



Town of Wayland Massachusetts

Finance Committee

Stephen Curtin
Klaus Shigley (Chair)
Samantha Shullo
Randi Stern
Deborah Vogt (Vice Chair)

AUDIT COMMITTEE
Agenda Monday, March 27, 2023
Via Zoom -6:00 P.M.

“One may watch or may participate remotely with the meeting link that can be found at <https://www.wayland.ma.us/public-body-meeting-information-virtual-inperson-and-hybrid>.

Pursuant to Chapter 20 of the Acts of 2021, as extended pursuant to Chapter 107 of the Acts of 2022, this meeting will be conducted via remote participation. No in person attendance by members of the public will be permitted. This meeting may be recorded which will be made available to the public on WayCAM as soon after the meeting as is practicable.

When required by law or allowed by the Chair, persons wishing to provide public comment or otherwise participate in the meeting, may do so by in person attendance, or by accessing the meeting remotely, as noted above. We request public comment be limited to two minutes per person.”

Note: Items may not be discussed in the order listed or at the times estimated. Times are approximate. The meeting may be broadcast or videotaped for later broadcast on WayCam.

6:00 pm: Call to Order; assign minute taker.

6:05 pm: Review Agenda for Public

6:15 pm: Announcements; Public Comment; Members’ Response to Public Comment

6:20 pm: Town Update by Brian Keveny, Finance Director

New Town Manager

6:30 pm: Final FY 22 ACFR

Any comments?

6:45 pm: Discussion of the Town response to the ML

Comments/Recommendations? If any?

7:00 pm: AC Annual Report to the SB

The chair will present a draft. The Committee may or may not take a vote.

7:10 pm: Approve Minutes of the prior AC Meeting

Draft Minutes of the Feb 27, 2023, AC Meeting

7:15 pm: CY 22 Audit Cycle Remaining Deliverables

AC Annual Report for the Town of Wayland Annual Report

Vote for Chair

Expiring terms (Steve, Deb, SB, Klaus FinCom)

7:20 pm: Members' Reports, Concerns, and Topics.

7:25 pm: Topics Not Reasonably Anticipated by the Chair 48 Hours Prior to Posting

7:30 pm: Adjourn.

Attachments:

Draft Minutes from the Feb 27, 2023 meeting

FY 2023 ACFR- Final

Town Response to the FY 2023 ML



Town of Wayland Massachusetts

Audit Committee

Klaus Shigley (Chair)
Stephen Curtin
Randi Stern
Samantha Shulb
Deborah Vogt

Wayland Town Audit Committee **Draft Minutes** **Tuesday, February 21, 2023** **6:00 pm via Zoom**

In attendance:

Klaus Shigley, Chair; Randi Stern, Member; Steve Curtin, Member; Deborah Vogt, Member; Samantha Shullo, Member; Brian Keveny, Wayland Finance Director, Alina Korsak, Auditor with Marcum LLC.

Call to order:

The meeting was called to order at 6:06 pm by Chair Shigley. The chair reviewed the agenda. Brian gave an update on the staffing changes in the town's finance department. Additionally, the new Town Manager is scheduled to start in one week.

Brian updated the committee on the status of the 2022/23 cash account reconciliations. The 2022 cash reconciliations are completed through November 2022. These were completed by the town's Treasurer. While the reconciliations were not timely in 2022, they are timely in 2023.

He noted there is a 14% increase in out-of-district tuition costs which is contributing to a higher than usual budget. The reports note a \$1.7m increase in debt service and a \$1.7m increase in special ed services. He continued on to share that there are currently 14 open job recs in the town.

The finance office is now in the "9th inning" of the budget prep for the 2023/24 fiscal year.

At 6:11 pm Chair Shigley turned the meeting over to Alina Korsak from Marcum LLC (Marcum merged with Melanson on 1/3/23).

Alina shared her presentation of the audit results from June 30, 2022. The process of the audit was recapped for the attendees.

The reports that were issued include:

- Opinions
- Management letter
- Governance letter

Alina reminded the attendees that the audit is an audit of financial statements and not an audit of internal controls.

Of note:

- GASB 87 (Governmental Accounting Standards Board) was implemented this year
- GASB 94 and GASB 96 regulations are coming in the near term

Alina took the committee through an overview of the financial statements including:

1. Auditor's report
2. Management discussion & analysis
3. Dual perspective financial statements
 - a. Government-wide
 - b. Fund financial statements
4. Notes to the financial statements and required supplementary information

Additional discussed topics:

- Wayland has again received a GFOA Award for excellent in financial reporting for its Annual Comprehensive Financial Report (ACFR)
- The General Fund has been consistently growing
- Unassigned General Fund balance went down due to the use of free cash

Budget vs Actual comparison:

- Revenue – a shortfall in the motor vehicle excise tax collected
- Net is \$1m negative
- Bonds & Loans went down due to no bonds being issued in FY22
- Net OPEB went up

Management letter comments

- Discussion of prior year late reconciliations vs current year up-to-date reconciliations
- Chair Shigley confirmed with the auditor that the material weakness of untimely bank reconciliations will not be highlighted next year as that issue has now been resolved. The reconciliations have been completed by using a CLA resource for this task. Wayland is now in a better position with this task than in past years.

Guaranteed Deposits

Brian Keveny shared with the committee that the guaranteed deposit accounts have not been tracked over the past several years. These are individual department accounts that hold contractor funds while

work is completed within the town. When the work is completed, the funds are returned to the contractor. Over time, and with staffing changes, many departments have lost track of what is owed back to whom and the contractors have not come forward to request their funds back. This is an area that will likely be reviewed and resolved by the new town manager.

Q & A with Alina:

- Klaus asked for clarification that the town's FinCom has final say over the budget.
- Some content details were reviewed & corrected
- Debbie asked about payroll audit. Alina expressed no concern this year as in years past.
- Alina touched back on the GASB changes coming as they will be significant. Alina recommended that the necessary town employees attend the training for GASB 94 and GASB 96 when it is available.
- GASB 101 is a new and significant financial reporting module that will be implemented in the next couple of years.

Peer Town Audit Committee review:

Of the 12-15 peer towns previously discussed, only 3 have an Audit Committee and these appear to be the larger towns from the list. Chair Shigley presented a summary of findings of the peer town comparisons.

Brian shared some history on why Wayland established an Audit Committee back in 2011 or 2012. The Audit Committee was established as a way to monitor free cash or internal controls among other things. This topic started a wider conversation about the purpose of the Audit Committee. This discussion included: are internal controls part of the Audit Committee oversight or just financial controls? While having an Audit Committee is considered a "best practice" it is not very common at the governmental level.

7:38 pm Alina concluded her review and discussion and departed the meeting.

7:30 pm

Approval of the minutes of the June 2021 meeting. Approved 3-0 (only 3 of the members present were also present at the June 2021 meeting)

Approval of the minutes of the November 29, 2022 meeting. Approved 5-0

Respectfully submitted,

Deborah Vogt
October 3, 2021

Attachments:

Agenda

Minutes of the June 7, 2022 meeting

Minutes of the Nov. 29, 2022 meeting

Peer Towns Memo

Wayland Draft FY 22 ACFR

Wayland Draft FY 22 ML



TOWN OF WAYLAND, MASSACHUSETTS

Management Letter
For the Year Ended June 30, 2022

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To the Select Board
Town of Wayland, Massachusetts

In planning and performing our audit of the financial statements of the Town of Wayland, Massachusetts as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Town of Wayland's internal accounting control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a material weakness.

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 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 reasonable possibility exists when the likelihood of an event occurring is either reasonable possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

Material weaknesses are noted in the table of content and comment headings.

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

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During our audit, we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The other recommendations that accompany this letter summarize our comments and suggestions concerning those matters.

The Town's written responses to our comments and suggestions have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, Select Board, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance, including those overseeing the financial reporting process, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

After you have had an opportunity to consider our comments and recommendations, we would be pleased to discuss them with you.

A handwritten signature in black ink that reads "Melanson".

Merrimack, New Hampshire
February 28, 2023

PRIOR YEAR RECOMMENDATIONS:

1. Re-Establish Timely Cash Reconciliations (Material Weakness)

Prior Year Comment:

In the prior year, we recommended that the Town re-establish monthly cash reconciliations to improve the reliability of interim financial reports and accelerate the year-end closing process. This cash reconciliation comment has appeared on the management letters for the fiscal years 2018 and 2019, and has been elevated to a significant deficiency for the fiscal year 2020 audit, and elevated again to a material weakness for the fiscal year 2021 audit.

Current Year Status:

Monthly cash reconciliations were not performed throughout the fiscal year. An outside consultant completed the reconciliation of all bank accounts, cash book, and MUNIS through June 30, 2022. Some reconciling items identified at year-end, totaling approximately \$47,000, were due to timing and were resolved in the subsequent fiscal year. However, there are unresolved reconciling items related to Student Activity Funds accounts, totaling approximately \$129,000. The School Department reconciles these accounts to their activity ledgers but not to MUNIS.

Further Action Needed:

The Town must reconcile cash on a timely basis to ensure reliable interim reporting, a timely closing process, and overall control over cash balances.

Town's Response:

The Town agrees that cash reconciliations were not completed timely and accurately. The Town has implemented new controls and managerial oversight of the Treasurer's Office as well as the cash reconciliation process. As a result of these changes and with the committed effort of the new Town Treasurer, cash reconciliations are being completed on a timely basis. We are committed to maintaining the monthly cash reconciliations. The Town Manager will provide the Select Board quarterly updates on the progress of the cash reconciliations.

2. Ensure Compliance with Uniform Guidance

Prior Year Comment:

In the prior year, we recommended that the Town implement enhanced policies and procedures and that all departments be made aware of Uniform Guidance (over federal grants) requirements, including but not limited to: written procedures in accordance with the Committee of Sponsoring Organizations (COSO)'s internal control framework, enhanced capital asset accounting, and enhanced procurement procedures.

Current Year Status:

The recommendation has not yet been implemented.

Further Action Needed:

We continue to recommend that the Town adopt enhanced policies and procedures to ensure compliance with federal guidelines.

Town's Response:

The Town understands that this citing has occurred in prior audits. The Town Manager's Office will be publishing and implementing the Town's procedure manual on Federal Grants and Procurement in March 2023.

CURRENT YEAR RECOMMENDATIONS:

3. Reconcile Guaranteed Deposits Account to Detailed List

The Town receives deposits from various conservation, building, planning, and health permits. These deposits are refundable at the completion of the projects when specifications are met. At June 30, 2022 the amount of deposits in the general ledger was approximately \$666,000 but no detailed listing of individual deposits was provided.

We recommend the Town reconcile these deposit accounts to ensure that the amount of the deposits in the general ledger accurately represents the total liability to the Town and is appropriately tracked by individual account. This includes researching whether the individual balances should still be outstanding, or action is required to clear out the balances.

Town's Response:

The Town agrees that a detailed listing of each guaranteed deposits account is not maintained. The departments involved include Planning, Conservation, Board of Health and Building. The Town Manager will meet with each department manager and develop a plan to reconcile all receipts and disbursements related to their guaranteed deposits accounts. This reconciliation will be completed in Fiscal 2023. Each department will be required to submit to the Town Manager a quarterly report detailing all deposits and disbursements, as well as a reconciliation to the bank balances and general ledger balances.

4. Prepare for Governmental Accounting Standard Board (GASB) Statements Number 94 and 96

The GASB has issued Statement No. 94 “*Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*”. The primary objective of this Statement is to improve accounting and financial reporting of PPPs and APAs. PPP is an arrangement in which the Town contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. APA is an arrangement in which the Town compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The GASB has issued Statement No. 96 “*Subscription-Based Information Technology Arrangements*” (SBITAs). This Statement provides guidance on the accounting and financial reporting of SBITAs for the Town as an end user. GASB 96 results in a right-to-use subscription intangible asset, which is primarily offset by a corresponding subscription liability for accrual funds, as well as government wide financial statements, and requires new note disclosures.

These Statements are effective for fiscal 2023 and have similarities with Statement No. 87, *Leases*, that the Town implemented for fiscal year 2022.

Town’s Response:

The Town is aware of GASB Statement 94 and GASB Statement 96 and will ensure compliance with all financial requirements.



TOWN OF WAYLAND, MASSACHUSETTS

Annual Comprehensive Financial Report

For the Fiscal Year Ending

June 30, 2022

TOWN OF WAYLAND, MASSACHUSETTS

Annual Comprehensive Financial Report
Financial Statements
And Supplementary Information

For the Year Ended June 30, 2022

**Prepared by:
The Finance Department**

TOWN OF WAYLAND, MASSACHUSETTS

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

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**INTRODUCTORY
SECTION**



STEPHEN CRANE
ACTING TOWN MANAGER

TEL. (508) 358-7755
www.wayland.ma.us

TOWN OF WAYLAND

41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

SELECT BOARD

ADAM G. GUTBEZAHL
CAROL B. MARTIN
THOMAS J. FAY
CHERRY C. KARLSON
DAVID V. WATKINS

Letter of Transmittal

February 28, 2023

To the Members of the Select Board and Citizens of the Town of Wayland:

At the close of each fiscal year, State Law requires the Town of Wayland to publish a complete set of financial statements presented in conformance with Generally Accepted Accounting Principles, (GAAP) and in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to the requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Town of Wayland, Massachusetts, for the fiscal year ending June 30, 2022 for your review.

This report consists of management's representations concerning the finances of the Town of Wayland. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in the report. To provide a reasonable basis for making these representations, management of the Town of Wayland has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient information for the preparation of the Town of Wayland's financial statements in conformity with GAAP.

Because the cost of internal controls should not outweigh their benefits, the Town of Wayland's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements for the fiscal year ending June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Town of Wayland's financial statements have been audited by Melanson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Wayland for the fiscal year ending June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded,

Wayland's financial statements for the fiscal year ending June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Wayland was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements of federal awards. These reports are available on the Town of Wayland's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement that analysis and should be read in conjunction with it. The Town of Wayland's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town of Wayland

Wayland was incorporated as a town in 1780. Wayland is located in Middlesex County in the eastern part of Massachusetts, approximately 20 miles west of Boston. Located on the historic Sudbury River, Wayland is bordered by the Towns of Sudbury, Weston, Lincoln and Natick. Wayland is approximately 15.8 square miles of land area with 93.6 lane miles of roadways and has a population of approximately 14,000. Within the borders of Wayland are Route 20, Route 27 and Route 126. Wayland provides an excellent location and services to its residents and businesses.

Local legislative decisions are made by an open town meeting consisting of all registered voters in the town. Town Meetings are held in the spring of each year to approve annual budgets, capital projects and special articles. Town Meetings can also be held in the fall with the approval of the Wayland Select Board. The town is administered by a five-member Select Board. Each member serves a staggered three-year term. The Wayland Town Manager serves under the direction of the Select Board. The Select Board makes policy decisions, and the Town Manager is responsible for carrying out the policies of the Select Board. The local taxes are assessed by a five-member elected Wayland Board of Assessors.

The Town provides a range of traditional municipal services including public education in grades K-12, Police and Fire departments, Advanced Life Support ambulance and rescue services, Department of Public Works, Transfer Station, Public Library, Council on Aging and Health and Human services. The Wayland Housing Authority, a separate legal entity, provides public housing for eligible low-income families, elderly and handicapped residents.

Many of the town's open space areas, ponds and wetlands have been protected and preserved for present and future residents. Among the protected are the Great Meadows National Wildlife Refuge, Sudbury River, Lincoln Road, Sedgemoor and Heard Field Conservation. There is approximately 2,709 acres of open space, which is nearly 27% of Wayland's total land.

The School Committee is comprised of a five-member elected board. Each member serves a staggered three-year term. The School Committee has the authority to appoint the Superintendent and establish educational goals. The town is no longer a member of the Minuteman Regional Vocational School System which provides vocational education to residents. However, residents can attend the school as out-of-district students. The town continuously maintains the school facilities with capital improvements. The Wayland High School has completed a major renovation and rebuilding. Most recently the High School Fields completed a major reconstruction and improvement.

An annual operating budget is approved by the Town Meeting at the annual spring town meeting each year. The annual budget serves as the foundation for the Town's and School Department financial planning and control. The town's General Fund budget is prepared by fund and function and managed by each respective department manager. Capital projects and special articles are also approved at Town Meeting. Transfers between appropriations need special approval by Town Meeting. The Wayland Finance Committee has the authority to transfer funding from the Reserve Fund account by majority vote.

Factors Affecting Economic Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Wayland operates.

Local Economy

Wayland is home to diverse businesses of all sizes. Most notable is the Town Center which was developed in 2010. The Town Center continues to grow and attract new businesses and patrons. Wayland Center and Cochituate Village offer small to medium retail and office space as well as providing a mix of fast food and full-service restaurants. The Wayland Town Center currently has a 90% occupancy rate. Directly across the street from Town Center, Wayland Village is in the process of a \$4 M renovation.

The Town continues to reflect a strong economic condition; per capita income is significantly higher than the state averages and the unemployment rate is low. The town continues to be a highly desirable community given its close proximity to Boston and access to Route 95 and Route 90. The residential sales market in Wayland is very strong. The Town's proximity to Boston and major highways, its quality of life, and dedication to public education and public safety maintains the community's reputation. The new Wayland High School completed construction in 2011.

Most recently the Town appropriated \$7 M to renovate the fields behind and in front of the High School. Annually the Town appropriates capital project funds to maintain and upgrade all town and school buildings.

The new Department of Public Works Facility located at 66 River Road opened in June 2015. Minor construction continues to take place as the facility is close to completion. The new facility has provided enhanced services for town residents and significantly improves the work environment of town employees. The new facility is a 36,500 square foot building which offers safer working conditions for employees and offers indoor storage for vehicles and equipment. Additionally, the facility has a state-of-the-art vehicle maintenance garage so mechanics can now work on equipment safely and with modern equipment. Wash bays to properly clean trucks have also been installed. There are expected capital improvements that are in the capital plan for this facility. The facility also houses the harvester which is used at Dudley Pond.

Long-Term Financial Planning

The Town continues to manage its financial affairs in a prudent manner as is demonstrated by its recent October 2022 Moody's Aaa bond rating. The Town issued debt for \$20,255,000 in November 2022. Included in this amount was funding for the new COA/CC facility. The Town's financial actions are generally guided by long range planning for long-term liabilities such as Other Post-Employment Benefits. The Town strives to prioritize spending, refrain from use of Free Cash to balance annual budgets, and follow municipal best practices. Free Cash is appropriated for Capital Projects and Articles only. The Finance Committee recommends no use of Free Cash to balance the Fiscal 2022 or Fiscal 2023 operating budgets. The Town has established Enterprise Funds for the Water Department, Wastewater Department, and most recently the Transfer Station. The Town authorizes six funds as 53E ½ funds: Recreation Revolving, Recreation Fields, School Curriculum, School Professional Development, Council on Aging Revolving, and Community Gardens.

The Town currently manages \$64 million in long-term and short-term debt. As a benchmark, the Town strives to limit the total annual debt payments to an amount that is no more than 10% of the total General Fund Budget. The ratio in Fiscal 2022 is approximately 7.0%. Both the Water Enterprise Fund and Wastewater Enterprise Fund appropriate annual debt in their respective budgets. The Transfer Station has no debt.

The Town's main source of revenue is property tax which is capped by Proposition 2 ½ and can only be overridden by a majority vote at a town election. The tax rate has fluctuated between \$17 and \$19 per \$1,000 of assessed value over the past four years. The tax rate for Fiscal 2022 is \$18.35. State aid continues to increase at a minimal rate and accounts for approximately 7% of the Town's budgeted revenue. The Town did receive an increase in state aid in FY23. It is unclear if state aid will increase in FY24. Total Local Receipts in Fiscal 2022 were \$4.7 million in comparison to \$5.5 million in Fiscal 2021. Surplus Overlay was not used to balance the annual Fiscal 2022 budget.

Tax bills are generated quarterly by the Town Assessing and Town Treasurers office. The Town Treasurer collects and deposits all revenue for the town. The Commissioners of Trust Funds advise the Town Treasurer on investments related to Trust Funds. The Town Treasurer invests the Other Post Employment Benefit (OPEB) funds. In Fiscal 2016 the OPEB funds were transferred from two investment firms to the State Retirees Benefits Trust (SRBT), a State-run investment agency. Odyssey Advisors performs the annual OPEB actuarial report for the Town. At June 30, 2022 the balance in the OPEB account is \$24M. The Town Treasurer borrows all capital projects funding in each year for projects which have been approved by Town Meeting.

The School Finance Sub Committee was formed in Fiscal 2015 to review the school budget and provide recommendations to the Wayland School Committee. The School Finance Sub Committee meets to develop short- and long-term budget plans.

Financial Policies That Affected the Financial Position in the Current Year

The Town Manager Act was approved at the Annual Town Meeting in May 2021. The Act was approved by the Commonwealth of Massachusetts in the spring of 2021.

The Wayland Finance Committee is a seven-member Committee appointed by the Wayland Select Board. The Finance Committee is responsible for preparing and presenting the annual town budget to Town Meeting. Various boards and committees review their respective budgets with the Finance Committee. Additionally, the Finance Committee presents the annual Capital Project Budget to Town Meeting.

Town meeting approves the annual budget in which each department has a defined appropriation. The level of budgetary control is established by Town Meeting. Department Managers are responsible for the spending and oversight of the department budgets. Additional appropriations may be approved at town meeting or by vote from the Finance Committee Reserve Fund. The Town Finance Department is responsible for payment of all payroll wages to employees and payments to vendors.

The Town complies with the laws of the Commonwealth of Massachusetts regarding the investment of public funds. The Town Treasurer balances cash available for investments with the cash flow needs of the Town. As of June 30, 2022 the balance of unrestricted cash and investments for all funds totaled \$87,857,098.

The Town manages risk with the purchase of commercial insurance. The insurance coverages include general liability, property and casualty, unemployment and workers compensation. The Town is a member of the West Suburban Health Insurance Collaborative which allows the Town to purchase employee health insurance at a group rate. Town management meets on a regular basis with other communities and West Suburban Health Insurance Collaborative.

Town Management is responsible for establishing and maintaining an internal control structure designed to protect the assets of the Town from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The Town Finance Director / Town Accountant is responsible for evaluating the adequacy and effectiveness of internal control structures and implementing improvements.

The Town Treasurer is responsible for transferring funds into various depository accounts at bank institutions. Short-term funds are transferred to various banks and financial institutions to obtain the highest competitive return. The Treasurer maintains adequate cash on hand to pay invoices and fund payroll on a bi-weekly basis.

Cash flow requirements are continuously evaluated to determine the amount of money that can be invested for a longer term and thus, yield a higher return on investments. Maturities for investments will vary based on cash flow projections.

Major Initiatives and Accomplishments

The Town of Wayland continued working on a number of major financial, economic and community development initiatives as well as planning for infrastructure upgrades and improvements funded through a variety of sources. In Fiscal 2016, the Town changed from housing the Town's information system, MUNIS, to a cloud-based solution provided by Tyler Technologies. Additional funding has been appropriated in the Fiscal 2019 Capital Budget to install a new Revenue Module. The Town is continuing to implement the upgrade in the Treasury Department. In July 2022, the Town upgraded to MUNIS 2022.

Economic Development

The Town of Wayland will be working on a Route 20 corridor study to strengthen its future economic development. The Town hopes to leverage all properties enclosed in the study area including right of ways. We also want to study buildings that are currently built but are either underperforming or could be further leveraged to better support economic development goals. Further, there is likely an opportunity to leverage public facilities towards enabling parking and wastewater infrastructure capacity that would support small business in the immediate redevelopment area.

Wayland Town Center Project - Great News!

The Town of Wayland has completed its negotiations with the owners of Town Center. Funds for the new COA/CC facility were appropriated at the Spring 2022 Town Meeting. This \$11M facility will support the Council on Aging and various community functions. Wayland Center has all the ingredients to become a thriving New England town center, but it needs a cohesive framework to link all components together by putting the Town in Town Center so that the full economic and community potential can be realized. The approved Community Center will be designed as flexible space that will serve citizens of all ages through diverse programming. The Recreation Department and Council on Aging Staff are working together to coordinate the use of shared space and resources so that the facility is used to its full potential, and services can be streamlined by the town department's staff through joint planning. The plan is to utilize the existing 10,000 S.F. Day Care Building that exists on site and to add a small addition. The Town of Wayland would also need to construct a 100-space parking lot. Currently design plans are being developed and a construction proposal will be prepared.

Mass Central Rail Trail

The Massachusetts Central Rail Trail is now complete from Wayland Town Center through Weston. The Town of Wayland negotiated with DCR and Eversource (electricity provider) to construct the rail trail in Wayland and Weston. This long-awaited Mass Central Trail which passes through our New Town Center Development, when finally completed will be over 100 miles long through 24 communities, making it the longest single rail trail in New England. Wayland has approximately 1 mile of Rail Trail construction remaining, from Russel's to the Sudbury Town Line through the National Wildlife refuge. The Town of Wayland has identified funding for this section, by partnering with MassDOT and DCR to place the final 1-mile section to the Sudbury Town Line on the Transportation Improvement Program ("TIP") for Federal Construction costs at \$4,380,000.

River's Edge - Great News!

River's Edge has begun renting units to the public. The project continues to be on target to be completed by the end of 2022. The first occupancy permit for Building 1 was at the end of May 2022. River's Edge Alta has changed their name to Alta Oxbow. Alta Oxbow will be the new home of 218 Luxury Multi Family residential community with 55 of the 218 units being designated as affordable and 66 units will be age restricted to 55 and older. The project has three (3) buildings, garage and surface parking and driveways, and drainage improvements (collectively, the "project").

The Select Board finalized the Land Disposition Agreement last year at \$2.4M and the Town received its first payment held in escrow in the amount of \$829,275. All final escrow funds will be completed by May 1, 2022. The Town of Wayland in 2017 received a \$2.4M dollar Massworks grant for water infrastructure for River's Edge which was completed in 2020. The Town of Wayland has completed another Masswork Grant in the amount of \$2.2M for sewer

infrastructure to connect to the Town's Wayland Center wastewater system. The current Wayland Center wastewater system, while state-of-the-art, is both underutilized and lacks growth capacity due to limited suitable areas in the immediate Sudbury River environs to accept outflow. Connecting the River's Edge development helps mitigate both issues, by adding needed usage to the wastewater plant so it operates more efficiently, while providing additional outflow capacity by accepting excess outflow on the River's Edge property, so that the existing wastewater plant can be tapped into to spur additional economic growth along the Route 20 corridor in Wayland Center. If successful, this option would provide significant savings for the development and the Town of Wayland.

The River's Edge development represents a giant leap forward in achieving Wayland's goal of 10% affordable housing. At the same time, Wayland will realize significant financial benefits from the disposition and redevelopment of the Property and facilitate rental, affordable housing and senior housing opportunities in the Town through the construction of a first-class rental housing development, the design of which is well-integrated into and compatible with the Town's design goals. The \$2.4 million land purchase price will be deposited by the Town at land sale closing and reserved for appropriation by Town Meeting. Based on estimated taxes the Town will be receiving an additional \$900,000 of new growth per year at the completion of this project as well as a one-time lump-sum payment.

Affordable Housing & Comprehensive Permit applications pursuant to G.L.c.40B, §§ 20-23 (the "Act")

The Town of Wayland was notified by Massachusetts Department of Housing and Community Development certifying that Wayland is above the 10% affordable housing requirement of all units. With the addition of Alta Oxbow River's Edge, Wayland currently stands at 11%. This certification gives Wayland safe harbor for unfriendly 40b developments to May 17, 2023. The units were produced in accordance with our approved 2016 Housing Production Plan (HPP). The Town of Wayland is in the process of updating our HPP and hope to have it completed and approved in the spring of 2022.

- Windsor Place - The subject property is located at 24 School Street and consists of approximately 37,865 square feet of land bordering a stream on the adjacent property to the west. The site is zoned single family R-20., 20,000 square feet, 20% minimum lot coverage. The Applicant proposes the construction of two buildings with six units in each totaling 12 units of which 3 will be affordable. The applicant proposes a single access way from School Street with an emergency gated access drive to East Plain Street (Route 30).
- Cascade – The property is located at 113, 115, 117 & 119 Boston Post Road and consists of approximately 6.49 acres. The site is zoned Single Residential Zone 40,000 – 180' of frontage. The upland areas are located towards the front and rear portions of the site while the wetlands diagonally traverse the center. The wetlands are associated with Pine Brook and traverses from east to west before gathering into the river channel. The applicant proposes a series of three-story elements in a single structure. The single structure will constitute 60 dwelling units. Of the 60 rental units, 15 will be affordable to households under the 80% of

the area median income (AMI) and 45 will be available to households at market rates; 89 bedrooms are proposed for the Cascade development. Cascade may be required to design and build a new wastewater system.

Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the 7th consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Town had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

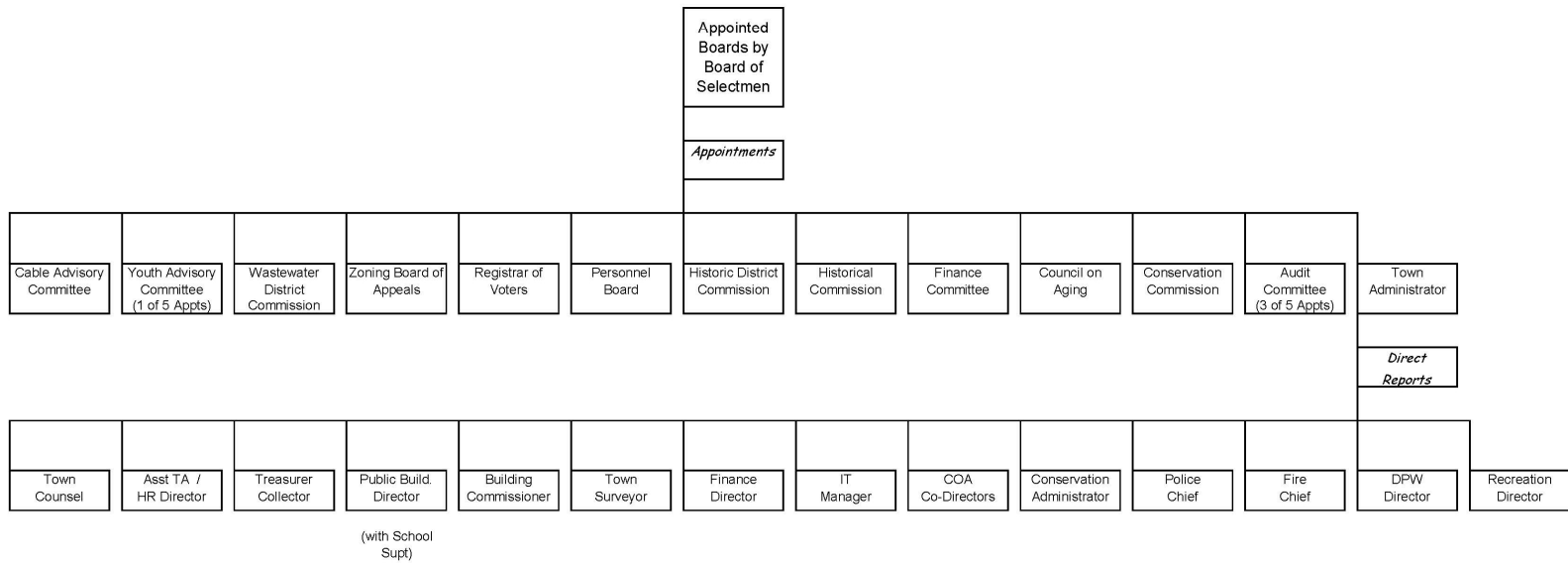
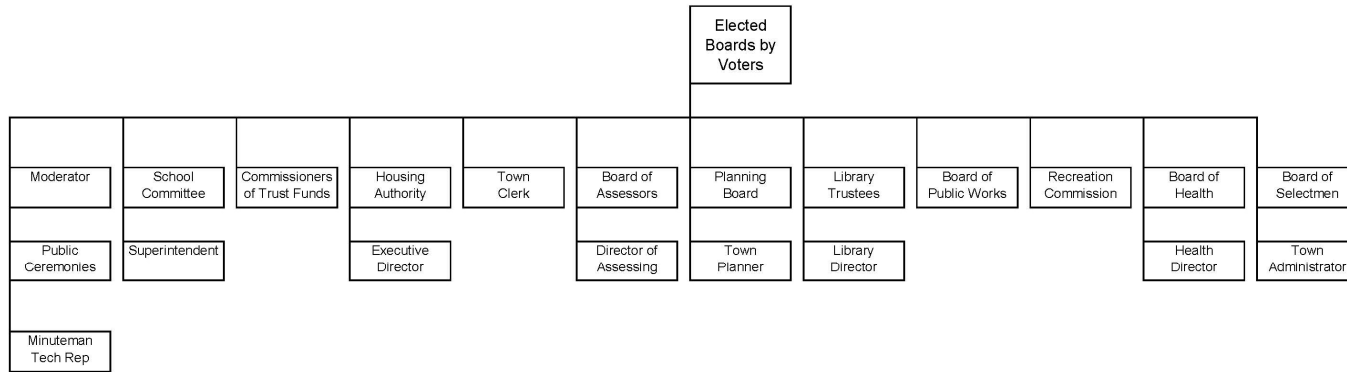
This report represents the collective efforts of Town management, Wayland Select Board, Wayland Audit Committee, Wayland Finance Committee, Wayland Town Planner and the citizens of Wayland. The publication of the Annual Comprehensive Financial Report represents an important achievement for the Town of Wayland. The report contains enhanced financial information for citizens, elected and appointed officials and investors. Special thanks also go to the public accounting firm of Melanson for the guidance and support in compiling and presenting the information.

Respectfully submitted,

A handwritten signature in black ink that reads "Brian Keveny". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Brian Keveny
Finance Director
Town of Wayland, Massachusetts

Organizational Chart



Principal Town Officials

Title	Name	Selection / Team	Term Expires
Selectwoman	Cherry Karlson	Elected / 3 Years	2023
Selectman	Adam Garrett Gutbezahl	Elected / 3 Years	2024
Selectman	Dave V Watkins	Elected / 3 Years	2023
Selectwoman	Carol B Martin	Elected / 3 Years	2024
Selectman	Thomas J Fay	Elected / 3 Years	2022
Acting Town Manager	John Bugbee	Temporary	TBD
School Committee	Ellen Grieco	Elected / 3 Years	2023
School Committee	Chris Ryan	Elected / 3 Years	2022
School Committee	Jeanne Downs	Elected / 3 Years	2023
School Committee	Jess Polizzotti	Elected / 3 Years	2024
School Committee	Erin Gibbons	Elected / 3 Years	2023
School Superintendent	Omar Easy	Appointed / 3 Years	2024



Government Finance Officers Association

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**Town of Wayland
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

**FINANCIAL
SECTION**



INDEPENDENT AUDITOR'S REPORT

To the Select Board
Town of Wayland, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Wayland, Massachusetts (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Wayland, Massachusetts, as of June 30, 2022, 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 Opinions

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

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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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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'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'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 Management's Discussion and Analysis, the budgetary comparison for the General Fund, and certain pension and OPEB schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion



or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023 on our consideration of the Town’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 the Town’s 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’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Melanson".

Merrimack, New Hampshire
February 28, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Wayland, Massachusetts (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

The discretely presented component unit represents the Wayland Municipal Affordable Housing Trust which was established to provide for the creation and preservation of affordable housing in the Town. It is funded by inclusionary housing payments and community preservation funds. The Trust issues a stand-alone separate financial report. The report can be requested from the Finance Director, Town of Wayland, 41 Cochituate Road, Wayland, Massachusetts 01778.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds

Proprietary funds reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The proprietary fund category includes enterprise funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing

policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on the fees charged to external users. Enterprise funds are used to report the same functions presented as the business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for the water and wastewater operations, both of which are considered to be major funds, as well as the nonmajor transfer station fund.

Fiduciary Funds

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

The Town maintains two different fiduciary funds: OPEB trust fund and custodial fund.

Notes to Financial Statements

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

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information in connection with pension and OPEB and the General Fund budget and actual comparison, which is required to be disclosed by accounting principles generally accepted in the United States of America.

Combining statements are presented in connection with nonmajor governmental funds. In addition, a detailed schedule of expenditures is presented immediately following the required supplementary information.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$40,966,928, an increase of \$2,908,729, and net position in business-type activities was \$17,653,061, an increase of \$714,261.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$47,326,099, an increase of \$1,809,688 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,729,922 a decrease of \$1,321,973 in comparison to the prior year.

Government-Wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current and prior fiscal year (in thousands):

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 56,573	\$ 52,180	\$ 9,928	\$ 10,514	\$ 66,501	\$ 62,694
Capital assets	<u>140,199</u>	<u>142,855</u>	<u>22,327</u>	<u>21,412</u>	<u>162,526</u>	<u>164,267</u>
Total assets	196,772	195,035	32,255	31,926	229,027	226,961
Deferred outflows of resources	<u>11,406</u>	<u>11,924</u>	<u>147</u>	<u>185</u>	<u>11,553</u>	<u>12,109</u>
Total assets and deferred outflows of resources	<u>\$ 208,178</u>	<u>\$ 206,959</u>	<u>\$ 32,402</u>	<u>\$ 32,111</u>	<u>\$ 240,580</u>	<u>\$ 239,070</u>
Long-term liabilities outstanding	\$ 147,867	\$ 155,791	\$ 13,691	\$ 14,749	\$ 161,558	\$ 170,540
Other liabilities	<u>7,633</u>	<u>4,483</u>	<u>699</u>	<u>231</u>	<u>8,332</u>	<u>4,714</u>
Total liabilities	155,500	160,274	14,390	14,980	169,890	175,254
Deferred inflows of resources	11,711	8,627	359	192	12,070	8,819
Net position:						
Net investment in capital assets	85,844	86,578	11,032	10,231	96,876	96,809
Restricted	19,373	16,373	-	-	19,373	16,373
Unrestricted	<u>(64,250)</u>	<u>(64,893)</u>	<u>6,621</u>	<u>6,708</u>	<u>(57,629)</u>	<u>(58,185)</u>
Total net position	<u>40,967</u>	<u>38,058</u>	<u>17,653</u>	<u>16,939</u>	<u>58,620</u>	<u>54,997</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 208,178</u>	<u>\$ 206,959</u>	<u>\$ 32,402</u>	<u>\$ 32,111</u>	<u>\$ 240,580</u>	<u>\$ 239,070</u>

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program revenues						
Charges for services	\$ 6,995	\$ 7,621	\$ 4,436	\$ 4,660	\$ 11,431	\$ 12,281
Operating grants and contributions	20,660	24,522	-	-	20,660	24,522
Capital grants and contributions	-	-	142	94	142	94
General revenues:						
Property taxes	78,455	75,012	-	-	78,455	75,012
Excises	2,641	2,851	-	-	2,641	2,851
Grants and contributions not restricted to specific programs	1,712	1,285	-	-	1,712	1,285
Investment income (loss)	(562)	1,809	4	11	(558)	1,820
Other	<u>2,712</u>	<u>1,668</u>	<u>212</u>	<u>35</u>	<u>2,924</u>	<u>1,703</u>
Total revenues	112,613	114,768	4,794	4,800	117,407	119,568
Expenses:						
General government	7,768	7,489	-	-	7,768	7,489
Public safety	8,395	8,674	-	-	8,395	8,674
Education	63,400	67,103	-	-	63,400	67,103
Public works	6,872	5,564	-	-	6,872	5,564
Health and human services	1,828	1,838	-	-	1,828	1,838
Culture and recreation	3,026	2,880	-	-	3,026	2,880
Intergovernmental	140	116	-	-	140	116
Employee benefits	15,690	15,214	-	-	15,690	15,214
Interest on long-term debt	2,377	2,192	-	-	2,377	2,192
Water	-	-	3,379	3,321	3,379	3,321
Wastewater	-	-	559	535	559	535
Transfer station	-	-	350	-	350	-
Total expenses	<u>109,496</u>	<u>111,070</u>	<u>4,288</u>	<u>3,856</u>	<u>113,784</u>	<u>114,926</u>
Change in net position before transfers	3,117	3,698	506	944	3,623	4,642
Transfers in (out)	<u>(208)</u>	<u>29</u>	<u>208</u>	<u>(29)</u>	<u>-</u>	<u>-</u>
Change in net position	2,909	3,727	714	915	3,623	4,642
Net position - beginning of year, as restated	<u>38,058</u>	<u>34,331</u>	<u>16,939</u>	<u>16,024</u>	<u>54,997</u>	<u>50,355</u>
Net position - end of year	<u>\$ 40,967</u>	<u>\$ 38,058</u>	<u>\$ 17,653</u>	<u>\$ 16,939</u>	<u>\$ 58,620</u>	<u>\$ 54,997</u>

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position.

The largest portion of net position \$96,875,523 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, infrastructure, and right to use leased assets); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in 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.

An additional portion of net position of \$19,373,075 represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position has a negative balance of \$(57,628,609) for fiscal year 2022. The deficit balance is primarily the result of the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015 and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in fiscal year 2018. These statements established standards for the measurement, recognition, and presentation of net pension and OPEB liabilities in the Town's financial statements, along with their related deferred outflows and inflows.

Governmental Activities

Governmental activities for the year resulted in an increase in net position of \$2,908,729. This change is primarily driven by the Town's practice of funding some capital assets through general revenues.

Revenues decreased \$2.2 million or 2% from the prior year due primarily to a \$2.4 million decrease in investment income. Property taxes remain the largest source of revenue at \$78.5 million for the current fiscal year. The assessed valuations have remained constant since fiscal year 2020, however the rate charged to property owners has changed from \$18.52 in fiscal year 2021 to \$18.35 in the current year, a 1% decrease. Operating grants and contributions include the Massachusetts State Teachers Retirement System (MTRS) on-behalf payment that increased by \$1.1 million, 18% increase from the prior year. MTRS provides pensions to retired teachers. Investment income decreased due to weak performance in the market for the fiscal year ending June 30, 2022. Expenses decreased \$1.6 million (1%) from the prior year. Education expense decreased \$3.7 million from the prior year. Other than the decrease in education expense, governmental expense remained consistent with the prior year.

Business-Type Activities

Business-type activities for the year resulted in an increase in net position of \$714,261. Revenues remained consistent from the prior year while expenses increased \$0.4 million or 11% from the prior year. This is attributable to expenses in the transfer station fund.

Financial Analysis of the Town's Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements.

In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund revenues. In this connection, it is worth noting that the ratio of the fund balance of the General Fund to total General Fund revenue is an important metric used by Moody's Rating Service in assigning credit ratings. Refer to the table below.

<u>General Fund</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>Balance % of Total General Fund Revenue⁽¹⁾ June 30, 2022</u>
Restricted	\$ 5,410	\$ 10,814	\$ (5,404)	0.0%
Committed	2,974,600	2,171,500	803,100	3.4%
Assigned	1,286,901	1,022,783	264,118	1.5%
Unassigned	<u>13,729,922</u>	<u>15,051,895</u>	<u>(1,321,973)</u>	<u>15.5%</u>
Total fund balance	\$ <u>17,996,833</u>	\$ <u>18,256,992</u>	\$ <u>(260,159)</u>	<u>20.4%</u>

⁽¹⁾ Revenues exclude the on-behalf payment to teachers' retirement provided by the Commonwealth.

In the unassigned fund balance amounts above, the stabilization balance of \$4,660,373 is included at June 30, 2022 and \$4,394,061 at June 30, 2021.

The total fund balance of the General Fund decreased by \$260,159 during the current fiscal year, primarily due to transfers out to finance capital projects.

The Town's unassigned fund balance of the General Fund decreased by \$1,321,973 during the current fiscal year. Key factors in this change are as follows:

Unassigned fund balance June 30, 2021	\$ 15,051,895
Budgetary results of operations in fiscal year 2022:	
Revenues less than budget	(308,106)
Expenditures less than budget	1,387,111
Transfers in excess of budget	11,375
Other changes:	
Stabilization investment income	133,398
Unspent prior year carryforwards	271,829
Use of free cash for fiscal year 2023 capital	(2,974,600)
Other	<u>157,020</u>
Unassigned fund balance June 30, 2022	\$ <u>13,729,922</u>

Other Major Funds

State legislation allows property taxes and state matching funds of the *Community Preservation Act (CPA)* Fund to finance projects such as preservation of historical buildings, and certain applicable debt service costs. Most of the fiscal year 2022 CPA Fund expenditures relate to debt service on Mainstone Farm. The CPA Fund balance increased due to property tax and state match exceeding expenditures by a similar amount as in the prior year, without a major open space acquisition. The nature of the fund is to accumulate resources until an opportunity for a major acquisition arises.

Town Revolving and Grant Fund – established to account for the revenues and expenditures thereof of certain departmental activities segregated in revolving funds established in accordance with MGL Chapter 44, Sections 53, 53C, 53E and E1/2 and available for expenditure without further appropriation. The fund is also used to account for ambulance and other activities as well as various donations and related expenditures. The Town's fund balance of the Revolving and Grant Fund increased due in part to the sale of real estate.

Capital Project Fund – established to account for resources obtained and expended for the acquisition of major capital facilities or equipment. The decrease in the fund balance of the Capital Project Fund resulted primarily from capital outlay expenditures in excess of revenues and transfers in. The funding source for the capital outlay was mostly the issuance of bond in the previous year.

Nonmajor Governmental Funds

The decrease in fund balance in nonmajor governmental funds results primarily from a decrease in investment income.

Proprietary Funds

Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the *Water Fund* at the end of the year amounted to \$2,994,504, a decrease of \$179,593 in comparison with the prior year. This is partly attributable to actual revenues coming in under budget for the year.

Unrestricted net position of the *Wastewater Fund* at the end of the year amounted to \$3,437,592, an increase of \$42,451 in comparison with the prior year. This remained consistent from the prior year, a 1% change.

Nonmajor Proprietary Funds

The increase in fund balance in the nonmajor proprietary fund, the Transfer Station Fund, resulted primarily from expenses coming in under budget.

General Fund Budgetary Highlights

General Fund Revenues

In fiscal year 2022, The Town has collected approximately 98% of property tax (net of overlay), local receipts, transfers from other funds and State Aid budgeted revenue. Taxation revenue was \$76.4M or 99% compared to \$73.2M or 99% of budget last year. Total local receipts collections were \$4.7M or 91% compared to \$5.5M in fiscal year 2021. The local receipts category achieved 91% of budget, compared to 108% of budget last year. Most notably, motor vehicle excise revenue showed an unfavorable variance in collecting only 83% of budget. State Aid receipts amounted to \$6.5M compared to \$6.3M last year. Total fiscal year 2022 collections and transfers in totaled \$89,268,042, compared to \$87,168,488 last year.

Unbudgeted revenue collections totaled \$675,092 compared to \$652,711 last fiscal year. Specifically, collections of tax title revenue increased \$157,383 and the prior year tax decreased by \$17,578 compared to last fiscal year.

General Fund Expenditures

Town departments expended and encumbered \$19,557,501, or 95% of budget. The School Department expended and encumbered \$45,222,274 or 99.9% of budget. The Unclassified category expended and encumbered \$22,531,372 or 98% of budget. In total, the General Fund expended 98.3% of budget. The total combined turn back, net of overlay amounts, was \$1,659,076 compared to \$1,984,660 last fiscal year. The fiscal year 2022 rollover amount was \$1,286,901 compared to fiscal year 2021 of \$1,058,434. The largest departmental turnback amounts were experienced in General Government - \$216,066, Public Safety - \$194,818, and Public Works - \$314,184. The Unclassified turn back was \$498,361. The Finance Committee transferred \$52,000 compared to \$50,000 last year.

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$162,526,187 (net of accumulated depreciation and amortization), a change of \$(1,741,235) from the prior year. This investment in capital assets includes land, conservation easements, buildings and improvements, infrastructure, machinery, vehicles, equipment and furnishings, collections, construction in progress and right to use leased assets.

Major capital asset events during the current fiscal year included the following:

- Fire Pumper: \$689,313
- High School Fields: \$619,547
- PFAS CIP: \$668,947

Additional information on capital assets can be found in the Notes to Financial Statements, Note 8.

Credit Rating

In the prior year, Moody Investor Services affirmed the Town’s Aaa rating, with stable outlook. No bonded debt was issued in the current fiscal year.

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$64,700,000, all of which was backed by the full faith and credit of the Town. Including loans payable and unamortized bond premiums, the total bonds and loans payable at June 30, 2022 was \$72,295,171. Additional information on long-term debt can be found in the Notes to Financial Statements, Note 13.

Requests for Information

This financial report is designed to provide a general overview of the Town of Wayland, Massachusetts’ finances for all those with an interest in the Town’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director
Town of Wayland
41 Cochituate Road
Wayland, Massachusetts 01778

BASIC FINANCIAL STATEMENTS

TOWN OF WAYLAND, MASSACHUSETTS

Statement of Net Position
June 30, 2022

	Primary Government			Discretely Presented Component <u>Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Assets and Deferred Outflows of Resources				
Assets				
Current:				
Cash and short-term investments	\$ 44,026,507	\$ 7,509,953	\$ 51,536,460	\$ 478,088
Investments	10,213,519	-	10,213,519	852,874
Receivables, net of allowance for uncollectibles:				
Property taxes	624,661	-	624,661	-
Excises	227,463	-	227,463	-
User fees	-	585,802	585,802	-
Betterments	-	176,932	176,932	-
Assessments	11,259	-	11,259	-
Intergovernmental	328,956	-	328,956	-
Departmental	219,392	-	219,392	-
Total current assets	55,651,757	8,272,687	63,924,444	1,330,962
Noncurrent:				
Property taxes receivable, net of allowance	920,727	-	920,727	-
Betterments receivable, net of allowance	-	1,654,605	1,654,605	-
Capital assets:				
Nondepreciable capital assets	40,207,178	2,570,307	42,777,485	252,444
Other capital assets, net of accumulated depreciation/amortization	99,991,976	19,756,726	119,748,702	192,697
Total noncurrent assets	141,119,881	23,981,638	165,101,519	445,141
Total Assets	196,771,638	32,254,325	229,025,963	1,776,103
Deferred Outflows of Resources				
Related to pension	2,414,415	78,992	2,493,407	-
Related to OPEB	8,991,683	68,366	9,060,049	-
Total Deferred Outflows of Resources	11,406,098	147,358	11,553,456	-
Total Assets and Deferred Outflows of Resources	\$ 208,177,736	\$ 32,401,683	\$ 240,579,419	\$ 1,776,103

(continued)

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

Statement of Net Position
June 30, 2022

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Current:				
Accounts payable	\$ 1,809,030	\$ 53,313	\$ 1,862,343	\$ -
Accrued interest	391,443	91,516	482,959	-
Accrued payroll and withholdings	886,800	3,673	890,473	-
Guaranteed deposits payable	665,790	-	665,790	-
Unearned revenue	1,745,904	-	1,745,904	-
Notes payable	2,134,429	550,000	2,684,429	-
Other liabilities	2,329	-	2,329	-
Current portion of long-term liabilities:				
Bonds and loans payable	4,851,382	1,177,763	6,029,145	-
Leases	179,695	121,852	301,547	-
Compensated absences	261,872	7,696	269,568	-
Landfill liability	10,000	-	10,000	-
Total current liabilities	12,938,674	2,005,813	14,944,487	-
Noncurrent:				
Long-term liabilities:				
Bonds and loans payable, net of current portion	56,088,374	10,177,652	66,266,026	-
Leases, net of current portion	577,710	391,748	969,458	-
Compensated absences, net of current portion	785,617	43,922	829,539	-
Landfill liability, net of current portion	210,000	-	210,000	-
Net pension liability	44,781,995	1,465,122	46,247,117	-
Net OPEB liability	40,117,944	305,026	40,422,970	-
Total noncurrent liabilities	142,561,640	12,383,470	154,945,110	-
Total Liabilities	155,500,314	14,389,283	169,889,597	-
Deferred Inflows of Resources				
Related to pension	10,763,179	352,136	11,115,315	-
Related to OPEB	947,315	7,203	954,518	-
Total Deferred Inflows of Resources	11,710,494	359,339	12,069,833	-
Net Position				
Net investment in capital assets	85,843,784	11,031,739	96,875,523	445,141
Restricted for:				
Housing trust	-	-	-	1,330,962
Community preservation	4,280,092	-	4,280,092	-
General government	324,467	-	324,467	-
Education	2,836,822	-	2,836,822	-
Recreation	3,334,492	-	3,334,492	-
Public safety	409,370	-	409,370	-
Other purposes	3,883,462	-	3,883,462	-
Permanent fund:				
Nonexpendable	1,475,499	-	1,475,499	-
Expendable	2,828,871	-	2,828,871	-
Unrestricted	(64,249,931)	6,621,322	(57,628,609)	-
Total Net Position	40,966,928	17,653,061	58,619,989	1,776,103
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 208,177,736	\$ 32,401,683	\$ 240,579,419	\$ 1,776,103

The accompanying notes are an integral part of these financial statements.

TOWN OF WAYLAND, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues
Governmental Activities:					
General government	\$ 7,767,466	\$ 674,764	\$ 2,075,733	\$ -	\$ (5,016,969)
Public safety	8,395,420	1,368,918	204,780	-	(6,821,722)
Education	63,400,026	3,958,909	15,683,499	-	(43,757,618)
Public works	6,872,280	12,800	2,270,160	-	(4,589,320)
Health and human services	1,827,656	237,316	387,867	-	(1,202,473)
Culture and recreation	3,025,818	742,211	38,190	-	(2,245,417)
Intergovernmental	140,288	-	-	-	(140,288)
Employee benefits	15,689,840	-	-	-	(15,689,840)
Interest	<u>2,377,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,377,222)</u>
Total Governmental Activities	109,496,016	6,994,918	20,660,229	-	(81,840,869)
Business-Type Activities:					
Water services	3,379,093	3,689,044	-	-	309,951
Wastewater services	558,586	315,281	-	141,966	(101,339)
Transfer station services	<u>350,071</u>	<u>431,309</u>	<u>-</u>	<u>-</u>	<u>81,238</u>
Total Business-Type Activities	<u>4,287,750</u>	<u>4,435,634</u>	<u>-</u>	<u>141,966</u>	<u>289,850</u>
Total primary government	<u>\$ 113,783,766</u>	<u>\$ 11,430,552</u>	<u>\$ 20,660,229</u>	<u>\$ 141,966</u>	<u>\$ (81,551,019)</u>
Total component unit	<u>\$ 11,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,198</u>	<u>\$ 142,035</u>

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2022

(continued)	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>	Discretely Presented Component <u>Unit</u>
Net (expenses) revenue from previous page	\$ (81,840,869)	\$ 289,850	\$ (81,551,019)	\$ 142,035
General Revenues:				
Property taxes	78,455,374	-	78,455,374	-
Excise taxes	2,640,544	-	2,640,544	-
Grants and contributions not restricted to specific programs	1,711,916	-	1,711,916	-
Investment income (loss)	(561,401)	3,734	(557,667)	3,251
Other	2,711,153	212,689	2,923,842	-
Transfers	<u>(207,988)</u>	<u>207,988</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>84,749,598</u>	<u>424,411</u>	<u>85,174,009</u>	<u>3,251</u>
Change in Net Position	2,908,729	714,261	3,622,990	145,286
Net Position:				
Beginning of year, as restated	<u>38,058,199</u>	<u>16,938,800</u>	<u>54,996,999</u>	<u>1,630,817</u>
End of year	<u>\$ 40,966,928</u>	<u>\$ 17,653,061</u>	<u>\$ 58,619,989</u>	<u>\$ 1,776,103</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WAYLAND, MASSACHUSETTS

Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Community Preservation Fund	Town Revolving and Grant Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and short-term investments	\$ 14,592,003	\$ 4,271,265	\$ 9,033,501	\$ 14,399,885	\$ 1,729,851	\$ 44,026,505
Investments	5,910,549	-	-	-	4,302,970	10,213,519
Receivables:						
Property taxes	1,888,061	8,827	-	-	-	1,896,888
Excises	342,663	-	-	-	-	342,663
Assessments	6,759	-	4,500	-	-	11,259
Intergovernmental	-	-	-	328,956	-	328,956
Departmental	1,625	-	283,367	-	1,400	286,392
Total Assets	\$ 22,741,660	\$ 4,280,092	\$ 9,321,368	\$ 14,728,841	\$ 6,034,221	\$ 57,106,182
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 959,476	\$ -	\$ 66,842	\$ 647,934	\$ 134,777	\$ 1,809,029
Accrued payroll	878,124	-	-	-	8,676	886,800
Guaranteed deposits payable	665,790	-	-	-	-	665,790
Unearned revenue	-	-	1,745,904	-	-	1,745,904
Notes payable	-	-	-	2,134,429	-	2,134,429
Other liabilities	2,329	-	-	-	-	2,329
Total Liabilities	2,505,719	-	1,812,746	2,782,363	143,453	7,244,281
Deferred Inflows of Resources						
Unavailable revenues	2,239,108	8,827	287,867	-	-	2,535,802
Fund Balances						
Nonspendable	-	-	-	-	1,475,499	1,475,499
Restricted	5,410	4,271,265	7,709,525	7,348,416	5,665,693	25,000,309
Committed	2,974,600	-	-	5,659,265	-	8,633,865
Assigned	1,286,901	-	-	-	-	1,286,901
Unassigned	13,729,922	-	(488,770)	(1,061,203)	(1,250,424)	10,929,525
Total Fund Balances	17,996,833	4,271,265	7,220,755	11,946,478	5,890,768	47,326,099
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,741,660	\$ 4,280,092	\$ 9,321,368	\$ 14,728,841	\$ 6,034,221	\$ 57,106,182

The accompanying notes are an integral part of these financial statements.

TOWN OF WAYLAND, MASSACHUSETTS

Reconciliation of Total Governmental Fund
Balances to Net Position of Governmental
Activities in the Statement of Net Position
June 30, 2022

Total governmental fund balances	\$ 47,326,099
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	140,199,154
Revenues are reported on the accrual basis of accounting and are not deferred until collection.	2,002,103
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(391,443)
Long-term liabilities, and related deferred outflows/inflows of resources, are not due and payable in the current period and, therefore, are not reported in governmental funds.	
Bonds and loans payable	(54,858,174)
Unamortized debt premium	(6,081,582)
Leases payable	(757,405)
Net pension liability	(44,781,995)
Pension related deferred outflows of resources	2,414,415
Pension related deferred inflows of resources	(10,763,179)
Net OPEB liability	(40,117,944)
OPEB related deferred outflows of resources	8,991,683
OPEB related deferred inflows of resources	(947,315)
Compensated absences liability	(1,047,489)
Landfill liability	(220,000)
Net position of governmental activities	\$ <u>40,966,928</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WAYLAND, MASSACHUSETTS

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General Fund	Community Preservation Fund	Town Revolving and Grant Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 77,379,495	\$ 1,002,899	\$ -	\$ -	\$ -	\$ 78,382,394
Excise taxes	2,603,096	-	-	-	-	2,603,096
Licenses and permits	967,479	-	-	-	-	967,479
Intergovernmental	13,861,054	413,357	3,792,369	901,860	3,102,897	22,071,537
Charges for services	289,862	-	2,616,643	-	3,990,907	6,897,412
Investment income (loss)	180,244	632	15	-	(742,292)	(561,401)
Fines and forfeitures	7,287	-	-	-	-	7,287
Contributions	-	-	10,572	-	10,634	21,206
Other revenues	<u>129,531</u>	<u>-</u>	<u>2,081,975</u>	<u>-</u>	<u>-</u>	<u>2,211,506</u>
Total Revenues	95,418,048	1,416,888	8,501,574	901,860	6,362,146	112,600,516
Expenditures						
Current:						
General government	5,225,609	366,462	990,427	-	75,529	6,658,027
Public safety	7,335,572	-	742,131	-	-	8,077,703
Education	51,956,217	-	-	-	7,006,260	58,962,477
Public works	2,262,748	-	1,869,505	-	-	4,132,253
Health and human services	1,697,544	135,834	177,180	-	-	2,010,558
Culture and recreation	2,474,646	-	629,297	-	-	3,103,943
Employee benefits	15,689,840	-	-	-	-	15,689,840
Intergovernmental	140,288	-	-	-	-	140,288
Debt service:						
Principal	4,480,227	155,000	-	-	-	4,635,227
Interest	2,358,583	218,231	-	-	-	2,576,814
Capital outlay	<u>961,673</u>	<u>-</u>	<u>-</u>	<u>4,595,710</u>	<u>-</u>	<u>5,557,383</u>
Total Expenditures	<u>94,582,947</u>	<u>875,527</u>	<u>4,408,540</u>	<u>4,595,710</u>	<u>7,081,789</u>	<u>111,544,513</u>
Excess (deficiency) of revenues over (under) expenditures	835,101	541,361	4,093,034	(3,693,850)	(719,643)	1,056,003
Other Financing Sources (Uses)						
Issuance of lease	961,673	-	-	-	-	961,673
Transfers in	590,667	-	181,799	2,834,600	-	3,607,066
Transfers out	<u>(2,647,600)</u>	<u>-</u>	<u>(752,741)</u>	<u>(414,713)</u>	<u>-</u>	<u>(3,815,054)</u>
Total Other Financing Sources (Uses)	<u>(1,095,260)</u>	<u>-</u>	<u>(570,942)</u>	<u>2,419,887</u>	<u>-</u>	<u>753,685</u>
Net change in fund balances	(260,159)	541,361	3,522,092	(1,273,963)	(719,643)	1,809,688
Fund Balances, at Beginning of Year	<u>18,256,992</u>	<u>3,729,904</u>	<u>3,698,663</u>	<u>13,220,441</u>	<u>6,610,411</u>	<u>45,516,411</u>
Fund Balances, at End of Year	<u>\$ 17,996,833</u>	<u>\$ 4,271,265</u>	<u>\$ 7,220,755</u>	<u>\$ 11,946,478</u>	<u>\$ 5,890,768</u>	<u>\$ 47,326,099</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WAYLAND, MASSACHUSETTS

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

Net changes in fund balances - total governmental funds	\$	1,809,688
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense:</p>		
Capital outlay purchases, net of disposals		3,449,303
Depreciation and amortization		(6,105,585)
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.</p>		
		(766,832)
<p>The issuance of long-term debt (e.g., bonds and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>		
Issuance of lease		(961,673)
Repayments of bonds and leases		4,635,227
Bond premium amortization		489,074
<p>In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.</p>		
		199,592
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>		
Change in net pension liability		9,688,627
Change in pension-related deferred outflows		(774,219)
Change in pension-related deferred inflows		(6,428,460)
Change in net OPEB liability		(6,100,186)
Change in OPEB-related deferred outflows		(396,384)
Change in OPEB-related deferred inflows		3,997,484
Change in compensated absences liability		163,073
Change in landfill liability		10,000
Change in net position of governmental activities	\$	<u>2,908,729</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WAYLAND, MASSACHUSETTS

Proprietary Funds
Statement of Net Position
June 30, 2022

	Business-Type Activities Enterprise Funds			
	Water Fund	Wastewater Fund	Nonmajor Transfer Station Fund	Total
Asset and Deferred Outflows of Resources				
Assets				
Current:				
Cash and short-term investments	\$ 5,700,080	\$ 1,616,537	\$ 193,336	\$ 7,509,953
User fees receivable	364,729	221,073	-	585,802
Betterments receivable	-	176,932	-	176,932
Total current assets	6,064,809	2,014,542	193,336	8,272,687
Noncurrent:				
Betterments receivable, net of allowance	-	1,654,605	-	1,654,605
Capital assets:				
Nondepreciable capital assets	2,570,307	-	-	2,570,307
Other capital assets, net of accumulated depreciation/amortization	15,611,309	4,145,417	-	19,756,726
Total noncurrent assets	18,181,616	5,800,022	-	23,981,638
Total Assets	24,246,425	7,814,564	193,336	32,254,325
Deferred Outflows of Resources				
Related to pension	70,046	8,946	-	78,992
Related to OPEB	68,366	-	-	68,366
Total Deferred Outflows of Resources	138,412	8,946	-	147,358
Total Assets and Deferred Outflows of Resources	\$ 24,384,837	\$ 7,823,510	\$ 193,336	\$ 32,401,683
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Current:				
Accounts payable	\$ 36,848	\$ 12,990	\$ 3,475	\$ 53,313
Accrued interest	70,163	21,353	-	91,516
Accrued payroll	2,692	346	635	3,673
Notes payable	550,000	-	-	550,000
Current portion of long-term liabilities:				
Bonds and loans payable	920,294	257,469	-	1,177,763
Leases	121,852	-	-	121,852
Compensated absences	7,696	-	-	7,696
Total current liabilities	1,709,545	292,158	4,110	2,005,813
Noncurrent:				
Bonds and loans payable, net of current portion	7,490,216	2,687,436	-	10,177,652
Leases, net of current portion	391,748	-	-	391,748
Compensated absences, net of current portion	43,922	-	-	43,922
Net pension liability	1,299,191	165,931	-	1,465,122
Net OPEB liability	305,026	-	-	305,026
Total noncurrent liabilities	9,530,103	2,853,367	-	12,383,470
Total Liabilities	11,239,648	3,145,525	4,110	14,389,283
Deferred Inflows of Resources				
Related to pension	312,255	39,881	-	352,136
Related to OPEB	7,203	-	-	7,203
Total Deferred Inflows of Resources	319,458	39,881	-	359,339
Net Position				
Net investment in capital assets	9,831,227	1,200,512	-	11,031,739
Unrestricted	2,994,504	3,437,592	189,226	6,621,322
Total Net Position	12,825,731	4,638,104	189,226	17,653,061
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 24,384,837	\$ 7,823,510	\$ 193,336	\$ 32,401,683

The accompanying notes are an integral part of these financial statements.

TOWN OF WAYLAND, MASSACHUSETTS

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds			<u>Total</u>
	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Nonmajor Transfer Station Fund</u>	
Operating Revenues				
Charges for services	\$ 3,689,044	\$ 315,281	\$ 431,309	\$ 4,435,634
Operating Expenses				
Personnel services	968,769	90,438	187,839	1,247,046
Nonpersonnel	1,497,283	170,502	162,232	1,830,017
Depreciation/amortization	612,296	151,534	-	763,830
Total Operating Expenses	3,078,348	412,474	350,071	3,840,893
Operating Income (Loss)	610,696	(97,193)	81,238	594,741
Nonoperating Revenues (Expenses)				
Investment income	2,489	1,245	-	3,734
Interest expense	(300,745)	(146,112)	-	(446,857)
Miscellaneous revenue	35,294	177,395	-	212,689
Total Nonoperating Revenues (Expenses), Net	(262,962)	32,528	-	(230,434)
Income (Loss) Before Contributions and Transfers	347,734	(64,665)	81,238	364,307
Capital Contributions	-	141,966	-	141,966
Transfers In	100,000	-	107,988	207,988
Change in Net Position	447,734	77,301	189,226	714,261
Net Position at Beginning of Year, as restated	12,377,997	4,560,803	-	16,938,800
Net Position at End of Year	\$ 12,825,731	\$ 4,638,104	\$ 189,226	\$ 17,653,061

The accompanying notes are an integral part of these financial statements.

TOWN OF WAYLAND, MASSACHUSETTS

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds			
	Water	Wastewater	Nonmajor Transfer	Total
	<u>Fund</u>	<u>Fund</u>	<u>Station Fund</u>	
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 3,733,427	\$ 282,728	\$ 431,309	\$ 4,447,464
Payments of employee salaries, benefits, and related expenses	(1,206,904)	(121,588)	(187,204)	(1,515,696)
Payments to vendors	<u>(1,512,570)</u>	<u>(171,589)</u>	<u>(158,757)</u>	<u>(1,842,916)</u>
Net cash provided (used) by operating activities	1,013,953	(10,449)	85,348	1,088,852
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(1,165,277)	-	-	(1,165,277)
Betterments payments received	-	461,152	-	461,152
Issuance of notes	550,000	-	-	550,000
Principal payments on bonds and notes	(909,900)	(160,115)	-	(1,070,015)
Interest expense	(317,261)	(164,863)	-	(482,124)
Contributions	-	150,000	-	150,000
Transfer from other funds	<u>100,000</u>	<u>-</u>	<u>107,988</u>	<u>207,988</u>
Net cash provided (used) by capital and related financing activities	(1,742,438)	286,174	107,988	(1,348,276)
Cash Flows From Investing Activities				
Investment income	<u>2,490</u>	<u>1,245</u>	<u>-</u>	<u>3,735</u>
Net Change in Cash and Short-Term Investments	(725,995)	276,970	193,336	(255,689)
Cash and Short-Term Investments, Beginning of Year	<u>6,426,075</u>	<u>1,339,567</u>	<u>-</u>	<u>7,765,642</u>
Cash and Short-Term Investments, End of Year	<u>\$ 5,700,080</u>	<u>\$ 1,616,537</u>	<u>\$ 193,336</u>	<u>\$ 7,509,953</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 610,696	\$ (97,193)	\$ 81,238	\$ 594,741
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	612,296	151,534	-	763,830
Changes in assets, liabilities, and deferred outflows/inflows:				
User fees receivables	44,383	(32,553)	-	11,830
Deferred outflows	33,405	3,957	-	37,362
Accounts payable	(15,287)	(1,086)	3,475	(12,898)
Accrued payroll	(29,943)	(2,968)	635	(32,276)
Compensated absences liability	(8,385)	-	-	(8,385)
Net pension liability	(426,552)	(54,481)	-	(481,033)
Net OPEB liability	48,503	-	-	48,503
Deferred inflows	<u>144,837</u>	<u>22,341</u>	<u>-</u>	<u>167,178</u>
Net cash provided (used) by operating activities	<u>\$ 1,013,953</u>	<u>\$ (10,449)</u>	<u>\$ 85,348</u>	<u>\$ 1,088,852</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WAYLAND, MASSACHUSETTS

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

	Other Post- Employment Benefits <u>Trust Fund</u>	Custodial <u>Fund</u>
Assets		
Cash and short-term investments	\$ -	\$ 461,126
Investments:		
External investment pool	<u>24,315,031</u>	<u>-</u>
Total Assets	\$ <u>24,315,031</u>	\$ <u>461,126</u>
 Liabilities and Net Position		
Other liabilities	\$ -	\$ 93,902
 Net Position		
Net position restricted for OPEB and other purposes	<u>24,315,031</u>	<u>367,224</u>
Total Liabilities and Net Position	\$ <u>24,315,031</u>	\$ <u>461,126</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WAYLAND, MASSACHUSETTS

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Other Post- Employment Benefits <u>Trust Fund</u>	Custodial <u>Fund</u>
Additions		
Employer contributions	\$ 2,901,867	\$ -
Investment earnings:		
Investment income	631,866	-
Net realized gains	1,109,469	-
Net unrealized losses	<u>(2,558,584)</u>	<u>-</u>
Total investment earnings	(817,249)	-
Less: management fees	<u>(137,685)</u>	<u>-</u>
Net investment loss	(954,934)	-
Student activity fund receipts	<u>-</u>	<u>537,061</u>
Total Additions	1,946,933	537,061
Deductions		
Benefit payments	2,641,543	-
Student activity fund payments	<u>-</u>	<u>359,475</u>
Total Deductions	<u>2,641,543</u>	<u>359,475</u>
Change in Net Position	(694,610)	177,586
Restricted Net Position		
Beginning of year	<u>25,009,641</u>	<u>189,638</u>
End of year	\$ <u><u>24,315,031</u></u>	\$ <u><u>367,224</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WAYLAND, MASSACHUSETTS

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Wayland, Massachusetts (the Town) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles. The following is a summary of the significant policies of the Town:

Reporting Entity

The Town is a municipal corporation governed by an elected Select Board. As required by GAAP, these financial statements present the Town and applicable component units for which the Town is considered to be financially accountable. In fiscal year 2022, the following entity met the component unit requirements of GASB 14 (as amended) and is presented as a discretely presented component unit to emphasize that it is legally separate from the Town:

The Wayland Municipal Affordable Housing Trust (Housing Trust) provides for the creation and preservation of affordable housing in the Town for the benefit of low- and moderate-income households, established in accordance with MGL Chapter 491 of the Accts of 2004, as amended by Sections 1 through 6 of Chapter 109, i.e., Chapter 44 §55C, and authorized by the vote of the 2014 Annual Town Meeting under Article 12. The Housing Trust is governed by a Board of Trustees consisting of seven members appointed by the Select Board. The Town can impose its will on the Housing Trust. The Housing Trust issues a stand-alone separate financial report. The report can be requested from the Finance Director, Town of Wayland, 41 Cochituate Road, Wayland, Massachusetts 01778.

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. 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

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

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

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 *Community Preservation Fund* was created as a result of the Community Preservation Act adopted by the Town on April 24, 2001 by a state-wide act enabling legislation to allow cities and towns to choose to create a new funding source that can be used to address the following core community concerns:
 - Acquisition and preservation of open space
 - Creation and support of affordable housing
 - Acquisition and preservation of historic buildings and landscapes
 - Recreation

The revenue and other resources for this fund include a 3% surcharge on property taxes, matching state grants, and eligible bond issuance.

- The *Town Revolving and Grant Fund* was created to account for the revenues and expenditures thereof of certain departmental activities segregated into revolving funds established in accordance with MGL Chapter 44, Sections 53, 53C, 53E, and E1/2 and available for expenditure without further appropriation. It is also used to account for ambulance and other activities, as well as various donations and related expenditures.
- The *Capital Project Fund* was created to account for the energy updates, highway costs in accordance with MGL Chapter 90, road construction, building repairs, purchases of heavy vehicles, renovations of Wayland Public Schools, furniture purchases, and various other capital costs or equipment.

The proprietary fund financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

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 enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

- The *Water Fund* is used to report the Town's water enterprise fund operations.
- The *Wastewater Fund* is used to report the Town's wastewater enterprise fund operations.

The fiduciary fund financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The Town reports the following fiduciary funds:

- The *Other Post-Employment Benefits (OPEB) Trust Fund* (the OPEB Trust) was established under Chapter 372 of the laws of the Commonwealth of Massachusetts. The OPEB Trust is credited with all amounts appropriated or otherwise made available by the Town, including any earnings or interest accruing from the investment of these funds, to offset the anticipated cost of health insurance contributions or other benefits for retired employees, their spouses and eligible dependents, and the surviving spouses and eligible dependents of deceased retirees. Amounts in the OPEB Trust are expended only for the payment of the costs payable by the Town for other postemployment benefits. Contributions and benefit payments are grossed up to GASB 74 report. The Town's OPEB plan is reported in accordance with MGL Chapter 32B Section 20. The OPEB Trust issues a stand-alone separate financial report. The report can be requested from Finance Director, Town of Wayland, 41 Cochituate Road, Wayland, MA 01778.
- The *Custodial Fund* include funds collected from student organizations. The custodial fund accounts for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others.

Cash and Investments

Deposits with financial institutions consist primarily of demand deposits, money market deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds, except those required to be segregated by law. Each fund's portion of this pool is reflected on the financial statements under the caption "cash and short-term investments." The interest earnings attributable to each fund type are included under investment income. The deposits and investments of the OPEB Trust and permanent funds, as well as certain special revenue and proprietary deposits, are held separately from those of other funds.

For the purpose of the Statement of Cash Flows, the proprietary funds consider investments with original maturities of three months or less to be cash equivalents.

The Town’s short-term investments also include their share of the Massachusetts Municipal Depository Trust (MMDT) cash portfolio, an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts. MMDT is not SEC registered. In accordance with GASB 79, MMDT pool’s portfolio securities are valued at amortized cost.

The Town conforms to the municipal finance laws of the Commonwealth of Massachusetts including Massachusetts General Laws Chapter 44, Sections 54 and 55, with respect to investments of trust funds and public funds on deposit, limitations, and investments.

Investments are carried at fair value except certificates of deposit which are reported at cost.

Property Tax Limitations

Legislation known as “Proposition 2½” has limited the amount of revenue that can be derived from property taxes. The prior fiscal year’s tax levy limit is used as a base and cannot increase by more than 2.5% (excluding new growth), unless an override is voted.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets, and right-to-use leases assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$15,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Infrastructure	40
Vehicles	7
Equipment	7
Right-to-use leased assets	*

*GASB requires lessees to amortize leased assets over the shorter or the lease term or the useful life of the asset.

Leases

Town as a Lessee

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The corresponding right-to-use asset is initially measured as the amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right to use asset is amortized on a straight-line basis over its useful life. The following assumptions are made:

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged is not provided, the Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease, including renewal terms reasonably certain to be exercised. Lease payments included in the measurement of the lease liability are comprised of fixed payments and the purchase option price, if the Town is reasonably certain that it will be exercised.

The Town monitors changes in circumstances that would require a remeasurement of its existing leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability. Right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Town as Lessor

Upon the implementation of GASB Statement 87, management determined that lease receivables were not material to the Town's financial statements. Management reassesses the determination if the terms and conditions of the contracts are changed, and upon entering new agreements.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance

Generally, fund balance represents the difference between current assets/deferred outflows and current liabilities/deferred inflows. The Town has implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions, as follows:

- *Nonspendable* represents the perpetual care trust principal, which can never be spent.
- *Restricted* represents amounts that are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended. In the case of capital project funds, these funds are restricted for projects financed by bonds.
- *Committed* represents amounts that are reported and expended as a result of motions passed by the highest decision-making authority in the Town, the Town Meeting.
- *Assigned* represents amounts that may include encumbrances and fund balance voted to be used in the subsequent fiscal year. Departments encumber annual General Fund appropriations at the end of each fiscal year for invoices that have not been received by a vendor by year-end. The invoices are only for goods or services ordered but not received by the Town by June 30 of each fiscal year. Department managers approve outstanding encumbrances at year-end. The authoritative body for assignment of fund balance for subsequent year's operating budget is the Town Meeting. The Town Meeting is the only authoritative body that can modify this type of assignment.
- *Unassigned* represents amounts that are available to be spent in future periods, the residual classification for the General Fund, and includes all amounts not contained in the other classifications. Unassigned amounts are available for any purpose. Temporary fund balance deficits are reported as negative amounts in the unassigned classification in other governmental funds. Positive unassigned amounts are reported only in the General Fund.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned and unassigned.

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consist of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the Town or through external restrictions

imposed by creditors, grantors, or laws or regulations of other governments. Permanent fund restricted net position is segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable portion represents accumulated earnings which are available to be spent based on donor restrictions. The remaining net position is reported as unrestricted.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Use of Estimates

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

2. Stewardship, Compliance, and Accountability

Budgetary Information

At the annual Town Meeting, the Finance Committee presents an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by Town Meeting, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at special town meeting(s) as required by changing conditions. In cases of extraordinary or unforeseen expenses, the Finance Committee is empowered to transfer funds from the Reserve Fund (a contingency appropriation) to a departmental appropriation. "Extraordinary" includes expenses which are not in the usual line or are great or exceptional. "Unforeseen" includes expenses which are not foreseen as of the time of the annual meeting when appropriations are voted.

Departments are limited to the line items as voted. Certain items may exceed the line item budget as approved if it is for an emergency and for the safety of the general public. These items are limited by Massachusetts General Laws and must be raised in the next year's tax rate.

Formal budgetary integration is employed as a management control device during the year for the General Fund. Effective budgetary control is achieved for all other funds through provisions of Massachusetts General Laws.

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

Deficit Fund Equity

As of June 30, 2022, the Town reflects deficits in various capital project funds and nonmajor governmental funds either caused by grant expenses occurring in advance of grant reimbursements or financing projects with bond anticipation notes. The deficits in these funds will be eliminated through future intergovernmental revenues and bond proceeds.

3. Deposits and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of failure of a financial institution or counterparty, the Town's deposits may not be returned or the Town will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Massachusetts General Laws Chapter 44, Section 55, limit the Town's deposits "in a bank or trust company or banking company to an amount not exceeding sixty percent (60%) of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The Town's policy requires the due diligence necessary to affirm the financial strength, capital adequacy, and reputation of financial institutions. Due diligence includes reviewing the institutions' financial statements and the background of the sales representatives. The Town minimizes the concentration of credit risk by diversifying the investment portfolio among financial institutions. The policy prohibits the investment of more than ten percent (10%) of cash in any single financial institution that is not fully collateralized. The Town's policy requires all securities to be held in the Town's name and tax identification number by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

As of June 30, 2022, \$8,682,962 of the Town's deposits of \$53,648,713 were exposed to custodial credit risk as uninsured or uncollateralized. Additionally, \$539,632 was invested in MMDT, which is not subject to this disclosure.

The Town's investments include \$1,443,953 insured by FDIC and \$33,084,597 held in the Town's name.

Investments – Primary Government

The following is a summary of the primary government’s investments as of June 30, 2022:

<u>Investment Type</u>	<u>Amount</u>
Certificates of deposits	\$ 1,443,953
Corporate bonds	399,167
Corporate equities	2,972,731
Equity mutual funds	2,779,962
Exchange traded products	146,672
Federal agency securities	366,443
Fixed income mutual funds	1,323,684
US treasury notes	<u>780,907</u>
Total investments	\$ <u><u>10,213,519</u></u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Laws, Chapter 44, Section 55, limit the Town’s investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs). The Town does not have a formal policy related to credit risk for long-term investments.

All federal agency securities have an implied Moody’s credit rating of Aaa. The actual ratings as of year-end for other debt related investments of the primary government were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating as of Year End</u>			
		<u>Aaa-A3</u>	<u>Baa1-B3</u>	<u>Caa1-C</u>	<u>Other/Unrated</u>
Debt related:					
Corporate bonds	\$ 399,167	\$ 137,942	\$ 261,225	\$ -	\$ -
Fixed income mutual funds	<u>1,323,684</u>	<u>1,052,831</u>	<u>209,972</u>	<u>18,565</u>	<u>42,316</u>
Total	\$ <u><u>1,722,851</u></u>	\$ <u><u>1,190,773</u></u>	\$ <u><u>471,197</u></u>	\$ <u><u>18,565</u></u>	\$ <u><u>42,316</u></u>

Concentration of Credit Risk

The Town minimizes concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Other than mutual funds, the investments in any one issuer that represent 5% or more of total investments at June 30, 2022 include certificates of deposit with Village Bank for \$1,344,078.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town manages interest rate risk by managing the duration of its investments.

Information about the sensitivity of the fair values of the Town’s investments to market interest rate fluctuations is as follows at June 30, 2022:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Effective Duration (in years)</u>
Debt related:		
Corporate bonds	\$ 399,167	3.13
Federal agency securities	366,443	2.75
Fixed income mutual funds	1,323,684	11.08
US treasury notes	<u>780,907</u>	4.63
Total debt securities	<u>\$ 2,870,201</u>	

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town’s investment policy prohibits exposure to foreign currency.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of an asset or liability and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 - Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Town's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

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

Description	Fair Value Measurements Using:		
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level:			
Debt securities:			
Corporate bonds	\$ 399,167	\$ -	\$ 399,167
Exchange traded products	146,672	-	146,672
Federal agency securities	366,443	-	366,443
Fixed income mutual funds	1,323,684	-	1,323,684
US Treasury notes	780,907	-	780,907
Equity securities:			
Equity mutual funds	2,779,962	2,779,962	-
Consumer discretionary	119,243	119,243	-
Consumer staples	759,196	759,196	-
Financials	688,819	688,819	-
Healthcare	842,536	842,536	-
Industrials	208,636	208,636	-
Information technology	85,457	85,457	-
Utilities	268,844	268,844	-
Subtotal	\$ 8,769,566	\$ 5,752,693	\$ 3,016,873

Investments - Other Postemployment Benefit Plan

OPEB Plan Funding/Investment Policy

The investment policy of the Town's OPEB plan contemplates reaching full funded status by 2047, with expected 6.41% investment return, and a target asset allocation as disclosed in the corresponding OPEB note. The investment policy is consistent with prudent investor rule as defined per MGL Chapter 203C. The funding policy is that the Town pays for retiree benefits on a "pay-as-you-go" basis and is expected to contribute \$550,000 in fiscal year 2023 and per year thereafter into the OPEB fund. Once the fund is fully funded, benefits will be paid out of the fund.

Custodial Credit Risk

The OPEB Trust's investments were held in State Retirees Benefits Trust (SRBT), a state pool, and therefore, not subject to custodial credit risk disclosure.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The external investment pool held in SRBT is not registered with the Securities Exchange Commission.

Fair Value

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

All of the OPEB Trust's assets of \$24,315,031, measured at the net asset value as of June 30, 2022, were in the SRBT external investment pool. The OPEB Trust can redeem funds monthly, with a redemption notice period of thirty days. There were no unfunded commitments applicable to this investment.

Investments - Discretely Presented Component Unit – Housing Trust

The Housing Trust is a separate legal entity and, therefore, is not subject to the Town's investment policies. Nonetheless, the Housing Trust's trustees have determined that it is prudent to have the Town of Wayland's Treasurer manage the Housing Trust's liquid assets, where possible, in accordance with the Town's investment policy. The Housing Trust invests in nonnegotiable certificates of deposits, as disclosed under the custodial credit risk section of this note.

4. Property Taxes and Excises Receivable

Real and personal property taxes are based on values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. Also by law, property taxes must be levied at least 30 days prior to their due date. Once levied, these taxes are recorded as receivables, net of estimated uncollectible balances. Property tax revenues have been recorded using the accrual and modified accrual basis of accounting, in the government-wide and fund basis statements, respectively.

The Town bills and collects its property taxes on a quarterly basis following the January 1 assessment. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

Based on the Town’s experience, most property taxes are collected during the year in which they are assessed. Fourteen days after the due date for the final tax bill for real estate taxes, a demand notice may be sent to the delinquent taxpayer. Fourteen days after the demand notice has been sent, the Tax Collector may proceed to file a lien against the delinquent taxpayer’s property. The Town has an ultimate right to foreclose on property for unpaid taxes. Personal property taxes cannot be secured through the lien process.

A statewide property tax limitation known as “Proposition 2 ½” limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½% of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 ½ % of the prior year’s levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2 ½ can be overridden by a referendum. The fiscal year 2022 difference between the maximum tax levy limit and the actual tax levy (excess capacity) was \$4,241,084.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth of Massachusetts. The Registry of Motor Vehicles annually calculates the value of all registered motor vehicles for the purpose of excise assessment. The amount of motor vehicle excise tax due is calculated using a fixed rate of \$25 per \$1,000 value.

Property taxes and excise receivable at June 30, 2022 consisted of the following:

<u>Receivables:</u>	<u>Gross Amount (fund basis)</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount (accrual basis)</u>
Real estate taxes	\$ 695,642	\$ (86,700)	\$ 608,942
Personal property taxes	41,492	(34,600)	6,892
Community preservation	8,827	-	8,827
Tax liens	1,109,031	(221,800)	887,231
Deferred taxes	<u>41,896</u>	<u>(8,400)</u>	<u>33,496</u>
Total property taxes	<u>\$ 1,896,888</u>	<u>\$ (351,500)</u>	1,545,388
Less: current portion			<u>(624,661)</u>
Noncurrent			<u>\$ 920,727</u>
Motor vehicle excise	<u>\$ 342,663</u>	<u>\$ (115,200)</u>	<u>\$ 227,463</u>

5. Betterments Receivable

Betterments receivable at June 30, 2022 reflect an estimated allowance for doubtful accounts of \$88,100.

6. Departmental Receivables

Departmental receivables are comprised of the following at June 30, 2022:

<u>Receivables:</u>	<u>Gross Amount (fund basis)</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount (accrual basis)</u>
Ambulance	\$ 223,272	\$ (67,000)	\$ 156,272
Police detail	60,095	-	60,095
Fines	1,625	-	1,625
Other departmental	<u>1,400</u>	<u>-</u>	<u>1,400</u>
Total	<u>\$ 286,392</u>	<u>\$ (67,000)</u>	<u>\$ 219,392</u>

7. Interfund Accounts

The Town reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The following is a schedule of interfund transfers for the year ended June 30, 2022.

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General Fund	\$ 590,667	\$ 2,647,600
(Major) Town Revolving and Grant Fund	181,799	752,741
(Major) Capital Project Fund	<u>2,834,600</u>	<u>414,713</u>
Subtotal Governmental Funds	<u>3,607,066</u>	<u>3,815,054</u>
<u>Business-Type Funds:</u>		
Water Fund	100,000	-
Nonmajor fund:		
Transfer Station Fund	<u>107,988</u>	<u>-</u>
Grand Total	<u>\$ 3,815,054</u>	<u>\$ 3,815,054</u>

The transfers into the General Fund include \$374,400 in annual Ambulance Revolving Fund revenues, \$59,176 from the Recreation Revolving Fund revenues, and various other amounts from the School Department, the Town Revolving and Grant Fund, and the Capital Project Fund to offset General Fund employee benefit expenditures.

Transfers out of General Fund represent the Town's practice of financing capital projects with General Fund revenues.

8. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated/amortized:				
Buildings and improvements	\$ 157,919	\$ 108	\$ -	\$ 158,027
Machinery, equipment, and furnishings	4,674	1,378	-	6,052
Right-to-use machinery, equipment, and furnishings	-	757	-	757
Vehicles	3,947	182	(67)	4,062
Infrastructure	<u>12,501</u>	<u>8,586</u>	<u>-</u>	<u>21,087</u>
Total capital assets, being depreciated/amortized	179,041	11,011	(67)	189,985
Less accumulated depreciation/amortization for:				
Buildings and improvements	(67,150)	(4,243)	-	(71,393)
Machinery, equipment, and furnishings	(3,620)	(624)	-	(4,244)
Right-to-use machinery, equipment, and furnishings	-	(189)	-	(189)
Vehicles	(3,308)	(289)	67	(3,530)
Infrastructure	<u>(9,877)</u>	<u>(760)</u>	<u>-</u>	<u>(10,637)</u>
Total accumulated depreciation/amortization	<u>(83,955)</u>	<u>(6,105)</u>	<u>67</u>	<u>(89,993)</u>
Total capital assets, being depreciated/amortized, net	95,086	4,906	-	99,992
Capital assets, not being depreciated:				
Land	21,580	-	-	21,580
Collections	1,747	-	-	1,747
Intangible asset for permanent conservation easement	14,400	-	-	14,400
Construction in progress	<u>10,042</u>	<u>1,060</u>	<u>(8,622)</u>	<u>2,480</u>
Total capital assets, not being depreciated	<u>47,769</u>	<u>1,060</u>	<u>(8,622)</u>	<u>40,207</u>
Governmental activities capital assets, net	<u>\$ 142,855</u>	<u>\$ 5,966</u>	<u>\$ (8,622)</u>	<u>\$ 140,199</u>

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities				
Capital assets, being depreciated/amortized:				
Buildings and improvements	\$ 2,702	\$ -	\$ -	\$ 2,702
Machinery, equipment, and furnishings	306	-	-	306
Right-to-use Machinery, equipment, and furnishings	-	514	-	514
Vehicles	982	-	-	982
Infrastructure	<u>24,288</u>	<u>1,501</u>	<u>-</u>	<u>25,789</u>
Total capital assets, being depreciated/amortized	28,278	2,015	-	30,293
Less accumulated depreciation/amortization for:				
Buildings and improvements	(544)	(100)	-	(644)
Machinery, equipment, and furnishings	(306)	-	-	(306)
Vehicles	(870)	(38)	-	(908)
Infrastructure	<u>(8,052)</u>	<u>(626)</u>	<u>-</u>	<u>(8,678)</u>
Total accumulated depreciation/amortization	<u>(9,772)</u>	<u>(764)</u>	<u>-</u>	<u>(10,536)</u>
Total capital assets, being depreciated/amortized, net	18,506	1,251	-	19,757
Capital assets, not being depreciated:				
Construction in progress	<u>2,906</u>	<u>669</u>	<u>(1,005)</u>	<u>2,570</u>
Business-type activities capital assets, net	<u>\$ 21,412</u>	<u>\$ 1,920</u>	<u>\$ (1,005)</u>	<u>\$ 22,327</u>

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

Governmental Activities

General government	\$ 434,389
Public safety	814,541
Education	3,230,570
Public works	1,501,922
Culture and recreation	<u>124,163</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 6,105,585</u>

Business-Type Activities

Water Fund	\$ 612,296
Wastewater Fund	<u>151,534</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 763,830</u>

9. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the Town that apply to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

10. Note Payable

The Town had the following notes outstanding at June 30, 2022:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance at 6/30/21</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance at 6/30/22</u>
Governmental - Public Offering:							
Rivers Edge	0.59%	04/23/21	11/19/21	\$ 525,000	-	(525,000)	\$ -
Rivers Edge	0.67%	11/19/21	11/18/22	-	465,000	-	465,000
Middle School Carpet and Locker Replacement							
Replacement	1.50%	11/19/21	11/18/22	-	564,000	-	564,000
Fire Station Rehabilitation	1.50%	11/19/21	11/18/22	-	485,429	-	485,429
Ambulance	1.50%	11/19/21	11/18/22	-	345,000	-	345,000
Dump Truck	1.50%	11/19/21	11/18/22	-	275,000	-	275,000
Business-Type - Public Offering:							
PFAS Water	2.08%	06/17/22	11/18/22	-	550,000	-	\$ 550,000
Total				\$ 525,000	2,684,429	(525,000)	\$ 2,684,429

11. Unearned Revenue

Unearned revenue represents grant funds received by the Town from the American Rescue Plan Act (ARPA). These funds will be used for COVID-19 related expenditures or negative economic impacts of COVID-19 over the next several years.

12. Leases Payable

The Town rents computers and pressure vessels for poly-fluoroalkyl substances (PFAS) removal. These arrangements qualify as leases under GASB Statement Number 87 (i.e., convey the right to control the use of asset for a period of time in exchange for consideration with initial term greater than 12 months). Terms expire in fiscal year 2026, after taking into consideration the renewal options that are reasonably certain of being exercised. The interest rate was calculated using the estimated incremental borrowing rate of 3.5%. The annual payments outstanding as of June 30, 2022 were as follows:

	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 179,695	\$ 26,509	\$ 206,204
2024	185,985	20,220	206,205
2025	192,494	13,710	206,204
2026	199,231	6,973	206,204
Total	\$ 757,405	\$ 67,412	\$ 824,817

	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 121,852	\$ 17,976	\$ 139,828
2024	126,117	13,711	139,828
2025	130,531	9,297	139,828
2026	<u>135,100</u>	<u>4,729</u>	<u>139,829</u>
Total	<u>\$ 513,600</u>	<u>\$ 45,713</u>	<u>\$ 559,313</u>

Leased assets included in capital assets at June 30, 2022 were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Right-to-use machinery, vehicles, and equipment	\$ 757,405	\$ 513,600
Less: accumulated amortization	<u>189,351</u>	<u>-</u>
Leased assets, net	<u>\$ 568,054</u>	<u>\$ 513,600</u>

13. Long-Term Debt

General Obligation Bonds and Loans

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The Town also has direct borrowings with state agencies. General obligation bonds and direct borrowings outstanding were as follows at June 30, 2022:

<u>Governmental Activities:</u>	Original	Serial	Interest	Amount
	<u>Issue</u>	<u>Maturities Through</u>	<u>Rate(s) %</u>	<u>Outstanding as of 6/30/22</u>
2014 Municipal Purposes	\$ 12,585,000	02/01/34	3.0 - 5.0%	\$ 6,980,000
2015 Municipal Purposes	5,917,000	02/01/35	3.0 - 3.25%	2,855,000
2016 Municipal Purposes	2,401,000	10/01/36	2.0 - 4.0%	1,100,000
2016 G.O. Refunding	3,339,000	07/15/27	2.0 - 5.0%	1,280,000
2017 Municipal Purposes	3,300,000	03/27/33	2.0 - 5.0%	1,635,000
2018 Municipal Purposes	3,505,000	02/01/33	3.0 - 5.0%	1,975,000
2020 Municipal Purposes	9,295,000	12/15/39	2.0 - 5.0%	12,655,000
2021 Municipal Purposes	21,088,500	11/01/40	2.0 - 5.0%	<u>20,077,200</u>
Total public offerings:				48,557,200
Title V	301,043	07/01/23	-	<u>5,974</u>
Total direct borrowings:				<u>5,974</u>
Total to be paid by the General Fund				48,563,174
2017 Mainstone Farm	7,000,000	03/27/47	2.5 - 5.0%	<u>6,295,000</u>
Total bonded debt to be paid by the CPA Fund				<u>6,295,000</u>
Grand Total				<u>\$ 54,858,174</u>

<u>Business-Type Activities:</u>				Amount
	Original	Serial	Interest	Outstanding
	Issue	Maturities	Rate(s) %	as of
		Through		6/30/22
2012 Wastewater treatment facility	\$ 325,000	02/01/31	4.0 - 5.0%	\$ 180,000
2014 Wastewater	200,000	02/01/34	4.0 - 5.0%	120,000
2015 Water pumping station	1,000,000	02/01/35	3.0 - 3.25%	650,000
2016 Water mains	700,000	10/01/36	2.0 - 4.0%	490,000
2016 G.O. Refunding	1,186,000	07/15/27	2.0 - 5.0%	550,000
2017 Water pumping station, mains and Old Sudbury	2,710,000	03/27/37	2.0 - 5.0%	1,990,000
2018 Water mains	670,000	06/30/33	3.0 - 5.0%	490,000
Refunding of 2008 bonds	2,815,000	06/30/28	3.0 - 5.0%	1,685,000
2020 Municipal purposes	1,680,000	12/15/39	2.0 - 5.0%	1,405,000
2021 Municipal purposes	2,591,500	11/01/40	2.0 - 5.0%	2,287,800
Total public offerings:				9,847,800
Water - MCWT	700,000	07/15/39	2.00%	630,000
Total direct borrowings:				630,000
Grand Total				\$ <u>10,477,800</u>

Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2022 are as follows:

Governmental Public Offering Bonds: excluding CPA

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,213,800	\$ 1,758,127	\$ 5,971,927
2024	4,158,800	1,567,262	5,726,062
2025	4,133,800	1,383,171	5,516,971
2026	4,006,800	1,206,332	5,213,132
2027	3,798,800	1,039,079	4,837,879
2028-2032	17,280,200	2,982,811	20,263,011
2033-2037	9,820,000	546,813	10,366,813
2038-2042	<u>1,145,000</u>	<u>41,425</u>	<u>1,186,425</u>
Total	\$ <u>48,557,200</u>	\$ <u>10,525,020</u>	\$ <u>59,082,220</u>

Governmental Loans - Direct Borrowing

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ <u>5,974</u>	\$ <u>149</u>	\$ <u>6,123</u>

Governmental Bonds Public Offering Bonds: CPA

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 165,000	\$ 210,481	\$ 375,481
2024	170,000	202,231	372,231
2025	180,000	193,731	373,731
2026	190,000	184,731	374,731
2027	195,000	179,031	374,031
2028-2032	1,055,000	811,481	1,866,481
2033-2037	1,220,000	644,981	1,864,981
2038-2042	1,430,000	434,238	1,864,238
2043-2047	1,690,000	177,244	1,867,244
Total	\$ <u>6,295,000</u>	\$ <u>3,038,149</u>	\$ <u>9,333,149</u>

Business-Type Public Offering Bonds

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,081,200	\$ 370,814	\$ 1,452,014
2024	1,086,200	321,179	1,407,379
2025	1,076,200	273,269	1,349,469
2026	1,093,200	225,384	1,318,584
2027	1,021,200	180,686	1,201,886
2028-2032	3,199,800	443,996	3,643,796
2033-2037	1,185,000	102,913	1,287,913
2038-2040	105,000	3,325	108,325
Total	\$ <u>9,847,800</u>	\$ <u>1,921,566</u>	\$ <u>11,769,366</u>

Business-Type Loans - Direct Borrowing

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 35,000	\$ 12,250	\$ 47,250
2024	35,000	11,550	46,550
2025	35,000	10,850	45,850
2026	35,000	10,150	45,150
2027	35,000	9,450	44,450
2028-2032	175,000	36,750	211,750
2033-2037	175,000	19,250	194,250
2038-2040	105,000	3,150	108,150
Total	\$ <u>630,000</u>	\$ <u>113,400</u>	\$ <u>743,400</u>

Changes in Long-Term Liabilities

During the year ended June 30, 2022, the following changes occurred in long-term liabilities (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Governmental Activities						
Public offering bonds	\$ 59,277	\$ -	\$ (4,425)	\$ 54,852	\$ (4,379)	\$ 50,473
Notes from direct borrowings	12	-	(6)	6	(6)	-
Unamortized debt premiums	<u>6,571</u>	<u>-</u>	<u>(489)</u>	<u>6,082</u>	<u>(467)</u>	<u>5,615</u>
Subtotal	65,860	-	(4,920)	60,940	(4,852)	56,088
Leases	-	962	(204)	758	(180)	578
Net pension liability	54,471	-	(9,689)	44,782	-	44,782
Net OPEB liability	34,018	6,100	-	40,118	-	40,118
Other:						
Compensated absences liability	1,211	-	(162)	1,049	(262)	787
Landfill closure liability	<u>230</u>	<u>-</u>	<u>(10)</u>	<u>220</u>	<u>(10)</u>	<u>210</u>
Totals	<u>\$ 155,790</u>	<u>\$ 7,062</u>	<u>\$ (14,985)</u>	<u>\$ 147,867</u>	<u>\$ (5,304)</u>	<u>\$ 142,563</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Business-Type Activities						
Public offering bonds	\$ 10,883	\$ -	\$ (1,035)	\$ 9,848	\$ (1,081)	\$ 8,767
Notes from direct borrowings	665	-	(35)	630	(35)	595
Unamortized debt premiums	<u>939</u>	<u>-</u>	<u>(62)</u>	<u>877</u>	<u>(62)</u>	<u>815</u>
Subtotal	12,487	-	(1,132)	11,355	(1,178)	10,177
Leases	-	514	-	514	(122)	392
Net pension liability	1,946	-	(481)	1,465	-	1,465
Net OPEB liability	257	48	-	305	-	305
Other:						
Compensated absences liability	<u>60</u>	<u>-</u>	<u>(8)</u>	<u>52</u>	<u>(8)</u>	<u>44</u>
Totals	<u>\$ 14,750</u>	<u>\$ 562</u>	<u>\$ (1,621)</u>	<u>\$ 13,691</u>	<u>\$ (1,308)</u>	<u>\$ 12,383</u>

Long-Term Debt Supporting Governmental and Business-Type Activities

General obligation bonds issued by the Town for various municipal projects are approved by Town Meeting and repaid with revenues recorded in the General Fund and user fees recorded in enterprise funds. All other long-term debt is repaid from the funds that the cost relates to, primarily the General Fund and enterprise funds. The Town's General Fund and enterprise funds liquidate pension liabilities. The General Fund, enterprise funds, and applicable special revenue funds liquidate OPEB liabilities. Compensated absences are repaid from the funds that the costs relate to, either the General Fund or the Water Fund.

Prior Year Refunding

In fiscal year 2018, the Town defeased a bond issue by creating a separate irrevocable trust fund. The proceeds from the new issuance of the general obligation bonds were used to purchase U.S. government securities, and those securities were deposited in an

irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds mature in fiscal year 2028. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from Town's financial statements. As of June 30, 2022, the amount of defeased debt outstanding but removed was \$1,800,000.

14. Landfill Monitoring and Postclosure Care Costs

The Town's municipal solid waste landfill is closed. The Town worked with the State Regulatory Agency (DEP) to cap the landfill. State and federal laws and regulations require the Town to place a final cover on its landfill site after it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. On February 1, 2011, the Town borrowed \$850,000 and most of the proceeds were used in fiscal year 2012 for capping costs, with the balance substantially used up by fiscal year 2014, when the Town completed the capping of the landfill.

The landfill liability reported at June 30, 2022 is based on estimated costs to be incurred after fiscal year 2022 for annual landfill postclosure monitoring and care costs. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

15. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of net assets by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. The Town reports deferred inflows of resources attributable to pension and OPEB on the Statement of Net Position and unavailable revenues arising from the current financial resources' measurement focus and the modified accrual basis of accounting in governmental funds.

Deferred inflows of resources related to pension and OPEB will offset pension and OPEB expense in future years and are more fully described in the corresponding pension and OPEB notes.

The balance of the General Fund *unavailable revenues* account is equal to the total of all June 30, 2022 receivable balances, except real and personal property taxes that were collected within 60 days of year-end. Other governmental funds report *unavailable revenues* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

16. Governmental Funds - Fund Balances

The Town's fund balances at June 30, 2022 were comprised of the following:

	General Fund	Community Preservation Fund	Town Revolving and Grant Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Nonexpendable permanent funds:						
Perpetual care	\$ -	\$ -	\$ -	\$ -	\$ 1,079,042	\$ 1,079,042
Gossels academic excellence	-	-	-	-	279,138	279,138
Other nonexpendable	-	-	-	-	117,319	117,319
Total Nonspendable	-	-	-	-	1,475,499	1,475,499
Restricted:						
Bond premium for debt service	5,410	-	-	-	-	5,410
Community preservation:						
Acquisition and preservation of historic buildings and landscapes	-	1,296,026	-	-	-	1,296,026
Acquisition and preservation of open space	-	1,942,559	-	-	-	1,942,559
Recreation	-	380,472	-	-	-	380,472
Creation and support of affordable housing	-	208,609	-	-	-	208,609
Community preservation administration	-	47,348	-	-	-	47,348
Other community preservation funds	-	396,251	-	-	-	396,251
Town special revenue accounts:						
Receipts reserved from sale of real estate	-	-	2,261,945	-	-	2,261,945
Residential dwelling	-	-	781,745	-	-	781,745
Ambulance	-	-	546,202	-	-	546,202
Recreation revolving	-	-	729,235	-	-	729,235
Recreation athletic fields	-	-	414,285	-	-	414,285
Bike trail	-	-	249,007	-	-	249,007
Insurance reimbursement	-	-	224,253	-	-	224,253
Other town grants and revolving accounts	-	-	2,502,853	-	-	2,502,853
School special revenue accounts:						
Circuit breaker	-	-	-	-	402,314	402,314
BASE	-	-	-	-	418,350	418,350
The Children's Way	-	-	-	-	405,960	405,960
School lunch	-	-	-	-	817,500	817,500
Other school grants and revolving accounts	-	-	-	-	792,698	792,698
Capital projects:						
Loker School roof	-	-	-	2,337,962	-	2,337,962
Fire station	-	-	-	1,655,971	-	1,655,971
Town building HVAC	-	-	-	1,565,000	-	1,565,000
Other capital project funds	-	-	-	1,789,483	-	1,789,483
Expendable permanent funds	-	-	-	-	2,828,871	2,828,871
Total Restricted	5,410	4,271,265	7,709,525	7,348,416	5,665,693	25,000,309
Committed:						
Fiscal year 2022 capital projects	2,974,600	-	-	-	-	2,974,600
Capital projects:						
Road improvements	-	-	-	424,091	-	424,091
Road construction	-	-	-	394,898	-	394,898
Public safety radio system	-	-	-	350,000	-	350,000
Interior renovations	-	-	-	347,256	-	347,256
Network and wireless elementary schools	-	-	-	317,583	-	317,583
Other	-	-	-	3,825,437	-	3,825,437
Total Committed	2,974,600	-	-	5,659,265	-	8,633,865

(continued)

(continued)

	General Fund	Community Preservation Fund	Town Revolving and Grant Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assigned:						
Encumbered for:						
General government	420,714	-	-	-	-	420,714
Public safety	30,791	-	-	-	-	30,791
Education	556,409	-	-	-	-	556,409
Public works	127,641	-	-	-	-	127,641
Health and human services	13,146	-	-	-	-	13,146
Culture and recreation	80,813	-	-	-	-	80,813
Other	57,387	-	-	-	-	57,387
Total Assigned	1,286,901	-	-	-	-	1,286,901
Unassigned:						
General fund	9,069,549	-	-	-	-	9,069,549
Stabilization*	4,660,373	-	-	-	-	4,660,373
Town revolving	-	-	(488,770)	-	-	(488,770)
Capital projects	-	-	-	(1,061,203)	-	(1,061,203)
Other nonmajor	-	-	-	-	(1,250,424)	(1,250,424)
Total Unassigned	13,729,922	-	(488,770)	(1,061,203)	(1,250,424)	10,929,525
Total Fund Balance	\$ 17,996,833	\$ 4,271,265	\$ 7,220,755	\$ 11,946,478	\$ 5,890,768	\$ 47,326,099

* Established by Massachusetts General Law Chapter 40, Section 5B.

17. Retirement System

The Town follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to employees' retirement funds.

Plan Description

Substantially all employees of the Town (except teachers and administrators under contract employed by the School Department) are members of the Middlesex County Contributory Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports publicly available from the System located at 25 Linnell Circle, Billerica, Massachusetts 01865. Reports are also available on the System's website at www.middlesexretirement.org.

Participant Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of Massachusetts General Laws. The employee's individual contribution percentages are as follows:

<u>Membership Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 to 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
1979 to present	An additional 2% of regular compensation in excess of \$30,000

For those members entering the System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Participant Retirement Benefits

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.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest 5-year average annual rate of regular compensation for those first becoming members of the System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100%, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are three classes of membership in the Middlesex County Retirement System:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.
- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

Methods of Payment

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.
- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.

- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member’s designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or “pops up” to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable “pops up” to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

Participant Refunds

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

Employer Contributions

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

The actuarially determined contribution for the year ended June 30, 2022 was \$5,378,336. The Town’s contribution to the System was \$5,378,336 and was made in July 2021.

Summary of Significant Accounting Policies

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to Pensions

At June 30, 2022, the Town reported a liability for its proportionate share of the net pension liability of \$46,247,117. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability (NPL) was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2021, the Town's proportion was 3.45%. For the year ended June 30, 2022, the Town recognized a pension expense of \$2,643,550.

No contributions were made between January 1, 2022 to June 30, 2022. The Town reported deferred outflows of resources and deferred (inflows) of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (7,863,306)
Difference between expected and actual experience	788,167	-
Change in assumptions	1,646,700	-
Changes in proportion	<u>58,540</u>	<u>(3,252,009)</u>
Total	<u>\$ 2,493,407</u>	<u>\$ (11,115,315)</u>

Amounts reported as deferred outflows (inflows) of resources related to pension will be recognized in pension expense as follows:

	Net Deferred Outflows/(Inflows) <u>of Resources</u>
Year Ended June 30:	
2023	\$ (1,659,902)
2024	(2,646,624)
2025	(2,414,757)
2026	<u>(1,900,625)</u>
Total	<u>\$ (8,621,908)</u>

Actuarial Assumptions

The total pension liability in the Middlesex County Retirement System actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25%
Projected salary increases	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2, and 4.50% for Group 4
Discount rate/investment rate of return	7.15%, net of pension plan investment expense, including inflation (previously 7.30%)
Cost of living adjustments	3.00% of first \$16,000 of retirement income

Mortality rates were based on the following:

- Pre-retirement – The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
- Healthy participants – The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
- Disabled retirees – The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

Significant assumptions are reevaluated as follows:

- Investment rate of return and inflation – annually
- Projected salary increases – biennially
- Mortality rates – to the extent the new mortality tables are available, but the numbers of expected death, terminations, disabilities, and retirements are compared to the actual numbers biennially.

Target Allocations

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	22.00%	6.28%
International developed markets equity	12.00%	7.00%
International emerging markets equity	5.00%	8.82%
Core fixed income	15.00%	0.38%
High-yield fixed income	8.00%	2.97%
Real estate	10.00%	3.50%
Timber	4.00%	3.45%
Hedge funds, GTAA, risk parity	10.00%	2.35%
Private equity	<u>14.00%</u>	10.11%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments to 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town’s proportionate share of the net pension liability calculated using the current discount rate, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower and one percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
June 30, 2022	\$ 59,822,170	\$ 46,247,117	\$ 34,813,832

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued System financial report.

18. Massachusetts Teachers' Retirement System (MTRS)

Plan Description

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth of Massachusetts on behalf of municipal teachers and municipal teacher retirees. The Commonwealth of Massachusetts is a nonemployer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth of Massachusetts' reporting entity and does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members—two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

Benefits Provided

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last 5 years or any 5 consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Contributions

Member contributions for MTRS vary depending on the most recent date of membership:

<u>Membership Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 to 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000

In addition, members who join MTRS on or after April 2, 2012 will have their withholding rates reduced to 8% for those participating in retirement, otherwise the withholdings are reduced to 6% plus 2% on earnings over \$30,000 a year after achieving 30 years of creditable service.

Actuarial Assumptions

The net pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of January 1, 2021 rolled forward to June 30, 2021. This valuation used the following assumptions:

- (a) 7.00% (changed from 7.15%) investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase on the first \$13,000 per year.
- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-retirement mortality from 2012-2020.
- Mortality rates were as follows:
 - Pre-retirement – reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).

- Post-retirement – reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).
- Disability – assumed to be in accordance with the Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).
- Inflation – not explicitly stated

Target Allocations

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. 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 rates of return 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 rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund’s target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	39.00%	4.8%
Core fixed income	15.00%	0.3%
Private equity	13.00%	7.8%
Portfolio Completion Strategies	11.00%	2.9%
Real estate	10.00%	3.7%
Value added fixed income	8.00%	3.9%
Timber/natural resources	4.00%	4.3%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth of Massachusetts’ contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate as of June 30, 2022. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

<u>1% Decrease</u>	<u>Current Discount</u> <u>Rate</u>	<u>1% Increase</u>
\$ 29,687,706	\$ 22,706,876	\$ 16,882,184

Special Funding Situation

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and the Commonwealth of Massachusetts is a nonemployer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

Town Proportions

In fiscal year 2021 (the most recent measurement period), the Town’s proportionate share of the MTRS’ collective net pension liability was \$89,402,985 based on a proportionate share of 0.394%. As required by GASB 68, the Town has recognized its portion of the Commonwealth of Massachusetts’ contribution of \$6,884,241 as both a revenue and expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balance, and its portion of the collective pension expense of \$7,174,217 as both a revenue and expense on the Statement of Activities.

19. Other Post-Employment Benefits

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of *Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. On November 17, 2010, the Town established an OPEB trust fund to provide funding for future employee health care costs.

The OPEB Trust issues separate stand-alone financial statements. See the full GASB 74 disclosures as of June 30, 2022 in the stand-alone financial statements. The report can be requested from the Finance Director, Town of Wayland, 41 Cochituate Road, Wayland, Massachusetts 01778.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

All the following OPEB disclosures are based on a measurement date of June 30, 2022 with a valuation date of July 1, 2020.

General Information about the OPEB Plan

Plan Description

The Town provides post-employment healthcare benefits for retired employees through the Town’s plan. The Town provides health insurance coverage through West Suburban Health Group. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32B of Massachusetts General Laws. The OPEB plan is a single employer defined benefit plan.

Benefits Provided

The Town provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the Town and meet the eligibility criteria will receive these benefits.

Contributions

Employee contributions are governed by the respective collective bargaining agreements. Town contributes the remaining premium costs and advanced contribution to the OPEB Trust. Town’s contributions are based on actuarially determined amounts, which include service cost and amortization of unfunded liability.

Plan Membership

At July 1, 2020, the following employees were covered by the benefit terms:

Retirees, disabled, and dependent beneficiaries	
currently receiving benefit payments	515
Active employees	<u>680</u>
Total	<u><u>1,195</u></u>

Actuarial Assumptions and Other Inputs

The net OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.41%, net of OPEB plan investment expense, including inflation
Municipal bond rate	4.09%
Discount rate	6.41%
Healthcare cost trend rates	4.50 - 5.00%
Retirees' share of benefit-related costs	26 - 50 %
Participation rate	80% of eligible employees

Mortality rates were based on:

- Pre-retirement – reflects RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
- Post-retirement – reflects RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
- Disability – reflects RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year.

The actuarial assumptions used in the valuation were based on the results an actuarial experience analysis issued in 2014 and a recent analysis of retiree mortality during 2015 and 2016.

Target Allocations

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return 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, netting with investment expense and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity - Large Cap	14.50%	4.42%
Domestic Equity - Small/Mid Cap	3.50%	4.81%
International Equity - Developed Market	16.00%	4.91%
International Equity-Emerging Market	6.00%	5.58%
Domestic Fixed Income	20.00%	1.00%
International Fixed Income	3.00%	1.04%
Alternatives	23.00%	5.98%
Real estate	<u>14.00%</u>	6.25%
Total	<u><u>100.00%</u></u>	

Discount Rate

The discount rate used to measure the net OPEB liability was 6.41%.

The projection of cash flows assumed that contributions will be made in accordance with the Town’s funding policy, that the Town is expected to contribute \$550,000 in Fiscal 2023 and per year thereafter. Based on these assumptions, the OPEB Plan’s fiduciary net position is projected to be sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return of the OPEB Plan assets was applied to all projected future benefit payments.

Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2022, were as follows:

Total OPEB liability	\$ 64,738,001
Plan fiduciary net position	<u>24,315,031</u>
Net OPEB liability	<u><u>\$ 40,422,970</u></u>

Plan fiduciary net position has been determined on the same basis used by the OPEB plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

Changes in the Net OPEB Liability

The following summarizes the changes in the net OPEB liability for the year ending June 30, 2022:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	\$ 59,283,923	\$ 25,009,641	\$ 34,274,282
Changes for the year:			
Service cost	1,426,421	-	1,426,421
Interest	4,010,250	-	4,010,250
Change in assumptions	2,658,950	-	2,658,950
Contributions - employer		2,901,867	(2,901,867)
Net investment income	-	(954,934)	954,934
Benefit payments	<u>(2,641,543)</u>	<u>(2,641,543)</u>	<u>-</u>
Net Changes	<u>5,454,078</u>	<u>(694,610)</u>	<u>6,148,688</u>
Balances, end of year	<u>\$ 64,738,001</u>	<u>\$ 24,315,031</u>	<u>\$ 40,422,970</u>

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

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 that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% <u>Decrease</u>	Current Discount Rate	1% <u>Increase</u>
\$ 49,235,649	\$ 40,422,970	\$ 33,106,452

Sensitivity of the Net OPEB Liability to Changes in the 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 healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% <u>Decrease</u>	Current Healthcare Cost Trend Rates	1% <u>Increase</u>
\$ 32,287,669	\$ 40,422,970	\$ 50,480,738

OPEB Expense and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to OPEB

For the year ended June 30, 2022, the Town recognized an OPEB expense of \$5,421,799. As of June 30, 2022, the Town reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Difference between actual and expected experience	\$ 922,568	\$ (257,046)
Change of assumptions	8,137,481	(642,178)
Net difference between projected and actual OPEB investment earnings	<u>-</u>	<u>(55,294)</u>
Total	<u>\$ 9,060,049</u>	<u>\$ (954,518)</u>

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

<u>Year Ended June 30:</u>	
2023	\$ 1,815,512
2024	1,686,717
2025	1,411,955
2026	2,291,968
2027	784,873
Thereafter	<u>114,506</u>
Total	<u>\$ 8,105,531</u>

20. Beginning Net Position Restatement

The beginning (July 1, 2021) net position of the Town has been restated as follows:

Government-Wide Financial Statements:

	Governmental	Business-Type Activities		Total
	Activities	Wastewater Fund	Total Business-Type Activities	
As previously reported	\$ 38,196,884	\$ 4,422,118	\$ 16,800,115	\$ 54,996,999
Bonds payable reclassification	<u>(138,685)</u>	<u>138,685</u>	<u>138,685</u>	<u>-</u>
As restated	<u>\$ 38,058,199</u>	<u>\$ 4,560,803</u>	<u>\$ 16,938,800</u>	<u>\$ 54,996,999</u>

21. Commitments and Contingencies

Outstanding Legal Issues

On an ongoing basis, there are typically pending legal issues in which the Town is involved. The Town’s management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Abatements

There are several cases pending before the Appellate Tax Board in regard to alleged discrepancies in property assessments. The Town reports an estimated liability for the probable outcome of these cases.

Grants

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

Encumbrances

At year-end, the Town’s General Fund had \$1,286,901 in encumbrances that will be honored in the next fiscal year.

22. Subsequent Events

Management has evaluated subsequent events through February 28, 2023, which is the date the financial statements were available to be issued.

Debt

Subsequent to June 30, 2022, the Town had incurred the following additional debt:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>
Municipal purpose bond	\$20,255,000	4.125 - 5.000%	11/17/22	11/15/42

23. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (P3a and APAs), and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), effective for the Town beginning with its fiscal year ending June 30, 2023. These statements establish new reporting and disclosure requirements for P3s, APAs, and SBITAs. Management is currently evaluating the impact of implementing these statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WAYLAND, MASSACHUSETTS

Required Supplementary Information
 General Fund
 Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) -
 Budget and Actual
 For the Year Ended June 30, 2022
 (Unaudited)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
	Budget	Budget	Amounts	Positive
				(Negative)
Revenues				
Property taxes	\$ 77,151,222	\$ 77,151,222	\$ 77,101,250	\$ (49,972)
Abatements	(153,496)	(153,496)	-	153,496
Intergovernmental	6,510,788	6,510,788	6,552,845	42,057
Motor vehicle and other excise tax	3,272,000	3,272,000	2,808,094	(463,906)
Penalties and interest	168,000	168,000	250,547	82,547
In-lieu payments	47,000	47,000	40,781	(6,219)
Departmental fees and charges	498,000	498,000	613,407	115,407
Licenses and permits	1,048,296	1,048,296	967,478	(80,818)
Special assessments	7,800	7,800	1,225	(6,575)
Fines and forfeitures	3,500	3,500	17,911	14,411
Investment income	150,000	150,000	46,870	(103,130)
Other	5,404	5,404	-	(5,404)
Total Revenues	88,708,514	88,708,514	88,400,408	(308,106)
Expenditures				
General government	5,551,646	5,624,847	5,408,781	216,066
Public safety	7,448,927	7,543,166	7,348,348	194,818
Education	45,223,290	45,223,290	45,222,401	889
Vocational education	368,500	273,500	227,357	46,143
Public works	3,699,218	3,706,727	3,392,543	314,184
Health and human services	1,634,916	1,819,409	1,706,128	113,281
Culture and recreation	1,454,526	1,500,967	1,474,344	26,623
State and county assessments	117,034	117,034	140,288	(23,254)
Debt service	6,634,542	6,634,542	6,634,542	-
Pension	5,378,336	5,378,336	5,378,336	-
OPEB	250,000	250,000	250,000	-
Unclassified	11,327,738	11,016,855	10,518,494	498,361
Total Expenditures	89,088,673	89,088,673	87,701,562	1,387,111
Excess (deficiency) of revenues over/under expenditures	(380,159)	(380,159)	698,846	1,079,005
Other Financing Sources (Uses)				
Use of free cash for capital	2,171,500	2,171,500	-	(2,171,500)
Transfers from other funds	856,259	856,259	867,634	11,375
Transfers to other funds	(2,647,600)	(2,647,600)	(2,647,600)	-
Total Other Financing Sources(Uses)	380,159	380,159	(1,779,966)	(2,160,125)
Excess (deficiency) of revenues and other sources over/under expenditures and other uses	\$ -	\$ -	\$ (1,081,120)	\$ (1,081,120)

See Independent Auditor's Report and Notes to Required Supplementary Information

**Notes to Required Supplementary Information
for General Fund Budget**

Budgetary Basis

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

Budget/GAAP Reconciliation

The budgetary data for the General Fund is based upon accounting principles that differ from GAAP. Therefore, in addition to the GAAP basis financial statements, the results of operations of the General Fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues, expenditures, and other financing sources (uses), to conform to the budgetary basis of accounting.

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
GAAP Basis	\$ 95,418,048	\$ (94,582,947)	\$ (1,095,260)
Gross up enterprise reimbursements related to indirect costs	-	(409,881)	(409,881)
Reverse expenditures of prior year carryforwards	-	743,796	-
Use of restricted fund balance	-	271,829	-
Add end of year appropriation carryforwards to expenditures	-	(1,286,901)	-
Reverse the effect of non-budgeted state contributions for teachers retirement	(6,884,241)	6,884,241	-
Other reconciling items	<u>(133,399)</u>	<u>678,301</u>	<u>(274,825)</u>
Budgetary Basis	<u>\$ 88,400,408</u>	<u>\$ (87,701,562)</u>	<u>\$ (1,779,966)</u>

TOWN OF WAYLAND, MASSACHUSETTS

Required Supplementary Information
Schedule of Proportionate Share
of the Net Pension Liability
(Unaudited)

Middlesex County Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2022	December 31, 2021	3.449405%	\$46,247,117	\$ 21,184,193	218%	61.14%
June 30, 2021	December 31, 2020	3.684738%	\$56,416,777	\$ 20,891,951	270%	53.42%
June 30, 2020	December 31, 2019	3.699320%	\$59,191,196	\$ 20,058,574	295%	49.45%
June 30, 2019	December 31, 2018	3.799758%	\$59,255,947	\$ 19,166,003	309%	46.40%
June 30, 2018	December 31, 2017	3.783694%	\$53,697,606	\$ 18,372,533	292%	49.27%
June 30, 2017	December 31, 2016	3.916549%	\$55,492,666	\$ 18,058,289	307%	45.49%
June 30, 2016	December 31, 2015	4.120452%	\$53,154,605	\$ 18,096,912	294%	46.13%
June 30, 2015	December 31, 2014	4.107272%	\$49,341,309	\$ 17,400,877	284%	47.65%

Massachusetts Teachers' Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town	Total Net Pension Liability Associated with the Town	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2022	June 30, 2021	0.393726%	\$ -	\$ 89,402,985	\$ 89,402,985	\$ 30,522,005	0%	62.03%
June 30, 2021	June 30, 2020	0.374179%	\$ -	\$ 106,808,852	\$ 106,808,852	\$ 28,362,235	0%	50.67%
June 30, 2020	June 30, 2019	0.372853%	\$ -	\$ 94,011,205	\$ 94,011,205	\$ 27,122,640	0%	53.95%
June 30, 2019	June 30, 2018	0.376651%	\$ -	\$ 89,308,714	\$ 89,308,714	\$ 26,478,077	0%	54.84%
June 30, 2018	June 30, 2017	0.367142%	\$ -	\$ 84,021,985	\$ 84,021,985	\$ 24,935,156	0%	54.25%
June 30, 2017	June 30, 2016	0.363580%	\$ -	\$ 81,289,015	\$ 81,289,015	\$ 23,883,375	0%	52.73%
June 30, 2016	June 30, 2015	0.363664%	\$ -	\$ 74,513,557	\$ 74,513,557	\$ 22,651,856	0%	55.38%
June 30, 2015	June 30, 2014	0.362077%	\$ -	\$ 57,557,092	\$ 57,557,092	\$ 22,200,747	0%	61.64%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

TOWN OF WAYLAND, MASSACHUSETTS

Required Supplementary Information
Schedule of Pension Contributions
(Unaudited)

Middlesex County Retirement System

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2022	\$ 5,378,336	\$ 5,378,336	\$ -	\$ 23,719,943	22.7%
June 30, 2021	\$ 5,182,237	\$ 5,182,543	\$ (306)	\$ 21,783,810	23.8%
June 30, 2020	\$ 4,862,852	\$ 4,863,333	\$ (481)	\$ 22,547,138	21.6%
June 30, 2019	\$ 4,648,984	\$ 4,648,984	\$ -	\$ 21,328,568	21.8%
June 30, 2018	\$ 4,362,369	\$ 4,364,388	\$ (2,019)	\$ 18,427,215	23.7%
June 30, 2017	\$ 4,235,414	\$ 4,235,414	\$ -	\$ 16,826,529	25.2%
June 30, 2016	\$ 3,971,988	\$ 3,971,988	\$ -	\$ 15,131,319	26.3%
June 30, 2015	\$ 3,740,468	\$ 3,740,468	\$ -	\$ 13,626,724	27.4%

Massachusetts Teachers' Retirement System

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution Provided by Commonwealth</u>	<u>Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2022	\$ 6,884,241	\$ 6,884,241	\$ -	\$ 31,171,810	22.1%
June 30, 2021	\$ 5,812,622	\$ 5,812,622	\$ -	\$ 30,522,005	19.0%
June 30, 2020	\$ 5,382,915	\$ 5,382,915	\$ -	\$ 28,362,235	19.0%
June 30, 2019	\$ 4,952,138	\$ 4,952,138	\$ -	\$ 27,122,640	18.3%
June 30, 2018	\$ 4,536,100	\$ 4,536,100	\$ -	\$ 26,478,077	17.1%
June 30, 2017	\$ 4,088,762	\$ 4,088,762	\$ -	\$ 24,935,156	16.4%
June 30, 2016	\$ 3,716,397	\$ 3,716,397	\$ -	\$ 23,883,375	15.6%
June 30, 2015	\$ 3,394,038	\$ 3,394,038	\$ -	\$ 22,651,856	15.0%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

TOWN OF WAYLAND, MASSACHUSETTS

Required Supplementary Information
Schedule of Changes in Net OPEB Liability
(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service cost	\$ 1,426,421	\$ 1,238,546	\$ 1,176,584	\$ 1,121,044	\$ 938,983	\$ 938,983
Interest on total OPEB liability	4,010,252	3,421,574	3,301,185	3,110,726	2,905,702	2,843,330
Differences between expected and actual experience	-	(288,614)	(131,937)	3,318,840	-	-
Changes of assumptions	2,658,950	8,667,291	-	(2,310,162)	-	-
Benefit payments, including refunds of member contributions	<u>(2,641,543)</u>	<u>(2,745,466)</u>	<u>(2,632,355)</u>	<u>(2,519,842)</u>	<u>(1,823,387)</u>	<u>(1,823,387)</u>
Net change in total OPEB liability	5,454,080	10,293,331	1,713,477	2,720,606	2,021,298	1,958,926
Total OPEB liability - beginning	<u>59,283,923</u>	<u>48,990,592</u>	<u>47,277,115</u>	<u>44,556,509</u>	<u>42,535,211</u>	<u>40,576,285</u>
Total OPEB liability - ending (a)	<u>\$ 64,738,003</u>	<u>\$ 59,283,923</u>	<u>\$ 48,990,592</u>	<u>\$ 47,277,115</u>	<u>\$ 44,556,509</u>	<u>\$ 42,535,211</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 2,901,867	\$ 3,003,870	\$ 3,183,409	\$ 3,066,376	\$ 2,066,671	\$ 2,074,672
Net investment income (loss)	(954,933)	5,638,308	358,086	968,586	1,443,193	1,573,467
Benefit payments, including refunds of member contributions	<u>(2,641,543)</u>	<u>(2,745,467)</u>	<u>(2,632,355)</u>	<u>(2,519,842)</u>	<u>(1,823,387)</u>	<u>(1,823,387)</u>
Net change in plan fiduciary net position	(694,609)	5,896,711	909,140	1,515,120	1,686,477	1,824,752
Plan fiduciary net position - beginning	<u>25,009,642</u>	<u>19,112,931</u>	<u>18,203,791</u>	<u>16,688,671</u>	<u>15,002,194</u>	<u>13,177,442</u>
Plan fiduciary net position - ending (b)	<u>24,315,033</u>	<u>25,009,642</u>	<u>19,112,931</u>	<u>18,203,791</u>	<u>16,688,671</u>	<u>15,002,194</u>
Net OPEB liability - ending (a-b)	<u>\$ 40,422,970</u>	<u>\$ 34,274,281</u>	<u>\$ 29,877,661</u>	<u>\$ 29,073,324</u>	<u>\$ 27,867,838</u>	<u>\$ 27,533,017</u>
Plan fiduciary net position as a percentage of the total OPEB liability	37.6%	42.2%	39.0%	38.5%	37.5%	35.3%
Covered employee payroll	\$ 54,009,754	\$ 52,436,654	\$ 46,270,904	\$ 44,923,208	\$ 43,614,765	\$ 41,284,252
Net OPEB liability as a percentage of covered employee payroll	74.8%	65.4%	64.6%	64.7%	63.9%	66.7%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

TOWN OF WAYLAND, MASSACHUSETTS

Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedule of Contributions and Investment Returns
(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Contributions						
Actuarially determined contribution	\$ 2,901,867	\$ 3,003,870	\$ 3,183,409	\$ 3,066,376	\$ 2,066,671	\$ 2,074,672
Contributions in relation to the actuarially determined contribution	<u>2,901,867</u>	<u>3,003,870</u>	<u>3,183,409</u>	<u>3,066,376</u>	<u>2,066,671</u>	<u>2,074,672</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 54,009,754	\$ 52,436,654	\$ 46,270,904	\$ 44,923,208	\$ 43,614,765	\$ 41,284,252
Contributions as a percentage of covered employee payroll	5.37%	5.73%	6.88%	6.83%	4.74%	5.03%
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Investment Returns						
Annual money weighted rate of return, net of investment expense	-3.79%	29.25%	1.97%	5.67%	9.54%	7.04%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

**SUPPLEMENTARY STATEMENTS
AND SCHEDULES**

GENERAL FUND

The General Fund is established to account for all resources obtained and used for those services commonly provided by the Town, which are not accounted for in any other fund. These services include among other items: general government services, public safety, education, public works, health and human services, and culture and recreation. The primary sources of revenue of the General Fund are: property taxes, excise taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

TOWN OF WAYLAND, MASSACHUSETTS

General Fund
Detailed Schedule of Expenditures
Budget and Actual
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		Adjusted Actual Amounts	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<u>General Government</u>				
Selectmen				
Nonpersonnel	\$ 54,500	\$ 54,500	\$ 36,096	\$ 18,404
Town office				
Personnel	688,071	711,071	708,169	2,902
Nonpersonnel	255,620	250,620	244,243	6,377
Personnel Board				
Personnel	10,000	10,000	-	10,000
Nonpersonnel	26,000	26,000	21,683	4,317
Finance				
Personnel	318,452	321,719	318,176	3,543
Nonpersonnel	66,365	66,365	63,578	2,787
Assessor				
Personnel	240,901	212,830	202,878	9,952
Nonpersonnel	54,560	54,560	34,065	20,495
Treasurer				
Personnel	198,501	231,040	223,317	7,723
Nonpersonnel	83,150	151,150	149,671	1,479
Town Counsel				
Nonpersonnel	244,000	244,000	222,270	21,730
Information Technology				
Personnel	358,296	400,080	389,697	10,383
Nonpersonnel	715,782	658,782	612,658	46,124
Town Clerk				
Personnel	143,355	144,417	139,396	5,021
Nonpersonnel	42,550	45,550	43,812	1,738
Conservation				
Personnel	228,120	231,082	207,282	23,800
Nonpersonnel	57,417	57,417	55,003	2,414
Planning				
Personnel	99,220	101,128	90,852	10,276
Nonpersonnel	7,300	7,300	2,082	5,218
Facilities				
Personnel	479,061	531,811	531,362	449
Nonpersonnel	1,176,650	1,109,650	1,108,952	698
Miscellaneous Committees				
Nonpersonnel	<u>3,775</u>	<u>3,775</u>	<u>3,539</u>	<u>236</u>
Total General Government	5,551,646	5,624,847	5,408,781	216,066

(continued)

(continued)

	<u>Budgeted Amounts</u>		<u>Adjusted Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<u>Public Safety</u>				
Police				
Personnel	2,902,293	2,892,293	2,865,405	26,888
Nonpersonnel	343,805	343,805	337,700	6,105
Joint Communications				
Personnel	558,432	640,617	636,636	3,981
Nonpersonnel	36,500	36,500	32,933	3,567
Fire				
Personnel	2,953,565	2,953,565	2,813,267	140,298
Nonpersonnel	278,839	278,839	276,958	1,881
Building and Zoning				
Personnel	355,943	377,997	366,402	11,595
Nonpersonnel	<u>19,550</u>	<u>19,550</u>	<u>19,047</u>	<u>503</u>
Total Public Safety	7,448,927	7,543,166	7,348,348	194,818
<u>Education</u>				
Schools	45,223,290	45,223,290	45,222,401	889
<u>Vocational Education</u>				
Regional Vocational School	368,500	273,500	227,357	46,143
<u>Public Works</u>				
Highway				
Personnel	1,094,771	1,101,495	994,855	106,640
Nonpersonnel	611,700	611,700	514,421	97,279
Engineering				
Personnel	300,109	265,709	254,196	11,513
Nonpersonnel	41,420	41,420	19,378	22,042
Snow				
Personnel	175,000	145,000	126,751	18,249
Nonpersonnel	325,000	355,000	345,262	9,738
Transfer Station				
Nonpersonnel	60,000	60,000	53,999	6,001
Park and Cemetery				
Personnel	705,718	740,903	738,050	2,853
Nonpersonnel	<u>385,500</u>	<u>385,500</u>	<u>345,631</u>	<u>39,869</u>
Total Public Works	3,699,218	3,706,727	3,392,543	314,184
<u>Health and Human Services</u>				
Board of Health				
Personnel	813,326	952,018	923,136	28,882
Nonpersonnel	178,368	178,368	143,474	34,894
Veterans Services				
Nonpersonnel	50,000	50,000	28,956	21,044
Council on Aging				
Personnel	252,904	260,999	246,264	14,735
Nonpersonnel	71,050	46,050	42,672	3,378
Youth Services				
Personnel	262,742	325,448	321,130	4,318
Nonpersonnel	<u>6,526</u>	<u>6,526</u>	<u>496</u>	<u>6,030</u>
Total Health and Human Services	1,634,916	1,819,409	1,706,128	113,281

(continued)

(continued)

	<u>Budgeted Amounts</u>		Adjusted Actual <u>Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
	Original <u>Budget</u>	Final <u>Budget</u>		
<u>Culture and Recreation</u>				
Library				
Personnel	894,826	927,267	904,368	22,899
Nonpersonnel	286,528	286,528	286,438	90
Recreation				
Personnel	189,192	203,192	200,837	2,355
Nonpersonnel	<u>83,980</u>	<u>83,980</u>	<u>82,701</u>	<u>1,279</u>
Total Culture and Recreation	1,454,526	1,500,967	1,474,344	26,623
<u>State Assessments and Charges</u>				
Assessments	117,034	117,034	140,288	(23,254)
<u>Debt Service</u>				
Debt Principal and Interest	6,634,542	6,634,542	6,634,542	-
<u>Pension</u>				
Pension Assessment	5,378,336	5,378,336	5,378,336	-
<u>OPEB</u>				
OPEB Contribution	250,000	250,000	250,000	-
<u>Unclassified</u>				
Insurance General	750,000	935,000	923,139	11,861
Insurance 32B	8,880,156	8,790,156	8,581,957	208,199
Medicare	730,000	820,000	818,284	1,716
Unemployment	100,000	100,000	76,459	23,541
Police and Fire Disability	15,000	15,000	-	15,000
Reserve for Salary Adj	329,582	699	-	699
Occupational Health	8,000	8,000	370	7,630
Retirement and Buyback	40,000	40,000	18,903	21,097
Stormwater	200,000	110,000	99,382	10,618
Water Charges	25,000	-	-	-
Reserve Fund	<u>250,000</u>	<u>198,000</u>	<u>-</u>	<u>198,000</u>
Total Unclassified	<u>11,327,738</u>	<u>11,016,855</u>	<u>10,518,494</u>	<u>498,361</u>
Total Expenditures	<u>\$ 89,088,673</u>	<u>\$ 89,088,673</u>	<u>\$ 87,701,562</u>	<u>\$ 1,387,111</u>

See Independent Auditor's Report.

**Combining and Individual Fund
Financial Statements**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special revenue funds are established for the following purposes:

- School Revolving: To account for the revenues and expenditures thereof of certain departmental activities segregated in revolving funds established in accordance with MGL Chapter 71:71E, Sections 26A, 26B, 26C, and 47.
- School Grants: To account for grant funds received from the United States government, either directly or through the Commonwealth of Massachusetts, and designated for specific purposes.

PERMANENT FUND

Permanent funds are established to account for certain assets held by the Town in a fiduciary capacity as trustee. Permanent funds are used to report principal balances legally restricted to the extent that only earnings, not principal, may be used for the support of certain government programs.

- Permanent Fund: To account for the principal received for perpetual care and related interest. The interest income is used to maintain the community cemetery. The fund is also used to account for nonspendable gifts received by the library with income restricted for maintenance of the library grounds. It is also used to account for various other bequests to the Town designated for particular purposes.

TOWN OF WAYLAND, MASSACHUSETTS

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental Funds
	School Revolving	School Grants	Subtotals		
Assets					
Cash and short-term investments	\$ 2,387,430	\$ (657,579)	\$ 1,729,851	\$ -	\$ 1,729,851
Investments	-	-	-	4,302,970	4,302,970
Receivables:					
Departmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,400</u>	<u>1,400</u>
Total Assets	<u>\$ 2,387,430</u>	<u>\$ (657,579)</u>	<u>\$ 1,729,851</u>	<u>\$ 4,304,370</u>	<u>\$ 6,034,221</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 49,352	\$ 85,425	\$ 134,777	\$ -	\$ 134,777
Accrued payroll	<u>8,676</u>	<u>-</u>	<u>8,676</u>	<u>-</u>	<u>8,676</u>
Total Liabilities	58,028	85,425	143,453	-	143,453
Fund Balances:					
Nonspendable	-	-	-	1,475,499	1,475,499
Restricted	2,393,463	443,359	2,836,822	2,828,871	5,665,693
Unassigned	<u>(64,061)</u>	<u>(1,186,363)</u>	<u>(1,250,424)</u>	<u>-</u>	<u>(1,250,424)</u>
Total Fund Balances	<u>2,329,402</u>	<u>(743,004)</u>	<u>1,586,398</u>	<u>4,304,370</u>	<u>5,890,768</u>
Total Liabilities and Fund Balances	<u>\$ 2,387,430</u>	<u>\$ (657,579)</u>	<u>\$ 1,729,851</u>	<u>\$ 4,304,370</u>	<u>\$ 6,034,221</u>

See Independent Auditor's Report.

TOWN OF WAYLAND, MASSACHUSETTS

Combining Statement of Revenues, Expenditures, and Changes in Fund Equity
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2022

	Special Revenue Funds				Total Nonmajor Governmental Funds
	<u>School Revolving</u>	<u>School Grants</u>	<u>Subtotal</u>	<u>Permanent Fund</u>	
Revenues:					
Intergovernmental	\$ 1,290,746	\$ 1,812,151	\$ 3,102,897	-	\$ 3,102,897
Charges for services	3,958,909	-	3,958,909	\$ 31,998	3,990,907
Investment income (loss)	-	-	-	(742,292)	(742,292)
Contributions	<u>8,789</u>	<u>-</u>	<u>8,789</u>	<u>1,845</u>	<u>10,634</u>
Total Revenues	5,258,444	1,812,151	7,070,595	(708,449)	6,362,146
Expenditures:					
Current:					
General government	-	-	-	75,529	75,529
Education	<u>3,778,448</u>	<u>3,227,812</u>	<u>7,006,260</u>	<u>-</u>	<u>7,006,260</u>
Total Expenditures	<u>3,778,448</u>	<u>3,227,812</u>	<u>7,006,260</u>	<u>75,529</u>	<u>7,081,789</u>
Net change in fund balances	1,479,996	(1,415,661)	64,335	(783,978)	(719,643)
Fund Balances, beginning of year	<u>849,406</u>	<u>672,657</u>	<u>1,522,063</u>	<u>5,088,348</u>	<u>6,610,411</u>
Fund Balances, end of year	<u>\$ 2,329,402</u>	<u>\$ (743,004)</u>	<u>\$ 1,586,398</u>	<u>\$ 4,304,370</u>	<u>\$ 5,890,768</u>

See Independent Auditor's Report.

**STATISTICAL
SECTION**

TOWN OF WAYLAND, MASSACHUSETTS

STATISTICAL SECTION

The Town of Wayland’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town’s overall financial health.

	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.	103 - 107
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the Town’s most significant local revenue source, the property tax.	108 – 110
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future.	111 - 112
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place.	113 - 114
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the Town’s financial report relates to the service the Town provides and the activities it performs.	115 - 117

Town of Wayland, Massachusetts										
Net Position by Component										
Last Ten Fiscal Years										
	2013	2014	2015 *	2016	2017	2018	2019	2020	2021	2022
Government Activity										
Net Investment in Capital Assets	\$69,804,000	\$75,337,000	\$76,294,684	\$74,873,915	\$81,887,903	\$83,264,446	\$84,705,916	\$84,203,456	\$86,578,244	\$85,843,784
Restricted	18,244,000	17,004,000	15,687,166	20,417,537	14,073,519	13,337,151	3,926,813	14,032,773	16,372,617	19,373,075
Unrestricted	18,165,000	14,025,000	(28,730,657)	(32,234,710)	(30,969,054)	(61,801,893)	(54,955,018)	(63,904,916)	(64,753,977)	(64,249,931)
Total governmental activities net position	\$106,213,000	\$106,366,000	\$63,251,193	\$63,056,742	\$64,992,368	\$34,799,704	\$33,677,711	\$34,331,313	\$38,196,884	\$40,966,928
Business type activities										
Net Investment in Capital Assets	\$5,537,000	\$5,951,000	\$7,905,424	\$8,370,063	\$8,897,952	\$8,990,521	\$9,840,991	\$10,182,939	\$10,230,877	\$13,150,531
Unrestricted	5,001,000	5,336,000	6,009,776	6,264,256	6,734,632	6,495,871	5,723,168	5,841,440	6,569,238	4,502,530
Total business-type activities net position	\$10,538,000	\$11,287,000	\$13,915,200	\$14,634,319	\$15,632,584	\$15,486,392	\$15,564,159	\$16,024,379	\$16,800,115	\$17,653,061
Primary Government										
Net Investment in Capital Assets	\$75,341,000	\$81,288,000	\$84,200,108	\$83,243,978	\$90,785,855	\$92,254,967	\$94,546,907	\$94,386,395	\$96,809,121	\$98,994,315
Restricted	18,244,000	17,004,000	15,687,166	20,417,537	14,073,519	13,337,151	3,926,813	14,032,773	16,372,617	19,373,075
Unrestricted	23,166,000	19,361,000	(22,720,881)	(25,970,454)	(24,234,422)	(55,306,022)	(49,231,850)	(58,063,476)	(58,184,739)	(59,747,401)
Total primary government net position	\$116,751,000	\$117,653,000	\$77,166,393	\$77,691,061	\$80,624,952	\$50,286,096	\$49,241,870	\$50,355,692	\$54,996,999	\$58,619,989

* Negative unrestricted net position results from implementing GASB 68 in fiscal year 2015, prior periods have not been restated

Data source: Audited financial statements

Town of Wayland, Massachusetts Changes in Net Position Last Ten Fiscal Years										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
General government	\$4,341,501	\$4,585,198	\$4,913,356	\$5,040,458	\$5,841,164	\$5,420,548	\$8,580,339	\$7,774,181	\$7,489,061	\$7,767,466
Public safety	6,215,782	6,320,091	6,637,288	6,940,548	7,460,289	8,029,121	8,514,928	8,395,203	8,673,990	8,395,420
Education	49,781,333	50,193,078	48,825,024	52,440,003	55,900,259	59,000,094	60,816,612	64,671,678	67,103,253	63,400,026
Public works	3,116,184	4,352,718	3,466,324	3,243,638	3,968,596	4,199,103	5,524,779	5,164,865	5,563,565	6,872,280
Health and human services	1,180,480	1,219,182	1,300,343	1,637,689	1,730,441	1,661,094	1,832,811	1,602,670	1,838,445	1,827,656
Cultural and recreation	2,578,815	2,579,339	2,495,849	2,679,967	2,970,266	2,973,955	3,087,857	3,055,178	2,879,549	3,025,818
Intergovernmental	185,367	131,848	109,179	203,615	147,287	197,704	235,132	116,215	116,317	140,288
Employee benefits	10,032,828	11,335,432	11,221,601	12,055,183	12,690,387	12,672,324	13,509,174	14,562,712	15,213,613	15,689,840
Interest	2,335,510	2,254,871	2,607,547	2,501,542	2,489,416	2,555,391	2,412,708	2,531,947	2,192,390	2,377,222
Total governmental activities expenses	79,767,800	82,971,757	81,576,511	86,742,643	93,198,105	96,709,334	104,514,340	107,874,649	111,070,183	109,496,016
Business type activities										
Water operations	3,167,051	2,679,521	2,836,461	3,176,216	3,079,589	3,481,769	3,314,776	3,074,473	3,320,501	3,379,093
Wastewater operations	510,222	652,493	612,552	572,602	584,118	583,056	625,009	744,213	534,818	558,586
Nonmajor Transfer Station operations	-	-	-	-	-	-	-	-	-	350,071
Total business-type activities expenses	3,677,273	3,332,014	3,449,013	3,748,818	3,663,707	4,064,825	3,939,785	3,818,686	3,855,319	4,287,750
Total primary government expenses	\$83,445,073	\$86,303,771	\$85,025,524	\$90,491,461	\$96,861,812	\$100,774,159	\$108,454,125	\$111,693,335	\$114,925,502	\$113,783,766
Program revenues										
Governmental activities										
Charges for services										
General government	\$789,359	\$842,337	\$655,766	\$618,342	\$739,331	\$888,649	\$731,911	\$684,769	\$729,512	\$674,764
Public safety	1,816,507	1,320,015	1,970,449	1,862,117	1,841,293	1,982,674	1,565,787	1,672,215	3,489,363	1,368,918
Education	4,758,868	4,553,210	4,922,063	4,879,436	4,822,143	5,550,902	5,534,028	5,004,948	2,534,687	3,958,909
Public works	484,407	433,662	428,409	421,579	399,116	349,090	361,837	413,780	428,149	12,800
Health and human services	159,445	193,217	212,744	246,132	237,713	204,722	206,499	187,942	182,991	237,316
Cultural and recreation	834,332	1,022,109	728,996	935,041	845,061	775,569	838,462	653,807	395,459	742,211
Operating grants and contributions	9,627,705	10,036,715	6,513,227	13,031,722	15,434,277	15,487,124	18,255,789	22,588,521	24,521,925	20,660,229
Capital grants and contributions	-	500,000	1,253,720	1,198,161	639,688	339,066	-	-	-	-
Total government activities program revenues	18,470,623	18,901,265	16,685,374	23,192,530	24,958,622	25,577,796	27,494,313	31,205,982	32,282,086	27,655,147
Business type activities										
Charges for services										
Water operations	3,450,959	3,847,237	3,737,953	3,530,632	4,073,904	3,641,357	3,616,603	3,641,839	4,224,656	3,689,044
Wastewater operations	359,829	621,988	4,346,580	674,376	466,302	351,824	518,201	353,111	295,738	315,281
Nonmajor Transfer Station operations	-	-	-	-	-	-	-	-	-	431,309
Capital grants and contributions	-	-	-	-	-	-	-	157,006	94,398	141,966
Total business-type activities revenues	3,810,788	4,469,225	8,084,533	4,205,008	4,540,206	3,993,181	4,134,804	4,151,956	4,614,792	4,577,600
Total primary government revenues	\$22,281,411	\$23,370,490	\$24,769,907	\$27,397,538	\$29,498,828	\$29,570,977	\$31,629,117	\$35,357,938	\$36,896,878	\$32,232,747
Net (Expense) / Revenue										
Governmental activities	(\$61,297,177)	(\$64,070,492)	(\$64,891,137)	(\$63,550,113)	(\$68,239,483)	(\$71,131,538)	(\$77,020,027)	(\$76,668,667)	(\$78,788,097)	(\$81,840,869)
Business-type activities	133,515	1,137,211	4,635,520	456,190	876,499	(71,644)	195,019	333,270	759,473	289,850
Total primary government net (expense)	(\$61,163,662)	(\$62,933,281)	(\$60,255,617)	(\$63,093,923)	(\$67,362,984)	(\$71,203,182)	(\$76,825,008)	(\$76,335,397)	(\$78,028,624)	(\$81,551,019)

continued

Data source: Audited financial statements

Town of Wayland, Massachusetts										
Changes in Net Position										
Last Ten Fiscal Years										
continued:										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and other Changes in Net Position										
Governmental activities;										
Real estate and personal property-net of refunds payable	\$52,668,419	\$55,052,067	\$60,094,824	\$59,394,566	\$64,548,329	\$66,111,884	\$70,101,630	\$71,923,297	\$75,011,682	\$78,455,374
Excise tax	2,139,197	2,285,174	2,306,959	2,648,630	2,636,399	2,780,477	2,806,721	2,385,927	2,851,499	2,640,544
Grants, contributions- not restricted to specific programs	5,344,129	5,807,424	1,635,592	1,521,878	1,780,162	1,323,639	1,796,082	1,489,122	1,285,356	1,711,916
Investment income (loss)	412,826	539,874	302,319	428,446	603,720	438,010	977,769	778,880	1,809,414	(561,401)
Other	96,511	176,699	176,700	199,814	606,499	459,070	574,930	788,643	1,666,930	2,711,153
Transfers	-	402,653	(325,671)	(175,000)	-	(50,085)	219,000	(43,600)	28,787	(207,988)
Total government activities	\$60,661,082	\$64,263,891	\$64,190,723	\$64,018,334	\$70,175,109	\$71,062,995	\$76,476,132	\$77,322,269	\$82,653,668	\$84,749,598
Business-type activities										
Grants, contributions- not restricted to specific programs	-	-	-	7,516	41,492	10,995	6,127	11,939	-	-
Investment income	4,992	5,457	10,395	11,413	11,168	13,577	67,973	48,946	10,968	3,734
Miscellaneous	15,103	8,805	9,732	69,000	69,103	76,978	27,648	22,465	34,082	212,689
Transfers	-	(402,653)	325,671	175,000	-	50,085	(219,000)	43,600	(28,787)	207,988
Total business type activities	20,095	(388,391)	345,798	262,929	121,763	151,635	(117,252)	126,950	16,263	424,411
Total primary government	\$60,681,177	\$63,875,500	\$64,536,521	\$64,281,263	\$70,296,872	\$71,214,630	\$76,358,880	\$77,449,219	\$82,669,931	\$85,174,009
Changes in Net Position										
Governmental activities	(\$636,095)	\$193,399	(\$700,414)	\$468,221	\$1,935,626	(\$68,543)	(\$543,895)	\$653,602	\$3,865,571	\$2,908,729
Business type activities	153,610	748,820	4,981,318	719,119	998,262	79,991	77,767	460,220	775,736	714,261
Total primary government changes in net position	(\$482,485)	\$942,219	\$4,280,904	\$1,187,340	\$2,933,888	\$11,448	(\$466,128)	\$1,113,822	\$4,641,307	\$3,622,990

Data source: Audited financial statements

Town of Wayland, Massachusetts Fund Balances, Governmental Funds Last Ten Fiscal Years										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 1,260,811	\$ 1,198,453	\$ 1,091,466	\$ 992,021	\$ 1,341,434	\$ 884,394	\$ 720,053	\$ 636,211	\$ 10,814	\$ 5,410
Committed	1,767,731	1,696,808	77,495	1,224,521	457,113	1,596,720	1,489,367	1,931,000	2,171,500	2,974,600
Assigned	5,751,198	4,080,165	4,983,687	3,523,701	3,433,163	1,400,531	737,642	1,164,075	1,022,783	1,286,901
Unassigned	7,878,161	7,249,678	9,925,141	7,904,567	10,889,879	11,803,073	12,882,925	13,713,620	15,051,895	13,729,922
Total general fund	\$16,657,901	\$14,225,104	\$16,077,789	\$13,644,810	\$16,121,589	\$15,684,718	\$15,829,987	\$17,444,906	\$18,256,992	\$17,996,833
All Other Governmental Funds										
Nonspendable	\$ 1,151,922	\$ 1,175,522	\$ 1,248,929	\$ 1,252,564	\$ 1,269,728	\$ 1,295,057	\$ 1,333,609	\$ 1,387,112	\$ 1,420,727	\$ 1,475,499
Restricted	20,371,116	27,323,950	19,285,848	21,270,746	15,890,614	15,742,191	12,880,125	16,580,890	23,299,475	24,994,899
Committed	-	-	894,747	962,953	1,474,921	2,231,148	2,853,629	4,318,032	4,687,669	5,659,265
Unassigned	(1,535,016)	(52,336)	(239,025)	(109,805)	(250,838)	(158,055)	(1,337,254)	(1,354,125)	(2,148,452)	(2,800,397)
Total all other governmental funds	\$19,988,022	\$28,447,136	\$21,190,499	\$23,376,458	\$18,384,425	\$19,110,341	\$15,730,109	\$20,931,909	\$27,259,419	\$29,329,266

Data source: Audited financial statements

Town of Wayland, Massachusetts Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Real estate and personal property taxes net of tax refunds	\$52,767,554	\$54,670,917	\$60,592,925	\$59,258,299	\$65,131,478	\$65,988,087	\$69,939,936	\$71,888,011	\$74,938,712	\$78,382,394
Motor vehicle and other excise taxes	2,054,572	2,340,067	2,390,377	2,535,034	2,527,301	2,883,394	2,814,811	2,346,404	2,835,704	2,603,096
License and permits	1,006,114	687,589	999,262	945,108	793,794	761,310	555,647	380,023	1,770,951	967,479
Intergovernmental	14,901,159	15,843,489	7,782,080	8,170,087	17,738,390	12,885,247	15,932,647	18,052,619	18,417,471	22,071,537
Charges for services	7,829,062	7,647,548	7,704,543	7,953,235	8,052,267	8,983,330	8,776,101	7,978,966	5,320,670	6,897,412
Investment income (loss)	412,826	539,874	302,319	428,450	603,718	438,010	977,773	778,879	1,809,414	(561,401)
Fines and forfeitures	72,662	78,748	53,005	55,078	37,524	36,000	30,991	22,303	3,266	7,287
Contributions	8,516	500,650	1,074,534	1,537,961	115,737	31,063	35,667	61,857	144,014	21,206
Other	-	-	-	-	321,214	161,848	263,259	437,018	93,963	2,211,506
Total Revenues	79,052,465	82,308,882	80,899,045	80,883,252	95,321,423	92,168,289	99,326,832	101,946,080	105,334,165	112,600,516
Expenditures:										
General government	4,090,131	6,697,293	5,650,886	4,539,313	5,306,080	5,164,471	6,860,938	6,733,521	6,660,071	6,658,027
Public safety	5,917,340	5,878,600	6,000,341	6,272,557	6,543,082	6,968,883	7,309,241	6,943,787	7,630,652	8,077,703
Education	47,012,800	47,209,574	41,589,125	42,965,822	52,452,803	50,957,219	52,968,923	54,247,694	55,954,323	58,962,477
Public works	2,538,552	2,302,763	2,520,070	2,155,571	2,699,337	2,571,856	3,059,140	2,575,809	2,810,598	4,132,253
Health and human services	1,171,994	1,219,183	1,726,704	1,516,899	1,539,481	1,541,662	1,606,301	1,468,114	1,807,229	2,010,558
Cultural and recreation	2,345,589	2,392,713	2,254,234	2,393,816	2,648,730	2,697,895	2,793,309	2,719,634	2,714,056	3,103,943
Employee benefits	9,367,224	10,731,130	10,943,350	11,912,407	12,312,420	12,672,324	13,509,174	14,562,712	15,213,613	15,689,840
Intergovernmental	185,367	131,848	109,179	203,615	147,287	197,704	235,132	116,215	116,317	140,288
Debt service										
Principal	5,309,965	5,103,948	5,154,948	5,214,699	5,107,659	5,342,659	5,135,659	4,587,159	5,451,306	4,635,227
Interest	2,344,275	2,221,013	2,554,411	2,516,073	2,479,910	2,603,027	2,473,615	2,517,273	2,474,144	2,576,814
Capital outlay	6,562,083	6,264,218	13,853,129	3,839,874	17,356,017	4,215,536	6,829,363	9,251,002	2,564,912	5,557,383
Total Expenditures	86,845,320	90,152,283	92,356,377	83,530,646	108,592,806	94,933,236	102,780,795	105,722,920	103,397,221	111,544,513
Excess of revenues over / (under) expenditures	(7,792,855)	(7,843,401)	(11,457,332)	(2,647,394)	(13,271,383)	(2,764,947)	(3,453,963)	(3,776,840)	1,936,944	1,056,003
Other Financing Sources (Uses)										
Issuance of bonds and notes	2,555,000	12,585,000	5,917,000	2,401,000	10,300,000	2,835,000	-	9,295,000	4,569,400	-
Issuance of refunding bonds	1,314,000	-	-	3,339,000	-	-	-	5,240,000	16,519,100	-
Issuance of leases	-	-	-	-	-	-	-	-	-	961,673
Bond premiums	224,659	882,064	462,210	521,147	546,129	179,077	-	2,102,159	3,215,797	-
Payments to refund bond escrow	(1,360,000)	-	-	(3,685,773)	-	-	-	(6,000,000)	(19,130,432)	-
Transfer in	1,768,967	3,244,552	2,704,262	2,073,527	3,020,270	3,016,003	4,264,581	4,104,358	3,353,897	3,607,066
Transfer out	(1,768,967)	(2,841,898)	(3,029,933)	(2,248,527)	(3,020,270)	(3,066,088)	(4,045,581)	(4,147,958)	(3,325,110)	(3,815,054)
Total other financing sources (uses)	2,733,659	13,869,718	6,053,539	2,400,374	10,846,129	2,963,992	219,000	10,593,559	5,202,652	753,685
Net change in fund balance	(\$5,059,196)	\$6,026,317	(\$5,403,793)	(\$247,020)	(\$2,425,254)	\$199,045	(\$3,234,963)	\$6,816,719	\$7,139,596	\$1,809,688
Debt Service as a percentage of non-capital expenditures	9.54%	8.99%	9.81%	9.68%	8.29%	8.75%	7.73%	7.28%	7.76%	6.66%

Data source: Audited financial statements

Town of Wayland, Massachusetts Assessed Value of Taxable Property by Classification Last Ten Fiscal Years									
Fiscal Year	Assessed Value								
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Town Value	
2013	\$ 2,754,982,761	\$ 17.89	\$ 110,626,139	\$ 4,476,700	\$ 37,471,110	\$ 152,573,949	\$ 17.89	\$ 2,907,556,710	
2014	2,813,813,898	18.33	120,110,205	4,521,200	39,669,200	164,300,605	18.33	2,978,114,503	
2015	3,074,997,622	18.39	120,350,478	4,518,700	40,279,600	165,148,778	18.39	3,240,146,400	
2016	3,195,245,423	17.34	123,391,777	4,573,000	43,276,500	171,241,277	17.34	3,366,486,700	
2017	3,282,868,662	18.14	125,833,138	4,275,000	44,162,100	174,270,238	18.14	3,457,138,900	
2018	3,430,086,890	18.03	127,493,310	4,383,900	45,470,000	177,347,210	18.03	3,607,434,100	
2019	3,588,644,790	18.28	132,189,710	4,470,100	45,816,700	182,476,510	18.28	3,771,121,300	
2020	3,811,844,266	17.76	132,854,334	4,452,500	45,781,200	183,088,034	17.76	3,994,932,300	
2021	3,816,051,966	18.52	131,565,734	4,452,500	47,379,700	183,397,934	18.52	3,999,449,900	
2022	4,003,020,148	18.35	137,208,352	4,657,300	59,540,500	201,406,152	18.35	4,204,426,300	

Data Source: Town of Wayland Tax Recapitulation Sheets

Town of Wayland, Massachusetts Principal Taxpayers Current Year and Nine Years Ago							
		2022			2013		
Name of Taxpayer	Nature of Business	Assessed Valuation	Rank	% of Total Taxable Assessed Value	Assessed Valuation	Rank	% of Total Taxable Assessed Value
BOS Retail 1 , LLC	Development	\$36,017,000	1	0.86%	\$23,891,256	1	0.82%
NSTAR Electric Co.	Energy	22,795,100	2	0.54%	13,908,822	2	0.48%
Boston Gas Company	Energy	16,738,200	3	0.40%	5,085,312	3	0.17%
373 Commonwealth Residence LLC	Development	9,587,100	4	0.23%			
Individual	Residential	8,677,800	5	0.21%			
Atria Living Group, Inc.	Assisted Living	8,542,900	6	0.20%			
Northbridge Carriage House II LLC	Assisted Living	8,265,000	7	0.20%			
Individual	Residential	8,258,200	8	0.20%			
Sunrise Assisted Living, Inc.	Assisted Living	6,758,200	9	0.16%			
Individual	Residential	6,717,500	10	0.16%			
Totals		<u>\$132,357,000</u>		<u>3.15%</u>	<u>\$42,885,390</u>		<u>1.47%</u>

Data Source: Official Statements

Town of Wayland, Massachusetts Property Tax Levies and Collections Last Ten Fiscal Years										
Fiscal Year	Total Tax Levy	Less Actual Abatements & Exemptions	Net Tax Levy	First Year Current Tax Collections	% of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	% of Total Tax Collections to Net Tax Levy	Outstanding Delinquent Taxes	% of Delinquent Tax to Tax Levy
2013	\$52,016,189	\$196,916	\$51,819,273	\$50,943,450	98.31%	\$446,524	\$51,389,974	99.17%	\$429,299	0.83%
2014	\$54,588,838	\$135,853	\$54,452,985	\$53,599,061	98.43%	\$543,403	\$54,142,464	99.43%	\$310,521	0.57%
2015	\$59,926,362	\$340,070	\$59,586,292	\$59,063,986	99.12%	\$390,423	\$59,454,409	99.78%	\$131,883	0.22%
2016	\$58,374,879	\$208,265	\$58,166,614	\$57,582,181	99.00%	\$225,210	\$57,807,391	99.38%	\$505,924	0.87%
2017	\$62,712,499	\$167,138	\$62,545,361	\$62,089,730	99.27%	\$657,703	\$62,747,433	100.32%	\$531,003	0.85%
2018	\$65,042,036	\$147,865	\$64,894,171	\$64,349,066	99.16%	\$545,105	\$64,349,066	99.16%	\$545,105	0.84%
2019	\$68,936,097	\$80,126	\$68,855,971	\$68,278,337	99.16%	\$577,634	\$68,278,337	99.16%	\$577,634	0.84%
2020	\$70,949,997	\$160,053	\$70,789,944	\$70,167,631	99.12%	\$622,313	\$70,167,631	99.12%	\$451,153	0.64%
2021	\$74,069,812	\$211,328	\$73,858,484	\$73,288,027	99.23%	\$570,457	\$73,288,027	99.23%	\$591,084	0.80%
2022	\$77,151,222	\$153,496	\$76,997,726	\$76,437,533	99.27%	\$560,193	\$76,437,533	99.27%	\$615,606	0.80%

Data source: Audited financial statements
Wayland Assessors Office

Town of Wayland, Massachusetts Ratios of Outstanding Debt by Type Last Ten Fiscal Years							
Governmental Activities Debt							
Fiscal Year	Population	Total Personal Income	Assessed Valuation	Debt Outstanding	Per Capita Income	Percentage of Personal Income	Percentage of Assessed Value
2013	13,444	\$1,957,122,450	\$2,907,556,710	\$57,718,167	\$145,576	2.95%	1.99%
2014	13,444	\$1,976,693,675	\$2,978,114,503	\$65,904,584	\$147,032	3.33%	2.21%
2015	13,444	\$1,996,460,611	\$3,240,146,400	\$66,952,147	\$148,502	3.35%	2.07%
2016	13,294	\$2,016,425,217	\$3,366,486,700	\$64,233,786	\$151,679	3.19%	1.91%
2017	13,684	\$2,036,589,470	\$3,457,138,900	\$69,743,413	\$148,830	3.42%	2.02%
2018	13,827	\$2,056,955,365	\$3,607,434,100	\$67,117,609	\$148,764	3.26%	1.86%
2019	13,965	\$2,077,524,918	\$3,771,121,300	\$61,684,728	\$148,764	2.97%	1.64%
2020	13,896	\$2,098,300,168	\$3,994,932,300	\$67,437,507	\$151,000	3.21%	1.69%
2021	13,931	\$2,119,283,169	\$3,999,449,900	\$65,751,104	\$152,127	3.10%	1.64%
2022	13,931	\$2,140,476,001	\$4,204,426,300	\$60,939,756	\$153,648	2.85%	1.45%
Business - Type Activities Debt				Total Primary Government			
Fiscal Year	Outstanding Debt		Total Business-Type	Total Debt Outstanding	Per Capita Income	Percentage of Personal Income	Percentage of Assessed Value
	Water Fund	Wastewater Fund					
2013	\$9,287,000	\$5,358,000	\$14,645,000	\$72,363,167	\$145,576	3.70%	2.49%
2014	\$8,452,500	\$5,309,363	\$13,761,863	\$79,666,447	\$147,032	4.03%	2.68%
2015	\$8,711,000	\$5,045,727	\$13,756,727	\$80,708,874	\$148,502	4.04%	2.49%
2016	\$8,563,400	\$4,767,325	\$13,330,725	\$77,564,511	\$151,679	3.85%	2.30%
2017	\$10,402,400	\$4,458,182	\$14,860,582	\$84,603,995	\$148,830	4.15%	2.45%
2018	\$10,168,800	\$4,174,740	\$14,343,540	\$81,461,149	\$148,764	3.96%	2.26%
2019	\$9,201,700	\$3,876,494	\$13,078,194	\$74,762,922	\$148,764	3.60%	1.98%
2020	\$10,352,725	\$3,568,247	\$13,920,972	\$81,358,479	\$151,000	3.88%	2.04%
2021	\$9,355,704	\$3,269,974	\$12,625,678	\$78,376,782	\$152,127	3.70%	1.96%
2022	\$8,410,510	\$2,944,905	\$11,355,415	\$72,295,171	\$153,648	3.38%	1.72%

Data Source: Massachusetts Department of Revenue, Local Services Division
Data Source: Town of Wayland Treasury Department-DEBT

Town of Wayland, Massachusetts Legal Debt Margin Information Last Ten Fiscal Years										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Equalized Valuation	\$2,907,556,710	\$2,978,114,500	\$3,240,146,400	\$3,366,486,700	\$3,457,138,900	\$3,607,434,100	\$3,771,121,300	\$3,994,932,300	\$3,999,449,900	\$4,204,426,300
Debt Limit - 5% of equalized valuation	145,377,836	148,905,725	162,007,320	168,324,335	172,856,945	180,371,705	188,556,065	199,746,615	199,972,495	210,221,315
Less:										
Total debt applicable to limitation	16,476,281	16,876,111	18,360,970	19,076,904	19,076,904	19,840,888	20,741,167	21,972,128	21,996,974	23,124,345
Legal debt margin	\$128,901,555	\$132,029,614	\$143,646,350	\$149,247,431	\$153,780,041	\$160,530,817	\$167,814,898	\$177,774,487	\$177,975,521	\$187,096,970
Total debt applicable to the limit as a percentage of debt limit	11.33%	11.33%	11.33%	11.33%	11.04%	11.00%	11.00%	11.00%	11.00%	11.00%

Data Source: Official Statements

Town of Wayland, Massachusetts
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population Estimates	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2013	13,444	\$145,576	45	2,714	4.30%
2014	13,444	\$147,032	46	2,690	3.80%
2015	13,444	\$148,502	46	2,659	3.70%
2016	13,294	\$151,679	47	2,648	3.30%
2017	13,684	\$148,830	47	2,659	3.30%
2018	13,827	\$150,318	46	2,707	2.50%
2019	13,965	\$148,764	46	2,707	2.50%
2020	13,896	\$151,000	46	2,700	2.50%
2021	13,931	\$152,127	44	2,700	3.30%
2022	13,931	\$153,648	45	2,700	3.00%

Data Source: Official Statements

Town of Wayland, Massachusetts
Principal Employers
Current Year and Nine Years Ago

Employer	Type of Business	2022			2013		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Russells Garden Center	Garden / Flowers / Gifts	200	1	2.85%	60	5	0.91%
Villa Restaurant	Restaurant	75	2	1.07%	51	6	0.78%
Wayland Country Club	Recreation	75	3	1.07%			0.00%
Northbridge Wayland Asst. Living	Assisted Living	75	4	1.07%			0.00%
Stop and Shop	Retail	70	5	1.00%			0.00%
Sandy Burr	Recreation	65	6	0.93%			0.00%
Donolen's	Retail	43	7	0.61%			0.00%
Traditions Wayland	Assisted Living	41	8	0.58%			0.00%
The Local	Restaurant	35	9	0.50%			0.00%
110 Grill	Restaurant	35	10	0.50%			0.00%
		714			111		

Data Source: Official Statements

Town of Wayland, Massachusetts Government Employees by Function - Full Time Equivalents Last Ten Years										
Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	42.28	42.30	46.65	36.67	38.69	37.05	37.05	41.05	32.53	41.05
Public Safety										
Police	32.33	33.33	33.59	33.29	33.59	33.59	34.59	36.59	26.59	26.59
Fire	28.87	28.87	28.87	29.87	26.54	26.54	28.54	30.54	29.54	29.54
Education	374.44	374.64	391.86	393.50	405.50	417.65	427.92	436.49	460.84	449.84
Public Works - Highway	28.37	28.37	29.41	29.41	39.69	41.24	42.34	43.15	41.82	41.82
Planning and Human Services										
Planning	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.00	1.00
Board of Health	9.15	9.15	9.29	9.29	9.29	9.29	9.29	9.29	10.43	10.43
Recreation	2.33	1.83	2.11	2.54	3.54	3.54	3.54	3.54	3.54	3.54
Council on Aging	2.83	2.83		3.34	3.34	3.34	3.34	3.34	4.09	3.75
Total	15.71	15.21	12.80	16.57	17.57	17.57	17.57	17.57	19.06	18.72
Library	14.74	14.74	13.74	13.74	13.69	13.69	13.39	13.39	13.69	13.69
TOTALS:	536.74	537.46	556.92	553.05	575.27	587.33	601.40	618.78	624.07	621.25

Source:

Town of Wayland Human Resources Office

Town of Wayland, Massachusetts Operating Indicators by Function Last Ten Fiscal Years										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Finance										
Registered Voters	9,861	9,870	9,965	9,971	9,971	10,334	10,334	10,334	10,334	10,500
Taxable property parcels assessed	5,093	5,128	5,131	5,172	5,183	5,181	5,181	5,181	5,181	5,181
Motor vehicle registered	14,091	13,957	13,957	14,285	14,309	14,309	14,309	14,309	14,309	14,500
Police										
Physical arrests	108	116	83	85	71	39	54	36	20	32
Traffic violations	3,179	2,984	2,917	2,691	2,041	2,478	2,315	983	658	428
Fire										
Calls answered	3,784	4,006	3,280	4,258	3,908	3,532	3,729	3,293	3,391	3,387
Emergency response	1,151	2,301	1,913	2,361	2,611	2,119	2,333	2,239	2,095	1,879
Fires extinguished	37	36	23	37	35	77	15	31	33	17
Number of inspections conducted	796	702	639	841	742	613	609	517	704	730
Emergency medical responses	1,212	1,153	884	1,019	1,289	1,139	1,206	1,029	930	1,135
Building										
Building permits issued	844	808	808	1,061	939	765	859	774	971	971
Estimated construction value	42,400,000	42,149,266	42,149,266	42,150,000	31,297,805	31,000,000	23,250,000	14,000,000	91,000,000	32,160,458
Public works										
Miles snow plowed	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6
Public Library										
Volumes of collections	97,490	106,967	106,967	136,567	134,777	163,313	159,187	161,583	179,982	179,982
Total volumes borrowed	213,678	222,184	222,184	226,731	228,677	234,654	236,306	200,158	157,572	160,000
Total circulation	246,429	252,405	252,405	264,848	264,532	265,535	271,117	223,023	218,382	219,200
Registered borrowers	6,972	6,880	6,880	6,837	6,753	6,749	7,274	8,008	7,777	8,000
Water										
Water main breaks	6	31	31	11	8	9	9	11	14	14
Daily average consumption	1.47	1.35	1.35	1.45	1.43	1.45	1.43	1.39	1.55	1.55
Peak daily consumption	1.87	1.74	1.74	2.00	1.98	2.27	2	1.87	2	2

Source: Town of Wayland Departmental Managers

Town of Wayland, Massachusetts Capital Assets Statistics by Function Last Ten Fiscal Years										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks	1	1	1	1	1	1	1	1	1	1
Number of pumpers	3	3	3	3	3	3	3	3	3	3
Number of support vehicles	5	5	5	5	5	5	5	5	5	5
Public Works										
Miles of street	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3
Miles of storm drains	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Recreation										
Parks	12	12	12	12	12	12	13	14	14	14
Playgrounds	12	12	12	12	12	12	12	12	12	12
Public Beach	1	1	1	1	1	1	1	1	1	1
Athletic Fields	17	17	17	17	17	17	17	18	18	18
Ball Diamonds	15	15	15	15	15	15	15	15	15	15
Gymnasia	1	1	1	1	1	1	1	1	1	1
Tennis Courts	10	10	10	-	-	-	-	6	6	6
Water system										
Miles of water mains	102	102	102	102	102	102	102	102	102	102
Number of service connections	4,993	4,993	4,993	4,993	5,028	5,028	5,028	5,028	5,028	5,028
Storage capacity in gallons (millions of gallons)	2	2	2	2	2	2	2	2	2	2
Maximum daily capacity of plant (millions of gallons)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Number of fire hydrants	490	491	491	491	497	497	497	497	497	497
Sewer Systems										
Miles of sanitary sewers	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
Number of treatment plants	90	100	120	120	120	120	120	120	120	120
Number of service connections	90	100	120	120	120	120	120	120	120	120

Source:
Town of Wayland Departmental Managers

The assignment given at the April 7, 2022 meeting of the Audit Committee was to Examine Peer Town Audit Committees. The objective was to surface best practices.

The Peer Towns assigned were Medfield, Sudbury, Westwood, Scituate, Westford, Cohasset, Hingham, Hopkinton, Lincoln, North Reading, and Sharon.

The Committee discussed the results of their summer assignment at its meeting on Nov. 29, 2022.

The issues we wanted to explore were:

Does your Town have an Audit Committee? How often do they meet?

The answer was that, among the peer Towns, only 3 Towns had an Audit Committee: Westwood- 3 members, appointed by SB, meet 3-4 times/year; Hingham- 5 members, meet at least 4 times per year; Sharon- 5 members.

The Wayland Audit Committees has a posting of Audit Committees Mission Statements from a sample of other (Non-Peer) Towns, including Natick, Milton, Duxbury, Hingham, and Brookline.

It can be inferred from this (small) sample that larger Towns are more likely to have an Audit Committee than smaller towns.

In this connection, our independent auditor has opined at our meeting on Feb 21, 2023 that:

1. In Wayland the independent auditor reports to the Audit Committee. In her experience, the Wayland model is the exception to the rule.
2. Many Towns created their Audit Committees following the Enron bankruptcy in 2001. The initial momentum to create Audit Committees following Enron has since reversed. Wayland created their Audit Committee in 2012.
3. In most Towns the prevailing model is one where the Auditor reports to the SB. In Wayland, the Auditor makes reports to both the SB as well as the AC. This is a belts and suspenders model. There does exist a model (Weston?) where the Auditor reports only into the Finance/Treasury Dept. That is not best practice.

Why do we need an audit committee?

The answer is twofold. The AC has as its sole mission to dig deeper into auditing anomalies than The SB. Secondly, the AC can and should identify recommendations on expanding the scope of the Audit, as it deems appropriate.

Also, per the Mass DOR: "Audit Committees are becoming an imperative part of local governance. They are an important component of a governmental entity's accountability and governance. Audit Committees can help ensure the reliability of the financial information, the community's system of internal controls, and legal and ethical conduct of management."

How often do you change auditors?

The consensus seems to be "not often" but also "Not never". Wayland has contracted for the same auditor for roughly 10 years. That suggests we should look for a new auditor on the theory that new eyes are healthy. On the other hand, Melanson has recently been merged with a larger accounting firm. That suggests that a change of partners could be sufficient to achieve the "fresh eyes" objective.

Expanded Scope Audits beyond Financial Statements.

The common denominator among peer towns is: "Make recommendations where expanded scope audits may be appropriate".

Does your Audit Committee have the authority to request expanded scope audits?

The common denominator is that The AC can recommend but does not have authority to order up or authorize funding for expanded scope audits.

Take Away.

The takeaway from this unscientific survey is that:

1. The mission statement for the Wayland AC is roughly like other Town's mission statements.
2. The AC is expected to dig more deeply into issues raised in the annual ACFR and ML, than the SB. Unlike the SB, they focus strictly on financial controls.
3. The AC is expected to identify potentially fruitful areas for expanding the scope of the audit.

One outcome of this initiative/survey is that the AC will attempt to identify at least one area for expended scope audit with each annual report to the SB.



Town of Wayland Massachusetts

Audit Committee

Stephen Curtin
Klaus Shigley (Chair)
Samantha Shullo
Randi Stern
Deborah Vogt

March 27, 2023

Final Report to the Wayland Select Board from the Wayland Audit Committee regarding the FY 22 Audit Cycle

Background

The Audit Committee is tasked as follows:

1. Make recommendations to the Board of Selectmen for areas where extra focus or expanded attention may be appropriate.
2. Review annual financial statement and management reports prepared by the auditors and provide comments with respect to said review.
3. Review and report to the Select Board at least annually on the status of management recommendations made by the independent auditor and corrective action taken by management.

This Report addresses those tasks.

1. The Committee met on November 29, 2022, to review their summer assignment. Examine the mission statements of Audit Committees of Peer Towns. The report of that assignment is attached to this report.
2. The Committee next met on Feb 21, 2023, to discuss the draft ACFR for FY '22 and a draft of the Management Letter (ML) relating to the FY '22 audit with the Town's independent Auditor. Alina Korsak was the presenter for Marcum Accountants and Advisors, formerly Melanson, and Brian Keveny, Wayland Finance Director, also attended. The Committee provided written comments and suggestions re the ACFR. The ML addressed two issues that had been raised

in the previous year, as well as their current year status: Timely Cash Reconciliations and Ensure Compliance with Uniform Guidance. In addition, the auditor raised two new issues: Reconcile Guaranteed deposits and prepare for GASB Statements 94 and 96.

Material Weakness in Cash Reconciliation

The auditors concluded that monthly cash reconciliations were not done timely in FY '22, This issue has been cited by the Auditor since FY 2018, it was elevated to the level of a material weakness in FY 2021 and has again been cited as a material weakness in FY 22.

In last year's report to the SB, the Audit Committee recommended that the Treasurer position report to a Finance Director. The theory being that the Treasurer had not been properly supervised by the Town Administrator, and that the Treasurer position would benefit from a reorganization. That recommendation has since been substantively adopted. Moreover, the Town Manager has committed to providing quarterly updates to the SB on the progress of the cash reconciliation.

Other Matters

The auditor states that there are unresolved reconciling items related to Student Activity Funds accounts, totaling appr. \$129,000. The Town's response is that the issue is currently being resolved.

Audit Committee Recommendation

The Audit Committee feels no other action is necessary. There is good reason the think that "cash reconciliation" will not be an issue in next year's Management Letter.

Ensure Compliance with Uniform Guidance

In their FY 2021 ML the auditors had recommended that Town "implement enhanced policies and procedures and that all departments be made aware of Uniform Guidance (over federal grants) requirements". That recommendation has still not been implemented.

Audit Committee Recommendation

The Audit Committee has previously taken the position that Uniform Guidance (UG) requirements are not broadly applicable to the Town because Commonwealth of MA grant funding is below the triggering threshold for UG guidelines. If Federal grants are of a triggering size in the future, the Town will need to ensure it is compliant with UG requirements. It should be noted that the School Department has received federal grants exceeding the triggering thresholds and it has implemented the UG requirements.

Town Response

The Town Manager has committed to publishing and implementing the Town's procedural manual on Federal Grants and Procurements in March 2023.

Reconcile Guaranteed Deposits

The auditor states that as of June 30, there are \$666,000 of deposits in the General Ledger without a detailed listings on who provided those deposits.

Audit Committee Recommendation

The Town has been aware of this problem for many years. However, this is the first time it has been cited in the ML. The inattention to resolving this problem is a clear failure to supervise, and responsibility rests with prior Town Administrators.

Town Response

The Town Manager has committed to a reconciliation by the end of FY 2023.

Prepare for Government Accounting Standards Board (GASB) Statements Number 94 and 96

Town Response

The Town is aware and ensures compliance.

3. The Audit Committee received the final versions of the ACFR and ML, including the Town's written response on March 22, 2023. These documents were added to the Audit Committee packet and posted to the Audit Committee web page and distributed to AC members by email. The Committee met on March 27, 2023, to review final versions of the ACFR, the ML, and the Town Management response.
 - Audit Committee believes that the AC's written feedback on the draft ACFR was materially accommodated in the final version of the ACFR.
 - The AC believes it is worth mentioning that the discount rate used to measure pension liabilities for the Town Employees' Pension Plan is 7.15%. The OPEB discount rate on the other hand is 6.41%. This suggests that there is significant uncertainty re the discount rate. If the discount rate were to be reduced, pension liabilities would go up. Based on disclosures in the ACFR, a 1% reduction in the discount rate would cause pension liabilities for Town employees to go from \$46 Million to \$60 Million. (Note: The cost to amortize each \$1 million over 30 years at 6.15% is \$74 thousand per year).
 - Management responses to the ML are incorporated in this "Final Report."
 - **The AC recommends that the audit should be expanded to ensure that Town funds are invested prudently as well as in compliance with Mass laws. Two reasons: 1. The**

SVB failure provides added urgency for looking at the suitability of investments, and
2. We have had significant turnover in the Treasurer position. Per the FY 22 ACFR,
the Town had cash and short terms of \$44 million and Investments of \$10 million.

The Audit Committee voted 5-0 in favor of accepting the final versions of the FY 22 CAFR and
FY 22 ML as presented,

The Audit Committee voted to approve the submission of this Annual Report to the SB.

Approval voted (5-0)

Respectfully submitted,
Wayland Audit Committee