose	Address	Annual Assessment
Martha's Vineyard Regional High School District	To provide High School education services	2 Pine Street Vineyard Haven, MA 02568	\$ 2,305,609
Up-Island Regional School District	To provide elementary education services	2 Pine Street Vineyard Haven, MA 02568	\$ 8,672,134
M.V. Regional Refuse & Resource Recovery District	To process solid waste of the member communities	750 West Tisbury Rd Edgartown, MA 02539	\$ 121,954

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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The Martha's Vineyard Regional High School District is governed by a nine (9) member school committee consisting of three representatives from the Up-Island Regional School District (one appointee from each Town) and two members from each of the Edgartown, Tisbury, and Oak Bluffs districts. The Town is indirectly liable for debt and other expenditures of the School and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has equity interest of 12% in the joint venture.

The Up-Island Regional School District is governed by a five (5) member school committee consisting of one (1) elected representative from the Town of West Tisbury, one (1) elected representative from the Town of Chilmark and from the Town of Aquinnah, and two (2) at-large members elected from the three Towns. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has equity interest of 72% in the joint venture.

The Martha's Vineyard Regional Refuse and Resource Recovery District was created by an act of the legislature of the Commonwealth of Massachusetts. Its purpose is to handle and process all the solid waste needs of the member communities. Members of the District include the Towns of Aquinnah, Chilmark, Edgartown, and West Tisbury. A district manager has been appointed by the District Committee to oversee the day to day operation of the facility. The District Committee is comprised of two appointed members of each community's Board of Health.

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

### Government-Wide Financial Statements

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

The Town of West Tisbury has no *business-type activities* as of June 30, 2022.

### Fund Financial Statements

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



**TOWN OF WEST TISBURY, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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*Major Fund Criteria*

A fund is considered major if it is the primary operating fund of the Town or it meets the following criteria:

- a. If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of an individual governmental fund are at least 10 percent of the corresponding element (total assets and deferred outflows of resources, liabilities and deferred inflows of resources etc.) for all funds of that category or type (total governmental funds), and
- b. If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding element for all governmental funds combined.

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

Fiduciary funds are reported by fund type.

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

*Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the 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 particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

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

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

The effect of interfund activity has been removed from the government-wide financial statements.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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*Fund Financial Statements*

***Governmental Fund Financial Statements***

Governmental fund financial statements are reported using the 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., when they become both 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 interest on general long-term debt which is recognized when due, and the noncurrent portion of compensated absences, landfill postclosure care costs, net pension liability, and post-employment benefits, which are recognized when the obligations are expected to be liquidated with current expendable available resources.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Town considers property taxes as available if they are due and collected within 60 days after fiscal year-end. Licenses and permits, user charges, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received. Investment earnings are recorded as earned.

The Town reports the following major governmental funds:

- The *General fund* is the primary operating fund of the Town. It is used to account for all financial resources, except those that are required to be accounted for in another fund.
- The *Community Preservation fund* is a special revenue fund used to account for the accumulation of resources to purchase open space, provide for affordable housing, or preservation of historical property under the guidelines of the Community Preservation Act of the Massachusetts General Laws.
- The *Highway Building Project fund* is a capital project fund used to account for the construction activity of the highway building.
- The *Fire Truck fund* is a capital project fund used to account for the purchase of a new fire truck.
- The *Nonmajor Governmental funds* consist of other special revenue, capital projects, and permanent funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds financial statements. The following describes the general use of these fund types:
  - The *Special Revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent funds or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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- The *Capital Projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by trust funds).
- The *Permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

***Fiduciary Fund Financial Statements***

*Fiduciary fund* 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 by the Town in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund type is reported:

- The *Postemployment Benefits Trust fund* is used to account for assets held to fund future postemployment benefits of current and retired employees.

**D. Cash and Investments**

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

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

**E. Fair Value Measurements**

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds. Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 3 – Fair Market Value of Investments.

#### **F. Accounts Receivable**

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

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

##### *Real Estate, Personal Property Taxes and Tax Liens*

Real estate and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges. By law, all taxable property in the Commonwealth must be assessed at 100% of fair market value. Once levied, which is required to be at least 30 days prior to the due date, these taxes are recorded as receivables in the fiscal year of levy. Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Lining of properties on which taxes remain unpaid occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation statute known as "Proposition 2 ½" limits the amount of increase in property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½ % of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 ½ % of the prior year's levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2 ½ can be overridden by a Town-wide referendum.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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*Motor Vehicle Excise*

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

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

*Departmental and Other*

Departmental and other receivables consist of the Community Preservation Act receivables in the fiscal year accrued. Since these receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectible.

*Intergovernmental*

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

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

**G. Inventories**

*Government-Wide and Fund Financial Statements*

Inventories of the governmental funds are recorded as expenditures at the time of purchase. Such inventories are not material in total to the basic financial statements, and therefore are not reported.

**H. Capital Assets**

*Government-Wide Financial Statements*

Capital assets, which include land, machinery & equipment, vehicles, buildings and improvements, and infrastructure (roadways and similar items) are reported in the governmental 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. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets if material.

All purchases and construction costs in excess of \$10,000 (all land costs) are capitalized at the date of acquisition or construction, respectively, with expected useful lives of five years or greater.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Asset Class</u>	<u>Estimated Useful Life (in years)</u>
Buildings and Improvements	40
Machinery & Equipment	5-10
Vehicles	5-15
Infrastructure	20

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 fiscal year of purchase for the various funds.

**I. Interfund Receivables and Payables**

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

*Government-Wide Financial Statements*

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position.

*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.

**J. Interfund Transfers**

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

*Government-Wide Financial Statements*

Operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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*Fund Financial Statements*

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

**K. Deferred Outflows/Inflows of Resources**

*Government-Wide Financial Statements (Net Position)*

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 (expenditure) until then. The Town reported deferred outflows of resources related to post-employment benefits, and pensions in this category.

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 Town reported deferred inflows of resources related to postemployment benefits, and pensions in this category.

*Governmental Funds Financial Statements*

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

**L. Net Position and Fund Equity**

*Government-Wide Financial Statements (Net Position)*

Net position is classified into three components:

- a. *Net investment in capital assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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Net position has been “restricted” for the following:

- *Streets* represent amounts committed by the Commonwealth of Massachusetts for the repair and/or construction of streets.
  - *Permanent funds -expendable* represents amounts held in trust for which the expenditures are restricted by various trust agreements.
  - *Permanent funds -nonexpendable* represents amounts held in trust for which only investment earnings may be expended.
  - *Other Purposes* represents restrictions placed on assets from outside parties.
- c. *Unrestricted net position* – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Financial Statements (Fund Balances)*

The Town uses the following criteria for fund balance classification:

- For *nonspendable* fund balance: includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- For *restricted* fund balance: when constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- For *committed* fund balance: (1) the government’s highest level of decision-making authority and (2) the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment.
- For *assigned* fund balance: (1) the body or official authorized to assign amounts to a specific purpose and (2) the policy established by the governing body pursuant to which the authorization is given.
- For *unassigned* fund balance: is the residual classification for the general fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Town uses the following criteria for fund balance policies and procedures:

- When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the unrestricted amount will be considered to have been spent.
- When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the least restricted amount will be considered to have been spent.



**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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**M. Long-term debt**

*Government-Wide Financial Statements*

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

*Governmental Fund Financial Statements*

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

**N. Investment Income**

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

**O. Compensated Absences**

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay.

*Government-Wide Financial Statements*

The total amount to be paid in future years is presented in the government-wide statement of net position. The liability for vacation leave is based on the amount earned but not used; for sick leave, it is based on the amount accumulated at the balance sheet date (vesting method).

*Governmental Fund Financial Statements*

The portion of the liability related to unused sick and vacation time that has matured or is due as of June 30, 2022 is recorded in the governmental fund financial statement.

**P. Pension**

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 Dukes County Contributory Retirement System (System) additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. 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.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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**Q. Post Retirement Benefits**

*Government-Wide and Fund Financial Statements*

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL Chapter 32B, of Massachusetts General Laws, under various contributory plans. The cost of providing health insurance is recognized by recording the employer's 75% share of insurance premiums in the general fund in the fiscal year paid. All benefits are provided through third-party insurance carriers and health maintenance organizations that administer, assume, and pay all claims.

**R. Use of Estimates**

*Government-Wide and Fund Financial Statements*

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could vary from estimates that were used.

**S. Total Column**

*Fund Financial Statements*

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

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*A. Budgetary Basis of Accounting*

Pursuant to Chapter 44, Section 32 of the Massachusetts General Laws, the Town adopts an annual budget for the general fund as well as for those special revenue funds for which the provisions of Chapter 44, Section 53f 1/2 have been adopted. The budgets for all departments and operations of the Town, except that of the regional schools, are prepared under the direction of the various department heads. The budgets are presented to the Finance Committee for review, which then makes recommendations to Town Meeting for final approval. The School Districts' budgets are prepared under the direction of the School Committees. The level of expenditures may not legally exceed appropriations for each department or undertaking in the following categories: (1) salaries and wages; (2) ordinary maintenance; and (3) capital outlays.

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

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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Original and supplemental appropriations are enacted upon by a Town Meeting vote. Management may not amend the budget without seeking the approval of the governing body. The Town's Finance Committee can legally transfer funds from its reserve fund to other appropriations within the budget without seeking Town Meeting approvals. The original fiscal year 2022 approved budget authorized \$21,475,152 in current year appropriations and other amounts to be raised and \$474,268 in encumbrances and articles carried over from previous fiscal years. Supplemental budget increases of \$417,727 was approved at one Town Meeting during fiscal year 2022.

The Town Accountant has the responsibility to ensure that budgetary controls are maintained and monitored through the accounting system.

*B. Budgetary – GAAP Reconciliation*

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2022, is presented below:

Net Change in Fund Balance - Budgetary Basis	\$ 934,773
Basis of Accounting Differences:	
Net Stabilization Fund Activity	<u>1,591</u>
Net Change in Fund Balance - GAAP Basis	<u>\$ 936,364</u>

*C. Excess of Expenditures over Appropriations*

For the fiscal year ended June 30, 2022, actual expenditures exceeded appropriations for the snow and ice. These over-expenditures will be funded by available funds during fiscal year 2023, as is allowed by Massachusetts General Laws (MGL).

*D. Deficit Fund Balances*

Several individual fund deficits exist within the Special Revenue and the Capital Projects funds. These individual deficits will be eliminated through subsequent fiscal year budget transfers, grants or proceeds from long-term debt during fiscal year 2023.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 3 – DEPOSITS AND INVESTMENTS**

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels unless collateralized by the financial institutions involved.

*Deposits*

▪ *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of bank failure, the Town's deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the deposits "in a bank or trust company, or banking company to an amount not exceeding sixty percent (60%) of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess."

The Town does not have a formal deposit policy for custodial credit risk.

The Town carries deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC), and the Depositor's Insurance Fund (DIF).

The following table illustrates how much of the Town's bank deposits are as of June 30, 2022:

Total Bank Balances		<u>\$ 8,084,030</u>
Bank Balances Covered by Deposit Insurance		
Federal Deposit Insurance Corporation (FDIC)	4,207,344	
Depositor's Insurance Fund (DIF)	<u>3,876,686</u>	
Total Bank Balances Covered by Deposit Insurance		<u>\$ 8,084,030</u>

*Investments*

Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreement guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase, and units in the Massachusetts Municipal Depository Trust (MMDT). The Treasurer of the Commonwealth of Massachusetts oversees the financial management of the MMDT, a local investment pool for cities, towns, and other state and local agencies within the Commonwealth.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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The Town did not hold or own any investments as of June 30, 2022.

*a) Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Law Chapter 44, Section 55, limits the Town's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

*b) Custodial Credit Risk*

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

*c) Interest Rate Risk*

Interest rate risk is the risk of changes in market interest rates which will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the risk of its fair value to change with the market interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*d) Concentration of Credit Risk*

The Town places no limit on the amount the government may invest in any one issuer.

*e) Fair Market Value of Investments*

The Town holds no investments that are measured at fair value on a recurring basis as of June 30, 2022.

**NOTE 4 – RECEIVABLES**

The receivables at June 30, 2022 for the Town's individual major and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Receivables	Gross Amount	Allowance for Uncollectibles	Net Amount
Real Estate and Personal Property Taxes	\$ 328,264	\$ (2,405)	\$ 325,859
Tax Liens	11,108	-	11,108
Motor Vehicle Excise Taxes	69,960	(10,895)	59,065
Departmental and Other	9,873	-	9,873
Intergovernmental	79,421	-	79,421
Total	<u>\$ 498,626</u>	<u>\$ (13,300)</u>	<u>\$ 485,326</u>

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with revenues that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

Deferred Inflows of Resources Analysis				
Deferred Inflows:	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total
Deferred Property Taxes	\$ 111,444	\$ -	\$ -	\$ 111,444
Deferred Other Revenue	70,173	9,873	-	80,046
Deferred Intergovernmental Revenue	-	-	76,937	76,937
Total	<u>\$ 181,617</u>	<u>\$ 9,873</u>	<u>\$ 76,937</u>	<u>\$ 268,427</u>

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Reclassifications & Decreases	Ending Balance
<i>Capital Assets not Being Depreciated :</i>				
Land	\$ 1,877,108	\$ -	\$ -	\$ 1,877,108
<i>Capital Assets Being Depreciated :</i>				
Buildings and Improvements	28,510,934	-	-	28,510,934
Machinery & Equipment	252,407	-	-	252,407
Vehicles	2,233,760	45,552	(100,364)	2,178,948
Infrastructure	4,847,670	101,736	-	4,949,406
Total Capital Assets Being Depreciated	35,844,771	147,288	(100,364)	35,891,695
<i>Less Accumulated Depreciation for :</i>				
Buildings and Improvements	(12,550,824)	(687,975)	-	(13,238,799)
Machinery & Equipment	(197,101)	(4,109)	-	(201,210)
Vehicles	(1,289,553)	(137,632)	100,364	(1,326,821)
Infrastructure	(2,344,463)	(217,718)	-	(2,562,181)
Total Accumulated Depreciation	(16,381,941)	(1,047,434)	100,364	(17,329,011)
Total Capital Assets Being Depreciated, Net	19,462,830	(900,146)	-	18,562,684
Total Governmental Activities Capital Assets, Net	\$ 21,339,938	\$ (900,146)	\$ -	\$ 20,439,792

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities:</b>	
General Government	\$ 128,150
Public Safety	256,955
Education	238,574
Public Works	228,922
Human Services	11,490
Culture and Recreation	<u>183,343</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,047,434</u>

**NOTE 6 – INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended June 30, 2022, are summarized as follows:

Operating Transfers In:					
Operating Transfers Out:	General Fund	Highway Building Project Fund	Fire Truck Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 79,750	\$ 80,000	\$ 40,000	\$ 199,750 (1)
Non Major Governmental Funds	<u>16,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,033 (1)</u>
Total	<u>\$ 16,033</u>	<u>\$ 79,750</u>	<u>\$ 80,000</u>	<u>\$ 40,000</u>	<u>\$ 215,783</u>

(1) Represents various budgeted transfers

**NOTE 7 – SHORT-TERM FINANCING**

Under state law, and with the appropriate authorization, the Town is authorized to borrow funds on a temporary basis as follows:

- To fund current operations prior to the collection of revenues by issuing revenue anticipation notes (RANS).
- To fund grants prior to reimbursement by issuing grant anticipation notes (GANS).
- To fund Capital project costs incurred prior to selling permanent debt by issuing bond anticipation notes (BANS).



**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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- To fund current project costs and other approved expenditures incurred, that are anticipated to be reimbursed by the Commonwealth of Massachusetts through the issuance of State Aid anticipation notes (SAANS).

Short-term loans are general obligations of the Town and maturity dates are governed by statute. Interest expenditures for short-term borrowings are accounted for in the general fund.

The following is a summary of the change in short-term debt for the year ended June 30, 2022:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2021	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2022
<i>Governmental Funds</i>							
RAN	Multiple	0.54%	12/10/2021	\$ 460,000	\$ -	\$ (460,000)	\$ -
BAN	Highway Building	0.40%	6/10/2022	394,636	-	(394,636)	-
BAN	Multiple	0.45%	12/9/2022	-	330,000	-	330,000
BAN	Highway Building	2.00%	6/9/2023	-	314,886	-	314,886
Total				<u>\$ 854,636</u>	<u>\$ 644,886</u>	<u>\$ (854,636)</u>	<u>\$ 644,886</u>

**NOTE 8 – LONG-TERM DEBT**

The Town is subject to a dual-level, general debt limit: the normal debt limit and the double debt limit. Such limits are equal to 5% and 10%, respectively, of the valuation of taxable property in the Town as last equalized by the Commonwealth's Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit however require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general long-term debt which are exempt from the debt limit but are subject to other limitations.

The following is a summary of the changes in long-term debt for the year ended June 30, 2022:

**Bonds and Notes Payable Schedule -Governmental Funds**

Project	Interest Rate %	Outstanding at June 30, 2021	Issued	Redeemed	Outstanding at June 30, 2022
Town Hall	3.11	\$ 1,855,000	\$ -	\$ 235,000	\$ 1,620,000
Library and Road Repairs	3.74	1,885,000	-	255,000	1,630,000
Public Safety Building	3.74	<u>1,570,000</u>	<u>-</u>	<u>125,000</u>	<u>1,445,000</u>
Total		<u>\$ 5,310,000</u>	<u>\$ -</u>	<u>\$ 615,000</u>	<u>\$ 4,695,000</u>

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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The annual debt service requirements for principal and interest for Governmental bonds and notes outstanding at June 30, 2022 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 615,000	\$ 137,692	\$ 752,692
2024	610,000	121,033	731,033
2025	605,000	103,676	708,676
2026	605,000	85,413	690,413
2027	605,000	66,623	671,623
2028-2032	1,415,000	128,563	1,543,563
2033-2034	240,000	12,600	252,600
Total	<u>\$ 4,695,000</u>	<u>\$ 655,600</u>	<u>\$ 5,350,600</u>

**Loans Authorized and Unissued**

As of June 30, 2022, the Town has loans authorized and unissued as follows:

<u>Description</u>	<u>Date Authorized</u>	<u>Amount</u>
Highway Building	4/12/2016	\$ 394,636
Pumper Truck	12/13/2017	160,000
Scotts Grove Affordable Housing	12/13/2017	300,000
Total		<u>\$ 854,636</u>

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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**Changes in Long-term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and Notes Payable	\$ 5,310,000	\$ -	\$ (615,000)	\$ 4,695,000	\$ 615,000
Landfill Postclosure Care Costs	56,000	-	(8,000)	48,000	8,000
Compensated Absences	511,136	-	(43,352)	467,784	295,791
Postemployment Benefits	1,950,070	461,340	-	2,411,410	-
Net Pension Liability	1,671,839	-	(1,026,180)	645,659	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 9,499,045</u>	<u>\$ 461,340</u>	<u>\$ (1,692,532)</u>	<u>\$ 8,267,853</u>	<u>\$ 918,791</u>

The governmental activities long-term liabilities are generally liquidated by the general fund.

**Overlapping Debt**

The Town pays assessments under formulas which include debt service payments to other governmental agencies providing services to the Town, (commonly referred to as overlapping debt). The following summary sets forth the long-term debt of such governmental agencies and the estimated share being financed by the Town as of June 30, 2022:

Agency	Total Long- Term Debt Outstanding	Town's Estimated Share	Town's Indirect Debt
Martha's Vineyard Public Schools	\$ 360,000	12.00%	\$ 43,200
Up-Island Regional School District	398,000	72.00%	286,560
Martha's Vineyard Refuse Disposal & Resource Recovery District	1,436,940	3.65%	52,448
Dukes County County Center for Living Bldg	<u>640,000</u>	15.03%	<u>96,192</u>
Total	<u>\$ 2,834,940</u>		<u>\$ 478,400</u>

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**NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

The Town has classified its governmental fund balances with the following hierarchy.

	General Fund	Community Preservation Fund	Highway Fund	Fire Truck Fund	Nonmajor Governmental Funds	TOTAL
<b>Fund Balances</b>						
Nonspendable						
Permanent Fund Principal	\$ -	\$ -	\$ -	\$ -	\$ 65,333	\$ 65,333
Restricted For:						
General Government	-	-	-	-	1,278,659	1,278,659
Public Safety	-	-	-	-	66,102	66,102
Public Works	-	-	-	-	108,500	108,500
Human Services	-	-	-	-	111,255	111,255
Culture & Recreation	-	-	-	-	19,104	19,104
Employee Benefits	-	-	-	-	305,134	305,134
Community Preservation	-	1,347,961	-	-	-	1,347,961
Expendable Trust Fund	-	-	-	-	9,889	9,889
	<u>-</u>	<u>1,347,961</u>	<u>-</u>	<u>-</u>	<u>1,898,643</u>	<u>3,246,604</u>
Committed To:						
Continuing Appropriations						
General Government	293,870	-	-	-	-	293,870
Public Safety	295,298	-	-	-	-	295,298
Public Works	290,541	-	-	-	-	290,541
Human Service	179,224	-	-	-	-	179,224
Culture & Recreation	4,000	-	-	-	-	4,000
	<u>1,062,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,062,933</u>
Assigned To:						
Encumbered For:						
General Government	4,800	-	-	-	-	4,800
Public Safety	1,406	-	-	-	-	1,406
Subsequent Years Expenditures	718,680	-	-	-	-	718,680
Bond Premium	11,640	-	-	-	-	11,640
Stabilization - Ambulance	59,268	-	-	-	-	59,268
Stabilization - Building Maintenance	88,123	-	-	-	-	88,123
Stabilization - Fire Equipment	104,852	-	-	-	-	104,852
	<u>988,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>988,769</u>
Unassigned						
General Fund	1,561,624	-	-	-	-	1,561,624
General Stabilization Fund	529,150	-	-	-	-	529,150
Nonmajor Governmental Funds	-	-	-	-	(17,147)	(17,147)
Capital Project						
Fire Truck	-	-	-	(80,000)	-	(80,000)
Highway Building	-	-	(315,075)	-	-	(315,075)
	<u>2,090,774</u>	<u>-</u>	<u>(315,075)</u>	<u>(80,000)</u>	<u>(17,147)</u>	<u>1,678,552</u>
Total Governmental Fund Balances	<u>\$ 4,142,476</u>	<u>\$ 1,347,961</u>	<u>\$ (315,075)</u>	<u>\$ (80,000)</u>	<u>\$ 1,946,829</u>	<u>\$ 7,042,191</u>

**NOTE 10 – STABILIZATION ARRANGEMENTS**

The Town has established several funds where the Town has set aside amounts for emergency and capital needs. These funds consist of the following;

- The *Stabilization fund* is used to account for any appropriation, as approved by a 2/3 vote at the annual or special town meeting for additions or reductions to the fund. Any interest shall be added to and become part of the fund. The Stabilization fund balance is \$529,150 as of June 30, 2022. The fund was established under chapter 40, sub-section 5B of the Massachusetts General Law.

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- *The Fire Equipment Stabilization Fund* is used to account for appropriations funding the acquisition, repair, replacement, extension, reconstruction, enlarging and/or additions to capital equipment, vehicles, and apparatus of the fire department and pay notes, bonds, or certificates of indebtedness issued to pay for the cost of such acquisition, repair, replacement, extension, reconstruction, enlarging and additions. The Town may appropriate into and out of the fund at Annual or Special Town Meeting by 2/3 vote. The fire stabilization fund balance is \$104,852 as of June 30, 2022. This fund was established under Chapter 40 sub-section 5B of **MGL**.
- *The Ambulance Stabilization Fund* is used to account for appropriations funding the acquisition, repair, replacement, extension, reconstruction, enlarging and/or additions to capital equipment and Ambulance vehicles, and pay notes, bonds, or certificates of indebtedness issued to pay for the cost of such acquisition, repair, replacement, extension, reconstruction, enlarging and additions. The Town may appropriate into and out of the fund at Annual or Special Town Meeting by 2/3 vote. The ambulance stabilization fund balance is \$59,268 as of June 30, 2022. This fund was established under Chapter 40 sub-section 5B of **MGL**.
- *The Building Maintenance Stabilization Fund* purpose is to budget and set aside funds necessary for future anticipated major maintenance items for town owned buildings. Funds will be appropriated from the stabilization funds at future town meetings as planned maintenance items are scheduled to be performed. The building maintenance stabilization fund balance is \$88,123 as of June 30, 2022. The fund was established at the November 5, 2013 Special Town Meeting.

**NOTE 11 – RISK FINANCING**

The Town is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters.

The Town is insured for general liability; however, Chapter 258 of the Massachusetts General Laws limits the Town's liability to a maximum of \$100,000 per claim in all matters except in actions relating to federal civil rights, eminent domain and breach of contract. Such claims are charged to the general fund. There were no such claims in 2022.

The Town is a member of the Cape Cod Municipal Health Group, (CCMHG) which is a Massachusetts Municipal Joint Health Insurance purchase group formed pursuant to Massachusetts General Laws. The Group includes thirteen Towns, five school districts, five fire districts, six water districts, one recreation authority, one education collaborative, Veterans Services of Cape Cod, Barnstable County, Barnstable County Retirement Association, Cape Light Compact, and Cape Cod Regional Transit Authority as participants. In addition, the Group entered into a Joint Negotiation Purchase of Health Coverage with the Dukes County Municipal Health Group which now consists of Dukes County Commissioners; the Towns of Chilmark, Edgartown, Gosnold, Oak Bluffs, Tisbury, West Tisbury, and Aquinnah; Martha's Vineyard Refuse Disposal and Resource Recovery District; Martha's Vineyard Commission; Martha's Vineyard Land Bank Commission; Oak Bluffs Water District; Martha's Vineyard Regional School District; Up-Island Regional School District; Martha's Vineyard Charter School; and Martha's Vineyard Transit Authority.

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The Group's Board may deal with certified surpluses and deficits through the rate setting process and this is the preferred method. Alternatively, the Group may deal with certified surpluses and deficits by making direct distributions to members in the case of a certified surplus or may require direct payments from members in the case of a certified deficit.

The Group offers the following plan types:

Plan Name	Medical Claims		Pharmacy Claims	
	Self Insured	Fully Insured	Self Insured	Fully Insured
Blue Cross and Blue Shield of Massachusetts Master Health Plus	X		X	
Blue Cross and Blue Shield of Massachusetts Blue Care Elect Preferred PPO	X		X	
Blue Cross and Blue Shield of Massachusetts Network Blue NE HMO	X		X	
Blue Cross and Blue Shield of Massachusetts Blue Care Elect Preferred HSA PPO	X		X	
Blue Cross and Blue Shield of Massachusetts Network Blue NE HSA HMO	X		X	
Harvard Pilgrim Health Care PPO	X		X	
Harvard Pilgrim Health Care HMO	X		X	
Harvard Pilgrim Health Care HSA PPO	X		X	
Harvard Pilgrim Health Care HSA HMO	X		X	
Blue Cross and Blue Shield of Massachusetts Medex	X			X
Harvard Pilgrim Health Care Medicare Enhance	X			X
Blue Cross and Blue Shield of Massachusetts Medicare HMO Blue		X		X
Blue Cross and Blue Shield of Massachusetts Managed Blue for Seniors		X		X
Tufts Medicare Supplement with PDP Plus		X		X
Tufts Medicare Preferred HMO		X		X
Delta Dental PPO Plus Premier - Contributory	X			
Delta Dental PPO Plus Premier - Voluntary	X			
EyeMed Vision Care - Voluntary		X		

In July 1, 2014 the Group along with two other Massachusetts municipal joint purchase groups, the Massachusetts Municipal Reinsurance Arrangement (MMRA) series of sentinel indemnity LLC entered into reinsurance pooling agreement. The first such reinsurance pooling agreement established in Massachusetts. The policy year is July 1 through June 30. Risk is pooled and all participants share the same rates for coverage of claims exceeding \$400,000 up to \$1,000,000. There is no Aggregating Specific Deductible. In addition, there is maximum stop-loss limit pool which limits the pool's total losses to \$7,776,928. Losses in excess of this amount, if any are covered through a separate reinsurance policy. If claims experience is below projections, participants are dividend eligible on a collective and proportional basis. Participating governmental entities have agreed to participate for a minimum of three years. During the year ended June 30, 2022, the group paid \$5,274,291 for coverage and made non-premium funding to MMRA of \$1,797,521.

In addition, the group has a specific excess medical and prescription drug claims reinsurance contract with an insurance carrier covering claims paid in excess of \$800,000 per individual. The policy period covers claims incurred within 12 months and paid within 24 months. The Group does not reinsure its Medex and Medicare Enhance Medical plans.

The Group provides health care coverage for employees that qualify for and select health care coverage as an employee benefit as well as retired employees. There are 36 Town of West Tisbury employees and 19 retirees/surviving spouses who participate in the Group's health care programs. The Town contributes 75% of the premium cost for employees, retirees and surviving spouses.

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As of June 30, 2022 the Cape Cod Municipal Health Group had total assets of \$64,013,115 total liabilities of \$13,670,677 (including \$11,571,470 in estimated benefits obligations), and a total surplus of \$50,342,438.

**NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The GASB Standards for *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires the following disclosures in the financial statements related to the retiree medical, and life insurance benefits:

**Plan Description.** The Town of West Tisbury is a member of the Dukes County Pooled OPEB Trust (Trust), an agent multiple employer plan. The purpose of the Trust is to accumulate resources to offset its members' (various governmental units) unfunded OPEB liability. The Trust is governed by a Board of Trustees comprised of an appointed member of each governmental unit. Member/Employer contributions to the trust are irrevocable and all investment income (losses) is retained by the Trust. Although the assets of the Trust are commingled for investment purposes, each member's assets may only be used for the reimbursement of OPEB to the member of that plan, in accordance with the terms of the plan. The Trust issues a publicly available financial report that can be obtained by contacting the Trust located at PO Box 921, Vineyard Haven, Massachusetts, 002568. Other Postemployment Benefits Program. The Plan provides medical and life insurance benefits to eligible retirees and their spouses. Town meeting vote is the authority to establish and amend benefit provisions to the Town. The Town has accepted various sections of Massachusetts General Laws Chapter 32B to provide 75% of the premium cost of retirees' health and life insurance costs.

**Funding Policy.** The contribution requirements of plan members and the Town are established and may be amended by local by-law. For the period ending on June 30, 2022 measurement date total Town premiums plus implicit costs for the retiree medical program are \$228,867. The Town also made a contribution to an OPEB Trust of \$200,000 for a total contribution during the measurement period of \$428,867 to be reported on the financial statements for the fiscal year ending June 30, 2022.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to begin pre-funding its other postemployment benefit (OPEB) liabilities. During 2022, the Town pre-funded future OPEB liabilities totaling \$200,000 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2022, the balance of this fund totaled \$3,378,012.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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***GASB Statement #75 – OPEB Employer Financial Reporting***

Summary of Significant Accounting Policies – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expenses, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Measurement Date* - GASB #75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

*Plan Membership* – The following table represents the Plan's membership as June 30, 2022:

Active Members	39
Inactive members currently receiving benefits	<u>19</u>
Total	<u><u>58</u></u>

*Components of OPEB Liability* – The following table represents the components of the Plan's OPEB liability as of June 30, 2022:

Total OPEB Liability	\$ 5,789,422
Less: OPEB plan's fiduciary net position	<u>(3,378,012)</u>
Net OPEB Liability	<u><u>\$ 2,411,410</u></u>

The OPEB plan's fiduciary net position as a percentage of the total OPEB liability	58.35%
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*Significant Actuarial Methods and Assumptions* – The plan’s total OPEB liability, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2022 to be in accordance with GASB Statement #75.

Valuation Date:	July 1, 2020
Actuarial Cost Method:	Entry Age Normal
Asset-Valuation Method:	Market value
Long Term Expected Rate of Return:	6.6%, compounded annually, net of fees
Inflation:	2.4% per year based on current economic data, analysis from economists and other experts, and professional judgement.
Payroll Growth:	3.50% per year
Discount rate	6.6%, compounded annually, for the measurements as of June 30, 2022
Amortization Method	Increasing at 3.5% over 30 years on an open amortization period for partial pre-funding.
Amortization Period	30 years
Healthcare cost trend rate	7% for 2020 decreasing 0.4% per year to 5.4% then grading down to an ultimate trend rate of 4% utilizing to Society of Actuaries Gretzen Medical Trend model. The ultimate medical inflation rate is reached in 2075.
Pre-Retirement Mortality - General and Public Safety Employees	RP-2014 Blue Collar Mortality Table projected with Generational Mortality Improvement using scale MP-2018
Post-Retirement Mortality - General and Public Safety Employees	RP-2014 Blue Collart Mortality Table projected with generational mortality improvement using scale MP-2018

*Rate of Return* – For the year ended June 30, 2022 the annual money-weighted rate on investments, net of investments expense, was -9.99%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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The long-term expected rate of return on OPEB plan investments was determined using the building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage provided in the investment policy statement and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Equity	35%	5.08%
Mid Cap Equity	10%	5.06%
Small Cap Equity	10%	4.89%
International Equity	15%	6.09%
Real Estate	10%	2.65%
Fixed Income	20%	1.36%
Total	<u>100%</u>	

*Discount Rate* – The discount rate used to measure the total OPEB liability was 6.60% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from the Town will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2021	\$ 5,495,631	\$ 3,545,561	\$ 1,950,070
Charges for the year			
Service cost	172,525	-	172,525
Interest on Total OPEB Liability	366,546	-	366,546
Benefit Payments	(228,867)	(228,867)	-
Changes of assumptions	(16,413)	-	(16,413)
Net Investment Income	-	(367,549)	367,549
Employer Contributions	-	428,867	(428,867)
Net Changes	293,791	(167,549)	461,340
Balance at June 30, 2022	\$ 5,789,422	\$ 3,378,012	\$ 2,411,410

*Sensitivity of the net OPEB liability to changes in the discount rate* – The following table presents the Plan's net OPEB liability calculated using the discount rate of 6.60% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage- point lower (5.60%) or 1 percentage-point higher (7.60%) than the current rate.

	1% Decrease (5.60%)	Current Discount Rate (6.60%)	1% Increase (7.60%)
Net OPEB liability	\$ 3,317,210	\$ 2,411,410	\$ 1,680,944

*Sensitivity of the net OPEB liability to changes in the healthcare trend rate* – The following table presents the net other postemployment benefit liability calculated using the current healthcare trend rate of 7.00% as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percentage-point lower or 1 percentage-point higher.

	1% Decrease 6.00% Year 1 Decreasing to 3.0%	Healthcare Cost Trend Rates 7.00% Year 1 Decreasing to 4.0%	1% Increase 8.00% Year 1 Decreasing to 5.0%
Net OPEB liability	\$ 1,537,242	\$ 2,411,410	\$ 3,516,980

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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*Deferred Outflows/Inflows of Resources*

At June 30, 2022 the Town reported deferred outflows/inflows of resources related to other postemployment benefits of \$972,207 and \$397,882 respectively.

The balances of deferred outflows/inflows of resources as of June 30, 2022 consist of the following:

<u>Deferred Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between expected and actual experience	\$ 145,195	\$ (384,058)	\$ (238,863)
Changes in Assumptions	670,337	(13,824)	656,513
Actual earnings on OPEB investments	<u>156,675</u>	<u>-</u>	<u>156,675</u>
Total Deferred Outflows/Inflows of Resources	<u>\$ 972,207</u>	<u>\$ (397,882)</u>	<u>\$ 574,325</u>

The Town's deferred outflows of resources related to other postemployment benefits will be recognized in future years other postemployment benefits expense are as follows:

<u>Year ended June 30</u>	<u>Amount</u>
2023	\$ 179,580
2024	170,434
2025	105,318
2026	129,928
2027	(10,056)
Thereafter	<u>(879)</u>
Total Deferred Outflows/Inflows Recognized in Future Years	<u>\$ 574,325</u>

***Changes of Assumption – None***

***Changes in Plan Provisions - None***

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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**NOTE 13 – PENSION PLAN DESCRIPTION**

**A. Plan Description**

The Town contributes to the Dukes County Contributory Retirement System (The System), a multiple-employer, cost sharing contributory defined benefit pension plan was established in 1939, under Massachusetts General Law (MGL), Chapter 32, and is regulated by the Massachusetts Public Employee Retirement Administration Commission (PERAC). Substantially all employees are members of the system.

The “System” is a contributory defined benefit plan and membership in the “System” is mandatory upon commencement of employment for all permanent, full-time employees.

The System issues a publically available audited financial report that may be obtained by contacting the system’s executive director at 9 Airport Road, Suite 1, Vineyard Haven, Ma. 02568.

**B. Benefits**

The System provides retirement, disability and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System Benefits are with certain exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of an employees highest three year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became employees 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 an employee’s age, length of creditable service, level of compensation, veteran status, cost of living adjustments and group classifications.

There are three classes of employees in the retirement system: 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 consist of police officers, firefighters, and other hazardous positions.

Employees normally become vested after ten years of creditable service. However, if hired prior to 1978 a superannuation retirement allowance may be received at age 55 with no vesting requirement. If hired after January 1, 1978 and before April 2, 2012 a superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching age 55 with ten years of service. A person who became an employee after April 2, 2012 is eligible for a superannuation retirement allowance upon reaching age 60 with ten years of service if in Group 1, 55 years of age with ten years of service if in Group 2 or age 55 in Group 4. Normal retirement for most employees occurs at age 65 (except for certain) hazardous duty and public safety positions whose normal retirement age is 55).

Employees 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 disability is work related, the employees age, years of creditable service, level of compensation, veterans’ status and group classification.

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

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

**C. Contributions**

*Dukes County Contributory Retirement System*

Active members are required to contribute to the system at rates ranging from 5 to 11% of their gross regular compensation. The member units are required to pay into the System a legislatively mandated actuarial determined contribution that is appropriated among the employers based on the actuarial valuation results. The Town's proportionate share of the required contribution for the year ended June 30, 2022 which was \$560,965 and 19.00% of covered payroll, actuarially determined as an amount that when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

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

*Pension Liabilities*

At June 30, 2022 the Town reported a liability of \$645,659 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. Accordingly updated procedures were used to roll forward total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers actuarially determined. At December 31, 2021, the Town's proportion was 7.11%.

*Pension Expense and Deferred Outflows/Inflows of Resources*

For the year ended June 30, 2022 the Town recognized pension expense of \$33,448. At June 30, 2022 the Town reported deferred outflows and inflows of resources related to pensions of \$1,158,365 and \$2,090,830 respectively.

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The balances of deferred outflows and inflows as June 30, 2022 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 288,838	\$ (9,209)	\$ 279,629
Changes of Assumptions	801,073	-	801,073
Net difference between projected and actual investment earnings	-	(2,065,259)	(2,065,259)
Changes in proportion and differences between employer contributions and proportionate share of contributions	68,454	(16,362)	52,092
Total Deferred Outflows (Inflows) of Resources	<u>\$ 1,158,365</u>	<u>\$ (2,090,830)</u>	<u>\$ (932,465)</u>

The Town's net deferred outflows/inflows of resources related to pensions will be recognized in future years are as follows:

Year ended June 30	Amount
2022	\$ (217,112)
2023	(448,629)
2024	(196,531)
2025	(132,008)
2026	61,815
Total Deferred Outflows/Inflows Recognized in Future Years	<u>\$ (932,465)</u>

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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**E. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2020 using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2021:

Valuation Date	January 1, 2020
Actuarial cost method	Individual entry age normal cost method
Amortization method	UAAL: Increasing dollar amount at 4.0% to reduce the unfunded actuarial accrued liability to zero on or before June 30, 2031. The annual increase in appropriation is limited to 4.51% per year.  ERI's 2002 & 2003: Increasing dollar amount at 4.5% to reduce the unfunded actuarial accrued liability attributable to the ERI's to zero on or before June 30, 2028.
Remaining Amortization Period	9 years for UAL as of December 31, 2021 6 years for the 2002 and 2003 ERI's as of December 31, 2021
Asset Valuation	The actuarial value of assets is the fair value of assets as of the valuation date reduced by the sum of: <ul style="list-style-type: none"><li>a) 80% of gains and losses of the prior year,</li><li>b) 60% of gains and losses of the second prior year,</li><li>c) 40% of gains and losses of the third prior year and</li><li>d) 20% of gains and losses of the fourth prior year.</li></ul> Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the fair value. The actuarial valuation of assets is further constrained to be not less than 80% or more than 120% of fair value.
Payroll growth	3.25% per year
Inflation rate	2.4% per year
Projected salary increases	6% - 4.25% for general employees and 7% - 4.75% for public safety depending on years of service
Cost of living allowance	Cost of living adjustment (COLA) are assumed to be 3% of the first \$14,000 of the annual retirement allowance



**TOWN OF WEST TISBURY, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Mortality rates	RP-2014 Blue collar mortality table with full generational mortality improvements using scale MP-2020. For disabled members, the mortality rates were based on the RP-2014 blue collar mortality table set forward 1 year with full generational mortality improvement using scale MP-2020.
Investment Rate of Return/Discount	7.00% per year, net of pension plan investment expense, including inflation

**Investment policy**

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

**F. Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	10%	2.20%
Domestic equity	30%	9.10%
International equity	5%	6.60%
Real estate	5%	6.80%
Prit core	50%	6.80%
	<u>100%</u>	

For the year ended December 31, 2022 the System's annual money-weighted rate of return on pension plan investments net of pension plan investment expense was 18.66%. The money-weighted rate of return expresses investment performance net of pension plan investments expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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**G. Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates and that contributions from participating employers will be made in accordance with Sections 22D and 22F of chapter 32 of the Massachusetts General Laws and 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.

**H. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
West Tisbury share of the net pension liability	\$ 2,730,432	\$ 645,659	\$ 1,116,802

**I. Changes in Contribution Methodology**

Detailed information about the Pension Plan's Fiduciary Net Pension is available in a separately issued Dukes County Contributory Retirement System financial report.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

The Town participates in a number of federal award programs. However the Town is not subject to the provisions of the Single Audit Act Amendments of 1996, since the Town did not expend more than \$750,000 of federal awards during the period ended June 30, 2022. These programs may still be subject to financial and compliance audits. Accordingly, the amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is believed the amount, if any, would not be material.

The Town is a member of the Martha's Vineyard Regional Refuse and Resource Recovery District. The District previously operated a landfill based in the Town of West Tisbury, which was closed and capped. The Town is still responsible for post-closure monitoring of the site for 6 years and the estimated liability has been recorded in the Statement of Net position, Governmental Activities. The \$48,000 reported as landfill post-closure liability at June 30, 2022 is based on what it would cost to perform all post-closure care costs at June 30, 2022. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
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Various legal actions and claims are pending. 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, 2022, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2022.

**Note 15 – COVID-19**

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state's Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses.

In Fiscal Year 2021 the Town has incurred unanticipated costs specifically related to the pandemic. On March 27, 2020 the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment of funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect to COVID-19. The Commonwealth and communities throughout the Commonwealth were awarded a portion of the federal funding. In addition to the funding from the CARES Act, there are several other federal and state grants available to help offset these unanticipated costs.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

**NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During fiscal year 2022, the following GASB pronouncements were implemented:

The GASB issued **Statement #87**, *Leases*, which was implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #89**, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which was implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #92**, *Omnibus 2020*, which was implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #93**, *Replacement of Interbank Offered Rates*, which was implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

**TOWN OF WEST TISBURY, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The GASB issued **Statement #97**, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Service Code 457 Deferred Compensation Plans*, which was implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statements #98**, *The Annual Comprehensive Financial Report*. The requirements of this Statement was implemented for fiscal year ended June 30, 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

*Future GASB Pronouncements:*

The GASB issued **Statement #91**, *Conduit Debt Obligations* – which is required to be implemented in 2023. Earlier application is encouraged. The primary objectives of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. . Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #94**, *Public-Private and Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #96**, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #100**, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, which is required to be implemented in 2024. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #101**, *Compensated Absences*, which is required to be implemented in 2025. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

**TOWN OF WEST TISBURY, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
DUKE'S COUNTY CONTRIBUTORY RETIREMENT SYSTEM  
JUNE 30, 2022**

**Schedule of the Town's Proportionate Share of the Net Pension Liability**

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Town's proportion of the net pension liability	7.00%	7.00%	6.95%	6.95%	7.11%	7.11%	7.06%	7.06%
Town's proportionate share of the net pension liability	\$ 645,659	\$ 1,671,839	\$ 1,983,754	\$ 3,472,827	\$ 2,357,863	\$ 3,264,288	\$ 2,775,718	\$ 2,545,845
Town's covered-employee payroll	\$ 2,953,062	\$ 2,777,527	\$ 2,668,327	\$ 2,422,692	\$ 2,688,427	\$ 2,527,447	\$ 2,229,146	\$ 2,143,410
Town's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	21.86%	60.19%	74.34%	143.35%	87.70%	129.15%	124.52%	118.78%
Plan fiduciary net position as a percentage of the total pension liability	96.41%	89.76%	86.73%	75.54%	82.43%	74.21%	75.61%	76.17%

**Note:** This Town schedule is intended to present information for 10 years. Until a 10 year trend is compiled, information is presented for those years for which the information is available.

See note to Required Supplementary Information

**TOWN OF WEST TISBURY, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
DUKE'S COUNTY CONTRIBUTORY RETIREMENT SYSTEM  
JUNE 30, 2022**

**SCHEDULE OF TOWN'S CONTRIBUTION**

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Statutory required contribution	\$ 560,965	\$ 549,853	\$ 518,240	\$ 501,305	\$ 477,434	\$ 421,587	\$ 378,544	\$ 341,840
Contribution in relation to the statutory required contribution	<u>(560,965)</u>	<u>(549,853)</u>	<u>(518,240)</u>	<u>(501,305)</u>	<u>(477,434)</u>	<u>(421,587)</u>	<u>(378,544)</u>	<u>(341,840)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 2,953,062	\$ 2,777,527	\$ 2,668,327	\$ 2,422,692	\$ 2,688,427	\$ 2,527,447	\$ 2,229,146	\$ 2,143,410
Contribution as a percentage of covered - employee payroll	19.00%	19.80%	19.42%	20.69%	17.76%	16.68%	16.98%	15.95%

**Note:** This Town schedule is intended to present information for 10 years. Until a 10 year trend is compiled, information is presented for those years for which the information is available.

See note to Required Supplementary Information

**TOWN OF WEST TISBURY, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS  
JUNE 30, 2022**

**Schedule of the Town's Net OPEB Liability and Related Ratios**

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>						
Service Cost	\$ 172,525	\$ 176,453	\$ 162,583	\$ 135,312	\$ 130,312	\$ 125,300
Interest	366,546	375,634	365,269	285,500	270,883	254,847
Changes of benefit terms	-	-	(167,800)	-	(11,317)	-
Differences between expected and actual experience	-	(561,044)	-	367,715	-	-
Changes of assumptions	(16,413)	421,787	351,349	480,479	-	-
Benefit Payments	(228,867)	(213,898)	(244,751)	(220,618)	(179,359)	(163,342)
Net Change in total OPEB liability	293,791	198,932	466,650	1,048,388	210,519	216,805
Total OPEB liability-beginning	5,495,631	5,296,699	4,830,049	3,781,661	3,571,142	3,354,337
Total OPEB liability-ending (a)	5,789,422	5,495,631	5,296,699	4,830,049	3,781,661	3,571,142
<b>Plan fiduciary net position</b>						
Contributions-employer	428,867	313,898	544,751	420,618	379,359	313,342
Net investment income	(367,549)	805,718	101,801	108,269	77,783	66,660
Benefit payments	(228,867)	(213,898)	(244,751)	(220,618)	(179,359)	(163,342)
Net change in plan fiduciary net position	(167,549)	905,718	401,801	308,269	277,783	216,660
Plan fiduciary net position - beginning	3,545,561	2,639,843	2,238,042	1,929,773	1,651,990	1,435,330
Plan fiduciary net position - ending (b)	3,378,012	3,545,561	2,639,843	2,238,042	1,929,773	1,651,990
<b>Town's net OPEB liability-ending (a)-(b)</b>	<b>\$ 2,411,410</b>	<b>\$ 1,950,070</b>	<b>\$ 2,656,856</b>	<b>\$ 2,592,007</b>	<b>\$ 1,851,888</b>	<b>\$ 1,919,152</b>
Plan fiduciary net position as a percentage of total OPEB liability	58.35%	64.52%	49.84%	46.34%	51.03%	46.26%
Covered-employee payroll	3,196,779	3,106,308	2,797,279	2,785,901	2,673,765	2,453,455
Plan's net OPEB liability as a percentage of covered-employee payroll	75.43%	62.78%	94.98%	93.04%	69.26%	78.22%

**Note:** This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available

See notes to required supplementary information.

**TOWN OF WEST TISBURY, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS  
JUNE 30, 2022**

<b>Schedule of the Town's Contribution</b>						
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Actuarially determined contribution	\$ 286,821	\$ 336,102	\$ 327,373	\$ 254,485	\$ 246,760	\$ 235,328
Contributions in relation to the actuarially determined contribution	<u>(428,867)</u>	<u>(313,898)</u>	<u>(544,751)</u>	<u>(420,618)</u>	<u>(379,359)</u>	<u>(313,342)</u>
Contribution deficiency (excess)	<u>\$ (142,046)</u>	<u>\$ 22,204</u>	<u>\$ (217,378)</u>	<u>\$ (166,133)</u>	<u>\$ (132,599)</u>	<u>\$ (78,014)</u>
Covered-employee payroll	\$ 3,196,779	\$ 3,106,308	\$ 2,797,279	\$ 2,785,901	\$ 2,673,765	\$ 2,453,455
Contributions as a percentage of covered payroll	13.42%	10.11%	19.47%	15.10%	14.19%	12.77%

**Note:** This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.



**TOWN OF WEST TISBURY, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS  
JUNE 30, 2022**

	<b>Schedule of Investment Return</b>					
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Annual money-weighted rate of return, net of investment expenses	-9.99%	30.08%	4.31%	5.27%	4.40%	4.36%

**Note:** This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

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**TOWN OF WEST TISBURY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2022**

**Pension Plan Schedules**

**A. Schedule of the Town's Proportionate Share of the Net Pension Liability**

The Schedule of Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability; the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

**B. Schedule of Town's Contribution**

Governmental employees are required to pay an annual appropriation as established by PERAC. The 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 System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1, and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town Based on the member units actuarially determined total liability at the beginning of the measurement period.

**C. Change in Assumption** – Discount rate was reduced from 7.5% to 7.00% as of June 30, 2022

**D. Changes in Plan Provisions** – None

**Other Postemployment Benefits Schedules**

**A. Schedule of the Town's Net OPEB Liability and Related Ratios**

The Schedule of the Town's Net OPEB Liability and Related Ratios presents multi-year trend information on changes in the plan's total OPEB liability, changes in the plan's net position, and ending net OPEB liability. It also demonstrates the plan's net position as a percentage of the total liability and the plan's net OPEB liability as a percentage of covered-employee payroll.

**B. Schedule of the Town's Contribution**

The Schedule of the Town's contributions includes the Town's annual required contribution to the plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll.

**C. Schedule of Investment Return**

The Schedule of Investment Return includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

**D. Changes in Provisions** – None

**E. Changes in Assumptions** – None