

TOWN OF MONTEREY, MASSACHUSETTS
Report on the Examination of Basic Financial Statements
For the Year Ended June 30, 2020

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Independent Auditor's Report

To the Honorable Select Board
Town of Monterey, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Monterey, Massachusetts, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Monterey, 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, each major fund, and the aggregate remaining fund information of the Town of Monterey, Massachusetts, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other post employment benefit and pension 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 Monterey, 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 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 August 31, 2021, on our consideration of the Town of Monterey 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 Monterey, Massachusetts' internal control over financial reporting and compliance.

Scanlon and Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

August 31, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Monterey, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$8,249,020 (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 \$6,538,033, or an increase of \$1,710,987 (26%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$988,729, an increase of \$619,489 (168%) in comparison with prior year.
- The General Fund's total fund balance increased \$367,893 (20%) to \$2,242,632. The ending General fund balance is 48% of revenues and transfers in and 52% of expenditures and transfers out.
- Total liabilities of the Town decreased by \$1,196,869 (27%) to \$3,274,203 during the fiscal year. This change was mainly the result of net decreases in the notes payable of \$451,135, in the Other Post Employment Benefits (OPEB) liability of \$229,190, in the pension liability of \$224,305 and in the bonds payable of \$217,284.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$524,270. The key factors that attributed to the free cash amount for fiscal year 2020 were unexpended/unencumbered appropriations of \$370,000, excess over budget – State and local receipts of \$119,300 and prior year free cash not appropriated.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Monterey'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, state assessments and interest. The Town does not have any functions classified as business-type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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 Monterey adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary 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.

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

Financial Highlights

Statement of Net Position Highlights

	Governmental Activities		
	2020	2019	Change
Assets:			
Current assets	\$ 3,596,216	\$ 3,270,755	\$ 325,461
Capital assets	8,162,534	7,539,358	623,176
Total assets	11,758,750	10,810,113	948,637
Deferred Outflows of Resources	183,287	253,352	(70,065)
Liabilities:			
Current liabilities (excluding debt)	195,618	270,573	(74,955)
Current debt	1,747,846	2,203,879	(456,033)
Noncurrent liabilities (excluding debt)	1,030,739	1,484,234	(453,495)
Noncurrent debt	300,000	512,386	(212,386)
Total liabilities	3,274,203	4,471,072	(1,196,869)
Deferred Inflows of Resources	418,814	54,360	364,454
Net Position:			
Net Investment in Capital Assets	6,114,688	4,823,093	1,291,595
Restricted	1,079,461	1,067,405	12,056
Unrestricted	1,054,871	647,535	407,336
Total net position	\$ 8,249,020	\$ 6,538,033	\$ 1,710,987

Financial Highlights

Statement of Activities Highlights

	Governmental Activities		
	2020	2019	Change
Program Revenues:			
Charges for services	\$ 300,400	\$ 205,899	\$ 94,501
Operating grants and contributions	1,657,945	506,002	1,151,943
Capital grants and contributions	1,403,503	744,995	658,508
General Revenues:			
Property taxes	3,931,983	3,868,210	63,773
Motor vehicle excise and other taxes	154,894	160,995	(6,101)
Penalties and interest on taxes	18,411	25,187	(6,776)
Nonrestricted grants	299,695	282,461	17,234
Unrestricted investment income	11,197	13,085	(1,888)
Miscellaneous	341	4,583	(4,242)
Total revenues	7,778,369	5,811,417	1,966,952
Expenses:			
General government	2,027,291	839,262	1,188,029
Public safety	616,674	616,877	(203)
Public Works	1,105,445	1,199,372	(93,927)
Education	1,659,598	1,589,496	70,102
Health and human services	42,020	43,761	(1,741)
Culture and recreation	201,642	151,338	50,304
Employee benefits and insurance	360,616	452,893	(92,277)
State assessments	1,838	1,853	(15)
Interest	52,258	41,315	10,943
Total expenses	6,067,382	4,936,167	1,131,215
Change in net position	1,710,987	875,250	835,737
Net position - beginning of year	6,538,033	5,662,783	875,250
Net position - end of year	\$ 8,249,020	\$ 6,538,033	\$ 1,710,987

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 \$8,249,020 at the close of fiscal year 2020.

Net position of \$6,114,688 (74%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); 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, \$1,079,461 (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$1,054,871 (13%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The governmental activities net position increased by \$1,710,987 (26%) during the current fiscal year. The key elements of the increases in net position for fiscal year 2020 are attributed to the acquisition of \$1,067,151 in new capital assets exceeding the depreciation expense (normally spread out over the useful life of the asset) for the year of \$443,975 and to the net decreases resulting from this year's changes in the governmental funds of \$619,489 and in recognizing the repayment of debt \$217,284.

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 \$988,729, an increase of \$619,489 (168%) in comparison with the prior year.

The breakdown of the governmental fund balances is as follows:

- Restricted fund balance – \$276,695.
- Assigned fund balance – \$723,723.
- Unassigned fund balance – (\$11,689).

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 \$2,242,632 increasing \$367,893 (20%) from the prior year. Of the \$2,242,632, the unassigned amount is \$1,518,909 (68%) and the assigned amount is \$723,723 (32%). General fund revenues were \$143,174 (3%) more than the prior fiscal year while expenditures decreased \$219,876 (5%). Other activity in the General fund is net transfers out to other funds of \$323.

The main components of the increases in general fund revenues were related to increases in property taxes of \$58,477 (2%) and in licenses, permits and fees of \$98,079 (76%) from the prior year.

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

- Increase in General government expenditures of \$95,966 (30%).
- Decrease in Public works expenditures of \$553,979 (42%).
- Increase in Debt Service (principal and interest) of \$116,775 (49%).

The *Library Construction Fund* is used to account for the designing, renovations and construction of an addition to the Monterey Library. The fund has a deficit balance of \$1,518,324 shows an increase of \$232,645 (13%) in total operations. This change was attributed to the governmental receipts of \$371,135, investment income of \$1,502, expenditures of \$372,637, transfers to the General Fund of \$4,259 and proceeds from the issuance of notes of \$80,000. The Town has also issued bond anticipation notes of \$1,535,460 which is not reflected in the balance.

The *Community Development Block Grant (CDBG) Fund* is a special revenue fund used to account for the accumulation of resources for the small cities program (mainly housing rehabilitation) in the area. The fund has a balance of \$367 and shows an increase of \$222 attributed to the revenues exceeding the expenditures during the current fiscal year.

The *Public Works Infrastructure Grants Fund* is a special revenue fund used to account for the accumulation of resources for the resurfacing of a road. The fund has a balance of \$483 and shows a decrease of \$3 attributed to expenditures exceeding the revenues during the current fiscal year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2020 was \$4,899,927. This is a decrease of \$58,583 (1%) over the previous year's budget.

There was an increase between the original budget and the final amended budget. The change is attributed to adjustments voted at the Special Town Meeting in December 2019 and the Annual Town Meeting in May 2020 for various budget operating line items.

General fund expenditures were less than budgeted by \$635,762. Of the \$635,762 in under budget expenditures, \$265,753 has been carried over to fiscal year 2021.

There are negative variances in intergovernmental receipts of \$712 and excise and other taxes of \$9,308 as revenues did not meet budget expectations.

There is a negative variance in state assessments of \$80 due to a lower assessment in registry of motor vehicles non-renewal surcharge than the actual payments.

Overall, the variance with the final budget was a positive \$492,984 consisting of a revenue surplus of \$122,975 and an appropriation surplus of \$370,009.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$8,162,534.

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 purchase for \$37,258.
- Road infrastructure improvements for \$814,215.
- Library renovations for \$215,678.

Debt Administration. As of June 30, 2020, the Town's outstanding governmental long-term debt totaled \$512,386 of which \$362,386 is for departmental vehicles and equipment and \$150,000 is for Transfer Station improvements.

The governmental activity currently has an outstanding bond anticipation note for \$1,535,460 for the library construction project.

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

Next Year's Annual Town Meeting

The Town of Monterey 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, 2020 do not reflect the fiscal year 2021 Town Meeting action with exception of the fund balance (free cash) and stabilization amounts used to fund the 2021 budget.

The Annual Town Meeting on June 27, 2020 authorized the fiscal year 2021 operating and capital budget as follows:

From the tax levy		\$	4,140,129
From Other Available Funds:			
General Fund:			
Unassigned fund balance:			
Free cash			406,470
General purpose stabilization fund	\$	37,500	
Retirement stabilization fund		14,000	51,500
		<u> </u>	
Non-major Governmental Funds:			
Septic System Repair Program			4,898
			<u> </u>
		\$	<u>4,602,997</u>

Requests for Information

This financial report is designed to provide a general overview of the Town of Monterey'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, Town Hall, 435 Main Road, Monterey, Massachusetts 01245.

BASIC FINANCIAL STATEMENTS

TOWN OF MONTEREY, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government
	Governmental
	Activities
ASSETS	
CURRENT:	
Cash and Cash Equivalents	\$ 2,627,347
Receivables, net of allowance for uncollectibles:	
Property Taxes	99,228
Tax Liens	20,846
Excise Taxes	24,274
Departmental	4,400
Due from Other Governments	820,121
Total current assets	3,596,216
NONCURRENT:	
Capital Assets, net of accumulated Depreciation	
Nondepreciable	350,000
Depreciable	7,812,534
Total noncurrent assets	8,162,534
Total Assets	11,758,750
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	140,715
Deferred Outflows Related to OPEB	42,572
Total Deferred Outflows of Resources	183,287
LIABILITIES	
CURRENT:	
Warrants and Accounts Payable	110,796
Accrued Payroll	52,404
Payroll Withholdings	5,649
Accrued Interest	26,769
Notes Payable	1,535,460
Bonds Payable	212,386
Total current liabilities	1,943,464
NONCURRENT:	
Net OPEB Liability	690,746
Net Pension Liability	339,993
Bonds Payable	300,000
Total noncurrent liabilities	1,330,739
Total Liabilities	3,274,203
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	118,748
Deferred Inflows Related to OPEB	300,066
Total Deferred Inflows of Resources	418,814
NET POSITION	
Net Investment in Capital Assets	6,114,688
Restricted for:	
Capital Projects	17,136
Federal & State Grants	868,678
Permanent Funds:	
Expendable	58,314
Other Purposes	135,333
Unrestricted	1,054,871
Total Net Position	\$ 8,249,020

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

**TOWN OF MONTEREY, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Revenues				Net (Expenses) Revenues and and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	<u>Primary Government</u> Governmental Activities	
Primary Government:					
Governmental Activities:					
General Government	\$ 2,027,291	\$ 41,623	\$ 1,612,882	\$ -	\$ (372,786)
Public Safety	616,674	179,114	15,641	-	(421,919)
Public Works	1,105,445	66,257	14,533	1,030,866	6,211
Education	1,659,598	-	-	-	(1,659,598)
Health and Human Services	42,020	13,406	7,847	-	(20,767)
Culture and Recreation	201,642	-	7,042	372,637	178,037
Employee Benefits and Insurance	360,616	-	-	-	(360,616)
State Assessments	1,838	-	-	-	(1,838)
Interest	52,258	-	-	-	(52,258)
Total Governmental Activities	6,067,382	300,400	1,657,945	1,403,503	(2,705,534)
Total Primary Government	\$ 6,067,382	\$ 300,400	\$ 1,657,945	\$ 1,403,503	(2,705,534)
General Revenues:					
Property Taxes					3,931,983
Motor vehicle excise and other taxes					154,894
Penalties & Interest on Taxes					18,411
Grants & Contributions not restricted to specific programs					299,695
Unrestricted Investment Income					11,197
Miscellaneous					341
Total General Revenues					4,416,521
					1,710,987
					6,538,033
					\$ 8,249,020

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

**TOWN OF MONTEREY, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund	Library Construction Fund	CDBG Fund	Public Works Infrastructure Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Cash and Cash Equivalents	\$ 2,349,485	\$ 17,136	\$ 367	\$ 483	\$ 259,876	\$ 2,627,347
Receivables, net of allowance for uncollectibles:						
Property Taxes	99,228	-	-	-	-	99,228
Tax Liens	20,846	-	-	-	-	20,846
Excise Taxes	24,274	-	-	-	-	24,274
Departmental	396	-	-	-	4,004	4,400
Due from Other Governments	-	-	16,743	785,630	17,748	820,121
Total Assets	\$ 2,494,229	\$ 17,136	\$ 17,110	\$ 786,113	\$ 281,628	\$ 3,596,216
Liabilities:						
Warrants Payable	\$ 88,559	\$ -	\$ 16,743	\$ -	\$ 5,494	\$ 110,796
Accrued Payroll	39,841	-	-	-	12,563	52,404
Payroll Withholdings	5,649	-	-	-	-	5,649
Notes Payable	-	1,535,460	-	-	-	1,535,460
Total Liabilities	134,049	1,535,460	16,743	-	18,057	1,704,309
Deferred Inflows of Resources - Unavailable Revenue	117,548	-	-	785,630	-	903,178
Fund Balance:						
Restricted	-	-	367	483	275,845	276,695
Assigned	723,723	-	-	-	-	723,723
Unassigned	1,518,909	(1,518,324)	-	-	(12,274)	(11,689)
Total Fund Balance	2,242,632	(1,518,324)	367	483	263,571	988,729
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,494,229	\$ 17,136	\$ 17,110	\$ 786,113	\$ 281,628	\$ 3,596,216

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

**TOWN OF MONTEREY, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Library Construction Fund	CDBG Fund	Public Works Infrastructure Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$ 3,932,612	\$ -	\$ -	\$ -	\$ -	\$ 3,932,612
Intergovernmental	299,695	371,135	1,543,623	814,212	58,866	3,087,531
Excise and Other Taxes	142,692	-	-	-	-	142,692
Licenses, Permits, Fees	227,774	-	-	-	-	227,774
Charges for Services	-	-	-	-	102,213	102,213
Interest on Taxes	18,411	-	-	-	-	18,411
Investment Income	11,197	1,502	222	-	2,124	15,045
Other	-	-	-	-	23,864	23,864
Total Revenues	4,632,381	372,637	1,543,845	814,212	187,067	7,550,142
Expenditures:						
Current:						
General Government	417,666	-	1,543,623	-	56,313	2,017,602
Public Safety	487,343	-	-	-	91,604	578,947
Public Works	779,574	-	-	814,215	8,958	1,602,747
Education	1,659,598	-	-	-	-	1,659,598
Health and Human Services	36,313	-	-	-	5,707	42,020
Culture and Recreation	148,864	215,733	-	-	10,335	374,932
Employee Benefits and Insurance	379,592	-	-	-	-	379,592
State Assessments	1,838	-	-	-	-	1,838
Debt Service:						
Principal	297,284	-	-	-	-	297,284
Interest	56,093	-	-	-	-	56,093
Total Expenditures	4,264,165	215,733	1,543,623	814,215	172,917	7,010,653
Excess of Revenues Over (Under) Expenditures	368,216	156,904	222	(3)	14,150	539,489
Other Financing Sources (Uses):						
Operating Transfers In	9,157	-	-	-	9,480	18,637
Operating Transfers Out	(9,480)	(4,259)	-	-	(4,898)	(18,637)
Proceeds from Issuance of Bonds and Notes	-	80,000	-	-	-	80,000
Total Other Financing Sources (Uses)	(323)	75,741	-	-	4,582	80,000
Net Change in Fund Balances	367,893	232,645	222	(3)	18,732	619,489
Fund Balances, Beginning of Year	1,874,739	(1,750,969)	145	486	244,839	369,240
Fund Balances, End of Year	\$ 2,242,632	\$ (1,518,324)	\$ 367	\$ 483	\$ 263,571	\$ 988,729

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

TOWN OF MONTEREY, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2020

Total Governmental Fund Balances	\$	988,729
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.		8,162,534
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		903,178
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.		(235,527)
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Bonds Payable	\$ (512,386)	
Net Other Post Employment Benefits Liability	(690,746)	
Net Pension Liability	<u>(339,993)</u>	\$ (1,543,125)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds, interest is not reported until due.		<u>(26,769)</u>
Net Position of Governmental Activities	\$	<u><u>8,249,020</u></u>

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

TOWN OF MONTEREY, 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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 619,489

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	\$ 1,067,151	
Depreciation	(443,975)	623,176

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. 228,227

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

Repayment of Debt Principal	297,284	
Proceeds from Bonds and Notes	(80,000)	217,284

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 Net Other Post Employment Benefits Liability	229,190	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	(245,648)	
Net Change in Net Pension Liability	224,305	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	(188,871)	
Net Change in Accrued Interest on Long-Term Debt	3,835	22,811

Change in Net Position of Governmental Activities **\$ 1,710,987**

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

TOWN OF MONTEREY, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried					
	Forward from Prior Year	Original Budget	Final Budget			
Revenues:						
Property Taxes	\$ -	\$ 3,922,183	\$ 3,922,183	\$ 3,925,812	\$ -	\$ 3,629
Intergovernmental	-	300,407	300,407	299,695	-	(712)
Excise and Other Taxes	-	152,000	152,000	142,692	-	(9,308)
Licenses, Permits, Fees	-	106,000	106,000	227,774	-	121,774
Interest on Taxes	-	15,000	15,000	18,411	-	3,411
Investment Income	-	2,000	2,000	6,181	-	4,181
Total Revenues	-	4,497,590	4,497,590	4,620,565	-	122,975
Expenditures:						
Current:						
General Government	72,929	464,382	568,176	417,666	46,087	104,423
Public Safety	51,572	461,410	513,598	487,343	918	25,337
Public Works	41,400	1,055,214	1,133,304	779,574	214,870	138,860
Education	-	1,693,661	1,693,661	1,659,598	-	34,063
Health and Human Services	6,048	47,328	53,376	36,313	182	16,881
Culture and Recreation	1,174	160,094	161,268	148,864	3,696	8,708
Employee Benefits and Insurance	-	402,913	413,359	379,592	-	33,767
State Assessments	-	1,758	1,758	1,838	-	(80)
Debt Service:						
Principal	-	297,284	297,284	297,284	-	-
Interest	-	64,143	64,143	56,093	-	8,050
Total Expenditures	173,123	4,648,187	4,899,927	4,264,165	265,753	370,009
Excess of Revenues Over (Under) Expenditures	(173,123)	(150,597)	(402,337)	356,400	265,753	492,984
Other Financing Sources (Uses):						
Operating Transfers In	-	155,898	155,898	160,157	-	4,259
Operating Transfers Out	-	-	(9,480)	(9,480)	-	-
Total Other Financing Sources (Uses)	-	155,898	146,418	150,677	-	4,259
Net Change in Budgetary Fund Balance	(173,123)	5,301	(255,919)	\$ 507,077	\$ 265,753	\$ 497,243
Other Budgetary Items:						
Free Cash and Other Reserves	-	-	88,097			
Prior Year Deficits	-	(5,301)	(5,301)			
Prior Year Encumbrances	173,123	-	173,123			
Total Other Budgetary Items	173,123	(5,301)	255,919			
NET BUDGET	\$ -	\$ -	\$ -			

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

TOWN OF MONTEREY, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2020

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 4,620,565	\$ 4,264,165
<i>Adjustments:</i>		
Activity for Stabilization Fund Recorded in the General Fund for GAAP Purposes	5,016	-
Net Increase in Revenue from Recording 60-Day Receipts	6,800	-
Reported on a GAAP Basis	\$ 4,632,381	\$ 4,264,165

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

**TOWN OF MONTEREY, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

		Agency Funds
ASSETS		
Cash and Cash Equivalents	\$	3,821
Total Assets		3,821
LIABILITIES		
Due to Others		3,821
Total Liabilities		3,821
NET POSITION		
Held in Trust for Other Purposes	\$	-
		-

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

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Monterey, 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 accounting policies are described herein.

A. Reporting Entity

The Town of Monterey, Massachusetts (the Town) was incorporated in 1735 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected three-member Selectboard.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In fiscal year 2020, it was determined that no entities met the required GASB-39 and GASB-61 criteria for component units.

The Town is responsible for electing committee members of the Southern Berkshire Regional School District. This related organization is excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing one board member. Audited financial statements are available from the respective organization. A description of the related organization is as follows:

Southern Berkshire Regional School District – A regional school district made up of five communities to serve and provide a learning environment. The regional school district is a separate entity under the Commonwealth of Massachusetts. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

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.

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

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

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.

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 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.

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.

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

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 *library construction fund* is a capital project fund that is used to account for the accumulation of resources to design, renovate and construct an addition to the Monterey Library.

The *community development block grant (CDBG) fund* is a special revenue fund used to account for the accumulation of resources for the small cities program (mainly housing rehabilitation) in the area.

The *public works infrastructure grants fund* is a special revenue fund used to account for the accumulation of resources for the resurfacing of a road.

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 *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.

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 *agency fund* is used to account for assets held in a purely custodial capacity.

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

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).

E. Investments

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

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

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

Level 3 inputs are unobservable for the asset or liability.

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

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.

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Property Taxes, Tax Liens and Tax Foreclosures

Property taxes are based on assessments as of January 1, 2019 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed preliminary tax bills for fiscal year 2020 on June 29, 2019 and September 26, 2019, that were due on August 1, 2019 and November 1, 2019 and actual bills on December 28, 2019 and April 1, 2020, that were due on February 3, 2020 and May 1, 2020.

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 2020 is \$1,775,205.

The total amount raised by taxation was \$1,524,681.

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

Excise Taxes

Excise taxes consist of motor vehicle excise. Excise taxes are assessed annually for each vehicle 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 tax calculation for motor vehicle excise is the fair value of the vehicle multiplied by the \$25 per \$1,000 of value.

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

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Due from Other Governments

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

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

G. Capital Assets

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

All purchase and construction costs in excess of \$5,000 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	3-15
Infrastructure	20-50

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

H. Interfund Transfers

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

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities.

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

I. Deferred Outflows/Inflows of Resources

Government-wide financial statements

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

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

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

Fund financial statements

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

J. Net Position and Fund Balances

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

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

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

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

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

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

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

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

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

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

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

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

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

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

K. Long-term Debt

Long-term debt 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.

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

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 50% 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.

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

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:

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

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

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

For fiscal year 2020, the Town incurred a final budget deficit of \$255,919 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	\$ 88,097
Prior year deficits	(5,301)
Prior year's encumbrances	173,123
	<hr/>
	\$ 255,919
	<hr/> <hr/>

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

B. Deficit Fund Equity

The following funds have deficits at June 30, 2020 as measured by the balance of unreserved fund balance.

- The Library construction fund, a capital project and major fund, has a deficit of \$1,518,324. This project is partially funded by the State of Massachusetts. The Town has temporary notes outstanding totaling \$1,535,460 for the project. The deficit will be eliminated upon the future receipt of funds or upon the issuance of permanent debt.
- The Emergency management grants (COVID-19) has a deficit of \$12,274. The deficit will be eliminated upon future receipt of funds or upon appropriation.

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2020 were \$2,808,262. Of these, none are exposed to custodial credit risk as uninsured and uncollateralized.

Investment Policies

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

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. According to the State Treasurer, the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost.

As of June 30, 2020, the Town has no investments that meet the above criteria.

Custodial Credit Risks - Investments

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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 MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Credit Risk

There is no exposure to credit risk.

Concentration of Credit Risk

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

B. Receivables

At June 30, 2020, receivables for the individual major governmental funds, non-major governmental funds and fiduciary 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	\$ 99,228	\$ -	\$ 99,228
Tax liens	20,846	-	20,846
Excise taxes	27,574	(3,300)	24,274
Departmental	4,400	-	4,400
Due from other governments	820,121	-	820,121
	<u>\$ 972,169</u>	<u>\$ (3,300)</u>	<u>\$ 968,869</u>

The composition of amounts due from other governments as of June 30, 2020 for governmental funds is as follows:

Community Development Block Grant (CDBG) Fund:

U. S. Department of Housing and Urban Development:

Community Development Block Grant \$ 16,743

Public Works Infrastructure Grants Fund:

Massachusetts Department of Transportation:

Highway Department - Chapter 90 funds 785,630

Nonmajor Governmental Funds:

U. S. Department of Homeland security:

Emergency Management Preparedness Grant \$ 2,500

Federal Emergency Management Action Grant 8,500

Commonwealth of Massachusetts:

Executive Office of Environmental Affairs:

Massachusetts Vulnerability Planning Grant 6,748 17,748

\$ 820,121

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

C. Deferred Outflows and Inflows of Resources

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 were as follows:

General Fund:			
Property taxes	\$	72,428	
Tax liens		20,846	
Excise taxes		24,274	\$ 117,548
Nonmajor Governmental Funds:			
Due from other governments		785,630	
			\$ 903,178

D. Capital Assets

Capital assets for the governmental activities for the year ended June 30, 2020, are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 350,000	\$ -	\$ -	\$ 350,000
Construction in progress	3,005,231	1,029,893	(4,035,124)	-
Total capital assets not being depreciated	3,355,231	1,029,893	(4,035,124)	350,000
Capital assets being depreciated:				
Buildings and Renovations	2,824,200	3,091,062	-	5,915,262
Machinery, equipment and other	3,651,377	37,258	-	3,688,635
Infrastructure	2,873,809	944,062	-	3,817,871
Total capital assets being depreciated	9,349,386	4,072,382	-	13,421,768
Less accumulated depreciation for:				
Buildings and Renovations	2,434,385	77,049	-	2,511,434
Machinery, equipment and other	1,898,012	199,634	-	2,097,646
Infrastructure	832,862	167,292	-	1,000,154
Total accumulated depreciation	5,165,259	443,975	-	5,609,234
Total capital assets being depreciated, net	4,184,127	3,628,407	-	7,812,534
Total governmental activities capital assets, net	\$ 7,539,358	\$ 4,658,300	\$ (4,035,124)	\$ 8,162,534

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

Governmental Activities:	
General government	\$ 9,689
Public safety	74,985
Public works	316,913
Culture and recreation	42,388
Total depreciation expense - governmental activities	\$ 443,975

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2020, are summarized below:

Transfers Out:	Transfers In:		
	General fund	Nonmajor Governmental fund	Total
General fund	\$ -	\$ 9,480	\$ 9,480
Library construction fund	4,259	-	4,259
Nonmajor governmental funds	4,898	-	4,898
Total transfers out	\$ 9,157	\$ 9,480	\$ 18,637

F. Short-Term Financing

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

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

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2019	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2020
Nonmajor Governmental Funds:						
Bond Anticipation Note:						
Library construction	2.50%	11/5/2019	\$ 1,986,595	\$ -	\$ 1,986,595	\$ -
Library construction	1.85%	11/5/2020	-	1,000,000	-	1,000,000
Library construction	1.90%	11/5/2020	-	535,460	-	535,460
Total Governmental Activities			\$ 1,986,595	\$ 1,535,460	\$ 1,986,595	\$ 1,535,460

G. Long Term Debt

General Obligation Bonds

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

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

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, 2020
Inside Debt:					
State House Loan of 2014: Highway equipment	2.00%	5/15/2014	5/15/2021	263,250	\$ 37,600
State House Loan of 2016: Highway truck	2.30%	2/4/2016	2/4/2021	123,930	24,786
State House Loan of 2017: Fire truck	2.60%	8/15/2016	8/15/2022	598,000	300,000
Total Inside Debt					<u>362,386</u>
Outside Debt:					
State House Loan of 2016: Transfer Station	2.90%	5/18/2016	5/18/2023	350,000	150,000
Total Outside Debt					<u>150,000</u>
Total governmental type debt					<u>\$ 512,386</u>

Future Debt Service

The annual principal and interest payments to retire all governmental type fund general obligation long-term debt outstanding as of June 30, 2020, are as follows:

Year	Principal	Interest	Total
2021	\$ 212,386	\$ 13,472	\$ 225,858
2022	150,000	8,100	158,100
2023	150,000	4,050	154,050
	<u>\$ 512,386</u>	<u>\$ 25,622</u>	<u>\$ 538,008</u>

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

	Balance July 1, 2019	Additions	Reductions	Balance July 30, 2020	Amounts Due within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds Massachusetts Clean Water Trust bonds	\$ 724,772	\$ -	\$ 212,386	\$ 512,386	\$ 212,386
Net OPEB liability	4,898	-	4,898	-	-
Net pension liability	919,936	-	229,190	690,746	-
	<u>564,298</u>	-	<u>224,305</u>	<u>339,993</u>	-
Governmental activity Long-term liabilities	<u>\$ 2,213,904</u>	<u>\$ -</u>	<u>\$ 670,779</u>	<u>\$ 1,543,125</u>	<u>\$ 212,386</u>

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

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 \$94,000 and interest costs of \$45,521 for a loan which the Town has borrowed from MCWT. The Town has repaid the loan as of June 30, 2020. The fiscal year 2020 principal and interest subsidies totaled \$135.

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, 2020 totaled \$362,386.

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, 2020:

Total Debt Outstanding	\$	512,386	
Less: Debt Outside Debt Limit		(150,000)	362,386
 Inside Debt Excess Borrowing Capacity at June 30, 2020			\$ 26,656,599

Overlapping Debt

The Town pays assessments, which includes debt service payments to other local governmental units providing services within the Town's boundaries (commonly referred to as overlapping debt). The following summary sets forth the short-term debt and long-term debt of the governmental unit, the estimated share of such debt being serviced by the Town and the total of its share of estimated indirect debt.

	Current Year's Debt	Town's Estimated Share	Town's Estimated Indirect Debt
Southern Berkshire Regional School District:			
School Construction	\$ 3,085,000	11.74%	\$ 362,179

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

H. Fund Balances

The following is a summary of the Governmental fund balances at the year ended June 30, 2020:

	General Fund	Major Funds	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:				
Federal, state and local grants	\$ -	\$ 850	\$ 82,198	\$ 83,048
Town revolving funds	-	-	21,969	21,969
Gifts and Donations	-	-	3,271	3,271
Insurance	-	-	23,189	23,189
Permanent funds	-	-	58,314	58,314
Other	-	-	86,904	86,904
	<u>-</u>	<u>850</u>	<u>275,845</u>	<u>276,695</u>
Assigned:				
General government	46,087	-	-	46,087
Public safety	918	-	-	918
Public works	214,870	-	-	214,870
Health and human services	182	-	-	182
Culture and recreation	3,696	-	-	3,696
Subsequent year's budget	457,970	-	-	457,970
	<u>723,723</u>	<u>-</u>	<u>-</u>	<u>723,723</u>
Unassigned:				
General Fund	1,518,909	-	-	1,518,909
Deficit special revenue	-	-	(12,274)	(12,274)
Deficit capital projects	-	(1,518,324)	-	(1,518,324)
	<u>1,518,909</u>	<u>(1,518,324)</u>	<u>(12,274)</u>	<u>(11,689)</u>
Total Governmental fund balances	<u>\$ 2,242,632</u>	<u>\$ (1,517,474)</u>	<u>\$ 263,571</u>	<u>\$ 988,729</u>

I. Special Trust Funds

Stabilization Fund

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

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

At June 30, 2020, the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$	776,456
Bridges, roads, and culverts stabilization fund		30,158
Fire Department stabilization fund		15,000
Retirement stabilization fund		79,346
		900,960
	\$	900,960

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, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2020.

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

C. COVID-19

The Covid-19 outbreak in the United States and across the globe has resulted in economic uncertainties. The disruption is expected to be temporary, but there is considerable uncertainty around the duration and scope. 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 extent to which Covid-19 may impact our financial condition or results of operations is uncertain.

D. Subsequent Events

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

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

E. Pension Plan

Plan Description

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

Benefits Provided

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

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

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

Contributions

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date 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, 2019 was \$112,107, representing 21.40% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Pension Liability

As of June 30, 2020, the Town reported a liability of \$339,993 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the Town's proportional percentage was 1.11%, which was a slight decrease from the last measurement.

Pension Expense

For the year ended June 30, 2020, the Town recognized a pension expense of \$127,151; reported deferred outflows of resources related to pensions of \$140,715 from the difference between expected and actual experience and changes in assumptions; and deferred inflows of resources related to pensions of \$118,748 from the difference between expected and actual experience and the net difference between projected and actual investment earnings on pension plan investments.

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

<u>For years ended June 30,</u>	
2021	\$ 9,879
2022	4,418
2023	30,658
2024	<u>(22,988)</u>
	<u>\$ 21,967</u>

Actuarial Assumptions

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

Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal Cost Method
Asset valuation method	Determined in accordance with the deferred recognition method under which 20% of the gains or losses occurring in the prior year are recognized, 40% of those occurring 2 years ago, etc., so that 100% of the gains and losses occurring 5 years ago are recognized. The actuarial value of assets will be adjusted, if necessary, in order to remain between 90% and 110% of market value.
Investment rate of return	7.00% per year net of investment expenses
Projected salary increase	Select and ultimate by job group; ultimate rates 4.25% for Group 1 and Group 2, and 4.75% for Fire and Police.
Inflation	Not explicitly stated
Cost of living adjustments	3.00% of the first \$14,000.

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Mortality rates

Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2018 (gender distinct).
 Post retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2018 (gender distinct).
 For disabled retirees, rates reflect the RP-2014 Healthy Annuitant table set forward one year projected generationally with Scale MP-2018 (gender distinct).

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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, 2019, are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
U.S. Equities	13.00%	7.62%	0.99%
International Equities	13.00%	7.80%	1.01%
Emerging International Equities	5.00%	9.31%	0.47%
Hedge Equity	8.00%	6.89%	0.55%
Core Bonds	6.00%	4.37%	0.26%
Short-term Fixed Income	2.00%	4.01%	0.08%
20+ Year Treasury STRIPS	3.00%	3.50%	0.11%
TIPS	4.00%	4.00%	0.16%
Value-added Fixed Income	8.00%	7.58%	0.61%
Private Equity	13.00%	11.15%	1.45%
Real Estate (Core)	10.00%	6.43%	0.64%
Timber/Natural Resources	4.00%	7.00%	0.28%
Portfolio Completion (PBC)	11.00%	6.76%	0.74%
Total	<u>100.00%</u>		

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 16.23%. 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.

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarial determined rates based on the Board's funding policy, which establishes the contractually required rates by Statute and in accordance with Section 22D and Section 22F of MGL Chapter 32. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments or current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease	Current	Discount Rate	1% Increase
	6.00%	7.00%	8.00%	
Town's net pension liability	\$ 717,770	\$ 339,993	\$	19,725

F. Other Post Employment Benefits Payable

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 12 active and retired employees and dependents that meet the eligibility requirements. The plan does not issue a separate financial report.

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The Town's funding policy is to contribute the current annual premium (net of employee contributions) for all retired participants plus a portion of the annual OPEB costs. For the period ending on the June 30, 2020 Measurement Date the Town premiums plus implicit costs for the retiree medical program were \$11,056. The Town also made a contribution to an OPEB Trust of \$0 for a total contribution during the measurement period of \$11,056. The Town has not established a trust fund in order to contribute funds to reduce the future OPEB liability.

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Measurement Date

GASB Statement No. 75 requires 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, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019.

Plan Membership:

Current active members	8	
Current retirees, beneficiaries and dependents	4	
Total	12	

Net OPEB Liability

The components of the net OPEB liability are as follows:

		6/30/2020
Total OPEB liability	\$	690,746
Less: Plan fiduciary net position		-
Town's Net OPEB liability	\$	690,746
Plan fiduciary net position as a percentage of the total OPEB liability		0.00%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Valuation date	July 1, 2019
Actuarial cost method	Individual Entry Age Normal, level percent of pay
Discount rate	2.66% annually
Inflation rate	3.00% annually
Projected salary increases	3.00% annually
Healthcare cost trend rates	8.00% in Year 1 decreasing to an ultimate trend rate of 5.00% annually
Mortality rates	RP-2006 mortality table with MP-2019 projection

The actuarial assumptions used the July 1, 2019 actuarial valuation and market value of assets as of the measurement date of June 30, 2020 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Rate Index is 2.66%.

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was not provided.

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2019	\$ 919,936	\$ -	\$ 919,936
Service cost	30,551	-	30,551
Interest on Total OPEB Liability	25,512	-	25,512
Changes in benefit terms	-	-	-
Changes in assumptions	13,972	-	13,972
Difference between actual and expected experience	(288,169)	-	(288,169)
Net investment income	-	-	-
Employer contributions to Trust	-	11,056	(11,056)
Total benefit payments including implicit cost	(11,056)	(11,056)	-
Net change in total OPEB liability	(229,190)	-	(229,190)
Balances at June 30, 2020	\$ 690,746	\$ -	\$ 690,746

Discount Rate

The discount rate used to measure the total OPEB liability was 2.66%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the Municipal Bond Rate will apply.

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 (1.66%) or 1-percentage-point higher (3.66%) than the current rate:

	Current		
	1% Decrease (1.66%)	Discount Rate (2.66%)	1% Increase (3.66%)
Town's net OPEB liability	\$ 798,154	\$ 690,746	\$ 583,340

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

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 (7.00% decreasing to 4.00%) or 1-percentage-point higher (9.00% decreasing to 6.00%) than the current healthcare cost trend rates:

	1% Decrease (7.00% decreasing to 4.00%)	Healthcare Cost Trend Rates (8.00% decreasing to 5.00%)	1% Increase (9.00% decreasing to 6.00%)
Town's net OPEB liability	\$ 559,165	\$ 690,746	\$ 851,162

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, 2020, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$27,514 and reported deferred outflows of resources related to OPEB of \$42,572 from the difference between expected and actual experience and changes in assumption; and deferred inflows of resources related to OPEB of \$300,066 from the difference between expected and actual experience.

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,	
2021	\$ (28,549)
2022	(28,549)
2023	(28,549)
2024	(28,549)
2025	(28,548)
Thereafter:	(114,750)
	\$ (257,494)

TOWN OF MONTEREY, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2020

G. Implementation of New GASB Pronouncements

The GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement postponed the effective dates of certain provisions in GASB statements and Implementation Guides that first became effective or are scheduled to be effective for periods beginning after June 15, 2018 or later.

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. 84, *Fiduciary Activities*, for implementation in fiscal year 2021.

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

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.

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.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF MONTEREY, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Berkshire County Retirement System
For the Year Ended June 30, 2020**

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

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

Measurement Date	Town's proportion of the net pension liability (asset)	Town's proportionate share of the net pension liability (asset)	Town's covered employee payroll	Net pension liability percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2019	1.11%	\$ 339,993	\$ 523,953	64.89%	89.90%
12/31/2018	1.29%	\$ 564,298	\$ 563,562	100.13%	84.40%
12/31/2017	1.15%	\$ 297,310	\$ 502,401	59.18%	90.41%
12/31/2016	1.09%	\$ 433,515	\$ 461,146	94.01%	84.06%
12/31/2015	1.05%	\$ 444,329	\$ 444,224	100.02%	82.25%
12/31/2014	1.06%	\$ 278,345	\$ 427,116	65.17%	88.13%

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

TOWN OF MONTEREY, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Berkshire County Retirement System
For the Year Ended June 30, 2020

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
12/31/2019	\$ 112,107	\$ (112,107)	\$ -	\$ 523,953	21.40%
12/31/2018	\$ 124,352	\$ (124,352)	\$ -	\$ 563,562	22.07%
12/31/2017	\$ 105,787	\$ (105,787)	\$ -	\$ 502,401	21.06%
12/31/2016	\$ 95,689	\$ (95,689)	\$ -	\$ 461,146	20.75%
12/31/2015	\$ 87,973	\$ (87,973)	\$ -	\$ 444,224	19.80%
12/31/2014	\$ 84,782	\$ (84,782)	\$ -	\$ 427,116	19.85%

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

TOWN OF MONTEREY, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2020

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability			
Service cost	\$ 30,551	\$ 30,404	\$ 27,843
Interest on net OPEB liability	25,512	26,557	24,969
Changes in Benefit terms	-	-	-
Changes in Assumptions	13,972	29,533	-
Difference between actual and expected experience	(288,169)	(52,346)	11,244
Benefit payments, including refunds of member contributions	(11,056)	(10,770)	(10,770)
Net change in total OPEB liability	(229,190)	23,378	53,286
Total OPEB liability-beginning	919,936	896,558	843,272
Total OPEB liability-ending (a)	<u>\$ 690,746</u>	<u>\$ 919,936</u>	<u>\$ 896,558</u>
Plan fiduciary net position			
Employer contributions to Trust	11,056	\$ 10,770	\$ 10,770
Benefit payments, including refunds of member contributions	(11,056)	(10,770)	(10,770)
Net change in plan fiduciary net position	-	-	-
Total fiduciary net position-beginning	-	-	-
Total fiduciary net position-ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's net OPEB liability (a-b)	<u>\$ 690,746</u>	<u>\$ 919,936</u>	<u>\$ 896,558</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 MONTEREY, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2020

Schedule of Net OPEB Liability:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability	\$ 690,746	\$ 919,936	\$ 896,558
Less: Plan fiduciary net position	-	-	-
Town's Net OPEB liability	<u>\$ 690,746</u>	<u>\$ 919,936</u>	<u>\$ 896,558</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Town's share of covered employee payroll	\$ 796,617	\$ 670,000	\$ 670,000
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	86.71%	137.30%	133.81%

Schedule of Contributions:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 91,191	\$ 90,555	\$ 84,419
Less: Contributions in relation to the actuarially determined contribution	(11,056)	(10,770)	(10,770)
Contribution deficiency (excess)	<u>\$ 80,135</u>	<u>\$ 79,785</u>	<u>\$ 73,649</u>
Town's share of covered employee payroll	\$ 796,617	\$ 670,000	\$ 670,000
Contributions percentage of covered-employee payroll	1.39%	1.61%	1.61%
Annual money-weighted rate of return net of investment expense	N/A	N/A	N/A

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

TOWN OF MONTEREY, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2020

Schedule of Funding Progress:

Other Post Employment Benefits							
Measurement Date	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)	
6/30/2020	\$ -	\$ 690,746	\$ 690,746	0.00%	\$ 796,617	86.71%	
6/30/2019	\$ -	\$ 919,936	\$ 919,936	0.00%	\$ 670,000	137.30%	
6/30/2018	\$ -	\$ 896,558	\$ 896,558	0.00%	\$ 670,000	133.81%	

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 MONTEREY, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
Special Revenue:					
Federal and State Grants:					
Arts Lottery Council Grants	\$ 9,481	\$ 4,800	\$ 9,900	\$ -	\$ 4,381
Community IT Grant	6,180	-	3,780	-	2,400
Council on Aging Grants	77	5,923	5,707	-	293
Library Grants	11,598	2,167	338	-	13,427
Emergency Management Grants (COVID-19)	-	19,636	31,910	-	(12,274)
Other Grants and Programs	1,210	7,198	6,748	-	1,660
Public Safety Grants	(3,991)	15,641	12,790	2,938	1,798
Recycling Grants	12,110	3,500	2,210	-	13,400
Other:					
Berkshire Housing Revolving	569	-	-	-	569
Building and Fire Department Inspections	439	-	-	-	439
Community Center Revolving	4,600	15,795	9,050	-	11,345
Community Development Program	20,000	-	-	-	20,000
Compost Bins Revolving	367	15	-	-	382
Gifts and Donations	3,196	75	-	-	3,271
Inspector Fees Revolving	3,233	6,675	9,154	-	754
Insurance Proceeds	-	23,789	600	-	23,189
Massachusetts Clean Water Trust Reserve	26,546	-	-	(4,898)	21,648
Planning Board Revolving	(81)	156	-	-	75
Police Off-duty Details	(9,294)	72,412	69,660	6,542	-
Sale of Cemetery Lots	3,404	-	-	-	3,404
Septic System Repair Program	43,208	1,630	-	-	44,838
Transportation Infrastructure	1	-	-	-	1
Wetlands Protection Fund	12,219	4,716	9,072	-	7,863
Zoning Board	643	2,443	1,900	-	1,186
Total Special Revenue Page 54	\$ 145,715	\$ 186,571	\$ 172,819	\$ 4,582	\$ 164,049

**TOWN OF MONTEREY, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
Continued from Page 54	\$ 145,715	\$ 186,571	\$ 172,819	\$ 4,582	\$ 164,049
Special Revenue (continued):					
Other (continued):					
Conservation Fund	41,007	201	-	-	41,208
Total Special Revenue Funds	<u>186,722</u>	<u>186,772</u>	<u>172,819</u>	<u>4,582</u>	<u>205,257</u>
Permanent Funds:					
Cemetery Perpetual Care Fund	44,618	220	-	-	44,838
Library Fund	13,499	75	98	-	13,476
Total Permanent Funds	<u>58,117</u>	<u>295</u>	<u>98</u>	<u>-</u>	<u>58,314</u>
Total - Non-Major Governmental Funds	<u>\$ 244,839</u>	<u>\$ 187,067</u>	<u>\$ 172,917</u>	<u>\$ 4,582</u>	<u>\$ 263,571</u>

**TOWN OF MONTEREY, MASSACHUSETTS
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Taxes July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2020	Uncollected Taxes Per Detail June 30, 2020
Real Estate Taxes:						
Levy of 2020	\$ -	\$ 3,869,359	\$ 18,196	\$ 3,777,703	\$ 73,460	\$ 73,460
Levy of 2019	77,928	-	4,092	48,999	24,837	24,837
Levy of 2018	31,543	-	4,035	27,375	133	133
Levy of 2017	2,207	-	2,207	-	-	-
Levy of 2016	1,768	-	1,768	-	-	-
	<u>113,446</u>	<u>3,869,359</u>	<u>30,298</u>	<u>3,854,077</u>	<u>98,430</u>	<u>98,430</u>
Personal Property Taxes:						
Levy of 2020	-	72,076	-	71,278	798	798
Levy of 2019	457	-	-	457	-	-
	<u>457</u>	<u>72,076</u>	<u>-</u>	<u>71,735</u>	<u>798</u>	<u>798</u>
Total Real Estate and Personal Property Taxes	<u>\$ 113,903</u>	<u>\$ 3,941,435</u>	<u>\$ 30,298</u>	<u>\$ 3,925,812</u>	<u>\$ 99,228</u>	<u>\$ 99,228</u>

**TOWN OF MONTEREY, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE EXCISE TAXES
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Taxes July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2020	Uncollected Taxes Per Detail June 30, 2020
Motor Vehicle Excise Taxes:						
Levy of 2020	\$ -	\$ 142,722	\$ 6,655	\$ 116,379	\$ 19,688	\$ 19,688
Levy of 2019	9,818	12,477	1,432	18,032	2,831	2,831
Levy of 2018	3,711	-	-	1,421	2,290	2,290
Levy of 2017	1,250	-	-	414	836	836
Levy of 2016	894	-	-	64	830	830
Prior Years	1,181	36	-	118	1,099	1,099
Total Motor Vehicle Excise Taxes	\$ 16,854	\$ 155,235	\$ 8,087	\$ 136,428	\$ 27,574	\$ 27,574

**TOWN OF MONTEREY, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Accounts July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2020	Uncollected Accounts Per Detail June 30, 2020
Tax Liens	\$ -	\$ 20,846	\$ -	\$ -	\$ 20,846	\$ 20,846