



TOWN OF WAYLAND, MASSACHUSETTS

Comprehensive Annual Financial Report

For the Fiscal Year Ending

June 30, 2019

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TOWN OF WAYLAND, MASSACHUSETTS

**Comprehensive Annual Financial Report
Annual Financial Statements**

For the Year Ended June 30, 2019

**Prepared by:
The Finance Department**

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TOWN OF WAYLAND, MASSACHUSETTS
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION:	
Transmittal Letter	3
Organizational Chart	15
Principal Officials	16
Certificate of Achievement	17
FINANCIAL SECTION:	
INDEPENDENT AUDITORS' REPORT	21
MANAGEMENT'S DISCUSSION AND ANALYSIS	25
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	34
Statement of Activities	36
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	38
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	39
Statement of Revenues, Expenditures, and Changes in Fund Balances	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	41
Statement of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual - General Fund	42

Proprietary Funds:	
Statement of Net Position	43
Statement of Revenues, Expenses, and Changes in Fund Net Position	44
Statement of Cash Flows	45
Fiduciary Funds:	
Statement of Fiduciary Net Position	46
Statement of Changes in Fiduciary Net Position	47
Notes to Financial Statements	48
REQUIRED SUPPLEMENTARY INFORMATION:	
Pension:	
Schedule of Proportionate Share of the Net Pension Liability (GASB 68)	93
Schedule of Pension Contributions (GASB 68)	94
OPEB:	
Schedule of Changes in Net OPEB Liability (GASB 74 and 75)	95
Schedules of Contributions and Investment Returns (GASB 74 and 75)	96
SUPPLEMENTARY STATEMENTS AND SCHEDULES:	
Governmental Funds:	
General Fund Detailed Schedule of Expenditures	99
Combining Financial Statements:	
Combining Balance Sheet - Nonmajor Governmental Funds	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Equity - Nonmajor Governmental Funds	108
Fiduciary Funds:	
Combining Statement of Changes in Assets and Liabilities Agency Fund	112

STATISTICAL SECTION:

Financial Trends

Net Position by Component - Last Ten Fiscal Years	116
Changes in Net Position - Last Ten Fiscal Years	117
Fund Balances, Governmental Funds - Last Ten Fiscal Years	119
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	120

Revenue Capacity

Assessed Value of Taxable Property by Classification – Last Ten Fiscal Years	121
Principal Taxpayers - Current Year and Nine Years Ago	122
Property Tax Levies and Collections - Last Ten Fiscal Years	123

Debt Capacity

Ratios of Outstanding Debt by Debt Type - Last Ten Fiscal Years	124
Legal Debt Margin Information - Last Ten Fiscal Years	125

Demographic and Economic Information

Demographic Statistics - Last Ten Fiscal Years	126
Principal Employers - Current Year and Nine Years Ago	127

Operating Information

Government Employees by Function - Full Time Equivalents - Last Ten Fiscal Years	128
Operating Indicators by Function - Last Ten Fiscal Years	129
Capital Asset Statistics by Function - Last Ten Fiscal Years	130

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**INTRODUCTORY
SECTION**

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LOUISE MILLER
TOWN ADMINISTRATOR

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TOWN OF WAYLAND

41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

BOARD OF SELECTMEN

LEA T. ANDERSON
MARY M. ANTES
CHERRY C. KARLSON
DOUGLAS A. LEVINE
LOUIS M. JURIST

Letter of Transmittal

January 30, 2020

To Members of the Board of Selectmen 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 Comprehensive Annual Financial Report (CAFR) of the Town of Wayland, Massachusetts, for the fiscal year ending June 30, 2019 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, 2019, 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 Heath, 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, 2019, 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, 2019, 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 auditors.

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, Natick and Lincoln. 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 Board of Selectmen. The town is administered by a five-member Board of Selectmen. Each member serves a staggered three-year term. The Wayland Town Administrator serves under the direction of the Board of Selectmen. Board of Selectmen make policy decisions, and the Town Administrator is responsible for carrying out the policies of the Selectmen. 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, Sledge Meadow and Heard Field Conservation. There is approximately 2,709 acres, nearly 27% of total land, that is protected open space in Wayland.

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 continuously maintains the school facilities with capital improvements.

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 notably 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 2010. Annually the Town appropriates capital project funds to maintain and upgrade all town and school buildings.

The new Department of Public Works Facility located a 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 enhances services for town residents and significantly improves the work environment of town employees. The new facility is a 36,500 square foot building and 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 During Fiscal 2019 additional work will be done at the facility.

Long term Financial Planning

The Town continues to manage its financial affairs in a prudent manner as is demonstrated by it Moody's AAA bond rating. In March 2019 the town was given a AAA Bond Rating and the Negative Outlook opinion by Moody's was removed. The next time the town will borrow funds for capital projects is expected to be February 2020. At that time Moody's will review the town's financial position and issue a new opinion. 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 prioritizing spending, use of Free Cash to balance annual budgets and follow municipal best practices. The Finance Committee recommending using no use of Free Cash to balance the Fiscal 2019 or Fiscal 2020 operating budgets. The Town has established Enterprise Funds for the Water Department and Wastewater Department. The town authorizes seven funds, Recreation Revolving, Recreation Fields, School Curriculum, School Professional Development, Council on Aging Revolving, Community Gardens and the Transfer Station as 53E ½ funds.

The Town currently manages \$71.9M in long term and short-term debt. As a benchmark, the Town strives have to limit the total annual debt payments to an amount that is no more the ten percent of the total General Fund Budget. The ratio in Fiscal 2020 is approximately 8.23%. Both the Water Enterprise Fund and Wastewater Enterprise Fund appropriate annual debt in their respective budgets.

The Town's main source of revenue is property taxes 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 2020 is 17.76 State aid continues to increase at a minimal rate and accounts for approximately 7% of the Town's budgeted revenue. It is expected that state aid will increase by approximately \$500,000 Fiscal 2020. Local Receipts continues to grow. Total Local Receipts in Fiscal 2019 was \$5.0M compared to \$5.3M in Fiscal 2018. Surplus Overlay was not used to balance the annual Fiscal 2019 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 advises the Town Treasurer on investments related to Trust Funds. The Town Treasurer invests

the Other Post Employment Benefit funds. In Fiscal 2016 the OPEB funds were transferred from two investment firms to the State-run investment agency PRIT. The Town Treasurer borrows all capital projects funding in February of each year for projects which have been approved by Town Meeting. Odyssey Advisors performs an actuarial report annually for the town. At June 30, 2019 the balance in the OPEB account is \$18.2M.

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.

Annual Budget Process

The Wayland Finance Committee is a seven-member Committee appointed by the Wayland Board of Selectmen. 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.

Risk Management

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, 2019, the balance of unrestricted cash and cash equivalents for all other government funds totaled \$62,625,841 compared to \$62,643,915 in Fiscal 2018.

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.

Cash Management Practices

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 on various investments 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. In July 2018 the town upgraded to MUNIS 11.3 from MUNIS 10.5.

Wayland Town Center Project

After years of debate and review, the Wayland Town Center Project is essentially complete. The Town Center Project has transformed a large vacant commercial office complex with acres of asphalt into a cohesive, vibrant village-like environment. The layout and scale of the Wayland Town Center Project, which was strongly supported by the community during the rezoning process, has been driven by the desire to have "Main Street" scaled development, bordered by wide sidewalks and accessible store fronts, a Public Green, commercial offices and residences, all within walking distance to one another. It continues to be strongly supported and leveraged by the community. The \$140 million project includes 165,000 sf of retail, restaurant and office space, 40,000 sf of municipal space, 42 high-end residential units are now 100% complete along with the cash payment of over \$500,000 towards affordable housing. The Development also includes 12 affordable housing apartments above the store fronts which are occupied, and a two acre Public Green. The Town of Wayland is in negotiations with the previous owner of Town Center to acquire the municipal parcel and additional land. 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 so that the full economic and community potential can be realized for the entire commercial district along Route 20. The Town of Wayland will be working on a Route 20 corridor study to strengthen its future economic development.

Mass Central Rail Trail

The Massachusetts Central Rail Trail is now complete from Wayland Town Center through Weston. We still have a 1-mile stretch remaining to be built from Town Center to the Sudbury Town Line. This long-awaited Mass Central Trail, which passes through our New Town Center Development, when finally completed will be over 104 miles long through 24 communities, making it the longest single rail trail in New England. The Town of Wayland identified funding, by partnering with MassDOT and DCR, to place the final 1-mile section from Town Center to the Sudbury Town Line on the Transportation Improvement Program ("TIP") for Federal Construction costs at \$4,380,000.

River's Edge

The Town of Wayland, on July 31, 2017, signed a Land Disposition Agreement with Wood Partners for the sale and redevelopment of land for the River's Edge Affordable Housing Project. River's Edge will increase Wayland's affordable housing stock by 218 units with a proposed new development at River's Edge, 489-490 Boston Post Road on Route 20 where it crosses the Sudbury River. This will bring the Town of Wayland's Subsidized Affordable Housing Inventory to over 9%. The recent success of the River's Edge development initiative can be traced back to 2010 when the Wayland Master Plan Review Advisory Committee came up with two suggestions that proved to be interconnected. One was to identify more town-owned land that would be suitable for potential affordable housing. The other suggestion was to create an Economic Development Advisory Committee. This latter committee, consisting of volunteer residents with careers in real estate development, seized on the task and quickly identified 8.24 acres of underutilized land: an abandoned septic treatment plant adjacent to the Sudbury River. 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. Based on estimated taxes, the Town will be receiving an additional \$800,000 of new growth per year at the completion of this project as well as a one-time lump sum payment.

The Town of Wayland applied for a Site Readiness Application Grant from Mass Development in the amount of \$500,000 in January of 2020. The purpose of the grant is to reimburse the Town of Wayland for costs associated with the remediation of the site prior to development. Remediation activities include removal of an existing septage treatment facility and removal of contaminated soils generated through the use of the site as a material management facility for the Wayland Department of Public Works. Grant announcements are expected to be made in March of 2020.

What's ahead?

The Town of Wayland will look to MassWorks Infrastructure Grant program again for the possibility of another \$2.5 M for the construction of a pipeline system to connect the 218 –unit River's Edge project with the Town's wastewater system. The original/first Grant provided \$2,400,000 leveraged with Town monies to construct the water main system improvements to support River's Edge on an underutilized property located on Route 20. The water main is currently in the last stages of construction with final restoration of the roadway planned to be completed in the Spring of 2020.

During this year's final approval process of the design and site planning/permitting for River's Edge project it became evident to the Town that the project could be improved through the connection of wastewater discharges to the Town's public treatment system, a system that was upgraded in 2010 for a cost to the Town of over \$4M. The publicly owned treatment plant is located about one half mile to the east of the River's Edge project site and is currently underutilized. There is adequate capacity to manage the wastewater that is projected to be generated from the project. The development is currently proposing to build its own separate facility to provide wastewater treatment and disposal. The cost savings of not building a treatment plant are over \$2.5 M.

The Town of Wayland Grants

Metropolitan Area Planning Council (MAPC) Technical Assistance Grant for \$25,000.

The Town of Wayland is requesting assistance in creating a strategic plan for the revitalization of Old Cochituate Village at the intersection of East/West Plain Street and Main Street (see enclosed study area). The area is adjacent to Town baseball fields and a playground, and nearby to the Wayland Middle School. West Plain and Main are two major thoroughfares of Cochituate village. Surrounding neighborhoods are leafy, tight-knit and walkable. Yet this intersection has struggled over the years to succeed.

In the past decade, we've seen the departure of Finnerty's, an iconic family-owned restaurant, where the building then stood vacant for eight years. It has since been replaced by a CVS and sea of parking; since the neighbors, Town and developer could not agree on what should go there, after several lawsuits and delays it reverted to as-of-right use. On the prominent corner directly across the street from CVS, we now have a gas station that has been vacant for over two years. The outdated retail plaza adjacent to the gas station has dangerous nose-in parking that backs out into traffic. Across the street, another plaza with sufficient parking has difficulty holding long-term tenants aside from a Dunkin' Donuts. The entire district calls out for a master plan.

The Town Planner has initiated a visioning process with several draft concepts (see attached Town Planner concepts). At this juncture, with MAPC's help, we would like to engage with Town residents, boards and staff to create a comprehensive plan, which will be able to spur neighborhood improvements that will allow property owners to have predictability for their

investment, and which residents can support as part of a visioning process that they've had a voice in.

The strategic development sites that the Town hopes to leverage are all properties enclosed in the study area including right of ways. We would like to study buildings that are currently built, which may be underperforming or could be further leveraged to support better and economic development goals. Further, there is likely an opportunity to leverage public facilities toward enabling parking and wastewater infrastructure capacity that would support small business in the immediate redevelopment area. This will also include the creation of an Economic Development Action Plan with implementation steps and key strategies identified.

The Town of Wayland received \$2.4 Million in October of 2017 MassWorks Water Infrastructure Program. The grant is for a unique and innovative housing project that achieves several local and state planning objectives, the redevelopment of all-but-abandoned municipal land into 188 units of affordable and market rate rental housing. The funds will provide portable water for the River's Edge Project and will also include replacing a 100 year water main.

The Town of Wayland received a \$30,000 Grant from the Massachusetts Division of Conservation and Recreation to complete the design and permitting of the Rail Trail Project from Route 20 west to the Sudbury Town Line. The design will also include the repair of the bridge over the Sudbury River by Russell's Garden Center.

Wayland was awarded a \$10.1 million grant from the Massachusetts Board of Library Commissioners to build a new library at 195 Main Street. The preliminary conceptual design called for a two-story facility of 33,390 square feet with a variety of seating options, including comfortable reading areas, a dedicated quiet area for uninterrupted work, and several individual and small-group study rooms for collaboration, tutoring, working; a midsize conference room for community meetings; a large, cheerful children's space; a dedicated space for teens and young adults; a meeting/program room with 100-seat capacity; a technology lab; and a café area. This award was the culmination of over two years of work by the Board of Library Trustees, the Library Planning Committee, and community members—to identify Wayland's current and future library needs, study contemporary library use and design in Massachusetts and elsewhere, and work with architects to determine whether our current library could be expanded and, if not, where the Town could successfully locate a new one. Unfortunately, the grant was contingent on the passage of a Town Meeting appropriation which did not have two thirds 2/3 vote.

New Development

19 and 21 Training Field Road - Conservation Cluster Development. The Development will consist of two pristine 3.8 acres lots served by a common driveway. The development will be completed in the Spring of 2020.

Whittemore Place - The property is a residential subdivision that includes the existing house at 209 Old Connecticut Path and three new house lots that will be served by a new public roadway 470 feet in length from Old Connecticut Path. The property consists of 4.3 acres. This subdivision will be completed in the Spring of 2020.

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

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 traverses 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. The project is in mediation.

Open Space

In April of 2017, the Town of Wayland and the Sudbury Valley Trustees completed the conservation restriction of 208 acres of land for Mainstone Farm.

At Town Meeting in early April 2016, Wayland residents overwhelmingly voted to secure a permanent protection of Mainstone Farm by approving the appropriation of funds to acquire a Conservation Restriction on over 200 acres of the property. Mainstone Farm is the largest remaining piece of undeveloped, unprotected open space in Wayland and one of just a few such properties in the region.

When the Town began setting aside funds for the CPA, one of the primary interests was planning for the preservation of Mainstone Farm. Mainstone Farm is in the heart of Wayland. Many know the property for its scenic vistas of ponds, pasture, woods and cows. The Hamlen Family has owned the property since 1872 and continues to farm the land and manage the woodland. Mainstone Farm is located at 87 Old Connecticut Path and is approximately 208 acres of rolling pastures, wooded hillsides, and rich wetlands and one of the largest remaining pieces of undeveloped and unprotected open space in Wayland and the Boston region. The

proposed preservation is in the form of a conservation restriction (CR) and will only happen as a result of the Town partnering with the Sudbury Valley Trustees (SVT) for financial considerations and with the owners of the property.

In 2011, Town Meeting commissioned a \$40,000 land use study and appraisal to evaluate potential residential development alternatives at Mainstone. At that time, the highest value use was for 128 housing units of which 18 would be conventional lots and 110 would be cluster development lots. Most of the property, except the wetlands in the southwest corner, would be covered with neighborhood roads and house lots. When the study was conducted in 2011, the residential real estate market had not recovered and the CR was assessed to be worth \$10.6 million. As a result, the owners did not move forward with the sale of the CR interest in the property and continued their discussions with the Town.

In July 2015, using CPA administrative funds, the CPC commissioned a \$5,000 study to provide an updated appraisal for a CR. The new appraisal was for \$17 million and was based on the same configuration less three (3) conventional lots (125 lots of which 110 could be cluster development and 15 could be conventional lots). As a result, the owners agreed to sell for \$15 million. The agreement specifies that the farmland would remain in private ownership and the CR would provide for allowed and prohibited uses in perpetuity. The CR allows for farming to continue and calls for the preservation of open space. The CR on the farmland would be held jointly by the Town and SVT and would be managed through an agreement between the Conservation Commission and SVT. Annual meetings would be used to guide the process, including the enforcement of maintenance standards and a trail system open to the general public.

In April of 2017 the town and the Sudbury Valley Trustees completed the conservation of Mainstone Farm. Mainstone Farm is now protected through a conservation restriction that permanently protects 208 acres. The CPC advanced a plan, raising \$12 million from the Town, and \$3 Million from SVT. Since the adoption of the CPA and as reported in the 1995

Open Space Plan, Mainstone Farm was always identified as a major parcel that must be protected. The town through the years preserved funds for this purchase. Mainstone Farm is notable for its rolling hills and fields currently used for agriculture and pasturing of livestock. Public trails through the woods on the 208 acre property connect to other public trails on nearby conservation land.

Acknowledgements

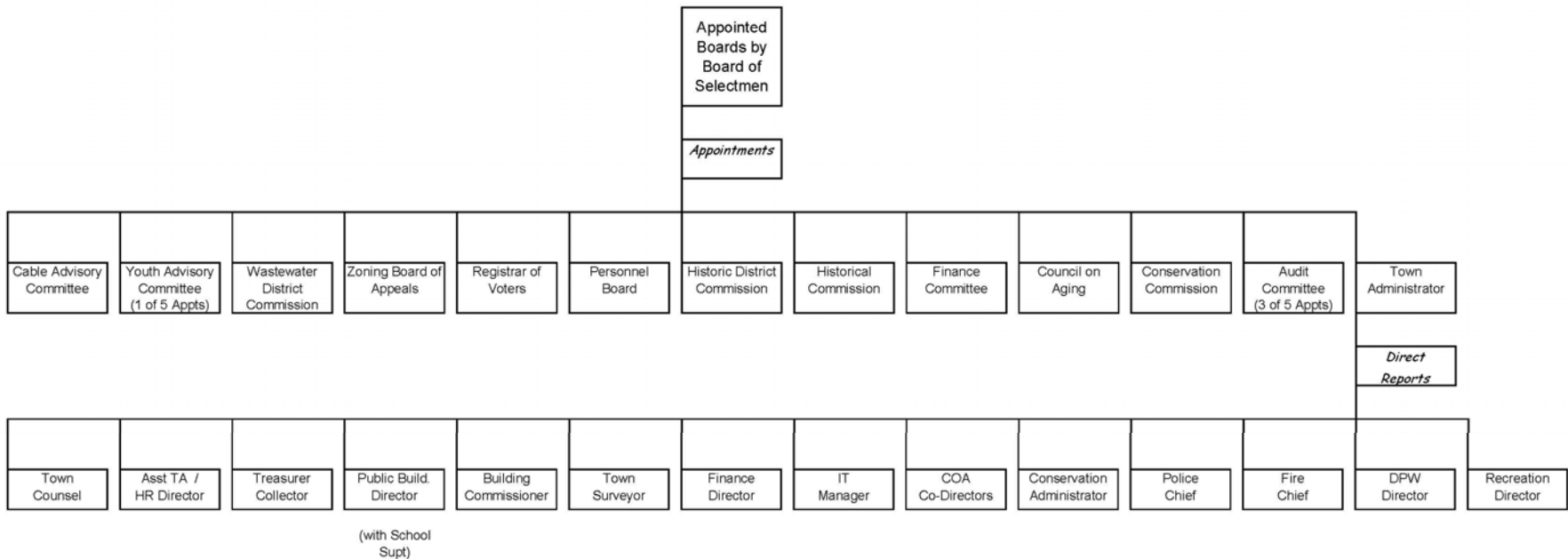
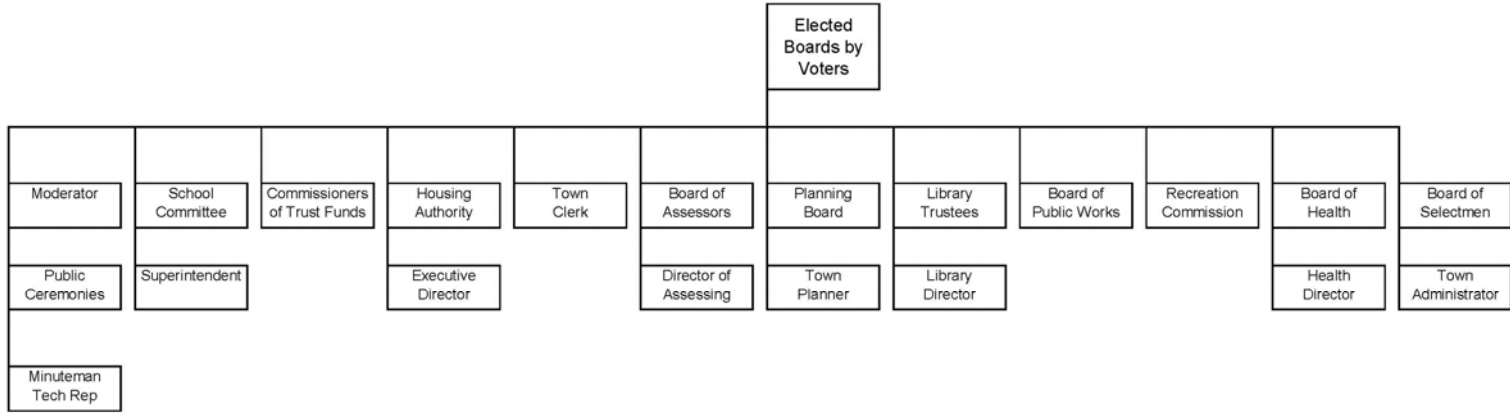
This report represents the collective efforts of town management, Wayland Board of Selectmen, Wayland Planning Board, Wayland Audit Committee, Wayland Finance Committee, Wayland Town Planner and the citizens of Wayland. The publication of the Comprehensive Annual Financial Report represents an important 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 Heath 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



Principle Town Officials			
Title	Name	Selection / Team	Term Expires
Selectwoman	Cherry Karlson	Elected / 3 Years	2021
Selectwoman	Mary Antes	Elected / 3 Years	2020
Selectman	Douglas A Levine	Elected / 3 Years	2020
Selectwoman	Lea Anderson	Elected / 3 Years	2021
Selectman	Tom Fey	Elected / 3 Years	2021
Town Administrator	Louise Miller	Appointed / 3 Years	2021
School Committee	Ellen Grieco	Elected / 3 Years	2021
School Committee	Nate Buffum	Elected / 3 Years	2020
School Committee	Jeanne Downs	Elected / 3 Years	2021
School Committee	Kathie Steinberg	Elected / 3 Years	2020
School Committee	Kim Reichelt	Elected / 3 Years	2021
School Superintendent	Arthur Unobskey	Appointed / 3 Years	2020



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Wayland
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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**FINANCIAL
SECTION**

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INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen
Town of Wayland, Massachusetts

Additional Offices:

Nashua, NH
Manchester, NH
Greenfield, MA
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Wayland, Massachusetts as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, 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.

Other 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 supplementary statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2020 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.

Melanson Heath

January 30, 2020

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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, 2019.

A. 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 comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of 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/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.

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 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. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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.

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets and deferred outflows exceeded liabilities and deferred inflows by \$49,241,870 (i.e., net position), a change of \$(466,128) in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$31,560,096, a change of \$(3,234,963) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,882,925 a change of \$891,234 in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

SUMMARY OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 38,945	\$ 39,842	\$ 9,581	\$ 10,285	\$ 48,526	\$ 50,127
Capital assets	<u>145,234</u>	<u>146,459</u>	<u>22,033</u>	<u>22,129</u>	<u>167,267</u>	<u>168,588</u>
Total assets	184,179	186,301	31,614	32,414	215,793	218,715
Deferred outflows of resources	<u>9,193</u>	<u>5,475</u>	<u>266</u>	<u>186</u>	<u>9,459</u>	<u>5,661</u>
Total assets and deferred outflows of resources	<u>\$ 193,372</u>	<u>\$ 191,776</u>	<u>\$ 31,880</u>	<u>\$ 32,600</u>	<u>\$ 225,252</u>	<u>\$ 224,376</u>
Long-term liabilities outstanding	\$ 148,954	\$ 148,281	\$ 15,499	\$ 16,439	\$ 164,453	\$ 164,720
Other liabilities	<u>6,496</u>	<u>4,290</u>	<u>719</u>	<u>512</u>	<u>7,215</u>	<u>4,802</u>
Total liabilities	155,450	152,571	16,218	16,951	171,668	169,522
Deferred inflows of resources	4,244	4,983	98	163	4,342	5,146
Net position:						
Net investment in capital assets	84,706	83,264	9,841	8,991	94,547	92,255
Restricted	3,927	13,338	-	-	3,927	13,338
Unrestricted	<u>(54,955)</u>	<u>(62,380)</u>	<u>5,723</u>	<u>6,495</u>	<u>(49,232)</u>	<u>(55,885)</u>
Total net position	<u>33,678</u>	<u>34,222</u>	<u>15,564</u>	<u>15,486</u>	<u>49,242</u>	<u>49,708</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 193,372</u>	<u>\$ 191,776</u>	<u>\$ 31,880</u>	<u>\$ 32,600</u>	<u>\$ 225,252</u>	<u>\$ 224,376</u>

CHANGES IN NET POSITION

	Governmental <u>Activities</u>		Business-Type <u>Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues						
Charges for services	\$ 9,239	\$ 9,751	\$ 4,135	\$ 3,993	\$ 13,374	\$ 13,744
Operating grants and contributions	17,705	15,487	-	-	17,705	15,487
Capital grants and contributions	566	339	-	-	566	339
General revenues:						
Property taxes	70,102	66,112	-	-	70,102	66,112
Excises	2,807	2,780	-	-	2,807	2,780
Grants and contributions not restricted to specific programs	1,796	1,324	6	11	1,802	1,335
Investment income	978	438	68	14	1,046	452
Other	560	459	28	77	588	536
<u>Total revenues</u>	<u>103,753</u>	<u>96,690</u>	<u>4,237</u>	<u>4,095</u>	<u>107,990</u>	<u>100,785</u>
Expenses:						
General government	8,581	5,421	-	-	8,581	5,421
Public safety	8,515	8,029	-	-	8,515	8,029
Education	60,817	59,000	-	-	60,817	59,000
Public works	5,525	4,199	-	-	5,525	4,199
Health and human services	1,833	1,661	-	-	1,833	1,661
Culture and recreation	3,088	2,974	-	-	3,088	2,974
Intergovernmental	235	198	-	-	235	198
Employee benefits	13,509	12,672	-	-	13,509	12,672
Interest on long-term debt	2,413	2,555	-	-	2,413	2,555
Water	-	-	3,315	3,482	3,315	3,482
Sewer	-	-	625	583	625	583
<u>Total expenses</u>	<u>104,516</u>	<u>96,709</u>	<u>3,940</u>	<u>4,065</u>	<u>108,456</u>	<u>100,774</u>
Change in net position before transfers	(763)	(19)	297	30	(466)	11
Transfers in (out)	219	(50)	(219)	50	-	-
Change in net position	(544)	(69)	78	80	(466)	11
Net position - beginning of year	34,222	34,291	15,486	15,406	49,708	49,697
Net position - end of year	<u>\$ 33,678</u>	<u>\$ 34,222</u>	<u>\$ 15,564</u>	<u>\$ 15,486</u>	<u>\$ 49,242</u>	<u>\$ 49,708</u>

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

The largest portion of net position \$94,546,907 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); 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 \$3,926,813 represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position has a negative balance of \$(49,231,850) for fiscal year 2019. 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 a change in net position of \$(543,895). This change is primarily driven by the Town’s practice of funding capital activity through their operating budget offset by effect of GASB 68 and 75 entries. A brief summary is presented below:

General fund funding of capital activity	\$ 2,275,437
Increase in net pension liability, net of deferrals	(1,649,182)
Increase in net OPEB liability, net of deferrals	(75,096)
Repairs and maintenance funded by transfer noted above	(814,072)
Other	<u>(280,982)</u>
Total	<u><u>\$ (543,895)</u></u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$77,767. The positive results of water operations are mainly attributable to debt service principal (amount raised in rates) exceeding depreciation expense (not raised in the rates). The unfavorable results of operations in the wastewater fund are attributable to the fund contributing resources to capital projects.

D. 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 a 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 expenditures. Refer to the table below.

<u>General Fund</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	Balance % of Total General Fund Revenue ⁽¹⁾ <u>June 30, 2019</u>
Restricted	\$ 720,053	\$ 884,394	\$ (164,341)	0.9%
Committed	1,489,367	1,596,720	(107,353)	1.9%
Assigned	737,642	1,400,531	(662,889)	0.9%
Unassigned	<u>12,882,925</u>	<u>11,991,691</u>	<u>891,234</u>	<u>16.1%</u>
Total fund balance	\$ <u>15,829,987</u>	\$ <u>15,873,336</u>	\$ <u>(43,349)</u>	<u>19.8%</u>

⁽¹⁾ Revenues exclude the on-behalf payment of Teachers Retirement provided by the Commonwealth.

In the unassigned fund balance amounts above, stabilization balance of \$3,656,100 is included at June 30, 2019 and \$3,305,214 at June 30, 2018.

The total fund balance of the general fund changed by \$(43,349) during the current fiscal year, demonstrating break-even operations after transfer of \$2.3 million to capital projects funds.

The Town's unassigned fund balance of the general fund increased by \$891,234 during the current fiscal year. Key factors in this change are as follows:

Unassigned fund balance June 30, 2018	\$ 11,991,691
Positive results of operations in fiscal year 2019:	
Revenues	376,956
Expenditures	1,154,274
Transfers in	122,821
Other adjustments:	
Stabilization investment income	350,886
Unspent prior year carryforwards	580,754
Use of free cash for fiscal year 2020 capital	(1,489,367)
Other	<u>(205,090)</u>
Unassigned fund balance June 30, 2019	\$ <u>12,882,925</u>

Major fund. State legislation allows Community Preservation Act (CPA) fund's property taxes and state matching funds to finance projects such as preservation of historical buildings, and certain applicable debit service costs. The majority of fiscal 2019 CPA fund expenditures relate to High School field renovations funded by article 18 of the May 2018 meeting.

Nonmajor governmental funds. The change in fund balance of \$(3,860,924) in nonmajor governmental funds results primarily from current year capital expenditures financed with either bond anticipation notes or bond issuances from the prior year.

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 enterprise funds at the end of the year amounted to \$5,723,168, a change of \$(1,011,464) in comparison with the prior year. This is partly attributable to using retained earnings to support capital projects and the wastewater fund's contribution to a capital project. Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Revenues:

The Town has collected approximately 99% of Property Tax-net of overlay, Local Receipts, Transfers from Other Fund and State Aid budgeted revenue. Taxation revenue was \$68.2M or 99% of budget. The Local Receipts category achieved 103% of budget or \$5.01M. Motor Vehicle Excise collections were less than prior year in the amount of \$68,810. License and Permit collections were less than budget and prior year in the amount of \$205,663. Investment Income exceeded budget by \$349,546. State Aid receipts amount to \$5.6M or 99% of budget. The town received the last state payment in July and as a result a revenue accrual was recorded.

Strong collections were achieved in the unbudgeted revenue category. Specifically, the collections of Deferred Tax and Tax Title revenue was \$641,930 compared to \$693,884 last fiscal year. The total unbudgeted collection amount was \$764,751 compared to \$773,100 last fiscal year.

General Fund Expenditures:

Town Departments expended and encumbered \$17,214,423 or 96% of budget. The School Department expended and encumbered \$40,504,770 or 99% of budget. The Unclassified category expended and encumbered \$21,009,679 or 99% of budget. The total combined turn back net of overlay amounts to \$1,734,028 compared to \$914,541 last fiscal year. The Fiscal 2019 rollover amount is \$737,630 compared to \$1,396,381 than last year. The largest departmental turnback amounts were experienced in Information Technology, Public Works, Insurance 32B and Public Safety. State Assessment charges were greater than budget by \$11,779. The Health Insurance turn back was \$179,460. The Finance Committee transferred \$228,000 compared to \$232,175 last fiscal year. In Fiscal 2019 the General Fund supported \$100,000 in Transfer Station expenditures via a Finance Committee transfer.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$167,267,349 (net of accumulated depreciation), a change of \$(1,320,873) from the prior year. This investment in capital assets includes land, conservation easements, buildings and improvements, infrastructure, machinery and equipment.

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

- New DPW building \$10,928,110
- ESCO Energy upgrade \$2,642,528
- Water pump station upgrade \$1,298,295

Additional information on capital assets can be found in the Notes to the Financial Statements, Note 9.

Credit rating. During the fiscal year, the Moody Investor Services affirmed the Town's AAA rating, with stable outlook.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$71,460,000, all of which was backed by the full faith and credit of the government. Including loans payable and unamortized bond premiums, the total bonds and loans payable at June 30, 2019 was \$74,762,922. 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, 2019

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Current:				
Cash and short-term investments	\$ 22,292,739	\$ 6,389,452	\$ 28,682,191	\$ 128,662
Investments	14,497,476	-	14,497,476	809,493
Receivables, net of allowance for uncollectibles:				
Property taxes	422,354	-	422,354	-
Excises	134,697	-	134,697	-
User fees	-	516,873	516,873	-
Betterments	-	220,702	220,702	-
Assessments	20,639	-	20,639	-
Intergovernmental	448,556	-	448,556	889
Departmental	187,210	-	187,210	15
Total current assets	38,003,671	7,127,027	45,130,698	939,059
Noncurrent:				
Property taxes	940,421	-	940,421	-
Betterments	-	2,453,546	2,453,546	-
Capital assets:				
Nondepreciable capital assets	27,978,812	2,107,603	30,086,415	458,279
Intangible capital assets	14,400,000	-	14,400,000	-
Other capital assets, net of accumulated depreciation	102,855,652	19,925,282	122,780,934	-
Total noncurrent assets	146,174,885	24,486,431	170,661,316	458,279
TOTAL ASSETS	184,178,556	31,613,458	215,792,014	1,397,338
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	6,494,290	244,623	6,738,913	-
Related to OPEB	2,698,289	21,483	2,719,772	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,192,579	266,106	9,458,685	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 193,371,135	\$ 31,879,564	\$ 225,250,699	\$ 1,397,338

(continued)

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

STATEMENT OF NET POSITION

JUNE 30, 2019

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
LIABILITIES				
Current:				
Accounts payable	\$ 2,623,710	\$ 178,919	\$ 2,802,629	\$ 4,174
Accrued interest	858,113	169,601	1,027,714	-
Accrued payroll and withholdings	940,880	13,337	954,217	-
Guaranteed deposits payable	766,709	-	766,709	-
Unearned revenue	567,807	-	567,807	-
Notes payable	738,909	356,930	1,095,839	-
Other liabilities	42,059	-	42,059	-
Current portion of long-term liabilities:				
Bonds and loans payable	4,884,381	1,253,847	6,138,228	-
Other liabilities	274,260	40,769	315,029	-
Total current liabilities	11,696,828	2,013,403	13,710,231	4,174
Noncurrent:				
Long-term liabilities:				
Bonds and loans payable, net of current portion	56,800,347	11,824,347	68,624,694	-
Net pension liability	57,076,037	2,149,910	59,225,947	-
Net OPEB liability	28,843,681	229,643	29,073,324	-
Other liabilities, net of current portion	1,032,779	-	1,032,779	-
Total noncurrent liabilities	143,752,844	14,203,900	157,956,744	-
TOTAL LIABILITIES	155,449,672	16,217,303	171,666,975	4,174
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	2,165,054	81,552	2,246,606	-
Related to OPEB	2,078,698	16,550	2,095,248	-
TOTAL DEFERRED INFLOWS OF RESOURCES	4,243,752	98,102	4,341,854	-
NET POSITION				
Net investment in capital assets	84,705,916	9,840,991	94,546,907	458,279
Restricted for:				
Grants and by enabling legislation	-	-	-	934,885
Permanent fund:				
Nonspendable	1,333,609	-	1,333,609	-
Expendable	2,593,204	-	2,593,204	-
Unrestricted	(54,955,018)	5,723,168	(49,231,850)	-
TOTAL NET POSITION	33,677,711	15,564,159	49,241,870	1,393,164
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 193,371,135	\$ 31,879,564	\$ 225,250,699	\$ 1,397,338

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

TOWN OF WAYLAND, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General government	\$ 8,580,339	\$ 731,911	\$ 1,335,214	\$ 14,449	\$ (6,498,765)
Public safety	8,514,928	1,565,787	163,083	-	(6,786,058)
Education	60,816,612	5,534,028	16,130,882	551,206	(38,600,496)
Public works	5,524,779	361,837	8,855	-	(5,154,087)
Health and human services	1,832,811	206,499	36,612	-	(1,589,700)
Culture and recreation	3,087,857	838,462	29,937	-	(2,219,458)
Intergovernmental	235,132	-	-	-	(235,132)
Employee benefits	13,509,174	-	-	-	(13,509,174)
Interest	2,412,708	-	-	-	(2,412,708)
Total Governmental Activities	104,514,340	9,238,524	17,704,583	565,655	(77,005,578)
Business-Type Activities:					
Water services	3,314,776	3,616,603	-	-	301,827
Wastewater services	625,009	518,201	-	-	(106,808)
Total Business-Type Activities	3,939,785	4,134,804	-	-	195,019
Total primary government	\$ <u>108,454,125</u>	\$ <u>13,373,328</u>	\$ <u>17,704,583</u>	\$ <u>565,655</u>	\$ <u>(76,810,559)</u>
Total component unit	\$ <u>17,624</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>104,375</u>	\$ <u>86,751</u>

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

(continued)	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>	Discretely Presented Component <u>Unit</u>
Change in Net Position:				
Net (expenses) revenue from previous page	\$ (77,005,578)	\$ 195,019	\$ (76,810,559)	\$ 86,751
General Revenue:				
Property taxes	70,101,630	-	70,101,630	-
Excise taxes	2,806,721	-	2,806,721	-
Grants and contributions not restricted to specific programs	1,796,082	6,127	1,802,209	-
Investment income	977,769	67,973	1,045,742	13,269
Other	560,481	27,648	588,129	-
Transfers	<u>219,000</u>	<u>(219,000)</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>76,461,683</u>	<u>(117,252)</u>	<u>76,344,431</u>	<u>13,269</u>
Change in Net Position	(543,895)	77,767	(466,128)	100,020
Net Position:				
Beginning of year, as restated	<u>34,221,606</u>	<u>15,486,392</u>	<u>49,707,998</u>	<u>1,293,144</u>
End of year	<u>\$ 33,677,711</u>	<u>\$ 15,564,159</u>	<u>\$ 49,241,870</u>	<u>\$ 1,393,164</u>

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

TOWN OF WAYLAND, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2019

	<u>General</u> <u>Fund</u>	<u>Community</u> <u>Preservation</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS				
Cash and short-term investments	\$ 7,448,459	\$ 2,919,809	\$ 11,924,471	\$ 22,292,739
Investments	10,572,063	-	3,925,413	14,497,476
Receivables:				
Property taxes	1,630,003	5,173	-	1,635,176
Excises	222,797	-	-	222,797
Assessments	13,639	-	7,000	20,639
Intergovernmental	448,556	-	-	448,556
Departmental	1,378	-	234,332	235,710
	<u>20,336,895</u>	<u>2,924,982</u>	<u>16,091,216</u>	<u>39,353,093</u>
TOTAL ASSETS	\$ 20,336,895	\$ 2,924,982	\$ 16,091,216	\$ 39,353,093
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 910,492	\$ 44,628	\$ 1,668,591	\$ 2,623,711
Unearned revenue	-	-	567,807	567,807
Accrued payroll and withholdings	919,831	-	21,049	940,880
Guaranteed deposits payable	766,709	-	-	766,709
Notes payable	-	-	738,909	738,909
Other liabilities	42,059	-	-	42,059
	<u>2,639,091</u>	<u>44,628</u>	<u>2,996,356</u>	<u>5,680,075</u>
TOTAL LIABILITIES	2,639,091	44,628	2,996,356	5,680,075
Deferred Inflows of Resources:				
Unavailable revenues	1,867,817	5,173	239,932	2,112,922
Fund Balances:				
Nonspendable	-	-	1,333,609	1,333,609
Restricted	720,053	2,875,181	10,004,944	13,600,178
Committed	1,489,367	-	2,853,629	4,342,996
Assigned	737,642	-	-	737,642
Unassigned	12,882,925	-	(1,337,254)	11,545,671
	<u>15,829,987</u>	<u>2,875,181</u>	<u>12,854,928</u>	<u>31,560,096</u>
TOTAL FUND BALANCES	15,829,987	2,875,181	12,854,928	31,560,096
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 20,336,895	\$ 2,924,982	\$ 16,091,216	\$ 39,353,093

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, 2019

Total governmental fund balances	\$	31,560,096
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		145,234,464
Revenues are reported on the accrual basis of accounting and are not deferred until collection.		1,703,922
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.		(858,113)
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 the governmental funds.		
Bonds and loans payable		(58,695,845)
Unamortized debt premium		(2,988,883)
Landfill liability		(250,000)
Net pension liability		(57,076,037)
Pension related deferred outflows of resources		6,494,290
Pension related deferred inflows of resources		(2,165,054)
Net OPEB liability		(28,843,681)
OPEB related deferred outflows of resources		2,698,289
OPEB related deferred inflows of resources		(2,078,698)
Compensated absences liability		(1,057,039)
Net position of governmental activities	\$	<u><u>33,677,711</u></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, 2019

	<u>General Fund</u>	<u>Community Preservation Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 69,059,643	\$ 880,293	\$ -	\$ 69,939,936
Excise taxes	2,814,811	-	-	2,814,811
Licenses and permits	555,647	-	-	555,647
Intergovernmental	10,922,122	156,968	4,853,557	15,932,647
Charges for services	308,728	-	8,467,373	8,776,101
Investment income	784,700	10,355	182,718	977,773
Fines and forfeitures	30,991	-	-	30,991
Contributions	-	-	35,667	35,667
Other	<u>263,259</u>	<u>-</u>	<u>-</u>	<u>263,259</u>
Total Revenues*	84,739,901	1,047,616	13,539,315	99,326,832
Expenditures:				
Current:				
General government	4,474,457	889,512	1,496,969	6,860,938
Public safety	6,705,023	-	604,218	7,309,241
Education	45,657,470	-	7,311,453	52,968,923
Public works	2,748,573	-	310,567	3,059,140
Health and human services	1,389,279	104,375	112,647	1,606,301
Culture and recreation	2,074,846	-	718,463	2,793,309
Employee benefits	13,509,174	-	-	13,509,174
Intergovernmental	235,132	-	-	235,132
Debt service:				
Principal	4,979,400	140,000	16,259	5,135,659
Interest	2,239,534	234,081	-	2,473,615
Capital outlay	<u>-</u>	<u>-</u>	<u>6,829,363</u>	<u>6,829,363</u>
Total Expenditures*	<u>84,012,888</u>	<u>1,367,968</u>	<u>17,399,939</u>	<u>102,780,795</u>
Excess (deficiency) of revenues over expenditures	727,013	(320,352)	(3,860,624)	(3,453,963)
Other Financing Sources (Uses):				
Transfers in	1,505,075	-	2,759,506	4,264,581
Transfers out	<u>(2,275,437)</u>	<u>-</u>	<u>(1,770,144)</u>	<u>(4,045,581)</u>
Total Other Financing Sources (Uses)	<u>(770,362)</u>	<u>-</u>	<u>989,362</u>	<u>219,000</u>
Net change in fund balances	(43,349)	(320,352)	(2,871,262)	(3,234,963)
Fund Balances, at Beginning of Year, as reclassified	<u>15,873,336</u>	<u>3,195,533</u>	<u>15,726,190</u>	<u>34,795,059</u>
Fund Balances, at End of Year	<u>\$ 15,829,987</u>	<u>\$ 2,875,181</u>	<u>\$ 12,854,928</u>	<u>\$ 31,560,096</u>

*Intergovernmental revenues and education expenditures include \$5 million in on behalf payment from the Commonwealth to the Massachusetts Teachers Retirement System.

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, 2019

Net changes in fund balances - total governmental funds \$ (3,234,963)

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

Capital outlay purchases, net of disposals	4,365,308
Depreciation	(5,589,830)

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. 29,383

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:

Repayments of debt	5,135,659
Bond premium amortization	297,222

In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 60,908

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

Change in net pension liability	(5,223,487)
Change in pension-related deferred outflows	1,262,315
Change in pension-related deferred inflows	2,311,990
Change in net OPEB liability	(1,200,198)
Change in OPEB-related deferred outflows	2,698,289
Change in OPEB-related deferred inflows	(1,573,187)
Change in compensated absences	106,696
Change in landfill liability	<u>10,000</u>

Change in net position of governmental activities \$ (543,895)

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

TOWN OF WAYLAND, MASSACHUSETTS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND OTHER
FINANCING SOURCES AND USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Revenues				
Property taxes	\$ 68,936,097	\$ 68,936,097	\$ 68,920,267	\$ (15,830)
Abatements	(266,250)	(266,250)	-	266,250
Intergovernmental	5,700,275	5,700,275	5,676,964	(23,311)
Motor vehicle & other excise tax	2,921,596	2,921,596	3,044,900	123,304
Penalties & interest	325,000	325,000	230,276	(94,724)
In-lieu payments	40,000	40,000	68,540	28,540
Departmental fees & charges	650,000	650,000	631,423	(18,577)
Licenses & permits	790,000	790,000	555,646	(234,354)
Special assessments	-	-	5,154	5,154
Fines & forfeitures	43,000	43,000	39,362	(3,638)
Investment income	125,000	125,000	474,546	349,546
Other	5,404	5,404	-	(5,404)
Total Revenues	79,270,122	79,270,122	79,647,078	376,956
Expenditures				
General government	4,598,681	4,536,266	4,286,544	249,722
Public safety	6,933,595	6,911,810	6,709,295	202,515
Education	40,524,035	40,524,035	40,504,770	19,265
Vocational education	199,452	199,452	181,716	17,736
Public works	3,628,366	3,803,366	3,557,520	245,846
Health & human services	1,474,643	1,474,643	1,391,733	82,910
Culture & recreation	1,316,952	1,316,952	1,269,331	47,621
State & county assessments	223,333	223,333	235,132	(11,799)
Debt service	7,201,386	7,259,557	7,218,934	40,623
Pension	4,648,984	4,648,984	4,648,984	-
OPEB	492,819	492,819	492,819	-
Unclassified	9,368,851	9,219,880	8,960,045	259,835
Total Expenditures	80,611,097	80,611,097	79,456,823	1,154,274
Excess (deficiency) of revenues over expenditures	(1,340,975)	(1,340,975)	190,255	1,531,230
Other Financing Sources (Uses)				
Use of free cash for capital	1,596,720	1,596,720	-	(1,596,720)
Use of bond premium	80,220	80,220	-	(80,220)
Transfers from other funds	1,860,755	1,860,755	1,983,576	122,821
Transfers to other funds	(2,196,720)	(2,196,720)	(2,196,720)	-
Total Other Financing Sources(Uses)	1,340,975	1,340,975	(213,144)	(1,554,119)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ (22,889)	\$ (22,889)

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

TOWN OF WAYLAND, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2019

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
ASSETS AND DEFERRED			
OUTFLOWS OF RESOURCES			
ASSETS			
Current:			
Cash and short-term investments	\$ 5,012,990	\$ 1,376,462	\$ 6,389,452
User fees receivable	437,314	79,559	516,873
Betterments receivable	-	220,702	220,702
Total current assets	5,450,304	1,676,723	7,127,027
Noncurrent:			
Betterments receivable, net of allowance	-	2,453,546	2,453,546
Capital assets:			
Nondepreciable capital assets	2,107,603	-	2,107,603
Other capital assets, net of accumulated depreciation	15,325,263	4,600,019	19,925,282
Total noncurrent assets	17,432,866	7,053,565	24,486,431
TOTAL ASSETS	22,883,170	8,730,288	31,613,458
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	235,295	9,328	244,623
Related to OPEB	21,483	-	21,483
TOTAL DEFERRED OUTFLOWS OF RESOURCES	256,778	9,328	266,106
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 23,139,948	\$ 8,739,616	\$ 31,879,564
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
LIABILITIES			
Current:			
Accounts payable	\$ 168,479	\$ 10,440	\$ 178,919
Accrued interest	104,315	65,286	169,601
Accrued payroll	12,942	395	13,337
Notes payable	356,930	-	356,930
Current portion of long-term liabilities:			
Bonds and loans payable	945,600	308,247	1,253,847
Compensated absences	40,769	-	40,769
Total current liabilities	1,629,035	384,368	2,013,403
Noncurrent:			
Bonds and loans payable, net of current portion	8,256,100	3,568,247	11,824,347
Net pension liability	2,067,926	81,984	2,149,910
Net OPEB liability	229,643	-	229,643
Total noncurrent liabilities	10,553,669	3,650,231	14,203,900
TOTAL LIABILITIES	12,182,704	4,034,599	16,217,303
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	78,442	3,110	81,552
Related to OPEB	16,550	-	16,550
TOTAL DEFERRED INFLOWS OF RESOURCES	94,992	3,110	98,102
NET POSITION			
Net investment in capital assets	9,117,466	723,525	9,840,991
Unrestricted	1,744,786	3,978,382	5,723,168
TOTAL NET POSITION	10,862,252	4,701,907	15,564,159
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 23,139,948	\$ 8,739,616	\$ 31,879,564

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

TOWN OF WAYLAND, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Operating Revenues:			
Charges for services	\$ 3,616,603	\$ 336,935	\$ 3,953,538
Betterments	-	181,266	181,266
Total Operating Revenues	3,616,603	518,201	4,134,804
Operating Expenses:			
Personnel services	1,309,635	126,294	1,435,929
Nonpersonnel	1,070,913	186,197	1,257,110
Depreciation	580,367	151,535	731,902
Total Operating Expenses	2,960,915	464,026	3,424,941
Operating Income	655,688	54,175	709,863
Nonoperating Revenues (Expenses):			
Investment income	56,829	11,144	67,973
Intergovernmental revenue	-	6,127	6,127
Interest expense	(353,861)	(160,983)	(514,844)
Miscellaneous revenue	21,500	6,148	27,648
Total Nonoperating Expenses, Net	(275,532)	(137,564)	(413,096)
Income (Loss) Before Transfers	380,156	(83,389)	296,767
Transfers out	-	(219,000)	(219,000)
Change in Net Position	380,156	(302,389)	77,767
Net Position at Beginning of Year	10,482,096	5,004,296	15,486,392
Net Position at End of Year	\$ 10,862,252	\$ 4,701,907	\$ 15,564,159

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, 2019

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<u>Cash Flows From Operating Activities:</u>			
Receipts from customers and users	\$ 3,659,667	\$ 680,414	\$ 4,340,081
Payments of employee salaries, benefits, and related expenses	(1,136,003)	(124,629)	(1,260,632)
Payments to vendors	(1,222,438)	(182,173)	(1,404,611)
Other miscellaneous revenue	-	6,150	6,150
Net Cash Provided By Operating Activities	1,301,226	379,762	1,680,988
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	(635,550)	-	(635,550)
Draw down on note payable	356,930	-	356,930
Principal payments on bonds	(945,600)	(292,119)	(1,237,719)
Interest expense	(347,057)	(165,987)	(513,044)
Transfer contribution to capital project fund	-	(219,000)	(219,000)
Net Cash (Used For) Capital and Related Financing Activities	(1,571,277)	(677,106)	(2,248,383)
<u>Cash Flows From Investing Activities:</u>			
Investment income	56,829	11,144	67,973
Net Cash Provided By Investing Activities	56,829	11,144	67,973
Net Change in Cash and Short-Term Investments	(213,222)	(286,200)	(499,422)
Cash and Short-Term Investments, Beginning of Year	5,226,212	1,662,662	6,888,874
Cash and Short-Term Investments, End of Year	\$ 5,012,990	\$ 1,376,462	\$ 6,389,452
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating income	\$ 655,688	\$ 54,175	\$ 709,863
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	580,367	151,535	731,902
Other miscellaneous revenue	-	6,150	6,150
Changes in assets, liabilities, and deferred outflows/inflows:			
User fees receivables	43,065	162,213	205,278
Deferred outflows - related to pensions	(78,184)	(1,754)	(79,938)
Accounts payable	(151,526)	4,024	(147,502)
Accrued payroll	(4,157)	(133)	(4,290)
Compensated absences	14,740	-	14,740
Net pension liability	297,931	6,923	304,854
Net OPEB liability	5,288	-	5,288
Deferred inflows	(61,986)	(3,371)	(65,357)
Net Cash Provided By Operating Activities	\$ 1,301,226	\$ 379,762	\$ 1,680,988

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

TOWN OF WAYLAND, MASSACHUSETTS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2019

	Other Post- Employment Benefits <u>Trust Fund</u>	Agency <u>Fund</u>
ASSETS		
Cash and short-term investments	\$ -	\$ 303,339
Investments:		
External investment pool	<u>18,203,791</u>	<u>-</u>
Total Assets	<u>\$ 18,203,791</u>	<u>\$ 303,339</u>
LIABILITIES AND NET POSITION		
Accounts payable	\$ -	\$ 44,684
Other liabilities	<u>-</u>	<u>258,655</u>
Total Liabilities	<u>-</u>	<u>\$ 303,339</u>
NET POSITION		
Net position restricted for OPEB	<u>18,203,791</u>	
Total Liabilities and Net Position	<u>\$ 18,203,791</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, 2019

	<u>Other Post- Employment Benefits Trust Fund</u>
Additions:	
Employer contributions	\$ 3,066,376
Investment income	<u>968,586</u>
Total additions	4,034,962
Deductions:	
Benefit payments	<u>2,519,842</u>
Total deductions	<u>2,519,842</u>
Change in net position	1,515,120
Net position restricted for OPEB:	
Beginning of year	<u>16,688,671</u>
End of year	\$ <u><u>18,203,791</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 generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The Town is a municipal corporation governed by an elected Board of Selectmen. As required by generally accepted accounting principles, these financial statements present the Town and applicable component units for which the Town is considered to be financially accountable. In fiscal year 2019, the following entity met the required GASB 14 (as amended) criteria of component units and is presented as a discretely presented component unit to emphasize that it's legally separate from the Town:

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 Trust is governed by a Board of Trustees consisting of seven members appointed by the Board of Selectmen and the Town can impose its will on the Trust. The Trust issues a stand-alone separate financial report. The report can be requested from Finance Director, Town of Wayland, 41 Cochituate Road, Wayland, Massachusetts 01778.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. 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 is 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.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is 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 property tax 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 by the Town prior to yearend or shortly after. 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 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 the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as 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 was established under Chapter 372 of the Commonwealth of Massachusetts. The Fund 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 and life 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 Plan is reported in accordance with MGL Chapter 32B Section 20. The 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 Agency Funds include funds collected from student organizations for various Student Activity Funds. The agency funds account for fiduciary assets held by the Town in custodial capacity as an agent on behalf of others. Agency funds report only assets and liabilities, therefore, have no measurement focus.

D. Cash and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

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. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

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 Massachusetts Municipal Depository Trust (MMDT) cash portfolio, an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts. The fund is not SEC registered. In accordance with GASB 79, the MMDT pool's portfolio securities are valued at amortized cost.

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Effective November 7, 2016, legislation (referred to as the Municipal Modernization Act) expanded the listing of legal investments and now permits most debt related investments to have a maturity date from date of purchase of up to 3 years. The Town's investments consist of federal securities, corporate bonds, and mutual funds reported at fair value and nonnegotiable certificates of deposit which are reported at cost.

Investments for the Trust Funds consist of marketable securities, short-term money market investments, and nonnegotiable certificates of deposits. Investments are carried at fair value except certificates of deposit which are reported at cost.

E. 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. The actual fiscal year 2019 tax levy reflected an excess capacity of \$5,955,053.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial 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	40
Infrastructure	40
Vehicles	7
Equipment	7

G. *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.

H. *Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, net pension liability, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

I. *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 the current assets/deferred outflows and current liabilities/deferred inflows. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The Town's fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds represent the perpetual care trust principal, which can never be spent.
- 2) Restricted funds 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.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision-making authority in the Town, the Town Meeting.
- 4) Assigned funds 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

ordered or received or services rendered to the town by a vendor 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.

- 5) Unassigned funds represent the residual classification for the general fund and include 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, 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 their use either through the 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 represents accumulated earnings which are available to be spent based on donor restrictions. The remaining net position is reported as unrestricted.

J. Interfund Transactions

Interfund receivables/payables are reported for short term cash flow loans and reported as due from/due to other funds. Transfers of resources from a fund receiving revenues to a fund through which revenues are to be expended are separately reported as transfers in the respective funds.

K. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles 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 the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance, and Accountability

A. 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 the 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 the 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.

B. Budgetary Basis

The general fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (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 and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
Revenues/expenditures/transfers (GAAP Basis)	\$ 84,739,901	\$ (84,012,888)	\$ (770,362)
Gross up enterprise reimbursements related to indirect costs	-	(478,502)	478,502
Reverse expenditures of prior year carryforwards	-	819,776	-
Add end of year appropriation carryforwards to expenditures	-	(737,642)	-
Reverse the effect of non-budgeted state contributions for teachers retirement	(4,952,138)	4,952,138	-
Other reconciling items	<u>(140,685)</u>	<u>295</u>	<u>78,716</u>
Budgetary Basis	<u>\$ 79,647,078</u>	<u>\$ (79,456,823)</u>	<u>\$ (213,144)</u>

D. Deficit Fund Equity

The Town reflects deficits in various nonmajor 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. Cash and Short-Term Investments

Primary Government

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the Town's deposits "in a bank or trust company or banking company to an amount not exceeding sixty percent 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 investment policy requires the due diligence necessary to affirm the financial strength, capital adequacy, and reputation for any financial institution in which the Town places investments. Due diligence includes reviewing the institution's 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.

As of June 30, 2019, \$2,021,493 of the Town’s bank balance of \$24,803,622 was exposed to custodial credit risk as uninsured or uncollateralized. Additionally, \$528,023 was invested in a state pool, which is not subject to this disclosure.

Discretely Presented Component Unit – Housing Trust

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Housing Trust’s deposits may not be returned. MGL c. 44 §55 limits the Housing Trust’s deposits “in a bank or trust company or banking company to an amount not exceeding sixty percent 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 of Wayland’s investment policy requires the due diligence necessary to affirm the financial strength, capital adequacy, and reputation for any financial institution in which the Town places investments. Due diligence includes reviewing the institution’s 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 combined from all Town’s funds in any single financial institution that is not fully collateralized. The Housing Trust does not have a separate custodial credit risk policy.

As of June 30, 2019, deposits in excess of FDIC limits (Federal Deposit Insurance Corporation) were insured by SIF (Share Insurance Fund).

4. Investments

Primary Government

The following is a summary of the Town’s investments as of June 30, 2019:

<u>Investment Type</u>	<u>Amount</u>
Federal agency securities	\$ 452,932
US treasury notes	458,094
Corporate bonds	370,306
Fixed income mutual funds	1,271,908
Corporate equities	1,972,362
Equity mutual funds	3,021,322
Certificates of deposits	<u>6,950,552</u>
Total investments	<u>\$ 14,497,476</u>

A. 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 Law, Chapter 44, Section 55, limits the Town’s investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Aaa-A3</u>	<u>Rating as of Year End</u>		
			<u>Baa1-B3</u>	<u>Caa1-C</u>	<u>Other/Unrated</u>
Debt related:					
Corporate bonds	\$ 370,306	\$ 159,842	\$ 210,464	\$ -	\$ -
Fixed income mutual funds	1,271,908	937,135	236,269	36,205	62,299
Total	<u>\$ 1,642,214</u>	<u>\$ 1,096,977</u>	<u>\$ 446,733</u>	<u>\$ 36,205</u>	<u>\$ 62,299</u>

B. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town’s custodial credit risk policy for investments mirrors the custodial credit risk policy for deposits. Further all securities not held directly by the Town, will 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. The Town’s investments include \$500,000 insured by FDIC, \$6,002,979 insured by DIF or SIF, and \$7,994,496 uninsured amount but custodial credit risk is mitigated by Securities Investor Protection Corporation (SIPC).

C. Concentration of Credit Risk

The Town minimized 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 include certificates of deposit with Belmont Savings Bank for \$5,217,751 and with Village Bank for \$1,285,229.

D. 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 duration in the account.

Information about the sensitivity of the fair values of the Town’s investments to market interest rate fluctuations is as follows at June 30, 2019:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Effective Duration (in years)</u>
Debt related:		
Federal agency securities	\$ 452,932	3.76
US treasury notes	458,094	3.94
Corporate bonds	370,306	3.11
Fixed income mutual funds	<u>1,271,908</u>	3.10
Total debt securities	<u>\$ 2,553,240</u>	

E. 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 policy prohibits exposure to foreign currency.

F. 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 the asset 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).

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.

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.

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 was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

The Town has the following fair value measurements as of June 30, 2019:

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:			
Federal agency securities	\$ 452,932	\$ -	\$ 452,932
US Treasury notes	458,094	-	458,094
Corporate bonds	370,306	-	370,306
Bond mutual funds	1,271,908	-	1,271,908
Equity securities:			
Equity mutual funds	3,021,322	3,021,322	-
Healthcare	459,953	459,953	-
Consumer staples	698,162	698,162	-
Industrials	263,755	263,755	-
Utilities	209,505	209,505	-
Financials	166,249	166,249	-
Consumer discretionary	91,370	91,370	-
Information technology	83,368	83,368	-
Subtotal	\$ 7,546,924	\$ 4,993,684	\$ 2,553,240

Other Postemployment Benefit Plan

A. OPEB Plan Investment Policy

The investment policy of the OPEB Plan contemplates reaching the full funded status by 2038, a long-term 7% investment return goal, and a target asset allocation disclosed in the corresponding OPEB note. The investment policy is consistent with prudent investor rule as defined per MGL Chapter 203C.

B. Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of the failure of the Trustee Bank, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Trust.

The Trust's investments were held in SRBT, a state pool, and therefore, not subject to custodial credit risk disclosure.

C. 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 SRBT fund is an external investment pool that is not registered with the Securities Exchange Commission. This investment type is not rated.

D. Fair Value

The Plan 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 the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan holds investments that are measured at the net asset value per share and therefore, are not categorized as level 1, 2 or 3 investments.

The Trust has the following fair value investments as of June 30, 2019

Investments measured at the net asset value (NAV):

<u>Description</u>	<u>Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
External investment pool	\$ 18,203,791	-	monthly	30 days

Discretely Presented Component Unit – Housing Trust

A. General

The Housing Trust is a separate legal entity and, therefore, is not subject to the Town’s investment policies. Nonetheless, the 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.

B. Custodial Credit Risk

As of June 30, 2019, nonnegotiable certificates of deposits in excess of FDIC limits were insured by SIF.

5. Property Taxes and Excises Receivable

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor’s for 100% of the estimated fair market value. Taxes are due on a quarterly basis and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the fiscal year they relate to.

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 taxpayers’ property. The Town has an ultimate right to foreclose on property for unpaid taxes. Personal property taxes cannot be secured through the lien process.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth. 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, 2019 consist 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	\$ 420,587	\$ (37,300)	\$ 383,287
Personal property taxes	33,895		33,895
Community preservation	5,173	-	5,173
Tax liens	1,094,456	(235,101)	859,355
Deferred taxes	81,065	-	81,065
Total property taxes	<u>\$ 1,635,176</u>	<u>\$ (272,401)</u>	1,362,775
Less current portion			<u>(422,354)</u>
Noncurrent			<u>\$ 940,421</u>
Motor vehicle excise	<u>\$ 222,797</u>	<u>\$ (88,100)</u>	<u>\$ 134,697</u>

6. Betterments Receivable

Betterments receivable reflect an estimated allowance for doubtful accounts of \$129,900.

7. Departmental Receivables

Departmental receivables represent the following:

<u>Receivables:</u>	<u>Gross Amount (fund basis)</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount (accrual basis)</u>
Ambulance	\$ 162,979	\$ (48,500)	\$ 114,479
Police detail	71,353	-	71,353
Fines	1,378	-	1,378
Total	<u>\$ 235,710</u>	<u>\$ (48,500)</u>	<u>\$ 187,210</u>

8. Interfund Accounts

The General Fund has a receivable from the School Grants fund, reported in Due from other Funds. The interfund transaction results from short-term cash flow needs.

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 an analysis of interfund transfers made in fiscal year 2019:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General fund	\$ 1,505,075	\$ 2,275,437
Nonmajor funds:		
Special revenue funds:		
Town revolving fund	113,786	943,016
School revolving fund	-	740,904
Capital project funds:		
Town fund	2,521,000	208,461
School fund	669,091	422,134
Subtotal nonmajor funds	<u>3,303,877</u>	<u>2,314,515</u>
<u>Business-Type Funds:</u>		
Wastewater fund	<u>-</u>	<u>219,000</u>
Grand Total	<u>\$ 4,808,952</u>	<u>\$ 4,808,952</u>

The transfers into the general fund include the \$635,500 in annual Town Ambulance Revolving Fund revenues, \$209,691 from food service, \$210,690 from the BASE program, \$249,241 from the TCW and various other amounts from School and Town Revolving Funds to offset General Fund expenditures.

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

The transfer from Wastewater Fund results from surplus project balance being re-programmed for School Capital Projects.

9. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 143,008	\$ 14,337	\$ (35)	\$ 157,310
Machinery, equipment, and furnishings	14,507	164	(8,221)	6,450
Vehicles	5,984	157	(2,691)	3,450
Infrastructure	<u>12,209</u>	<u>292</u>	<u>-</u>	<u>12,501</u>
Total capital assets, being depreciated	175,708	14,950	(10,947)	179,711
Less accumulated depreciation for:				
Buildings and improvements	(57,297)	(3,743)	-	(61,040)
Machinery, equipment, and furnishings	(12,092)	(687)	8,149	(4,630)
Vehicles	(4,865)	(435)	2,653	(2,647)
Infrastructure	<u>(7,813)</u>	<u>(725)</u>	<u>-</u>	<u>(8,538)</u>
Total accumulated depreciation	<u>(82,067)</u>	<u>(5,590)</u>	<u>10,802</u>	<u>(76,855)</u>
Total capital assets, being depreciated, net	93,641	9,360	(145)	102,856
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>15,091</u>	<u>3,803</u>	<u>(14,243)</u>	<u>4,651</u>
Total capital assets, not being depreciated	<u>52,818</u>	<u>3,803</u>	<u>(14,243)</u>	<u>42,378</u>
Governmental activities capital assets, net	<u>\$ 146,459</u>	<u>\$ 13,163</u>	<u>\$ (14,388)</u>	<u>\$ 145,234</u>
	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,404	\$ 1,298	\$ -	\$ 2,702
Machinery, equipment, and furnishings	305	-	-	305
Vehicles	794	94	-	888
Infrastructure	<u>24,288</u>	<u>-</u>	<u>-</u>	<u>24,288</u>
Total capital assets, being depreciated	26,791	1,392	-	28,183
Less accumulated depreciation for:				
Buildings and improvements	(276)	(68)	-	(344)
Machinery, equipment, and furnishings	(306)	-	-	(306)
Vehicles	(712)	(57)	-	(769)
Infrastructure	<u>(6,232)</u>	<u>(607)</u>	<u>-</u>	<u>(6,839)</u>
Total accumulated depreciation	<u>(7,526)</u>	<u>(732)</u>	<u>-</u>	<u>(8,258)</u>
Total capital assets, being depreciated, net	19,265	660	-	19,925
Capital assets, not being depreciated:				
Construction in progress	<u>2,864</u>	<u>541</u>	<u>(1,297)</u>	<u>2,108</u>
Business-type activities capital assets, net	<u>\$ 22,129</u>	<u>\$ 1,201</u>	<u>\$ (1,297)</u>	<u>\$ 22,033</u>

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

Governmental Activities:	
General government	\$ 376
Public safety	779
Education	2,896
Public works	1,414
Culture and recreation	<u>125</u>
Total depreciation expense - governmental activities	<u>\$ 5,590</u>
Business-Type Activities:	
Water	\$ 580
Wastewater	<u>152</u>
Total depreciation expense - business-type activities	<u>\$ 732</u>

10. Deferred Outflows of Resources

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

11. Accounts Payable

Accounts payable represent fiscal year 2019 expenditures paid subsequent to year end.

12. Note Payable

The Town had the following notes outstanding at June 30, 2019:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance at 6/30/19</u>
Municipal purpose	2.14%	06/17/19	02/18/20	\$ 258,909
Rivers Edge	2.16%	06/17/19	04/23/20	480,000
Mass Clean Water Trust	N/A	N/A	N/A	<u>356,930</u> *
Total				<u>\$ 1,095,839</u>

*Represents the initial draw on a \$700,000 loan permanently financed in fiscal year 2020.

13. Long-Term Debt

A. General Obligation Bonds and Loans Payable

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The Town also has some direct borrowings with state agencies. General obligation bonds and direct borrowings currently outstanding are as follows:

<u>Governmental Activities:</u>	Original <u>Issue</u>	Serial Maturities <u>Through</u>	Interest <u>Rate(s) %</u>	Amount Outstanding as of <u>6/30/19</u>
2010 Surface drain, building remodel tax appraisal, school project	\$ 10,874,000	02/01/35	2.0 - 4.125%	\$ 6,475,000
2011 Surface drain, outdoor recreation and building remodel	34,899,000	02/01/36	4.0 - 5.0%	22,561,800
2013 Municipal Purposes	3,809,000	02/01/22	2.0 - 3.0%	840,000
2014 Municipal Purposes	12,585,000	02/01/34	3.0 - 5.0%	8,835,000
2015 Municipal Purposes	5,917,000	02/01/35	3.0 - 3.25%	3,880,000
2016 Municipal Purposes	2,401,000	10/01/36	2.0 - 4.0%	1,680,000
2016 G.O. Refunding	3,339,000	07/15/27	2.0 - 5.0%	2,375,000
2017 Municipal Purposes	3,300,000	03/27/33	2.0 - 5.0%	2,650,000
2018 Municipal Purposes	3,505,000	02/01/33	3.0 - 5.0%	<u>2,620,000</u>
Total bonded debt:				51,916,800
Title V	301,043	07/01/23	-	<u>34,045</u>
Total direct borrowings:				<u>34,045</u>
Total to be paid by the General Fund				51,950,845
2017 Mainstone Farm	7,000,000	03/27/47	2.5 - 5.0%	<u>6,745,000</u>
Total bonded debt to be paid by the CPA Fund				<u>6,745,000</u>
Grand Total				<u>\$ 58,695,845</u>

Business-Type Activities:

		Original	Serial	Interest	Amount
		Issue	Maturities	Rate(s) %	Outstanding
			Through		as of
					6/30/19
2009 Water treatment plant	\$	1,500,000	12/15/29	2.5 - 4.5%	\$ 600,000
2010 Water treatment plant and department equipment		721,000	02/01/20	2.25 - 3.0%	60,000
2011 Municipal Purposes		6,251,000	02/01/31	2.25 - 5.0%	3,808,200
2012 Wastewater treatment facility		325,000	02/01/31	4.0 - 5.0%	240,000
2013 Water mains-refunding and sewer		278,000	02/01/22	2.0 - 3.0%	65,000
2014 Wastewater		200,000	02/01/34	4.0 - 5.0%	150,000
2015 Water pumping station		1,000,000	02/01/35	3.0 - 3.25%	800,000
2016 Water mains		700,000	10/01/36	2.0 - 4.0%	595,000
2016 G.O. Refunding		1,186,000	07/15/27	2.0 - 5.0%	905,000
2017 Water pumping station, mains and Old Sudbury		2,710,000	03/27/37	2.0 - 5.0%	2,425,000
2018 Water mains		670,000	06/30/33	3.0 - 5.0%	625,000
Refunding of 2008 bonds		2,815,000	06/30/28	3.0 - 5.0%	2,525,000
Total bonded debt:					12,798,200
Wastewater - MWPAT		612,778	07/01/22	-	86,494
Total direct borrowings:					86,494
Grand Total	\$				<u>12,884,694</u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2019 are as follows:

	<u>Governmental Bonds: excluding CPA</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,425,900	\$ 2,057,690	\$ 6,483,590
2021	4,085,900	1,899,001	5,984,901
2022	3,900,000	1,705,000	5,605,000
2023	3,540,000	1,555,551	5,095,551
2024	3,475,000	1,418,825	4,893,825
2025-2029	15,530,000	5,284,050	20,814,050
2030-2034	13,610,000	2,590,494	16,200,494
2035-2039	3,350,000	224,300	3,574,300
Total	<u>\$ 51,916,800</u>	<u>\$ 16,734,911</u>	<u>\$ 68,651,711</u>

Governmental Loans - Direct Borrowing

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 16,259	\$ 1,322	\$ 17,581
2021	5,838	743	6,581
2022	5,974	448	6,422
2023	5,974	149	6,123
Total	<u>\$ 34,045</u>	<u>\$ 2,662</u>	<u>\$ 36,707</u>

Governmental Bonds: CPA

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 145,000	\$ 227,081	\$ 372,081
2021	150,000	222,731	372,731
2022	155,000	218,231	373,231
2023	165,000	210,481	375,481
2024	170,000	202,231	372,231
2025-2029	970,000	898,856	1,868,856
2030-2034	1,115,000	750,331	1,865,331
2035-2039	1,300,000	565,800	1,865,800
2040-2044	1,525,000	337,219	1,862,219
2045-2047	1,050,000	72,900	1,122,900
Total	<u>\$ 6,745,000</u>	<u>\$ 3,705,861</u>	<u>\$ 10,450,861</u>

Business-Type Bonds

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,189,100	\$ 477,625	\$ 1,666,725
2021	1,129,100	432,469	1,561,569
2022	1,085,000	388,751	1,473,751
2023	1,070,000	347,665	1,417,665
2024	1,075,000	302,365	1,377,365
2025-2029	4,725,000	902,027	5,627,027
2030-2034	2,015,000	243,043	2,258,043
2035-2037	510,000	29,075	539,075
Total	<u>\$ 12,798,200</u>	<u>\$ 3,123,020</u>	<u>\$ 15,921,220</u>

Business-Type Loans - Direct Borrowing

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 43,247	\$ 3,268	\$ 46,515
2021	43,247	1,135	44,382
Total	<u>\$ 86,494</u>	<u>\$ 4,403</u>	<u>\$ 90,897</u>

C. *Changes in General Long-Term Liabilities*

During the year ended June 30, 2019, the following changes occurred in long-term liabilities (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
<u>Governmental Activities</u>						
Bonds payable	\$ 63,782	\$ -	\$ (5,120)	\$ 58,662	\$ (4,571)	\$ 54,091
Notes from direct borrowings	50	-	(16)	34	(16)	18
Unamortized debt premiums	<u>3,286</u>	<u>-</u>	<u>(297)</u>	<u>2,989</u>	<u>(297)</u>	<u>2,692</u>
Subtotal	67,118	-	(5,433)	61,685	(4,884)	56,801
Net pension liability	51,853	5,223	-	57,076	-	57,076
Net OPEB liability	27,644	1,200	-	28,844	-	28,844
Other:						
Landfill closure	260	-	(10)	250	(10)	240
Accrued employee benefits	<u>1,164</u>	<u>1,293</u>	<u>(1,399)</u>	<u>1,058</u>	<u>(264)</u>	<u>794</u>
Totals	<u>\$ 148,039</u>	<u>\$ 7,716</u>	<u>\$ (6,842)</u>	<u>\$ 148,913</u>	<u>\$ (5,158)</u>	<u>\$ 143,755</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
<u>Business-Type Activities</u>						
Bonds payable	\$ 13,999	\$ -	\$ (1,200)	\$ 12,799	\$ (1,189)	\$ 11,610
Notes from direct borrowings	130	-	(44)	86	(43)	43
Unamortized debt premiums	<u>215</u>	<u>-</u>	<u>(22)</u>	<u>193</u>	<u>(22)</u>	<u>171</u>
Subtotal	14,344	-	(1,266)	13,078	(1,254)	11,824
Net pension liability	1,845	-	305	2,150	-	2,150
Net OPEB liability	224	5	-	229	-	229
Other:						
Accrued employee benefits	<u>26</u>	<u>98</u>	<u>(83)</u>	<u>41</u>	<u>(41)</u>	<u>-</u>
Totals	<u>\$ 16,439</u>	<u>\$ 103</u>	<u>\$ (1,044)</u>	<u>\$ 15,498</u>	<u>\$ (1,295)</u>	<u>\$ 14,203</u>

D. *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. 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.

E. *Prior Year Refunding*

In prior year, the Town of Wayland, Massachusetts has 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 the Town of Wayland, Massachusetts's balance sheet. As of June 30, 2019, the amount of defeased debt outstanding but removed was \$2,700,000.

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, 2019 is based on estimated costs to be incurred after fiscal year 2019 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 are the acquisition of net position 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 is 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, 2019 receivable balances, except real and personal property taxes that were collected within 60 days of year end. Other governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

16. Governmental Fund Balances

The following is a breakdown of the Town's governmental fund balances at June 30, 2019:

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Nonexpendable permanent funds:				
Perpetual care	\$ -	\$ -	\$ 1,002,045	\$ 1,002,045
Gossels academic excellence	-	-	241,294	241,294
Other nonexpendable	-	-	90,270	90,270
Total Nonexpendable	-	-	1,333,609	1,333,609
Restricted:				
Bond premium for debt service	720,053	-	-	720,053
Community preservation:				
Acquisition and preservation of historic buildings and landscapes	-	1,078,529	-	1,078,529
Acquisition and preservation of open space	-	394,760	-	394,760
Recreation	-	451,278	-	451,278
Creation and support of affordable housing	-	22,808	-	22,808
Community preservation administration	-	32,348	-	32,348
Other community preservation funds	-	895,458	-	895,458
Residential dwelling	-	-	951,745	951,745
Recreation revolving	-	-	679,959	679,959
Town special revenue accounts:				
Ambulance	-	-	563,905	563,905
Recreation revolving	-	-	708,196	708,196
Recreation athletic fields	-	-	346,080	346,080
Bike trail	-	-	249,007	249,007
Cafeteria plan	-	-	139,040	139,040
Police detail	-	-	122,462	122,462
Parking lot	-	-	120,000	120,000
Receipts reserved for concom	-	-	118,007	118,007
Insurance reimbursement	-	-	112,760	112,760
Other town grants and revolving accounts	-	-	423,800	423,800
School special revenue accounts:				
Before/after school enrichment (BASE)	-	-	634,791	634,791
Circuit breaker	-	-	250,707	250,707
School lunch	-	-	433,114	433,114
Other school grants and revolving accounts	-	-	401,991	401,991
Town capital project accounts:				
Transfer station access road	-	-	363,615	363,615
New public works building	-	-	102,070	102,070
Other town capital project funds	-	-	313,291	313,291
School capital project accounts:				
Other school capital project funds	-	-	377,200	377,200
Expendable permanent funds	-	-	2,593,204	2,593,204
Total Restricted	720,053	2,875,181	10,004,944	13,600,178
Committed:				
Fiscal year 2020 capital projects	1,489,367	-	-	1,489,367
Town capital project accounts:				
Road construction	-	-	356,411	356,411
Old DPW demo	-	-	327,107	327,107
Interior renovations	-	-	374,999	374,999
COA study	-	-	470,000	470,000
Other capital project funds	-	-	955,890	955,890
School capital project accounts:				
High school wastewater plant	-	-	285,000	285,000
Other capital project funds	-	-	84,222	84,222
Total Committed	1,489,367	-	2,853,629	4,342,996

(continued)

(continued)

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assigned:				
Encumbered for:				
General government	148,742	-	-	148,742
Public safety	5,392	-	-	5,392
Education	374,486	-	-	374,486
Public works	184,615	-	-	184,615
Health and human services	1,267	-	-	1,267
Culture and recreation	8,651	-	-	8,651
Other	14,489	-	-	14,489
Total Assigned	737,642	-	-	737,642
Unassigned:				
General fund	9,226,825	-	-	9,226,825
Stabilization*	3,656,100	-	-	3,656,100
Other nonmajor	-	-	(1,337,254)	(1,337,254)
Total Unassigned	12,882,925	-	(1,337,254)	11,545,671
Total Fund Balance	\$ 15,829,987	\$ 2,875,181	\$ 12,854,928	\$ 31,560,096

*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 the employees' retirement funds.

A. 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 the 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 the Massachusetts General Laws. The employee's individual contribution percentage are as follows:

<u>Membership Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 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 a Massachusetts 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 Massachusetts 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 members 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 Town's contribution to the System for the year ended June 30, 2019 was \$4,648,984, which was equal to its annual required contribution and was made in July 2018.

B. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Town reported a liability for its proportionate share of the net pension liability of \$59,225,947. The net pension liability was measured as of December 31, 2018, 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, 2018, the Town's proportion was 3.79%.

For the year ended June 30, 2019, the Town recognized a pension expense of \$6,496,811. No contributions were made between January 1, 2019 to June 30, 2019. 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	\$ 2,641,255	\$ -
Difference between expected and actual experience	121,234	(206,541)
Change in assumptions	3,682,641	-
Change in Town's proportion of NPL	<u>293,783</u>	<u>(2,040,065)</u>
Total	<u>\$ 6,738,913</u>	<u>\$ (2,246,606)</u>

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

Year ended June 30:	Net Deferred Outflows/(Inflows) of Resources
2020	\$ 1,671,126
2021	1,069,239
2022	670,947
2023	<u>1,080,995</u>
Total	<u>\$ 4,492,307</u>

D. 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:

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	7.50%, net of pension plan investment expense, including inflation, previously 7.75%
Cost of living adjustments	3.00% of first \$14,000

Mortality rates were based on the following:

- Pre-retirement.
- Healthy participants – The RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Table projected generationally using Scale MP-2017.
- Disabled retirees – The RP-2014 Blue Collar Employee and Healthy Annuitant Mortality set forward one year projected generationally using Scale MP-2017.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of the most recent actuarial experience study, which was as of January 1, 2018.

E. 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>Long-term Expected Real Rate of Return</u>	<u>Long-term Expected Asset Allocation</u>
Domestic equity	7.62%	17.00%
International developed markets equity	7.80%	14.90%
International emerging markets equity	9.31%	6.00%
Core fixed income	4.00%	13.00%
Value-added fixed income	7.58%	8.10%
Private equity	11.15%	12.10%
Real estate	6.59%	9.40%
Timberland	7.00%	4.10%
Hedge funds, PCS	6.83%	14.20%
Liquidating portfolios	0.00%	0.30%
Commodities	0.00%	0.90%
Total		<u>100.00%</u>

F. *Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. 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 contractually required rates, actuarially determined. 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 active and inactive 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.

G. *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>For the Year Ended</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
June 30, 2019	\$ 71,880,121	\$ 59,225,947	\$ 48,611,918

H. *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)

A. *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 on behalf of municipal teachers and municipal teacher retirees. The Commonwealth 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’s 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.

B. 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.

C. *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 - 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

D. *Actuarial Assumptions*

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of January 1, 2018 rolled forward to June 30, 2018. This valuation used the following assumptions:

- (a) 7.35% 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.
- Mortality rates were as follows:
 - Pre-retirement – reflects RP-2014 White Collar Employees Table projected generationally with Scale MP-2016 (gender distinct).
 - Post-retirement – reflects RP-2014 White Collar Healthy Annuitant Table projected generationally with Scale MP-2016 (gender distinct).
 - Disability – assumed to be in accordance with the RP-2014 White Collar Healthy Annuitant Table projected generationally with Scale MP-2-16 (gender distinct).

E. *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, 2018 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%	5.00%
Portfolio completion strategies	13.00%	3.70%
Core fixed income	12.00%	0.90%
Private equity	12.00%	6.60%
Real estate	10.00%	3.80%
Value added fixed income	10.00%	3.80%
Timber/natural resources	4.00%	3.40%
Total	<u>100.00%</u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 7.35%. 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's 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.

G. Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate as of June 30, 2018. 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>1% Increase</u>
\$ 29,482,300	\$ 23,711,289	\$ 18,771,300

H. Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarial determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions (GASB 68)* and the Commonwealth 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.

I. Town Proportions

In fiscal year 2018 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability was approximately \$89,308,714 based on a proportionate share of 0.377%. As required by GASB 68, the Town has recognized its portion of the Commonwealth's contribution of approximately \$4,952,138 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of approximately \$9,050,145 as both a revenue and expense in the governmental activities.

19. Other Post-Employment Benefits (GASB 74 and 75)

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 Fund issues separate stand-alone financial statements. See full GASB 74 disclosures as of June 30, 2018 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 *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The 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, 2019 with a valuation date of July 1, 2018.

A. *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 the 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 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 June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	503
Active employees	<u>636</u>
Total	<u><u>1,139</u></u>

B. *Actuarial Assumptions and Other Inputs*

The net OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 %
Salary increases	3 %, average, including inflation
Investment rate of return	7.04 %, net of OPEB plan investment expense
Municipal bond rate	2.79%
Discount rate	7 %
Healthcare cost trend rates	5 %
Retirees' share of benefit-related costs	26 - 50 %
Participation rate	80% of eligible employees

Mortality rates were based on:

- Pre-retirement – reflects RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females.
- Post-retirement – reflects RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females.
- Disability – reflects RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2012 for males and females.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the years 2006 through 2011 updated as of January 1, 2015.

C. 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, 2019 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%	4.00%
Domestic Equity - Small/Mid Cap	3.50%	6.00%
International Equity - Developed Market	16.00%	4.50%
International Equity-Emerging Market	6.00%	7.00%
Domestic Fixed Income	20.00%	2.00%
International Fixed Income	3.00%	3.00%
Alternatives	23.00%	6.50%
Real estate	14.00%	6.25%
Total	<u>100.00%</u>	

D. Discount Rate

The discount rate used to measure the net OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

E. Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2019, were as follows:

Total OPEB liability	\$	47,277,115
Plan fiduciary net position		<u>18,203,791</u>
Net OPEB liability	\$	<u><u>29,073,324</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.

F. Changes in the Net OPEB Liability

The following summarizes the changes in the net OPEB liability for the past year:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	\$ 44,556,509	\$ 16,688,671	\$ 27,867,838
Changes for the year:			
Service cost	1,121,044	-	1,121,044
Interest	3,110,726	-	3,110,726
Change in assumptions	(2,310,162)	-	(2,310,162)
Change in experience	3,318,840	-	3,318,840
Contributions - employer	-	3,066,376	(3,066,376)
Net investment income	-	968,586	(968,586)
Benefit payments	<u>(2,519,842)</u>	<u>(2,519,842)</u>	<u>-</u>
Net Changes	<u>2,720,606</u>	<u>1,515,120</u>	<u>1,205,486</u>
Balances, end of year	\$ <u><u>47,277,115</u></u>	\$ <u><u>18,203,791</u></u>	\$ <u><u>29,073,324</u></u>

G. 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:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 34,497,550	\$ 29,073,324	\$ 23,649,098

H. 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:

<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
\$ 23,970,364	\$ 29,073,324	\$ 35,196,037

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

For the year ended June 30, 2019, the Town recognized an OPEB expense of \$3,137,674. At June 30, 2019, the Town reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between actual and expected experience	\$ 2,719,772	\$ -
Change of assumptions	-	(1,893,166)
Net difference between projected and actual OPEB investment earnings	-	(202,082)
Total	<u>\$ 2,719,772</u>	<u>\$ (2,095,248)</u>

The deferred outflows of resources resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows and (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	
2020	\$ 99,697
2021	99,697
2022	99,697
2023	227,115
2024	98,318
Total	\$ <u>624,524</u>

20. 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 has \$737,642 in encumbrances that will be honored in the next fiscal year.

21. Subsequent Events

Subsequent to year-end, the Town issued a \$700,000 loan with the Massachusetts Clean Water Trust (replacing the loan draw of \$356,930) and issued a \$6,300,000 bond anticipation note on November 8, 2019, maturing on February 18, 2020.

22. Beginning Fund Balance Reclassification

The Town reclassified \$188,618 of July 1, 2018 recreation stabilization balance from the Town Revolving Fund to General Fund to improve presentation and conformity with GASB 54 requirements.

Government-Wide Financial Statements:

	<u>Governmental</u>
As previously reported	\$ 34,799,704
To align GASB 75 measurement date	<u>(578,098)</u>
As restated	<u>\$ 34,221,606</u>

Fund Basis Financial Statements:

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>
As previously reported	\$ 15,684,718	\$ 15,914,808
Reclassification of recreation stabilization	<u>188,618</u>	<u>(188,618)</u>
As restated	<u>\$ 15,873,336</u>	<u>\$ 15,726,190</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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**TOWN OF WAYLAND, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (GASB 68)**

**JUNE 30, 2019
(Unaudited)**

Middlesex County Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town</u>	<u>Total Net Pension Liability Associated with the Town</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2019	June 30, 2018	0.376651%	\$ -	\$ 89,308,714	\$ 89,308,714	\$ 27,122,640	0%	54.84%
June 30, 2018	June 30, 2017	0.367142%	\$ -	\$ 84,021,985	\$ 84,021,985	\$ 26,478,077	0%	54.25%
June 30, 2017	June 30, 2016	0.363580%	\$ -	\$ 81,289,015	\$ 81,289,015	\$ 24,935,156	0%	52.73%
June 30, 2016	June 30, 2015	0.363664%	\$ -	\$ 74,513,557	\$ 74,513,557	\$ 23,883,375	0%	55.38%
June 30, 2015	June 30, 2014	0.362077%	\$ -	\$ 57,557,092	\$ 57,557,092	\$ 22,651,856	0%	61.64%

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

See Independent Auditors' Report.

**TOWN OF WAYLAND, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF PENSION CONTRIBUTIONS (GASB 68)

**JUNE 30, 2019
(Unaudited)**

Middlesex County Retirement System

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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>Contractually Required Contribution Provided by Commonwealth</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2019	\$ 9,050,145	\$ 9,050,145	\$ -	N/A	N/A
June 30, 2018	\$ 8,769,619	\$ 8,769,619	\$ -	N/A	N/A
June 30, 2017	\$ 8,292,012	\$ 8,292,012	\$ -	N/A	N/A
June 30, 2016	\$ 6,043,713	\$ 6,043,713	\$ -	N/A	N/A
June 30, 2015	\$ 3,998,767	\$ 3,998,767	\$ -	N/A	N/A

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

See Independent Auditors' Report.

TOWN OF WAYLAND, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (GASB 74 AND 75)

(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service cost	\$ 1,121,044	\$ 938,983	\$ 938,983
Interest on total OPEB liability	3,110,726	2,905,702	2,843,330
Differences between expected and actual experience	3,318,840	-	-
Changes of assumptions	(2,310,162)	-	-
Benefit payments, including refunds of member contributions	<u>(2,519,842)</u>	<u>(1,823,387)</u>	<u>(1,823,387)</u>
Net change in total OPEB liability	2,720,606	2,021,298	1,958,926
Total OPEB liability - beginning	<u>44,556,509</u>	<u>42,535,211</u>	<u>40,576,285</u>
Total OPEB liability - ending (a)	47,277,115	44,556,509	42,535,211
Plan Fiduciary Net Position			
Contributions - employer	3,066,376	2,066,671	2,074,672
Net investment income	968,586	1,443,193	1,573,467
Benefit payments, including refunds of member contributions	<u>(2,519,842)</u>	<u>(1,823,387)</u>	<u>(1,823,387)</u>
Net change in plan fiduciary net position	1,515,120	1,686,477	1,824,752
Plan fiduciary net position - beginning	<u>16,688,671</u>	<u>15,002,194</u>	<u>13,177,442</u>
Plan fiduciary net position - ending (b)	<u>18,203,791</u>	<u>16,688,671</u>	<u>15,002,194</u>
Net OPEB liability - ending (a-b)	\$ <u><u>29,073,324</u></u>	\$ <u><u>27,867,838</u></u>	\$ <u><u>27,533,017</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	38.5%	37.5%	35.3%
Covered employee payroll	\$ 44,923,208	\$ 43,614,765	\$ 41,284,252
Net OPEB liability as a percentage of covered employee payroll	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 stand-alone OPEB financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF WAYLAND, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
SCHEDULES OF CONTRIBUTIONS, AND INVESTMENT RETURNS (GASB 74 and 75)

(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Contributions			
Actuarially determined contribution	\$ 3,066,376	\$ 2,066,671	\$ 2,074,672
Contributions in relation to the actuarially determined contribution	<u>3,066,376</u>	<u>2,066,671</u>	<u>2,074,672</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 44,923,208	\$ 43,614,765	\$ 41,284,252
Contributions as a percentage of covered employee payroll	6.8%	4.7%	5.0%

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Investment Returns			
Annual money weighted rate of return, net of investment expense	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 Auditors' 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

DETAIL SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

	<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>		
General Government				
Selectmen				
Nonpersonnel	\$ 91,000	\$ 91,000	\$ 89,989	\$ 1,011
Town office				
Personnel	493,281	493,281	459,087	34,194
Nonpersonnel	85,500	85,500	85,102	398
Personnel Board				
Personnel	5,000	5,000	5,000	-
Nonpersonnel	10,000	10,000	9,950	50
Finance				
Personnel	372,393	372,393	368,245	4,148
Nonpersonnel	59,615	59,615	58,720	895
Assessor				
Personnel	278,124	263,124	241,888	21,236
Nonpersonnel	68,400	57,200	44,809	12,391
Treasurer				
Personnel	202,298	199,698	199,695	3
Nonpersonnel	70,800	50,800	50,494	306
Town Counsel				
Nonpersonnel	332,000	332,000	331,561	439
Information Technology				
Personnel	177,140	147,140	141,556	5,584
Nonpersonnel	679,305	662,905	548,494	114,411
Town Clerk				
Personnel	137,366	145,151	140,751	4,400
Nonpersonnel	17,160	17,160	11,966	5,194
Elections				
Personnel	6,991	12,591	12,541	50
Nonpersonnel	35,090	38,090	37,622	468
Registrar				
Personnel	1,075	1,075	1,075	-
Nonpersonnel	4,625	4,625	3,535	1,090
Conservation				
Personnel	193,993	193,993	184,047	9,946
Nonpersonnel	42,825	42,825	37,917	4,908
Planning				
Personnel	111,253	111,253	103,824	7,429
Nonpersonnel	7,005	7,005	5,634	1,371
Facilities				
Personnel	273,867	273,867	271,017	2,850
Nonpersonnel	795,300	811,700	797,233	14,467
Miscellaneous Committees				
Nonpersonnel	<u>47,275</u>	<u>47,275</u>	<u>44,792</u>	<u>2,483</u>
Total General Government	4,598,681	4,536,266	4,286,544	249,722

(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	2,707,449	2,665,664	2,595,864	69,800
Nonpersonnel	299,536	299,536	274,763	24,773
Joint Communications				
Personnel	526,915	526,915	516,596	10,319
Nonpersonnel	31,600	31,600	26,505	5,095
Emergency Management				
Nonpersonnel	16,000	16,000	15,960	40
Dog Officer				
Nonpersonnel	24,000	24,000	23,999	1
Fire				
Personnel	2,725,820	2,755,820	2,697,846	57,974
Nonpersonnel	268,850	268,850	257,941	10,909
Building and Zoning				
Personnel	314,425	304,425	282,065	22,360
Nonpersonnel	19,000	19,000	17,756	1,244
Total Public Safety	6,933,595	6,911,810	6,709,295	202,515
<u>Education</u>				
Schools	40,524,035	40,524,035	40,504,770	19,265
<u>Vocational Education</u>				
Regional Vocational School	199,452	199,452	181,716	17,736
<u>Public Works</u>				
Highway				
Personnel	1,048,497	1,096,397	1,007,417	88,980
Nonpersonnel	616,800	668,900	649,941	18,959
Engineering				
Personnel	391,193	336,193	335,292	901
Nonpersonnel	44,510	44,510	24,399	20,111
Snow				
Personnel	125,000	169,000	168,415	585
Nonpersonnel	325,000	411,000	390,402	20,598
Transfer Station				
Nonpersonnel	40,000	40,000	30,823	9,177
Park and Cemetery				
Personnel	637,566	637,566	605,531	32,035
Nonpersonnel	399,800	399,800	345,300	54,500
Total Public Works	3,628,366	3,803,366	3,557,520	245,846
<u>Health and Human Services</u>				
Board of Health				
Personnel	729,588	729,588	722,273	7,315
Nonpersonnel	182,965	182,965	156,373	26,592
Veterans Services				
Nonpersonnel	48,000	48,000	33,959	14,041
Council on Aging				
Personnel	234,225	234,225	227,296	6,929
Nonpersonnel	59,280	59,280	58,736	544
Youth Services				
Personnel	214,360	214,360	188,246	26,114
Nonpersonnel	6,225	6,225	4,850	1,375
Total Health and Human Services	1,474,643	1,474,643	1,391,733	82,910

(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>Culture and Recreation</u>				
Library				
Personnel	839,020	839,020	803,599	35,421
Nonpersonnel	266,467	266,467	263,674	2,793
Recreation				
Personnel	166,626	166,626	157,219	9,407
Nonpersonnel	<u>44,839</u>	<u>44,839</u>	<u>44,839</u>	<u>-</u>
Total Culture and Recreation	1,316,952	1,316,952	1,269,331	47,621
<u>State Assessments and Charges</u>				
Assessments	223,333	223,333	235,132	(11,799)
<u>Debt Service</u>				
Debt Principal and Interest	7,201,386	7,259,557	7,218,934	40,623
<u>Pension</u>				
Pension Assessment	4,648,984	4,648,984	4,648,984	-
<u>OPEB</u>				
OPEB Contribution	492,819	492,819	492,819	-
<u>Unclassified</u>				
Insurance General	686,000	718,607	718,606	1
Insurance 32B	7,523,400	7,450,622	7,271,162	179,460
Medicare	664,451	682,451	681,960	491
Unemployment	50,000	53,800	51,769	2,031
Police and Fire Disability	15,000	1,200	502	698
Occupational Health	8,000	8,000	8,000	-
Retirement and Buyback	40,000	43,200	33,129	10,071
Town Meeting	115,000	115,000	114,998	2
Street lighting	95,000	95,000	79,919	15,081
School Bus Parking	50,000	30,000	-	30,000
Reserve Fund	<u>122,000</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>
Total Unclassified	<u>9,368,851</u>	<u>9,219,880</u>	<u>8,960,045</u>	<u>259,835</u>
Total Expenditures	<u>\$ 80,611,097</u>	<u>\$ 80,611,097</u>	<u>\$ 79,456,823</u>	<u>\$ 1,154,274</u>

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

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**Combining Financial Statements
and
Other Supplementary Schedules**

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:

- Residential Dwelling: To account for contributions from developer to the Town for each unit sold at the Wayland Center. The Town entered into a settlement agreement with the developer of Town Center, Twenty Wayland, LLC, in 2015. The agreement required that the residential component, which was sold to Brendon Homes, LLC, would provide \$40,000 each time one of the 42 residential homes are sold.
- Recreation Revolving: To account for revenues and expenditures out of our recreation fund in accordance with Massachusetts General Laws (MGL) Chapter 44S, Section 53E1/2.
- Town Revolving: 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. It is also used to account for ambulance and other activities as well as various donations and related expenditures.
- 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.

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment.

The current funds were established for the following purposes:

- Town: To account for the energy updates, highway costs in accordance with MGL Chapter 90, road construction, building repairs, purchases of heavy vehicles, and various other capital costs or equipment.
- School: To account for the renovations of Wayland Public Schools, furniture purchases, and various other capital costs.

PERMANENT FUND

Permanent Fund is established to account for certain assets held by the Town in a fiduciary capacity as trustee. Permanent Fund is 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, 2019

	Special Revenue Funds					
	Residential <u>Dwelling</u>	Recreation <u>Revolving</u>	Town <u>Revolving</u>	School <u>Revolving</u>	School <u>Grants</u>	<u>Subtotals</u>
ASSETS						
Cash and short-term investments	\$ 951,745	\$ 679,959	\$ 3,183,838	\$ 2,092,827	\$ 31,093	\$ 6,939,462
Investments	-	-	-	-	-	-
Receivables:						
Assessments	-	-	7,000	-	-	7,000
Departmental and other	-	-	232,932	-	-	232,932
TOTAL ASSETS	<u>\$ 951,745</u>	<u>\$ 679,959</u>	<u>\$ 3,423,770</u>	<u>\$ 2,092,827</u>	<u>\$ 31,093</u>	<u>\$ 7,179,394</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Warrants and accounts payable	\$ -	\$ -	\$ 280,581	\$ 46,319	\$ 65,375	\$ 392,275
Accrued payroll	-	-	-	17,888	3,161	21,049
Unearned revenue	-	-	-	567,807	-	567,807
Note payable	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	280,581	632,014	68,536	981,131
Deferred Inflows of Resources:						
Unavailable revenues	-	-	239,932	-	-	239,932
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	951,745	679,959	2,903,257	1,460,813	259,790	6,255,564
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	(297,233)	(297,233)
TOTAL FUND BALANCES	<u>951,745</u>	<u>679,959</u>	<u>2,903,257</u>	<u>1,460,813</u>	<u>(37,443)</u>	<u>5,958,331</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 951,745</u>	<u>\$ 679,959</u>	<u>\$ 3,423,770</u>	<u>\$ 2,092,827</u>	<u>\$ 31,093</u>	<u>\$ 7,179,394</u>

(continued)

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2019

	<u>Capital Project Funds</u>			Permanent	Total
	<u>Town</u>	<u>School</u>	<u>Subtotal</u>	<u>Fund</u>	Nonmajor Governmental <u>Funds</u>
ASSETS					
Cash and short-term investments	\$ 3,782,030	\$ 1,202,979	\$ 4,985,009	\$ -	\$ 11,924,471
Investments	-	-	-	3,925,413	3,925,413
Receivables:					
Assessments	-	-	-	-	7,000
Departmental and other	-	-	-	1,400	234,332
TOTAL ASSETS	\$ 3,782,030	\$ 1,202,979	\$ 4,985,009	\$ 3,926,813	\$ 16,091,216
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Warrants and accounts payable	\$ 823,898	\$ 452,418	\$ 1,276,316	\$ -	\$ 1,668,591
Accrued payroll	-	-	-	-	21,049
Unearned revenue	-	-	-	-	567,807
Note payable	480,000	258,909	738,909	-	738,909
TOTAL LIABILITIES	1,303,898	711,327	2,015,225	-	2,996,356
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	239,932
Fund Balances:					
Nonspendable	-	-	-	1,333,609	1,333,609
Restricted	778,976	377,200	1,156,176	2,593,204	10,004,944
Committed	2,484,407	369,222	2,853,629	-	2,853,629
Unassigned	(785,251)	(254,770)	(1,040,021)	-	(1,337,254)
TOTAL FUND BALANCES	2,478,132	491,652	2,969,784	3,926,813	12,854,928
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,782,030	\$ 1,202,979	\$ 4,985,009	\$ 3,926,813	\$ 16,091,216

TOWN OF WAYLAND, MASSACHUSETTS

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

Special Revenue Funds

	Residential <u>Dwelling</u>	Recreation <u>Revolving</u>	Town <u>Revolving</u>	School <u>Revolving</u>	School <u>Grants</u>	<u>Subtotal</u>
Revenues:						
Intergovernmental	\$ -	\$ -	\$ 1,414,901	\$ 228,751	\$ 2,124,471	\$ 3,768,123
Charges for services	-	810,689	2,096,552	5,534,027	-	8,441,268
Investment income	-	-	257	-	-	257
Contributions	-	-	14,449	19,386	-	33,835
Total Revenues	-	810,689	3,526,159	5,782,164	2,124,471	12,243,483
Expenditures:						
Current:						
General government	-	-	1,430,386	-	-	1,430,386
Public safety	-	-	604,218	-	-	604,218
Education	-	-	-	4,987,732	2,323,721	7,311,453
Public works	-	-	310,567	-	-	310,567
Health and human services	-	-	112,647	-	-	112,647
Culture and recreation	-	718,463	-	-	-	718,463
Debt service:						
Principal	-	-	16,259	-	-	16,259
Capital outlay	-	-	-	-	-	-
Total Expenditures	-	718,463	2,474,077	4,987,732	2,323,721	10,503,993
Excess (deficiency) of revenues over (under) expenditures	-	92,226	1,052,082	794,432	(199,250)	1,739,490
Other Financing Sources (Uses):						
Transfers in	-	-	113,786	-	-	113,786
Transfers out	-	-	(943,016)	(740,904)	-	(1,683,920)
Total Other Financing Sources (Uses)	-	-	(829,230)	(740,904)	-	(1,570,134)
Net change in fund balances	-	92,226	222,852	53,528	(199,250)	169,356
Fund Balances, beginning of year	951,745	587,733	2,680,405	1,407,285	161,807	5,788,975
Fund Balances, end of year	\$ 951,745	\$ 679,959	\$ 2,903,257	\$ 1,460,813	\$ (37,443)	\$ 5,958,331

(continued)

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2019

	<u>Capital Project Funds</u>			Permanent	Total
	<u>Town</u>	<u>School</u>	<u>Subtotal</u>	<u>Fund</u>	Nonmajor Governmental <u>Funds</u>
Revenues:					
Intergovernmental	\$ 551,206	\$ 534,228	\$ 1,085,434	\$ -	\$ 4,853,557
Charges for services	-	-	-	26,105	8,467,373
Investment income	-	-	-	182,461	182,718
Contributions	-	-	-	1,832	35,667
Total Revenues	551,206	534,228	1,085,434	210,398	13,539,315
Expenditures:					
Current:					
General government	-	-	-	66,583	1,496,969
Public safety	-	-	-	-	604,218
Education	-	-	-	-	7,311,453
Public works	-	-	-	-	310,567
Health and human services	-	-	-	-	112,647
Culture and recreation	-	-	-	-	718,463
Debt service:					
Principal	-	-	-	-	16,259
Capital outlay	4,095,309	2,734,054	6,829,363	-	6,829,363
Total Expenditures	4,095,309	2,734,054	6,829,363	66,583	17,399,939
Excess (deficiency) of revenues over (under) expenditures	(3,544,103)	(2,199,826)	(5,743,929)	143,815	(3,860,624)
Other Financing Sources (Uses):					
Transfers in	2,521,000	669,091	3,190,091	-	3,303,877 *
Transfers out	(208,461)	(422,134)	(630,595)	-	(2,314,515) *
Total Other Financing Sources (Uses)	2,312,539	246,957	2,559,496	-	989,362
Net change in fund balances	(1,231,564)	(1,952,869)	(3,184,433)	143,815	(2,871,262)
Fund Balances, beginning of year	3,709,696	2,444,521	6,154,217	3,782,998	15,726,190
Fund Balances, end of year	\$ 2,478,132	\$ 491,652	\$ 2,969,784	\$ 3,926,813	\$ 12,854,928

*Transfers in and out were netted on page 40 to eliminate activity within nonmajor governmental funds.

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FIDUCIARY FUNDS

AGENCY FUND

Agency Funds are established to account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others.

- Agency Fund represents student activity funds, which are contributions from students and fundraising receipts used to pay for student-related activities. The Fund was established in accordance with MGL Chapter 71, Section 47.

TOWN OF WAYLAND, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities

Agency Fund

For the Year Ended June 30, 2019

	Balance July 1, <u>2018</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2019</u>
<u>Student Activity Funds:</u>				
Assets - cash and short-term investments	\$ <u>414,867</u>	\$ <u>574,183</u>	\$ <u>(685,711)</u>	\$ <u>303,339</u>
Liabilities - accounts payable and other	\$ <u>414,867</u>	\$ <u>574,183</u>	\$ <u>(685,711)</u>	\$ <u>303,339</u>

**STATISTICAL
SECTION**

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TOWN OF WAYLAND, MASSACHUSETTS

STATISTICAL SECTION

The Town of Wayland’s comprehensive annual 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.	116 - 120
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the Town’s most significant local revenue source, the property tax.	121 – 123
<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.	124 - 125
<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.	126 - 127
<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.	128 - 130

Town of Wayland, Massachusetts
Net Position by Component
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015 *	2016	2017	2018	2019
Government Activity										
Net Investment in Capital Assets	\$31,838,658	\$43,980,000	\$66,934,000	\$69,804,000	\$75,337,000	\$76,294,684	\$74,873,915	\$81,887,903	\$83,264,446	\$84,705,916
Restricted	34,726,105	1,290,000	17,455,000	18,244,000	17,004,000	15,687,166	20,417,537	14,073,519	13,337,151	3,926,813
Unrestricted	9,232,195	46,503,000	22,463,000	18,165,000	14,025,000	(28,730,657)	(32,234,710)	(30,969,054)	(61,801,893)	(54,955,018)
Total governmental activities net position	\$75,796,958	\$91,773,000	\$106,852,000	\$106,213,000	\$106,366,000	\$63,251,193	\$63,056,742	\$64,992,368	\$34,799,704	\$33,677,711
Business type activities										
Net Investment in Capital Assets	\$3,155,966	\$3,464,000	\$4,287,000	\$5,537,000	\$5,951,000	\$7,905,424	\$8,370,063	\$8,897,952	\$8,990,521	\$9,840,991
Unrestricted	2,743,678	5,442,000	6,098,000	5,001,000	5,336,000	6,009,776	6,264,256	6,734,632	6,495,871	5,723,168
Total business-type activities net position	\$5,899,644	\$8,906,000	\$10,385,000	\$10,538,000	\$11,287,000	\$13,915,200	\$14,634,319	\$15,632,584	\$15,486,392	\$15,564,159
Primary Government										
Net Investment in Capital Assets	\$34,994,624	\$47,444,000	\$71,221,000	\$75,341,000	\$81,288,000	\$84,200,108	\$83,243,978	\$90,785,855	\$92,254,967	\$94,546,907
Restricted	34,726,105	1,290,000	17,455,000	18,244,000	17,004,000	15,687,166	20,417,537	14,073,519	13,337,151	3,926,813
Unrestricted	11,975,873	51,945,000	28,561,000	23,166,000	19,361,000	(22,720,881)	(25,970,454)	(24,234,422)	(55,306,022)	(49,231,850)
Total primary government net position	\$81,696,602	\$100,679,000	\$117,237,000	\$116,751,000	\$117,653,000	\$77,166,393	\$77,691,061	\$80,624,952	\$50,286,096	\$49,241,870

* 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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
General government	\$4,112,358	\$4,300,088	\$4,275,223	\$4,341,501	\$4,585,198	\$4,913,356	\$5,040,458	\$5,841,164	\$5,420,548	\$8,580,339
Public safety	5,659,699	6,060,874	6,246,651	6,215,782	6,320,091	6,637,288	6,940,548	7,460,289	8,029,121	8,514,928
Education	37,716,245	45,904,253	48,546,684	49,781,333	50,193,078	48,825,024	52,440,003	55,900,259	59,000,094	60,816,612
Public works	2,701,479	3,366,716	2,796,606	3,116,184	4,352,718	3,466,324	3,243,638	3,968,596	4,199,103	5,524,779
Health and Human services	1,125,473	1,089,675	1,145,762	1,180,480	1,219,182	1,300,343	1,637,689	1,730,441	1,661,094	1,832,811
Cultural and recreation	2,498,133	2,584,997	2,651,804	2,578,815	2,579,339	2,495,849	2,679,967	2,970,266	2,973,955	3,087,857
Intergovernmental	191,682	186,244	191,501	185,367	131,848	109,179	203,615	147,287	197,704	235,132
Employee Benefits	11,390,905	10,044,785	10,491,313	10,032,828	11,335,432	11,221,601	12,055,183	12,690,387	12,672,324	13,509,174
Interest	962,306	1,788,480	2,260,818	2,335,510	2,254,871	2,607,547	2,501,542	2,489,416	2,555,391	2,412,708
Total governmental activities expenses	66,358,280	75,326,112	78,606,362	79,767,800	82,971,757	81,576,511	86,742,643	93,198,105	96,709,334	104,514,340
Business type activities										
Water operations	2,586,362	3,054,167	2,970,650	3,167,051	2,679,521	2,836,461	3,176,216	3,079,589	3,481,769	3,314,776
Wastewater operations	269,074	257,876	498,707	510,222	652,493	612,552	572,602	584,118	583,056	625,009
Total business-type activities expenses	2,855,436	3,312,043	3,469,357	3,677,273	3,332,014	3,449,013	3,748,818	3,663,707	4,064,825	3,939,785
Total primary government expenses	\$69,213,716	\$78,638,155	\$82,075,719	\$83,445,073	\$86,303,771	\$85,025,524	\$90,491,461	\$96,861,812	\$100,774,159	\$108,454,125
Program revenues										
Governmental activities										
General government	\$225,148	\$613,085	\$1,229,604	\$789,359	\$842,337	\$655,766	\$618,342	\$739,331	\$888,649	\$731,911
Public safety	498,375	1,324,244	1,612,365	1,816,507	1,320,015	1,970,449	1,862,117	1,841,293	1,982,674	1,565,787
Education	59,295	4,181,028	4,354,230	4,758,868	4,553,210	4,922,063	4,879,436	4,822,143	5,550,902	5,534,028
Public works	492,338	21,414	536,424	484,407	433,662	428,409	421,579	399,116	349,090	361,837
Health and Human services	119,984	681,924	231,989	159,445	193,217	212,744	246,132	237,713	204,722	206,499
Cultural and recreation	105,970	906,393	849,872	834,332	1,022,109	728,996	935,041	845,061	775,569	838,462
Operating grants and contributions	10,722,292	9,951,789	9,808,480	9,627,705	10,036,715	6,513,227	13,031,722	15,434,277	15,487,124	17,704,583
Capital grants and contributions	1,269,057	-	-	-	500,000	1,253,720	1,198,161	639,688	339,066	565,655
Total government activities program revenues	13,492,459	17,679,877	18,622,964	18,470,623	18,901,265	16,685,374	23,192,530	24,958,622	25,577,796	27,508,762
Business type activities										
Charges for services										
Water operations	4,092,612	4,047,849	4,096,357	3,450,959	3,847,237	3,737,953	3,530,632	4,073,904	3,641,357	3,616,603
Wastewater operations	236,997	212,140	324,512	359,829	621,988	4,346,580	674,376	466,302	351,824	518,201
Total business-type activities revenues	4,329,609	4,259,989	4,420,869	3,810,788	4,469,225	8,084,533	4,205,008	4,540,206	3,993,181	4,134,804
Total primary government revenues	\$17,822,068	\$21,939,866	\$23,043,833	\$22,281,411	\$23,370,490	\$24,769,907	\$27,397,538	\$29,498,828	\$29,570,977	\$31,643,566
Net (Expense) / Revenue										
Governmental activities	(\$52,865,821)	(\$57,646,235)	(\$59,983,398)	(\$61,297,177)	(\$64,070,492)	(\$64,891,137)	(\$63,550,113)	(\$68,239,483)	(\$71,131,538)	(\$77,005,578)
Business-type activities	1,474,173	947,946	951,512	133,515	1,137,211	4,635,520	456,190	876,499	(71,644)	195,019
Total primary government net (expense)	(\$51,391,648)	(\$56,698,289)	(\$59,031,886)	(\$61,163,662)	(\$62,933,281)	(\$60,255,617)	(\$63,093,923)	(\$67,362,984)	(\$71,203,182)	(\$76,810,559)

continued

Town of Wayland, Massachusetts										
Changes in Net Positions										
Last Ten Fiscal Years										
continued:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and other Changes in Net Position										
Governmental activities;										
Real estate and personal property-net										
of refunds payable	\$53,801,131	\$56,878,601	\$56,210,914	\$52,668,419	\$55,052,067	\$60,094,824	\$59,394,566	\$64,548,329	\$66,111,884	\$70,101,630
Excise Tax	1,928,276	1,988,841	1,992,464	2,139,197	2,285,174	2,306,959	2,648,630	2,636,399	2,780,477	2,806,721
Grants, contributions- not restricted										
to specific programs	4,657,530	13,070,980	16,866,244	5,344,129	5,807,424	1,635,592	1,521,878	1,780,162	1,323,639	1,796,082
Investment income	399,852	830,822	362,492	412,826	539,875	302,319	428,446	603,720	438,010	977,769
Other	273,678	76,518	141,249	96,511	176,699	176,700	199,814	606,499	459,070	560,481
Transfers	-	-	(510,000)	-	402,653	(325,671)	(175,000)	-	(50,085)	219,000
Total government activities	\$61,060,467	\$72,845,762	\$75,063,363	\$60,661,082	\$64,263,892	\$64,190,723	\$64,018,334	\$70,175,109	\$71,062,995	\$76,461,683
Business-type activities										
Grants, contributions- not restricted										
to specific programs	-	-	-	-	-	-	7,516	41,492	10,995	6,127
Investment income	-	25,390	16,887	4,992	5,457	10,395	11,413	11,168	13,577	67,973
Miscellaneous	-	-	-	15,103	8,805	9,732	69,000	69,103	76,978	27,648
Transfers	-	-	510,000	-	(402,653)	325,671	175,000	-	50,085	(219,000)
Total business type activities	-	25,390	526,887	20,095	(388,391)	345,798	262,929	121,763	151,635	(117,252)
Total primary government	\$61,060,467	\$72,871,152	\$75,590,250	\$60,681,177	\$63,875,501	\$64,536,521	\$64,281,263	\$70,296,872	\$71,214,630	\$76,344,431
Changes in Net Position										
Governmental activities	\$8,194,646	\$15,199,527	\$15,079,965	(\$636,095)	\$193,400	\$2,771,493	\$468,221	\$1,935,626	(\$68,843)	(\$543,895)
Business type activities	1,474,173	973,336	1,478,399	153,610	748,820	4,491,552	719,119	998,265	79,991	77,767
Total primary government changes in net position	\$9,668,819	\$16,172,863	\$16,558,364	(\$482,485)	\$942,220	\$7,263,045	\$1,187,340	\$2,933,891	\$11,148	(\$466,128)

Data source: Audited financial statements

Town of Wayland, Massachusetts
Fund Balance, Governmental Funds
Last Ten Fiscal Years

	2010	2011*	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$3,782,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	10,548,522	-	-	-	-	-	-	-	-	-
Restricted	-	1,505,377	1,380,195	1,260,811	1,198,453	1,091,466	992,021	1,341,434	884,394	720,053
Committed	-	2,375,309	2,111,293	1,767,731	1,696,808	77,495	1,224,521	457,113	1,596,720	1,489,367
Assigned	-	4,976,110	8,923,173	5,751,198	4,080,165	4,983,687	3,523,701	3,433,163	1,400,531	737,642
Unassigned	-	14,092,210	7,997,901	7,878,161	7,249,678	9,925,141	7,904,567	10,889,879	11,803,073	12,882,925
Total general fund	\$14,331,315	\$22,949,006	\$20,412,562	\$16,657,901	\$14,225,104	\$16,077,789	\$13,644,810	\$16,121,589	\$15,684,718	\$15,829,987
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue funds	\$12,873,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects funds	12,263,295	-	-	-	-	-	-	-	-	-
Other funds	8,102,583	-	-	-	-	-	-	-	-	-
Nonspendable	-	895,610	1,144,272	1,151,922	1,175,522	1,248,929	1,252,564	1,269,728	1,295,057	1,333,609
Restricted	-	32,499,949	20,148,285	20,371,116	27,323,950	19,285,848	21,270,746	15,890,614	15,742,191	12,880,125
Committed	-	-	-	-	-	894,747	962,953	1,474,921	2,231,148	2,853,629
Unassigned	-	-	-	(1,535,016)	(52,336)	(239,025)	(109,805)	(250,838)	(158,055)	(1,337,254)
Total all other governmental funds:	\$33,239,065	\$33,395,559	\$21,292,557	\$19,988,022	\$28,447,136	\$21,190,499	\$23,376,458	\$18,384,425	\$19,110,341	\$15,730,109

Data source: Audited financial statements

(1)- Beginning with FY 11, the presentation of Fund Balance conforms with Government Accounting Standards Board Statement No. 54.

Town of Wayland, Massachusetts
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Real estate and personal property taxes net of tax refunds.	\$53,900,436	\$56,705,784	\$55,976,599	\$52,767,554	\$54,670,917	\$60,592,925	\$59,258,299	\$65,131,478	\$65,988,087	\$69,939,936
Motor vehicle and other excise taxes	2,122,400	2,011,717	2,011,745	2,054,572	2,340,067	2,390,377	2,535,034	2,527,301	2,883,394	2,814,811
License and permits	561,360	782,626	769,814	1,006,114	687,589	999,262	945,108	793,794	761,310	555,647
Intergovernmental	8,288,494	24,054,416	26,599,509	14,901,159	15,843,489	7,782,080	8,170,087	17,738,390	12,885,247	15,932,647
Charges for services	9,315,296	6,940,837	7,660,416	7,829,062	7,647,548	7,704,543	7,953,235	8,052,267	8,983,330	8,776,101
Investment income	677,423	830,822	362,492	412,826	539,874	302,319	428,450	603,718	438,010	977,773
Fines and forfeitures	58,928	62,604	80,303	72,662	78,748	53,005	55,078	37,524	36,000	30,991
Contributions	-	2,473	75,215	8,516	500,650	1,074,534	1,537,961	115,737	31,063	35,667
Miscellaneous	38,304	-	-	-	-	-	-	321,214	161,848	263,259
Total Revenues	74,962,641	91,391,279	93,536,093	79,052,465	82,308,882	80,899,045	80,883,252	95,321,423	92,168,289	99,326,832
Expenditures:										
General government	3,980,582	4,324,768	4,114,856	4,090,131	6,697,293	5,650,886	4,539,313	5,306,080	5,164,471	6,860,938
Public safety	5,195,615	5,612,301	5,835,686	5,917,340	5,878,600	6,000,341	6,272,557	6,543,082	6,968,883	7,309,241
Education	36,452,025	43,637,353	45,656,756	47,012,800	47,209,574	41,589,125	42,965,822	52,452,803	50,957,219	52,968,923
Public works	1,929,876	2,513,463	2,027,682	2,538,552	2,302,763	2,520,070	2,155,571	2,699,337	2,571,856	3,059,140
Health and human services	1,125,473	1,089,675	1,145,761	1,171,994	1,219,183	1,726,704	1,516,899	1,539,481	1,541,662	1,606,301
Cultural and recreation	2,303,143	2,386,880	2,434,376	2,345,589	2,392,713	2,254,234	2,393,816	2,648,730	2,697,895	2,793,309
Employee benefits	11,310,010	11,720,709	11,970,590	9,367,224	10,731,130	10,943,350	11,912,407	12,312,420	12,672,324	13,509,174
Intergovernmental	191,682	186,244	191,501	185,367	131,848	109,179	203,615	147,287	197,704	235,132
Debt service										
Principle	3,382,250	3,928,726	5,346,226	5,309,965	5,103,948	5,154,948	5,214,699	5,107,659	5,342,659	5,135,659
Interest	862,614	1,099,081	2,400,720	2,344,275	2,221,013	2,554,411	2,516,073	2,479,910	2,603,027	2,473,615
Capital outlay	4,423,750	39,759,722	28,618,588	6,562,083	6,264,218	13,853,129	3,839,874	17,356,017	4,215,536	6,829,363
Total Expenditures	71,157,020	116,258,922	109,742,742	86,845,320	90,152,283	92,356,377	83,530,646	108,592,806	94,933,236	102,780,795
Excess of revenues over / (under) expenditures	3,805,621	(24,867,643)	(16,206,649)	(7,792,855)	(7,843,401)	(11,457,332)	(2,647,394)	(13,271,383)	(2,764,947)	(3,453,963)
Other Financing Sources (use)										
Issuance of bonds and notes	12,180,000	36,000,000	2,010,000	2,555,000	12,585,000	5,917,000	2,401,000	10,300,000	2,835,000	-
Issuance of refunding bonds	-	-	-	1,314,000	-	-	3,339,000	-	-	-
Bond premiums	-	1,851,132	67,203	224,659	882,064	462,210	521,147	546,129	179,077	-
Payments to refund bond escrow	-	-	-	(1,360,000)	-	-	(3,685,773)	-	-	-
Transfer in	893,270	516,130	2,050,000	1,768,967	3,244,552	2,704,262	2,073,527	3,020,270	3,016,003	4,264,581
Transfer out	(893,270)	(516,130)	(2,560,000)	(1,768,967)	(2,841,898)	(3,029,933)	(2,248,527)	(3,020,270)	(3,066,088)	(4,045,581)
Total other financing sources (uses)	12,180,000	37,851,132	1,567,203	2,733,659	13,869,718	6,053,539	2,400,374	10,846,129	2,963,992	219,000
Fund balance restatement										
Net change in fund balance	\$15,985,621	\$12,983,489	(\$14,639,446)	(\$5,059,196)	\$6,026,317	(\$5,403,793)	(\$247,020)	(\$2,425,254)	\$199,045	(\$3,234,963)
Debt Service as a percentage of non capital expenditures	6.36%	6.57%	9.55%	9.53%	8.73%	9.82%	9.70%	8.32%	8.76%	7.73%

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
2010	\$ 2,871,312,611	17.78	\$ 89,028,689	\$ 28,549,000	\$ 31,827,990	\$ 149,405,679	17.78	\$ 3,020,718,290
2011	2,752,145,687	19.35	86,812,113	27,757,500	33,957,200	148,526,813	19.35	2,900,672,500
2012	2,769,863,897	19.01	87,641,103	27,914,000	34,844,000	150,399,103	19.01	2,920,263,000
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

Data Source: Town of Wayland Tax Recapitulation Sheets

Town of Wayland, Massachusetts
Principle Taxpayers
Current and Ten Years Ago

Name of Business	Nature of Business	2019		2010		% of Total Taxable Assessed Value	% of Total Taxable Assessed Value
		Assessed Valuation	Rank	Assessed Valuation	Rank		
BOS Retail 1 , LLC	Developer	\$34,619,800	1	\$22,483	1	1.15%	0.00%
NSTAR Electric	Energy	15,618,400	2	9,141,000	3	0.52%	0.30%
373 Commonwealth Residence	Development	9,665,300	8			0.32%	
Boston Gas Company	Energy	9,382,800	6			0.31%	
Atria Living Group, Inc.	Assisted Living	8,583,500	3			0.28%	
Individual	Residential	8,504,800	5			0.28%	
Northbridge Wayland Assisted	Assisted Living / Nursing Home	8,394,000	4			0.28%	
Individual	Residential	7,996,200	7			0.26%	
Individual	Residential	6,939,800	9			0.23%	
Sunrise Assisted Living	Assisted Living	6,788,100	10	9,549,400	2	0.22%	0.32%
Totals		<u>\$116,492,700</u>		<u>\$18,712,883</u>		<u>3.23%</u>	<u>0.62%</u>

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
2010	\$53,708,371	\$309,300	\$53,399,071	\$52,479,107	98.28%	\$356,514	\$52,835,621	98.94%	\$563,450	1.05%
2011	\$56,128,012	\$238,079	\$55,889,933	\$55,077,240	98.55%	\$526,268	\$55,603,508	99.49%	\$286,425	0.51%
2012	\$55,514,199	\$281,678	\$55,232,521	\$54,388,803	98.47%	\$510,918	\$54,899,721	99.40%	\$332,800	0.60%
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%

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
2010	12,994	\$1,778,882,000	\$3,020,718,290	\$29,769,751	\$136,900	1.6735%	0.9855%
2011	12,994	\$1,759,152,000	\$2,900,672,500	\$62,022,256	\$135,382	3.5257%	2.1382%
2012	13,285	\$1,937,745,000	\$2,920,263,000	\$58,686,028	\$145,860	3.0286%	2.0096%
2013	13,444	\$1,957,122,450	\$2,907,556,710	\$55,886,977	\$145,576	2.8556%	1.9221%
2014	13,444	\$1,976,693,675	\$2,978,114,503	\$63,368,029	\$147,032	3.2058%	2.1278%
2015	13,444	\$1,996,460,611	\$3,240,146,400	\$66,952,000	\$148,502	3.3535%	2.0663%
2016	13,294	\$2,016,425,217	\$3,366,486,700	\$64,233,786	\$151,679	3.1855%	1.9080%
2017	13,684	\$2,036,589,470	\$3,457,138,900	\$69,743,413	\$148,830	3.4245%	2.0174%
2018	13,827	\$2,056,955,365	\$3,607,434,100	\$67,117,609	\$150,318	3.2630%	1.8605%
2019	13,965	\$2,077,524,918	\$3,771,121,300	\$61,684,728	\$151,821	2.9691%	1.6357%

Business - Type Activities Debt

Total Primary Government

Outstanding Debt

Fiscal Year	Water Fund	Wastewater Fund		Total Debt Outstanding	Per Capita Income	Percentage of Personal Income	Percentage of Assessed Value
2010	\$10,300,250	\$603,499	-	\$40,673,500	\$136,900	2.29%	1.35%
2011	\$10,867,500	\$5,400,154	-	\$78,289,910	\$135,382	4.45%	2.70%
2012	\$10,142,250	\$5,601,636	-	\$74,429,914	\$145,860	3.84%	2.55%
2013	\$9,287,000	\$5,358,000	-	\$70,531,977	\$145,576	3.60%	2.43%
2014	\$8,452,500	\$5,309,363	-	\$77,129,892	\$147,032	3.90%	2.59%
2015	\$7,686,000	\$5,045,726	-	\$80,708,874	\$148,502	4.04%	2.49%
2016	\$10,658,770	\$6,168,390	-	\$81,060,946	\$148,830	4.02%	2.41%
2017	\$10,402,400	\$4,458,182	-	\$84,603,995	\$148,830	4.15%	2.45%
2018	\$10,168,800	\$4,174,741	-	\$81,461,150	\$150,318	3.96%	2.26%
2019	\$9,201,700	\$3,876,494	-	\$71,580,598	\$151,821	3.45%	1.90%

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Equalized Valuation	\$2,900,672,500	\$2,900,672,500	\$2,920,263,000	\$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
Debt Limit - 5% of equalized valuation	145,033,625	145,033,625	146,013,150	145,377,836	148,905,725	162,007,320	168,324,335	172,856,945	180,371,705	188,556,065
Less:										
Total debt applicable to limitation	18,304,251	16,437,270	16,548,283	16,476,281	16,876,111	18,360,970	19,076,904	19,076,904	19,840,888	20,741,167
Legal debt margin	\$126,729,374	\$128,596,355	\$129,464,867	\$128,901,555	\$132,029,614	\$143,646,350	\$149,247,431	\$153,780,041	\$160,530,817	\$167,814,898
Total debt applicable to the limit as a percentage of debt limit	12.62%	11.33%	11.33%	11.33%	11.33%	11.33%	11.33%	11.04%	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
2010	12,994	\$136,900	41	2,738	5.70%
2011	12,994	\$135,382	41	2,686	5.40%
2012	13,285	\$145,860	41	2,684	4.50%
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	\$151,821	46	2,707	2.50%

Data Source: Official Statements

Town of Wayland, Massachusetts
Principle Employees
Current Year and Ten Years Ago

Employer	Type of Business	2019			2010		
		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	3	2.85%	120	5	1.83%
Villa Restaurant	Restaurant	75	4	1.07%	62	6	0.94%
Wayland Country Club	Recreation	75	5	1.07%			0.00%
Stop and Shop	Retail	75	7	1.07%			0.00%
Giacomo's Restaurant	Restaurant	75	8	1.07%			0.00%
Northbridge Wayland Asst. Living	Assisted Living	75	9	1.07%			0.00%
The Local	Restaurant	35	10	0.50%			0.00%
		610			182		

Data Source: Official Statements
OS- 2019 and 2008

Town of Wayland, Massachusetts										
Government Employees by Function - Full Time Equivalents										
Last Ten Years										
Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	37	40	42.85	42.278	42.3	46.65	36.67	38.69	37.05	37.05
Public Safety										
Police	31	31	32.33	32.33	33.33	33.59	33.29	33.59	33.59	34.59
Fire	25.54	28.21	28.87	28.87	28.87	28.87	29.87	26.54	26.54	28.54
Education	355.42	337.9	367.26	374.442	374.64	391.86	393.5	405.50	417.65	427.92
Public Works										
Highway	15.7	15.7	27.57	28.37	28.37	29.41	29.41	39.69	41.24	42.34
Parks	12	12	-	-	-	-	-	-	-	-
Transfer Station	2.3	2.3	-	-	-	-	-	-	-	-
Total	30	30	27.57	28.37	28.37	29.41	522.74	544.01	556.07	570.44
Planning and Human Services										
Planning	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.40	1.40
Board of Health	8.8	8.8	9.15	9.15	9.15	9.29	9.29	9.29	9.29	9.29
Recreation	1.9	1.9	2.33	2.33	1.83	2.11	2.54	3.54	3.54	3.54
Council on Aging	2.8	2.8	2.83	2.83	2.83	-	3.34	3.34	3.34	3.34
Total	15	15	15.71	15.71	15.21	12.8	16.57	17.57	17.57	17.57
Library	14.74	14.74	14.74	14.74	14.74	13.74	13.74	13.69	13.69	13.39
TOTALS:	508.7	496.85	529.33	536.74	537.46	556.92	553.05	575.27	587.33	601.40

Source:

Town of Wayland Human Resources Office

Town of Wayland, Massachusetts
Operating Indicators by Function
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Finance										
Registered Voters	10,086	9,974	9,861	9,861	9,870	9,965	9,971	9,971	10,334	10,334
Taxable property parcels assessed	5,041	5,054	5,098	5,093	5,128	5,131	5,172	5,183	5,181	5,181
Motor vehicle registered	14,604	14,359	13,823	14,091	13,957	13,957	14,285	14,309	14,309	14,309
Police										
Physical arrests	66	97	118	108	116	83	85	71	39	54
Traffic violations	2,000	3,593	3,251	3,179	2,984	2,917	2,691	2,041	2,478	2,315
Fire										
Calls answered	3,549	3,518	3,660	3,784	4,006	3,280	4,258	3,908	3,532	3,729
Emergency response	2,225	2,150	1,506	1,151	2,301	1,913	2,361	2,611	2,119	2,333
Fires extinguished	37	40	36	37	36	23	37	35	77	15
Number of inspections conducted	921	989	703	796	702	639	841	742	613	609
Emergency medical responses	1,227	1,304	1,242	1,212	1,153	884	1,019	1,289	1,139	1,206
Building										
Building permits issued	626	696	765	844	808	808	1,061	939	765	859
Estimated construction value	59,299,916	36,960,000	46,725,666	42,400,000	42,149,266	42,149,266	42,150,000	31,297,805	31,000,000	23,250,000
Pubic works										
Trash hauled	-	-	-	-	-	-	-	-	-	-
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	89,386	91,469	99,871	97,490	106,967	106,967	136,567	134,777	163,313	159,187
Total volumes borrowed	194,902	197,670	207,157	213,678	222,184	222,184	226,731	228,677	234,654	236,306
Total circulation	229,752	232,666	246,429	246,429	252,405	252,405	264,848	264,532	265,535	271,117
Registered borrowers	7,410	7,120	6,972	6,972	6,880	6,880	6,837	6,753	6,749	7,274
Water										
Water main breaks	16	14	28	6	31	31	11	8	9	9
Daily average consumption	1.41	1.32	1.21	1.47	1.35	1.35	1.45	1.43	1.45	1.43
Peak daily consumption	1.97	1.91	1.75	1.87	1.74	1.74	2.00	1.98	2.27	2.00

Source:
Town of Wayland Departmental Managers

Town of Wayland, ,Massachusetts
Capital Assets Statistics by Function
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	4	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										
Number of parks	7	7	7	7	7	7	7	7	7	7
Public beaches	1	1	1	1	1	1	1	1	1	1
Ball fields	14	14	14	14	14	14	14	14	14	14
Tennis courts	19	19	19	19	19	19	19	19	19	19
	12	12	12	12	12	12	12	12	12	12
Water system										
Miles of water mains	101	101	101	102	102	102	102	102	102	102
Number of service connections	4,993	4,993	4,993	4,993	4,993	4,993	4,993	5,028	5,028	5,028
Storage capacity in gallons (millions of gallons)	2.5	2.5	2.5	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	488	488	490	490	491	491	491	497	497	497
Sewer Systems										
Miles of sanitary sewers	0.9	0.9	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
Number of treatment plants	40	40	70	90	100	120	120	120	120	120
Number of service connections	40	40	70	90	100	120	120	120	120	120

Source:
Town of Wayland Departmental Managers