

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

**Financial Statements and
Supplementary Information**

June 30, 2024

	Page
Independent Auditors' Report	3 - 5
Management's Discussion and Analysis	6
Government-Wide Financial Statements	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements	
Governmental Funds	
Balance Sheet	9
Statement of Revenues, Expenditures and Changes in Fund Balances	10
Reconciliation of the Change in Fund Balance of the Governmental Funds to the Statement of Activities	11
Proprietary Funds - Enterprise Funds	
Statement of Net Position	12
Statement of Revenues, Expenses and Changes in Fund Net Position	13
Statement of Cash Flows	14
Fiduciary Funds	
Statement of Fiduciary Net Position	15
Statement of Changes in Fiduciary Net Position	16
Notes to Financial Statements	17 - 39

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

Table of Contents (continued)

	Page
Required Supplementary Information	
Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis) - General Fund	40 - 41
Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability and Related Ratios	42
Schedule of OPEB Contributions	43
Schedule of Proportionate Share of Net Pension Liability	44
Schedule of Pension Contributions	44
Supplementary Information	
Nonmajor Governmental Funds – Combining Statement Description of Funds	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Special Revenue, Expendable and Permanent Trust Funds	46 - 47
Schedule of Taxes Receivable	48
Reconciliation of Treasurers' Cash	49
Other Information	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	50 - 51



Adelson & Company PC

CERTIFIED PUBLIC ACCOUNTANTS

Established 1938

AUDIT | TAX | ADVISORY

Partners

Bryan P. Comalli, CPA
Russell A. Faerber, CPA
Timothy D. Loehr, CPA
Zachary G. Ziemba, CPA

Of Counsel

Richard F. LaFleche, CPA

Directors

Carol J. Leibinger-Healey, CPA
David M. Irwin, Jr., CPA
Anthony T. Wimperis, CPA
Sylvia Zygawski, CPA

Senior Partner

Gary J. Moynihan, CPA

INDEPENDENT AUDITORS' REPORT

To the Select Board of
TOWN OF WILLIAMSTOWN, MASSACHUSETTS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Williamstown, Massachusetts, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Williamstown, Massachusetts' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Williamstown, Massachusetts, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Williamstown, Massachusetts and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 6, the Statement of Revenues and Expenditures Budget and Actual for the General Fund on pages 40 and 41, the Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability and Related Ratios and Schedule of OPEB Contributions on pages 42 and 43, and the Schedule of Proportionate Share of Net Pension Liability and Pension Contributions on page 44, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Williamstown, Massachusetts' basic financial statements. The accompanying Combining Statement of Revenues, Expenditures, and Changes in Fund Balance for the Nonmajor Governmental Funds, Schedule of Taxes Receivable, and Reconciliation of Treasurers' Cash on pages 45 - 49, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025 on our consideration of the Town of Williamstown, Massachusetts's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of 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 Williamstown, Massachusetts' internal control over financial reporting and compliance.

Adelson + Company PC

ADELSON & COMPANY PC

March 28, 2025

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

Management's Discussion and Analysis

June 30, 2024

Introduction

To facilitate an understanding of our financial statements, management (fiscal department) of the Town of Williamstown, Massachusetts (the Town) has written the following narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented in conjunction with the Town's basic financial statements that follow this section.

At the conclusion of this narrative, the Town has provided a summary of capital asset and debt administration as well as a discussion of economic factors and next year's budget and tax rate. Other content in the notes to financial statements, while not separately addressed in this narrative, provides additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Highlights

The Town's combined ending total net position of assets minus liabilities on June 30, 2024 was \$21,945,126. Total net position increased during fiscal year 2024 by \$3,468,092 as a result of a net increase in business-type activities (water, sewer and solid waste disposal) of \$449,776 and a net increase in governmental activities of \$3,018,316

The increase in the Town's net position of \$3,468,092 in fiscal year 2024 was largely affected by the following significant transactions:

- The Town recorded a decrease in its other postemployment benefit obligation (OPEB), net of related deferred outflows and inflows of resources, in the amount of \$1,910,864.
- The Town recorded a decrease in its proportionate share of the Berkshire County Retirement System's net pension liability, net of related deferred outflows and inflows of resources, in the amount of \$661,360.
- The Town capitalized fixed asset purchases of \$747,349 and recorded depreciation expense on capital assets of \$1,599,310.
- The Town paid \$505,000 on existing long-term debt.

Government-Wide Financial Statements

Description

The government-wide financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) requirements and are designed to provide readers with a broad overview of the Town's finances in a manner similar to that of private-sector business.

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities including general government, public safety, public work, human services, education, community development, and culture and recreation) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities including water, sewage collection and solid waste disposal).

Net Position

The Statement of Net Position (page 7) presents information on all Town assets and liabilities, with the difference between the two reported as net position. On June 30, 2024 the Town's assets exceeded its liabilities by \$21,945,126 as displayed in the following summary Statement of Net Position:

Summary Statement of Net Position June 30, 2024

	Primary Government				
	Governmental Activities	Business-type Activities	2024 Totals	2023 Totals	Increase (Decrease)
Assets					
Cash and investments	\$ 17,758,925	\$ -	\$ 17,758,925	\$ 16,588,769	\$ 1,170,156
Receivables and other current assets	768,434	386,166	1,154,600	1,166,174	(11,574)
Interfund receivables (payables)	(6,563,213)	6,563,213	-	-	-
Operating lease asset, net	125,709	-	125,709	146,660	(20,951)
Capital assets, net	<u>21,345,872</u>	<u>5,561,466</u>	<u>26,907,338</u>	<u>27,759,299</u>	<u>(851,961)</u>
Total assets	<u>33,435,727</u>	<u>12,510,845</u>	<u>45,946,572</u>	<u>45,660,902</u>	<u>285,670</u>
Deferred outflows related					
Pension and OPEB liabilities	<u>1,213,740</u>	<u>131,560</u>	<u>1,345,300</u>	<u>2,391,266</u>	<u>(1,045,966)</u>
Liabilities					
Accounts payable and accrued liabilities	805,549	35,713	841,262	957,395	(116,133)
Long-term debt	4,070,000	-	4,070,000	4,575,000	(505,000)
Operating lease liability	132,629	-	132,629	151,806	(19,177)
Accumulated unused compensated absences	1,595,995	135,995	1,731,990	1,701,880	30,110
Net pension liability	887,584	105,980	993,564	2,714,170	(1,720,606)
Net other postemployment benefits liability	<u>13,946,494</u>	<u>600,533</u>	<u>14,547,027</u>	<u>15,742,010</u>	<u>(1,194,983)</u>
Total liabilities	<u>21,438,251</u>	<u>878,221</u>	<u>22,316,472</u>	<u>25,842,261</u>	<u>(3,525,789)</u>
Deferred inflows related to					
Pension and OPEB liabilities	<u>2,896,969</u>	<u>133,305</u>	<u>3,030,274</u>	<u>3,732,873</u>	<u>(702,599)</u>
Net position					
Invested in capital assets, net of related debt	17,160,372	5,561,466	22,721,838	23,060,549	(338,711)
Restricted	4,599,567	-	4,599,567	4,384,502	215,065
Unrestricted	<u>(11,445,692)</u>	<u>6,069,413</u>	<u>(5,376,279)</u>	<u>(8,968,017)</u>	<u>3,591,738</u>
Total	<u>\$ 10,314,247</u>	<u>\$ 11,630,879</u>	<u>\$ 21,945,126</u>	<u>\$ 18,477,034</u>	<u>\$ 3,468,092</u>

By far, the largest portion of the Town's net position (\$22,721,838) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The reader should also note that, unlike Massachusetts Municipal Accounting, GASB requires inclusion of certain long-term assets and liabilities in its government-wide statement of net position:

- All infrastructures (such as roads, buildings and land)
- Long-term debt
- Accumulated but unused compensated absences
- The Town is required to measure and report a long-term projected benefit obligation associated with postemployment benefits (or OPEB) earned by employees for services rendered to date, as opposed to when the benefit is actually paid.
- The Town is required to report a long-term projected benefit obligation for its proportionate share of the Berkshire County Retirement System's net pension liability.

As a result, the recognition of such long-term assets and obligations has a significant impact on the Town's government-wide net position.

Statement of Activities (Change in Net Position)

While the previous schedule summarizes year-end net position, the following schedule summarizes the changes in net position during fiscal year 2024 as detailed in the Statement of Activities found on page 8. 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 result in cash flows in future fiscal periods (e.g. uncollected taxes).

Massachusetts communities are prevented by Massachusetts General Law Chapter 59 Section 21C, otherwise known as Proposition 2½, from increasing gross real and personal property tax revenue by more than 2½ % per year with the exception that property tax on newly constructed property is not subject to the limitation in its first year on the tax rolls.

The Town's total revenue during fiscal 2024 amounted to \$28,534,752. Of this amount, 79% was from taxes, 13% from charges for services (including water, sewer, and transfer station), 5% from state aid, 2% from grants and contributions, and 1% from other revenue sources, including interest income.

The Town's operating expenses for fiscal year 2024 amounted to \$25,031,660. Of this amount, 55% was for education, 8% for general government, which includes employee benefits, 10% for public works, 10% for public safety, 9% for water, sewer and transfer station, 4% for culture and recreation, 2% for health and human services, and 2% for cemeteries, parks, and other activities.

A summary change in net position is displayed on the following page.

**Summary Change in Net Position
For the Year Ended June 30, 2024**

	Primary Government				
	Governmental Activities	Business-type Activities	2024 Totals	2023 Totals	Increase (Decrease)
Revenue					
Program revenue					
Charges for services	\$ 824,878	\$ 2,900,152	\$ 3,725,030	\$ 3,639,464	\$ 85,566
Grants and contributions	450,611		450,611	1,814,525	(1,363,914)
General revenue					
Taxes	22,415,466		22,415,466	21,678,475	736,991
Unrestricted grants and other revenue	1,547,574		1,547,574	2,485,838	(938,264)
Investment earnings (losses)	396,071		396,071	217,203	178,868
Total revenue	<u>25,634,600</u>	<u>2,900,152</u>	<u>28,534,752</u>	<u>29,835,505</u>	<u>(1,300,753)</u>
Expenses					
General government	1,997,004		1,997,004	2,298,871	(301,867)
Public safety	2,408,622		2,408,622	2,360,768	47,854
Education	13,850,017		13,850,017	13,504,519	345,498
Public works	2,540,181		2,540,181	2,748,171	(207,990)
Cemeteries and parks	301,881		301,881	391,869	(89,988)
Health and human services	488,097		488,097	454,376	33,721
Culture and recreation	924,996		924,996	1,645,076	(720,080)
Community preservation	201,441		201,441	183,556	17,885
Employee benefits	2,319,616		2,319,616	2,356,594	(36,978)
Change in net pension and OPEB liabilities	(2,470,273)		(2,470,273)	(963,542)	(1,506,731)
State and county assessments	47,864		47,864	43,335	4,529
Water, sewer and transfer station		2,265,626	2,265,626	2,050,330	215,296
Interest on long-term debt	<u>156,588</u>		<u>156,588</u>	<u>167,138</u>	<u>(10,550)</u>
Total expenses	<u>22,766,034</u>	<u>2,265,626</u>	<u>25,031,660</u>	<u>27,241,061</u>	<u>(2,209,401)</u>
Change in net position before other items	2,868,566	634,526	3,503,092	2,594,444	908,648
Transfers	<u>149,750</u>	<u>(184,750)</u>	<u>(35,000)</u>	<u>(50,000)</u>	<u>15,000</u>
Increase (decrease) in net position	3,018,316	449,776	3,468,092	2,544,444	923,648
Net position, beginning	<u>7,295,931</u>	<u>11,181,103</u>	<u>18,477,034</u>	<u>15,932,590</u>	<u>2,544,444</u>
Net position, ending	<u>\$ 10,314,247</u>	<u>\$ 11,630,879</u>	<u>\$ 21,945,126</u>	<u>\$ 18,477,034</u>	<u>\$ 3,468,092</u>

Fund Financial Statements

Under Massachusetts Municipal Accounting, a fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental Funds-Summary

Governmental funds account for essentially the same functions reported as Government Activities in the Government-wide Financial Statements but focus on near-term spendable resources. Both the Governmental Fund balance sheet and the Governmental Fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison of Governmental Funds and Government Activities.

The Town maintains a General Fund and Nonmajor Funds. The General Fund is reported separately in the Governmental Fund balance sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances because it is considered a major fund. The Nonmajor Funds, which consist of Special Revenue Funds (Federal and State Grants Fund, Revolving Funds, Community Preservation Fund, Gifts and Donation Fund, and Other Funds) and Trust Funds are aggregated and shown in the combining statements on pages 45 - 47.

As of the end fiscal year 2024, the Town's Governmental Funds (page 9) reported combined ending fund balances of \$10,680,248. Of this amount, \$3,165,143 or 30% constitutes unassigned (i.e. unreserved and unrestricted) fund balances, including stabilization funds of \$1,170,829, which is available for spending at the government's discretion. The remaining fund balances of \$7,515,105 are restricted to indicate they are not available for new spending because they have already been committed to various projects, community preservation, trust funds, or assigned for other purposes (e.g. reserve for encumbrances and free cash voted to reduce the tax rate in the following year).

The Town adopts an annual appropriated budget at its annual meeting. A budgetary comparison statement has been provided for the general fund on page 40. Included in the Town's annual budget was a \$50,000 appropriation to the Finance Committee Reserve Fund for unexpected or emergency expenses, which was utilized during fiscal year 2024. The Town's budget sustained it throughout the fiscal year. Expenditures were within the amounts budgeted and departments have reliably kept spending to a minimum. For the year ended June 30, 2024, there were favorable variances in each of the general government departments except for Culture and Recreation.

The Commonwealth allows Municipalities to exceed their snow and ice budget in the event of harsh winter conditions. Such over expenditure must be provided for in the budget of the following fiscal year. The budget was not exceeded in fiscal year 2024.

Governmental Funds-Community Preservation Fund

At its May 2002 annual town meeting, the Town voted to adopt the Community Preservation Act (CPA). The CPA tax collects 2% of a property owner's real property tax after exempting the first \$100,000 of value for residential homeowners. Collections in 2024 amounted to \$315,172 from taxpayers, \$62,911 from the State, and \$7,779 in interest income. Community Preservation funds may be expended, upon vote of the Town's residents, for the acquisition, creation and preservation of open space, historic resources or community housing, with a minimum 10% of each year's receipts required to be spent or set aside for each purpose. After expenditures of \$234,905 and transfers of \$120,000, the fund increased by a net amount of \$30,957 in fiscal 2024 to arrive at an ending fund balance of \$401,731.

Governmental Funds-Trust Funds

These funds account for all activity related to a variety of trusts established for the maintenance of specific assets throughout the community, such as the public library, conservation land and cemeteries. Its balance increased during the year by \$63,204 to \$1,465,733 (\$957,312 expendable trust funds and \$508,421 permanent trust funds) in reflection of ongoing contributions and expenditures to the various trusts.

Proprietary Funds

The Town maintains three (3) proprietary funds, also known as “Enterprise Funds”, one each for water, sewer, and transfer station operations. Since each of these areas of activity is supported entirely by usage fees, all three proprietary funds are accounted for as business-type activities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer and transfer station funds and are found on pages 12 - 14.

Fiduciary Funds

Bullock Forest, Burbank Chapel, Municipal Scholarship, and OPEB Trust are fiduciary funds used to account for resources held for special purposes. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are restricted as to their use. (See pages 15 and 16).

Capital Asset and Debt Administration

Article 20 of the 2011 Annual Town Meeting legislated the Finance Committee to act as the Capital Planning Committee. A capital budget for the current fiscal year and projections for the following five years of all proposed appropriations requiring sealed bids or proposals is evaluated by the Capital Planning Committee for recommendation to the town meeting.

Capital Assets

The Town’s investment in capital assets for its government activities as of June 30, 2024 amounts to \$21,345,872 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, roads, highways and bridges (see pages 25 and 26).

The Town’s investment in capital assets for its business-type activities as of June 30, 2024 amounts to \$5,561,466 (net of accumulated depreciation). This investment includes machinery and equipment, vehicles and water and sewer infrastructure.

A summary of the Town’s capital assets at June 30, 2024 is as follows:

Summary of Capital Assets, Net of Depreciation June 30, 2024

	Primary Government				
	Governmental	Business-type	2024	2023	Increase
	Activities	Activities	Totals	Totals	(Decrease)
Land	\$ 2,669,273	\$ -	\$ 2,669,273	\$ 2,669,273	\$ -
Construction in progress	-	163,648	163,648	111,403	52,245
Buildings	11,996,817	-	11,996,817	12,572,716	(575,899)
Machinery and equipment	435,978	138,031	574,009	669,006	(94,997)
Vehicles	1,046,497	105,557	1,152,054	745,807	406,247
Infrastructure	5,197,307	5,154,230	10,351,537	10,991,094	(639,557)
Total assets	<u>\$ 21,345,872</u>	<u>\$ 5,561,466</u>	<u>\$ 26,907,338</u>	<u>\$ 27,759,299</u>	<u>\$ (851,961)</u>

The Town recorded \$1,599,310 of depreciation expense during fiscal year 2024.

Capital asset additions during the current fiscal year included the following:

<u>Addition</u>	<u>Department</u>	<u>Amount</u>
Governmental Activities		
Lighting improvements	Library	\$ 22,415
Vehicles	Police	132,005
Equipment	Police	11,981
Vehicle	Highway	45,877
Equipment	Highway	315,188
Vehicle	Cemetery	50,368
Equipment	Cemetery	14,336
Total		<u>\$ 592,170</u>
Business-type Activities		
Vehicles	Water / Sewer	\$ 102,934
Pump repairs/replacement	Water / Sewer	52,245
Total		<u>\$ 155,179</u>

Long-Term Debt

At the end of the current fiscal year the Town had total debt outstanding of \$4,070,000, all of which is backed by the full faith and credit of the government.

Summary of Long-term Debt June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Governmental activity debt			
School	\$ 190,000	\$ 385,000	\$ (195,000)
Cable Mills	110,000	220,000	(110,000)
Police Station	<u>3,770,000</u>	<u>3,970,000</u>	<u>(200,000)</u>
Total	<u>\$ 4,070,000</u>	<u>\$ 4,575,000</u>	<u>\$ (505,000)</u>

The Town did not issue any short-term debt during fiscal year 2024.

Moody's Investors Service assigned an Aa1 bond rating to the Town of Williamstown in 2024.

Chapter 44 Section 10 of the Massachusetts General Laws limits the amount of general obligation debt a town may issue to 5% of the town's equalized property valuation (a calculation made by the commonwealth), or 10% if approved by the commonwealth's emergency finance board. The Town's equalized valuation was \$1,342,314,312 resulting in a 5% normal debt limit available borrowing balance of \$63,045,000 at June 30, 2024.

The Town utilizes a budget model to project the tax consequences associated with funding the annual budget for a five-year period and projecting potential capital expenditures over a five year period. The model enables Town administration and the general public to view various scenarios for projecting the impact of operating expenditures and capital projects by utilizing various budgetary assumptions which include debt service, projected annual growth in operating revenues and expenditures, use of undesignated fund balance, and property valuation growth.

Next Year's Budget and Tax Rate

Fiscal year 2021 State Aid was \$1,230,301. Fiscal year 2022 aid increased 5.6% to \$1,299,997. Fiscal year 2023 increased 7.1% to \$1,392,995. Fiscal year 2024 State Aid increased 2.3% to \$1,425,515. For fiscal year 2025, state aid is budgeted at \$1,435,934.

The aggregate annual increase to existing property tax revenues is limited to 2 ½% allowed by MGL Chapter 59, Section 21C.

The Town has authorized the fiscal year 2025 operating budget in the amount of \$30,099,408. The tax rate per thousand for fiscal year 2025 is \$13.80.

Requests for Information

This financial report is designed to provide a general overview of the Town'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 Finance Department, 31 North Street, Williamstown, MA 01267.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

STATEMENT OF NET POSITION

June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
Assets			
Cash and cash equivalents	\$ 15,490,187	\$ -	\$ 15,490,187
Investments	2,268,738	-	2,268,738
Taxes receivable	558,322	-	558,322
Intergovernmental and other receivables	133,162	386,166	519,328
Inventory	76,950	-	76,950
Interfund receivables (payables)	(6,563,213)	6,563,213	-
Noncurrent:			
Operating lease asset, net	125,709	-	125,709
Capital assets, net	21,345,872	5,561,466	26,907,338
Total assets	<u>33,435,727</u>	<u>12,510,845</u>	<u>45,946,572</u>
Deferred outflows of resources			
Related to pensions	1,038,356	123,984	1,162,340
Related to other postemployment benefits	<u>175,384</u>	<u>7,576</u>	<u>182,960</u>
Total deferred outflows of resources	<u>1,213,740</u>	<u>131,560</u>	<u>1,345,300</u>
Liabilities			
Accounts payable	177,956	35,713	213,669
Payroll and related liabilities	512,093	-	512,093
Current portion of long-term debt	505,000	-	505,000
Current portion of operating lease liability	19,958	-	19,958
Accumulated unused compensated absences	319,199	27,199	346,398
Noncurrent:			
Long-term debt, net of current portion	3,565,000	-	3,565,000
Unamortized bond premium	115,500	-	115,500
Operating lease liability, net of current portion	112,671	-	112,671
Accumulated unused compensated absences	1,276,796	108,796	1,385,592
Net pension liability	887,584	105,980	993,564
Net other postemployment benefits liability	<u>13,946,494</u>	<u>600,533</u>	<u>14,547,027</u>
Total liabilities	<u>21,438,251</u>	<u>878,221</u>	<u>22,316,472</u>
Deferred inflows of resources			
Related to pensions	152,117	18,163	170,280
Related to other postemployment benefits	<u>2,744,852</u>	<u>115,142</u>	<u>2,859,994</u>
Total deferred inflows of resources	<u>2,896,969</u>	<u>133,305</u>	<u>3,030,274</u>
Net position			
Invested in capital assets, net of related debt	17,160,372	5,561,466	22,721,838
Restricted for			
Special revenue funds	3,133,834	-	3,133,834
Trust funds	1,465,733	-	1,465,733
Unrestricted	<u>(11,445,692)</u>	<u>6,069,413</u>	<u>(5,376,279)</u>
Total net position	<u>\$ 10,314,247</u>	<u>\$ 11,630,879</u>	<u>\$ 21,945,126</u>

See notes to financial statements.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities						
General government	\$ 1,997,004	\$ 68,232	\$ 120,112	\$ (1,808,660)		\$ (1,808,660)
Public safety	2,408,622	387,213	82,076	(1,939,333)		(1,939,333)
Education	13,850,017	-	-	(13,850,017)		(13,850,017)
Public works	2,540,181	4,105	-	(2,536,076)		(2,536,076)
Cemeteries and parks	301,881	15,150	23,474	(263,257)		(263,257)
Health and human services	488,097	35,006	37,334	(415,757)		(415,757)
Culture and recreation	924,996	-	124,704	(800,292)		(800,292)
Community development and preservation	201,441	315,172	62,911	176,642		176,642
Employee benefits	2,319,616	-	-	(2,319,616)		(2,319,616)
Change in net pension and other postemployment benefit liabilities	(2,470,273)	-	-	2,470,273		2,470,273
State and county assessments	47,864	-	-	(47,864)		(47,864)
Interest and fiscal charges	156,588	-	-	(156,588)		(156,588)
Total governmental activities	22,766,034	824,878	450,611	(21,490,545)		(21,490,545)
Business type activities						
Water	668,728	1,125,290	-		\$ 456,562	456,562
Sewer	1,374,891	1,573,284	-		198,393	198,393
Transfer station	222,007	201,578	-		(20,429)	(20,429)
Total business type activities	2,265,626	2,900,152	-		634,526	634,526
Total government	\$ 25,031,660	\$ 3,725,030	\$ 450,611	(21,490,545)	634,526	(20,856,019)
General revenues						
Taxes				22,415,466	-	22,415,466
State aid, grants and other revenue not restricted to specific programs				1,547,574	-	1,547,574
Earnings on investments				396,071	-	396,071
Transfers				149,750	(184,750)	(35,000)
Total general revenues and transfers				24,508,861	(184,750)	24,324,111
Change in net position				3,018,316	449,776	3,468,092
Net position, beginning				7,295,931	11,181,103	18,477,034
Net position, ending				\$ 10,314,247	\$ 11,630,879	\$ 21,945,126

See notes to financial statements.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 12,875,089	\$ 2,615,098	\$ 15,490,187
Investments	1,170,829	1,097,909	2,268,738
Taxes receivable	553,451	4,871	558,322
Intergovernmental and other receivables	108,162	25,000	133,162
Interfund receivables	-	1,132,699	1,132,699
Total assets	<u>\$ 14,707,531</u>	<u>\$ 4,875,577</u>	<u>\$ 19,583,108</u>
Liabilities			
Accounts payable	\$ 167,481	\$ 10,475	\$ 177,956
Payroll and related liabilities	512,093	-	512,093
Interfund payables	<u>7,435,248</u>	<u>260,664</u>	<u>7,695,912</u>
Total liabilities	<u>8,114,822</u>	<u>271,139</u>	<u>8,385,961</u>
Deferred inflows of resources			
Revenue not considered available	<u>512,028</u>	<u>4,871</u>	<u>516,899</u>
Fund balances			
Restricted for			
Special revenue funds	-	3,133,834	3,133,834
Expendable trust funds	-	957,312	957,312
Permanent trust funds	-	508,421	508,421
Assigned	2,915,538	-	2,915,538
Unassigned	<u>3,165,143</u>	<u>-</u>	<u>3,165,143</u>
Total fund balances	<u>6,080,681</u>	<u>4,599,567</u>	<u>10,680,248</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,707,531</u>	<u>\$ 4,875,577</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,345,872
Inventory used in governmental activities are not financial resources and, therefore, are not reported in the funds.	76,950
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(5,788,415)
Net pension liability	(1,345)
Postemployment benefits other than pensions	(16,515,962)
Revenue not considered available - taxes	<u>516,899</u>
Net position of governmental activities	<u>\$ 10,314,247</u>

See notes to financial statements.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Real estate and personal property taxes	\$ 20,080,511	\$ -	\$ 20,080,511
Motor vehicle excise taxes	763,380	-	763,380
Other taxes	1,307,643	-	1,307,643
Licenses, permits and fees	327,249	-	327,249
Charges for services	138,343	359,286	497,629
Intergovernmental revenues	1,425,515	282,207	1,707,722
Fines and forfeitures	13,042	-	13,042
Earnings (losses) on investments	287,800	108,271	396,071
Gifts and other revenues	82,002	208,461	290,463
Total revenues	<u>24,425,485</u>	<u>958,225</u>	<u>25,383,710</u>
Expenditures			
General government	1,858,428	121,465	1,979,893
Public safety	2,108,101	169,844	2,277,945
Education	13,517,069	-	13,517,069
Public works	2,277,888	-	2,277,888
Cemeteries and parks	335,279	-	335,279
Health and human services	454,568	31,755	486,323
Culture and recreation	753,682	154,255	907,937
Community development and preservation	-	201,441	201,441
State and county assessments	47,864	-	47,864
Retirement	1,059,142	-	1,059,142
Health insurance and other employee benefits	1,220,578	-	1,220,578
Debt service:			
Principal retirement	395,000	110,000	505,000
Interest and fiscal charges	152,188	4,400	156,588
Total expenditures	<u>24,179,787</u>	<u>793,160</u>	<u>24,972,947</u>
Excess (deficiency) of revenues over expenditures	<u>245,698</u>	<u>165,065</u>	<u>410,763</u>
Other financing sources (uses)			
Transfers in	464,300	170,000	634,300
Transfers out	(364,550)	(120,000)	(484,550)
Total other financing sources (uses)	<u>99,750</u>	<u>50,000</u>	<u>149,750</u>
Net change in fund balances	345,448	215,065	560,513
Fund balances, beginning	<u>5,735,233</u>	<u>4,384,502</u>	<u>10,119,735</u>
Fund balances, ending	<u>\$ 6,080,681</u>	<u>\$ 4,599,567</u>	<u>\$ 10,680,248</u>

See notes to financial statements.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS
RECONCILIATION OF THE CHANGE IN FUND BALANCE
OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ 560,513
---	-------------------

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset purchases	592,170
Depreciation expense	(1,332,424)

Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate, personal property, and excise) differ between the two statements. This amount represents the net change in deferred inflows of resources - revenue not considered available

250,890

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:

Bond premium amortized	8,250
Debt principal payments	505,000

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

Change in operating leases, net	(1,776)
Change in inventory	5,314
Change in net pension liability, net of deferred inflows and outflows	590,812
Change in postemployment benefits other than pensions, net of deferred inflows and outflows	1,879,463
Change in accrued compensated absences	(39,896)

Change in net position of governmental activities	\$ <u>3,018,316</u>
--	----------------------------

See notes to financial statements.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2024

	Enterprise Funds			
	Water	Sewer	Transfer Station	Total
Assets				
Current:				
Accounts receivable from customers	\$ 194,882	\$ 184,472	\$ 6,812	\$ 386,166
Interfund receivables	4,712,552	1,649,698	200,963	6,563,213
Noncurrent:				
Capital assets, net	4,484,572	1,076,894	-	5,561,466
Total assets	9,392,006	2,911,064	207,775	12,510,845
Deferred outflows of resources				
Related to pensions	61,992	46,494	15,498	123,984
Related to other postemployment benefits	3,837	2,878	861	7,576
Total deferred outflows of resources	65,829	49,372	16,359	131,560
Liabilities				
Current:				
Accounts payable	19,886	6,929	8,898	35,713
Accumulated unused compensated absences	9,584	16,665	950	27,199
Noncurrent:				
Accumulated unused compensated absences	38,337	66,661	3,798	108,796
Net pension liability	52,989	39,743	13,248	105,980
Net other postemployment benefits liability	298,905	224,179	77,449	600,533
Total liabilities	419,701	354,177	104,343	878,221
Deferred inflows of resources				
Related to pensions	9,082	6,811	2,270	18,163
Related to other postemployment benefits	58,058	43,544	13,540	115,142
Total deferred inflows of resources	67,140	50,355	15,810	133,305
Net position				
Invested in capital assets, net of related debt	4,484,572	1,076,894	-	5,561,466
Unrestricted	4,486,422	1,479,010	103,981	6,069,413
Total net position	\$ 8,970,994	\$ 2,555,904	\$ 103,981	\$ 11,630,879

See notes to financial statements.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Enterprise Funds			
	Water	Sewer	Transfer Station	Total
Operating revenues				
Charges for services	\$ 1,054,176	\$ 1,568,060	\$ 194,888	\$ 2,817,124
Other revenue	71,114	5,224	6,690	83,028
Total operating revenues	<u>1,125,290</u>	<u>1,573,284</u>	<u>201,578</u>	<u>2,900,152</u>
Operating expenses				
Salaries and benefits	249,489	233,341	53,646	536,476
Treatment fees, maintenance and other	332,719	1,059,320	181,960	1,573,999
Change in net pension liability	(53,337)	(40,028)	(8,584)	(101,949)
Change in postemployment benefits liability	(10,198)	5,427	(5,015)	(9,786)
Depreciation	150,055	116,831	-	266,886
Total operating expenses	<u>668,728</u>	<u>1,374,891</u>	<u>222,007</u>	<u>2,265,626</u>
Operating income (loss) before transfers	456,562	198,393	(20,429)	634,526
Transfers in (out)	<u>(119,331)</u>	<u>(84,819)</u>	<u>19,400</u>	<u>(184,750)</u>
Change in net position	337,231	113,574	(1,029)	449,776
Net position, beginning	<u>8,633,763</u>	<u>2,442,330</u>	<u>105,010</u>	<u>11,181,103</u>
Net position, ending	<u>\$ 8,970,994</u>	<u>\$ 2,555,904</u>	<u>\$ 103,981</u>	<u>\$ 11,630,879</u>

See notes to financial statements.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Enterprise Funds			
	Water	Sewer	Transfer Station	Totals
Cash flows from operating activities				
Receipts from customers	\$ 1,126,353	\$ 1,569,684	\$ 200,272	\$ 2,896,309
Payments to suppliers	(321,498)	(1,057,525)	(199,294)	(1,578,317)
Payments to employees	(249,489)	(233,341)	(53,646)	(536,476)
Net cash provided (used) by operating activities	<u>555,366</u>	<u>278,818</u>	<u>(52,668)</u>	<u>781,516</u>
Cash flows from investing activities				
Payments for property and equipment	<u>(99,142)</u>	<u>(56,037)</u>	<u>-</u>	<u>(155,179)</u>
Cash flows from financing activities				
(Increase) decrease in interfund receivables	(336,893)	(137,962)	33,268	(441,587)
Transfers (to) from other funds	<u>(119,331)</u>	<u>(84,819)</u>	<u>19,400</u>	<u>(184,750)</u>
Net cash provided (used) by financing activities	<u>(456,224)</u>	<u>(222,781)</u>	<u>52,668</u>	<u>(626,337)</u>
Increase in cash and cash equivalents	-	-	-	-
Cash and equivalents, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and equivalents, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Water	Sewer	Transfer Station	Totals
	Enterprise	Enterprise	Enterprise	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 456,562	\$ 198,393	\$ (20,429)	\$ 634,526
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Cash flows reported in other categories				
Depreciation	150,055	116,831	-	266,886
(Increase) decrease in operating assets:				
Accounts receivable	1,063	(3,600)	(1,306)	(3,843)
Increase (decrease) in operating liabilities:				
Accounts payable	11,221	1,795	(17,334)	(4,318)
Accumulated unused compensated absences	(10,198)	5,427	(5,015)	(9,786)
Net pension liability	(35,275)	(26,455)	(8,818)	(70,548)
Net other postemployment benefits liability	<u>(18,062)</u>	<u>(13,573)</u>	<u>234</u>	<u>(31,401)</u>
Net cash provided (used) by operating activities	<u>\$ 555,366</u>	<u>\$ 278,818</u>	<u>\$ (52,668)</u>	<u>\$ 781,516</u>

See notes to financial statements.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2024

	Expendable Trust Funds	Other Post Employment Benefits Trust Fund	Total
Assets			
Cash and cash equivalents	\$ 68,182	\$ -	\$ 68,182
Investments	<u>926,984</u>	<u>884,857</u>	<u>1,811,841</u>
Total assets	<u>995,166</u>	<u>884,857</u>	<u>1,880,023</u>
Net position			
Restricted, held in trust	<u>\$ 995,166</u>	<u>\$ 884,857</u>	<u>\$ 1,880,023</u>

See notes to financial statements.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2024

	Expendable Trust Funds	Other Post Employment Benefits Trust Fund	Total
Additions			
Contributions	\$ 2,405	\$ -	\$ 2,405
Investment income:			
Interest and dividends	17,874	14,046	31,920
Realized and unrealized gains (losses)	40,414	73,617	114,031
Investment expense	(15,202)	(3,916)	(19,118)
Net investment income	43,086	83,747	126,833
Total additions	45,491	83,747	129,238
Deductions			
Trust purpose expenditures	5,000	-	5,000
Transfers			
Transfers in (out)	(15,000)	50,000	35,000
Change in net position	25,491	133,747	159,238
Net position, beginning	969,675	751,110	1,720,785
Net position, ending	\$ 995,166	\$ 884,857	\$ 1,880,023

See notes to financial statements.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

Notes to Financial Statements

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Williamstown, Massachusetts was incorporated in 1765. The Town operates under a Town Manager form of government and provides the following services as authorized by its by-laws: general government, public safety, public health, human services, community preservation, public works, public education, library, and cemeteries and parks.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board statements have been considered, and no component units were identified to be included in the Town's financial statements.

Mount Greylock Regional School District

The Mount Greylock Regional School District is a municipal corporation governed by an elected school committee. The Town's accountability does not extend beyond electing committee members for its representation. The School District is responsible for its own operating and capital costs and operates independently from the Town. Accordingly, the School District is not a part of the Town's reporting entity. The School District issues separate financial statements which can be obtained through the Mount Greylock Regional School District, 1781 Cold Spring Road, Williamstown, MA 01267.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund balance, revenues and expenditures.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Funds are organized as major funds or non-major funds within the governmental and proprietary statements.

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

The *government-wide financial statements* are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded 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.

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

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. Property taxes collected up to 60 days after the fiscal year end are included in the current fiscal year revenues with the remaining recognized as revenues in the succeeding year when services financed by the levy are provided. Intergovernmental aids and grants are recognized as revenues in the period the Town is entitled to the resources and the amounts are available. Amounts owed to the Town which are not available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

The Town Reports the Following Major Governmental Funds:

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

The Town Reports the Following Major Proprietary Funds:

The *Water, Sewer and Transfer Station Funds* account for the enterprise activities of the Town.

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

The Town Reports the Following Fiduciary Fund Types:

The *Expendable Trust Funds* are used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments.

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through March 28, 2025, the date that the financial statements were available for issue, and has determined that there are no additional adjustments or disclosures required.

D. Assets, Liabilities, and Net Position or Fund Balance**Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “interfund receivables and payables”. Interfund balances result from the time lag between when payments occur between the funds for goods, payroll and services provided or in instances where certain funds do not have cash accounts. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “interfund receivables and payables”.

Property Taxes Receivable

The Town’s property tax is levied each July 1 on the assessed value listed as of the prior January 1, for all real and personal property located in the Town. Assessed values are established by the Board of Assessors at a percentage of estimated market value. The Town is required to have its assessed values certified by the State every three years. The assessed value for the fiscal 2024 levy was \$1,342,314,312. A tax rate of \$15.15 per thousand was applied to the levy. Real and personal property taxes are due and payable in two installments on November 1 and May 1 following the assessment date. An allowance for uncollectible taxes is determined and recorded based upon the tax levy.

A statewide tax limitation statute known as “Proposition 2 ½” limits the property tax levy to an amount equal to 2 ½% of the value of all taxable property in the Town (levy ceiling). A secondary limitation is that no levy in a fiscal year may exceed the preceding year’s allowable tax levy by more the 2 ½%, plus taxes levied on certain property newly added to the tax rolls (levy limit). Certain Proposition 2 ½ taxing limitations can be overridden by a Town-wide referendum vote. For fiscal year 2024, the Town’s tax levy was \$20,336,062, which was below both its maximum allowable levy limit of \$23,153,718 (levy limit of \$21,795,473 plus debt exclusions of \$1,358,245) and levy ceiling of \$33,557,858.

Motor vehicle assessments are provided by the Massachusetts Registry of Motor Vehicles. Tax rates established by the State are \$25 per thousand.

Intergovernmental Receivables

Federal and state grants are recorded as intergovernmental receivables, and the revenue is recognized during the period in which the Town fulfills the requirements for receiving the grant awards in the government-wide financial statements. In the governmental fund statements, the revenue must meet the measurable and available criteria.

Inventories and Prepaid Items

Inventories which are material are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value. Interest expense capitalized during the current fiscal year was \$-0-.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings	50	Vehicles	5
Building improvements	20	Office equipment	5
Public domain infrastructure	50	Computer equipment	5
System infrastructure	30		

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets, while deferred inflows of resources represent an acquisition of net assets, that applies to a future period(s) and will not be recognized as an outflow (expenditure) or inflow (revenue) of resources until then. Deferred outflows and inflows of resources in the government-wide statement of net position consist of unrecognized items not yet charged or credited to pension and other postemployment benefit expense.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Unused sick leave accumulates from year to year without limitation. Extended sick leave in excess of sixty (60) days in one calendar year shall require the approval of the Board of Selectmen. Eligible employees that retire, and upon proper notification to the Town, shall receive payment for up to sixty (60) days of unused sick leave at the employees' current pay rate. All full-time and permanent part-time employees are eligible for vacation leave. No vacation may be used until the employee has completed 52 weeks of employment. Vacation leave shall be credited to each eligible employee on January 1st of each year in accordance with the Town's personnel policy manual. No more than ten (10) days of vacation leave can be carried forward, and in such cases, must be used by the following June 30th. A liability for these accrued unused sick and vacation leave benefits is reported in the government-wide statement of net position as accumulated unused compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Pension Liability

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

Other Postemployment Benefit Liability

For purposes of measuring the total other postemployment benefits (OPEB) liability, related deferred outflows and inflows of resources, and OPEB expense, information has been determined based on the Town's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Government-Wide and Proprietary Net Positions

Government-wide and proprietary fund net positions are divided into three components:

Invested in Capital Assets, Net of Related Debt

Consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted

Consist of net assets that are restricted by the Town's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted

All other net assets are reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable

Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

Amounts that can be spent only for specific purposes because of the Town charter, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed

Amounts that can only be used for specific purposes imposed by majority vote of the Town's governing body (i.e., Town Meeting, the highest level of decision making authority). Any changes or removal of specific purposes requires majority action by the governing board.

Assigned

Amounts constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. These include encumbrances and other amounts which have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance voted to be used in the subsequent fiscal year (free cash).

Unassigned

All amounts not included in other spendable classifications.

Encumbrances and Continuing Appropriations

Encumbrance accounting is employed in the governmental funds as a significant aspect of budgetary control. Encumbrances, through the use of purchase orders, contracts and other applicable appropriation, are amounts that are set aside to pay for goods and services that have not been completed prior to the end of the fiscal year.

Unencumbered appropriations, which are carried over to the following fiscal year, are reported as “continuing appropriations”. Continuing appropriations represent amounts appropriated for specific programs or projects, which were not completed during the fiscal year.

Encumbrances and continuing appropriations are reported with restricted, committed, or assigned fund balance in the accompanying balance sheet. Encumbrances and continuing appropriations are combined with expenditures for budgetary comparison purposes.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**A. Budgetary Information**

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

1. Prior to March 1, the Town Manager submits to the Finance Committee a proposed budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Town to obtain taxpayer comments.
3. The budget is legally enacted at the annual Town meeting by vote of the Town meeting representatives in May.
4. Throughout the fiscal year any unencumbered appropriation, balance or portion thereof, may be transferred from one department, commission, board or office, to another by a vote at a Special Town Meeting. The Finance Committee controls a reserve fund, which, at their discretion, may be used to alter total expenditures.
5. Appropriations for certain projects and specific items not fully expended at the fiscal year-end are carried forward as continued appropriations to the new fiscal year or until project completion. The Town’s policy is to carry forward encumbrances as continued appropriations at the fiscal year end.

The Town must establish its property tax rate each year so that the resulting property tax levy will comply with the limits required by Proposition 2 ½ and also constitute that amount which will equal the sum of (a) the aggregate of all annual appropriations for expenditures and transfers, including water, sewer, solid waste funds, plus (b) provision for any prior fiscal year’s deficits, less (c) the aggregate of all non-property tax revenue, including enterprise user fees, and transfers projected to be received by the Town, including available surplus funds.

NOTE 3 - DETAILED NOTES ON ALL FUNDS**A. Cash, Cash Equivalents, and Investments**

For purposes of the statement of cash flows, the Town considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investments consist of cash and money market funds, equity and fixed income securities, carried at fair value Level 1 and 2 inputs, described below.

B. Deposits and Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits including demand deposits, money markets and certificates of deposit in any one financial institution, may not exceed certain levels unless collateralized by the financial institution involved. Investments may be made in unconditionally guaranteed U.S. Government obligations having maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consist of such obligations. Other allowable investments include authorized bonds of all states, banker's acceptances, commercial paper rated within the three highest classifications established by rating agencies, and units in the Massachusetts Municipal Depository Trust (MMDT).

MMDT is a local government investment pool, established under Massachusetts General Laws, Chapter 29, Section 38A. Deposits in MMDT are reported at amortized cost which approximates the net asset value of \$1.00 per share. An investment in the MMDT cash portfolio is not a deposit of a bank and is neither insured nor guaranteed by the Commonwealth of Massachusetts or the U.S. government, the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The Town currently has no deposits with MMDT.

Concentration Risk

The Town adheres to the provisions of M.G.L. c. 44, sec. 55 when managing concentration risk. M.G.L. c. 44, sec. 55 contains several restrictions limiting where and under what circumstances the Town may deposit its funds. Pursuant to M.G.L. c. 44, sec. 55, cities and towns in the Commonwealth may deposit available fund balances in banks, trust companies, or banking companies, provided that the amounts deposited do not exceed certain thresholds of the capital and surplus of an institution unless satisfactory security for the amount in excess of the threshold is provided by the depository.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of bank failure, the Town's deposits may not be returned. The Town carries deposits that are fully insured by FDIC and DIF insurance and collateralized. Bank deposits as of June 30, 2024 were \$16,047,320, all of which was insured and collateralized.

Investment Policy

The Town's primary concern in connection with its investment activities is a concern shared by all municipal governments: the preservation of capital. In accordance with the Town's *investment policy statement*, certain asset classes can be included in the investment funds in order to construct a diversified investment portfolio that is both prudent and appropriate given the Town's target rate of return, investment objective, and risk tolerance.

The investment parameters and asset allocation definitions that will govern the Investment Manager of the diversified portfolio are included in this *investment policy statement*.

Investment Fair Value

The Town categorizes its fair value measurements for investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices available in active markets for identical assets. These instruments generally include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 inputs are significant other observable inputs where the fair value is determined through use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 inputs are significant unobservable inputs and include situations where there is little, if any, market activity for the instrument. These typically require significant management judgment or estimation.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Custodial Credit Risk - Investments

For an investment, custodial credit 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 investment or collateral securities that are in the possession of an outside party.

The Town's investments have a custodial credit risk exposure because the related securities are uninsured, unregistered and held by the counterparty. The Town's policy for custodial credit risk is to limit exposure to only those institutions with a proven financial strength, capital adequacy, and overall affirmative reputation in the municipal industry.

The Town's investments reported at fair value consist of the following at June 30, 2024:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash and Money market	\$ 74,757	\$ 74,757	\$ -	\$ -
Equity securities	982,507	982,507	-	-
Fixed income securities	<u>3,023,315</u>	<u>116,254</u>	<u>2,907,061</u>	<u>-</u>
Total	<u>\$ 4,080,579</u>	<u>\$ 1,173,518</u>	<u>\$ 2,907,061</u>	<u>\$ -</u>

The above investments are reported in the following funds:

Governmental funds	
General fund - stabilization fund	\$ 1,170,829
Trust funds	<u>1,097,909</u>
Total	2,268,738
Fiduciary funds	<u>1,811,841</u>
Total	<u>\$ 4,080,579</u>

C. Receivables

Receivables at June 30, 2024, are as follows:

	General Fund	Nonmajor and other Funds	Total Governmental Activities	Total Business-type Activities
Taxes receivable				
Property and excise taxes	\$ 387,423	\$ 4,871	\$ 392,294	\$ -
Tax liens and foreclosures	166,028	-	166,028	-
Total taxes receivable	<u>553,451</u>	<u>4,871</u>	<u>558,322</u>	<u>-</u>
Other receivables				
Departmental	61,339	-	61,339	-
Intergovernmental and other	46,823	25,000	71,823	-
Water, Sewer, Transfer Station	-	-	-	386,166
Total other receivables	<u>108,162</u>	<u>25,000</u>	<u>133,162</u>	<u>386,166</u>
Total receivables	<u>\$ 661,613</u>	<u>\$ 29,871</u>	<u>\$ 691,484</u>	<u>\$ 386,166</u>

Real estate taxes and sewer receivables are secured through the tax lien process and are considered 100% collectible.

Personal property taxes, water, and transfer station receivables cannot be secured through the lien process. Based on the Town's assessment of the outstanding amounts, they have concluded that realization losses on balances outstanding at year end will be immaterial.

D. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	<u>\$ 2,669,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,669,273</u>
Capital assets, being depreciated:				
Buildings	23,262,655	-	-	23,262,655
Machinery and equipment	2,431,057	78,133	(179,467)	2,329,723
Vehicles	1,907,170	514,037	(27,017)	2,394,190
Infrastructure	<u>17,018,641</u>	<u>-</u>	<u>-</u>	<u>17,018,641</u>
Total capital assets, being depreciated	<u>44,619,523</u>	<u>592,170</u>	<u>(206,484)</u>	<u>45,005,209</u>
Less accumulated depreciation for:				
Buildings	(10,689,939)	(575,899)	-	(11,265,838)
Machinery and equipment	(1,923,540)	(149,672)	179,467	(1,893,745)
Vehicles	(1,187,196)	(187,514)	27,017	(1,347,693)
Infrastructure	<u>(11,401,995)</u>	<u>(419,339)</u>	<u>-</u>	<u>(11,821,334)</u>
Total accumulated depreciation	<u>(25,202,670)</u>	<u>(1,332,424)</u>	<u>206,484</u>	<u>(26,328,610)</u>
Total capital assets, being depreciated, net	<u>19,416,853</u>	<u>(740,254)</u>	<u>-</u>	<u>18,676,599</u>
Governmental activities capital assets, net	<u>\$ 22,086,126</u>	<u>\$ (740,254)</u>	<u>\$ -</u>	<u>\$ 21,345,872</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Construction in progress	\$ 111,403	\$ 52,245	\$ -	\$ 163,648
Capital assets, being depreciated:				
Water/sewer infrastructure	11,501,431	-	-	11,501,431
Machinery and equipment	635,912	-	-	635,912
Vehicles	354,530	102,934	-	457,464
Total capital assets, being depreciated	12,491,873	102,934	-	12,594,807
Less accumulated depreciation for:				
Water/sewer infrastructure	(6,126,983)	(220,218)	-	(6,347,201)
Machinery and equipment	(474,423)	(23,458)	-	(497,881)
Vehicles	(328,697)	(23,210)	-	(351,907)
Total accumulated depreciation	(6,930,103)	(266,886)	-	(7,196,989)
Total capital assets, being depreciated, net	5,561,770	(163,952)	-	5,397,818
Business-type activities capital assets, net	\$ 5,673,173	\$ (111,707)	\$ -	\$ 5,561,466

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

Governmental activities	
General government	\$ 17,111
Public Safety	282,913
Highways, Streets and Infrastructure	628,672
Education	332,948
Library	39,474
Cemeteries and Parks	31,306
Total	<u>\$ 1,332,424</u>
Business-type activities	
Water	\$ 150,055
Sewer	116,831
Total	<u>\$ 266,886</u>

E. Long-Term Debt

General Obligation Bonds

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

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. The following general obligation bonds have been issued:

	Issue Date	Serial Maturity Through	Interest Rates %	Outstanding June 30, 2023	Payments	Outstanding June 30, 2024
Governmental activities						
General obligation bond - School	3/27/2015	5/1/2025	2.0 to 3.0	\$ 385,000	\$ 195,000	\$ 190,000
General obligation bond - Cable Mills	3/27/2015	5/1/2025	2.0 to 3.0	220,000	110,000	110,000
General obligation bond - Police Station	6/4/2018	6/1/2038	3.0 to 5.0	<u>3,970,000</u>	<u>200,000</u>	<u>3,770,000</u>
Total governmental activities				<u>\$ 4,575,000</u>	<u>\$ 505,000</u>	<u>\$ 4,070,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2025	\$ 505,000	\$ 140,488	\$ 645,488
2026	220,000	124,238	344,238
2027	230,000	113,238	343,238
2028	240,000	104,038	344,038
2029	245,000	94,438	339,438
2030 - 2034	1,370,000	333,490	1,703,490
2035 - 2038	<u>1,260,000</u>	<u>105,276</u>	<u>1,365,276</u>
Total	<u>\$ 4,070,000</u>	<u>\$ 1,015,206</u>	<u>\$ 5,085,206</u>

The Town pays assessments that include debt service payments to other local governmental units providing services within the Town's boundaries (commonly referred to as overlapping debt). As of June 30, 2024, the Town was responsible for the overlapping debt below:

	Town's Share
Hoosac Water Quality District	\$ 1,526,324
Mount Greylock Regional School District	\$ 17,332,868

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

The Town's equalized valuation was \$1,342,314,312 and the 5% normal debt limit available borrowing balance was \$67,115,000 at June 30, 2024. The Town's available borrowing balance is \$63,045,000 (available borrowing balance of \$67,115,000 less inside the limit debt of \$4,070,000).

F. Temporary Borrowings

Under state law and by authorization of the Board of Selectmen, the Town is authorized to borrow funds on a temporary basis as follows:

- To fund current operating costs prior to the collection of revenues through issuance of revenue anticipation notes (RAN).
- To fund capital project costs incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BAN).
- To fund capital project costs incurred in anticipation of federal or state grants through issuance of grant anticipation notes (GAN) or state anticipation notes (SAN).

The Town does not have any short-term anticipation notes outstanding at June 30, 2024.

G. Restricted Fund Balances

Restricted fund balances of the governmental funds consisted of the following at June 30, 2024:

	Nonmajor Governmental Funds
Restricted:	
Special revenue funds	\$ 3,133,834
Expendable trust funds	957,312
Permanent trust funds	<u>508,421</u>
Total restricted fund balances	<u>\$ 4,599,567</u>

NOTE 4 - OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss relating to torts; theft or damage of, and destruction of assets; errors and omissions; injuries; and natural disasters. The Town has obtained a variety of commercial liability insurance policies, which pass the risks 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

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

C. Other Postemployment Benefits

Plan Description and Benefits Provided

The Town administers a retiree health care benefits program; a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time employees. Employees of the Town and their dependents are eligible for postemployment medical, dental, and life insurance based on the eligibility requirements. A brief description of the plan offered is:

Retirement Eligibility:	General employees hired before April 2, 2012: retire after attaining age 55 with 10 or more years of service or any age with 20 or more years of service. General employees hired after April 1, 2012: retire after attaining age 60 with 10 or more years of service. Public Safety employees hired before April 2, 2012: retire after attaining age 55 or any age with 20 or more years of service. Public Safety employees hired after April 1, 2012: retire after attaining age 55.
Ordinary Disability Eligibility:	Any member who is unable to perform his or her duties due to a non-occupational disability and has ten or more years of creditable service.
Accidental Disability Eligibility:	Any member who is unable to perform his or her duties due to a job-related disability.
Medical Premiums:	<u>Non-Medicare Plans</u> Network Blue Blue Choice Blue Care Elect Access HMO Blue NE Saver Blue Care Elect PPO Saver <u>Medicare Plans</u> Medex 2 Blue Rx
Participant Contributions:	Retired employees contribute 25% or 37% of the total medical premium, depending on the coverage selected.
Continuation of Coverage to Spouse after Death of Retiree:	Surviving spouse may continue coverage for lifetime by paying 100% of the required medical premium rate.
Dental Coverage:	Dental coverage is provided. Retirees contribute 50% of the monthly premiums.
Life Insurance Coverage:	Retirees are eligible for a \$5,000 life insurance benefit. Retirees contribute \$2.55 towards the monthly premiums.

Plan Membership

At June 30, 2024, OPEB plan membership consisted of the following:

Active employees	73
Inactive employees or beneficiaries currently receiving benefits	101
Total	174

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2023, rolled forward to the measurement date of June 30, 2024 and using the following assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.50%
Discount Rate:	4.07% per annum
Healthcare Cost Trend Rate:	7.5% for 2024, decreasing 0.5% per year to 6%, then grading down to an ultimate trend rate of 3.9%, utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.
Pre-retirement Mortality:	RP-2014 Blue Collar Mortality Table, projected with generational mortality improvement using scale MP-2021.
Post-retirement Mortality:	RP-2014 Blue Collar Mortality Table, projected with generational mortality improvement using scale MP-2021.
Post-retirement Mortality - Teachers:	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected with generational mortality improvement using scale MP-2021.

Regionalization Agreement

Effective July 1, 2018, the Town's elementary school (Williamstown Elementary School) employees became part of the Mount Greylock Regional School District (School District) through a regionalization agreement. In accordance with the agreement, if an employee worked for the Elementary School prior to the effective date of July 1, 2018 and subsequently retires at a later date, then the employer's share of the applicable retiree health insurance premiums will be paid for by the School District. Any health insurance premiums for employees that retired from the Elementary School prior to July 1, 2018 will be paid for by the Town.

Change In Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 16,493,120	\$ 751,110	\$ 15,742,010
Changes for the year:			
Service cost	417,057	-	417,057
Interest	605,383	-	605,383
Changes in benefit terms	-	-	-
Changes in assumptions	223,038	-	223,038
Differences between actual and expected experience	(1,658,054)	-	(1,658,054)
Net investment income (loss)	-	83,747	(83,747)
Employer contributions to trust	-	50,000	(50,000)
Employer contributions - premiums	-	648,660	(648,660)
Benefit payments - premiums	(648,660)	(648,660)	-
Net changes	(1,061,236)	133,747	(1,194,983)
Balances at June 30, 2024	\$ 15,431,884	\$ 884,857	\$ 14,547,027

Trust Fund

In fiscal year 2014, the Town adopted Massachusetts General Law Chapter 32B, Section 20, authorizing the establishment of a separate fund to be known as the Other Post-Employment Benefits Liability Trust Fund, and other provisions as outlined in said statute. The assets in the trust fund are held by the Town in an investment account, and are not held in a separate legal trust. Accordingly, the total assets of \$884,857 as of June 30, 2024 are reported as fiduciary funds in the Statement of Fiduciary Net Position.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.07% (3.65% in 2023). The projection of cash flows used to determine the discount rate assumed that contributions from the Town will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB's fiduciary net position was projected to be insufficient to make all projected payments of current plan members. Therefore, the 4.07% municipal bond rate was applied to all periods to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability To Changes In the Discount and Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate and healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate		
	1% Decrease (3.07%)	Current (4.07%)	1% Increase (5.07%)
Net OPEB liability as of June 30, 2024	\$ 16,786,728	\$ 14,547,027	\$ 12,727,085

	Healthcare Cost Trend Rate		
	1% Decrease (6.50%)	Current (7.50%)	1% Increase (8.50%)
Net OPEB liability as of June 30, 2024	\$ 12,522,183	\$ 14,547,027	\$ 17,089,004

Deferred Outflows and Inflows Of Resources

At June 30, 2024, the Town reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,768,049
Changes in assumptions	175,380	1,091,945
Net difference between projected and actual earnings on OPEB plan investments	7,580	-
Total	<u>\$ 182,960</u>	<u>\$ 2,859,994</u>

Deferred outflows and inflows of resources related to OPEB will be recognized in expense as follows:

	2024
Year ended June 30:	
2025	\$ (1,803,503)
2026	(340,340)
2027	(316,947)
2028	(216,244)
Total deferred outflows (inflows) or resources	<u>\$ (2,677,034)</u>

The Total OPEB liability and deferred outflows of resources is reported in the Town's government-wide Statement of Net Position as follows for the year ended June 30, 2024:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Total OPEB Liability, net of Deferred Outflows and Inflows of Resources
Governmental Activities				
Town	\$ 9,286,367	\$ 114,447	\$ 1,789,551	\$ 10,961,471
School (employees retired before July 1, 2018)	4,660,127	60,937	955,301	5,554,491
Total	<u>13,946,494</u>	<u>175,384</u>	<u>2,744,852</u>	<u>16,515,962</u>
Business-type Activities				
Water	298,905	3,837	58,058	353,126
Sewer	224,179	2,878	43,544	264,845
Transfer Station	77,449	861	13,540	90,128
Total	<u>600,533</u>	<u>7,576</u>	<u>115,142</u>	<u>708,099</u>
Totals	<u>\$ 14,547,027</u>	<u>\$ 182,960</u>	<u>\$ 2,859,994</u>	<u>\$ 17,224,061</u>

D. Berkshire County Retirement System

Plan Description

The Town participates in the Berkshire County Retirement System (the Plan) which is a cost-sharing multiple-employer public employee retirement system covering the employees of 47 member units, except school department employees who serve in a teaching capacity. Eligible employees must participate in the Plan. The Plan is organized under Chapter 34B of the Massachusetts General Laws (MGL) and is subject to the provisions of Chapter 32 of the MGL. The Plan is governed by a five-member board. The board members are appointed or elected as specified by MGL Chapter 34B Section 19(b) for terms ranging from 3 to 6 years. The Plan is also guided by an advisory council comprised of the official “Treasurers” of each member unit. Results of the Plan are based on liabilities developed in an actuarial valuation performed as of January 1, 2023, with a measurement date of December 31, 2023.

Accounting Policy

The Plan follows accounting policies mandated by the Commonwealth of Massachusetts. The accounting records are maintained on the accrual basis of accounting. Contributions from the member’s employees are recognized in the period in which employees provide services to the member employers. For the 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 Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Membership

At December 31, 2023, pension plan membership consisted of the following:

Active plan members	1,204
Retirees and beneficiaries receiving benefits	900
Inactive members	<u>374</u>
Total	<u>2,478</u>
Number of participating employers	<u>47</u>

Benefits and Contributions

The Plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of the MGL establishes the authority of the Plan, contribution percentages and benefits paid. The Plan’s Retirement Board does not have the authority to amend benefit provisions. Employees contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of the MGL. The employee’s individual contribution percentage is determined by their date of entry into the Plan. In addition, all employees hired after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 – December 31, 1983	7%
January 1, 1984 – June 30, 1996	8%
Beginning July 1, 1996	9%

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The Plan provides for retirement allowance benefits up to a maximum of 80% of a member’s highest three-year or five-year average annual rate of regular compensation, depending upon the date of hire.

Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 65 or upon attaining 20 years of service. The Plan also provides for early retirement at age 55 if the participant (1) has a record of 10 years of creditable services, (2) was on the member employer's payroll on January 1, 1978, (3) voluntarily left employment on or after that date, and (4) left accumulated annuity deductions in the fund. A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

Regionalization Agreement

Effective July 1, 2018, the Town's elementary school (Williamstown Elementary School) employees became part of the Mount Greylock Regional School District (School District) through a regionalization agreement. In accordance with the agreement, if an employee worked for the Elementary School prior to the effective date of July 1, 2018 and subsequently retires at a later date, then the employer's retirement contribution into the Plan, as actuarially determined, will be paid for by the School District. Any retirement contributions for employees that retired from the Elementary School prior to July 1, 2018 will be paid for by the Town.

Pension Liabilities, Expense and Deferred Inflows and Outflows of Resources

At June 30, 2024, the Town reported a net pension liability of \$993,564, deferred outflows related to pensions of \$1,162,340, and deferred inflows related to pensions of \$170,280 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that 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 relative to the projected contributions of all participating Plan employers, actuarially determined. Net pension liability, deferred outflows/inflows of resources and pension expense are allocated to each employer based on its proportionate share of total employer contributions. At December 31, 2023, the Town's proportion was determined to be approximately 7.92%, which also reflects the employees that became part of the School District and are no longer part of the Town. For the year ended June 30, 2024, the Town recognized pension expense of \$468,330 (pension contribution of \$1,059,142 less the decrease in the net pension liability of \$590,812). Contributions made subsequent to the measurement date of December 31, 2023 were \$-0-.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2023, with a measurement date of December 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement date:

Investment rate of return:	6.75% net of pension plan investment expense, including inflation.
Salary increases:	4.25% for Group 1 and 4.75% for Group 4.
Inflation:	2.50%
Cost of Living Adjustment	3% of first \$16,000.
Mortality	Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2021 (gender distinct). Post retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2021 (gender distinct). For disabled retirees, the rates reflect the RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2021 (gender distinct).

The investment return assumption is a long-term assumption and is based on capital market expectations by asset class, historical returns, and professional judgment. The market expectations analysis used a building-block approach which included expected returns by asset class and the target asset allocation.

Target Allocations

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rate of return for each major asset class included in the Plan's targeted asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Domestic equity	24.10%	1.19%
International equities	10.80%	0.72%
Emerging markets equity	4.40%	0.45%
Core fixed income	13.60%	0.66%
Value-added fixed income	7.30%	0.56%
Private equity	17.10%	1.66%
Real estate	10.30%	0.52%
Timberland	3.40%	0.21%
Hedge funds/PCS	8.50%	0.56%
Overlay	0.50%	0.00%
Total	100.00%	

Changes In Net Pension Liability

	Berkshire County Retirement System 100%			Williamstown 7.92%		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Balances at January 1, 2023	\$ 348,667,000	\$ 316,123,000	\$ 32,544,000	\$ 29,078,828	\$ 26,364,658	\$ 2,714,170
Net changes	13,222,000	33,221,000	(19,999,000)	(417,219)	1,303,387	(1,720,606)
Balances at December 31, 2023	<u>\$ 361,889,000</u>	<u>\$ 349,344,000</u>	<u>\$ 12,545,000</u>	<u>\$ 28,661,609</u>	<u>\$ 27,668,045</u>	<u>\$ 993,564</u>

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's proportionate share of the net pension liability (asset)	\$ 4,134,240	\$ 993,564	\$ (1,671,120)

Deferred Outflows and Inflows of Resources

At June 30, 2024, the Town reported deferred outflows and deferred inflows of resources related to pensions from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 76,666	\$ 170,280
Net difference between projected and actual investment earnings on pension plan assets	860,904	-
Changes in assumptions	224,770	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 1,162,340</u>	<u>\$ 170,280</u>

Deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2025	\$ 112,385
2026	296,762
2027	784,397
2028	<u>(201,484)</u>
Total	<u>\$ 992,060</u>

The net pension liability and deferred outflows of resources is reported in the Town's Statement of Net Position as follows for the year end June 30, 2024:

	Governmental Activities	Business-type Activities	Total
Net pension liability	\$ 887,584	\$ 105,980	\$ 993,564
Deferred inflows of resources	152,117	18,163	170,280
Deferred outflows of resources	<u>(1,038,356)</u>	<u>(123,984)</u>	<u>(1,162,340)</u>
Net pension liability, net of deferred inflows and outflows of resources	<u>\$ 1,345</u>	<u>\$ 159</u>	<u>\$ 1,504</u>

Pension Plan Fiduciary Net Position

The Plan issues separate financial statements which can be obtained through the Berkshire County Retirement Board, 29 Dunham Mall, Pittsfield, MA 01201. In addition, an actuarial valuation is performed every two years, which is available through the Massachusetts Public Employee Retirement Administration Commission, 5 Middlesex Avenue, Suite 304, Somerville, MA 02145.

Payable To Pension Plan

At June 30, 2024, the Town reported a payable of \$-0- for outstanding amounts of contributions to the pension plan.

E. Deferred Compensation

A deferred compensation plan is available to all employees of the Town. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The Town has contracted with a third party to serve as the fiscal agent and to act as administrator of the deferred compensation plan. The town withholds deferred compensation from participants' pay and remits the withholding to the fiscal agent, which invests the money in accordance with each participant's wishes.

The Town has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. Because the Town does not administer or give investment advice for the plan, in accordance with Governmental Accounting Standards Board Statements, the Town does not report the deferred compensation plan in a fiduciary fund.

F. Leases

The Town, as both lessee and lessor, has entered into various leases with lease terms expiring in 2066.

A lease is a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The Town determines whether a contract conveys control of the right to use the underlying asset by assessing both of the following:

- The right to obtain the present service capacity from use of the underlying asset as specified in the contract, and
- The right to determine the nature and manner of use of the underlying asset as specified in the contract.

The lease term is determined as follows:

- The period during which the Town has a non-cancellable right to use an underlying asset, plus
- Periods covered by the Town's option to extend and/or terminate the lease if it is reasonably certain that it will exercise those options, plus
- Periods covered by the lessor's option to extend and/or terminate the lease if it is reasonably certain that it will exercise those options

Lease recognition and measurement

- The Town accounts for a lease by recognizing a lease liability and a right-to-use intangible lease asset at the beginning of a lease unless it is a short-term lease (12 months or less) or transfers ownership of the underlying asset. The lease liability is measured at the present value of payments to be made over the lease term.
- The leased asset is measured at the amount of the initial measurement of the lease liability plus any payments made to the lessor at or before the beginning of the lease and certain indirect costs. The lease liability is reduced as payments are made and an outflow of resources for interest on the liability is recognized.

The Town, As Lessor, Leases Assets To the Following Entities:

Entity	Asset	Annual Rent Income	Current Lease Term Ends
Williamstown Youth Center, Inc.	Land for the Youth Center facility	\$ -	2/5/2062
Williamstown Historical Museum	Building and land for the Museum	\$ 1	9/30/2066
Mount Greylock Regional School District	Elementary school building	\$ 1	6/30/2038

The Town evaluated the agreements above and determined that none meet the criteria of a lease as defined above.

The Town, as Lessee, Leases Assets From the Following Entities:

Entity	Asset	Annual Rent Expense	Current Lease Term Ends
Williamstown Elderly Housing Corporation	Facility space for senior center	\$ 24,900	6/30/2030
Williams College	Land for recreational, youth baseball programs, and other ancillary uses	\$ 1	7/1/2033

The Town evaluated the agreements above and determined that only the Williamstown Housing Elder Corporation contract met the criteria of a lease, as defined above, for inclusion on its government-wide statement of net position as a right-to-use lease asset and obligation (see below).

Williamstown Elderly Housing Corporation (WEHC) lease agreement

The Town entered into a lease agreement with WEHC in July 1990 to lease building space in Williamstown, Massachusetts for its senior center. There is a renewal option for an addition seven 5-year periods, extending the lease to June 30, 2030, which has been included in the measurement of the lease asset and related obligation. During fiscal year 2024, monthly rent was \$2,075 or \$24,900 annually.

The right-to-use lease asset and liability for the senior center consisted of the following at June 30, 2024:

Right-to-use lease asset	
Leased building space	\$ 188,563
Less accumulated amortization	<u>(62,854)</u>
Right-to-use leased asset, net	<u>\$ 125,709</u>
Lease liability	<u>\$ 132,629</u>

Minimum future lease payment for the senior center through 2030 are as follows:

Fiscal Year Ending June 30,	Principal Payments	Interest Payment	Total
2025	\$ 19,958	\$ 4,942	\$ 24,900
2026	20,771	4,129	24,900
2027	21,617	3,283	24,900
2028	22,498	2,402	24,900
2029	23,415	1,485	24,900
2030	24,370	531	24,901
Total	<u>\$ 132,629</u>	<u>\$ 16,772</u>	<u>\$ 149,401</u>

G. 2025 Budget

The Town has authorized a fiscal 2025 operating and capital budget which will be financed from the following sources:

Real and personal property tax levy	\$ 20,607,332
Estimated receipts:	
State	1,507,313
Local	2,494,518
Enterprise Funds	3,212,908
Community Preservation Funds	413,300
Other revenue sources for particular purpose	15,000
Free cash for particular purposes	<u>1,849,037</u>
Total	<u>\$ 30,099,408</u>

TOWN OF WILLIAMSTOWN, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BASIS) - GENERAL FUNDS
For the Year Ended June 30, 2024

	General Fund			
	Budget		Actual	Variance -
	Original	Final	Budgetary Basis	Favorable (Unfavorable)
Revenues				
Real estate and personal property taxes	\$ 20,234,045	\$ 20,234,045	\$ 20,144,485	\$ (89,560)
Motor vehicle excise taxes	675,000	675,000	763,380	88,380
Other taxes	904,000	904,000	1,307,643	403,643
Licenses, permits and fees	218,750	218,750	327,249	108,499
Charges for services	117,150	117,150	138,343	21,193
Fines and forfeitures	10,000	10,000	13,042	3,042
Earnings on investments	85,000	85,000	244,221	159,221
Other revenues	2,144	2,144	82,002	79,858
Total locally raised revenue	22,246,089	22,246,089	23,020,365	774,276
Intergovernmental revenues	1,445,679	1,445,679	1,425,515	(20,164)
Total revenues	23,691,768	23,691,768	24,445,880	754,112
Expenditures				
General government	1,973,205	1,932,526	1,800,133	132,393
Public safety	2,119,228	2,119,228	2,108,101	11,127
Education	13,518,947	13,518,947	13,517,069	1,878
Public works	2,560,913	2,601,592	2,560,778	40,814
Cemeteries and parks	338,896	338,896	275,244	63,652
Health and human services	542,221	542,221	424,423	117,798
Culture and recreation	1,005,138	1,005,138	1,009,332	(4,194)
State and county assessments	47,864	47,864	47,864	-
Retirement	1,059,142	1,059,142	1,059,142	-
Health insurance and other employee benefits	1,468,326	1,468,326	1,220,578	247,748
Debt service:				
Principal retirement	395,000	395,000	395,000	-
Interest and fiscal charges	152,188	152,188	152,188	-
Total expenditures	25,181,068	25,181,068	24,569,852	611,216
Excess (deficiency) of revenues over expenditures	(1,489,300)	(1,489,300)	(123,972)	1,365,328
Other financing sources (uses)				
Transfers in	214,300	214,300	214,300	-
Transfers out	(364,550)	(364,550)	(364,550)	-
Revenue appropriation	1,639,550	1,639,550	1,639,550	-
Total other financing sources	1,489,300	1,489,300	1,489,300	-
Excess of revenues over expenditures and other financing sources	\$ -	\$ -	\$ 1,365,328	\$ 1,365,328

See independent auditors' report and notes to required supplementary information.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR GENERAL FUND BUDGET

June 30, 2024

Budgetary Basis

The General Fund final appropriation appearing on the previous page represents the final amended budget after all transfers and supplemental appropriations.

Budget / GAAP Reconciliation

The Town's General Fund budget is prepared on a basis that differs from U.S. generally accepted accounting principles (GAAP) in several different ways:

- Property tax revenues are recognized on the modified accrual basis rather than on the full accrual basis (GAAP);
- Budgeted revenues are recorded when cash is received, as opposed to when susceptible to accrual (GAAP);
- Encumbrances and continuing appropriations are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

A reconciliation of General Fund operations presented in the Governmental Funds (Non-GAAP) to the amounts presented in the budgetary basis statement is as follows:

	General Fund	
	Revenues	Expenditures
GAAP Basis	\$ 24,425,485	\$ 24,179,787
Reverse beginning of year appropriation carry-forwards from expenditures	-	(672,034)
Add end of year appropriation carry-forwards to expenditures	-	1,062,099
To adjust revenues from recognition on a cash basis	63,974	-
Less stabilization fund revenue	<u>(43,579)</u>	<u>-</u>
Budgetary Basis	<u>\$ 24,445,880</u>	<u>\$ 24,569,852</u>

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN NET OPEB
LIABILITY AND RELATED RATIOS**

June 30,

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 417,057	\$ 416,028	\$ 708,836	\$ 674,518	\$ 453,229	\$ 393,511	\$ 801,077
Interest	605,383	585,465	504,493	499,271	724,756	744,771	730,535
Changes of benefit terms - regionalization	-	-	-	-	(173,252)	(7,696,317)	-
Changes of assumptions	223,038	(263,777)	(4,739,927)	276,644	4,475,528	1,018,307	4,704,524
Differences between actual and expected experience	(1,658,054)	-	(2,273,157)	-	(3,107,917)	-	1,501,592
Benefit payments - premiums	(648,660)	(734,249)	(715,756)	(724,428)	(694,519)	(812,960)	(777,282)
Net change in total OPEB liability	(1,061,236)	3,467	(6,515,511)	726,005	1,677,825	(6,352,688)	6,960,446
Total OPEB liability, beginning	16,493,120	16,489,653	23,005,164	22,279,159	20,601,334	26,954,022	19,993,576
Total OPEB liability, ending (a)	\$ 15,431,884	\$ 16,493,120	\$ 16,489,653	\$ 23,005,164	\$ 22,279,159	\$ 20,601,334	\$ 26,954,022
Plan fiduciary net position							
Net investment income (loss)	83,747	54,926	(110,042)	106,996	8,798	9,983	5,084
Employer contributions to trust	\$ 50,000	\$ 50,000	\$ 50,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 55,000
Employer contributions - premiums	648,660	734,249	715,756	724,428	694,519	812,960	777,282
Benefit payments - premiums	(648,660)	(734,249)	(715,756)	(724,428)	(694,519)	(812,960)	(777,282)
Net change in plan fiduciary net position	133,747	104,926	(60,042)	146,996	58,798	59,983	60,084
Plan fiduciary net position, beginning	751,110	646,184	706,226	559,230	500,432	440,449	380,365
Plan fiduciary net position, ending (b)	\$ 884,857	\$ 751,110	\$ 646,184	\$ 706,226	\$ 559,230	\$ 500,432	\$ 440,449
Net OPEB liability (a) - (b)	\$ 14,547,027	\$ 15,742,010	\$ 15,843,469	\$ 22,298,938	\$ 21,719,929	\$ 20,100,902	\$ 26,513,573
Plan fiduciary net position as a percentage of the total OPEB liability	5.73%	4.55%	3.92%	3.07%	2.51%	2.43%	1.63%
Covered employee payroll	\$ 4,143,393	\$ 4,125,106	\$ 4,052,758	\$ 3,930,403	\$ 3,935,562	\$ 3,823,340	\$ 7,714,258
Net OPEB liability as a percentage of covered employee payroll	351.09%	381.61%	390.93%	567.34%	551.89%	525.74%	343.70%

Notes to Schedule:

Changes of benefit terms:

Effective July 1, 2018, the Town's elementary school employees became part of the Mount Greylock Regional School District through a regionalization agreement.

Changes of assumptions:

The discount rate changed from 3.65% to 4.07% as of June 30, 2024.

Healthcare trend rates and mortality improvement rates were updated.

Last 10 years: Only plan years 2018 to 2024 available.

See independent auditors' report.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS

June 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 987,644	\$ 980,682	\$ 1,348,786	\$ 1,302,683	\$ 1,162,573	\$ 1,080,725	\$ 1,514,466
Contributions in relation to the actuarially determined contribution	<u>698,660</u>	<u>784,249</u>	<u>765,756</u>	<u>764,428</u>	<u>744,519</u>	<u>862,960</u>	<u>832,282</u>
Contribution deficiency (excess)	<u>\$ 288,984</u>	<u>\$ 196,433</u>	<u>\$ 583,030</u>	<u>\$ 538,255</u>	<u>\$ 418,054</u>	<u>\$ 217,765</u>	<u>\$ 682,184</u>
Covered employee payroll	\$ 4,143,393	\$ 4,125,106	\$ 4,052,758	\$ 3,930,403	\$ 3,935,562	\$ 3,823,340	\$ 7,714,258
Contribution as a percentage of covered employee payroll	16.86%	19.01%	18.89%	19.45%	18.92%	22.57%	10.79%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates were calculated as of July 1, 2023 with a measurement date of June 30, 2024.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry Age Normal
Municipal bond rate:	3.93%, based on the Bond Buyer 20-Bond GO Index published on June 30, 2024.
Discount rate:	4.07% per annum
Inflation:	2.50% and for future periods
Pre- and post-retirement mortality	Mortality rates were based upon the RP-2014 Blue Collar projected with generational mortality improvement using scale MP-2021
Changes of assumptions:	The discount rate changed from 3.65% as of June 30, 2023 to 4.07% as of June 30, 2024.
Last 10 years:	Only plan years 2018 to 2024 available.

See independent auditors' report.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

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

	Plan Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Berkshire County Retirement System net pension (asset) liability	\$ 12,545,000	\$ 32,544,000	\$ (23,491,000)	\$ 12,823,000	\$ 30,630,000	\$ 43,744,000	\$ 25,853,000	\$ 39,772,000	\$ 42,317,000	\$ 26,259,000
Town's proportion of the net pension (asset) liability	7.92%	8.34%	8.39%	8.33%	8.20%	8.59%	10.53%	10.96%	10.85%	11.00%
Town's proportionate share of the net pension (asset) liability	\$ 993,564	\$ 2,714,170	\$ (1,970,895)	\$ 1,068,156	\$ 2,511,660	\$ 3,759,142	\$ 2,722,320	\$ 4,359,010	\$ 4,591,395	\$ 2,888,490
Town's covered-employee payroll	\$ 4,570,844	\$ 4,399,541	\$ 4,227,169	\$ 4,286,389	\$ 4,084,253	\$ 3,754,435	\$ 4,626,687	\$ 4,608,413	\$ 4,503,420	\$ 4,614,739
Town's proportionate share of the net pension (asset) liability as a percentage of its covered-employee payroll	21.74%	61.69%	46.62%	24.92%	61.50%	100.13%	58.84%	94.59%	101.95%	62.59%
Plan fiduciary net position as a percentage of the total pension (asset) liability	96.53%	90.67%	107.00%	95.93%	89.88%	84.41%	90.41%	84.06%	82.25%	88.13%

Schedule of Town Pension Contributions

	Plan Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Town's contractually required contribution	\$ 1,059,142	\$ 1,042,333	\$ 1,008,877	\$ 938,356	\$ 865,595	\$ 858,811	\$ 968,637	\$ 999,947	\$ 947,012	\$ 917,779
Town's contributions in relation to the contractually required contribution	(1,059,142)	(1,042,333)	(1,008,877)	(938,356)	(865,595)	(858,811)	(968,637)	(999,947)	(947,012)	(917,779)
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 4,570,844	\$ 4,399,541	\$ 4,227,169	\$ 4,286,389	\$ 4,084,253	\$ 3,754,435	\$ 4,626,687	\$ 4,608,413	\$ 4,503,420	\$ 4,614,739
Contributions as a percentage of covered-employee payroll	23.17%	23.69%	23.87%	21.89%	21.19%	22.87%	20.94%	21.70%	21.03%	19.89%

Notes to the Required Supplementary Information

Changes of benefit terms: None.

Changes of assumptions: Changes in economic and demographic assumptions.

See independent auditors' report.

SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2024

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The special revenue funds consisted of the following as of June 30, 2024:

- Federal and State Grants Fund
- Revolving Funds
- Community Preservation Fund
- Gifts and Donations Fund
- Other Funds

Expendable Trust Funds

Expendable trust funds are held in a trustee capacity by the Town that accounts for assets and activities restricted to a specific purpose in accordance to the original intent. The principal of the funds can be expended towards only the activities specified. The Town maintains expendable trust funds for the following purposes: library use, maintenance of cemeteries, and affordable housing.

Permanent Trust Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The Town maintains permanent trust funds for the following purposes: library use and maintenance of cemeteries.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)
For the Year Ended June 30, 2024

	Special Revenue Funds					
	Federal and State Grants Fund	Revolving Funds	Community Preservation Fund	Gifts and Donations Fund	Other Funds	Total Special Revenue Funds
Revenues						
Charges for services	\$ -	\$ 44,114	\$ 315,172	\$ -	\$ -	\$ 359,286
Intergovernmental revenues	219,296	-	62,911	-	-	282,207
Earnings (losses) on investments	53,741	-	7,779	-	-	61,520
Gifts and other revenues	-	-	-	94,978	45,829	140,807
Total revenues	<u>273,037</u>	<u>44,114</u>	<u>385,862</u>	<u>94,978</u>	<u>45,829</u>	<u>843,820</u>
Expenditures						
General government	21,305	-	-	-	-	21,305
Public safety	105,963	63,881	-	-	-	169,844
Health and human services	23,228	-	-	-	8,527	31,755
Culture and recreation	30,299	-	-	83,851	-	114,150
Community development and preservation	-	-	120,505	-	-	120,505
Debt Service:						
Principal	-	-	110,000	-	-	110,000
Interest	-	-	4,400	-	-	4,400
Total expenditures	<u>180,795</u>	<u>63,881</u>	<u>234,905</u>	<u>83,851</u>	<u>8,527</u>	<u>571,959</u>
Excess (deficiency) of revenues over expenditures	<u>92,242</u>	<u>(19,767)</u>	<u>150,957</u>	<u>11,127</u>	<u>37,302</u>	<u>271,861</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(120,000)	-	-	(120,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(120,000)</u>	<u>-</u>	<u>-</u>	<u>(120,000)</u>
Excess (deficiency) of revenues over expenditures and other financing sources	92,242	(19,767)	30,957	11,127	37,302	151,861
Fund balances, beginning	<u>1,839,304</u>	<u>341,751</u>	<u>370,774</u>	<u>378,338</u>	<u>51,806</u>	<u>2,981,973</u>
Fund balances, ending	<u>\$ 1,931,546</u>	<u>\$ 321,984</u>	<u>\$ 401,731</u>	<u>\$ 389,465</u>	<u>\$ 89,108</u>	<u>\$ 3,133,834</u>

See independent auditors' report.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)
For the Year Ended June 30, 2024

	Expendable Trust Funds	Permanent Trust Fund	Total Nonmajor Governmental Funds
Revenues			
Charges for services	\$ -	\$ -	\$ 359,286
Intergovernmental revenues	-	-	282,207
Earnings (losses) on investments	24,127	22,624	108,271
Gifts and other revenues	55,354	12,300	208,461
Total revenues	<u>79,481</u>	<u>34,924</u>	<u>958,225</u>
Expenditures			
General government	100,160	-	121,465
Public safety	-	-	169,844
Health and human services	-	-	31,755
Culture and recreation	40,072	33	154,255
Community development and preservation	80,936	-	201,441
Debt Service:			
Principal	-	-	110,000
Interest	-	-	4,400
Total expenditures	<u>221,168</u>	<u>33</u>	<u>793,160</u>
Excess (deficiency) of revenues over expenditures	<u>(141,687)</u>	<u>34,891</u>	<u>165,065</u>
Other financing sources (uses)			
Transfers in	170,000	-	170,000
Transfers out	-	-	(120,000)
Total other financing sources (uses)	<u>170,000</u>	<u>-</u>	<u>50,000</u>
Excess (deficiency) of revenues over expenditures and other financing sources	28,313	34,891	215,065
Fund balances, beginning	<u>928,999</u>	<u>473,530</u>	<u>4,384,502</u>
Fund balances, ending	<u>\$ 957,312</u>	<u>\$ 508,421</u>	<u>\$ 4,599,567</u>

See independent auditors' report.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

SCHEDULE OF TAXES RECEIVABLE

For the Year Ended June 30, 2024

	Uncollected Tax July 1, 2023	Add Commitments	Add (Deduct) Abatements and Adjustments	Add (Deduct) Refunds and Adjustments	Deduct Transfers to Tax Title	Deduct Collections	Uncollected Tax June 30, 2024
Real estate							
2024	\$ -	\$ 19,906,822	\$ (36,449)	\$ (4,830)	\$ (47,149)	\$ (19,570,286)	\$ 248,108
2023	155,872	-	-	-	(7,582)	(145,011)	3,279
2022	7,630	-	-	-	-	(2,807)	4,823
2021	965	-	-	-	-	(965)	-
Total real estate	<u>\$ 164,467</u>	<u>\$ 19,906,822</u>	<u>\$ (36,449)</u>	<u>\$ (4,830)</u>	<u>\$ (54,731)</u>	<u>\$ (19,719,069)</u>	<u>\$ 256,210</u>
Personal property							
2024	\$ -	\$ 429,523	\$ (2,938)	\$ -	\$ -	\$ (424,873)	\$ 1,712
2023	1,066	-	-	-	-	(448)	618
2022	140	-	-	-	-	-	140
2021	707	-	-	-	-	(95)	612
Total personal property	<u>\$ 1,913</u>	<u>\$ 429,523</u>	<u>\$ (2,938)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (425,416)</u>	<u>\$ 3,082</u>
Motor vehicle							
2024	\$ -	\$ 703,128	\$ -	\$ -	\$ -	\$ (662,791)	\$ 40,337
2023	28,656	93,293	(12,423)	(6,826)	-	(91,130)	11,570
2022	14,873	-	-	(12)	-	(8,577)	6,284
2021	6,899	-	(60)	-	-	(690)	6,149
2020	3,494	-	-	-	-	-	3,494
2019	1,886	-	-	-	-	(128)	1,758
Prior years 1996 - 2018	58,603	-	-	-	-	(64)	58,539
Total motor vehicle	<u>\$ 114,411</u>	<u>\$ 796,421</u>	<u>\$ (12,483)</u>	<u>\$ (6,838)</u>	<u>\$ -</u>	<u>\$ (763,380)</u>	<u>\$ 128,131</u>

See independent auditors' report.

TOWN OF WILLIAMSTOWN, MASSACHUSETTS

RECONCILIATION OF TREASURERS' CASH

On June 30, 2024

As of June 30, 2024 cash and investments consisted of the following balances:

Cash in checking, savings and investment accounts:

Unibank	\$ 1,581,079
Adams Community Bank	11,404,292
BankESB	2,571,798
Bartholomew and Company	<u>4,080,579</u>
Total held in banking and investment institutions	19,637,748
 Petty cash	 <u>1,200</u>
 Total cash and investments	 <u>\$ 19,638,948</u>

Cash and investments are presented in the financial statements as follows:

General fund	\$ 12,875,089
Stabilization fund (included in general fund)	<u>1,170,829</u>
Total general fund	14,045,918
 Special revenue funds	 3,713,007
Fiduciary funds	<u>1,880,023</u>
 Total cash and investments reported in the financial statements	 <u>\$ 19,638,948</u>

See independent auditors' report.



Adelson & Company PC

CERTIFIED PUBLIC ACCOUNTANTS

Established 1938

AUDIT | TAX | ADVISORY

Partners

Bryan P. Comalli, CPA
Russell A. Faerber, CPA
Timothy D. Loehr, CPA
Zachary G. Ziemba, CPA

Of Counsel

Richard F. LaFleche, CPA

Directors

Carol J. Leibinger-Healey, CPA
David M. Irwin, Jr., CPA
Anthony T. Wimperis, CPA
Sylvia Zygawski, CPA

Senior Partner

Gary J. Moynihan, CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Select Board of
TOWN OF WILLIAMSTOWN

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Williamstown, Massachusetts as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Williamstown, Massachusetts' basic financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Williamstown, Massachusetts' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Williamstown, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Williamstown, Massachusetts' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Williamstown, Massachusetts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Adelson + Company PC

ADELSON & COMPANY PC

March 28, 2025