

Mark Pruhenski
Town Manager

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TOWN OF GREAT BARRINGTON MASSACHUSETTS

OFFICE OF THE TOWN MANAGER

Selectboard and Finance Committee Joint Meeting via Zoom (only)

Order of Agenda for Monday, May 15, 2023 at 6:00 PM

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/84727797185?pwd=NDFRUjFITE12eDN3bE5LaTnBQ0RmZz09>

Webinar ID: 84727797185

Dial-in, audio-only: (929) 205 6099

Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and Governor Healey's March 29, 2023 Revised Order extending remote participation by all members in any meeting of a public body, this meeting of the Selectboard will be conducted via remote participation to the greatest extent possible. Specific information and the general guidelines for remote participation by members of the public and/or parties with a right and/or requirement to attend this meeting can be found on town's website, at www.townofgb.org.

1. Call to order
2. Approval of budget meeting minutes
 - a. February 28, 2023
 - b. March 1, 2023
 - c. March 7, 2023
 - d. March 22, 2023
3. Review and vote on year end budget transfers
4. Audit presentation
 - a. FY21 (July 1, 2020 to June 30, 2021)
 - b. FY22 (July 1, 2021 to June 30, 2022)
5. Citizen speak time
6. Selectboard's time
7. Media time
8. Adjournment

Citizen Speak Time is an opportunity for the Selectboard to listen to residents. Topics of particular concern or importance may be placed on a future agenda for discussion. This time is reserved for town residents only unless otherwise permitted by the chair, and speakers are limited to 3 minutes each.

Next Selectboard meeting

Monday, May 22, 2023

Monday June 12, 2023

Monday, June 26, 2023

Mark Pruhenski, Town Manager

Pursuant to MGL 7c. 30A sec. 20 (f), after notifying the chair of the public body, any person may make a video or audio recording of an open session of a meeting of a public body, or may transmit the meeting through any medium. At the beginning of the meeting, the chair shall inform other attendees of any such recordings. Any member of the public wishing to speak at the meeting must receive permission of the chair. The listings of agenda items are those reasonably anticipated by the chair, which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may be brought up for discussion to the extent permitted by law.

Part I ADMINISTRATION OF THE GOVERNMENT**Title VII** CITIES, TOWNS AND DISTRICTS**Chapter 44** MUNICIPAL FINANCE**Section 33B** TRANSFER OF APPROPRIATIONS; RESTRICTIONS

Section 33B. (a) On recommendation of the mayor, the city council may, by majority vote, transfer any amount appropriated for the use of any department to another appropriation for the same department. In addition, the city council may, by majority vote, on recommendation of the mayor, transfer within the last 2 months of any fiscal year, or during the first 15 days of the new fiscal year, to apply to the previous fiscal year, any amount appropriated, other than for the use of a municipal light department or a school department, to any other appropriation. Except as provided in the preceding sentence, no transfer shall be made of any amount appropriated for the use of any city department to the appropriation for any other department except by a 2/3 vote of the city council on recommendation of the mayor and with the written approval of the amount of the transfer by the department having control of the appropriation from which the transfer is proposed to be made. No transfer involving a municipal light department or a school department shall be

made under the previous sentence without the approval of the amount of the transfer by a vote of the municipal light department board or by a vote of the school committee, respectively.

(b) A town may, by majority vote at any meeting duly held, transfer any amount previously appropriated to any other use authorized by law. Alternatively, the selectmen, with the concurrence of the finance committee or other entity established under section 16 of chapter 39, may transfer within the last 2 months of any fiscal year, or during the first 15 days of the new fiscal year to apply to the previous fiscal year, any amount appropriated, other than for the use of a municipal light department or a school department, to any other appropriation.

(c) No approval other than that expressly provided in this section shall be required for any transfer under this section.



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TOWN OF GREAT BARRINGTON MASSACHUSETTS

Year-end Transfer

May 11, 2023

TO: Selectboard Board and Finance Committee
FROM: Allison M. Crespo, Town Accountant/Financial Services Coordinator
RE: Year-end Transfer Request

I am respectfully requesting a transfer of funds from the following line items within my budget. Please see attached for detailed explanation.

	Org	Obj	Account Name	Amount
From:	01543	57700	Veterans Benefits (Veterans)	\$17,385.00
To:	01141	53010	Contract Services (Assessors)	\$17,385.00

Department Head: (circulating for approvals) Date: _____

Town Accountant: _____ Date: _____

Town Manager: _____ Date: _____

Approved:

Finance Committee: _____

Selectboard: _____

Reason for Transfer:

To reallocate funds for unanticipated contractual services expense increases throughout the fiscal year.



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I am respectfully requesting a transfer of funds from the following line items within my budget. Please see attached for detailed explanation.

	Org	Obj	Account Name	Amount
From:	01122	52000	Contracted Srvcs (Selectboard/Town Mngr)	\$3,000.00
	01177	56410	BRGC (Planning/Comm Dev)	\$2,000.00
	01177	57100	Travel/Training (Planning/Comm Dev)	\$487.16
	01945	51740	Health/Life Insurance (Insurance)	\$34,000.00
To:	01122	51200	Intern (Selectboard/Town Mngr)	\$3,000.00
	01122	52000	Contracted Srvcs (Selectboard/Town Mngr)	\$2,000.00
	01122	52000	Contracted Srvcs (Selectboard/Town Mngr)	\$487.16
	01122	52000	Contracted Srvcs (Selectboard/Town Mngr)	\$34,000.00

Department Head: _____ Date: _____

Department Head: _____ Date: _____

Town Accountant: _____ Date: _____

Town Manager: _____ Date: _____

Approved:

Finance Committee: _____

Selectboard: _____

Reason for Transfer:

To reallocate funds for additional intern services and public relations expenses for the fiscal year.



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TO: Selectboard Board and Finance Committee
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RE: Year-end Transfer Request

I am respectfully requesting a transfer of funds from the following line items within my budget. Please see attached for detailed explanation.

	Org	Obj	Account Name	Amount
From:	01511	57800	Supplies (Health)	\$100.00
	01177	54200	Office Supplies (Planning/Comm Dev)	\$100.00
	01176	51113	ZBA Clerk (Zoning)	\$500.00
	01176	54200	Office Supplies (Zoning)	\$100.00
To:	01146	53430	Postage (Collector/Treasurer)	\$800.00

Department Head: (circulating for approvals) _____ Date: _____

Department Head: (circulating for approvals) _____ Date: _____

Town Accountant: _____ Date: _____

Town Manager: _____ Date: _____

Approved:

Finance Committee: _____

Selectboard: _____

Reason for Transfer:

To reallocate funds for unanticipated increase in postage costs throughout the fiscal year.



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May 11, 2023

TO: Selectboard Board and Finance Committee
 FROM: Allison M. Crespo, Town Accountant/Financial Services Coordinator
 RE: Year-end Transfer Request

I am respectfully requesting a transfer of funds from the following line items within my budget. Please see attached for detailed explanation.

	Org	Obj	Account Name	Amount
From:	01210	51128	Community Outreach (Police)	\$5,000.00
	01210	57100	Travel (Police)	\$10,000.00
	01422	51420	Longevity (DPW-Highway)	\$600.00
	01241	51108	Assistant Building Inspector (Bldg Insp)	\$28,500.00
	01152	51106	Benefits Coordinator (Human Resources)	\$18,509.00
	01131	51900	Contingency (Fin Comm)	\$17,500.00
	01543	57700	Veterans Benefits (Veterans)	\$4,758.00
To:	01210	51300	Overtime (Police)	\$15,000.00
	01192	51420	Longevity (Buildings & Grounds)	\$600.00
	01122	51108	Town Manager (Selectboard/Town Mngr)	\$22,650.00
	01146	51106	Collector/Treasurer (Collector/Treasurer)	\$6,000.00
	01146	51107	Asst Collector (Collector/Treasurer)	\$2,148.00
	01146	51108	Asst Treasurer (Collector/Treasurer)	\$2,000.00
	01177	51107	Asst Town Manager (Planning/Comm Dev)	\$10,550.00
	01135	51114	A/P Clerk (Accounting)	\$3,661.00
	01135	51107	Town Accountant (Accounting)	\$22,258.00

Department Head: (circulating for approvals) Date: _____

Department Head: (circulating for approvals) Date: _____

Department Head: (circulating for approvals) Date: _____

Department Head: (circulating for approvals) Date: _____

Department Head: (circulating for approvals) Date: _____

Town Accountant: _____ Date: _____

Town Manager: _____ Date: _____

Approved:

Finance Committee: _____

Selectboard: _____

Reason for Transfer:

To reallocate funds for salary increases approved by the Selectboard; longevity that was budgeted to the incorrect department; overage in Town Accountant line due to temporary services of prior Town Accountant during absence/transition timeframe and additional Police overtime expenses due 6 vacant positions at this time.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS

**Report on the Examination
Of Basic Financial Statements**

For the Year Ended June 30, 2021

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Report on the Examination of Basic Financial Statements
For the Year Ended June 30, 2021

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Independent Auditor's Report

To the Honorable Selectboard
Town of Great Barrington, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Great Barrington, Massachusetts, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Great Barrington, Massachusetts' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Great Barrington, Massachusetts, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan and other post employment benefit plan schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Great Barrington, Massachusetts' basic financial statements. The Supplementary Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Scanlon & Associates, LLC
South Deerfield, Massachusetts

August 20, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Great Barrington, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$35,752,617 (net position) for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$33,500,406, or an increase of \$2,252,211 (7%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$18,704,564, an increase of \$5,656,131 (43%) in comparison with prior year.
- The General Fund's total fund balance increased \$2,745,167 (27%) to \$13,082,127. The ending General fund balance is 41% of revenues and transfers in; and 45% of expenditures and transfers out.
- Total liabilities of the Town increased by \$1,321,847 (3%) to \$47,178,825 during the fiscal year. This change was mainly the result of net increases in the bonds payable of \$3,658,068 and in the OPEB liability of \$1,375,557; and net decreases in bond anticipation notes payable of \$2,429,421 and in the pension liability of \$1,527,057.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$6,481,554. The key factors that attributed to the free cash amount for fiscal year 2021 were unexpended/unencumbered appropriations of \$1,410,200, excess over budget state and local receipts of \$4,095,600 and prior year free cash not appropriated of \$1,242,600.
- The Town's enterprise funds certified free cash is as follows:
 - Sewer fund \$ 5,698,405.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activities include the sewer 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 categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows 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 financial 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 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 decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The Town of Great Barrington 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.

Proprietary funds. The Town maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sewer activities.

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

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

Financial Highlights

Statement of Net Position Highlights

	Governmental Activities		
	2021	2020	Change
Assets:			
Current assets	\$ 25,799,643	\$ 21,179,678	\$ 4,619,965
Capital assets	36,611,924	36,850,686	(238,762)
Total assets	62,411,567	58,030,364	4,381,203
Deferred Outflows of Resources	4,288,572	5,177,580	(889,008)
Liabilities:			
Current liabilities (excluding debt)	996,340	782,621	213,719
Current debt	4,572,869	5,858,971	(1,286,102)
Noncurrent liabilities (excluding debt)	21,000,462	21,117,403	(116,941)
Noncurrent debt	9,362,999	6,725,000	2,637,999
Total liabilities	35,932,670	34,483,995	1,448,675
Deferred Inflows of Resources	2,963,227	2,873,618	89,609
Net Position:			
Net investment in capital assets	22,676,056	24,266,715	(1,590,659)
Restricted	8,609,101	6,933,536	1,675,565
Unrestricted	(3,480,915)	(5,349,920)	1,869,005
Total net position	\$ 27,804,242	\$ 25,850,331	\$ 1,953,911

	Business-Type Activities		
	2021	2020	Change
Assets:			
Current assets	\$ 7,501,667	\$ 6,956,009	\$ 545,658
Capital assets	11,525,318	11,806,838	(281,520)
Total assets	19,026,985	18,762,847	264,138
Deferred Outflows of Resources	494,326	576,857	(82,531)
Liabilities:			
Current liabilities (excluding debt)	231,499	173,141	58,358
Current debt	805,047	1,492,391	(687,344)
Noncurrent liabilities (excluding debt)	2,386,081	2,448,017	(61,936)
Noncurrent debt	7,823,528	7,259,434	564,094
Total liabilities	11,246,155	11,372,983	(126,828)
Deferred Inflows of Resources	326,781	316,646	10,135
Net Position:			
Net investment in capital assets	2,896,743	3,055,013	(158,270)
Restricted	1,061,203	870,657	190,546
Unrestricted	3,990,429	3,724,405	266,024
Total net position	\$ 7,948,375	\$ 7,650,075	\$ 298,300

Financial Highlights

Statement of Activities Highlights

	Governmental Activities		
	2021	2020	Change
Program Revenues:			
Charges for services	\$ 1,019,205	\$ 1,087,548	\$ (68,343)
Operating grants and contributions	821,052	841,304	(20,252)
Capital grants and contributions	698,579	1,069,035	(370,456)
General Revenues:			
Property taxes	24,935,687	24,421,319	514,368
Motor vehicle excise and other taxes	993,142	931,118	62,024
Hotel room occupancy, meals and cannabis taxes	2,567,861	2,324,176	243,685
Penalties and interest on taxes	206,541	141,705	64,836
Nonrestricted grants	2,728,070	2,621,333	106,737
Unrestricted investment income	66,989	123,768	(56,779)
Miscellaneous	709	-	709
Total revenues	34,037,835	33,561,306	476,529
Expenses:			
General government	3,194,298	3,207,578	(13,280)
Public safety	3,469,921	3,477,870	(7,949)
Public works	2,941,971	2,625,325	316,646
Education	17,600,205	16,730,161	870,044
Health and human services	366,621	412,442	(45,821)
Culture and recreation	959,814	1,031,661	(71,847)
Employee benefits and insurance	3,290,921	3,368,839	(77,918)
State assessments	83,081	79,652	3,429
Interest	361,692	362,868	(1,176)
Total expenses	32,268,524	31,296,396	972,128
Net (expenses) revenues	1,769,311	2,264,910	(495,599)
Contributions to permanent funds	4,600	4,650	(50)
Transfers	180,000	163,100	16,900
Change in net position	1,953,911	2,432,660	(478,749)
Net position - beginning of year	25,850,331	23,417,671	2,432,660
Net position - end of year	\$ 27,804,242	\$ 25,850,331	\$ 1,953,911

	Business-Type Activities		
	2021	2020	Change
Program Revenues:			
Charges for services	\$ 2,356,080	\$ 2,379,287	\$ (23,207)
Operating grants and contributions	18,899	61,511	(42,612)
Total revenues	2,374,979	2,440,798	(65,819)
Expenses:			
Sewer	1,896,679	2,029,934	(133,255)
Total expenses	1,896,679	2,029,934	(133,255)
Net (expenses) revenues	478,300	410,864	67,436
Transfers	(180,000)	(163,100)	(16,900)
Change in net position	298,300	247,764	50,536
Net position - beginning of year	7,650,075	7,402,311	247,764
Net position - end of year	\$ 7,948,375	\$ 7,650,075	\$ 298,300

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,752,617 at the close of fiscal year 2021.

Net position of \$25,572,799 (72%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its 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.

An additional portion of the net position, \$9,670,304 (27%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$509,514 (1%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in two categories of net position and a negative balance in the unrestricted category in the governmental activities. The unrestricted governmental activities resulted in a negative balance mainly due to the accrual of the OPEB and pension liabilities that are required under GASB to be recognized in the Town's financial statements. These liabilities are presented on the statement of net position.

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net position for its business-type activities and for the government as a whole.

The governmental activities net position increased by \$1,953,911 (8%) during the current fiscal year. The key elements of the increase in net position for fiscal year 2021 are attributed to net increases in governmental fund's balances of \$5,656,131 and in the change to the pension liability of \$1,386,282; and net decreases resulting from the changes in the repayment of debt \$3,084,018, in the OPEB liability of \$1,279,367 and in the deferred outflows/(inflows) of resources related to pensions of \$852,240.

There was an increase of \$298,300 (4%) in net position reported in the sewer business-type activities.

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 *spendable* resources. Such information is useful in assessing financing requirements. In particular, the general fund *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 \$18,704,564, an increase of \$5,656,131 (43%) in comparison with the prior year.

Breakdown of the governmental funds are as follows:

- Non-spendable fund balance – \$304,315 (2%).
- Restricted fund balance – \$5,046,241 (27%).
- Committed fund balance – \$1,141,794 (6%).
- Assigned fund balance – \$4,756,238 (25%).
- Unassigned fund balance – \$7,455,976 (40%).

Major Governmental Funds

At the end of the fiscal year, the General Fund reported a total fund balance of \$13,082,127 increasing \$2,745,167 (27%) from the prior year. Of the \$13,082,127, the unassigned amount is \$8,316,178 (63.6%), the assigned amount is \$4,756,238 (36.3%) and the committed amount is \$9,711 (.1%). General fund revenues were \$1,237,268 (4%) more than the prior fiscal year and expenditures also increased by \$1,477,599 (5%). Other activity in the General Fund consisted of net transfers in from other funds of \$179,994.

The main components of the increase in general fund revenues were related to increases in property taxes of \$872,378 (4%) and in hotel room occupancy, meals and cannabis taxes of \$243,685 (10%) from the prior year.

The major changes in general fund expenditures from the prior fiscal year were as follows:

- Increase in General government expenditures of \$322,155 (16%).
- Increase in Public works expenditures of \$108,022 (7%).
- Increase in Education expenditures of \$870,044 (5%).
- Increase in Debt service expenditures (principal and interest) of \$164,211 (10%).

The *Town Capital Projects Fund* is used to account for financial resources to be used for the acquisition vehicles and equipment, and the construction of major capital facilities and infrastructure. The fund has a balance of \$267,332 at the end of the year. The fund shows an increase of \$2,775,655 (111%), mainly as a result of debt issued. This change is attributed to other receipts of \$3,093, expenditures of \$1,799,330, transfers in of \$4,700 and the issuance of debt and premiums of \$4,567,192. The Town has also issued bond anticipation notes totaling \$2,851,850 which are not reflected in the Fund Balance. Permanent financing will be done once these projects near completion which will eliminate any deficits.

Proprietary funds. The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Major Proprietary Funds

The *Sewer Fund* has accumulated a fund balance of \$7,948,375 used in the financing and operations of the Town's sewer system. The fund shows an increase of \$298,300 (4%) in total operations. This change is attributed to operating revenues exceeding operating expenses by \$648,939, interest income of \$18,899, interest expense of \$189,538 and net transfers out to the governmental funds of \$180,000. Operating revenues decreased by \$23,207 (1%) and operating expenses also decreased by \$130,420 (7%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2021 was \$30,850,110. This was an increase of \$1,681,645 (6%) from the previous year's budget.

There were adjustments between the total original budget and the total final amended budget for various budget operating line items.

General fund expenditures were less than budgeted by \$1,794,285. Of the \$1,794,285 in under budget expenditures, \$384,038 has been carried over to fiscal year 2022.

There is a negative variance in property taxes of \$412,508 as expectations (budget) were higher than the receipts.

Overall, the variance with the final budget was a positive \$5,093,322 consisting of a revenue surplus of \$3,683,075 and an appropriation surplus of \$1,410,247.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$36,611,924 and \$11,525,318, respectively.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year in the governmental type funds included the following:

- Property purchase for \$169,685.
- Police Station improvements for \$80,750.
- Police vehicle and equipment purchases for \$116,916.
- Fire Department vehicle and equipment purchases for \$70,922.
- Highway vehicle and equipment purchases for \$778,222.
- Road and sidewalk infrastructure improvements for \$902,290.
- Parks' improvements for \$3,595.

Major capital events during the current fiscal year in the business-type funds included the following:

Sewer fund:

- Infrastructure improvements for \$155,965.

Debt Administration. The Town's outstanding governmental debt as of June 30, 2021 totaled \$10,572,099 for various building improvements, vehicles and equipment, and infrastructure improvements.

The governmental activities currently have \$2,851,850 in bond anticipation notes outstanding for multiple capital activities.

The Town's outstanding business-type debt as of June 30, 2021 totaled \$8,222,335 consisting of various sewer system improvements.

The business-type activities currently have \$332,700 in bond anticipation notes outstanding for phase II of the sewer improvement project.

Please refer to notes 3D, 3E and 3F for further discussion of the major capital and debt activity.

Next Year's Annual Town Meeting

The Town of Great Barrington operates under the "Open Meeting" concept where each voter has an equal vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2021 do not reflect the fiscal year 2022 Town Meeting actions with exception of the free cash amount used to fund the budget. The Annual Town Meeting on June 7, 2021 authorized the fiscal year 2022 operating and capital budgets as follows:

From raise and appropriate		\$ 27,999,436
From sewer receipts	\$ 2,414,500	
From sewer retained earnings	<u>20,000</u>	2,434,500
From Other Available Funds:		
General Fund:		
Unassigned fund balance:		
Free cash		4,372,200
Non-major Governmental Funds:		
Community preservation fund		<u>1,197,959</u>
		<u>\$ 36,004,095</u>

Requests for Information

This financial report is designed to provide a general overview of the Town of Great Barrington's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager, Town Hall, 334 Main Street, Great Barrington, Massachusetts 01230.

BASIC FINANCIAL STATEMENTS

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 19,706,274	\$ 6,919,436	\$ 26,625,710
Investments	2,024,355	-	2,024,355
Receivables, net of allowance for uncollectibles:			
Property Taxes	1,495,178	-	1,495,178
Tax Liens	738,384	-	738,384
Excise Taxes	296,496	-	296,496
Departmental	28,315	-	28,315
User Charges	-	582,231	582,231
Due from Other Governments	1,510,641	-	1,510,641
Total current assets	25,799,643	7,501,667	33,301,310
NONCURRENT:			
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	5,935,610	392,636	6,328,246
Depreciable	30,676,314	11,132,682	41,808,996
Total noncurrent assets	36,611,924	11,525,318	48,137,242
Total Assets	62,411,567	19,026,985	81,438,552
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	650,760	65,936	716,696
Deferred Outflows Related to OPEB	3,637,812	428,390	4,066,202
Total Deferred Outflows of Resources	4,288,572	494,326	4,782,898
LIABILITIES			
CURRENT:			
Warrants Payable	651,946	139,922	791,868
Accrued Payroll	51,109	5,297	56,406
Payroll Withholdings	85,291	-	85,291
Tax Refund Payable	62,000	-	62,000
Other	13,819	-	13,819
Accrued Interest	79,423	76,475	155,898
Compensated Absences	37,752	9,805	47,557
Landfill Post-Closure Care Costs	15,000	-	15,000
Bond Anticipation Notes Payable	2,851,850	332,700	3,184,550
Bonds Payable	1,721,019	472,347	2,193,366
Total current liabilities	5,569,209	1,036,546	6,605,755
NONCURRENT:			
Compensated Absences	216,065	18,282	234,347
Landfill Post-Closure Care Costs	75,000	-	75,000
Net OPEB Liability	19,706,910	2,266,226	21,973,136
Net Pension Liability	1,002,487	101,573	1,104,060
Bonds Payable	9,362,999	7,823,528	17,186,527
Total noncurrent liabilities	30,363,461	10,209,609	40,573,070
Total Liabilities	35,932,670	11,246,155	47,178,825
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,348,662	136,649	1,485,311
Deferred Inflows Related to OPEB	1,614,565	190,132	1,804,697
Total Deferred Inflows of Resources	2,963,227	326,781	3,290,008
NET POSITION			
Net Investment in Capital Assets	22,676,056	2,896,743	25,572,799
Restricted for:			
Capital Projects	3,119,182	1,061,203	4,180,385
Federal & State Grants	1,842,308	-	1,842,308
Community Preservation	1,754,804	-	1,754,804
Permanent Funds:			
Expendable	29,039	-	29,039
Nonexpendable	304,315	-	304,315
Other Purposes	1,559,453	-	1,559,453
Unrestricted	(3,480,915)	3,990,429	509,514
Total Net Position	\$ 27,804,242	\$ 7,948,375	\$ 35,752,617

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 3,194,298	\$ 317,820	\$ 522,297	\$ -	\$ (2,354,181)	\$ -	\$ (2,354,181)
Public Safety	3,469,921	498,376	112,627	-	(2,858,918)	-	(2,858,918)
Public Works	2,941,971	65,443	18,889	698,579	(2,159,060)	-	(2,159,060)
Education	17,600,205	-	-	-	(17,600,205)	-	(17,600,205)
Health and Human Services	366,621	133,996	104,657	-	(127,968)	-	(127,968)
Culture and Recreation	959,814	3,570	25,122	-	(931,122)	-	(931,122)
Employee Benefits and Insurance	3,290,921	-	37,460	-	(3,253,461)	-	(3,253,461)
Intergovernmental Assessments	83,081	-	-	-	(83,081)	-	(83,081)
Interest	361,692	-	-	-	(361,692)	-	(361,692)
Total Governmental Activities	32,268,524	1,019,205	821,052	698,579	(29,729,688)	-	(29,729,688)
Business-Type Activities:							
Sewer	1,896,679	2,356,080	18,899	-	-	478,300	478,300
Total Primary Government	\$ 34,165,203	\$ 3,375,285	\$ 839,951	\$ 698,579	(29,729,688)	478,300	(29,251,388)
General Revenues:							
Property Taxes					24,935,687	-	24,935,687
Motor vehicle and other excise taxes					993,142	-	993,142
Hotel room occupancy, meals and cannabis taxes					2,567,861	-	2,567,861
Penalties & Interest on taxes					206,541	-	206,541
Grants & Contributions not restricted to specific programs					2,728,070	-	2,728,070
Unrestricted Investment Income					66,989	-	66,989
Miscellaneous					709	-	709
Contributions to Permanent Funds					4,600	-	4,600
Transfers, net					180,000	(180,000)	-
Total General Revenues, Contributions and Transfers					31,683,599	(180,000)	31,503,599
Change in Net Position					1,953,911	298,300	2,252,211
Net Position:							
Beginning of year					25,850,331	7,650,075	33,500,406
End of year					\$ 27,804,242	\$ 7,948,375	\$ 35,752,617

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Town Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 11,304,694	\$ 3,133,524	\$ 5,268,056	\$ 19,706,274
Investments	2,024,355	-	-	2,024,355
Receivables, net of allowance for uncollectibles:				
Property Taxes	1,465,961	-	29,217	1,495,178
Tax Liens	729,515	-	8,869	738,384
Excise Taxes	296,496	-	-	296,496
Departmental	28,315	-	-	28,315
Due from Other Governments	118,339	-	1,392,302	1,510,641
Total Assets	\$ 15,967,675	\$ 3,133,524	\$ 6,698,444	\$ 25,799,643
Liabilities:				
Warrants Payable	\$ 538,040	\$ 14,342	\$ 99,564	\$ 651,946
Accrued Payroll	49,701	-	1,408	51,109
Employee Withholdings	85,291	-	-	85,291
Tax Refund Payable	62,000	-	-	62,000
Other	-	-	13,819	13,819
Bond Anticipation Notes Payable	-	2,851,850	-	2,851,850
Total Liabilities	735,032	2,866,192	114,791	3,716,015
Deferred Inflows of Resources - Unavailable Revenue	2,150,516	-	1,228,548	3,379,064
Fund Balance:				
Nonspendable	-	-	304,315	304,315
Restricted	9,711	1,089,185	3,947,345	5,046,241
Committed	-	-	1,141,794	1,141,794
Assigned	4,756,238	-	-	4,756,238
Unassigned	8,316,178	(821,853)	(38,349)	7,455,976
Total Fund Balance	13,082,127	267,332	5,355,105	18,704,564
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 15,967,675	\$ 3,133,524	\$ 6,698,444	\$ 25,799,643

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Town Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 24,313,760	\$ -	\$ 547,753	\$ 24,861,513
Intergovernmental	1,209,904	-	915,957	2,125,861
Excise and Other Taxes	915,891	-	-	915,891
Hotel Room Occupancy, Meals and Cannabis Taxes	2,567,861	-	-	2,567,861
Licenses, Permits, Fees	2,342,920	-	-	2,342,920
Charges for Services	-	-	318,908	318,908
Interest on Taxes	203,673	-	2,868	206,541
Investment Income	66,989	-	16,974	83,963
Gifts and Donations	-	-	54,968	54,968
Other	-	3,093	31,949	35,042
Total Revenues	31,620,998	3,093	1,889,377	33,513,468
Expenditures:				
Current:				
General Government	2,330,982	20,000	876,675	3,227,657
Public Safety	2,478,746	375,317	314,618	3,168,681
Public Works	1,553,906	1,400,980	302,591	3,257,477
Education	17,600,205	-	-	17,600,205
Health and Human Services	316,694	-	41,800	358,494
Culture and Recreation	541,555	3,033	142,011	686,599
Employee Benefits and Insurance	2,347,540	-	71,679	2,419,219
Intergovernmental Assessments	83,081	-	-	83,081
Debt Service:				
Principal	1,483,174	-	-	1,483,174
Interest	319,942	-	-	319,942
Total Expenditures	29,055,825	1,799,330	1,749,374	32,604,529
Excess of Revenues Over (Under) Expenditures	2,565,173	(1,796,237)	140,003	908,939
Other Financing Sources (Uses):				
Operating Transfers In	180,000	4,700	6	184,706
Operating Transfers Out	(6)	-	(4,700)	(4,706)
Bond Premium	-	331,919	-	331,919
Proceeds From the Issuance of Bonds	-	4,235,273	-	4,235,273
Total Other Financing Sources (Uses)	179,994	4,571,892	(4,694)	4,747,192
Net Change in Fund Balances	2,745,167	2,775,655	135,309	5,656,131
Fund Balances, Beginning of Year	10,336,960	(2,508,323)	5,219,796	13,048,433
Fund Balances, End of Year	\$ 13,082,127	\$ 267,332	\$ 5,355,105	\$ 18,704,564

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2021

Total Governmental Fund Balances		\$	18,704,564
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.			36,611,924
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.			3,379,064
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.			1,325,345
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:			
Bonds Payable	\$	(11,084,018)	
Landfill Post-Closure Care Costs		(90,000)	
Net Other Post Employment Benefits Liability		(19,706,910)	
Net Pension Liability		(1,002,487)	
Compensated Absences		(253,817)	(32,137,232)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due.			<u>(79,423)</u>
Net Position of Governmental Activities		\$	<u><u>27,804,242</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	5,656,131
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and are reported as depreciation expense:</p>		
Capital Outlay Purchases	\$ 2,122,380	
Depreciation	<u>(2,361,142)</u>	(238,762)
<p>Revenue 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 inflow - unavailable revenue.</p>		
		528,967
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>		
Repayment of Debt Principal	1,483,174	
Premium from the Issuance of Bonds and Notes	(331,919)	
Proceeds from Issuance of Bonds and Notes	<u>(4,235,273)</u>	(3,084,018)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Net Change in Compensated Absences	(9,955)	
Net Change in Landfill Post-Closure Care Costs	15,000	
Net Change in Net Other Post Employment Benefit Liability	(1,279,367)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	(126,377)	
Net Change in Net Pension Liability	1,386,282	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	(852,240)	
Net Change in Accrued Interest	<u>(41,750)</u>	(908,407)
Change in Net Position of Governmental Activities	\$	<u><u>1,953,911</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
 (NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried		Final Budget			
	Forward from Prior Year	Original Budget				
Revenues:						
Property Taxes	\$ -	\$ 24,506,268	\$ 24,506,268	\$ 24,093,760	\$ -	\$ (412,508)
Intergovernmental	-	1,174,825	1,174,825	1,209,904	-	35,079
Excise and Other Taxes	-	605,000	605,000	915,891	-	310,891
Hotel Room Occupancy, Meals and Cannabis Taxes	-	555,000	555,000	2,567,861	-	2,012,861
Licenses, Permits, Fees	-	739,500	739,500	2,342,920	-	1,603,420
Interest on Taxes	-	75,000	75,000	203,673	-	128,673
Investment Income	-	50,000	50,000	54,659	-	4,659
Total Revenues	-	27,705,593	27,705,593	31,388,668	-	3,683,075
Expenditures:						
Current:						
General Government	416,295	2,637,177	2,933,860	2,330,982	345,000	257,878
Public Safety	9,448	2,548,479	2,614,749	2,478,746	15,327	120,676
Public Works	9,608	1,623,933	1,683,189	1,553,906	8,575	120,708
Education	-	17,690,344	17,690,344	17,600,205	-	90,139
Health and Human Services	-	433,636	437,305	316,694	-	120,611
Culture and Recreation	172	683,958	693,603	541,555	-	152,048
Employee Benefits and Insurance	-	2,910,863	2,910,863	2,347,540	15,136	548,187
Intergovernmental Assessments	-	83,081	83,081	83,081	-	-
Debt Service:						
Principal	-	1,483,174	1,483,174	1,483,174	-	-
Interest	-	319,942	319,942	319,942	-	-
Total Expenditures	435,523	30,414,587	30,850,110	29,055,825	384,038	1,410,247
Excess of Revenues Over (Under) Expenditures	(435,523)	(2,708,994)	(3,144,517)	2,332,843	(384,038)	5,093,322
Other Financing Sources (Uses):						
Operating Transfers In	-	180,000	180,000	180,000	-	-
Operating Transfers Out	-	(6)	(6)	(6)	-	-
Total Other Financing Sources (Uses)	-	179,994	179,994	179,994	-	-
Net Change in Budgetary Fund Balance	(435,523)	(2,529,000)	(2,964,523)	\$ 2,512,837	\$ (384,038)	\$ 5,093,322
Other Budgetary Items:						
Free Cash and Other Reserves	-	2,529,000	2,529,000			
Prior Year Encumbrances	435,523	-	435,523			
Total Other Budgetary Items	435,523	2,529,000	2,964,523			
NET BUDGET	\$ -	\$ -	\$ -			

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2021

	<u>Revenues</u>	<u>Expenditures</u>
Reported on a Budgetary Basis	\$ 31,388,668	\$ 29,055,825
<u>Adjustments:</u>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	12,330	-
Net Increase in Revenue from recording Refund Taxes Payable	48,000	-
Net Increase in Revenue from Recording 60-Day Receipts	172,000	-
Reported on a GAAP Basis	<u>\$ 31,620,998</u>	<u>\$ 29,055,825</u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities Enterprise Funds
	Sewer Fund
ASSETS	
CURRENT:	
Cash and Cash Equivalents	\$ 6,919,436
User Charges, net of allowance for uncollectibles	582,231
Total current assets	7,501,667
NONCURRENT:	
Capital Assets, net of accumulated depreciation:	
Nondepreciable	392,636
Depreciable	11,132,682
Total noncurrent assets	11,525,318
Total Assets	19,026,985
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	65,936
Deferred Outflows Related to OPEB	428,390
Total Deferred Outflows of Resources	494,326
LIABILITIES	
CURRENT:	
Warrants Payable	139,922
Accrued Payroll	5,297
Accrued Interest	76,475
Compensated Absences	9,805
Bond Anticipation Notes Payable	332,700
Bonds Payable	472,347
Total current liabilities	1,036,546
NONCURRENT:	
Compensated Absences	18,282
Net OPEB Liability	2,266,226
Net Pension Liability	101,573
Bonds Payable	7,823,528
Total noncurrent liabilities	10,209,609
Total Liabilities	11,246,155
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	136,649
Deferred Inflows Related to OPEB	190,132
Total Deferred Inflows of Resources	326,781
NET POSITION	
Net Investment in Capital Assets	2,896,743
Restricted for Capital Projects	1,061,203
Unrestricted	3,990,429
Total Net Position	\$ 7,948,375

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds
	Sewer Fund
Operating Revenues:	
Charges for Services	\$ 2,318,213
Other	37,867
Total Operating Revenues	2,356,080
Operating Expenses:	
Salaries & Wages	385,663
Operating Expenses	883,993
Depreciation	437,485
Total Operating Expenses	1,707,141
Operating Income (Loss)	648,939
Non-Operating Revenues (Expenses):	
Interest Income	18,899
Interest Expense	(189,538)
Total Non-Operating Revenues (Expenses)	(170,639)
Income (Loss) Before Operating Transfers	478,300
Operating Transfers:	
Transfers (Out)	(180,000)
Total Operating Transfers	(180,000)
Change in Net Position	298,300
Net Position at Beginning of Year	7,650,075
Net Position at End of Year	\$ 7,948,375

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds
	Sewer Fund
Cash Flows From Operating Activities:	
Receipts from Customers and Users	\$ 2,527,242
Receipts from Other Revenues	37,867
Payments to Vendors	(768,031)
Payments to Employees	(417,941)
Net Cash Provided by (Used for) Operating Activities	1,379,137
Cash Flows from Noncapital Financing Activities:	
Transfers from (to) Other Funds	(180,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	(180,000)
Cash Flows from Capital and Related Financing Activities:	
Other	73,540
Proceeds from the Issuance of Notes and Bonds	332,700
Acquisition and Construction of Capital Assets	(155,965)
Principal Payments on Bonds and Notes	(529,490)
Interest Expense	(184,134)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(463,349)
Cash Flows from Investing Activities:	
Investment Income	18,899
Net Cash Provided by (Used for) Investing Activities	18,899
Net Increase (Decrease) in Cash and Cash Equivalents	754,687
Cash and Cash Equivalents at Beginning of Year	6,164,749
Cash and Cash Equivalents at End of Year	\$ 6,919,436

**Reconciliation of Operating Income (Loss) to Net Cash
Provided by (Used For) Operating Activities:**

Operating Income (Loss)	\$ 648,939
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	437,485
Deferred (Outflows)/Inflows of Resources Related to Pensions	86,371
Deferred (Outflows)/Inflows of Resources Related to OPEB	6,295
Change in Assets and Liabilities:	
Increase (Decrease) in Warrants Payable	67,881
Increase (Decrease) in Accrued Payroll	(15,232)
Increase (Decrease) in Compensated Absences	(17,046)
Increase (Decrease) in Net OPEB Liability	96,190
Increase (Decrease) in Net Pension Liability	(140,775)
Decrease (Increase) in User Charges Receivable	209,029
Total Adjustments	730,198
Net Cash Provided by (Used for) Operating Activities	\$ 1,379,137

The Notes to the Financial Statements are an integral part of this Statement.

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

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 280,738
Total Assets	280,738
LIABILITIES	
Warrants Payable	7,221
Total Liabilities	7,221
NET POSITION	
Held for Other Governments	\$ 273,517

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Custodial Funds</u>
Additions:	
Property Tax Collections for Other Governments	\$ 591,315
Total Additions	<u>591,315</u>
Deductions:	
Payments of Property Tax Collections to Other Governments	<u>317,978</u>
Total Deductions	<u>317,978</u>
Change in Net Position	<u>273,337</u>
Net Position at Beginning of Year (as restated)	<u>180</u>
Net Position at End of Year	<u>\$ 273,517</u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1761 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected five-member Selectboard.

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 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. In fiscal year 2021, it was determined that no entities met the required GASB-39 and GASB-61 criteria of component units.

The Town is responsible for electing the governing board and/or committee members of the Berkshire Hills Regional School District, the Great Barrington Housing Authority and the Great Barrington Fire District. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board members. A description of the related organizations follows:

Berkshire Hills Regional School District - A regional school district made up of three communities to serve and provide a learning experience. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of operating and capital costs. The regional school district is a separate entity under the Commonwealth of Massachusetts. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

Great Barrington Housing Authority – A public housing agency that provides housing assistance to eligible and qualified low and moderate income families, the elderly and the handicapped. The housing authority is an autonomous and self-sufficient agency under the State Executive Office of Communities and Development. The Town has no significant influence over management, budget or policies of the authority.

Great Barrington Fire District – A District that provides water services to the residents of the Town. The districts are autonomous and self-sufficient units under the General Laws of the Commonwealth of Massachusetts. The Town has no significant influence over management, budget or policies of the district.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements

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

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

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

Fund financial statements

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

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and change in net position.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets, liabilities, revenues or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds),
- and*
- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds 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.

Proprietary and 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, as are the proprietary fund and fiduciary fund financial statements. Under the modified accrual basis of accounting revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise funds and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported.

Fund financial statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to be used to pay current liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excises and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

The Town reports the following major governmental fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Town capital projects fund* is used to account for financial resources to be used for the acquisition vehicles and equipment, and the construction of major capital facilities and infrastructure.

The Town reports the following major proprietary funds:

The *sewer fund* is used to account for the sewer activities.

The non-major governmental fund consists of other special revenue and permanent funds that are aggregated and presented in the *non-major 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 or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

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.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Additionally, the Town reports the following fund types:

The 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 in a trustee capacity for others that cannot be used to support the government programs. The Town reports the following fiduciary funds:

The *custodial fund* is used for activities related to collections and payments of property taxes and user charges for the water district that provide utility services to the residents of the Town, and to account for assets held in a purely custodial capacity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash and Cash Equivalents

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

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

Investment income from proprietary funds is maintained in those funds.

E. Investments

The Town maintains investments according to Massachusetts General Laws and adopted policies. Investments are reported according to the fair value hierarchy established by generally accepted accounting principles. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.

Level 3 inputs are unobservable for the asset or liability.

Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended and should be measured at the net asset value per share provided by the pool.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Additional investment disclosures are presented in these Notes.

F. Receivables

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

Property Taxes and Tax Liens

Property taxes are based on assessments as of January 1, 2020. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The first tax payment is due November 1st, or thirty days after the date tax bills were mailed, whichever is later and must be at least one-half of the tax and any betterments. The balance of the tax is owed by May 1st of the following year. If payments are not made by the due dates, interest at the rate of 14% will be charged on the amount of the payment that is unpaid and overdue. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed actual tax bills for fiscal year 2021 on October 7, 2020 and March 12, 2021 that were due on November 9, 2020 and May 3, 2021.

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2021 is as follows:

Legal Levy Limit Under Proposition 2 1/2 for fiscal year 2021	\$ 24,555,636
Less: Debt Exclusion	<u>1,377,362</u>
Maximum Allowable Levy	<u><u>\$ 25,932,998</u></u>

The total amount to be raised by taxation was \$24,636,380.

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

Excise Taxes

Excise taxes consist of motor vehicle excise. Excise taxes are assessed annually and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles.

The tax calculation is the fair market value of the vehicle multiplied by \$25 per \$1,000 of value.

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

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

User Charges

User charges and fees consist of sewer fees. Sewer fees are levied based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Sewer liens are processed each year and are included as a lien on the property owner's tax bill. Sewer charges and liens are recorded as receivables in the fiscal year of the levy.

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

Departmental

Departmental receivables consist of fees for parking tickets and public safety false alarms, and police off-duty details.

The allowance for uncollectible accounts is estimated based on specific account analysis.

Due from Other Governments

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

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

G. Capital Assets

Capital assets, which include land, construction in progress, buildings and renovations, machinery, equipment and other, and infrastructure assets (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value.

All purchase and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

Capital Asset Type	Years
Buildings and renovations	20-40
Machinery, equipment and other	3-15
Infrastructure	20-40

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.

H. 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.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers' net".

In the 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.

I. Deferred Outflows/Inflows of Resources

Government-wide financial statements

The government-wide financial statements *Statement of Net Position* includes a separate section, listed below total assets, for *deferred outflows of resources*. This represents the usage of net position applicable for future period(s) and will not be recognized as expenditures until the future period to which it applies. Currently, the items in this category are *deferred outflows related to pensions and deferred outflows related to OPEB*.

In addition to liabilities, the *Statement of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the items in this category are *deferred inflows related to pensions and deferred inflows related to OPEB*.

Fund financial statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the Town's property, excise and other taxes; departmental receipts and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. Net Position and Fund Balances

In the Government-Wide financial statements, the difference between the Town's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources represents net position. Net position displays three components – net investment in capital assets, restricted (distinguished between major categories of restrictions), and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of 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.

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

"Federal and state grants" represents amounts restricted by the federal and state government for various programs.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

“Community Preservation” represents amounts restricted for the purposes under the community preservation act adopted by the Town.

“Permanent funds – nonexpendable” represents amounts held in trust for which only investment earnings may be expended.

“Permanent funds – expendable” represents amounts held in trust for which the expenditures are restricted by various trust agreements.

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

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of those resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority, which is the Town meeting action and can be modified or rescinded only through these actions. Committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit.

Assigned fund balance. This classification reflects the amounts constrained by the Town’s “intent” to be used for specific purposes, but are neither restricted nor committed. Department heads and Town board/committees have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When the restricted and other fund balance resources are available for use, it is the Town’s policy to use restricted resources first, followed by committed, assigned, and unassigned amounts respectively.

K. Long-term Debt

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

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.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

L. Compensated Absences

The Town grants to employees unused sick leave benefits in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused sick leave (subject to certain limitations) at their current rates of pay. The Town has established a trust fund with Town appropriations (typically \$35,000 annually, \$30,000 from the general fund and \$5,000 from the sewer fund) to be used to fund the accumulated sick leave benefits. The balance in the trust fund at June 30, 2021 is \$282,847.

M. Pension Benefits

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 Berkshire County Retirement System (the System) is provided. Additions to and 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 according with the benefit terms. Investments are reported at their fair value.

N. Post Retirement Benefits

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's 50% share of insurance premiums for retirees, spouses and surviving spouses in the general fund in the fiscal year paid.

O. Use of Estimates

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

P. Total Column

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted for the Town's General Fund. Although legislative approval is required for the acceptance of grants, capital projects, and borrowing authorizations, annual budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

The Town must establish its property tax rate each year so that the property tax rate levy will comply with the limits established by Proposition 2 1/2, as amended, and also equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for prior year deficits, if any, less (c) the aggregate of all non-property tax revenues estimated to be received, including available funds.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

The Town follows these procedures in establishing the General Fund budgetary data as reflected in the financial statements:

- Estimates are submitted by departments in accordance with Massachusetts general Laws.
- The budget is legally enacted by vote at the annual Town meeting.
- Supplemental appropriations may be made from available funds after the setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.

Massachusetts law requires cities and towns to provide for a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

"The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns (cities) since the preceding annual assessment and not provided for therein . . . "

For fiscal year 2021, the Town incurred a final budget deficit of \$2,964,523 for the General Fund.

The Town voted from the following sources to fund the deficit budget during the fiscal year:

Unassigned fund balance:	
Free cash votes	\$ 2,529,000
Prior year's encumbrances	435,523
	<u>\$ 2,964,523</u>

B. Deficit Fund Balances

The following funds have deficits at June 30, 2021 as measured by the balances of unassigned fund balance.

- The *Town capital projects fund* and Major Fund have various deficits totaling \$821,853 (Antenna/fiber optic project of \$19,254, the Information Technology upgrades project of \$2, the portable radios project of \$46,454, the police cruisers project of \$113,791, the speed trailer project of \$12,000, the Emergency Medical Service vehicle project of \$59,706, the jaws of life project of \$22,882, the Fire Department thermal camera project of \$10,500, the Highway dump truck project of \$228,970, the Highway roadside mower of \$179,088, the two mower project of \$28,286, the Highway 1-ton roller project of \$29,743, the building improvements project of \$9,900, and the street improvements project of \$61,277. The Town has outstanding bond anticipation notes for \$1,500,850 for these projects. These deficits will be eliminated upon the issuance of permanent debt.
- The *water quality grant* special revenue fund has a deficit of \$2,099. This deficit will be eliminated upon the future receipt of funds or upon appropriation.
- The *asset planning management grant* special revenue fund has a deficit of \$36,250. This deficit will be eliminated upon the future receipt of funds or upon appropriation.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2021 were \$27,243,326. Of these, none are exposed to custodial credit risk as uninsured and uncollateralized.

Investment Policies

Investments of funds, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit 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 in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. 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. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost.

As such, the Town reports its investments in MMDT in the amount of \$2,024,355. MMDT's fair value is measured at amortized cost.

Custodial Credit Risks - Investments

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments all are in the MMDT and thus are exempt from collateralization. The Town has no policy on custodial credit risk.

Interest Rate Risk

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.

Credit Risk

There is no exposure to credit risk.

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in one issuer. The Town's entire investment is in the MMDT.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Fair Value of Investments

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

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

Investment Type	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	\$ 2,024,355			

B. Receivables

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 1,520,178	\$ (25,000)	\$ 1,495,178
Tax liens	738,384	-	738,384
Excise taxes	351,496	(55,000)	296,496
Departmental	40,315	(12,000)	28,315
Due from other governments	1,510,641	-	1,510,641
	<u>\$ 4,161,014</u>	<u>\$ (92,000)</u>	<u>\$ 4,069,014</u>

At June 30, 2021, receivables for the business-type activities consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer Fund:			
User charges	\$ 492,067	\$ (11,000)	\$ 481,067
Tax liens	101,164	-	101,164
	<u>\$ 593,231</u>	<u>\$ (11,000)</u>	<u>\$ 582,231</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

The composition of amounts due from other governments as of June 30, 2021 for the governmental funds is as follows:

General Fund:

Commonwealth of Massachusetts:

Department of Veterans Services:

Veterans benefits \$ 85,653

Department of Revenue:

Veterans, blind and surviving spouse exemptions 32,686 \$ 118,339

Nonmajor Governmental Funds:

U. S. Department of Agriculture (Forest Service):

Forest Stewardship 14,839

U. S. Department of Housing and Urban Development:

Pass Through Massachusetts Emergency Management Agency:

Emergency Management Agency Performance Grant 2,380

Commonwealth of Massachusetts:

Department of Elder Affairs:

Council on Aging Service Incentive Grants 20,678

Department of Environmental Affairs:

Municipal Planning Grants 60,300

Executive Office of Public Safety and Homeland Security:

Public Safety Grants 23,986

Massachusetts Department of Transportation:

Complete Streets 79,657

Highway Department - Chapter 90 funded projects 1,190,462 1,392,302

\$ 1,510,641

C. Deferred Inflows of Resources – Unavailable Revenue

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. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds are as follows:

General Fund:

Property taxes \$ 1,043,961

Tax liens 729,515

Excise taxes 296,496

Departmental 28,315

Due from other governments 52,229 \$ 2,150,516

Nonmajor governmental funds:

Property taxes 29,217

Tax liens 8,869

Due from other governments 1,190,462 1,228,548

\$ 3,379,064

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

D. Capital Assets

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2021, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,755,378	\$ 169,685	\$ -	\$ 5,925,063
Construction in progress	4,470,844	815,953	(5,276,250)	10,547
Total capital assets not being depreciated	10,226,222	985,638	(5,276,250)	5,935,610
Capital assets being depreciated:				
Buildings and Renovations	17,106,407	90,750	-	17,197,157
Machinery, equipment and other	9,891,904	966,060	-	10,857,964
Infrastructure	20,157,433	5,356,182	-	25,513,615
Total capital assets being depreciated	47,155,744	6,412,992	-	53,568,736
Less accumulated depreciation for:				
Buildings and Renovations	7,047,220	586,262	-	7,633,482
Machinery, equipment and other	6,631,838	652,607	-	7,284,445
Infrastructure	6,852,222	1,122,273	-	7,974,495
Total accumulated depreciation	20,531,280	2,361,142	-	22,892,422
Total capital assets being depreciated, net	26,624,464	4,051,850	-	30,676,314
Total governmental activities capital assets, net	\$ 36,850,686	\$ 5,037,488	\$ (5,276,250)	\$ 36,611,924
Capital assets not being depreciated:				
Land	\$ 10,655	\$ -	\$ -	\$ 10,655
Construction in Progress	226,016	155,965	-	381,981
Total capital assets not being depreciated	236,671	155,965	-	392,636
Capital assets being depreciated:				
Buildings and renovations	10,077,690	-	-	10,077,690
Machinery, equipment and other	1,288,184	-	-	1,288,184
Infrastructure	10,166,478	-	-	10,166,478
Total capital assets being depreciated	21,532,352	-	-	21,532,352
Less accumulated depreciation for:				
Buildings and renovations	8,058,638	186,868	-	8,245,506
Machinery, equipment and other	1,151,019	44,538	-	1,195,557
Infrastructure	752,528	206,079	-	958,607
Total accumulated depreciation	9,962,185	437,485	-	10,399,670
Total capital assets being depreciated, net	11,570,167	(437,485)	-	11,132,682
Total business-type activities capital assets, net	\$ 11,806,838	\$ (281,520)	\$ -	\$ 11,525,318

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

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

Governmental Activities:	
General government	\$ 137,063
Public safety	562,561
Public works	1,385,891
Health and human services	5,550
Culture and recreation	<u>270,077</u>
Total depreciation expense - governmental activities	<u>\$ 2,361,142</u>
 Business-Type Activities:	
Sewer fund	<u>\$ 437,485</u>

E. Short-Term Financing

Under the general laws of the Commonwealth and with the appropriate local authorization the Town is authorized to borrow funds on a temporary basis to (1) fund current operations prior to the collection of revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

Details related to the short-term debt activity of the governmental type fund and business-type fund are as follows:

Governmental Activities						
Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2020	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2021
Bond Anticipation Notes:						
Municipal Purpose Loan of 2020	2.00%	1/27/2021	\$ 4,583,971	\$ -	\$ 4,583,971	\$ -
Municipal Purpose Loan of 2021	2.00%	11/18/2021	-	2,851,850	-	2,851,850
Total Governmental Activities			<u>\$ 4,583,971</u>	<u>\$ 2,851,850</u>	<u>\$ 4,583,971</u>	<u>\$ 2,851,850</u>
 Business-Type Activities:						
Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2020	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2021
Bond Anticipation Notes:						
Municipal Purpose Loan of 2020	2.00%	1/27/2021	\$ 1,030,000	\$ -	\$ 1,030,000	\$ -
Municipal Purpose Loan of 2021	2.00%	11/18/2021	-	332,700	-	332,700
Total Business-Type Activities			<u>\$ 1,030,000</u>	<u>\$ 332,700</u>	<u>\$ 1,030,000</u>	<u>\$ 332,700</u>

F. Long Term Debt

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
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Year Ended June 30, 2021

General obligation bonds currently outstanding of the governmental type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2021
Inside Debt:					
Municipal Purpose Loan of 2013	2.62%	8/1/2013	6/1/2028	\$ 2,526,400	\$ 905,000
Municipal Purpose Loan of 2014	1.89%	6/15/2014	6/1/2024	1,657,280	455,000
Municipal Purpose Loan of 2016	1.31%	6/26/2016	6/15/2027	4,725,000	2,520,000
Municipal Purpose Loan of 2017	2.13%	10/26/2017	4/15/2033	3,940,000	2,845,000
Municipal Purpose Loan of 2021	0.98%	1/26/2021	7/15/2040	4,027,099	4,027,099
Total Bonded Debt					10,752,099
Add: Unamortized premium on bonds					331,919
Total governmental type debt					<u>\$ 11,084,018</u>

Future Debt Service

The annual principal and interest payments to retire all governmental type fund general obligation long-term debt outstanding as of June 30, 2021, are as follows:

Year	Principal	Interest	Total
2022	\$ 1,657,099	\$ 313,243	\$ 1,970,342
2023	1,615,000	255,630	1,870,630
2024	1,415,000	195,430	1,610,430
2025	1,155,000	153,830	1,308,830
2026	1,105,000	124,130	1,229,130
2027-2031	2,770,000	271,700	3,041,700
2032-2036	935,000	37,355	972,355
2037-2040	100,000	5,000	105,000
	<u>\$ 10,752,099</u>	<u>\$ 1,356,318</u>	<u>\$ 12,108,417</u>

General obligation bonds currently outstanding of the business-type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2021
Sewer Fund:					
Inside Debt:					
Municipal Purpose Loan of 2013	2.62%	8/1/2013	6/1/2028	\$ 268,600	\$ 140,000
Municipal Purpose Loan of 2021	0.98%	1/26/2021	7/15/2040	962,901	962,901
Massachusetts Clean Water Trust:					
Sewer system improvements	2.00%	2/11/2016	1/15/2036	4,210,000	3,320,681
Sewer system improvements	2.00%	4/13/2017	1/15/2037	4,579,305	3,798,753
Total Bonded Debt					8,222,335
Add: Unamortized premium on bonds					73,540
Total Business-type debt					<u>\$ 8,295,875</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Future Debt Service

The annual principal and interest payments to retire all business-type long-term debt outstanding are as follows:

Year	Principal	Interest	Total
2022	\$ 463,603	\$ 169,995	\$ 633,598
2023	474,192	160,190	634,382
2024	482,869	149,406	632,275
2025	491,733	138,998	630,731
2026	500,790	128,414	629,204
2027-2031	2,551,850	475,194	3,027,044
2032-2036	2,754,696	212,745	2,967,441
2037-2040	502,602	16,802	519,404
	<u>\$ 8,222,335</u>	<u>\$ 1,451,744</u>	<u>\$ 9,674,079</u>

A summary of the changes in governmental activities and business-type long term liabilities during the year is as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds	\$ 8,000,000	\$ 4,027,099	\$ 1,275,000	\$ 10,752,099	\$ 1,657,099
Add: Unamortized premium on bonds	-	331,919	-	331,919	63,920
Landfill post-closure care costs	105,000	-	15,000	90,000	15,000
Compensated absences	243,862	16,576	6,623	253,815	37,752
Net OPEB liability	18,427,543	1,279,367	-	19,706,910	-
Net pension liability	2,388,769	-	1,386,282	1,002,487	-
Governmental activity					
Long-term liabilities	<u>\$ 29,165,174</u>	<u>\$ 5,654,961</u>	<u>\$ 2,682,905</u>	<u>\$ 32,137,230</u>	<u>\$ 1,773,771</u>
Business type activities:					
Bonds Payable:					
General obligation bonds	\$ 220,000	\$ 962,901	\$ 80,000	\$ 1,102,901	\$ 72,901
Massachusetts Clean Water Trust bonds	7,501,825	-	382,391	7,119,434	390,702
Add: Unamortized premium on bonds	-	73,540	-	73,540	8,744
Compensated absences	45,133	-	17,046	28,087	9,805
Net OPEB liability	2,170,036	96,190	-	2,266,226	-
Net pension liability	242,348	-	140,775	101,573	-
Business-type activity					
Long-term liabilities	<u>\$ 10,179,342</u>	<u>\$ 1,132,631</u>	<u>\$ 620,212</u>	<u>\$ 10,691,761</u>	<u>\$ 482,152</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Massachusetts Clean Water Trust (MCWT)

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$9,060,860 and interest costs of \$2,061,219 for a loan which the Town has borrowed from MCWT. The gross amount outstanding at June 30, 2021 for principal and interest combined for the loan is \$8,357,784. Since the Town is legally obligated for the total amount of the debt, such amounts for the gross principal have been recorded on the financial statements.

Landfill Post-Closure Care Costs

State and Federal laws and regulations require the Town perform certain maintenance and monitoring functions at the landfill site for thirty years after closure.

The \$90,000 reported as landfill post-closure care liability as of June 30, 2021 represents the remaining estimated post-closure maintenance costs. These amounts are based on what it will cost to perform all post-closure care in 2021. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

Legal Debt Limit

Under Section 10 of Chapter 44 of the Massachusetts General Laws a Town may authorize indebtedness up to a limit of five percent of its equalized valuation of the Town. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The Town's inside debt at June 30, 2021 totaled \$18,974,434.

In addition, the Town is authorized to incur debt outside of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

The following is a computation of the legal debt limit as of June 30, 2021.

Equalized Valuation-Real Estate and Personal Property (2020)		<u>\$ 1,600,428,300</u>
Debt Limit: 5 % of Equalized value		80,021,415
Total Debt Outstanding	\$ 18,974,434	
Less: Debt Outside Debt Limit	-	<u>18,974,434</u>
Inside Debt Excess Borrowing Capacity at June 30, 2021		<u>\$ 61,046,981</u>

Loans Authorized and Unissued - Memorandum Only

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Loan authorizations that have not been issued as of June 30, 2021 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
5/2/2011	Water System Improvements	\$ 575,000
5/7/2012	Sewer System Improvements	21,400
5/5/2014	Sewer System Improvements	7,142,806
5/9/2016	Highway Dump Truck Purchase	29,000
5/9/2016	Fire Department - Air Packs' Purchase	155,000
5/1/2017	Departmental Vehicles, Equipment and Capital Improvements	248,560
5/7/2018	Departmental Vehicles, Equipment and Capital Improvements	206,500
5/6/2019	Departmental Vehicles, Equipment and Capital Improvements	4,908,019
6/22/2020	Departmental Vehicles, Equipment and Capital Improvements	1,606,950
6/22/2020	Sewer System Improvements	357,300
6/7/2021	Departmental Vehicles, Equipment and Capital Improvements	967,250
6/7/2021	Sewer System Improvements	385,500
		<u>\$ 16,603,285</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

G. Fund Balances

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2021:

	General Fund	Major Funds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Permanent funds	\$ -	\$ -	\$ 304,315	\$ 304,315
Restricted:				
Federal, state and local grants	-	-	651,845	651,845
Town Revolving funds	-	-	71,224	71,224
Community preservation funds	-	-	1,716,718	1,716,718
Debt service	9,711	-	-	9,711
Donations and gifts	-	-	147,260	147,260
Capital projects	-	1,089,185	-	1,089,185
Permanent funds	-	-	29,040	29,040
Other	-	-	1,331,258	1,331,258
	<u>9,711</u>	<u>1,089,185</u>	<u>3,947,345</u>	<u>5,046,241</u>
Committed:				
Conservation Fund	-	-	29,926	29,926
Employee Fringe Benefits Fund	-	-	282,847	282,847
Pension Reserve Fund	-	-	820,765	820,765
Unemployment Fund	-	-	8,256	8,256
	<u>-</u>	<u>-</u>	<u>1,141,794</u>	<u>1,141,794</u>
Assigned:				
General government	345,000	-	-	345,000
Public safety	15,327	-	-	15,327
Public works	8,575	-	-	8,575
Employee benefits and Insurance	15,136	-	-	15,136
Subsequent year's budget	4,372,200	-	-	4,372,200
	<u>4,756,238</u>	<u>-</u>	<u>-</u>	<u>4,756,238</u>
Unassigned:				
General fund	8,316,178	-	-	8,316,178
Capital project deficits	-	(821,853)	-	(821,853)
Special revenue deficits	-	-	(38,349)	(38,349)
	<u>8,316,178</u>	<u>(821,853)</u>	<u>(38,349)</u>	<u>7,455,976</u>
Total Governmental fund balances	<u>\$ 13,082,127</u>	<u>\$ 267,332</u>	<u>\$ 5,355,105</u>	<u>\$ 18,704,564</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

H. Special Trust Funds

Stabilization Fund

Massachusetts General Laws, Chapter 40, Section 5B, allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. Any interest shall be added to and become a part of the fund.

At June 30, 2021, the balance in the stabilization fund is \$1,299,850 and is reported in the General Fund as unassigned fund balance.

4. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Contingent Liabilities

Litigation

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

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, Town management believes such disallowances, if any, will not be material.

C. COVID-19

The Covid-19 pandemic in the United States and across the globe has resulted in economic uncertainties. The disruption was expected to be temporary, but there remains considerable uncertainty around the duration and scope. The United States Federal Government and State of Massachusetts established funding through various sources; the Coronavirus Aid, Relief and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA) in addition to several other federal and state grants. The extent of the impact of Covid-19 on our operational and financial performance will depend on certain developments, including the duration and spread of outbreak, impact on our customers, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the full extent to which Covid-19 may impact our financial condition or results of operations remains uncertain.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

D. Subsequent Events

In November of 2021, the Town received \$2,820,000 in bond proceeds with an interest rate of 2.0% to 5.0% to finance various capital projects. Principal payments will be due annually on November 15th for 20 years. Interest is payable semi-annually commencing in May and November commencing in May 2022.

E. Tax Abatements

The Town enters into property tax abatement agreements with local businesses under the Commonwealth of Massachusetts Economic Development Incentive Program Act of 1993 and as amended in 2009. Under this Act, state municipalities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining these businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Town of Great Barrington.

As of June 30, 2021, the Town of Great Barrington abated property taxes amounting to \$47,335 under this program, including the following tax abatement agreements.

A 70% declining to 20% over ten years property tax abatement agreement was approved in May 2011 for the Iredale Mineral Cosmetics, Limited, to make renovations and improvements to the property on 50 Church Street of at least \$7.5 million, retain 81 full-time employees and create at least 32 new, permanent full-time jobs. In addition, the Iredale Mineral Cosmetics, Limited, agrees to operate its business and maintain the level of jobs as long as the agreement is in effect (term is ten years). The company has not met the Massachusetts Executive office of Housing and Economic Development Economic Assistance Coordinating Council (EACC) standards (job creation quota). The company had \$47,335 of abatements in this fiscal year.

F. Pension Plan

Plan Description

The Town is a member of the Berkshire County Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by a five-member board. Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 29 Dunham Hall, Pittsfield, Massachusetts 01201-6207.

Benefits Provided

The System provides retirement, disability, survivor and death benefits to plan members and beneficiaries. MGL Chapter 32 establishes uniform benefit and contributory requirements for all contributory public employee retirement systems (PERS). The Massachusetts PERS benefits are uniform from system to system, with a few minor exceptions. Members of the System become vested after 10 years of creditable service. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. Most employees who joined the system on or after April 2, 2012 cannot retire prior to age 60. The authority for amending these provisions rests with the Massachusetts Legislature.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
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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 members whose death occurs prior to or following retirement.

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

Contributions

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2020 was \$931,180, representing 22.91% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

Pension Liability

As of June 30, 2021, the Town reported a liability of \$1,104,060 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. Accordingly, update procedures were used to roll forward the 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 members, actuarially determined. At December 31, 2020, the Town's proportional percentage was 8.61%, which was a slight increase from the last measurement.

Pension Expense

For the year ended June 30, 2021, the Town recognized a pension expense of \$345,605; reported deferred outflows of resources related to pensions of \$716,696 from the difference between expected and actual experience and changes in assumptions; and deferred inflows of resources related to pensions of \$1,485,311 from the difference between expected and actual experience and the net difference between projected and actual investment earnings on pension plan investments.

The Town's net deferred outflows/(inflows) of resources related to pensions will be recognized in the pension expense as follows;

For years ended June 30,		
2022	\$	(181,327)
2023		22,214
2024		(393,908)
2025		(215,594)
	\$	<u>(768,615)</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2020:

Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal Cost Method
Asset valuation method	Determined in accordance with the deferred recognition method under which 20% of the gains or losses occurring in the prior year are recognized, 40% of those occurring 2 years ago, etc., so that 100% of the gains and losses occurring 5 years ago are recognized. The actuarial value of assets will be adjusted, if necessary, in order to remain between 90% and 110% of market value.
Investment rate of return	7.00% per year net of investment expenses
Projected salary increases	Select and ultimate by job group; ultimate rates 4.25% for Group 1 and Group 2, and 4.75% for Fire and Police.
Inflation	Not explicitly stated
Cost of living adjustments	3.00% of the first \$14,000.
Mortality rates	Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2018 (gender distinct). Post retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2018 (gender distinct). For disabled retirees, rates reflect the RP-2014 Blue Collar Healthy Annuitant table set forward one year projected generationally with Scale MP-2018 (gender distinct).

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.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	23.10%	1.48%
International Equities	14.40%	0.95%
Emerging International Equities	5.80%	0.49%
Hedge Equity	8.80%	0.50%
Core Fixed Income	15.80%	1.49%
Value-added Fixed Income	7.40%	0.46%
Private Equity	12.60%	1.29%
Real Estate (Core)	8.30%	0.50%
Timber/Natural Resources	3.30%	0.22%
Portfolio Completion (PCS)	0.50%	0.03%
Total	100.00%	

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 12.05%. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. The rate of return is then calculated by solving, through an iterative process, for the rate that equates the sum of the weighted external cash flows into and out of the pension plan investments to the ending fair value of pension plan investments.

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 that contributions from participating employers will be made based on the actuarial determined rates based on the Board's funding policy, which establishes the contractually required rates by Statute and in accordance with Section 22D and Section 22F of MGL Chapter 32. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments or 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.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00%. As well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate (amounts expressed in thousands):

	1% Decrease	Current	1% Increase
	6.00%	Discount Rate	8.00%
	6.00%	7.00%	8.00%
Town's net pension liability	\$ 4,253,684	\$ 1,104,060	\$ (1,675,937)

G. Other Post Employment Benefits Payable

The cost of post employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Town recognizes the cost of post employment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows.

Plan Description

In addition to providing pension benefits, the Town provided post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. As of the actuarial valuation date there are approximately 145 active and retired employees, and spouses that meet the eligibility requirements. The plan does not issue a separate financial report.

Investment Policy

The Town's does not have a policy to contribute to an OPEB trust and has not contributed as of June 30, 2021. The Town has not established an irrevocable trust for the purpose of accumulating assets to prefund the OPEB liabilities. If such a trust existed, Plan assets segregated and restricted in an OPEB trust must be dedicated to providing plan benefits to retirees and beneficiaries in accordance with the terms of the plan and must be legally protected from creditors of the employer. Further, employer contributions to the trust must be irrevocable.

GASB Statement No. 75 – Financial Reporting for OPEB Employer

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending June 30, 2021, the total Town premiums plus implicit costs for the retiree medical program were \$474,330. The Town also made a contribution to an OPEB Trust of \$0 for a total contribution during the reporting period of \$474,330 to be reported on the financial statement for the fiscal year ending June 30, 2021.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Measurement Date

GASB Statement No. 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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019.

Plan Membership:

Current active members	72
Current retirees, beneficiaries and dependents	<u>73</u>
Total	<u><u>145</u></u>

Net OPEB Liability

The components of the net OPEB liability are as follows:

Total OPEB liability	\$ 21,973,136
Less: Plan fiduciary net position	-
Town's Net OPEB liability	<u>\$ 21,973,136</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2021:

Valuation date	July 1, 2019
Actuarial cost method	Individual Entry Age Normal
Inflation	2.20% annually
Single equivalent discount rate	2.16%, compounded annually, for the measurement as of June 30, 2021
Projected salary increases	3.50% annually
Mortality rates	
Pre-retirement mortality (General & Public Safety)	RP-2014 Blue Collar table, projected with generational mortality improvement using Scale MP-2018.
Post-retirement mortality (General & Public Safety)	RP-2014 Blue Collar table, projected with generational mortality improvement using Scale MP-2018.

The actuarial assumptions used in the July 1, 2019 valuation were reflective of published municipal bond indices; the Bond Buyer 20-Bond GO Index as of June 30, 2021 is 2.16%.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was not provided.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2020	\$ 20,597,579	\$ -	\$ 20,597,579
Service cost	1,035,266	-	1,035,266
Interest on Total OPEB Liability	472,845	-	472,845
Changes in benefit terms	-	-	-
Changes in assumptions	341,776	-	341,776
Difference between actual and expected experience	-	-	-
Net investment income	-	-	-
Employer contributions to Trust	-	474,330	(474,330)
Total benefit payments including implicit cost	(474,330)	(474,330)	-
Net change in total OPEB liability	1,375,557	-	1,375,557
Balances at June 30, 2021	\$ 21,973,136	\$ -	\$ 21,973,136

Discount Rate

The discount rate used to measure the total OPEB liability was 2.16%. 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 insufficient to make all projected benefit payments to current plan members. Therefore, the 2.16% municipal bond rate was applied to all periods to determine the total OPEB liability.

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	1% Decrease	Current	1% Increase
	1.16%	Discount Rate 2.16%	3.16%
Town's net OPEB liability	\$ 26,778,477	\$ 21,973,136	\$ 18,305,487

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Town's net OPEB liability	\$ 17,653,449	\$ 21,973,136	\$ 27,874,610

Expense, Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$1,982,559 and reported deferred outflows of resources related to OPEB of \$4,066,202 from changes in assumptions and deferred inflows of resources related to OPEB of \$1,804,697 from the differences between expected and actual experience and changes in assumptions.

The Town's net deferred outflows/(inflows) of resources related to OPEB will be recognized in the OPEB expense as follows:

For years ended June 30,	
2022	\$ 474,448
2023	474,448
2024	586,052
2025	450,545
2026	248,756
Thereafter:	27,256
	<u>\$ 2,261,505</u>

H. Implementation of New GASB Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities*, for implementation in fiscal year 2021.

The GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, for implementation in fiscal year 2021.

I. Future GASB Pronouncements

Management is currently assessing the impact the implementation of the following pronouncements will have on the basic financial statements.

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2022.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, for implementation in fiscal year 2022.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS

Notes to the Financial Statements

Year Ended June 30, 2021

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, for implementation in fiscal 2022.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, for implementation in fiscal year 2021 and 2022.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Berkshire County Retirement System
For the Year Ended June 30, 2021

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the Town's proportion of the net pension liability and related ratios.

Schedule of the Town's Proportionate Share of the Net pension Liability:

Measurement Date	Town's proportion of the net pension liability (asset)	Town's proportionate share of the net pension liability (asset)	Town's covered employee payroll	Net pension liability percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2020	8.61%	\$ 1,104,060	\$ 4,064,178	27.17%	95.93%
12/31/2019	8.59%	\$ 2,631,117	\$ 4,054,738	64.89%	89.90%
12/31/2018	8.17%	\$ 3,573,884	\$ 3,569,228	100.13%	84.40%
12/31/2017	8.23%	\$ 2,127,702	\$ 3,595,440	59.18%	90.41%
12/31/2016	8.38%	\$ 3,332,894	\$ 3,545,000	94.02%	84.06%
12/31/2015	8.49%	\$ 3,592,713	\$ 3,592,000	100.02%	82.25%
12/31/2014	8.61%	\$ 2,260,900	\$ 3,469,000	65.17%	88.13%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Berkshire County Retirement System
For the Year Ended June 30, 2021

The Schedule of the Employer Contributions presents multiyear trend information on the Town's required and actual payments to the pension plan and related ratios.

Schedule of the Town's Contributions:

Measurement Date	Actuarially determined contribution	Less: Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Town's covered employee payroll	Contributions percentage of covered employee payroll
12/31/2020	\$ 931,180	\$ (931,180)	\$ -	\$ 4,064,178	22.91%
12/31/2019	\$ 867,564	\$ (867,564)	\$ -	\$ 4,054,738	21.40%
12/31/2018	\$ 787,563	\$ (787,563)	\$ -	\$ 3,569,228	22.07%
12/31/2017	\$ 757,064	\$ (757,064)	\$ -	\$ 3,595,440	21.06%
12/31/2016	\$ 735,666	\$ (735,666)	\$ -	\$ 3,545,000	20.75%
12/31/2015	\$ 711,322	\$ (711,322)	\$ -	\$ 3,592,000	19.80%
12/31/2014	\$ 688,658	\$ (688,658)	\$ -	\$ 3,469,000	19.85%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2021

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability				
Service cost	\$ 1,035,266	\$ 718,482	\$ 623,878	\$ 655,305
Interest on net OPEB liability	472,845	632,124	624,489	579,133
Changes in benefit terms	-	(321,896)	-	-
Changes in assumptions	341,776	4,677,168	1,048,232	(776,171)
Difference between actual and expected experience	-	(2,215,394)	-	-
Benefit payments, including refunds of member contributions	(474,330)	(470,212)	(464,153)	(469,964)
Net change in total OPEB liability	1,375,557	3,020,272	1,832,446	(11,697)
Total OPEB liability-beginning	20,597,579	17,577,307	15,744,861	15,756,558
Total OPEB liability-ending (a)	<u>\$ 21,973,136</u>	<u>\$ 20,597,579</u>	<u>\$ 17,577,307</u>	<u>\$ 15,744,861</u>
Plan fiduciary net position				
Employer contributions to Trust	\$ 474,330	\$ 470,212	\$ 464,153	\$ 469,964
Benefit payments, including refunds of member contributions	(474,330)	(470,212)	(464,153)	(469,964)
Net change in plan fiduciary net position	-	-	-	-
Total fiduciary net position-beginning	-	-	-	-
Total fiduciary net position-ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's net OPEB liability (a-b)	<u>\$ 21,973,136</u>	<u>\$ 20,597,579</u>	<u>\$ 17,577,307</u>	<u>\$ 15,744,861</u>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2021

Schedule of Net OPEB Liability:

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability	\$ 21,973,136	\$ 20,597,579	\$ 17,577,307	\$ 15,744,861
Less: Plan fiduciary net position	-	-	-	-
Town's Net OPEB liability	<u>\$ 21,973,136</u>	<u>\$ 20,597,579</u>	<u>\$ 17,577,307</u>	<u>\$ 15,744,861</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's share of covered employee payroll	\$ 4,424,433	\$ 4,009,726	\$ 3,434,514	\$ 3,702,261
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	496.63%	513.69%	511.78%	425.28%

Schedule of Contributions:

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 1,639,714	\$ 1,350,046	\$ 1,221,853	\$ 1,228,837
Less: Contributions in relation to the actuarially determined contribution	(474,330)	(470,212)	(464,153)	(469,964)
Contribution deficiency (excess)	<u>\$ 1,165,384</u>	<u>\$ 879,834</u>	<u>\$ 757,700</u>	<u>\$ 758,873</u>
Town's share of covered employee payroll	\$ 4,424,433	\$ 4,009,726	\$ 3,434,514	\$ 3,702,261
Contributions percentage of covered-employee payroll	10.72%	11.73%	13.51%	12.69%
Annual money-weighted rate of return net of investment expense	N/A	N/A	N/A	N/A

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2021

Schedule of Funding Progress:

Other Post Employment Benefits						
Measurement Date	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)
6/30/2021	\$ -	\$ 21,973,136	\$ 21,973,136	0.00%	\$ 4,424,433	496.63%
6/30/2020	\$ -	\$ 20,597,579	\$ 20,597,579	0.00%	\$ 4,009,726	513.69%
6/30/2019	\$ -	\$ 17,577,307	\$ 17,577,307	0.00%	\$ 3,434,514	511.78%
6/30/2018	\$ -	\$ 15,744,861	\$ 15,744,861	0.00%	\$ 3,702,261	425.28%
6/30/2017	\$ -	\$ 15,756,558	\$ 15,756,558	0.00%	N/A	N/A

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

SUPPLEMENTARY SCHEDULES

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Fund Balances July 1, 2020	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2021
Special Revenue:					
Federal and State Grants:					
Brownfields Assessment	\$ 13	\$ 53,014	\$ 53,346	\$ -	\$ (319)
Asset Management Grants	-	-	36,250	-	(36,250)
Community Development Block Grant	25,308	4,400	-	-	29,708
Council on Aging Grants	5,374	46,989	36,280	-	16,083
Cultural Council Grants	6,963	5,110	8,136	-	3,937
Emergency Management Grants (COVID-19)	12,618	34,498	34,530	-	12,586
Highway Grants	-	286,922	281,422	-	5,500
Library Grants	38,382	13,908	23,133	-	29,157
Other Grants and Programs	8,180	135,370	90,957	-	52,593
Public Safety Grants	4,830	60,947	61,728	6	4,055
Smart Growth Grants	503,546	-	5,000	-	498,546
Water Quality Grant	-	18,889	20,988	-	(2,099)
Other:					
Blue Hill Commons	3,969	37	-	-	4,006
Cemetery Revolving	644	-	-	-	644
Community Preservation Fund	1,572,078	804,047	659,407	-	1,716,718
Council on Aging Transportation Grant	-	46,869	-	-	46,869
Deputy Collector Fees	-	11,188	11,052	-	136
Electrical, Gas and Plumbing Inspections	4,243	57,818	52,637	-	9,424
Gifts and Donations	127,873	54,988	30,901	(4,700)	147,260
Insurance Reimbursements	18,436	25,349	6,702	-	37,083
Outside Details	13,320	168,214	160,078	-	21,456
Parks Department Revolving	2,501	-	-	-	2,501
Police Drug Task Force	1,123	9,508	8,822	-	1,809
Police Narcotic	6,400	-	6,400	-	-
Sale of Cemetery Lots	398,603	24,500	-	-	423,103
Sale of Real Estate	675,780	-	-	-	675,780
Tax Title Revolving	4,077	7,572	-	-	11,649
Transportation Infrastructure	87	6	-	-	93
Wellness Program	10,687	2,000	989	-	11,698
Total Special Revenue page 65	\$ 3,445,035	\$ 1,872,143	\$ 1,588,758	\$ (4,694)	\$ 3,723,726

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Fund Balances July 1, 2020	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2021
Continued from Page 65	\$ 3,445,035	\$ 1,872,143	\$ 1,588,758	\$ (4,694)	\$ 3,723,726
Special Revenue (Continued):					
Other (Continued):					
Wetland Fund	55,005	2,746	-	-	57,751
Affordable Housing Fund	186,804	613	88,937	-	98,480
Conservation Fund	29,652	273	-	-	29,925
Employee Fringe Benefits Fund	345,980	878	64,011	-	282,847
Pension Reserve Fund	814,874	5,891	-	-	820,765
Unemployment Fund	15,396	528	7,668	-	8,256
Total Special Revenue Funds	4,892,746	1,883,072	1,749,374	(4,694)	5,021,750
Perpetual Permanent Funds:					
Cemetery Perpetual Care	234,852	4,600	-	-	239,452
E.E. Smith Library Trust	24,045	-	-	-	24,045
Hollenbeck Trust	1,063	-	-	-	1,063
L. Chesanow Library Trust	3,500	-	-	-	3,500
M. Dewey Trust	1,707	-	-	-	1,707
Mason Library Trust	3,000	-	-	-	3,000
McKenley Trust	28,548	-	-	-	28,548
Ramsdell Library Trust	3,000	-	-	-	3,000
Total Perpetual Permanent Funds	\$ 299,715	\$ 4,600	\$ -	\$ -	\$ 304,315

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

	Fund Balances July 1, 2020	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2021
Permanent Funds:					
Cemetery Perpetual Care	\$ 15,540	\$ 994	\$ -	\$ -	\$ 16,534
Community Building Trust	31	-	-	-	31
E.E. Smith Library Trust	1,673	242	-	-	1,915
Elizabeth Wheeler Trust	284	3	-	-	287
Hollenbeck Trust	187	11	-	-	198
L. Chesanow Library Trust	767	39	-	-	806
M. Dewey Trust	242	19	-	-	261
Mason Library Trust	289	30	-	-	319
McKenley Trust	5,562	314	-	-	5,876
Ramsdell Library Trust	2,760	53	-	-	2,813
Total Permanent Funds	27,335	1,705	-	-	29,040
Total - Non-Major Governmental Funds	\$ 5,219,796	\$ 1,889,377	\$ 1,749,374	\$ (4,694)	\$ 5,355,105

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
 SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES
 JULY 1, 2020 TO JUNE 30, 2021**

	Uncollected Taxes July 1, 2020	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2021	Uncollected Taxes Per Detail June 30, 2021
Real Estate Taxes:						
Levy of 2021	\$ -	\$ 23,802,832	\$ 224,719	\$ 22,382,136	\$ 1,195,977	\$ 1,195,977
Levy of 2020	758,423	-	46,834	586,729	124,860	124,860
Levy of 2019	69,881	-	76,256	(53,843)	47,468	47,468
Prior Years	-	-	-	53	(53)	-
	<u>828,304</u>	<u>23,802,832</u>	<u>347,809</u>	<u>22,915,075</u>	<u>1,368,252</u>	<u>1,368,305</u>
Personal Property Taxes:						
Levy of 2021	-	897,620	3,035	843,811	50,774	50,774
Levy of 2020	46,939	-	842	13,146	32,951	32,951
Levy of 2019	18,919	-	-	8,775	10,144	10,144
Levy of 2018	10,067	-	-	2,456	7,611	7,611
Levy of 2017	7,294	-	-	140	7,154	7,154
Prior Years	14,109	-	-	34	14,075	14,085
	<u>97,328</u>	<u>897,620</u>	<u>3,877</u>	<u>868,362</u>	<u>122,709</u>	<u>122,719</u>
Total Real Estate and Personal Property Taxes	<u>\$ 925,632</u>	<u>\$ 24,700,452</u>	<u>\$ 351,686</u>	<u>\$ 23,783,437</u>	<u>\$ 1,490,961</u>	<u>\$ 1,491,024</u>

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
 SCHEDULE OF COMMUNITY PRESERVATION SURCHARGE
 JULY 1, 2020 TO JUNE 30, 2021**

	Uncollected Taxes July 1, 2020	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2021	Uncollected Taxes Per Detail June 30, 2021
Non-Major Governmental Funds:						
Community Preservation Surcharge						
Levy of 2021	\$ -	\$ 561,665	\$ 5,948	\$ 530,014	\$ 25,703	\$ 25,703
Levy of 2020	15,734	-	1,405	11,779	2,550	2,550
Levy of 2019	1,189	-	2,288	(2,007)	908	908
Prior Years	-	-	(56)	-	56	-
Total Community Preservation Surcharge	\$ 16,923	\$ 561,665	\$ 9,585	\$ 539,786	\$ 29,217	\$ 29,161

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
 SCHEDULE OF MOTOR VEHICLE EXCISE TAXES
 JULY 1, 2020 TO JUNE 30, 2021**

	Uncollected Taxes July 1, 2020	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2021	Uncollected Taxes Per Detail June 30, 2021
Motor Vehicle Excise Taxes:						
Levy of 2021	\$ -	\$ 870,790	\$ 14,265	\$ 643,916	\$ 212,609	\$ 212,609
Levy of 2020	132,584	97,950	10,273	199,061	21,200	21,200
Levy of 2019	24,626	62	450	15,405	8,833	8,833
Levy of 2018	11,609	-	-	2,257	9,352	9,352
Levy of 2017	6,403	-	-	424	5,979	5,979
Prior Years	94,023	-	-	500	93,523	93,472
Total Motor Vehicle Excise Taxes	\$ 269,245	\$ 968,802	\$ 24,988	\$ 861,563	\$ 351,496	\$ 351,445

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
 SCHEDULE OF TAX LIENS
 JULY 1, 2020 TO JUNE 30, 2021**

	Uncollected Accounts July 1, 2020	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2021	Uncollected Accounts Per Detail June 30, 2021
Tax Liens	\$ 1,042,873	\$ -	\$ -	\$ 313,358	\$ 729,515	\$ 733,137
Non-Major Governmental Funds: Community Preservation Taxes Tax Liens	\$ 16,960	\$ -	\$ -	\$ 8,091	\$ 8,869	\$ 8,869

TOWN OF GREAT BARRINGTON, MASSACHUSETTS

**Report on the Examination
Of Basic Financial Statements**

For the Year Ended June 30, 2022

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Report on the Examination of Basic Financial Statements
For the Year Ended June 30, 2022

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Independent Auditor's Report

To the Honorable Selectboard
Town of Great Barrington, Massachusetts

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Great Barrington, 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 Great Barrington, Massachusetts' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Great Barrington, Massachusetts, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Great Barrington, 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 Great Barrington, Massachusetts' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Great Barrington, Massachusetts' 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 Great Barrington, Massachusetts' 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, pension plan and other post-employment benefit plan schedules, as listed on the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Great Barrington, Massachusetts' basic financial statements. The accompanying Supplementary Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Scanlon & Associates, LLC
South Deerfield, Massachusetts

May 10, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Great Barrington, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$40,090,913 (net position) for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$35,752,617, or an increase of \$4,338,296 (12%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$23,082,070, an increase of \$4,377,506 (23%) in comparison with the prior year.
- The General Fund's total fund balance increased \$4,185,599 (32%) to \$17,267,726. The ending General fund balance is 50% of revenues, transfers in and the sale of tax foreclosure property; and 57% of expenditures and transfers out.
- Total liabilities of the Town decreased by \$4,448,220 (9%) to \$42,730,605 during the fiscal year. This change was mainly the result of net increases in unearned revenue of \$1,037,954, in bond anticipation notes payable of \$720,200, and in the bonds payable of \$865,651; and decreases in the Other Post Employment Benefit (OPEB) liability of \$6,804,756 and in the pension liability of \$1,104,060.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$10,318,568. The key factors that attributed to the free cash amount for fiscal year 2022 were unexpended/unencumbered appropriations of \$1,677,600, excess over budget state and local receipts of \$5,894,200 and prior year free cash not appropriated of \$1,242,600.
- The Town's enterprise funds certified free cash is as follows:
 - Sewer fund \$ 5,861,509.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activities include the sewer 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 categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows 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 financial 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 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 decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The Town of Great Barrington 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.

Proprietary funds. The Town maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sewer activities.

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

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

Financial Highlights

Statement of Net Position Highlights

	Governmental Activities		
	2022	2021	Change
Assets:			
Current assets	\$ 30,953,375	\$ 25,799,643	\$ 5,153,732
Noncurrent assets	1,885,378	-	1,885,378
Capital assets	38,164,852	36,611,924	1,552,928
Total assets	71,003,605	62,411,567	8,592,038
Deferred Outflows of Resources	3,677,250	4,288,572	(611,322)
Liabilities:			
Current liabilities (excluding debt)	2,932,683	996,340	1,936,343
Current debt	5,589,740	4,572,869	1,016,871
Noncurrent liabilities (excluding debt)	14,108,569	21,000,462	(6,891,893)
Noncurrent debt	10,143,426	9,362,999	780,427
Total liabilities	32,774,418	35,932,670	(3,158,252)
Deferred Inflows of Resources	10,609,928	2,963,227	7,646,701
Net Position:			
Net investment in capital assets	22,431,686	22,676,056	(244,370)
Restricted	8,440,461	8,609,101	(168,640)
Unrestricted	424,362	(3,480,915)	3,905,277
Total net position	\$ 31,296,509	\$ 27,804,242	\$ 3,492,267

	Business-Type Activities		
	2022	2021	Change
Assets:			
Current assets	\$ 7,968,238	\$ 7,501,667	\$ 466,571
Noncurrent assets (excluding capital assets)	185,429	-	185,429
Capital assets	11,342,939	11,525,318	(182,379)
Total assets	19,496,606	19,026,985	469,621
Deferred Outflows of Resources	410,914	494,326	(83,412)
Liabilities:			
Current liabilities (excluding debt)	492,257	231,499	260,758
Current debt	530,513	805,047	(274,534)
Noncurrent liabilities (excluding debt)	1,342,302	2,386,081	(1,043,779)
Noncurrent debt	7,591,115	7,823,528	(232,413)
Total liabilities	9,956,187	11,246,155	(1,289,968)
Deferred Inflows of Resources	1,156,929	326,781	830,148
Net Position:			
Net investment in capital assets	2,925,811	2,896,743	29,068
Restricted	1,144,484	1,061,203	83,281
Unrestricted	4,724,109	3,990,429	733,680
Total net position	\$ 8,794,404	\$ 7,948,375	\$ 846,029

Financial Highlights

Statement of Activities Highlights

	Governmental Activities		
	2022	2021	Change
Program Revenues:			
Charges for services	\$ 1,267,453	\$ 1,019,205	\$ 248,248
Operating grants and contributions	946,543	821,052	125,491
Capital grants and contributions	703,944	698,579	5,365
General Revenues:			
Property taxes	25,023,960	24,935,687	88,273
Motor vehicle excise and other taxes	1,021,489	993,142	28,347
Hotel room occupancy, meals and cannabis taxes	3,384,858	2,567,861	816,997
Penalties and interest on taxes	276,844	206,541	70,303
Nonrestricted grants	3,385,618	2,728,070	657,548
Unrestricted investment income	65,620	66,989	(1,369)
Gain/(Loss) on sale of capital assets	74,489	-	74,489
Miscellaneous	29,610	709	28,901
Total revenues	36,180,428	34,037,835	2,142,593
Expenses:			
General government	3,662,087	3,194,298	467,789
Public safety	3,689,370	3,469,921	219,449
Public works	3,911,875	2,941,971	969,904
Education	17,984,107	17,600,205	383,902
Health and human services	437,899	366,621	71,278
Culture and recreation	987,712	959,814	27,898
Employee benefits and insurance	1,844,661	3,290,921	(1,446,260)
State assessments	61,043	83,081	(22,038)
Interest	309,857	361,692	(51,835)
Total expenses	32,888,611	32,268,524	620,087
Net (expenses) revenues	3,291,817	1,769,311	1,522,506
Contributions to permanent funds	11,750	4,600	7,150
Transfers	188,700	180,000	8,700
Change in net position	3,492,267	1,953,911	1,538,356
Net position - beginning of year	27,804,242	25,850,331	1,953,911
Net position - end of year	\$ 31,296,509	\$ 27,804,242	\$ 3,492,267

	Business-Type Activities		
	2022	2021	Change
Program Revenues:			
Charges for services	\$ 2,545,229	\$ 2,356,080	\$ 189,149
Operating grants and contributions	40,361	18,899	21,462
Total revenues	2,585,590	2,374,979	210,611
Expenses:			
Sewer	1,550,861	1,896,679	(345,818)
Total expenses	1,550,861	1,896,679	(345,818)
Net (expenses) revenues	1,034,729	478,300	556,429
Transfers	(188,700)	(180,000)	(8,700)
Change in net position	846,029	298,300	547,729
Net position - beginning of year	7,948,375	7,650,075	298,300
Net position - end of year	\$ 8,794,404	\$ 7,948,375	\$ 846,029

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40,090,913 at the close of fiscal year 2022.

Net position of \$25,357,497 (63%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its 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.

An additional portion of the net position, \$9,584,945 (24%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$5,148,471 (13%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net position for its governmental activities, business-type activities and for the government as a whole.

The governmental activities net position increased by \$3,492,267 (13%) during the current fiscal year. The key elements of the increase in net position for fiscal year 2022 are attributed to net increases resulting from the changes in governmental fund's balances of \$4,377,506 and in the OPEB liability of \$5,864,232; and a net decrease from the change to the pension liability of \$6,421,070.

There was an increase of \$846,029 (11%) in net position reported in the sewer business-type activities.

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 *spendable* resources. Such information is useful in assessing financing requirements. In particular, the general fund *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 \$23,082,070, an increase of \$4,377,506 (23%) in comparison with the prior year.

Breakdown of the governmental funds are as follows:

- Non-spendable fund balance – \$316,065 (1%).
- Restricted fund balance – \$5,405,295 (24%).
- Committed fund balance – \$1,119,669 (5%).
- Assigned fund balance – \$5,166,609 (22%).
- Unassigned fund balance – \$11,074,432 (48%).

Major Governmental Funds

The *General Fund* is the Town's primary operating fund and the largest source of day-to-day operations. At the end of the fiscal year, the General Fund reported a total fund balance of \$17,267,726 increasing \$4,185,599 (32%) from the prior year. Of the \$17,267,726, the unassigned amount is \$12,094,055 (70.0%), the assigned amount is \$5,166,609 (29.9%) and the committed amount is \$7,062 (.1%). General fund revenues were \$2,756,028 (9%) more than the prior fiscal year and expenditures also increased by \$1,317,361 (5%). Other activity in the General Fund consisted of net transfers in from other funds of \$86,259 and the sale of tax foreclosure property of \$95,500.

The main components of the increase in general fund revenues were related to increases in property taxes of \$925,439 (4%), in hotel room occupancy, meals and cannabis taxes of \$816,997 (32%) and in licenses, permits and fees of \$743,580 (32%) from the prior year.

The major changes in general fund expenditures from the prior fiscal year were as follows:

- Increase in General government expenditures of \$298,964 (13%).
- Increase in Public safety expenditures of \$139,888 (7%).
- Increase in Education expenditures of \$383,092 (2%).
- Increase in Debt service expenditures (principal and interest) of \$248,979 (14%).

The *Town Capital Projects Fund* is used to account for financial resources to be used for the acquisition of vehicles and equipment, and the construction of major capital facilities and infrastructure. The fund has a balance of \$170,603 at the end of the year. The fund shows a decrease of \$96,729 (36%). This change is attributed to other receipts of \$535, expenditures of \$2,970,637, transfers in of \$97,202 and the issuance of debt and premiums of \$2,776,171. The Town has also issued bond anticipation notes totaling \$3,619,250 which are not reflected in the Fund Balance. Permanent financing will be done once these projects near completion which will eliminate any deficits.

The *American Rescue Plan Act (ARPA) Grant Fund* is a United States Federal Government established funding source to assist in the fighting of the coronavirus and has an accumulated a liability balance of \$1,037,954.

At the end of the fiscal year, the *Nonmajor Governmental Funds* reported a fund balance of \$5,643,741 increasing \$288,636 (5%) from the prior year. This change was mainly attributed to expenditures exceeding revenues by \$283,397 and net transfers in of \$5,239 from the General Fund. The fund balance is reported \$316,065 as non-spendable, \$4,243,882 as restricted, \$1,119,669 as committed and (\$35,875) as unassigned.

Proprietary funds. The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Major Proprietary Funds

The *Sewer Fund* has accumulated a fund balance of \$8,794,404 used in the financing and operations of the Town's sewer system. The fund shows an increase of \$846,029 (11%) in total operations. This change is attributed to operating revenues exceeding operating expenses by \$1,175,565, interest and other income of \$40,361, interest expense of \$181,197 and net transfers out to the governmental funds of \$188,700. Operating revenues increased by \$189,149 (8%) while operating expenses decreased by \$337,477 (20%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2022 was \$32,509,378. This was an increase of \$1,659,268 (5%) from the previous year's budget.

There were adjustments between the total original budget and the total final amended budget for various budget operating line items.

General fund expenditures were less than budgeted by \$2,136,192. Of the \$2,136,192 in under budget expenditures, \$458,609 has been carried over to fiscal year 2023.

There is a negative variance in investment income of \$10,569 as expectations (budget) were higher than the receipts.

Overall, the variance with the final budget was a positive \$8,420,539 consisting of a revenue surplus of \$6,742,956 and an appropriation surplus of \$1,677,583.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$38,164,852 and \$11,342,939, respectively.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year in the governmental type funds included the following:

- Town Hall and Buildings' improvements for \$293,005.
- Fire Station improvements for \$53,270.
- Highway vehicle and equipment purchases for \$269,750.
- Road and sidewalk infrastructure improvements for \$3,522,296.
- Ramsdell Library improvements for \$16,435.

Major capital events during the current fiscal year in the business-type funds included the following:

Sewer fund:

- Vehicle purchase for \$72,361.
- Infrastructure improvements for \$145,721.

Debt Administration. The Town's outstanding governmental debt as of June 30, 2022 totaled \$11,606,900 for various building improvements, vehicles and equipment, and infrastructure improvements.

The governmental activities currently have \$3,619,250 in bond anticipation notes outstanding for multiple capital activities.

The Town's outstanding business-type debt as of June 30, 2022 totaled \$8,066,832 consisting of various sewer system improvements.

The business-type activities currently have \$285,500 in bond anticipation notes outstanding for phase II of the sewer improvement project.

Please refer to notes 3E, 3F and 3G for further discussion of the major capital and debt activity.

Next Year's Annual Town Meeting

The Town of Great Barrington operates under the "Open Meeting" concept where each voter has an equal vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2022 do not reflect the fiscal year 2023 Town Meeting actions with exception of the free cash amount used to fund the budget. The Annual Town Meeting on June 7, 2022 authorized the fiscal year 2023 operating and capital budgets as follows:

From raise and appropriate		\$ 28,987,871
From sewer receipts	\$ 2,658,492	
From sewer retained earnings	<u>64,600</u>	2,723,092
From Other Available Funds:		
General Fund:		
Unassigned fund balance:		
Free cash		4,708,000
Non-major Governmental Funds:		
Community preservation fund		<u>1,492,000</u>
		<u>\$ 37,910,963</u>

Requests for Information

This financial report is designed to provide a general overview of the Town of Great Barrington's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager, Town Hall, 334 Main Street, Great Barrington, Massachusetts 01230.

BASIC FINANCIAL STATEMENTS

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 26,706,774	\$ 7,169,612	\$ 33,876,386
Investments	2,030,851	-	2,030,851
Receivables, net of allowance for uncollectibles:			
Property Taxes	799,486	-	799,486
Tax Liens	561,228	-	561,228
Excise Taxes	221,717	-	221,717
Departmental	500	-	500
User Charges	-	798,626	798,626
Due from Other Governments	524,714	-	524,714
Lease	108,105	-	108,105
Total current assets	<u>30,953,375</u>	<u>7,968,238</u>	<u>38,921,613</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Lease	55,279	-	55,279
Net Pension Asset	1,830,099	185,429	2,015,528
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	7,112,791	538,357	7,651,148
Depreciable	31,052,061	10,804,582	41,856,643
Total noncurrent assets	<u>40,050,230</u>	<u>11,528,368</u>	<u>51,578,598</u>
Total Assets	<u>71,003,605</u>	<u>19,496,606</u>	<u>90,500,211</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	874,421	88,598	963,019
Deferred Outflows Related to OPEB	2,802,829	322,316	3,125,145
Total Deferred Outflows of Resources	<u>3,677,250</u>	<u>410,914</u>	<u>4,088,164</u>
LIABILITIES			
CURRENT:			
Warrants Payable	1,041,368	106,067	1,147,435
Accrued Payroll	70,217	7,056	77,273
Payroll Withholdings	62,999	-	62,999
Tax Refund Payable	422,000	-	422,000
Other	176,809	-	176,809
Accrued Interest	83,459	74,395	157,854
Unearned Revenue	1,037,954	-	1,037,954
Compensated Absences	22,877	9,239	32,116
Landfill Post-Closure Care Costs	15,000	-	15,000
Bond Anticipation Notes Payable	3,619,250	285,500	3,904,750
Bonds Payable	1,970,490	540,513	2,511,003
Total current liabilities	<u>8,522,423</u>	<u>1,022,770</u>	<u>9,545,193</u>
NONCURRENT:			
Compensated Absences	205,891	16,600	222,491
Landfill Post-Closure Care Costs	60,000	-	60,000
Net OPEB Liability	13,842,678	1,325,702	15,168,380
Bonds Payable	10,143,426	7,591,115	17,734,541
Total noncurrent liabilities	<u>24,251,995</u>	<u>8,933,417</u>	<u>33,185,412</u>
Total Liabilities	<u>32,774,418</u>	<u>9,956,187</u>	<u>42,730,605</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	3,245,892	328,879	3,574,771
Deferred Inflows Related to OPEB	7,200,652	828,050	8,028,702
Deferred Inflows Related to Lease	163,384	-	163,384
Total Deferred Inflows of Resources	<u>10,609,928</u>	<u>1,156,929</u>	<u>11,766,857</u>
NET POSITION			
Net Investment in Capital Assets	22,431,686	2,925,811	25,357,497
Restricted for:			
Capital Projects	3,789,853	1,144,484	4,934,337
Federal & State Grants	628,068	-	628,068
Community Preservation	2,125,768	-	2,125,768
Permanent Funds:			
Expendable	30,033	-	30,033
Nonexpendable	316,065	-	316,065
Other Purposes	1,550,674	-	1,550,674
Unrestricted	424,362	4,724,109	5,148,471
Total Net Position	<u>\$ 31,296,509</u>	<u>\$ 8,794,404</u>	<u>\$ 40,090,913</u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 3,662,087	\$ 282,935	\$ 643,046	\$ -	\$ (2,736,106)	\$ -	\$ (2,736,106)
Public Safety	3,689,370	792,220	138,684	-	(2,758,466)	-	(2,758,466)
Public Works	3,911,875	64,537	6,511	703,944	(3,136,883)	-	(3,136,883)
Education	17,984,107	-	-	-	(17,984,107)	-	(17,984,107)
Health and Human Services	437,899	120,924	129,054	-	(187,921)	-	(187,921)
Culture and Recreation	987,712	6,837	27,298	-	(953,577)	-	(953,577)
Employee Benefits and Insurance	1,844,661	-	1,950	-	(1,842,711)	-	(1,842,711)
Intergovernmental Assessments	61,043	-	-	-	(61,043)	-	(61,043)
Interest	309,857	-	-	-	(309,857)	-	(309,857)
Total Governmental Activities	32,888,611	1,267,453	946,543	703,944	(29,970,671)	-	(29,970,671)
Business-Type Activities:							
Sewer	1,550,861	2,545,229	15,761	24,600	-	1,034,729	1,034,729
Total Primary Government	\$ 34,439,472	\$ 3,812,682	\$ 962,304	\$ 728,544	(29,970,671)	1,034,729	(28,935,942)
General Revenues:							
Property Taxes					25,023,960	-	25,023,960
Motor vehicle and other excise taxes					1,021,489	-	1,021,489
Hotel room occupancy, meals and cannabis taxes					3,384,858	-	3,384,858
Penalties & Interest on taxes					276,844	-	276,844
Grants & Contributions not restricted to specific programs					3,385,618	-	3,385,618
Unrestricted Investment Income					65,620	-	65,620
Miscellaneous					29,610	-	29,610
Gain/(Loss) on Sale of Capital Assets					74,489	-	74,489
Contributions to Permanent Funds					11,750	-	11,750
Transfers, net					188,700	(188,700)	-
Total General Revenues, Contributions and Transfers					33,462,938	(188,700)	33,274,238
Change in Net Position					3,492,267	846,029	4,338,296
Net Position:							
Beginning of year					27,804,242	7,948,375	35,752,617
End of year					\$ 31,296,509	\$ 8,794,404	\$ 40,090,913

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Town Capital Projects Fund	American Rescue Plan Act Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 16,050,146	\$ 4,007,513	\$ 1,037,954	\$ 5,611,161	\$ 26,706,774
Investments	2,030,851	-	-	-	2,030,851
Receivables, net of allowance for uncollectibles:					
Property Taxes	783,635	-	-	15,851	799,486
Tax Liens	555,283	-	-	5,945	561,228
Excise Taxes	221,717	-	-	-	221,717
Departmental	500	-	-	-	500
Due from Other Governments	30,869	-	-	493,845	524,714
Lease	163,384	-	-	-	163,384
Total Assets	\$ 19,836,385	\$ 4,007,513	\$ 1,037,954	\$ 6,126,802	\$ 31,008,654
Liabilities:					
Warrants Payable	\$ 606,999	\$ 217,660	\$ -	\$ 216,709	\$ 1,041,368
Accrued Payroll	64,114	-	-	6,103	70,217
Employee Withholdings	62,999	-	-	-	62,999
Tax Refund Payable	422,000	-	-	-	422,000
Other	159	-	-	176,650	176,809
Unearned Revenue	-	-	1,037,954	-	1,037,954
Bond Anticipation Notes Payable	-	3,619,250	-	-	3,619,250
Total Liabilities	1,156,271	3,836,910	1,037,954	399,462	6,430,597
Deferred Inflows of Resources:					
Unavailable Revenue	1,249,004	-	-	83,599	1,332,603
Related to Lease	163,384	-	-	-	163,384
Total Deferred Inflows of Resources	1,412,388	-	-	83,599	1,495,987
Fund Balance:					
Nonspendable	-	-	-	316,065	316,065
Restricted	7,062	1,154,351	-	4,243,882	5,405,295
Committed	-	-	-	1,119,669	1,119,669
Assigned	5,166,609	-	-	-	5,166,609
Unassigned	12,094,055	(983,748)	-	(35,875)	11,074,432
Total Fund Balance	17,267,726	170,603	-	5,643,741	23,082,070
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 19,836,385	\$ 4,007,513	\$ 1,037,954	\$ 6,126,802	\$ 31,008,654

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Town Capital Projects Fund	American Rescue Plan Act Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$ 25,239,199	\$ -	\$ -	\$ 578,609	\$ 25,817,808
Intergovernmental	1,232,251	-	-	2,665,119	3,897,370
Excise and Other Taxes	1,096,268	-	-	-	1,096,268
Hotel Room Occupancy, Meals and Cannabis Taxes	3,384,858	-	-	-	3,384,858
Licenses, Permits, Fees	3,086,500	-	-	-	3,086,500
Charges for Services	-	-	-	450,228	450,228
Interest and Penalties on Taxes	272,330	-	-	4,514	276,844
Investment Income	65,620	-	-	8,202	73,822
Gifts and Donations	-	-	-	39,763	39,763
Other	-	535	-	40,154	40,689
Total Revenues	34,377,026	535	-	3,786,589	38,164,150
Expenditures:					
Current:					
General Government	2,629,946	198,500	-	957,346	3,785,792
Public Safety	2,618,634	108,096	-	517,052	3,243,782
Public Works	1,626,563	2,640,064	-	1,840,650	6,107,277
Education	17,984,107	-	-	-	17,984,107
Health and Human Services	352,546	-	-	72,679	425,225
Culture and Recreation	629,869	23,977	-	87,009	740,855
Employee Benefits and Insurance	2,418,384	-	-	28,456	2,446,840
Intergovernmental Assessments	61,043	-	-	-	61,043
Debt Service:					
Principal	1,657,099	-	-	-	1,657,099
Interest	394,995	-	-	-	394,995
Total Expenditures	30,373,186	2,970,637	-	3,503,192	36,847,015
Excess of Revenues Over (Under) Expenditures	4,003,840	(2,970,102)	-	283,397	1,317,135
Other Financing Sources (Uses):					
Operating Transfers In	183,600	97,202	-	5,239	286,041
Operating Transfers Out	(97,341)	-	-	-	(97,341)
Bond Premium	-	264,271	-	-	264,271
Sale of Tax Foreclosure Property	95,500	-	-	-	95,500
Proceeds From the Issuance of Bonds	-	2,511,900	-	-	2,511,900
Total Other Financing Sources (Uses)	181,759	2,873,373	-	5,239	3,060,371
Net Change in Fund Balances	4,185,599	(96,729)	-	288,636	4,377,506
Fund Balances, Beginning of Year	13,082,127	267,332	-	5,355,105	18,704,564
Fund Balances, End of Year	\$ 17,267,726	\$ 170,603	\$ -	\$ 5,643,741	\$ 23,082,070

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2022

Total Governmental Fund Balances		\$ 23,082,070
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		38,164,852
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		1,332,603
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.		(6,769,294)
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Bonds Payable	\$ (12,113,916)	
Landfill Post-Closure Care Costs	(75,000)	
Net Other Post Employment Benefits Liability	(13,842,678)	
Net Pension Liability/Asset	1,830,099	
Compensated Absences	<u>(228,768)</u>	(24,430,263)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due.		<u>(83,459)</u>
Net Position of Governmental Activities		<u><u>\$ 31,296,509</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 4,377,506

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 are reported as depreciation expense:

Capital Outlay Purchases	\$ 4,154,756	
Sale of Capital Asset	(21,011)	
Depreciation	<u>(2,580,817)</u>	1,552,928

Revenue 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 inflow - unavailable revenue. (2,046,461)

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

Repayment of Debt Principal	1,657,099	
Net Amortization of Premium from Issuance of Bonds	89,174	
Premium from the Issuance of Bonds and Notes	(264,271)	
Proceeds from Issuance of Bonds and Notes	<u>(2,511,900)</u>	(1,029,898)

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

Net Change in Compensated Absences	25,049	
Net Change in Landfill Post-Closure Care Costs	15,000	
Net Change in Net Other Post Employment Benefit Liability	5,864,232	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	(6,421,070)	
Net Change in Net Pension Liability/Asset	2,832,586	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	(1,673,569)	
Net Change in Accrued Interest	<u>(4,036)</u>	638,192

Change in Net Position of Governmental Activities \$ 3,492,267

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts				Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried						
	Forward from Prior Year	Original Budget	Final Budget				
Revenues:							
Property Taxes	\$ -	\$ 24,829,421	\$ 24,829,421	\$ 25,678,199	\$ -	\$ 848,778	
Intergovernmental	-	1,212,460	1,212,460	1,232,251	-	19,791	
Excise and Other Taxes	-	605,000	605,000	1,096,268	-	491,268	
Hotel Room Occupancy, Meals and Cannabis Taxes	-	555,000	555,000	3,384,858	-	2,829,858	
Licenses, Permits, Fees	-	720,000	720,000	3,086,500	-	2,366,500	
Interest and Penalties on Taxes	-	75,000	75,000	272,330	-	197,330	
Investment Income	-	70,000	70,000	59,431	-	(10,569)	
Total Revenues	-	28,066,881	28,066,881	34,809,837	-	6,742,956	
Expenditures:							
Current:							
General Government	345,000	2,950,596	3,228,946	2,629,946	416,805	182,195	
Public Safety	15,327	2,723,147	2,768,624	2,618,634	6,163	143,827	
Public Works	8,575	1,739,288	1,764,614	1,626,563	33,687	104,364	
Education	-	18,432,398	18,432,398	17,984,107	-	448,291	
Health and Human Services	-	455,672	469,722	352,546	1,854	115,322	
Culture and Recreation	-	707,165	709,165	629,869	100	79,196	
Employee Benefits and Insurance	15,136	2,987,589	3,006,424	2,418,384	-	588,040	
Intergovernmental Assessments	-	61,643	61,643	61,043	-	600	
Debt Service:							
Principal	-	1,657,099	1,657,099	1,657,099	-	-	
Interest	-	410,743	410,743	394,995	-	15,748	
Total Expenditures	384,038	32,125,340	32,509,378	30,373,186	458,609	1,677,583	
Excess of Revenues Over (Under) Expenditures	(384,038)	(4,058,459)	(4,442,497)	4,436,651	(458,609)	8,420,539	
Other Financing Sources (Uses):							
Operating Transfers In	-	183,600	183,600	183,600	-	-	
Operating Transfers Out	-	(497,341)	(497,341)	(497,341)	-	-	
Sale of Tax Foreclosure Property	-	-	-	95,500	-	95,500	
Total Other Financing Sources (Uses)	-	(313,741)	(313,741)	(218,241)	-	95,500	
Net Change in Budgetary Fund Balance	(384,038)	(4,372,200)	(4,756,238)	\$ 4,218,410	\$ (458,609)	\$ 8,516,039	
Other Budgetary Items:							
Free Cash and Other Reserves	-	4,372,200	4,372,200				
Prior Year Encumbrances	384,038	-	384,038				
Total Other Budgetary Items	384,038	4,372,200	4,756,238				
NET BUDGET	\$ -	\$ -	\$ -				

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2022

	<u>Revenues</u>	<u>Expenditures</u>
Reported on a Budgetary Basis	\$ 34,809,837	\$ 30,373,186
<u>Adjustments:</u>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	6,189	-
Net Decrease in Revenue from recording Refund Taxes Payable	(360,000)	-
Net Decrease in Revenue from Recording 60-Day Receipts	(79,000)	-
Reported on a GAAP Basis	<u>\$ 34,377,026</u>	<u>\$ 30,373,186</u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Business-Type Activities Enterprise Funds
	Sewer Fund
ASSETS	
CURRENT:	
Cash and Cash Equivalents	\$ 7,169,612
User Charges, net of allowance for uncollectibles	798,626
Total current assets	7,968,238
NONCURRENT:	
Net Pension Asset	185,429
Capital Assets, net of accumulated depreciation:	
Nondepreciable	538,357
Depreciable	10,804,582
Total noncurrent assets	11,528,368
Total Assets	19,496,606
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	88,598
Deferred Outflows Related to OPEB	322,316
Total Deferred Outflows of Resources	410,914
LIABILITIES	
CURRENT:	
Warrants Payable	106,067
Accrued Payroll	7,056
Accrued Interest	74,395
Compensated Absences	9,239
Bond Anticipation Notes Payable	285,500
Bonds Payable	540,513
Total current liabilities	1,022,770
NONCURRENT:	
Compensated Absences	16,600
Net OPEB Liability	1,325,702
Bonds Payable	7,591,115
Total noncurrent liabilities	8,933,417
Total Liabilities	9,956,187
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	328,879
Deferred Inflows Related to OPEB	828,050
Total Deferred Inflows of Resources	1,156,929
NET POSITION	
Net Investment in Capital Assets	2,925,811
Restricted for Capital Projects	1,144,484
Unrestricted	4,724,109
Total Net Position	\$ 8,794,404

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds
	Sewer Fund
Operating Revenues:	
Charges for Services	\$ 2,524,013
Other	21,216
Total Operating Revenues	2,545,229
Operating Expenses:	
Salaries & Wages	463,961
Operating Expenses	505,242
Depreciation	400,461
Total Operating Expenses	1,369,664
Operating Income (Loss)	1,175,565
Non-Operating Revenues (Expenses):	
Interest Income	10,015
Other	30,346
Interest Expense	(181,197)
Total Non-Operating Revenues (Expenses)	(140,836)
Income (Loss) Before Operating Transfers	1,034,729
Operating Transfers:	
Transfers (Out)	(188,700)
Total Operating Transfers	(188,700)
Change in Net Position	846,029
Net Position at Beginning of Year	7,948,375
Net Position at End of Year	\$ 8,794,404

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds
	Sewer Fund
Cash Flows From Operating Activities:	
Receipts from Customers and Users	\$ 2,307,618
Receipts from Other Revenues	21,216
Payments to Vendors	(853,063)
Payments to Employees	(464,450)
Net Cash Provided by (Used for) Operating Activities	1,011,321
Cash Flows from Noncapital Financing Activities:	
Transfers from (to) Other Funds	(188,700)
Net Cash Provided by (Used for) Noncapital Financing Activities	(188,700)
Cash Flows from Capital and Related Financing Activities:	
Other	30,346
Proceeds from the Issuance of Notes and Bonds	285,500
Acquisition and Construction of Capital Assets	(218,082)
Principal Payments on Bonds and Notes	(488,203)
Interest Expense	(192,021)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(582,460)
Cash Flows from Investing Activities:	
Investment Income	10,015
Net Cash Provided by (Used for) Investing Activities	10,015
Net Increase (Decrease) in Cash and Cash Equivalents	250,176
Cash and Cash Equivalents at Beginning of Year	\$6,919,436
Cash and Cash Equivalents at End of Year	\$ 7,169,612

**Reconciliation of Operating Income (Loss) to Net Cash
Provided by (Used For) Operating Activities:**

Operating Income (Loss)	\$ 1,175,565
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	400,461
Deferred (Outflows)/Inflows of Resources Related to Pensions	169,568
Deferred (Outflows)/Inflows of Resources Related to OPEB	743,992
Change in Assets and Liabilities:	
Increase (Decrease) in Warrants Payable	(33,855)
Increase (Decrease) in Accrued Payroll	1,759
Increase (Decrease) in Compensated Absences	(2,248)
Increase (Decrease) in Net OPEB Liability	(940,524)
Increase (Decrease) in Net Pension Liability/Asset	(287,002)
Decrease (Increase) in User Charges Receivable	(216,395)
Total Adjustments	(164,244)
Net Cash Provided by (Used for) Operating Activities	\$ 1,011,321

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 269,777
Total Assets	<u>269,777</u>
LIABILITIES	
Warrants Payable	-
Total Liabilities	<u>-</u>
NET POSITION	
Held for Other Governments	<u>\$ 269,777</u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Custodial Funds</u>
Additions:	
Property Tax Collections for Other Governments	\$ 932,216
Total Additions	<u>932,216</u>
Deductions:	
Payments of Property Tax Collections to Other Governments	<u>935,956</u>
Total Deductions	<u>935,956</u>
Change in Net Position	<u>(3,740)</u>
Net Position at Beginning of Year (as restated)	<u>273,517</u>
Net Position at End of Year	<u>\$ 269,777</u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1761 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected five-member Selectboard.

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 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. In fiscal year 2022, it was determined that no entities met the required GASB-39 and GASB-61 criteria of component units.

The Town is responsible for electing the governing board and/or committee members of the Berkshire Hills Regional School District, the Great Barrington Housing Authority and the Great Barrington Fire District. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board members. A description of the related organizations follows:

Berkshire Hills Regional School District - A regional school district made up of three communities to serve and provide a learning experience. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of operating and capital costs. The regional school district is a separate entity under the Commonwealth of Massachusetts. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

Great Barrington Housing Authority – A public housing agency that provides housing assistance to eligible and qualified low and moderate income families, the elderly and the handicapped. The housing authority is an autonomous and self-sufficient agency under the State Executive Office of Communities and Development. The Town has no significant influence over management, budget or policies of the authority.

Great Barrington Fire District – A District that provides water services to the residents of the Town. The districts are autonomous and self-sufficient units under the General Laws of the Commonwealth of Massachusetts. The Town has no significant influence over management, budget or policies of the district.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements

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

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

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

Fund financial statements

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

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and change in net position.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets, liabilities, revenues or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds),
- and*
- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds 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.

Proprietary and 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, as are the proprietary fund and fiduciary fund financial statements. Under the modified accrual basis of accounting revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise funds and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported.

Fund financial statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to be used to pay current liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excises and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

The Town reports the following major governmental fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Town capital projects fund* is used to account for financial resources to be used for the acquisition of vehicles and equipment, and the construction of major capital facilities and infrastructure.

The *american rescue plan act (ARPA) grant fund* is a United States Federal Government established funding source to assist in the fighting of the coronavirus.

The Town reports the following major proprietary funds:

The *sewer fund* is used to account for the sewer activities.

The non-major governmental fund consists of other special revenue and permanent funds that are aggregated and presented in the *non-major 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 or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

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.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Additionally, the Town reports the following fund types:

The 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 in a trustee capacity for others that cannot be used to support the government programs. The Town reports the following fiduciary funds:

The *custodial fund* is used for activities related to collections and payments of property taxes and user charges for the water district that provide utility services to the residents of the Town, and to account for assets held in a purely custodial capacity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash and Cash Equivalents

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

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

Investment income from proprietary funds is maintained in those funds.

E. Investments

The Town maintains investments according to Massachusetts General Laws and adopted policies. Investments are reported according to the fair value hierarchy established by generally accepted accounting principles. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.

Level 3 inputs are unobservable for the asset or liability.

Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended and should be measured at the net asset value per share provided by the pool.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Additional investment disclosures are presented in these Notes.

F. Receivables

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

Property Taxes and Tax Liens

Property taxes are based on assessments as of January 1, 2021 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed preliminary tax bills for the fiscal year 2022 in June 2021 that were due on August 2, 2021 and November 1, 2021 and actual bills in December 2021 that were due on February 1, 2022 and May 2, 2022.

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2022 is as follows:

Legal Levy Limit Under Proposition 2 1/2 for fiscal year 2022	\$ 25,753,823
Less: Debt Exclusion	1,374,492
Maximum Allowable Levy	<u>\$ 27,128,315</u>

The total amount to be raised by taxation was \$25,134,939.

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

Excise Taxes

Excise taxes consist of motor vehicle excise. Excise taxes are assessed annually and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The tax calculation is the fair market value of the vehicle multiplied by \$25 per \$1,000 of value.

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

User Charges

User charges and fees consist of sewer fees. Sewer fees are levied based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Sewer liens are processed each year and are included as a lien on the property owner's tax bill. Sewer charges and liens are recorded as receivables in the fiscal year of the levy.

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

Departmental

Departmental receivables consist of fees for parking tickets and public safety false alarms, and police off-duty details.

The allowance for uncollectible accounts is estimated based on specific account analysis.

Due from Other Governments

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

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

Lease Receivable

Lease receivable consists of a governmental lease of a solar facility. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

This receivable is considered 100% collectible and, therefore, does not report an allowance for uncollectibles.

G. Capital Assets

Capital assets, which include land, construction in progress, buildings and renovations, machinery, equipment and other, and infrastructure assets (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value.

All purchase and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

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

Capital Asset Type	Years
Buildings and renovations	20-40
Machinery, equipment and other	3-15
Infrastructure	20-40

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.

H. 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.

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers' net".

In the 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.

I. Deferred Outflows/Inflows of Resources

Government-wide financial statements

The government-wide financial statements *Statement of Net Position* includes a separate section, listed below total assets, for *deferred outflows of resources*. This represents the usage of net position applicable for future period(s) and will not be recognized as expenditures until the future period to which it applies. Currently, the items in this category are *deferred outflows related to pensions and deferred outflows related to OPEB*.

In addition to liabilities, the *Statement of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the items in this category are *deferred inflows related to pensions, deferred inflows related to OPEB and deferred inflows related to lease*.

Fund financial statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, these items, *unavailable revenue and related to leases*, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the Town's property, excise and other taxes; departmental receipts and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

J. Net Position and Fund Balances

In the Government-Wide financial statements, the difference between the Town's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources represents net position. Net position displays three components – net investment in capital assets, restricted (distinguished between major categories of restrictions), and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of 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.

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

"Federal and state grants" represents amounts restricted by the federal and state government for various programs.

"Community Preservation" represents amounts restricted for the purposes under the community preservation act adopted by the Town.

"Permanent funds – nonexpendable" represents amounts held in trust for which only investment earnings may be expended.

"Permanent funds – expendable" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Other purposes" represents restrictions placed on assets from outside parties.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of those resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, which is the Town meeting action and can be modified or rescinded only through these actions. Committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Assigned fund balance. This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. Department heads and Town board/committees have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When the restricted and other fund balance resources are available for use, it is the Town's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts respectively.

K. Long-term Debt

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

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.

L. Compensated Absences

The Town grants to employees unused sick leave benefits in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused sick leave (subject to certain limitations) at their current rates of pay. The Town has established a trust fund with Town appropriations (typically \$35,000 annually, \$30,000 from the general fund and \$5,000 from the sewer fund) to be used to fund the accumulated sick leave benefits. The balance in the trust fund at June 30, 2022 is \$265,932.

M. Pension Benefits

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 Berkshire County Retirement System (the System) is provided. Additions to and 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 according with the benefit terms. Investments are reported at their fair value.

N. Post Retirement Benefits

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's 50% share of insurance premiums for retirees, spouses and surviving spouses in the general fund in the fiscal year paid.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

O. Use of Estimates

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

P. Total Column

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted for the Town's General Fund. Although legislative approval is required for the acceptance of grants, capital projects, and borrowing authorizations, annual budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

The Town must establish its property tax rate each year so that the property tax rate levy will comply with the limits established by Proposition 2 1/2, as amended, and also equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for prior year deficits, if any, less (c) the aggregate of all non-property tax revenues estimated to be received, including available funds.

The Town follows these procedures in establishing the General Fund budgetary data as reflected in the financial statements:

- Estimates are submitted by departments in accordance with Massachusetts general Laws.
- The budget is legally enacted by vote at the annual Town meeting.
- Supplemental appropriations may be made from available funds after the setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.

Massachusetts law requires cities and towns to provide for a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

"The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns (cities) since the preceding annual assessment and not provided for therein . . . "

For fiscal year 2022, the Town incurred a final budget deficit of \$4,756,238 for the General Fund.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The Town voted from the following sources to fund the deficit budget during the fiscal year:

Unassigned fund balance:	
Free cash votes	\$ 4,372,200
Prior year's encumbrances	384,038
	<hr/>
	\$ 4,756,238
	<hr/>

B. Deficit Fund Balances

The following funds have deficits at June 30, 2022 as measured by the balances of unassigned fund balance.

- The *Town capital projects fund* and Major Fund have various deficits totaling \$983,748 (the 2021 street improvements project of \$525,473, the Highway backhoe/loader project of \$145,450 the Highway truck lift project of \$79,450, the Highway sidewalk plow project of \$124,300, the Highway engineering project of \$96,475, and the stormwater systems project of \$12,600. The Town has outstanding bond anticipation notes for \$3,619,250 for these projects. These deficits will be eliminated upon the issuance of permanent debt.
- The *asset planning management grant* special revenue fund has a deficit of \$7,250. This deficit will be eliminated upon the future receipt of funds or upon appropriation.
- The *green community grant* special revenue fund has a deficit of \$28,625. This deficit will be eliminated upon the future receipt of funds or upon appropriation.

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2022 were \$33,729,022. Of these, \$3,004,551 are exposed to custodial credit risk as uninsured and uncollateralized.

Investment Policies

Investments of funds, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit 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 in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. 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. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

As such, the Town reports its investments in MMDT in the amount of \$2,030,851. MMDT's fair value is measured at amortized cost.

Custodial Credit Risks - Investments

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments all are in the MMDT and thus are exempt from collateralization. The Town has no policy on custodial credit risk.

Interest Rate Risk

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.

Credit Risk

There is no exposure to credit risk.

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in one issuer. The Town's entire investment is in the MMDT.

Fair Value of Investments

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

The Town has the following recurring fair value measurements as of June 30, 2022:

Investment Type	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	\$ 2,030,851			

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

B. Receivables

At June 30, 2022, receivables for the individual major governmental funds and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 829,486	\$ (30,000)	\$ 799,486
Tax liens	561,228	-	561,228
Excise taxes	281,717	(60,000)	221,717
Departmental	16,290	(15,790)	500
Due from other governments	524,714	-	524,714
Lease	163,384	-	163,384
	<u>\$ 2,376,819</u>	<u>\$ (105,790)</u>	<u>\$ 2,271,029</u>

At June 30, 2022, receivables for the business-type activities consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer Fund:			
User charges	\$ 734,142	\$ (32,568)	\$ 701,574
Tax liens	97,052	-	97,052
	<u>\$ 831,194</u>	<u>\$ (32,568)</u>	<u>\$ 798,626</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The composition of amounts due from other governments as of June 30, 2022 for the governmental funds is as follows:

General Fund:

Commonwealth of Massachusetts:

Department of Veterans Services:		
Veterans benefits	\$	30,869

Nonmajor Governmental Funds:

U. S. Department of Housing and Urban Development:

Pass Through Massachusetts Emergency Management Agency:

Emergency Management Agency Performance Grant	\$	2,700
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Commonwealth of Massachusetts:

Department of Elder Affairs:		
Council on Aging Service Incentive Grants	20,232	
Department of Environmental Affairs	76,000	
Department of Environmental Protection	2,540	
Executive Office of Economic Development:		
Massachusetts Works Grants	142,353	
Department of Fire Services:		
Fire Equipment Grant	15,498	
Executive Office of Public Safety and Homeland Security:		
Public Safety Grants	6,561	
Massachusetts Department of Transportation:		
Highway Department - Chapter 90 funded projects	206,799	

Other:

Various	21,162	493,845
	<u>\$</u>	<u>524,714</u>

C. Lease Receivable

The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. Revenue is recognized when earned.

On January 2, 2014, the Town entered into a 10-year property lease with the Massachusetts Trial Court to lease real property of a facility located at 9 Gilmore Avenue, Great Barrington, Massachusetts 01230. The Commencement Date of the property lease was July 1, 2013. The fixed payment will be equal to \$9,294 per month. The property lease has provisions for an additional option period to extend the lease for ten years. The lease receivable is measured at the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.0%.

In Fiscal year 2022, the Town recognized \$104,914 of lease revenue and \$6,614 of interest revenue under the leases which is included in Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

The future minimum lease payments are due as follows:

Year	Principal	Interest	Total
2023	\$ 108,105	\$ 3,423	\$ 111,528
2024	55,279	485	55,764
	<u>\$ 163,384</u>	<u>\$ 3,908</u>	<u>\$ 167,292</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

D. Deferred Inflows of Resources – Unavailable Revenue

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. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds are as follows:

General Fund:			
Property taxes	\$	440,635	
Tax liens		555,283	
Excise taxes		221,717	
Departmental		500	
Due from other governments		30,869	
Lease		163,384	\$ 1,412,388
<hr/>			
Nonmajor governmental funds:			
Property taxes		15,851	
Tax liens		5,946	
Due from other governments		61,802	83,599
<hr/>			
\$ 1,495,987			

E. Capital Assets

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2022, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,925,063	\$ -	\$ (21,011)	\$ 5,904,052
Construction in progress	10,547	1,208,739	(10,547)	1,208,739
Total capital assets not being depreciated	5,935,610	1,208,739	(31,558)	7,112,791
Capital assets being depreciated:				
Buildings and Renovations	17,197,157	157,562	-	17,354,719
Machinery, equipment and other	10,857,964	269,750	-	11,127,714
Infrastructure	25,513,615	2,529,252	-	28,042,867
Total capital assets being depreciated	53,568,736	2,956,564	-	56,525,300
Less accumulated depreciation for:				
Buildings and Renovations	7,633,482	598,492	-	8,231,974
Machinery, equipment and other	7,284,445	671,677	-	7,956,122
Infrastructure	7,974,495	1,310,648	-	9,285,143
Total accumulated depreciation	22,892,422	2,580,817	-	25,473,239
Total capital assets being depreciated, net	30,676,314	375,747	-	31,052,061
Total governmental activities capital assets, net	\$ 36,611,924	\$ 1,584,486	\$ (31,558)	\$ 38,164,852

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 10,655	\$ -	\$ -	\$ 10,655
Construction in Progress	381,981	145,721	-	527,702
Total capital assets not being depreciated	392,636	145,721	-	538,357
Capital assets being depreciated:				
Buildings and renovations	10,077,690	-	-	10,077,690
Machinery, equipment and other	1,288,184	72,360	-	1,360,544
Infrastructure	10,166,478	-	-	10,166,478
Total capital assets being depreciated	21,532,352	72,360	-	21,604,712
Less accumulated depreciation for:				
Buildings and renovations	8,245,506	160,309	-	8,405,815
Machinery, equipment and other	1,195,557	34,073	-	1,229,630
Infrastructure	958,607	206,078	-	1,164,685
Total accumulated depreciation	10,399,670	400,460	-	10,800,130
Total capital assets being depreciated, net	11,132,682	(328,100)	-	10,804,582
Total business-type activities capital assets, net	\$ 11,525,318	\$ (182,379)	\$ -	\$ 11,342,939

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

Governmental Activities:

General government	\$ 144,738
Public safety	558,580
Public works	1,609,696
Health and human services	5,550
Culture and recreation	262,253
Total depreciation expense - governmental activities	<u>\$ 2,580,817</u>

Business-Type Activities:

Sewer fund	<u>\$ 400,460</u>
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F. Short-Term Financing

Under the general laws of the Commonwealth and with the appropriate local authorization the Town is authorized to borrow funds on a temporary basis to (1) fund current operations prior to the collection of revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

Details related to the short-term debt activity of the governmental type fund and business-type fund are as follows:

Governmental Activities	Interest Rate	Final Maturity Date	Balance July 1, 2021	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2022
Bond Anticipation Notes:						
Municipal Purpose Loan of 2021	2.00%	11/18/2021	\$ 2,851,850	\$ -	\$ 2,851,850	\$ -
Municipal Purpose Loan of 2022	2.05%	6/16/2023	-	3,619,250	-	3,619,250
Total Governmental Activities			<u>\$ 2,851,850</u>	<u>\$ 3,619,250</u>	<u>\$ 2,851,850</u>	<u>\$ 3,619,250</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Business-Type Activities:

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2021	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2022
Bond Anticipation Notes:						
Municipal Purpose Loan of 2021	2.00%	11/18/2021	\$ 332,700	\$ -	\$ 332,700	\$ -
Municipal Purpose Loan of 2022	2.05%	6/16/2023	-	285,500	-	285,500
Total Business-Type Activities			<u>\$ 332,700</u>	<u>\$ 285,500</u>	<u>\$ 332,700</u>	<u>\$ 285,500</u>

G. Long Term Debt

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds currently outstanding of the governmental type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2022
Inside Debt:					
Municipal Purpose Loan of 2013	2.62%	8/1/2013	6/1/2028	\$ 2,526,400	\$ 665,000
Municipal Purpose Loan of 2014	1.89%	6/15/2014	6/1/2024	1,657,280	300,000
Municipal Purpose Loan of 2016	1.31%	6/26/2016	6/15/2027	4,725,000	2,080,000
Municipal Purpose Loan of 2017	2.13%	10/26/2017	4/15/2033	3,940,000	2,485,000
Municipal Purpose Loan of 2021	0.98%	1/26/2021	7/15/2040	4,027,099	3,565,000
Municipal Purpose Loan of 2021	1.25%	11/17/2021	11/15/2041	2,511,900	2,511,900
Total Bonded Debt					11,606,900
Add: Unamortized premium on bonds					507,016
Total governmental type debt					<u>\$ 12,113,916</u>

Future Debt Service

The annual principal and interest payments to retire all governmental type fund general obligation long-term debt outstanding as of June 30, 2022, are as follows:

Year	Principal	Interest	Total
2023	\$ 1,866,900	\$ 342,428	\$ 2,209,328
2024	1,660,000	269,805	1,929,805
2025	1,390,000	216,205	1,606,205
2026	1,330,000	175,005	1,505,005
2027	1,195,000	134,055	1,329,055
2028-2032	2,985,000	290,475	3,275,475
2033-2037	1,050,000	45,050	1,095,050
2038-2042	130,000	5,700	135,700
	<u>\$ 11,606,900</u>	<u>\$ 1,478,723</u>	<u>\$ 13,085,623</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

General obligation bonds currently outstanding of the business-type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2022
Sewer Fund:					
Inside Debt:					
Municipal Purpose Loan of 2013	2.62%	8/1/2013	6/1/2028	\$ 268,600	\$ 120,000
Municipal Purpose Loan of 2021	0.98%	1/26/2021	7/15/2040	962,901	910,000
Municipal Purpose Loan of 2021	1.25%	11/17/2021	11/15/2041	308,100	308,100
Massachusetts Clean Water Trust:					
Sewer system improvements	2.00%	2/11/2016	1/15/2036	4,210,000	3,131,054
Sewer system improvements	2.00%	4/13/2017	1/15/2037	4,579,305	3,597,678
Total Bonded Debt					8,066,832
Add: Unamortized premium on bonds					64,796
Total Business-type debt					<u>\$ 8,131,628</u>

Future Debt Service

The annual principal and interest payments to retire all business-type long-term debt outstanding are as follows:

Year	Principal	Interest	Total
2023	\$ 532,292	\$ 172,092	\$ 704,384
2024	537,869	158,481	696,350
2025	541,733	145,448	687,181
2026	545,790	132,489	678,279
2027	520,045	119,773	639,818
2028-2032	2,611,226	428,182	3,039,408
2033-2037	2,572,877	162,661	2,735,538
2038-2042	205,000	8,450	213,450
	<u>\$ 8,066,832</u>	<u>\$ 1,327,576</u>	<u>\$ 9,394,408</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

A summary of the changes in governmental activities and business-type long term liabilities during the year is as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds	\$ 10,752,099	\$ 2,511,900	\$ 1,657,099	\$ 11,606,900	\$ 1,866,900
Add: Unamortized premium on bonds	331,919	264,271	89,174	507,016	103,590
Landfill post-closure care costs	90,000	-	15,000	75,000	15,000
Compensated absences	253,815	15,798	40,845	228,768	22,877
Net OPEB liability	19,706,910	-	5,864,232	13,842,678	-
Net pension liability	1,002,487	-	1,002,487	-	-
Governmental activity					
Long-term liabilities	<u>\$ 32,137,230</u>	<u>\$ 2,791,969</u>	<u>\$ 8,668,837</u>	<u>\$ 26,260,362</u>	<u>\$ 2,008,367</u>
Business type activities:					
Bonds Payable:					
General obligation bonds	\$ 1,102,901	\$ 308,100	\$ 72,901	\$ 1,338,100	\$ 133,100
Massachusetts Clean					
Water Trust bonds	7,119,434	-	390,702	6,728,732	399,192
Add: Unamortized premium on bonds	73,540	-	8,744	64,796	8,221
Compensated absences	28,087	-	2,248	25,839	9,239
Net OPEB liability	2,266,226	-	940,524	1,325,702	-
Net pension liability	101,573	-	101,573	-	-
Business-type activity					
Long-term liabilities	<u>\$ 10,691,761</u>	<u>\$ 308,100</u>	<u>\$ 1,516,692</u>	<u>\$ 9,483,169</u>	<u>\$ 549,752</u>

Massachusetts Clean Water Trust (MCWT)

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$9,060,860 and interest costs of \$2,061,219 for a loan which the Town has borrowed from MCWT. The gross amount outstanding at June 30, 2022 for principal and interest combined for the loan is \$7,824,693. Since the Town is legally obligated for the total amount of the debt, such amounts for the gross principal have been recorded on the financial statements.

Landfill Post-Closure Care Costs

State and Federal laws and regulations require the Town perform certain maintenance and monitoring functions at the landfill site for thirty years after closure.

The \$75,000 reported as landfill post-closure care liability as of June 30, 2022 represents the remaining estimated post-closure maintenance costs. These amounts are based on what it will cost to perform all post-closure care in 2022. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

Legal Debt Limit

Under Section 10 of Chapter 44 of the Massachusetts General Laws a Town may authorize indebtedness up to a limit of five percent of its equalized valuation of the Town. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The Town's inside debt at June 30, 2022 totaled \$19,673,732.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

In addition, the Town is authorized to incur debt outside of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

The following is a computation of the legal debt limit as of June 30, 2022.

Equalized Valuation-Real Estate and Personal Property (2022)		<u>\$ 1,741,152,600</u>
Debt Limit: 5 % of Equalized value		87,057,630
Total Debt Outstanding	\$ 19,673,732	
Less: Debt Outside Debt Limit	-	<u>19,673,732</u>
Inside Debt Excess Borrowing Capacity at June 30, 2022		<u>\$ 67,383,898</u>

Loans Authorized and Unissued - Memorandum Only

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt.

Loan authorizations that have not been issued as of June 30, 2022 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
5/2/2011	Water System Improvements	\$ 425,000
5/5/2014	Sewer System Improvements	7,142,806
5/1/2017	Departmental Vehicles, Equipment and Capital Improvements	125,000
5/7/2018	Departmental Vehicles, Equipment and Capital Improvements	200,000
5/6/2019	Departmental Vehicles, Equipment and Capital Improvements	2,280,000
6/22/2020	Departmental Vehicles, Equipment and Capital Improvements	636,950
6/22/2020	Sewer System Improvements	357,300
6/7/2021	Departmental Vehicles, Equipment and Capital Improvements	368,000
6/7/2021	Sewer System Improvements	100,000
6/6/2022	Departmental Vehicles, Equipment and Capital Improvements	4,246,028
6/6/2022	Sewer System Improvements	340,700
6/6/2022	Memorial Field Improvements through CPA	500,000
		<u>\$ 16,721,784</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

H. Fund Balances

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2022:

	General Fund	Major Funds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Permanent funds	\$ -	\$ -	\$ 316,065	\$ 316,065
Restricted:				
Federal, state and local grants	-	-	566,265	566,265
Town Revolving funds	-	-	89,814	89,814
Community preservation funds	-	-	2,103,972	2,103,972
Debt service	7,062	-	-	7,062
Donations and gifts	-	-	155,872	155,872
Capital projects	-	1,154,351	-	1,154,351
Permanent funds	-	-	30,033	30,033
Other	-	-	1,297,926	1,297,926
	<u>7,062</u>	<u>1,154,351</u>	<u>4,243,882</u>	<u>5,405,295</u>
Committed:				
Conservation Fund	-	-	30,094	30,094
Employee Fringe Benefits Fund	-	-	265,932	265,932
Pension Reserve Fund	-	-	820,919	820,919
Unemployment Fund	-	-	2,724	2,724
	<u>-</u>	<u>-</u>	<u>1,119,669</u>	<u>1,119,669</u>
Assigned:				
General government	416,805	-	-	416,805
Public safety	6,163	-	-	6,163
Public works	33,687	-	-	33,687
Health and Human Services	1,854	-	-	1,854
Culture and Recreation	100	-	-	100
Subsequent year's budget	4,708,000	-	-	4,708,000
	<u>5,166,609</u>	<u>-</u>	<u>-</u>	<u>5,166,609</u>
Unassigned:				
General fund	12,094,055	-	-	12,094,055
Capital project deficits	-	(983,748)	-	(983,748)
Special revenue deficits	-	-	(35,875)	(35,875)
	<u>12,094,055</u>	<u>(983,748)</u>	<u>(35,875)</u>	<u>11,074,432</u>
Total Governmental fund balances	<u>\$ 17,267,726</u>	<u>\$ 170,603</u>	<u>\$ 5,643,741</u>	<u>\$ 23,082,070</u>

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

I. Special Trust Funds

Stabilization Fund

Massachusetts General Laws, Chapter 40, Section 5B, allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. Any interest shall be added to and become a part of the fund.

At June 30, 2022, the balance in the stabilization fund is \$1,706,139 and is reported in the General Fund as unassigned fund balance.

4. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Contingent Liabilities

Litigation

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the 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.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, Town management believes such disallowances, if any, will not be material.

C. Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

D. Pension Plan

Plan Description

The Town is a member of the Berkshire County Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by a five-member board. Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 29 Dunham Hall, Pittsfield, Massachusetts 01201-6207.

Benefits Provided

The System provides retirement, disability, survivor and death benefits to plan members and beneficiaries. MGL Chapter 32 establishes uniform benefit and contributory requirements for all contributory public employee retirement systems (PERS). The Massachusetts PERS benefits are uniform from system to system, with a few minor exceptions. Members of the System become vested after 10 years of creditable service. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. Most employees who joined the system on or after April 2, 2012 cannot retire prior to age 60. The authority for amending these provisions rests with the Massachusetts Legislature.

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

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

Contributions

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2021 was \$993,573, representing 22.55% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Pension Asset

As of June 30, 2022, the Town reported an asset of \$2,015,528 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. Accordingly, update procedures were used to roll forward the total pension asset to the measurement date. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2021, the Town's proportional percentage was 8.58%, which was a slight decrease from the last measurement.

Pension Expense

For the year ended June 30, 2022, the Town recognized a pension expense of (\$268,039); reported deferred outflows of resources related to pensions of \$963,019 from the differences between expected and actual experience and changes in assumptions; and deferred inflows of resources related to pensions of \$3,574,771 from the differences between expected and actual experience and the net difference between projected and actual investment earnings on pension plan investments.

The Town's net deferred outflows/(inflows) of resources related to pensions will be recognized in the pension expense as follows;

For years ended June 30,	
2023	\$ (480,737)
2024	(895,409)
2025	(717,717)
2026	(517,889)
	<u>\$ (2,611,752)</u>

Actuarial Assumptions

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

Valuation date	January 1, 2021
Actuarial cost method	Entry Age Normal Cost Method
Asset valuation method	Determined in accordance with the deferred recognition method under which 20% of the gains or losses occurring in the prior year are recognized, 40% of those occurring 2 years ago, etc., so that 100% of the gains and losses occurring 5 years ago are recognized. The actuarial value of assets will be adjusted, if necessary, in order to remain between 90% and 110% of market value.
Investment rate of return	6.75% per year net of investment expenses
Projected salary increases	Select and ultimate by job group; ultimate rates 4.25% for Group 1 and Group 2, and 4.75% for Fire and Police.
Inflation	Not explicitly stated
Cost of living adjustments	3.00% of the first \$14,000.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Mortality rates

Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020 (gender distinct).
 Post retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020 (gender distinct).
 For disabled retirees, rates reflect the RP-2014 Blue Collar Healthy Annuitant table set forward one year projected generationally with Scale MP-2020 (gender distinct).

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 class included in the pension plan's target asset allocation as of December 31, 2021, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	24.00%	1.51%
International Equities	12.70%	0.81%
Emerging Market Equities	5.00%	0.44%
Core Fixed Income	15.10%	0.82%
Value-added Fixed Income	6.50%	0.42%
Private Equity	16.60%	1.68%
Real Estate	8.70%	0.52%
Timber/Natural Resources	2.90%	0.19%
Hedge Funds/PCS	7.80%	0.42%
Overlay	0.60%	0.00%
Total *	<u>99.90%</u>	

* = Total may not add to 100% due to rounding.

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 19.90%. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. The rate of return is then calculated by solving, through an iterative process, for the rate that equates the sum of the weighted external cash flows into and out of the pension plan investments to the ending fair value of pension plan investments.

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarial determined rates based on the Board's funding policy, which establishes the contractually required rates by Statute. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75%. As well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Town's net pension liability/(asset)	\$ 1,191,333	\$ (2,015,528)	\$ (4,734,873)

E. Other Post-Employment Benefits Payable

The cost of post-employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Town recognizes the cost of post-employment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows.

Plan Description

In addition to providing pension benefits, the Town provided post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. As of the actuarial valuation date there are approximately 126 active and retired employees, and spouses that meet the eligibility requirements. The plan does not issue a separate financial report.

Investment Policy

The Town's does not have a policy to contribute to an OPEB trust and has not contributed as of June 30, 2022. The Town has not established an irrevocable trust for the purpose of accumulating assets to prefund the OPEB liabilities. If such a trust existed, Plan assets segregated and restricted in an OPEB trust must be dedicated to providing plan benefits to retirees and beneficiaries in accordance with the terms of the plan and must be legally protected from creditors of the employer. Further, employer contributions to the trust must be irrevocable.

GASB Statement No. 75 – Financial Reporting for OPEB Employer

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending June 30, 2022, the total Town premiums plus implicit costs for the retiree medical program were \$466,418. The Town also made a contribution to an OPEB Trust of \$0 for a total contribution during the reporting period of \$466,418 to be reported on the financial statement for the fiscal year ending June 30, 2022.

Measurement Date

GASB Statement No. 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, 2021.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Plan Membership:

Current active members	72
Current retirees, beneficiaries and dependents	54
Total	<u>126</u>

Net OPEB Liability

The components of the net OPEB liability are as follows:

Total OPEB liability	\$ 15,168,380
Less: Plan fiduciary net position	-
Town's Net OPEB liability	<u>\$ 15,168,380</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2022:

Valuation date	July 1, 2021
Actuarial cost method	Individual Entry Age Normal
Inflation	2.40% annually
Single equivalent discount rate	3.54%, compounded annually, for the measurement as of June 30, 2022
Projected salary increases	3.50% annually
Mortality rates	
Pre-retirement mortality (General & Public Safety)	RP-2014 Blue Collar Mortality table, projected with generational mortality improvement using Scale MP-2020.
Post-retirement mortality (General & Public Safety)	RP-2014 Blue Collar Mortality table, projected with generational mortality improvement using Scale MP-2020.
Disabled mortality (General & Public Safety)	RP-2014 Blue Collar Mortality table, set forward one year with full generational mortality improvement using Scale MP-2020.

The actuarial assumptions used in the July 1, 2021 valuation were reflective of published municipal bond indices; the Bond Buyer 20-Bond GO Index as of June 30, 2022 is 3.54%.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was not provided.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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 insufficient to make all projected benefit payments to current plan members. Therefore, the 3.54% municipal bond rate was applied to all periods to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2021	\$ 21,973,136	\$ -	\$ 21,973,136
Service cost	1,097,979	-	1,097,979
Interest on Total OPEB Liability	493,299	-	493,299
Changes in benefit terms	-	-	-
Changes in assumptions	(5,158,881)	-	(5,158,881)
Difference between actual and expected experience	(2,770,735)	-	(2,770,735)
Net investment income	-	-	-
Employer contributions to Trust	-	466,418	(466,418)
Total benefit payments including implicit cost	(466,418)	(466,418)	-
Net change in total OPEB liability	(6,804,756)	-	(6,804,756)
Balances at June 30, 2022	\$ 15,168,380	\$ -	\$ 15,168,380

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	1% Decrease	Current	1% Increase
	2.54%	Discount Rate 3.54%	4.54%
Town's net OPEB liability	\$ 17,856,508	\$ 15,168,380	\$ 13,045,978

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Town's net OPEB liability	\$ 12,757,417	\$ 15,168,380	\$ 18,308,020

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to or 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, except for money market investments and participating interest earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year, which are reported at cost.

Expense, Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$826,724 and reported deferred outflows of resources related to OPEB of \$3,125,145 from changes in assumptions and deferred inflows of resources related to OPEB of \$8,028,702 from the differences between expected and actual experience and changes in assumptions.

The Town's net deferred outflows/(inflows) of resources related to OPEB will be recognized in the OPEB expense as follows:

For years ended June 30,	
2023	\$ (764,554)
2024	(652,950)
2025	(788,457)
2026	(990,246)
2027	(1,211,746)
Thereafter:	(495,604)
	<u><u>\$ (4,903,557)</u></u>

F. Implementation of New GASB Pronouncements

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2022. This pronouncement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The adoption of this standard required the Town to increase its beginning balances in accounts receivable and deferred inflows of resources in the amounts of \$163,384 in the Town's general fund.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, for implementation in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, for implementation in fiscal 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, for implementation in fiscal year 2021 and 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, for implementation in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

G. Future GASB Pronouncements

Management is currently assessing the impact the implementation of the following pronouncements will have on the basic financial statements.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 99, *Omnibus 2022*, clarification on GASB No. 34 Management's Discussion and Analysis; on GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position; requirements related to leases and requirements related to derivative instruments for implementation in fiscal year 2023 and 2024.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB No. 62*, for implementation in fiscal year 2024.

The GASB issued Statement No. 101, *Compensated Absences*, for implementation in fiscal year 2025.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Berkshire County Retirement System
For the Year Ended June 30, 2022

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the Town's proportion of the net pension liability and related ratios.

Schedule of the Town's Proportionate Share of the Net pension Liability:

Measurement Date	Town's proportion of the net pension liability (asset)	Town's proportionate share of the net pension liability (asset)	Town's covered employee payroll	Net pension liability percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2021	8.58%	\$ (2,015,528)	\$ 4,406,945	-45.74%	107.00%
12/31/2020	8.61%	\$ 1,104,060	\$ 4,064,178	27.17%	95.93%
12/31/2019	8.59%	\$ 2,631,117	\$ 4,054,738	64.89%	89.90%
12/31/2018	8.17%	\$ 3,573,884	\$ 3,569,228	100.13%	84.40%
12/31/2017	8.23%	\$ 2,127,702	\$ 3,595,440	59.18%	90.41%
12/31/2016	8.38%	\$ 3,332,894	\$ 3,545,000	94.02%	84.06%
12/31/2015	8.49%	\$ 3,592,713	\$ 3,592,000	100.02%	82.25%
12/31/2014	8.61%	\$ 2,260,900	\$ 3,469,000	65.17%	88.13%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Berkshire County Retirement System
For the Year Ended June 30, 2022

The Schedule of the Employer Contributions presents multiyear trend information on the Town's required and actual payments to the pension plan and related ratios.

Schedule of the Town's Contributions:

Measurement Date	Actuarially determined contribution	Less: Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Town's covered employee payroll	Contributions percentage of covered employee payroll
12/31/2021	\$ 993,573	\$ (993,573)	\$ -	\$ 4,406,945	22.55%
12/31/2020	\$ 931,180	\$ (931,180)	\$ -	\$ 4,064,178	22.91%
12/31/2019	\$ 867,564	\$ (867,564)	\$ -	\$ 4,054,738	21.40%
12/31/2018	\$ 787,563	\$ (787,563)	\$ -	\$ 3,569,228	22.07%
12/31/2017	\$ 757,064	\$ (757,064)	\$ -	\$ 3,595,440	21.06%
12/31/2016	\$ 735,666	\$ (735,666)	\$ -	\$ 3,545,000	20.75%
12/31/2015	\$ 711,322	\$ (711,322)	\$ -	\$ 3,592,000	19.80%
12/31/2014	\$ 688,658	\$ (688,658)	\$ -	\$ 3,469,000	19.85%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability					
Service cost	\$ 1,097,979	\$ 1,035,266	\$ 718,482	\$ 623,878	\$ 655,305
Interest on net OPEB liability	493,299	472,845	632,124	624,489	579,133
Changes in benefit terms	-	-	(321,896)	-	-
Changes in assumptions	(5,158,881)	341,776	4,677,168	1,048,232	(776,171)
Difference between actual and expected experience	(2,770,735)	-	(2,215,394)	-	-
Benefit payments, including refunds of member contributions	(466,418)	(474,330)	(470,212)	(464,153)	(469,964)
Net change in total OPEB liability	(6,804,756)	1,375,557	3,020,272	1,832,446	(11,697)
Total OPEB liability-beginning	21,973,136	20,597,579	17,577,307	15,744,861	15,756,558
Total OPEB liability-ending (a)	\$ 15,168,380	\$ 21,973,136	\$ 20,597,579	\$ 17,577,307	\$ 15,744,861
Plan fiduciary net position					
Employer contributions to Trust	\$ 466,418	\$ 474,330	\$ 470,212	\$ 464,153	\$ 469,964
Benefit payments, including refunds of member contributions	(466,418)	(474,330)	(470,212)	(464,153)	(469,964)
Net change in plan fiduciary net position	-	-	-	-	-
Total fiduciary net position-beginning	-	-	-	-	-
Total fiduciary net position-ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's net OPEB liability (a-b)	\$ 15,168,380	\$ 21,973,136	\$ 20,597,579	\$ 17,577,307	\$ 15,744,861

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Net OPEB Liability:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability	\$ 15,168,380	\$ 21,973,136	\$ 20,597,579	\$ 17,577,307	\$ 15,744,861
Less: Plan fiduciary net position	-	-	-	-	-
Town's Net OPEB liability	<u>\$ 15,168,380</u>	<u>\$ 21,973,136</u>	<u>\$ 20,597,579</u>	<u>\$ 17,577,307</u>	<u>\$ 15,744,861</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's share of covered employee payroll	\$ 4,885,210	\$ 4,424,433	\$ 4,009,726	\$ 3,434,514	\$ 3,702,261
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	310.50%	496.63%	513.69%	511.78%	425.28%

Schedule of Contributions:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 1,737,208	\$ 1,639,714	\$ 1,350,046	\$ 1,221,853	\$ 1,228,837
Less: Contributions in relation to the actuarially determined contribution	(466,418)	(474,330)	(470,212)	(464,153)	(469,964)
Contribution deficiency (excess)	<u>\$ 1,270,790</u>	<u>\$ 1,165,384</u>	<u>\$ 879,834</u>	<u>\$ 757,700</u>	<u>\$ 758,873</u>
Town's share of covered employee payroll	\$ 4,885,210	\$ 4,424,433	\$ 4,009,726	\$ 3,434,514	\$ 3,702,261
Contributions percentage of covered-employee payroll	9.55%	10.72%	11.73%	13.51%	12.69%
Annual money-weighted rate of return net of investment expense	N/A	N/A	N/A	N/A	N/A

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF GREAT BARRINGTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Funding Progress:

Measurement Date	Other Post Employment Benefits					
	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)
6/30/2022	\$ -	\$ 15,168,380	\$ 15,168,380	0.00%	\$ 4,885,210	310.50%
6/30/2021	\$ -	\$ 21,973,136	\$ 21,973,136	0.00%	\$ 4,424,433	496.63%
6/30/2020	\$ -	\$ 20,597,579	\$ 20,597,579	0.00%	\$ 4,009,726	513.69%
6/30/2019	\$ -	\$ 17,577,307	\$ 17,577,307	0.00%	\$ 3,434,514	511.78%
6/30/2018	\$ -	\$ 15,744,861	\$ 15,744,861	0.00%	\$ 3,702,261	425.28%
6/30/2017	\$ -	\$ 15,756,558	\$ 15,756,558	0.00%	N/A	N/A

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

SUPPLEMENTARY SCHEDULE

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Special Revenue:					
Federal and State Grants:					
Brownfields Assessment	\$ (319)	\$ 7,863	\$ 7,531	\$ -	\$ 13
Asset Management Grants	(36,250)	101,500	72,500	-	(7,250)
Community Development Block Grant	29,708	-	-	-	29,708
Council on Aging Grants	16,083	82,374	67,156	-	31,301
Cultural Council Grants	3,937	5,406	6,197	-	3,146
Emergency Management Grants (COVID-19)	12,586	4,172	10,694	-	6,064
Green Communities Grant	41,792	-	70,417	-	(28,625)
Highway Grants	5,500	1,832,603	1,836,209	-	1,894
Library Grants	29,157	12,794	10,425	-	31,526
Other Grants and Programs	8,702	89,419	87,785	-	10,336
Public Safety Grants	4,055	114,220	112,683	139	5,731
Smart Growth Grants	498,546	-	52,000	-	446,546
Other:					
Blue Hill Commons	4,006	22	-	-	4,028
Cemetery Revolving	644	-	-	-	644
Community Preservation Fund	1,716,718	998,561	611,307	-	2,103,972
Council on Aging Transportation Grant	46,869	30,233	325	-	76,777
Deputy Collector Fees	136	10,803	9,899	-	1,040
Electrical, Gas and Plumbing Inspections	9,424	63,882	68,674	-	4,632
Gifts and Donations	147,260	39,775	31,163	-	155,872
Insurance Reimbursements	37,083	24,103	30,690	-	30,496
Other Grants and Programs	-	2,300	1,165	-	1,135
Outside Details	21,456	293,478	312,486	-	2,448
Parks Department Revolving	2,501	-	-	-	2,501
Police Drug Task Force	1,809	4,892	8,151	-	(1,450)
Sale of Cemetery Lots	423,103	33,850	-	-	456,953
Sale of Real Estate	675,780	-	-	-	675,780
Tax Title Revolving	11,649	16,587	24,016	-	4,220
Transportation Infrastructure	93	7	-	-	100
Wellness Program	11,698	2,000	1,127	-	12,571
Total Special Revenue page 66	\$ 3,723,726	\$ 3,770,844	\$ 3,432,600	\$ 139	\$ 4,062,109

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022**

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Continued from Page 66	\$ 3,723,726	\$ 3,770,844	\$ 3,432,600	\$ 139	\$ 4,062,109
Special Revenue (Continued):					
Other (Continued):					
Wetland Fund	57,751	1,394	-	-	59,145
Affordable Housing Fund	98,480	376	42,136	-	56,720
Conservation Fund	29,925	169	-	-	30,094
Employee Fringe Benefits Fund	282,847	585	22,600	5,100	265,932
Pension Reserve Fund	820,765	154	-	-	820,919
Unemployment Fund	8,256	324	5,856	-	2,724
Total Special Revenue Funds	5,021,750	3,773,846	3,503,192	5,239	5,297,643
Perpetual Permanent Funds:					
Cemetery Perpetual Care	239,452	11,750	-	-	251,202
E.E. Smith Library Trust	24,045	-	-	-	24,045
Hollenbeck Trust	1,063	-	-	-	1,063
L. Chesanow Library Trust	3,500	-	-	-	3,500
M. Dewey Trust	1,707	-	-	-	1,707
Mason Library Trust	3,000	-	-	-	3,000
McKenley Trust	28,548	-	-	-	28,548
Ramsdell Library Trust	3,000	-	-	-	3,000
Total Perpetual Permanent Funds	\$ 304,315	\$ 11,750	\$ -	\$ -	\$ 316,065

**TOWN OF GREAT BARRINGTON, MASSACHUSETTS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022**

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Permanent Funds:					
Cemetery Perpetual Care	\$ 16,534	\$ 556	\$ -	\$ -	\$ 17,090
Community Building Trust	31	-	-	-	31
E.E. Smith Library Trust	1,915	148	-	-	2,063
Elizabeth Wheeler Trust	287	1	-	-	288
Hollenbeck Trust	198	8	-	-	206
L. Chesanow Library Trust	806	24	-	-	830
M. Dewey Trust	261	11	-	-	272
Mason Library Trust	319	19	-	-	338
McKenley Trust	5,876	194	-	-	6,070
Ramsdell Library Trust	2,813	32	-	-	2,845
Total Permanent Funds	29,040	993	-	-	30,033
Total - Non-Major Governmental Funds	\$ 5,355,105	\$ 3,786,589	\$ 3,503,192	\$ 5,239	\$ 5,643,741