

TOWN OF TISBURY, 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 Select Board
Town of Tisbury, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tisbury, 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 Tisbury, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tisbury, 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 Tisbury, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2022, on our consideration of the Town of Tisbury Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Tisbury, Massachusetts' internal control over financial reporting and compliance.

Scanlon and Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

February 22, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Tisbury, 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 financial statements and the notes to the 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 \$23,942,450 (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 \$23,019,268, or an increase of \$923,182 (4%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$26,540,690 an increase of \$2,033,465 (9%) in comparison to the prior year.
- The General Fund's total fund balance increased \$1,923,108 (12%) to \$17,350,395. The ending General fund balance is 51% of revenues and transfers in and 54% of expenditures and transfers out.
- Total liabilities of the Town decreased by \$644,569 (1%) to \$56,095,302. The decrease was mainly attributed to an increase in the other post employment benefit (OPEB) liability of \$1,214,839; and decreases in warrants payable of \$251,493, bond anticipation notes payable of \$860,000 and in the pension liability of \$772,755 from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Tisbury'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 vacation leave).

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

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

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 and water works 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 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	\$ 31,543,457	\$ 29,727,609	\$ 1,815,848
Capital assets	20,363,810	20,024,094	339,716
Total assets	51,907,267	49,751,703	2,155,564
Deferred Outflows of Resources	9,860,776	11,227,719	(1,366,943)
Liabilities:			
Current liabilities (excluding debt and leases)	2,554,419	2,411,491	142,928
Current debt and lease	1,067,037	1,084,939	(17,902)
Noncurrent liabilities (excluding debt and leases)	43,188,430	42,717,405	471,025
Noncurrent debt and lease	2,125,451	2,666,345	(540,894)
Total liabilities	48,935,337	48,880,180	55,157
Deferred Inflows of Resources	6,235,328	5,679,145	556,183
Net Position:			
Net investment in capital assets	17,237,667	16,354,094	883,573
Restricted	7,603,359	7,952,025	(348,666)
Unrestricted	(18,243,648)	(17,886,022)	(357,626)
Total net position	\$ 6,597,378	\$ 6,420,097	\$ 177,281

	Business-Type Activities		
	2021	2020	Change
Assets:			
Current assets	\$ 5,233,892	\$ 5,138,686	\$ 95,206
Noncurrent assets (excluding capital assets)	1,372,703	1,712,129	(339,426)
Capital assets	17,746,501	17,364,801	381,700
Total assets	24,353,096	24,215,616	137,480
Deferred Outflows of Resources	511,676	561,443	(49,767)
Liabilities:			
Current liabilities (excluding debt)	228,692	498,645	(269,953)
Current debt	1,819,656	2,588,413	(768,757)
Noncurrent liabilities (excluding debt)	2,193,876	2,178,236	15,640
Noncurrent debt	2,917,741	2,594,397	323,344
Total liabilities	7,159,965	7,859,691	(699,726)
Deferred Inflows of Resources	359,735	318,197	41,538
Net Position:			
Net investment in capital assets	13,394,877	12,682,552	712,325
Restricted	2,903,664	2,690,143	213,521
Unrestricted	1,046,531	1,226,476	(179,945)
Total net position	\$ 17,345,072	\$ 16,599,171	\$ 745,901

Financial Highlights

Statement of Activities Highlights

	Governmental Activities		
	2021	2020	Change
Program Revenues:			
Charges for services	\$ 2,335,395	\$ 1,297,023	\$ 1,038,372
Operating grants and contributions	3,985,634	3,907,364	78,270
Capital grants and contributions	353,366	156,160	197,206
General Revenues:			
Property taxes	27,300,730	26,887,578	413,152
Motor vehicle excise and other taxes	1,234,004	1,196,664	37,340
Hotel room occupancy and meal taxes	1,046,600	728,075	318,525
Penalties and interest on taxes	363,232	235,245	127,987
Nonrestricted grants	492,672	531,658	(38,986)
Unrestricted investment income	206,321	116,506	89,815
Miscellaneous	7,340	4,269	3,071
Total revenues	37,325,294	35,060,542	2,264,752
Expenses:			
General government	4,585,194	4,509,301	75,893
Public safety	4,698,115	4,233,368	464,747
Public works	2,748,345	1,357,427	1,390,918
Education	12,723,507	13,177,776	(454,269)
Health and human services	530,782	838,474	(307,692)
Culture and recreation	799,027	812,848	(13,821)
Employee benefits and insurance	9,290,492	8,244,993	1,045,499
State assessments	1,550,880	1,611,902	(61,022)
Interest	108,681	132,296	(23,615)
Total expenses	37,035,023	34,918,385	2,116,638
Contributions to permanent funds	6,750	5,563	1,187
Transfers	(119,740)	(214,921)	95,181
Change in net position	177,281	(67,201)	244,482
Net position - beginning of year	6,420,097	6,487,298	(67,201)
Net position - end of year	\$ 6,597,378	\$ 6,420,097	\$ 177,281

	Business-Type Activities		
	2021	2020	Change
Program Revenues:			
Charges for services	\$ 3,025,153	\$ 2,883,226	\$ 141,927
Operating grants and contributions	59,887	80,171	(20,284)
Capital grants and contributions	179,386	-	179,386
Total revenues	3,264,426	2,963,397	301,029
Expenses:			
Sewer	971,154	1,077,025	(105,871)
Water works	1,667,111	1,547,009	120,102
Total expenses	2,638,265	2,624,034	14,231
Transfers	119,740	214,921	(95,181)
Change in net position	745,901	554,284	191,617
Net position - beginning of year	16,599,171	16,044,887	554,284
Net position - end of year	\$ 17,345,072	\$ 16,599,171	\$ 745,901

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 \$23,942,450 at the close of fiscal year 2021.

Net position of \$30,632,544 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, \$10,507,023 represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* consists of (\$17,197,117).

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 and for the government as a whole. The unrestricted governmental activities and government as a whole resulted in a negative balance mainly due to the accrual of the net OPEB and net 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.

The Town is able to report positive balances in all three categories of net position for the business-type activities.

The governmental activities net position increased by \$177,281 (3%) during the current fiscal year. The key elements of the increase in net position for fiscal year 2021 was attributed to increases from the change in governmental funds of \$2,033,465, in recognizing this year's change in the pension liability of \$724,986 and in the repayment of debt and leases for \$508,796; and the decreases in recognizing this year's change to deferred outflow/inflow of resources related to OPEB of \$1,983,251 and in the OPEB liability of \$1,154,173.

There was an increase of \$745,901 (4%) in net position reported in connection with the sewer and water works business-type activities. Of this, there were increases of \$168,623 attributed to the sewer department and of \$577,278 attributed to the water works department.

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 \$26,540,690 an increase of \$2,033,465 (9%) in comparison with the prior year.

The breakdown of the governmental funds and the percentage of total fund governmental balance they represent are as follows:

- Non-spendable fund balance – \$649,545 (2%).
- Restricted fund balance – \$6,079,153 (23%).
- Committed fund balance – \$2,811,597 (11%).
- Assigned fund balance – \$7,310,085 (28%).
- Unassigned fund balance – \$9,690,310 (36%).

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 fund balance of \$17,350,395 increasing \$1,923,108 (12%) from the prior year. Of the \$17,350,395, the unassigned amount is \$10,040,310 (58%) and the assigned amount is \$7,310,085 (42%). General fund revenues were \$1,804,731 (6%) more than the prior fiscal year and expenditures also increased by \$500,851 (2%). Other activity in the General Fund is net transfers to other funds of \$17,295.

The main components of the increase in general fund revenues were related to increases in property taxes in the amount of \$681,159 and in hotel room occupancy and meal taxes of \$318,525 (44%) from the prior year.

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

- Decrease in General government expenditures of \$568,249 (17%).
- Increase in Public safety expenditures of \$326,371 (9%).
- Increase in Public works expenditures of \$937,553 (76%).
- Decrease in Education expenditures of \$403,237 (3%).
- Increase in Employee benefits and insurance of \$370,682 (6%).

The *Community Preservation Fund* has accumulated a fund balance of \$2,937,787. The fund balance shows a decrease of \$541,284 (16%) in total operations. This amount was attributed to collections of \$724,224, the Commonwealth of Massachusetts grant receipts of \$288,002, expenditures of \$1,503,510 and a transfer to other funds of \$50,000.

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.

The *Sewer Fund* has accumulated a fund balance of \$7,832,936 used in the financing and operations of the Town's sewer system. For the current fiscal year, the sewer fund shows an increase of \$168,623 (2%) in total operations. This change was attributed to operating expenditures exceeding operating revenues by \$157,619, interest income of \$12, special assessments of \$31,098, intergovernmental revenues of \$225,871, interest expense of \$83,779 and net transfers in from the general fund of \$153,040. Operating revenues increased by \$57,616 (9%) while operating expenses decreased by \$80,185 (8%) from the prior year.

The *Water Works Fund* has accumulated a fund balance of \$9,512,136 used in the financing and operations of the Town's water system. The water works fund shows an increase of \$577,278 (6%) in total operations. This change resulted from operating revenues exceeding current operating costs by \$627,549, interest income of \$13,390, interest expense of \$30,361 and net transfers out to the general fund of \$33,300. Operating revenues increased by \$100,720 (5%) and operating expenses also increased by \$128,815 (9%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2021 was \$36,588,343. This was a decrease of \$107,774 (.3%) over the previous year's budget.

General fund expenditures were less than budgeted by \$6,585,836. Of the \$6,585,836 in under budget expenditures \$4,462,328 has been carried over to fiscal year 2022.

Overall, the variance with the final budget was a positive \$4,237,824 consisting of a revenue surplus of \$2,114,316 and an appropriation surplus of \$2,123,508.

Capital Assets and Debt Administration

Capital Assets - The Town's investment in capital assets for its governmental and business-type activities amounts to \$20,363,810 and \$17,746,501, 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:

- Police vehicle and equipment purchases for \$154,620.
- Fire Department equipment purchases for \$250,521.
- Building inspector vehicle purchase for \$32,500.
- Road infrastructure improvements for \$915,088.
- Tisbury School improvements for \$160,400.
- Senior Center improvements for \$97,784.

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

Sewer Fund:

- Leeching facility improvements for \$52,463.
- Wastewater Treatment Plant improvements for \$686,883.

Water Works Fund:

- Vehicle purchase for \$47,685.
- Infrastructure improvements for \$269,499.

Debt Administration - The Town's outstanding long-term governmental debt, as of June 30, 2021 totaled \$2,666,345. Of this, \$2,360,000 is for the public safety facility, \$150,000 is for the harbor and channel dredging, \$90,000 is for the school roof and \$66,345 is for the Title V septic repair program.

The governmental activities have bond anticipation notes outstanding totaling \$350,000 for the Tisbury School repair project.

The Town also has a capital lease in the governmental type fund for the financing of the fire department equipment. The last lease is due in 2025. The Town currently owes \$188,146 on the lease consisting of \$176,143 in principal and \$12,003 in interest.

The business-type funds have \$3,487,397 in long-term debt. Of this, \$1,472,851 is for sewer debt and \$2,014,546 in water works debt and are fully supported by the rates.

The Town also has \$1,250,000 in business-type temporary debt. \$1,050,000 for the sewer projects and \$200,000 for the water works garage facility project.

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

Next Year's Annual Town Meeting

The Town of Tisbury 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 action except for the fund balance free cash and stabilization amounts used to fund the 2022 budget. The Annual Town Meeting on June 12, 2021 authorized a fiscal year 2022 operating and capital budget as follows:

From the tax levy		\$	29,597,506
From sewer user charges	\$	760,500	
From sewer betterments		150,000	
From sewer fund balance		254,774	1,165,274
From water user charges		1,660,278	
From water fund balance		740,042	2,400,320
From Other Available Funds:			
General Fund:			
Unassigned fund balance:			
Free cash			2,622,757
Fire Department stabilization fund			225,000
Community Preservation Fund			1,762,455
Non-major Governmental Funds:			
Landfill trash fees		100,000	
Bond premium		2,456	
Steamship Embarkation Fees		243,744	
Waterways fund		150,200	496,400
			<u>\$</u>
			<u>38,269,712</u>

Requests for Information

This financial report is designed to provide a general overview of the Town of Tisbury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant and Town Treasurer, Town Hall, Spring Street, Tisbury, Massachusetts 02568.

BASIC FINANCIAL STATEMENTS

TOWN OF TISBURY, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 24,597,774	\$ 4,469,498	\$ 29,067,272
Investments	3,607,876	-	3,607,876
Receivables, net of allowance for uncollectibles:			
Property Taxes	843,270	-	843,270
Tax Liens	738,385	-	738,385
Excise Taxes	207,437	-	207,437
Departmental	187,203	-	187,203
User Charges	-	452,027	452,027
Special Assessments	-	169,885	169,885
Due from Other Governments	1,361,512	142,482	1,503,994
Total current assets	31,543,457	5,233,892	36,777,349
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	-	1,107,608	1,107,608
Due from Other Governments	-	265,095	265,095
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	5,542,321	381,600	5,923,921
Depreciable	14,821,489	17,364,901	32,186,390
Total noncurrent assets	20,363,810	19,119,204	39,483,014
Total Assets	51,907,267	24,353,096	76,260,363
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,709,405	116,492	1,825,897
Deferred Outflows Related to OPEB	8,151,371	395,184	8,546,555
Total Deferred Outflows of Resources	9,860,776	511,676	10,372,452
LIABILITIES			
CURRENT:			
Warrants Payable	1,004,809	151,825	1,156,634
Accrued Payroll	767,138	7,152	774,290
Payroll Withholdings	323,992	-	323,992
Other	21,601	-	21,601
Accrued Interest	28,125	33,135	61,260
Compensated Absences	408,754	36,580	445,334
Bond Anticipation Notes Payable	350,000	1,250,000	1,600,000
Bonds and Leases Payable	717,037	569,656	1,286,693
Total current liabilities	3,621,456	2,048,348	5,669,804
NONCURRENT:			
Compensated Absences	355,394	32,791	388,185
Net OPEB Liability	38,775,524	1,884,574	40,660,098
Net Pension Liability	4,057,512	276,511	4,334,023
Bonds and Leases Payable	2,125,451	2,917,741	5,043,192
Total noncurrent liabilities	45,313,881	5,111,617	50,425,498
Total Liabilities	48,935,337	7,159,965	56,095,302
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	2,920,690	199,039	3,119,729
Deferred Inflows Related to OPEB	3,314,638	160,696	3,475,334
Total Deferred Inflows of Resources	6,235,328	359,735	6,595,063
NET POSITION			
Net Investment in Capital Assets	17,237,667	13,394,877	30,632,544
Restricted for:			
Capital Projects	206,947	688,253	895,200
Federal & State Grants	1,010,772	-	1,010,772
Community Preservation	2,980,827	-	2,980,827
Permanent Funds:			
Expendable	869,619	-	869,619
Nonexpendable	649,545	-	649,545
Other Purposes	1,885,649	2,215,411	4,101,060
Unrestricted	(18,243,648)	1,046,531	(17,197,117)
Total Net Position	\$ 6,597,378	\$ 17,345,072	\$ 23,942,450

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

**TOWN OF TISBURY, 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	\$ 4,585,194	\$ 402,288	\$ 505,141	\$ -	\$ (3,677,765)	\$ -	\$ (3,677,765)
Public Safety	4,698,115	944,406	140,232	-	(3,613,477)	-	(3,613,477)
Public Works	2,748,345	932,614	36,682	353,366	(1,425,683)	-	(1,425,683)
Education	12,723,507	2,378	1,242,965	-	(11,478,164)	-	(11,478,164)
Health and Human Services	530,782	50,230	26,494	-	(454,058)	-	(454,058)
Culture and Recreation	799,027	3,479	156,017	-	(639,531)	-	(639,531)
Employee Benefits and Insurance	9,290,492	-	1,877,835	-	(7,412,657)	-	(7,412,657)
Intergovernmental Assessments	1,550,880	-	-	-	(1,550,880)	-	(1,550,880)
Interest	108,681	-	268	-	(108,413)	-	(108,413)
Total Governmental Activities	37,035,023	2,335,395	3,985,634	353,366	(30,360,628)	-	(30,360,628)
Business-Type Activities:							
Sewer	971,154	760,854	46,497	179,386	-	15,583	15,583
Water Works Fund	1,667,111	2,264,299	13,390	-	-	610,578	610,578
Total Primary Government	\$ 39,673,288	\$ 5,360,548	\$ 4,045,521	\$ 532,752	(30,360,628)	626,161	(29,734,467)
General Revenues:							
Property Taxes					27,300,730	-	27,300,730
Motor vehicle excise and other taxes					1,234,004	-	1,234,004
Hotel room occupancy and meal taxes					1,046,600	-	1,046,600
Penalties & Interest on taxes					363,232	-	363,232
Grants & Contributions not restricted to specific programs					492,672	-	492,672
Unrestricted Investment Income					206,321	-	206,321
Miscellaneous					7,340	-	7,340
Contributions to Permanent Funds					6,750	-	6,750
Transfers, net					(119,740)	119,740	-
Total General Revenues, Contributions and Transfers					30,537,909	119,740	30,657,649
Change in Net Position					177,281	745,901	923,182
Net Position:							
Beginning of year (as restated)					6,420,097	16,599,171	23,019,268
End of year					\$ 6,597,378	\$ 17,345,072	\$ 23,942,450

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

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

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 16,160,193	\$ 2,937,787	\$ 5,499,794	\$ 24,597,774
Investments	2,962,218	-	645,658	3,607,876
Receivables, net of allowance for uncollectibles:				
Property Taxes	819,576	23,694	-	843,270
Tax Liens	719,039	19,346	-	738,385
Excise Taxes	207,437	-	-	207,437
Departmental	47,657	-	139,546	187,203
Due from Other Governments	12,512	-	1,349,000	1,361,512
Total Assets	\$ 20,928,632	\$ 2,980,827	\$ 7,633,998	\$ 31,543,457
Liabilities:				
Warrants Payable	\$ 871,914	\$ -	\$ 132,895	\$ 1,004,809
Accrued Payroll	766,509	-	629	767,138
Payroll Withholdings	323,992	-	-	323,992
Other	21,601	-	-	21,601
Bond Anticipation Notes Payable	-	-	350,000	350,000
Total Liabilities	1,984,016	-	483,524	2,467,540
Deferred Inflows of Resources:				
Unavailable Revenue	1,594,221	43,040	897,966	2,535,227
Fund Balance:				
Nonspendable	-	-	649,545	649,545
Restricted	-	2,937,787	3,141,366	6,079,153
Committed	-	-	2,811,597	2,811,597
Assigned	7,310,085	-	-	7,310,085
Unassigned	10,040,310	-	(350,000)	9,690,310
Total Fund Balance	17,350,395	2,937,787	6,252,508	26,540,690
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 20,928,632	\$ 2,980,827	\$ 7,633,998	\$ 31,543,457

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

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

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 26,803,938	\$ 717,754	\$ -	\$ 27,521,692
Intergovernmental	1,129,914	288,002	1,146,502	2,564,418
Excise and Other Taxes	1,125,745	-	159,903	1,285,648
Hotel Room Occupancy and Meal Taxes	1,046,600	-	-	1,046,600
Licenses, Permits, Fees	1,273,630	-	-	1,273,630
Charges for Services	-	-	1,262,822	1,262,822
Gifts and Donations	-	-	10,660	10,660
Interest on Delinquent Taxes	356,762	6,470	-	363,232
Investment Income	206,321	-	53,103	259,424
Other	-	-	149,283	149,283
Intergovernmental - "On-behalf" Payments	1,865,746	-	-	1,865,746
Total Revenues	33,808,656	1,012,226	2,782,273	37,603,155
Expenditures:				
Current:				
General Government	2,686,280	1,462,158	321,170	4,469,608
Public Safety	4,155,608	-	435,574	4,591,182
Public Works	2,168,812	-	1,063,016	3,231,828
Education	12,438,369	-	329,349	12,767,718
Health and Human Services	619,303	-	3,463	622,766
Culture and Recreation	573,788	41,352	82,653	697,793
Employee Benefits and Insurance	6,829,685	-	108,494	6,938,179
Intergovernmental Assessments	1,550,880	-	-	1,550,880
Debt Service:				
Principal	734,939	-	-	734,939
Interest	110,589	-	7,648	118,237
Total Expenditures	31,868,253	1,503,510	2,351,367	35,723,130
Excess of Revenues Over (Under) Expenditures	1,940,403	(491,284)	430,906	1,880,025
Other Financing Sources (Uses):				
Operating Transfers In	514,145	-	410,000	924,145
Operating Transfers Out	(531,440)	(50,000)	(462,445)	(1,043,885)
Capital Lease	-	-	223,180	223,180
Proceeds from the issuance of bonds and notes	-	-	50,000	50,000
Total Other Financing Sources (Uses)	(17,295)	(50,000)	220,735	153,440
Net Change in Fund Balances	1,923,108	(541,284)	651,641	2,033,465
Fund Balances, Beginning of Year (as restated)	15,427,287	3,479,071	5,600,867	24,507,225
Fund Balances, End of Year	\$ 17,350,395	\$ 2,937,787	\$ 6,252,508	\$ 26,540,690

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

TOWN OF TISBURY, 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	\$	26,540,690
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.		20,363,810
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		2,535,227
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.		3,625,448
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Bonds and Leases Payable	\$	(2,842,488)
Net OPEB Liability		(38,775,524)
Net Pension Liability		(4,057,512)
Compensated Absences		(764,148)
		<u>(46,439,672)</u>
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds, interest is not reported until due.		<u>(28,125)</u>
Net Position of Governmental Activities	\$	<u><u>6,597,378</u></u>

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

TOWN OF TISBURY, 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 **\$ 2,033,465**

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	\$ 1,610,913	
Depreciation	<u>(1,271,197)</u>	339,716

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 unavailable revenue. (271,111)

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 assets:

Repayment of Debt and Lease Principal	781,976	
Proceeds from Capital Lease	(223,180)	
Proceeds from Issuance of Bonds and Notes	<u>(50,000)</u>	508,796

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	(90,828)	
Net Change in Net Other Post Employment Benefits Liability	(1,154,173)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	(1,983,251)	
Net Change in Net Pension Liability	724,986	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	60,125	
Net Change in Accrued Interest	<u>9,556</u>	(2,433,585)

Change in Net Position of Governmental Activities **\$ 177,281**

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

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

	Budgeted Amounts					
	Amounts Carried Forward from Prior Year	Original Budget	Final Budget	Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
Revenues:						
Property Taxes	\$ -	\$ 26,559,414	\$ 26,559,414	\$ 27,295,938	\$ -	\$ 736,524
Intergovernmental	-	1,081,556	1,081,556	1,129,914	-	48,358
Excise and Other Taxes	-	925,000	925,000	1,125,745	-	200,745
Hotel Room Occupancy and Meal Taxes	-	415,000	415,000	1,044,645	-	629,645
Licenses, Permits, Fees	-	960,000	960,000	1,273,630	-	313,630
Interest on Delinquent Taxes	-	175,000	175,000	356,762	-	181,762
Investment Income	-	25,000	25,000	28,652	-	3,652
Total Revenues	-	30,140,970	30,140,970	32,255,286	-	2,114,316
Expenditures:						
Current:						
General Government	1,288,717	2,744,385	4,033,102	2,686,280	973,361	373,461
Public Safety	1,216,386	4,182,915	5,399,301	4,155,608	936,717	306,976
Public Works	883,317	2,634,713	3,518,030	2,168,812	952,452	396,766
Education	1,512,652	12,643,830	14,156,482	12,438,369	1,506,718	211,395
Health and Human Services	8,680	681,614	690,294	619,303	18,020	52,971
Culture and Recreation	50,061	628,543	678,604	573,788	50,060	54,756
Employee Benefits and Insurance	-	5,478,493	5,478,493	4,964,207	25,000	489,286
Intergovernmental Assessments	-	1,584,398	1,584,398	1,550,880	-	33,518
Debt Service:						
Principal	-	884,939	884,939	734,939	-	150,000
Interest	-	164,700	164,700	110,321	-	54,379
Total Expenditures	4,959,813	31,628,530	36,588,343	30,002,507	4,462,328	2,123,508
Excess of Revenues Over (Under) Expenditures	(4,959,813)	(1,487,560)	(6,447,373)	2,252,779	(4,462,328)	4,237,824
Other Financing Sources (Uses):						
Operating Transfers In	-	419,000	419,000	514,145	-	95,145
Operating Transfers (Out)	-	(1,716,440)	(1,716,440)	(1,716,440)	-	-
Total Other Financing Sources (Uses)	-	(1,297,440)	(1,297,440)	(1,202,295)	-	95,145
Net Change in Budgetary Fund Balance	(4,959,813)	(2,785,000)	(7,744,813)	\$ 1,050,484	\$ (4,462,328)	\$ 4,332,969
Other Budgetary Items:						
Free Cash and Other Reserves	-	2,785,000	2,785,000			
Prior Year Encumbrances	4,959,813	-	4,959,813			
Total Other Budgetary Items	4,959,813	2,785,000	7,744,813			
NET BUDGET	\$ -	\$ -	\$ -			

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

TOWN OF TISBURY, 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	\$ 32,255,286	\$ 30,002,507
<u>Adjustments:</u>		
Activity for Stabilization Fund Recorded in the General Fund for GAAP Purposes	179,624	-
Recognition of Intergovernmental Revenue - "on behalf payments"	1,865,746	-
Recognition of Expenditures - "on behalf payments"	-	1,865,746
Net Decrease in Revenue from Recording 60-Day Receipts	(492,000)	-
Reported on a GAAP Basis	<u>\$ 33,808,656</u>	<u>\$ 31,868,253</u>

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

TOWN OF TISBURY, MASSACHUSETTS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Water Works Fund	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 2,226,156	\$ 2,243,342	\$ 4,469,498
Receivables, net of allowance for uncollectibles:			
User Charges	358,682	93,345	452,027
Special Assessments	169,885	-	169,885
Due from Other Governments	142,482	-	142,482
Total current assets	2,897,205	2,336,687	5,233,892
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	1,107,608	-	1,107,608
Due from Other Governments	265,095	-	265,095
Capital Assets, net of accumulated depreciation:			
Nondepreciable	-	381,600	381,600
Depreciable	7,397,551	9,967,350	17,364,901
Total noncurrent assets	8,770,254	10,348,950	19,119,204
Total Assets	11,667,459	12,685,637	24,353,096
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	47,108	69,384	116,492
Deferred Outflows Related to OPEB	46,872	348,312	395,184
Total Deferred Outflows of Resources	93,980	417,696	511,676
LIABILITIES			
CURRENT:			
Warrants Payable	81,945	69,880	151,825
Accrued Payroll	1,952	5,200	7,152
Accrued Interest	26,020	7,115	33,135
Compensated Absences	5,924	30,656	36,580
Bond Anticipation Notes Payable	1,050,000	200,000	1,250,000
Bonds Payable	470,734	98,922	569,656
Total current liabilities	1,636,575	411,773	2,048,348
NONCURRENT:			
Compensated Absences	1,791	31,000	32,791
Net OPEB Liability	183,653	1,700,921	1,884,574
Net Pension Liability	111,818	164,693	276,511
Bonds Payable	1,895,117	1,022,624	2,917,741
Total noncurrent liabilities	2,192,379	2,919,238	5,111,617
Total Liabilities	3,828,954	3,331,011	7,159,965
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	80,489	118,550	199,039
Deferred Inflows Related to OPEB	19,060	141,636	160,696
Total Deferred Inflows of Resources	99,549	260,186	359,735
NET POSITION			
Net Investment in Capital Assets	4,367,473	9,027,404	13,394,877
Restricted for Capital Projects	680,091	8,162	688,253
Restricted for Special Assessments	2,215,411	-	2,215,411
Unrestricted	569,961	476,570	1,046,531
Total Net Position	\$ 7,832,936	\$ 9,512,136	\$ 17,345,072

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

TOWN OF TISBURY, 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	Water Works Fund	Total
Operating Revenues:			
Charges for Services	\$ 729,756	\$ 2,053,360	\$ 2,783,116
Other	-	210,939	210,939
Total Operating Revenues	729,756	2,264,299	2,994,055
Operating Expenses:			
Salaries & Wages	221,156	491,497	712,653
Operating Expenses	295,633	841,008	1,136,641
Depreciation	370,586	304,245	674,831
Total Operating Expenses	887,375	1,636,750	2,524,125
Operating Income (Loss)	(157,619)	627,549	469,930
Non-Operating Revenues (Expenses):			
Interest Income	12	13,390	13,402
Special Assessments	31,098	-	31,098
Intergovernmental	225,871	-	225,871
Interest Expense	(83,779)	(30,361)	(114,140)
Total Non-Operating Revenues (Expenses)	173,202	(16,971)	156,231
Income (Loss) Before Operating Transfers	15,583	610,578	626,161
Operating Transfers:			
Transfer In	171,440	-	171,440
Transfer (Out)	(18,400)	(33,300)	(51,700)
Total Operating Transfers	153,040	(33,300)	119,740
Change in Net Position	168,623	577,278	745,901
Net Position at Beginning of Year	7,664,313	8,934,858	16,599,171
Net Position at End of Year	\$ 7,832,936	\$ 9,512,136	\$ 17,345,072

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

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

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Water Works Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 593,721	\$ 2,057,403	\$ 2,651,124
Receipts from Other Revenues	-	210,939	210,939
Payments to Vendors	(317,065)	(697,367)	(1,014,432)
Payments to Employees	(220,161)	(484,595)	(704,756)
Net Cash Provided by (Used for) Operating Activities	56,495	1,086,380	1,142,875
Cash Flows from Noncapital Financing Activities:			
Transfers from (to) Other Funds	153,040	(33,300)	119,740
Net Cash Provided by (Used for) Noncapital Financing Activities	153,040	(33,300)	119,740
Cash Flows from Capital and Related Financing Activities:			
Special Assessments	261,537	-	261,537
Intergovernmental	349,037	-	349,037
Proceeds from the Issuance of Bonds and Notes	1,293,000	-	1,293,000
Acquisition and Construction of Capital Assets	(1,010,797)	(317,185)	(1,327,982)
Principal Payments on Bonds and Notes	(1,439,491)	(298,922)	(1,738,413)
Interest Expense	(99,386)	(36,417)	(135,803)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(646,100)	(652,524)	(1,298,624)
Cash Flows from Investing Activities:			
Investment Income	12	13,390	13,402
Net Cash Provided by (Used for) Investing Activities	12	13,390	13,402
Net Increase (Decrease) in Cash and Cash Equivalents	(436,553)	413,946	(22,607)
Cash and Cash Equivalents at Beginning of Year	2,662,709	1,829,396	4,492,105
Cash and Cash Equivalents at End of Year	\$ 2,226,156	\$ 2,243,342	\$ 4,469,498

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

Operating Income (Loss)	\$ (157,619)	\$ 627,549	\$ 469,930
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	370,586	304,245	674,831
Deferred (Outflows)/Inflows of Resources Related to Pensions	(695)	(2,967)	(3,662)
Deferred (Outflows)/Inflows of Resources Related to OPEB	35	94,932	94,967
Change in Assets and Liabilities:			
Increase (Decrease) in Warrants Payable	28,265	(10,258)	18,007
Increase (Decrease) in Accrued Payroll	(80)	(1,997)	(2,077)
Increase (Decrease) in Compensated Absences	1,075	8,899	9,974
Increase (Decrease) in Net OPEB Liability	(32,675)	93,341	60,666
Increase (Decrease) in Net Pension Liability	(16,362)	(31,407)	(47,769)
Decrease (Increase) in User Charges Receivable	(136,035)	4,043	(131,992)
Total Adjustments	214,114	458,831	672,945
Net Cash Provided by (Used for) Operating Activities	\$ 56,495	\$ 1,086,380	\$ 1,142,875

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

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

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
ASSETS:		
Cash and Cash Equivalents	\$ -	\$ 3,452
Investments	2,614,549	933,685
Total Assets	2,614,549	937,137
NET POSITION:		
Restricted for Other Postemployment Benefits	2,614,549	-
Held in Trust for Other Purposes	-	937,137
Total Net Position	\$ 2,614,549	\$ 937,137

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

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

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
Additions:		
Employer Contributions	\$ 1,174,112	\$ -
Investment Income	586,869	71,518
Total Additions	1,760,981	71,518
Deductions:		
General Expenses	-	2,265
Employee Benefits and Insurance	1,024,112	-
Total Deductions	1,024,112	2,265
Change in Net Position	736,869	69,253
Net Position at Beginning of Year	1,877,680	867,884
Net Position at End of Year	\$ 2,614,549	\$ 937,137

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

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

A. Reporting Entity

The Town was incorporated in 1671 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected three-member Select Board.

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 Martha's Vineyard Regional High School District, the Martha's Vineyard Land Bank Commission and the Martha's Vineyard Commission. The Town is indirectly liable for debt and other expenditures of the Districts and is assessed annually for its share of operating and capital costs. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board and/or committee members. Audited financial statements are available from the respective organizations. Descriptions of the related organizations are as follows:

Martha's Vineyard Regional High School District – A regional school district made up of six towns to serve and provide education to the Town's students. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects three school committee members for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

Martha's Vineyard Land Bank Commission – A public body that was created to acquire, hold and manage land on the island of Martha's Vineyard in its natural, scenic or open condition. The commission is an autonomous and self-sufficient agency under the Commonwealth of Massachusetts general laws. The Town has no significant influence over management, budget or policies of the authority.

Martha's Vineyard Commission – A regional planning agency for Dukes County. The agency is an autonomous and self-sufficient agency. The Town has no significant influence over management, budget or policies of the agency.

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. 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 TISBURY, 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 the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustment necessary to reconcile ending net position and the 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. 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 TISBURY, 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. Under the modified accrual basis concept, 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 funds:

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 *community preservation fund* is a special revenue fund that is used to account for the accumulation of resources generated from a surcharge levy on its real property tax and the receipt of state matching funds for the acquisition, creation, preservation, rehabilitation and restriction of open space, historic resources and affordable housing.

The Town reports the following major proprietary funds:

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

The *water works fund* is used to account for the water activities.

The non-major governmental fund consists of other special revenue, capital projects 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 *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Trust Funds).

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

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

Additionally, the Town reports the following fund types:

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 *Other Postemployment Benefit (OPEB) Trust Fund* is used to account for the assets held by the Town in trust for the payment of future retiree health insurance benefits. The assets of the OPEB Trust Fund cannot be used to support the Town's operations.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

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.

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

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.

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, Deferred Property Taxes and Tax Liens

Property taxes are based on assessments as of January 1, 2020 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 accepted the provisions of the Massachusetts General Laws Chapter 59, Section 57C which enables the Town to have a 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 fiscal year 2021 on June 29, 2020 that were due on August 3, 2020 and November 2, 2020 and the actual tax bills were mailed on December 16, 2020 and were due on February 1, 2021 and May 3, 2021, respectively.

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	\$ 26,385,317
Add: Debt Exclusion	888,927
Add: Stabilization override	185,000
Maximum Allowable Levy	<u>\$ 27,459,244</u>

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

The total amount raised by taxation was \$26,798,977.

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

Excise Taxes

Excise taxes consist of motor vehicle excise and vessel excise. Excise taxes are assessed annually for each vehicle and vessel registered in the Town, 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 Board of Assessors of the Town is responsible for determining the value of each vessel.

The tax calculation is the fair market value of the vehicle or vessel multiplied by the \$25 per \$1,000 of value and \$10 per \$1,000 of valuation, respectively.

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

User Charges

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

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

Departmental

Departmental receivables consist of mooring fees, ambulance charges, police off-duty fees and septic system repair loans.

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

Special Assessments

Special assessments consist of sewer betterments in the business-type activities.

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

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.

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

Capital Assets

Capital assets of the primary government 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	10-40
Machinery, equipment and other	3-20
Infrastructure	20-50
Water works infrastructure	10-99

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.

G. 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.

H. 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*.

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

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 and excise taxes; departmental revenue and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

I. Net Position and Fund Balances

In the Governmental-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 fund" represents amounts that are restricted for the preservation of open space, historical resources and community housing.

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

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

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

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.

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

The spendable portion of the fund balance comprises the remaining four classifications of fund balance: 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.

J. Long-term Debt

Long-term debt of the primary government is reported as liabilities in the government-wide statement of net position.

The face amount of governmental funds long-term debt is reported as other financing sources.

K. Compensated Absences

The Town grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Individuals are able to buy back 25% of their sick leave for individuals with less than 10 years of service and 50% for employees over ten years of service. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.

L. 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 Dukes County Contributory Retirement System (the System) and the Massachusetts Teachers Retirement System (MTRS) are provided. Additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable according with the benefit terms. Investments are reported at their fair value.

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

M. 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 75% share of insurance premiums in the general fund in the fiscal year paid.

N. 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.

O. 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:

- Departments submit budget requests to the Finance Director.
- Finance Director reviews budget requests. Finance Director submits revenue forecasts and budget recommendations to the Board of Selectmen and the finance committee.
- Board of Selectmen and finance committee review budget recommendations and submit their own recommendations to Town meeting.
- 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 . . . "

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

For fiscal year 2021, the Town incurred a final budget deficit of \$7,744,813 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	\$ 2,785,000
Prior year's encumbrances	<u>4,959,813</u>
	<u>\$ 7,744,813</u>

B. Deficit Fund Balances

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

- The *Tisbury School renovation* capital project fund has a deficit of \$350,000. The Town has an outstanding bond anticipation note for \$350,000. The deficit will be eliminated upon the issuance of permanent debt.

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 \$29,332,32. Of these, \$994,767 is 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. MMDT's fair value is measured at amortized cost.

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

As of June 30, 2021, the Town had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1 to 5
Debt Securities:			
U. S. treasury obligations	\$ 435,129	\$ 210,403	\$ 224,726
U. S. government agencies	232,747	-	232,747
Corporate bonds	1,250,285	466,483	783,802
Money market mutual funds	226,496	226,496	-
	2,144,657	\$ 903,382	\$ 1,241,275
Other Investments:			
Certificate of deposits	202,687		
Equity mutual funds	1,531,108		
MMDT	663,109		
PRIT	2,614,549		
	\$ 7,156,110		

Custodial Credit Risks

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. Of the Town's \$7,156,110 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Town's name. 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.

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

Credit Risk

The Town's exposure to credit risk as of June 30, 2021 is as follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
<i>U. S. Treasury Obligations:</i>	
Aaa	\$ 435,129
<i>U. S. Government Agencies:</i>	
Aaa	232,747
<i>Corporate Bonds:</i>	
A1	124,331
A2	305,593
A3	102,658
Baa1	578,919
Baa2	138,784
<i>Money Market Mutual Funds:</i>	
Not rated	226,496
	\$ 2,144,657

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in one issuer. There are no investments that are more than 5 percent.

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.

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

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 by Fair Value Level:				
U. S. treasury obligations	\$ 435,129	\$ 435,129	\$ -	\$ -
U. S. government agencies	232,747	232,747	-	-
Certificates of deposit	202,687	202,687	-	-
Equity securities - domestic	-	-	-	-
Money market mutual fund	226,496	226,496	-	-
Corporate bonds	1,250,285	-	1,250,285	-
	<u>3,878,452</u>	<u>\$ 2,628,167</u>	<u>\$ 1,250,285</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	663,109			
External Investment Pools (PRIT)	<u>2,614,549</u>			
Total Investments	<u>\$ 7,156,110</u>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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 of the primary government, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 871,627	\$ (28,357)	\$ 843,270
Tax liens	833,936	(95,551)	738,385
Excise taxes	302,872	(95,435)	207,437
Departmental	764,799	(577,596)	187,203
Due from other governments	1,361,512	-	1,361,512
	<u>\$ 4,134,746</u>	<u>\$ (796,939)</u>	<u>\$ 3,337,807</u>

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

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	\$ 382,408	\$ (79,182)	\$ 303,226
Tax liens	55,456	-	55,456
Special assessments	1,277,493	-	1,277,493
Due from other governments	385,773	-	385,773
Water Works Fund:			
User charges	43,489	-	43,489
Tax liens	49,856	-	49,856
	<u>\$ 2,194,475</u>	<u>\$ (79,182)</u>	<u>\$ 2,115,293</u>

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

General Fund:		
Commonwealth of Massachusetts:		
Department of Veterans Services:		
Veterans Benefits	\$	12,512
Nonmajor Governmental Funds:		
Commonwealth of Massachusetts:		
Department of Fire Services:		
Firefighter Equipment Grant	\$ 10,000	
Executive Office of Economic Development:		
Tashmoo Dredging Grant	97,498	
Executive Office of Environmental Affairs:		
Coastal Resiliency Grant	111,022	
Executive Office of Public Safety and Homeland Security:		
Public Safety Grants	138	
Massachusetts Office on Disability:		
Handicapped Access Municipal Grant	18,208	
Massachusetts Department of Transportation:		
Highway Department - Complete Streets	211,716	
Highway Department - Chapter 90 funds	899,443	
Other:		
Tisbury Parents/Teacher Organization	975	1,349,000
	<u>\$</u>	<u>1,361,512</u>

The composition of amounts due from other governments as of June 30, 2021 for business-type funds is as follows:

Sewer Fund:	
Commonwealth of Massachusetts:	
Massachusetts Clean Water Trust:	
Principal loan subsidy	<u>\$ 385,773</u>

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

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	\$	604,168	
Tax liens		719,039	
Excise and other taxes		226,595	
Departmental		31,907	
Due from other governments		12,512	\$ 1,594,221
Community Preservation Fund:			
Property taxes		23,694	
Tax liens		19,346	43,040
Nonmajor governmental funds:			
Departmental		123,324	
Due from other governments		774,642	897,966
			<u>\$ 2,535,227</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2021, is as follows

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,062,745	\$ -	\$ -	\$ 5,062,745
Construction in Progress	450,611	278,965	(250,000)	479,576
Total capital assets not being depreciated	5,513,356	278,965	(250,000)	5,542,321
Capital assets being depreciated:				
Buildings and Renovations	22,263,328	55,585	-	22,318,913
Machinery, equipment and other	5,209,613	400,264	(130,935)	5,478,942
Infrastructure	6,592,462	1,126,099	-	7,718,561
Total capital assets being depreciated	34,065,403	1,581,948	(130,935)	35,516,416
Less accumulated depreciation for:				
Buildings and Renovations	12,775,505	576,580	-	13,352,085
Machinery, equipment and other	3,982,635	387,690	(130,935)	4,239,390
Infrastructure	2,796,525	306,927	-	3,103,452
Total accumulated depreciation	19,554,665	1,271,197	(130,935)	20,694,927
Total capital assets being depreciated, net	14,510,738	310,751	-	14,821,489
Total governmental activities capital assets, net	\$ 20,024,094	\$ 589,716	\$ (250,000)	\$ 20,363,810

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

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 381,600	\$ -	\$ -	\$ 381,600
Construction in Progress	309,560	686,883	(996,443)	-
Total capital assets not being depreciated	691,160	686,883	(996,443)	381,600
Capital assets being depreciated:				
Buildings and Renovations	1,876,490	-	-	1,876,490
Machinery, equipment and other	876,764	47,685	(33,704)	890,745
Infrastructure	23,751,232	1,318,405	-	25,069,637
Total capital assets being depreciated	26,504,486	1,366,090	(33,704)	27,836,872
Less accumulated depreciation for:				
Buildings and Renovations	220,649	47,281	-	267,930
Machinery, equipment and other	775,036	39,184	(33,704)	780,516
Infrastructure	8,835,160	588,365	-	9,423,525
Total accumulated depreciation	9,830,845	674,830	(33,704)	10,471,971
Total capital assets being depreciated, net	16,673,641	691,260	-	17,364,901
Total Business-type activities capital assets, net	\$ 17,364,801	\$ 1,378,143	\$ (996,443)	\$ 17,746,501

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

Governmental Activities:

General government	\$ 100,751
Public safety	552,450
Public works	406,975
Education	117,509
Health and human services	910
Culture and recreation	92,602
Total depreciation expense - governmental activities	<u>\$ 1,271,197</u>

Business-Type Activities:

Sewer fund	\$ 370,586
Water works fund	304,244
Total depreciation expense - business-type activities	<u>\$ 674,830</u>

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

E. Interfund Receivables, Payables and Transfers

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

Transfers Out:	Transfers In:			Total
	General fund	Nonmajor Governmental fund	Business-type fund	
General fund	\$ -	\$ 360,000	\$ 171,440	\$ 531,440
Community Preservation fund	-	50,000	-	50,000
Nonmajor governmental funds	462,445	-	-	462,445
Business-type fund	51,700	-	-	51,700
Total transfers out	<u>\$ 514,145</u>	<u>\$ 410,000</u>	<u>\$ 171,440</u>	<u>\$ 1,095,585</u>

F. Leases

The Town has entered into lease agreements as lessee for financing of the government activities fire department equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through the capital leases are as follows:

Asset:	Governmental Activities
Machinery, Equipment and Other	\$ 223,180
Less: Accumulated Depreciation	(22,318)
Total	<u>\$ 200,862</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

Year Ending June 30,	Governmental Activities
2022	\$ 47,037
2023	47,036
2024	47,037
2025	47,036
Total minimum lease payments	<u>188,146</u>
Less: amount representing interest	<u>(12,003)</u>
Present value of minimum lease payments	<u>\$ 176,143</u>

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

G. 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 activities are as follows:

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2020	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2021
Bond anticipation note:						
Tisbury School repairs	1.80%	8/14/2020	\$ 400,000	\$ -	\$ 400,000	\$ -
Tisbury School repairs	0.70%	8/13/2021	-	350,000	-	350,000
Total Governmental Activities			\$ 400,000	\$ 350,000	\$ 400,000	\$ 350,000

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

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2020	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2021
Bond anticipation note:						
Sewer Fund:						
Wastewater Treatment Facility	1.75%	1/22/2021	\$ 650,000	\$ -	\$ 650,000	\$ -
Wastewater Treatment Facility	1.50%	2/22/2021	260,000	-	260,000	-
Leaching Facility	1.50%	2/22/2021	750,000	-	750,000	-
Wastewater improvements	0.52%	1/21/2022	-	500,000	-	500,000
Wastewater Management Plan	0.52%	1/21/2022	-	150,000	-	150,000
Wastewater Management Plan	0.42%	1/21/2022	-	400,000	-	400,000
			1,660,000	1,050,000	1,660,000	1,050,000
Water Works Fund:						
Garage Facility	1.97%	8/14/2020	400,000	-	400,000	-
Garage Facility	0.70%	8/13/2021	-	200,000	-	200,000
			400,000	200,000	400,000	200,000
Total Business-type Activities			\$ 2,060,000	\$ 1,250,000	\$ 2,060,000	\$ 1,250,000

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

H. 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, 2021
Inside Debt:					
Municipal Purpose Loan of 2010:					
Public safety facility construction	3.05%	3/15/2010	3/15/2025	\$ 6,800,000	\$ 2,200,000
Public safety facility design	2.90%	3/15/2010	3/15/2025	640,000	160,000
Municipal Purpose Loan of 2014:					
Harbor & Channel Dredging	2.0-3.0%	8/15/2014	8/15/2023	450,000	150,000
Tisbury School Roof	2.0-3.0%	8/15/2014	8/15/2023	275,000	90,000
Total Inside Debt					<u>2,600,000</u>
Outside Debt:					
Massachusetts Clean Water Trust:					
Title V Septic Repair Program	N/A	1/7/2015	1/15/2035	94,779	66,345
Total Outside Debt					<u>66,345</u>
Total governmental type debt					<u><u>\$ 2,666,345</u></u>

Future Debt Service

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

Year	Principal	Interest	Total
2022	\$ 674,739	\$ 86,662	\$ 761,401
2023	674,739	65,888	740,627
2024	674,739	43,975	718,714
2025	594,739	22,125	616,864
2026	4,739	-	4,739
2027-2031	23,694	-	23,694
2032-2035	18,956	-	18,956
	<u>\$ 2,666,345</u>	<u>\$ 218,650</u>	<u>\$ 2,884,995</u>

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

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
Inside Debt:					
Sewer Fund:					
Massachusetts Clean Water Trust:					
Wastewater treatment facility	N/A	11/6/2003	8/1/2023	\$ 7,482,332	\$ 1,347,222
Total Inside Debt					<u>1,347,222</u>
Outside Debt:					
Sewer Fund:					
U.S. Department of Agriculture (USDA):					
Centrifuge	3.38%	3/26/2014	3/26/2052	154,000	125,629
Wastewater Leaching Facility	1.75%	6/4/2021	6/1/2054	893,000	893,000
Water Works:					
Municipal Purpose Loan of 2012:					
Water mains	1.83%	11/1/2012	11/1/2027	400,000	175,000
Water mains	1.82%	11/1/2012	11/1/2027	513,000	230,000
Water storage tank	1.82%	11/1/2012	11/1/2027	292,000	130,000
U.S. Department of Agriculture (USDA):					
Water storage tank	2.75%	3/26/2014	3/26/2052	719,000	586,546
Total Outside Debt					<u>2,140,175</u>
Total business-type debt					<u><u>\$ 3,487,397</u></u>

Future Debt Service

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

Year	Principal	Interest	Total
2022	\$ 569,656	\$ 75,828	\$ 645,484
2023	579,110	51,059	630,169
2024	588,564	26,186	614,750
2025	130,036	23,928	153,964
2026	125,036	21,646	146,682
2027-2031	390,180	81,930	472,110
2032-2036	250,180	62,421	312,601
2037-2041	250,180	45,993	296,173
2042-2046	250,180	29,564	279,744
2047-2051	250,180	13,136	263,316
2052-2056	104,095	656	104,751
	<u>\$ 3,487,397</u>	<u>\$ 432,347</u>	<u>\$ 3,919,744</u>

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

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	\$ 3,270,000	\$ -	\$ 670,000	\$ 2,600,000	\$ 670,000
Massachusetts Clean					
Water Trust bonds	81,284	-	14,939	66,345	4,739
Capital lease	-	223,180	47,037	176,143	42,298
Compensated absences	673,320	119,173	28,345	764,148	408,754
Net OPEB liability	37,621,351	1,154,173	-	38,775,524	-
Net pension liability	4,782,498	-	724,986	4,057,512	-
Governmental activity					
Long-term liabilities	\$ 46,428,453	\$ 1,496,526	\$ 1,485,307	\$ 46,439,672	\$ 1,125,791
Business-type activities:					
Bonds Payable:					
General obligation bonds	\$ 615,000	\$ -	\$ 80,000	\$ 535,000	\$ 80,000
U.S.D.A. bonds	735,150	893,000	22,975	1,605,175	50,036
Massachusetts Clean					
Water Trust bonds	1,772,660	-	425,438	1,347,222	439,620
Compensated absences	59,397	9,974	-	69,371	36,580
Net OPEB liability	1,823,908	60,666	-	1,884,574	-
Net pension liability	324,280	-	47,769	276,511	-
Business-type activity					
Long-term liabilities	\$ 5,330,395	\$ 963,640	\$ 576,182	\$ 5,717,853	\$ 606,236

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 \$7,398,975 and interest costs of \$3,884,363 for three loans which the Town has borrowed from MCWT. The gross amount outstanding at June 30, 2021 for principal and interest combined for the loans is \$1,481,311. The net repayments, including interest, are scheduled to be \$1,103,455. 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. The fiscal year 2021 principal and interest subsidies totaled \$169,919.

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 \$3,947,222.

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

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>\$ 3,224,394,300</u>
Debt Limit: 5 % of Equalized value		161,219,715
Total Debt Outstanding	\$ 6,153,742	
Less: Debt Outside Debt Limit	<u>(2,206,520)</u>	<u>3,947,222</u>
Inside Debt Excess Borrowing Capacity at June 30, 2021		<u><u>\$ 157,272,493</u></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, 2021 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
4/23/2002	Rehabilitate and Replace Water Mains on Main Street and Beach Road	\$ 250,000
9/10/2002	Additional Costs of Wastewater Treatment System Improvements for the Town	394,967
9/10/2002	Additional Costs of Rehabilitating and Replacing Water Mains on Main Street and Beach Road	25,000
4/11/2012	Septic Management Upgrades	105,221
4/14/2015	Wastewater Engineering/Design Plans	70,000
4/25/2017	Road and Street improvements	400,000
6/13/2020	Wastewater Capacity Upgrades	<u>6,000,000</u>
		<u><u>\$ 7,245,188</u></u>

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

I. 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	\$ -	\$ -	\$ 649,545	\$ 649,545
Restricted:				
Federal, state and local grants	-	-	236,131	236,131
School revolving funds	-	-	294,001	294,001
Town revolving funds	-	-	97,035	97,035
Community preservation	-	2,937,787	-	2,937,787
Debt service	-	-	15,972	15,972
Donations and gifts	-	-	97,090	97,090
Permanent funds	-	-	869,620	869,620
Capital projects	-	-	204,491	204,491
Other	-	-	1,327,026	1,327,026
	-	2,937,787	3,141,366	6,079,153
Committed:				
Ambulance services	-	-	43,809	43,809
Embarkation fee fund	-	-	493,898	493,898
Employee benefits and Insurance	-	-	989,761	989,761
Shellfish trust	-	-	159,055	159,055
Transfer station	-	-	1,125,074	1,125,074
	-	-	2,811,597	2,811,597
Assigned:				
General government	973,361	-	-	973,361
Public safety	936,717	-	-	936,717
Public works	952,452	-	-	952,452
Education	1,506,718	-	-	1,506,718
Health and human services	18,020	-	-	18,020
Culture and recreation	50,060	-	-	50,060
Employee benefits and Insurance	25,000	-	-	25,000
Subsequent year's budget	2,847,757	-	-	2,847,757
	7,310,085	-	-	7,310,085
Unassigned:				
General Fund	10,040,310	-	-	10,040,310
Capital Projects	-	-	(350,000)	(350,000)
	10,040,310	-	(350,000)	9,690,310
Total Governmental fund balances	\$ 17,350,395	\$ 2,937,787	\$ 6,252,508	\$ 26,540,690

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

J. 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 balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$ 1,393,586
Ambulance stabilization fund	283,478
Capital stabilization fund	1,423,715
Department of Public Works stabilization	133,717
Dredge stabilization fund	122,260
Fire Department stabilization fund	81,296
Wick System stabilization fund	790
Window stabilization fund	5,272
	<u>\$ 3,444,114</u>

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.

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

C. Coronavirus (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.

D. Subsequent Events

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

E. Pension Plan

Plan Description

The Town is a member of the Dukes County Contributory Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Dukes County Retirement Board (the 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 except for current and retired teachers. 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 9 Airport Road, Suite 1, Vineyard Haven, Massachusetts 02568.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan, to which the Town does not contribute. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for the contributions and future benefit requirements of the MTRS.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is responsible by statute to make all actuarially determined contributions and future benefit requirements on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in the MTRS. Since the Town does not contribute directly to MTRS, there is no pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based upon each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2020. The Town's portion of the collective pension expense contributed by the Commonwealth of \$1,865,478 on-behalf payments for the fiscal year ending June 30, 2021 is reported as intergovernmental revenues and employee benefits and insurance expenditures in the General Fund.

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

Benefits Provided

Both the System and MTRS provide retirement, disability, and death benefits to plan members and beneficiaries. Members become vested after 10 years of creditable service and are eligible 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. 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 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 \$1,289,274, representing 19.05% 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 \$4,334,023 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, 2020. 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 18.150%, which is a slight increase as the last measurement.

Pension Expense

For the year ended June 30, 2021, the Town recognized a pension expense of \$452,732 and reported deferred outflows of resources related to pensions of \$1,825,897 from the differences between expected and actual experience, changes in assumptions and from changes in proportion and differences between employer contributions and proportionate share of contributions; and deferred inflows of resources related to pensions of \$3,119,729 from the net difference between projected and actual experience, the net difference between projected and actual investment earnings on pension plan investments and changes in proportion and differences between employer contributions and proportionate share of contributions.

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

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	\$ (410,860)
	2023	(153,295)
	2024	(744,218)
	2025	(87,828)
	Thereafter:	102,369
		<u>\$ (1,293,832)</u>

Actuarial Assumptions

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

Valuation date	January 1, 2020
Actuarial cost method	Individual Entry Age Normal Cost Method
Amortization method	UAAL: Increasing dollar amount at 4.0% to reduce the Unfunded Actuarial Accrued Liability to zero on or before June 30, 2031. The annual increase in appropriation is further limited to 6.1% per year through FY2024 and 6.6% thereafter. 2002 & 2003 ERI's: Increasing dollar amount at 4.5% to reduce the unfunded actuarial accrued liability attributable to the ERIs to zero on or before June 30, 2028.
Asset valuation method	The actuarial value of assets is the market value of assets as of the valuation date reduced by the sum of: (a) 80% of gains and losses of the prior year, (b) 60% of gains and losses of the second prior year, (c) 40% of the gains and losses of the third prior year, and (d) 20% of gains and losses of the fourth prior year. Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 80% or more than 120% of market value.
Inflation	2.20% per year
Salary increases	Group 1: 6.00% to 4.25%, based on service. Group 2: 7.00% to 4.75%, based on service.
Payroll Growth	3.50% per year
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Cost of living adjustments	3.00% of the first \$14,000 of the annual retirement allowance.
Mortality rates	Based on the RP-2014 Blue Collar Mortality Table with full generational mortality improvements using Scale MP-2018. For disabled members, based on the RP-2014 Blue Collar Mortality Table Set forward one year with full generational mortality improvements using Scale MP-2018.

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

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 weighing 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, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	30.0%	7.3%
International equity	5.0%	4.9%
Real estate	5.0%	6.0%
PRIT Core	50.0%	5.6%
Fixed income	10.0%	2.7%
Total	100.0%	

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 12.47%. The money-weighted rate of return considers the changing amounts actually invested during a period and weighs 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 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made based at the current contribution rates and that contributions from participating employers will be made in accordance with Section 22D and Section 22F of MGL Chapter 32. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF TISBURY, 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 7.50%. 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease	Current	1% Increase
	6.50%	Discount Rate	8.50%
	6.50%	7.50%	8.50%
Town's net pension liability	\$ 9,205,097	\$ 4,334,023	\$ 213,486

F. Other Post Employment Benefits Payable

GASB Statement No. 74 and GASB Statement No. 75

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 as described on the following footnote, 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 253 active, retired employees and dependents that meet the eligibility requirements. The plan does not issue a separate financial report.

Investments

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Select Board by majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy. As of June 30, 2021, investments, concentration and rate of return information consisted of pooled funds in the Town's Pension Reserve Investment Trust with Dukes County described earlier under Deposits and Investments (refer to note 3A).

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town policy and member contracts. The required contribution is based on the projected pay-as-you-go financing requirements. For the period ending on the June 30, 2021 Measurement Date to Town premiums plus implicit costs for the retiree medical program were \$1,024,112. The Town also made a contribution to an OPEB Trust of \$150,000 for a total contribution during the measurement period of \$1,174,112. The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. The trust balance is \$2,614,549 as of June 30, 2021.

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

Measurement Date

GASB Statement No. 74 and GASB Statement No. 75 require the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. 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, 2020.

Plan Membership:

Current active members	147
Current retirees, beneficiaries and dependents	<u>106</u>
Total	<u><u>253</u></u>

Net OPEB Liability

The components of the net OPEB liability are as follows:

	<u>6/30/2021</u>
Total OPEB liability	\$ 43,274,647
Less: Plan fiduciary net position	<u>(2,614,549)</u>
Town's Net OPEB liability	<u><u>\$ 40,660,098</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	6.04%

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, 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, 2020
Actuarial cost method	Individual Entry Age Normal
Amortization method	Increasing at 3.5% over 30 years on an open amortization period for partial pre-funding.
Asset valuation method	Market value.
Investment rate of return	6.60%, compounded annually, net of fees.
Single Equivalent Discount rate	2.20%, compounded annually, for measurement as of June 30, 2021.
Healthcare cost trend rates	7.00% annually in Year 1 decreasing to an ultimate 4.0% annually.
Inflation	2.20% annually.
Payroll Growth	3.50% per year.

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

Mortality rates: General and Public Safety employees:

Pre-retirement Mortality	Based on the RP-2014 Blue Collar Mortality Table projected with generational mortality improvement using Scale MP-2018.
Post-retirement Mortality	Based on the RP-2014 Blue Collar Mortality Table projected with generational mortality improvement using Scale MP-2018.

Mortality rates: Teachers:

Pre-retirement Mortality	Based on the PUB-2010 Teachers Headcount-Weighted Mortality Table (base year 2010) projected with generational mortality using Scale MP-2020.
Post-retirement Mortality	Based on the PUB-2010 Teachers Headcount-Weighted Mortality Table (base year 2010) projected with generational mortality using Scale MP-2020.

The actuarial assumptions used the July 1, 2020 actuarial valuation and market value of assets as of the measurement date of June 30, 2021 were reflective of published municipal bond indices; the Bond Buyer 20-year GO Index is 2.16%.

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Capital Equity	35.0%	5.34%
Middle Capital Equity	10.0%	5.34%
Small Capital Equity	10.0%	5.34%
International Equity	15.0%	6.10%
Real Estate	10.0%	4.40%
Fixed income	20.0%	1.62%
Total	100.0%	

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 30.13%.

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

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2020	\$ 41,322,939	\$ 1,877,680	\$ 39,445,259
Service cost	2,401,887	-	2,401,887
Interest on Total OPEB Liability	963,645	-	963,645
Changes in benefit terms	-	-	-
Changes in assumptions	454,643	-	454,643
Difference between actual and expected experience	(844,355)	-	(844,355)
Net investment income	-	586,869	(586,869)
Employer contributions to Trust	-	1,174,112	(1,174,112)
Total benefit payments including implicit cost	(1,024,112)	(1,024,112)	-
Net change in total OPEB liability	1,951,708	736,869	1,214,839
Balances at June 30, 2021	\$ 43,274,647	\$ 2,614,549	\$ 40,660,098

Discount Rate

The discount rate used to measure the total OPEB liability was 2.20%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to the first six months of the projected future benefit payments and the Municipal Bond Rate was applied to all periods thereafter 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 (1.20%) or 1-percentage-point higher (3.20%) than the current rate:

	1% Decrease (1.20%)	Current Discount Rate (2.20%)	1% Increase (3.20%)
Town's net OPEB liability	\$ 49,697,001	\$ 40,660,098	\$ 33,674,186

TOWN OF TISBURY, 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 (6.0% decreasing to 3.0%) or 1-percentage-point higher (8.0% decreasing to 5.0%) than the current healthcare cost trend rates:

	1% Decrease (6.0% in Year 1 decreasing to 3.0%)	Healthcare Cost Trend Rates (7.0% in Year 1 decreasing to 4.0%)	1% Increase (8.0% in Year 1 decreasing to 5.0%)
Town's net OPEB liability	\$ 32,870,034	\$ 40,660,098	\$ 50,984,967

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, 2021, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$4,467,170 and reported deferred outflows of resources related to OPEB of \$8,546,555 from the changes in assumptions; and deferred inflows of resources related to OPEB of \$3,475,334 from the differences between expected and actual experience, changes in assumptions and from the differences between projected and actual earnings on OPEB plan investments.

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	\$	1,238,237
2023		1,566,285
2024		1,513,215
2025		819,516
2026		(64,736)
Thereafter:		(1,296)
	\$	5,071,221

G. 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.

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

H. 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.

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.

5. RESTATEMENT

The net position as of June 30, 2020 has been restated. As required by GASB Statement No. 84, the beginning nonmajor governmental fund balance in governmental funds and net position increased \$124,354 for governmental activities to reflect the change in the fiduciary activities. Accordingly, the previously reported net position of \$22,894,914 has been revised to \$23,019,268 (\$6,420,097 for governmental activities and \$16,599,171 for business-type activities).

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TISBURY, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Dukes County Contributory 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:

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	18.150%	\$ 4,334,023	\$ 6,768,925	64.03%	89.76%
12/31/2019	17.895%	\$ 5,106,778	\$ 6,444,578	79.24%	86.73%
12/31/2018	17.895%	\$ 8,940,100	\$ 5,807,451	153.94%	75.54%
12/31/2017	17.842%	\$ 5,918,648	\$ 6,748,420	87.70%	82.43%
12/31/2016	17.842%	\$ 8,193,932	\$ 6,204,138	132.07%	74.21%
12/31/2015	18.063%	\$ 7,098,653	\$ 6,239,273	113.77%	75.61%
12/31/2014	18.063%	\$ 6,510,775	\$ 6,296,756	103.40%	76.17%

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 TISBURY, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Dukes County Contributory 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	\$ 1,289,274	\$ (1,289,274)	\$ -	\$ 6,768,925	19.05%
12/31/2019	\$ 1,215,150	\$ (1,215,150)	\$ -	\$ 6,444,578	18.86%
12/31/2018	\$ 1,179,352	\$ (1,179,352)	\$ -	\$ 5,807,451	20.31%
12/31/2017	\$ 1,123,192	\$ (1,123,192)	\$ -	\$ 6,748,420	16.64%
12/31/2016	\$ 1,072,866	\$ (1,072,866)	\$ -	\$ 6,204,138	17.29%
12/31/2015	\$ 1,007,673	\$ (1,007,673)	\$ -	\$ 6,239,273	16.15%
12/31/2014	\$ 1,015,376	\$ (1,015,376)	\$ -	\$ 6,296,756	16.13%

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 TISBURY, 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>	<u>6/30/2017</u>
Total OPEB liability					
Service cost	\$ 2,401,887	\$ 1,706,778	\$ 1,254,643	\$ 1,338,048	\$ 1,576,707
Interest on net OPEB liability	963,645	1,174,938	1,184,868	1,089,542	939,599
Changes in Benefit terms	-	(933,511)	-	(36,608)	-
Changes in Assumptions	454,643	8,586,051	5,610,265	(1,827,106)	(3,823,253)
Difference between actual and expected experience	(844,355)	-	(4,412,377)	-	-
Benefit payments, including refunds of member contributions	(1,024,112)	(1,016,817)	(996,329)	(991,058)	(986,258)
Net change in total OPEB liability	1,951,708	9,517,439	2,641,070	(427,182)	(2,293,205)
Total OPEB liability-beginning	41,322,939	31,805,500	29,164,430	29,591,612	31,884,817
Total OPEB liability-ending (a)	<u>\$ 43,274,647</u>	<u>\$ 41,322,939</u>	<u>\$ 31,805,500</u>	<u>\$ 29,164,430</u>	<u>\$ 29,591,612</u>
Plan fiduciary net position					
Net investment income	\$ 586,869	\$ 75,289	\$ 74,412	\$ 32,455	\$ -
Employer contributions to Trust	1,174,112	1,166,817	1,296,652	2,236,259	986,258
Benefit payments, including refunds of member contributions	(1,024,112)	(1,016,817)	(996,329)	(991,058)	(986,258)
Net change in plan fiduciary net position	736,869	225,289	374,735	1,277,656	-
Total fiduciary net position-beginning	1,877,680	1,652,391	1,277,656	-	-
Total fiduciary net position-ending (b)	<u>\$ 2,614,549</u>	<u>\$ 1,877,680</u>	<u>\$ 1,652,391</u>	<u>\$ 1,277,656</u>	<u>\$ -</u>
Town's net OPEB liability (a-b)	<u>\$ 40,660,098</u>	<u>\$ 39,445,259</u>	<u>\$ 30,153,109</u>	<u>\$ 27,886,774</u>	<u>\$ 29,591,612</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 TISBURY, 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>	<u>6/30/2017</u>
Total OPEB liability	\$ 43,274,647	\$ 41,322,939	\$ 31,805,500	\$ 29,164,430	\$ 29,591,612
Less: Plan fiduciary net position	(2,614,549)	(1,877,680)	(1,652,391)	(1,277,656)	-
Town's Net OPEB liability	<u>\$ 40,660,098</u>	<u>\$ 39,445,259</u>	<u>\$ 30,153,109</u>	<u>\$ 27,886,774</u>	<u>\$ 29,591,612</u>
Plan fiduciary net position as a percentage of the total OPEB liability	6.04%	4.54%	5.20%	4.38%	0.00%
Town's share of covered employee payroll	\$ 11,340,133	\$ 10,799,364	\$ 9,530,204	\$ 9,673,251	\$ 7,337,024
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	358.55%	365.26%	316.40%	288.29%	403.32%

Schedule of Contributions:

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarially determined contribution	\$ 3,572,791	\$ 2,817,172	\$ 2,334,206	\$ 2,348,910	\$ 2,048,278
Less: Contributions in relation to the actuarially determined contribution	(1,174,112)	(1,166,817)	(1,296,652)	(2,236,259)	(986,258)
Contribution deficiency (excess)	<u>\$ 2,398,679</u>	<u>\$ 1,650,355</u>	<u>\$ 1,037,554</u>	<u>\$ 112,651</u>	<u>\$ 1,062,020</u>
Town's share of covered employee payroll	\$ 11,340,133	\$ 10,799,364	\$ 9,530,204	\$ 9,673,251	\$ 7,337,024
Contributions percentage of covered-employee payroll	10.35%	10.80%	13.61%	23.12%	13.44%
Annual money-weighted rate of return net of investment expense	30.13%	4.56%	5.51%	4.03%	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 TISBURY, 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						
Actuarial 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	\$ 2,614,549	\$ 43,274,647	\$ 40,660,098	6.04%	\$ 11,340,133	358.55%
6/30/2020	\$ 1,877,680	\$ 41,322,939	\$ 39,445,259	4.54%	\$ 10,799,364	365.26%
6/30/2019	\$ 1,652,391	\$ 31,805,500	\$ 30,153,109	5.20%	\$ 9,530,204	316.40%
6/30/2018	\$ 1,277,656	\$ 29,164,430	\$ 27,886,774	4.38%	\$ 9,673,251	288.29%
6/30/2017	\$ -	\$ 29,591,612	\$ 29,591,612	0.00%	\$ 7,337,024	403.32%

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 TISBURY, 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:					
Council on Aging Grants	\$ 27,712	\$ 12,380	\$ 711	\$ -	\$ 39,381
Coastal Resiliency Grant	-	111,022	111,022	-	-
Emergency Management Grants	83,228	69,341	58,253	(13,016)	81,300
Energy Grants	7,501	15,906	10,000	-	13,407
Highways	-	255,963	255,963	-	-
Library Grants	1,515	6,616	3,675	-	4,456
Other Grants and Programs	12,564	52,636	36,497	(7,929)	20,774
Public Safety Grants	5,019	17,634	18,334	-	4,319
Recycling Grant	5,481	-	-	-	5,481
Septic Grants	9,840	-	-	-	9,840
Tashmoo Dredging Grant	-	97,498	97,498	-	-
Vehicle Grant	22,500	-	-	(22,500)	-
Schools:					
School Lunch Program	9,450	89,424	98,874	-	-
School Lunch Commodities	-	10,204	10,204	-	-
School Choice Tuition	169,981	106,649	6,170	-	270,460
School Revolving	7,146	995	975	-	7,166
Special Education Reimbursement Fund	14,004	66,470	23,302	-	57,172
Student Activity	17,305	2,601	3,531	-	16,375
Other:					
Ambulance Transport Fund	43,809	-	-	-	43,809
Cable Television Franchise Fee	22,187	136,399	136,399	-	22,187
Dog Licenses Revolving	28,336	3,784	2,450	-	29,670
Economic Development Fund	32,470	-	-	-	32,470
Gifts and Donations	97,111	10,659	10,680	-	97,090
Insurance reimbursements	265,220	1,688	6,013	(255,000)	5,895
Landfill Trash Fees	147,548	88,665	-	(110,000)	126,213
Total Special Revenue Page 71	\$ 1,029,927	\$ 1,156,534	\$ 890,551	\$ (408,445)	\$ 887,465

TOWN OF TISBURY, 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 71	\$ 1,029,927	\$ 1,156,534	\$ 890,551	\$ (408,445)	\$ 887,465
Special Revenue (Continued):					
Other (Continued):					
Library Book Replacement	238	664	556	-	346
Parks and Recreation Revolving	50,850	2,800	7,628	-	46,022
Planning Board Escrow Funds	30,320	6,000	4,530	-	31,790
Police Auctions	562	-	-	-	562
Police Off-Duty Details	6,706	71,095	71,352	-	6,449
Premium and Interest on Bonds	23,620	-	7,648	-	15,972
Sale of Cemetery Lots	128,940	3,850	-	-	132,790
Septic System Repair Programs	195,457	89,008	-	-	284,465
Special Event Fund	16,413	-	-	-	16,413
Steamship Authority Ferry Embarkation Fees	262,151	231,747	-	-	493,898
Tashmoo Spring Building Revolving	19,451	3,650	1,758	-	21,343
Transfer Station Fund	902,048	96,813	-	-	998,861
Transportation Infrastructure	9,807	1,858	-	-	11,665
Trash Disposal Fees	48,393	743,160	791,553	-	-
Waterways Fund	235,736	159,943	-	(54,000)	341,679
Luce Fund	681,030	128,508	62,677	-	746,861
Municipal Housing Fund	131,516	349	735	85,000	216,130
Municipal Insurance Fund	129,522	126	55,917	75,000	148,731
Nancy Hamilton Fund	31,654	18	-	-	31,672
Shellfish Fund	146,593	14,592	2,130	-	159,055
Sick Leave Buy Back Fund	514,182	409	2,175	200,000	712,416
Unemployment Fund	131,082	110	52,577	50,000	128,615
Water Street Parking Lot Fund	211,619	10,111	-	-	221,730
Total Special Revenue Funds	\$ 4,937,817	\$ 2,721,345	\$ 1,951,787	\$ (52,445)	\$ 5,654,930

**TOWN OF TISBURY, 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
Capital Projects:					
Connector Road	\$ 22,138	\$ -	\$ -	\$ -	\$ 22,138
Departmental Equipment	143	-	223,180	223,180	143
Land Acquisition-Aquifer	4,689	-	-	-	4,689
Landfill	32,099	-	-	-	32,099
Lighting Improvements	10,488	-	-	-	10,488
Other	2,456	-	-	-	2,456
Park and Ride System	104,360	-	-	-	104,360
Paving and Resurfacing Roads	2,073	-	-	-	2,073
Police/Ambulance Facility	4,038	-	-	-	4,038
Sidewalk Construction	7,578	-	-	-	7,578
Tashmoo Beach Restrooms	16,635	-	-	-	16,635
Tisbury School Renovation	(239,600)	-	160,400	50,000	(350,000)
Veterans Park	250	-	-	-	250
Total Capital Projects	(32,653)	-	383,580	273,180	(143,053)
Perpetual Permanent Funds:					
A&P Supermarket Parking Lot Escrow	100,000	-	-	-	100,000
Cemetery	356,380	6,750	-	-	363,130
Library	176,276	10,139	-	-	186,415
Total Perpetual Permanent Funds	632,656	16,889	-	-	649,545
Permanent Funds:					
A&P Supermarket Parking Lot Escrow	21,035	68	-	-	21,103
Cemetery	28,132	36,681	15,500	-	49,313
Library	13,880	7,290	500	-	20,670
Total Permanent Funds	63,047	44,039	16,000	-	91,086
Total - Non-Major Governmental Funds	\$ 5,600,867	\$ 2,782,273	\$ 2,351,367	\$ 220,735	\$ 6,252,508

**TOWN OF TISBURY, MASSACHUSETTS
SCHEDULE OF REAL ESTATE, PERSONAL PROPERTY,
DEFERRED PROPERTY AND ROLLBACK 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	Taxes Per Detail June 30, 2021
Real Estate Taxes:						
Levy of 2021	\$ -	\$ 26,239,955	\$ 238,998	\$ 25,417,739	\$ 583,218	\$ 583,218
Levy of 2020	1,158,111	-	50,475	938,995	168,641	168,641
Levy of 2019	121,090	-	22,979	80,564	17,547	17,547
Levy of 2018	62,374	-	8,090	54,265	19	19
	<u>1,341,575</u>	<u>26,239,955</u>	<u>320,542</u>	<u>26,491,563</u>	<u>769,425</u>	<u>769,425</u>
Personal Property Taxes:						
Levy of 2021	-	562,479	6,011	531,627	24,841	24,841
Levy of 2020	45,894	-	17	32,557	13,320	13,320
Levy of 2019	15,133	-	-	5,614	9,519	9,519
Levy of 2018	6,879	-	1	1,913	4,965	4,965
Levy of 2017	4,347	-	-	750	3,597	3,597
Prior Years	22,418	-	3	3,598	18,817	18,817
	<u>94,671</u>	<u>562,479</u>	<u>6,032</u>	<u>576,059</u>	<u>75,059</u>	<u>75,059</u>
Deferred Property Taxes	<u>3,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,408</u>	<u>3,408</u>
Rollback Taxes	<u>13,406</u>	<u>-</u>	<u>-</u>	<u>13,365</u>	<u>41</u>	<u>-</u>
Total Real Estate, Personal Property Deferred Property and Rollback Taxes	<u>\$ 1,453,060</u>	<u>\$ 26,802,434</u>	<u>\$ 326,574</u>	<u>\$ 27,080,987</u>	<u>\$ 847,933</u>	<u>\$ 847,892</u>

TOWN OF TISBURY, MASSACHUSETTS
SCHEDULE OF COMMUNITY PRESERVATION SURCHARGES
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	Taxes Per Detail June 30, 2021
Non-Major Governmental Funds:						
Community Preservation Surcharges:						
Levy of 2021	\$ -	\$ 706,242	\$ 8,073	\$ 680,385	\$ 17,784	\$ 17,784
Levy of 2020	35,526	-	1,436	28,599	5,491	5,491
Levy of 2019	3,627	-	665	2,543	419	419
Levy of 2018	1,793	-	247	1,546	-	-
Total Community Preservation Surcharges	\$ 40,946	\$ 706,242	\$ 10,421	\$ 713,073	\$ 23,694	\$ 23,694

**TOWN OF TISBURY, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE AND VESSEL 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	\$ -	\$ 971,545	15,166	\$ 829,298	\$ 127,081	\$ 127,081
Levy of 2020	163,009	116,340	11,864	225,584	41,901	41,901
Levy of 2019	44,049	-	165	26,374	17,510	17,510
Levy of 2018	23,581	-	-	6,306	17,275	17,275
Levy of 2017	13,713	-	-	1,659	12,054	12,054
Prior Years	43,518	663	152	3,054	40,975	40,975
	<u>287,870</u>	<u>1,088,548</u>	<u>27,347</u>	<u>1,092,275</u>	<u>256,796</u>	<u>256,796</u>
Vessel Excise Taxes:						
Levy of 2021	-	42,106	1,008	31,811	9,287	9,287
Levy of 2020	10,151	-	678	3,178	6,295	6,295
Levy of 2019	5,164	-	109	502	4,553	4,553
Levy of 2018	4,197	-	81	283	3,833	3,833
Levy of 2017	3,745	-	55	344	3,346	3,346
Prior Years	19,618	-	116	740	18,762	18,762
	<u>42,875</u>	<u>42,106</u>	<u>2,047</u>	<u>36,858</u>	<u>46,076</u>	<u>46,076</u>
Total Motor Vehicle and Vessel Excise Taxes	<u>\$ 330,745</u>	<u>\$ 1,130,654</u>	<u>\$ 29,394</u>	<u>\$ 1,129,133</u>	<u>\$ 302,872</u>	<u>\$ 302,872</u>

**TOWN OF TISBURY, 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
General Fund:						
Tax Liens	\$ 900,211	\$ 129,330	\$ -	\$ 214,951	\$ 814,590	\$ 814,740
Non-Major Governmental Funds:						
Community Preservation:						
Tax Liens	\$ 20,857	\$ 3,168	\$ -	\$ 4,679	\$ 19,346	\$ 19,346

**TOWN OF TISBURY, MASSACHUSETTS
SCHEDULE OF DEPARTMENTAL RECEIVABLES
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
General Fund:						
Ambulance	\$ 560,222	\$ 254,597	\$ -	\$ 226,903	\$ 587,916	\$ 588,016
Income & Expense Penalty:						
Levy of 2021	-	18,250	250	16,663	1,337	1,337
Levy of 2020	3,254	-	-	2,754	500	500
Levy of 2019	500	-	-	500	-	-
Levy of 2018	500	-	-	500	-	-
Total Income & Expense Penalty	4,254	18,250	250	20,417	1,837	1,837
Non-Major Governmental Funds:						
Moorings Receivable:						
Levy of 2021	-	140,457	-	132,959	7,498	7,498
Levy of 2020	9,103	-	-	6,691	2,412	2,412
Levy of 2019	3,814	-	-	1,825	1,989	1,989
Levy of 2018	2,608	-	-	-	2,608	2,608
Levy of 2017	2,703	-	-	-	2,703	2,703
Prior Years	31,300	-	-	-	31,300	31,300
	49,528	140,457	-	141,475	48,510	48,510
Septic System Repair Program Loans:						
Program one	28,700	-	-	3,722	24,978	24,978
Program two	170,622	-	-	85,286	85,336	85,336
	199,322	-	-	89,008	110,314	110,314
Total Departmental Receivables	\$ 813,326	\$ 413,304	\$ 250	\$ 477,803	\$ 748,577	\$ 748,677