



TOWN OF WAYLAND, MASSACHUSETTS

Comprehensive Annual Financial Report

For the Fiscal Year Ending

June 30, 2020

TOWN OF WAYLAND, MASSACHUSETTS

Comprehensive Annual Financial Report
Annual Financial Statements

For the Year Ended June 30, 2020

Prepared by:
The Finance Department

TOWN OF WAYLAND, MASSACHUSETTS
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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**INTRODUCTORY
SECTION**



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TOWN OF WAYLAND

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WAYLAND, MASSACHUSETTS 01778

BOARD OF SELECTMEN

LEA T. ANDERSON
MARY M. ANTES
THOMAS FAY
CHERRY C. KARLSON
DAVID WATKINS

Letter of Transmittal

December 31, 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, 2020 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, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Town of Wayland's financial statements have been audited by Melanson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Wayland for the fiscal year ending June 30, 2020, 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, 2020, 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, Lincoln and Natick. Wayland is approximately 15.8 square miles of land area with 93.6 lane miles of roadways and has a population of approximately 14,000. Within the borders of Wayland are Route 20, Route 27 and Route 126. Wayland provides an excellent location and services to its residents and businesses.

Local legislative decisions are made by an open town meeting consisting of all registered voters in the town. Town Meetings are held in the spring of each year to approve annual budgets, capital projects and special articles. Town Meetings can also be held in the fall with the approval of the Wayland 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, Sedgemoor and Heard Field Conservation. There is approximately 2,709 acres of open space which is nearly 27% of Wayland's total land.

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

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

Factors Affecting Economic Conditions

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

Local economy

Wayland is home to diverse businesses of all sizes. Most 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 2011.

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

The new Department of Public Works Facility located at 66 River Road opened in June 2015. Minor construction continues to take place as the facility is close to completion. The new facility has provided enhanced services for town residents and significantly improves the work environment of town employees. The new facility is a 36,500 square foot building 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.

Long-term Financial Planning

The Town continues to manage its financial affairs in a prudent manner as is demonstrated by its Moody's Aaa bond rating. The next time the town will borrow funds for capital projects is expected to be November 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, refrain from use of Free Cash to balance annual budgets, and follow municipal best practices. The Finance Committee recommends no use of Free Cash to balance the Fiscal 2020 or Fiscal 2021 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 \$76.7M in long-term and short-term debt, excluding unamortized debt premiums. As a benchmark, the Town strives 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 8.97%. 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 tax which is capped by Proposition 2 ½ and can only be overridden by a majority vote at a town election. The tax rate has fluctuated between \$17 and \$19 per \$1,000 of assessed value over the past four years. The tax rate for Fiscal 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 may not increase due to COVID-19. Due in large part to COVID-19, total Local Receipts in Fiscal 2020 was \$4.40M compared to \$5.0M in Fiscal 2019. Surplus Overlay was not used to balance the annual Fiscal 2020 budget.

Tax bills are generated quarterly by the Town Assessing and Town Treasurers office. The Town Treasurer collects and deposits all revenue for the town. The Commissioners of Trust Funds advise the Town Treasurer on investments related to Trust Funds. The Town Treasurer invests the Other Post Employment Benefit funds. In Fiscal 2016 the OPEB funds were transferred from

two investment firms to the State-run investment agency Pension Retirement Income Trust (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, 2020 the balance in the OPEB account is \$19.1M.

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

Financial Policies that affected the financial position in the current year

The 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.

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, 2020 the balance of unrestricted cash and investments for all other government funds totaled \$68,185,846 compared to \$62,625,841 in Fiscal 2019.

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

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

The Town Treasurer is responsible for transferring funds into various depository accounts at bank institutions. Short-term funds are transferred to various banks and financial institutions to obtain

the highest competitive return. The Treasurer maintains adequate cash on hand to pay invoices and fund payroll on a bi-weekly basis.

Cash flow requirements are continuously evaluated to determine the amount of money that can be invested for a longer term and thus, yield a higher return on investments. Maturities 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. The town is continuing to implement the upgrade in the Treasury Department. In July 2018 the town upgraded to MUNIS 11.3 from MUNIS 10.5. It is expected the MUNIS will need to be upgraded to MUNIS 11.5 in FY 21.

Economic Development

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

The process will result in the development of a suite of consensus driven zoning recommendations and rational via supporting materials, that could be brought forward to a Town Meeting in the fall of 2021. This will also include the creation of an Economic Development Action Plan with implementation steps and key strategies identified.

Wayland Town Center Project

The Town of Wayland is in negotiations with the owners of Town Center to acquire or lease land for a new community center. Wayland Center has all the ingredients to become a thriving New England town center, but it needs a cohesive framework to link all components together by putting the Town in Town Center so that the full economic and community potential can be realized. The proposed Community Center will be designed as flexible space that will serve citizens of all ages through diverse programming. The Recreation Department and Council of Aging Staff will work together to coordinate the use of shared space and resources so that the facility is used to its full potential and services can be streamlined by the town department's staff through joint planning.

Mass Central Rail Trail

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

River's Edge

River's Edge was approved by the Zoning Board of Appeals on December 30, 2019 for the construction of a 218 Multi Family residential community. Last year the original Application proposed 190 units of Multi Family Housing. The Applicant, with support of the community boards, withdrew the original application and submitted a new Application for Variances and Site Plan Review Approval to the Zoning Board for the construction of 28 additional units totaling 218 unit multi-family units with 54.5 of the 218 units being designated as affordable. The project is now proposing three (3) buildings, garage and surface parking and driveways, and drainage improvements (collectively, the "project.") The Town of Wayland is the owner of the property. The proposed Project will replace the Wayland Sudbury Septage Plant and Bus parking.

The Board of Selectmen are finalizing the Land Disposition Agreement based on the additional units permitted for the site. The Town of Wayland in 2017 received a \$2.4 M dollar Massworks grant for water infrastructure for River's Edge which was completed last year. The Town of Wayland recently applied for another Massworks Grant in the amount of \$2.2 M for sewer infrastructure to connect to the Town's Wayland Center wastewater system. The current Wayland Center wastewater system, while state of the art, is both underutilized and lacks growth capacity due to limited suitable areas in the immediate Sudbury River environs to accept outflow. Connecting the River's Edge development helps mitigate both issues, by adding needed usage to the wastewater plant so it operates more efficiently, while providing additional outflow capacity by accepting excess outflow on the River's Edge property, so that the existing wastewater plant can be tapped into to spur additional economic growth along the Route 20 corridor in Wayland Center. If successful, this option would provide significant savings for the development and the Town of Wayland.

The River's Edge development represents a giant leap forward in achieving Wayland's goal of 10% affordable housing. At the same time, Wayland will realize significant financial benefits from the disposition and redevelopment of the Property and facilitate rental, affordable housing and senior housing opportunities in the Town through the construction of a first class rental housing development, the design of which is well integrated into and compatible with the Town's design goals. The \$2.2 million land purchase price will be deposited by the Town at land sale closing and

reserved for appropriation by Town Meeting. Based on estimated taxes the Town will be receiving an additional \$800,000 of new growth per year at the completion of this project as well as a one-time lump sum payment.

Town of Wayland Grant Awards

Shared Streets and Spaces Grant from MassDOT in the amount of \$29,070

The project is located on at 336 Boston Post Road in a small shopping plaza on the north side of the roadway. There are approximately 10 off-street spaces in the shopping plaza, two of which will be repurposed for the outdoor dining area. Two four-person tables and umbrellas will be provided for outdoor dining and seating.

A new multi-use path will connect the new outdoor dining area to the Mass Central Rail Trail/East Coast Greenway located approximately 150 feet to the north. The new path will be approximately five to six feet wide and will be located along the east side of the Wayland Mini Market. The surface will be stone dust which matches the existing surface material of the Mass Central Rail Trail/East Coast Greenway in this area. Existing vegetation will be removed between the buildings and the trail, and the area will be graded. The site is privately owned, but an agreement/license/right of entry will be in place for the Town to control the project.

The project will provide a new dining and seating area in front of the Wayland Pizza House and Wayland Mini Market shopping plaza by repurposing two off-street parking spaces. The repurposed spaces would accommodate two, four-person tables and seat 8 patrons. The area will be in accordance with accepted State of Massachusetts COVID-19 spacing guidelines. The project will stimulate business for the Wayland Pizza House and Wayland Mini Market in the shopping plaza which will promote economic activity. The project will also provide a new multi-use path connection from the new dining/seating area to the Mass Central Rail Trail/East Coast Greenway, located approximately 150 feet to the north. The new connection will encourage pedestrians and bicyclists on the rail trail to visit, rest, socialize, and eat at the newly created dining area; and will provide a new local connection between the shopping plaza and Boston Post Road to the rail trail. Patrons can walk or bike from this site to the proposed Elissa Avenue Shared Street and Spaces project (less than one-quarter mile) via the existing Mass Central Rail Trail/East Coast Greenway, which provides access to both sites.

Recently approved development

5 Paths Shaw Drive – Three lot residential subdivision

81 West Plain Street – Two lot residential subdivision

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.

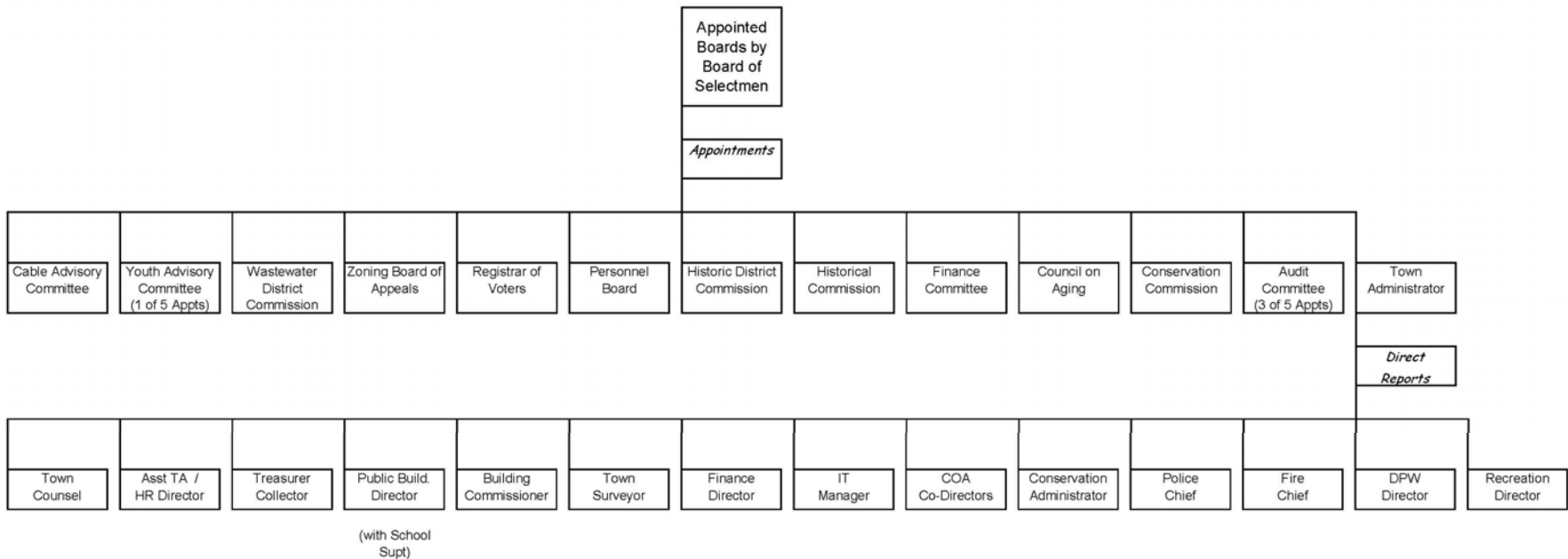
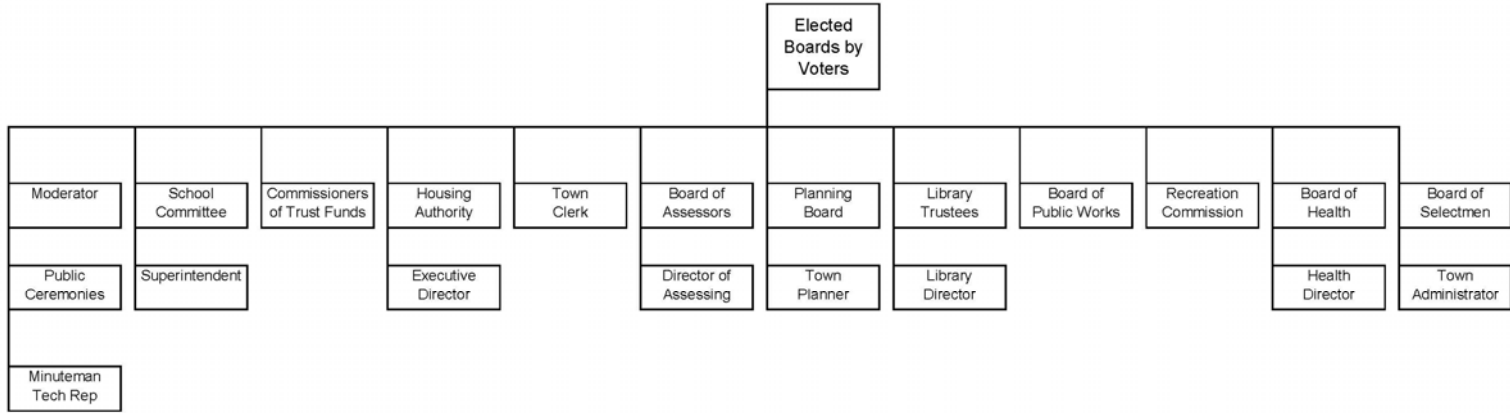
Acknowledgements

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 for the guidance and support in compiling and presenting the information.

Respectfully submitted,



Brian Keveny
Finance Director
Town of Wayland, Massachusetts



Principle Town Officials

Title	Name	Selection / Team	Term Expires
Selectwoman	Cherry Karlson	Elected / 3 Years	2023
Selectwoman	Mary Antes	Elected / 3 Years	2021
Selectman	David Watkins	Elected / 3 Years	2023
Selectwoman	Lea Anderson	Elected / 3 Years	2021
Selectman	Tom Fay	Elected / 3 Years	2022
Town Administrator	Louise Miller	Appointed / 3 Years	2021
School Committee	Ellen Grieco	Elected / 3 Years	2021
School Committee	Chris Ryan	Elected / 3 Years	2023
School Committee	Jeanne Downs	Elected / 3 Years	2023
School Committee	Kathie Steinberg	Elected / 3 Years	2021
School Committee	Kim Reichelt	Elected / 3 Years	2021
School Superintendent	Arthur Unobskey	Appointed / 3 Years	2021



Government Finance Officers Association

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for Excellence
in Financial
Reporting

Presented to

**Town of Wayland
Massachusetts**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

**FINANCIAL
SECTION**



INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen
Town of Wayland, Massachusetts

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, 2020, 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, 2020, 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 December 31, 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.

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

Merrimack, New Hampshire
December 31, 2020

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, 2020.

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 supplementary 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.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$34,331,313, a change of \$653,602, and net position in business-type activities was \$16,024,379, a change of \$460,220.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$38,376,815, a change of \$6,816,719 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$13,713,620 a change of \$830,695 in comparison to the prior year.

Government-Wide Financial Analysis

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

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 44,526	\$ 38,945	\$ 10,435	\$ 9,581	\$ 54,961	\$ 48,526
Capital assets	<u>147,480</u>	<u>145,234</u>	<u>22,141</u>	<u>22,033</u>	<u>169,621</u>	<u>167,267</u>
Total assets	192,006	184,179	32,576	31,614	224,582	215,793
Deferred outflows of resources	<u>8,541</u>	<u>9,193</u>	<u>235</u>	<u>266</u>	<u>8,776</u>	<u>9,459</u>
Total assets and deferred outflows of resources	<u>\$ 200,547</u>	<u>\$ 193,372</u>	<u>\$ 32,811</u>	<u>\$ 31,880</u>	<u>\$ 233,358</u>	<u>\$ 225,252</u>
Long-term liabilities outstanding	\$ 156,107	\$ 148,954	\$ 16,372	\$ 15,499	\$ 172,479	\$ 164,453
Other liabilities	<u>4,462</u>	<u>6,496</u>	<u>255</u>	<u>719</u>	<u>4,717</u>	<u>7,215</u>
Total liabilities	160,569	155,450	16,627	16,218	177,196	171,668
Deferred inflows of resources	5,647	4,244	160	98	5,807	4,342
Net position:						
Net investment in capital assets	84,203	84,706	10,183	9,841	94,386	94,547
Restricted	14,033	3,927	-	-	14,033	3,927
Unrestricted	<u>(63,905)</u>	<u>(54,955)</u>	<u>5,841</u>	<u>5,723</u>	<u>(58,064)</u>	<u>(49,232)</u>
Total net position	<u>34,331</u>	<u>33,678</u>	<u>16,024</u>	<u>15,564</u>	<u>50,355</u>	<u>49,242</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 200,547</u>	<u>\$ 193,372</u>	<u>\$ 32,811</u>	<u>\$ 31,880</u>	<u>\$ 233,358</u>	<u>\$ 225,252</u>

Changes in Net Position

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues						
Charges for services	\$ 8,617	\$ 9,239	\$ 3,995	\$ 4,135	\$ 12,612	\$ 13,374
Operating grants and contributions	22,589	18,271	-	-	22,589	18,271
Capital grants and contributions	-	-	157	-	157	-
General revenues:						
Property taxes	71,923	70,102	-	-	71,923	70,102
Excises	2,386	2,807	-	-	2,386	2,807
Grants and contributions not restricted to specific programs	1,489	1,796	12	6	1,501	1,802
Investment income	779	978	49	68	828	1,046
Other	<u>788</u>	<u>560</u>	<u>21</u>	<u>28</u>	<u>809</u>	<u>588</u>
Total revenues	108,571	103,753	4,234	4,237	112,805	107,990
Expenses:						
General government	7,774	8,581	-	-	7,774	8,581
Public safety	8,395	8,515	-	-	8,395	8,515
Education	64,672	60,817	-	-	64,672	60,817
Public works	5,165	5,525	-	-	5,165	5,525
Health and human services	1,603	1,833	-	-	1,603	1,833
Culture and recreation	3,055	3,088	-	-	3,055	3,088
Intergovernmental	116	235	-	-	116	235
Employee benefits	14,562	13,509	-	-	14,562	13,509
Interest on long-term debt	2,532	2,413	-	-	2,532	2,413
Water	-	-	3,074	3,315	3,074	3,315
Sewer	<u>-</u>	<u>-</u>	<u>744</u>	<u>625</u>	<u>744</u>	<u>625</u>
Total expenses	<u>107,874</u>	<u>104,516</u>	<u>3,818</u>	<u>3,940</u>	<u>111,692</u>	<u>108,456</u>
Change in net position before transfers	697	(763)	416	297	1,113	(466)
Transfers in (out)	<u>(44)</u>	<u>219</u>	<u>44</u>	<u>(219)</u>	<u>-</u>	<u>-</u>
Change in net position	653	(544)	460	78	1,113	(466)
Net position - beginning 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>
Net position - end of year	<u>\$ 34,331</u>	<u>\$ 33,678</u>	<u>\$ 16,024</u>	<u>\$ 15,564</u>	<u>\$ 50,355</u>	<u>\$ 49,242</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 \$94,386,395 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 \$14,032,773 represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position has a negative balance of \$(58,063,476) for fiscal year 2020. 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 \$653,602. 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	\$ 2,227,967
General fund operations	1,614,919
Increase in net pension liability, net of deferrals	(2,542,626)
Increase in net OPEB liability, net of deferrals	(261,100)
Other employee benefits	(158,187)
Other	<u>(227,371)</u>
Total	<u>\$ 653,602</u>

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$460,220. 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).

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 revenues. Refer to the table below.

<u>General Fund</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	Balance % of Total General Fund Revenue ⁽¹⁾ <u>June 30, 2020</u>
Restricted	\$ 636,211	\$ 720,053	\$ (83,842)	0.8%
Committed	1,931,000	1,489,367	441,633	2.4%
Assigned	1,164,075	737,642	426,433	1.4%
Unassigned	<u>13,713,620</u>	<u>12,882,925</u>	<u>830,695</u>	<u>16.8%</u>
Total fund balance	\$ <u>17,444,906</u>	\$ <u>15,829,987</u>	\$ <u>1,614,919</u>	<u>21.4%</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 \$3,857,722 is included at June 30, 2020 and \$3,656,100 at June 30, 2019.

The total fund balance of the general fund changed by \$1,614,919 during the current fiscal year, primarily from transferring \$2.2 million to capital projects funds from unspent appropriation.

The Town’s unassigned fund balance of the general fund increased by \$830,695 during the current fiscal year. Key factors in this change are as follows:

Unassigned fund balance June 30, 2019	\$ 12,882,925
Positive results of operations in fiscal year 2020:	
Revenues	(534,016)
Expenditures	2,742,084
Transfers in	111,644
Other adjustments:	
Stabilization investment income	201,622
Unspent prior year carryforwards	232,234
Use of free cash for fiscal year 2021 capital	(1,931,000)
Other	<u>8,127</u>
Unassigned fund balance June 30, 2020	\$ <u>13,713,620</u>

Other Major Funds

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 2020 CPA fund expenditures relate to debt service on Mainstone Farm.

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

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

Nonmajor Governmental Funds

The change in fund balance of \$(63,128) in nonmajor governmental funds results primarily from transfers out of school revolving funds to the general fund.

Proprietary Funds

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

Unrestricted net position of the *Water enterprise fund* at the end of the year amounted to \$2,158,534, a change of \$413,748 in comparison with the prior year. This is partly attributable to actual expenditures coming in under budget for the year.

Unrestricted net position of the *Wastewater enterprise fund* at the end of the year amounted to \$3,682,906, a change of \$(295,476) in comparison with the prior year. This is partly attributable to using retained earnings to support capital projects.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

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 \$70.1M or 99% of budget, compared to \$68.2M or 99% of budget in the prior fiscal year. In FY20, total Local Receipts collections were \$4.4M compared to \$5.0M in the prior fiscal year. Most notably, Motor Vehicle Excise, Meals Tax, Licenses and Permits showed unfavorable variances to the budget. Motor Vehicle Excise collections were less than budget in the amount of \$482,877, License and Permit collections were less than budget by \$179,978, and Meals Tax \$43,883. Collections were down, in part, due to the COVID-19 pandemic. State Aid receipts amount to \$6.4M compared to \$5.6M in the prior year. Total fiscal year 2020 collections totaled \$83,472,024 compared to \$81,640,230 in the prior year.

Strong collections were achieved in the unbudgeted revenue category. Specifically, the collections of Deferred Tax and Tax Title revenue was \$309,886 compared to \$693,884 last fiscal year. The total unbudgeted collection amount was \$674,126 compared to \$764,751 last fiscal year.

General Fund Expenditures:

Town Departments expended and encumbered \$18,509,339 or 89% of budget. The School Department expended and encumbered \$41,786,120 or 99% of budget. The Unclassified category expended and encumbered \$21,559,610 or 97% of budget. In total, the General Fund expended 96% of budget. The total combined turn back net of overlay amounts was \$2,715,401 compared to \$1,734,028 last fiscal year. The Fiscal 2020 rollover amount is \$1,157,436 compared to \$737,630 last year. The largest departmental turnback amounts were experienced in Public Safety \$707,686, Public Works \$441,596, and Unclassified \$578,581. The Health Insurance turnback was \$53,689, compared to \$253,017 last year. The Finance Committee transferred \$45,000 compared to \$228,000 last year. A total of \$211,194 in COVID-19 related expenses were transferred from the General Fund to either the FEMA or CARES Grants.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$169,620,938 (net of accumulated depreciation), a change of \$2,353,589 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:

- High School Field CIP \$6,514,214
- Loker Elementary School Door and Window \$1,867,615
- Water Mains \$774,224
- Loker Elementary School Kitchen \$492,201

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

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 \$75,380,000, 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, 2020 was

\$81,358,479. Additional information on long-term debt can be found in the Notes to Financial Statements, Note 12.

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, 2020

	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	\$ 27,129,708	\$ 7,501,919	\$ 34,631,627	\$ 135,011
Investments	14,621,758	-	14,621,758	806,124
Receivables, net of allowance for uncollectibles:				
Property taxes	429,138	-	429,138	-
Excises	374,738	-	374,738	-
User fees	-	504,243	504,243	-
Betterments	-	206,205	206,205	-
Assessments	16,865	-	16,865	-
Intergovernmental	758,778	-	758,778	-
Departmental	225,256	-	225,256	4,886
Total current assets	43,556,241	8,212,367	51,768,608	946,021
Noncurrent:				
Property taxes	970,300	-	970,300	-
Betterments	-	2,222,799	2,222,799	-
Capital assets:				
Nondepreciable capital assets	32,660,850	2,881,827	35,542,677	252,444
Intangible capital assets	14,400,000	-	14,400,000	-
Other capital assets, net of accumulated depreciation	100,418,889	19,259,372	119,678,261	203,415
Total noncurrent assets	148,450,039	24,363,998	172,814,037	455,859
Total Assets	192,006,280	32,576,365	224,582,645	1,401,880
Deferred Outflows of Resources				
Related to pensions	5,559,175	211,070	5,770,245	-
Related to OPEB	2,981,744	23,675	3,005,419	-
Total Deferred Outflows of Resources	8,540,919	234,745	8,775,664	-
Total Assets and Deferred Outflows of Resources	\$ 200,547,199	\$ 32,811,110	\$ 233,358,309	\$ 1,401,880

(continued)

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

Statement of Net Position
June 30, 2020

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Current:				
Accounts payable	\$ 1,189,066	\$ 66,295	\$ 1,255,361	\$ -
Accrued interest	872,788	167,703	1,040,491	-
Accrued payroll and withholdings	791,098	13,528	804,626	-
Guaranteed deposits payable	771,418	-	771,418	-
Unearned revenue	312,619	-	312,619	-
Notes payable	525,000	-	525,000	-
Due to fiduciary fund	543,301	7,753	551,054	-
Other liabilities	2,327	-	2,327	-
Current portion of long-term liabilities:				
Bonds and loans payable	5,184,067	1,311,428	6,495,495	-
Compensated absences	303,807	7,698	311,505	-
Landfill liability	10,000	-	10,000	-
Total current liabilities	10,505,491	1,574,405	12,079,896	-
Noncurrent:				
Long-term liabilities:				
Bonds and loans payable, net of current portion	62,253,440	12,609,544	74,862,984	-
Net pension liability	57,026,038	2,165,158	59,191,196	-
Net OPEB liability	29,642,298	235,363	29,877,661	-
Compensated absences, net of current portion	911,419	42,638	954,057	-
Landfill liability, net of current portion	230,000	-	230,000	-
Total noncurrent liabilities	150,063,195	15,052,703	165,115,898	-
Total Liabilities	160,568,686	16,627,108	177,195,794	-
Deferred Inflows of Resources				
Related to pensions	3,822,564	145,135	3,967,699	-
Related to OPEB	1,824,636	14,488	1,839,124	-
Total Deferred Inflows of Resources	5,647,200	159,623	5,806,823	-
Net Position				
Net investment in capital assets	84,203,456	10,182,939	94,386,395	455,859
Restricted for:				
Housing trust	-	-	-	946,021
Community preservation	3,351,344	-	3,351,344	-
General government	1,996,681	-	1,996,681	-
Education	1,874,477	-	1,874,477	-
Recreation	1,035,432	-	1,035,432	-
Public safety	822,343	-	822,343	-
Other purposes	950,814	-	950,814	-
Permanent fund:				
Nonexpendable	1,387,112	-	1,387,112	-
Expendable	2,614,570	-	2,614,570	-
Unrestricted	(63,904,916)	5,841,440	(58,063,476)	-
Total Net Position	34,331,313	16,024,379	50,355,692	1,401,880
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 200,547,199	\$ 32,811,110	\$ 233,358,309	\$ 1,401,880

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

TOWN OF WAYLAND, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2020

	<u>Expenses</u>	Program Revenues			<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	\$ 7,774,181	\$ 684,769	\$ 2,198,549	\$ -	\$ (4,890,863)
Public safety	8,395,203	1,672,215	94,714	-	(6,628,274)
Education	64,671,678	5,004,948	19,231,374	-	(40,435,356)
Public works	5,164,865	413,780	1,002,087	-	(3,748,998)
Health and human services	1,602,670	187,942	36,612	-	(1,378,116)
Culture and recreation	3,055,178	653,807	25,185	-	(2,376,186)
Intergovernmental	116,215	-	-	-	(116,215)
Employee benefits	14,562,712	-	-	-	(14,562,712)
Interest	<u>2,531,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,531,947)</u>
Total Governmental Activities	107,874,649	8,617,461	22,588,521	-	(76,668,667)
Business-Type Activities:					
Water services	3,074,473	3,641,839	-	-	567,366
Wastewater services	<u>744,213</u>	<u>353,111</u>	<u>-</u>	<u>157,006</u>	<u>(234,096)</u>
Total Business-Type Activities	<u>3,818,686</u>	<u>3,994,950</u>	<u>-</u>	<u>157,006</u>	<u>333,270</u>
Total primary government	<u>\$ 111,693,335</u>	<u>\$ 12,612,411</u>	<u>\$ 22,588,521</u>	<u>\$ 157,006</u>	<u>\$ (76,335,397)</u>
Total component unit	<u>\$ 9,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119</u>	<u>\$ (9,161)</u>

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2020

(continued)	Governmental Activities	Business- Type Activities	Total	Discretely Presented Component Unit
Change in Net Position:				
Net (expenses) revenue from previous page	\$ (76,668,667)	\$ 333,270	\$ (76,335,397)	\$ (9,161)
General Revenue:				
Property taxes	71,923,297	-	71,923,297	-
Excise taxes	2,385,927	-	2,385,927	-
Grants and contributions not restricted to specific programs	1,489,122	11,939	1,501,061	-
Investment income	778,880	48,946	827,826	17,877
Other	788,643	22,465	811,108	-
Transfers	<u>(43,600)</u>	<u>43,600</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>77,322,269</u>	<u>126,950</u>	<u>77,449,219</u>	<u>17,877</u>
Change in Net Position	653,602	460,220	1,113,822	8,716
Net Position:				
Beginning of year	<u>33,677,711</u>	<u>15,564,159</u>	<u>49,241,870</u>	<u>1,393,164</u>
End of year	<u>\$ 34,331,313</u>	<u>\$ 16,024,379</u>	<u>\$ 50,355,692</u>	<u>\$ 1,401,880</u>

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

TOWN OF WAYLAND, MASSACHUSETTS

Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	Community Preservation Fund	Town Revolving Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and short-term investments	\$ 9,897,086	\$ 3,388,227	\$ 4,114,848	\$ 8,068,332	\$ 1,661,215	\$ 27,129,708
Investments	10,621,476	-	-	-	4,000,282	14,621,758
Receivables:						
Property taxes	1,729,013	6,125	-	-	-	1,735,138
Excises	492,338	-	-	-	-	492,338
Assessments	10,365	-	6,500	-	-	16,865
Intergovernmental	-	-	469,450	289,328	-	758,778
Departmental	250	-	275,706	-	1,400	277,356
Total Assets	\$ 22,750,528	\$ 3,394,352	\$ 4,866,504	\$ 8,357,660	\$ 5,662,897	\$ 45,031,941
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 1,009,488	\$ 43,008	\$ 79,934	\$ 34,888	\$ 21,748	\$ 1,189,066
Accrued payroll	790,423	-	-	-	675	791,098
Unearned revenue	-	-	-	-	312,619	312,619
Guaranteed deposits payable	771,418	-	-	-	-	771,418
Notes payable	-	-	-	525,000	-	525,000
Due to fiduciary fund	500,000	-	2,501	-	40,800	543,301
Other liabilities	2,327	-	-	-	-	2,327
Total Liabilities	3,073,656	43,008	82,435	559,888	375,842	4,134,829
Deferred Inflows of Resources						
Unavailable revenues	2,231,966	6,125	282,206	-	-	2,520,297
Fund Balances						
Nonspendable	-	-	-	-	1,387,112	1,387,112
Restricted	636,211	3,345,219	4,585,398	4,161,226	4,489,047	17,217,101
Committed	1,931,000	-	-	4,318,032	-	6,249,032
Assigned	1,164,075	-	-	-	-	1,164,075
Unassigned	13,713,620	-	(83,535)	(681,486)	(589,104)	12,359,495
Total Fund Balances	17,444,906	3,345,219	4,501,863	7,797,772	5,287,055	38,376,815
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,750,528	\$ 3,394,352	\$ 4,866,504	\$ 8,357,660	\$ 5,662,897	\$ 45,031,941

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, 2020

Total governmental fund balances	\$ 38,376,815
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	147,479,739
Revenues are reported on the accrual basis of accounting and are not deferred until collection.	2,014,897
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(872,788)
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	(62,643,686)
Unamortized debt premium	(4,793,821)
Net pension liability	(57,026,038)
Pension related deferred outflows of resources	5,559,175
Pension related deferred inflows of resources	(3,822,564)
Net OPEB liability	(29,642,298)
OPEB related deferred outflows of resources	2,981,744
OPEB related deferred inflows of resources	(1,824,636)
Compensated absences liability	(1,215,226)
Landfill liability	(240,000)
Net position of governmental activities	\$ 34,331,313

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, 2020

	General Fund	Community Preservation Fund	Town Revolving Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 70,973,458	\$ 914,553	\$ -	\$ -	\$ -	\$ 71,888,011
Excise taxes	2,346,404	-	-	-	-	2,346,404
Licenses and permits	380,023	-	-	-	-	380,023
Intergovernmental	12,093,144	210,983	2,143,827	1,038,747	2,565,918	18,052,619
Charges for services	312,103	-	2,628,965	-	5,037,898	7,978,966
Investment income	627,645	9,590	245	-	141,399	778,879
Fines and forfeitures	22,303	-	-	-	-	22,303
Contributions	-	-	54,408	-	7,449	61,857
Other revenues	424,269	-	12,749	-	-	437,018
Total Revenues	87,179,349	1,135,126	4,840,194	1,038,747	7,752,664	101,946,080
Expenditures						
Current:						
General government	4,156,804	293,007	2,183,980	-	99,730	6,733,521
Public safety	6,483,114	-	460,673	-	-	6,943,787
Education	47,222,024	-	-	-	7,025,670	54,247,694
Public works	2,144,873	-	430,936	-	-	2,575,809
Health and human services	1,363,312	-	104,802	-	-	1,468,114
Culture and recreation	2,071,044	-	648,590	-	-	2,719,634
Employee benefits	14,562,712	-	-	-	-	14,562,712
Intergovernmental	116,215	-	-	-	-	116,215
Debt service:						
Principal	4,422,481	145,000	19,678	-	-	4,587,159
Interest	2,290,192	227,081	-	-	-	2,517,273
Capital outlay	-	-	-	9,251,002	-	9,251,002
Total Expenditures	84,832,771	665,088	3,848,659	9,251,002	7,125,400	105,722,920
Excess (deficiency) of revenues over expenditures	2,346,578	470,038	991,535	(8,212,255)	627,264	(3,776,840)
Other Financing Sources (Uses)						
Issuance of bonds	-	-	-	9,295,000	-	9,295,000
Issuance of refunding bonds	-	-	-	5,240,000	-	5,240,000
Premium	-	-	-	2,102,159	-	2,102,159
Deposit to refunding escrow agent	-	-	-	(6,000,000)	-	(6,000,000)
Transfers in	1,496,308	-	-	2,608,050	-	4,104,358
Transfers out	(2,227,967)	-	(1,024,633)	(204,966)	(690,392)	(4,147,958)
Total Other Financing Sources (Uses)	(731,659)	-	(1,024,633)	13,040,243	(690,392)	10,593,559
Net change in fund balances	1,614,919	470,038	(33,098)	4,827,988	(63,128)	6,816,719
Fund Balances, at Beginning of Year, as reclassified	15,829,987	2,875,181	4,534,961	2,969,784	5,350,183	31,560,096
Fund Balances, at End of Year	\$ 17,444,906	\$ 3,345,219	\$ 4,501,863	\$ 7,797,772	\$ 5,287,055	\$ 38,376,815

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, 2020

Net changes in fund balances - total governmental funds	\$ 6,816,719
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>	
Capital outlay purchases, net of disposals	8,152,242
Depreciation	(5,906,967)
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.</p>	
	310,976
<p>The issuance of long-term debt (e.g., bonds and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>	
Issuance of debt	(14,535,000)
Repayments of debt	4,587,159
Bond premium	(2,102,159)
Bond premium amortization	297,221
Deposit to escrow refunding agent	6,000,000
<p>In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.</p>	
	(14,676)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.</p>	
Change in net pension liability	49,999
Change in pension-related deferred outflows	(935,115)
Change in pension-related deferred inflows	(1,657,510)
Change in net OPEB liability	(798,617)
Change in OPEB-related deferred outflows	283,455
Change in OPEB-related deferred inflows	254,062
Change in compensated absences	(158,187)
Change in landfill liability	10,000
Change in net position of governmental activities	\$ 653,602

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Property taxes	\$ 70,949,997	\$ 70,949,997	\$ 70,727,518	\$ (222,479)
Abatements	(239,412)	(239,412)	-	239,412
Intergovernmental	6,389,455	6,389,455	6,411,171	21,716
Motor vehicle & other excise tax	3,065,000	3,065,000	2,538,240	(526,760)
Penalties & interest	267,596	267,596	168,327	(99,269)
In-lieu payments	75,000	75,000	83,643	8,643
Departmental fees & charges	630,000	630,000	798,932	168,932
Licenses & permits	560,000	560,000	380,022	(179,978)
Special assessments	7,000	7,000	3,877	(3,123)
Fines & forfeitures	40,000	40,000	23,302	(16,698)
Investment income	350,000	350,000	430,992	80,992
Other	5,404	5,404	-	(5,404)
	82,100,040	82,100,040	81,566,024	(534,016)
Total Revenues				
Expenditures				
General government	4,745,766	4,900,354	4,296,987	603,367
Public safety	7,229,244	7,229,244	6,521,558	707,686
Education	41,919,750	41,919,750	41,786,120	133,630
Vocational education	230,000	302,000	301,910	90
Public works	3,560,193	3,560,193	3,118,597	441,596
Health & human services	1,509,245	1,509,245	1,373,411	135,834
Culture & recreation	1,310,303	1,310,303	1,260,226	50,077
State & county assessments	122,321	122,321	116,215	6,106
Debt service	6,814,789	6,814,789	6,729,672	85,117
Pension	4,862,852	4,862,852	4,862,852	-
OPEB	500,000	500,000	500,000	-
Unclassified	10,470,262	10,243,674	9,665,093	578,581
	83,274,725	83,274,725	80,532,641	2,742,084
Total Expenditures				
Excess (deficiency) of revenues over expenditures	(1,174,685)	(1,174,685)	1,033,383	2,208,068
Other Financing Sources (Uses)				
Use of free cash for capital	1,489,367	1,489,367	-	(1,489,367)
Use of bond premium	75,329	75,329	-	(75,329)
Transfers from other funds	1,794,356	1,794,356	1,906,000	111,644
Transfers to other funds	(2,184,367)	(2,184,367)	(2,210,967)	(26,600)
	1,174,685	1,174,685	(304,967)	(1,479,652)
Total Other Financing Sources(Uses)				
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 728,416	\$ 728,416

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

TOWN OF WAYLAND, MASSACHUSETTS

Proprietary Funds
Statement of Net Position
June 30, 2020

	Business-Type Activities		
	Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Asset and Deferred			
Outflows of Resources			
Assets			
Current:			
Cash and short-term investments	\$ 6,086,705	\$ 1,415,214	\$ 7,501,919
User fees receivable	357,132	147,111	504,243
Betterments receivable	-	206,205	206,205
Total current assets	6,443,837	1,768,530	8,212,367
Noncurrent:			
Betterments receivable, net of allowance	-	2,222,799	2,222,799
Capital assets:			
Nondepreciable capital assets	2,881,827	-	2,881,827
Other capital assets, net of accumulated depreciation	14,810,887	4,448,485	19,259,372
Total noncurrent assets	17,692,714	6,671,284	24,363,998
Total Assets	24,136,551	8,439,814	32,576,365
Deferred Outflows of Resources			
Related to pensions	190,223	20,847	211,070
Related to OPEB	23,675	-	23,675
Total Deferred Outflows of Resources	213,898	20,847	234,745
Total Assets and Deferred Outflows of Resources	\$ 24,350,449	\$ 8,460,661	\$ 32,811,110
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Current:			
Accounts payable	\$ 32,152	\$ 34,143	\$ 66,295
Accrued interest	102,340	65,363	167,703
Accrued payroll	11,952	1,576	13,528
Due to fiduciary fund	7,753	-	7,753
Current portion of long-term liabilities:			
Bonds and loans payable	998,181	313,247	1,311,428
Compensated absences	7,698	-	7,698
Total current liabilities	1,160,076	414,329	1,574,405
Noncurrent:			
Bonds and loans payable, net of current portion	9,354,544	3,255,000	12,609,544
Net pension liability	1,951,305	213,853	2,165,158
Net OPEB liability	235,363	-	235,363
Compensated absences, net of current portion	42,638	-	42,638
Total noncurrent liabilities	11,583,850	3,468,853	15,052,703
Total Liabilities	12,743,926	3,883,182	16,627,108
Deferred Inflows of Resources			
Related to pensions	130,800	14,335	145,135
Related to OPEB	14,488	-	14,488
Total Deferred Inflows of Resources	145,288	14,335	159,623
Net Position			
Net investment in capital assets	9,302,701	880,238	10,182,939
Unrestricted	2,158,534	3,682,906	5,841,440
Total Net Position	11,461,235	4,563,144	16,024,379
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 24,350,449	\$ 8,460,661	\$ 32,811,110

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, 2020

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Operating Revenues			
Charges for services	\$ 3,641,839	\$ 353,111	\$ 3,994,950
Operating Expenses			
Personnel services	1,117,926	247,949	1,365,875
Nonpersonnel	1,034,811	194,788	1,229,599
Depreciation	609,326	151,534	760,860
Total Operating Expenses	2,762,063	594,271	3,356,334
Operating Income (Loss)	879,776	(241,160)	638,616
Nonoperating Revenues (Expenses)			
Investment income	10,116	38,830	48,946
Intergovernmental revenue	-	11,939	11,939
Interest expense	(312,410)	(149,942)	(462,352)
Miscellaneous revenue	21,501	964	22,465
Total Nonoperating Expenses, Net	(280,793)	(98,209)	(379,002)
Income (Loss) Before Contributions and Transfers	598,983	(339,369)	259,614
Capital Contributions	-	157,006	157,006
Transfers Out	-	43,600	43,600
Change in Net Position	598,983	(138,763)	460,220
Net Position at Beginning of Year	10,862,252	4,701,907	15,564,159
Net Position at End of Year	\$ 11,461,235	\$ 4,563,144	\$ 16,024,379

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, 2020

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 3,722,021	\$ 285,560	\$ 4,007,581
Payments of employee salaries, benefits, and related expenses	(1,119,321)	(115,194)	(1,234,515)
Payments to vendors	(1,171,138)	(171,086)	(1,342,224)
Other miscellaneous revenue	-	964	964
	1,431,562	244	1,431,806
Net Cash Provided By Operating Activities			
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(869,173)	-	(869,173)
Betterments payments received	-	402,251	402,251
Issuance of bonds	1,563,070	-	1,563,070
Bond premium	170,000	-	170,000
Principal payments on bonds	(924,100)	(296,308)	(1,220,408)
Interest expense	(307,760)	(149,865)	(457,625)
Transfer from capital project fund	-	43,600	43,600
	(367,963)	(322)	(368,285)
Net Cash (Used For) Capital and Related Financing Activities			
Cash Flows From Investing Activities			
Investment income	10,116	38,830	48,946
	10,116	38,830	48,946
Net Cash Provided By Investing Activities			
Net Change in Cash and Short-Term Investments	1,073,715	38,752	1,112,467
Cash and Short-Term Investments, Beginning of Year	5,012,990	1,376,462	6,389,452
Cash and Short-Term Investments, End of Year	\$ 6,086,705	\$ 1,415,214	\$ 7,501,919
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ 879,776	\$ (241,160)	\$ 638,616
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	609,326	151,534	760,860
Other miscellaneous revenue	-	964	964
Changes in assets, liabilities, and deferred outflows/inflows:			
User fees receivables	80,182	(67,552)	12,630
Deferred outflows	42,880	(11,519)	31,361
Accounts payable	(136,327)	23,703	(112,624)
Accrued payroll	(990)	1,180	190
Due to fiduciary fund	7,753	-	7,753
Compensated absences	9,567	-	9,567
Net pension liability	(116,621)	131,869	15,248
Net OPEB liability	5,720	-	5,720
Deferred inflows	50,296	11,225	61,521
	50,296	11,225	61,521
Net Cash Provided By Operating Activities	\$ 1,431,562	\$ 244	\$ 1,431,806

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

TOWN OF WAYLAND, MASSACHUSETTS

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2020

	Other Post- Employment Benefits <u>Trust Fund</u>	Agency <u>Fund</u>
Assets		
Cash and short-term investments	\$ -	\$ 370,584
Investments:		
External investment pool	18,561,877	-
Due from primary government	<u>551,054</u>	<u>-</u>
Total Assets	\$ <u>19,112,931</u>	\$ <u>370,584</u>
 Liabilities and Net Position		
Other liabilities	\$ <u>-</u>	\$ <u>370,584</u>
Total Liabilities	<u>-</u>	\$ <u>370,584</u>
 Net Position		
Net position restricted for OPEB	<u>19,112,931</u>	
Total Liabilities and Net Position	\$ <u>19,112,931</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, 2020

	Other Post- Employment Benefits <u>Trust Fund</u>
Additions	
Employer contributions	\$ 3,183,409
Investment income	<u>358,086</u>
Total Additions	3,541,495
Deductions	
Benefit payments	<u>2,632,355</u>
Total Deductions	<u>2,632,355</u>
Change in net position	909,140
Net position restricted for OPEB	
Beginning of year	<u>18,203,791</u>
End of year	\$ <u><u>19,112,931</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:

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 2020, 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.

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.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of 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.

Deposits and Investments

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

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

The Town's short-term investments also include their share of 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.

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

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

Property Tax Limitations

Legislation known as “Proposition 2½” has limited the amount of revenue that can be derived from property taxes. The prior fiscal year’s tax levy limit is used as a base and cannot increase by more than 2.5% (excluding new growth), unless an override is voted. The actual fiscal year 2020 tax levy reflected an excess capacity of \$5,927,034.

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

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.

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.

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:

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

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.

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

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.

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.

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)	\$ 87,179,349	\$ (84,832,771)	\$ (731,659)
Gross up enterprise reimbursements related to indirect costs	-	(409,692)	409,692
Reverse expenditures of prior year carryforwards	-	501,259	-
Add end of year appropriation carryforwards to expenditures	-	(1,164,075)	-
Reverse the effect of non-budgeted state contributions for teachers retirement	(5,382,915)	5,382,915	-
Other reconciling items	<u>(230,410)</u>	<u>(10,277)</u>	<u>17,000</u>
Budgetary Basis	<u>\$ 81,566,024</u>	<u>\$ (80,532,641)</u>	<u>\$ (304,967)</u>

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. Deposits and Investments

Custodial Credit Risk

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

As of June 30, 2020, \$3,529,973 of the Town's deposits of \$36,350,356 was exposed to custodial credit risk as uninsured or uncollateralized. Additionally, \$536,899 was invested in a state pool, which is not subject to this disclosure.

The Town's investments include \$806,124 insured by FDIC and \$26,346,473 held in the Town's name.

Primary Government Investments

The following is a summary of the primary government investments as of June 30, 2020:

<u>Investment Type</u>	<u>Amount</u>
Certificates of deposits	\$ 6,837,162
Corporate bonds	369,448
Corporate equities	2,129,802
Equity mutual funds	2,952,665
Federal agency securities	504,427
Fixed income mutual funds	1,450,193
US treasury notes	<u>378,061</u>
Total investments	\$ <u><u>14,621,758</u></u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General 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). The Town does not have a formal policy related to credit risk for long-term investments.

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>Rating as of Year End</u>			
		<u>Aaa-A3</u>	<u>Baa1-B3</u>	<u>Caa1-C</u>	<u>Other/Unrated</u>
Debt related:					
Corporate bonds	\$ 369,448	\$ 167,749	\$ 201,699	\$ -	\$ -
Fixed income mutual funds	<u>1,450,193</u>	<u>920,707</u>	<u>398,925</u>	<u>77,508</u>	<u>53,053</u>
Total	\$ <u><u>1,819,641</u></u>	\$ <u><u>1,088,456</u></u>	\$ <u><u>600,624</u></u>	\$ <u><u>77,508</u></u>	\$ <u><u>53,053</u></u>

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 Peoples United Bank for \$5,325,878 and with Village Bank for \$1,319,041.

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, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Effective Duration (in years)</u>
Debt related:		
Corporate bonds	\$ 369,448	2.71
Federal agency securities	504,427	4.00
Fixed income mutual funds	1,450,193	5.35
US treasury notes	<u>378,061</u>	4.20
Total debt securities	<u>\$ 2,702,129</u>	

Foreign Currency Risk

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

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by *Governmental Accounting Standards Board Statement No. 72 Fair Value Measurement and Application (GASB 72)*. The hierarchy is based on the valuation inputs used to measure the fair value of 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). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

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

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

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

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that 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, 2020:

Description	Fair Value Measurements Using:			
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments by fair value level:				
Debt securities:				
Corporate bonds	\$ 369,448	\$ -	\$ 369,448	\$ -
Federal agency securities	504,427	-	504,427	-
Fixed income mutual funds	1,450,193	-	1,450,193	-
US Treasury notes	378,061	-	378,061	-
Equity securities:				
Equity mutual funds	2,952,665	2,952,665	-	-
Consumer discretionary	124,148	124,148	-	-
Consumer staples	650,060	650,060	-	-
Financials	161,165	161,165	-	-
Healthcare	676,409	676,409	-	-
Industrials	277,260	277,260	-	-
Information technology	84,309	84,309	-	-
Utilities	156,451	156,451	-	-
Subtotal	\$ <u>7,784,596</u>	\$ <u>5,082,467</u>	\$ <u>2,702,129</u>	\$ <u>-</u>

Other Postemployment Benefit Plan

OPEB Plan Funding/Investment Policy

The investment policy of the OPEB Plan contemplates reaching the full funded status by 2039, 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. The funding policy is that the Town is expected to contribute \$250,000 in Fiscal 2021 and \$550,000 per year thereafter.

Custodial Credit Risk

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

Credit Risk

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

Fair Value

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

The Trust's only investment of \$18,561,877, measured at the net asset value, as of June 30, 2020 was in an external investment pool. The Trust can redeem funds monthly, with a redemption notice period of thirty days. There were no unfunded commitments applicable to the investment.

Discretely Presented Component Unit – Housing Trust

The Housing Trust is a separate legal entity and, therefore, is not subject to the Town's investment policies. Nonetheless, the 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 included in amount disclosed under custodial credit risk section of this note.

4. Property Taxes and Excises Receivable

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

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

Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Fourteen days after the due date for the final tax bill for real estate taxes, a demand notice may be sent to the delinquent taxpayer. Fourteen days after the demand notice has been sent, the tax collector may proceed to file a lien against the delinquent 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.

A statewide property tax limitation known as "Proposition 2 ½" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the

total levy to an amount not greater than 2 ½% of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 1/2 % of the prior year’s levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2 ½ can be overridden by a referendum.

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, 2020 consist of the following:

<u>Receivables:</u>	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Net Amount (accrual basis)
Real estate taxes	\$ 478,339	\$ (64,200)	\$ 414,139
Personal property taxes	37,774	(28,900)	8,874
Community preservation	6,125	-	6,125
Tax liens	1,125,214	(242,600)	882,614
Deferred taxes	<u>87,686</u>	<u>-</u>	<u>87,686</u>
Total property taxes	<u>\$ 1,735,138</u>	<u>\$ (335,700)</u>	1,399,438
Less current portion			<u>(429,138)</u>
Noncurrent			<u>\$ 970,300</u>
Motor vehicle excise	<u>\$ 492,338</u>	<u>\$ (117,600)</u>	<u>\$ 374,738</u>

5. Betterments Receivable

Betterments receivable reflect an estimated allowance for doubtful accounts of \$117,300.

6. Departmental Receivables

Departmental receivables represent the following:

<u>Receivables:</u>	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Net Amount (accrual basis)
Ambulance	\$ 173,817	\$ (52,100)	\$ 121,717
Police detail	101,889	-	101,889
Fines	250	-	250
Other departmental	<u>1,400</u>	<u>-</u>	<u>1,400</u>
Total	<u>\$ 277,356</u>	<u>\$ (52,100)</u>	<u>\$ 225,256</u>

7. 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 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General fund	\$ 1,496,308	\$ 2,227,967
Major Town revolving fund	-	1,024,633
Major Capital project fund	2,608,050	204,966
Nonmajor funds:		
School revolving fund	-	<u>690,392</u>
Subtotal nonmajor funds	<u>-</u>	<u>690,392</u>
<u>Business-Type Funds:</u>		
Wastewater fund	<u>43,600</u>	<u>-</u>
Grand Total	<u>\$ 4,147,958</u>	<u>\$ 4,147,958</u>

The transfers into the general fund include the \$630,400 in annual Town Ambulance Revolving Fund revenues, \$161,581 from food service, \$237,701 from the Before-After-School Extension (BASE) program, \$237,300 from The Children’s Way (TCW), and various other amounts from School and Town Revolving Funds to offset General Fund employee benefit expenditures.

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

8. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 157,310	\$ 2,910	\$ -	\$ 160,220
Machinery, equipment, and furnishings	6,450	143	-	6,593
Vehicles	3,450	417	(43)	3,824
Infrastructure	<u>12,501</u>	<u>-</u>	<u>-</u>	<u>12,501</u>
Total capital assets, being depreciated	179,711	3,470	(43)	183,138
Less accumulated depreciation for:				
Buildings and improvements	(61,040)	(4,169)	-	(65,209)
Machinery, equipment, and furnishings	(4,630)	(632)	-	(5,262)
Vehicles	(2,647)	(414)	43	(3,018)
Infrastructure	<u>(8,538)</u>	<u>(692)</u>	<u>-</u>	<u>(9,230)</u>
Total accumulated depreciation	<u>(76,855)</u>	<u>(5,907)</u>	<u>43</u>	<u>(82,719)</u>
Total capital assets, being depreciated, net	102,856	(2,437)	-	100,419
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>4,651</u>	<u>7,311</u>	<u>(2,628)</u>	<u>9,334</u>
Total capital assets, not being depreciated	<u>42,378</u>	<u>7,311</u>	<u>(2,628)</u>	<u>47,061</u>
Governmental activities capital assets, net	<u>\$ 145,234</u>	<u>\$ 4,874</u>	<u>\$ (2,628)</u>	<u>\$ 147,480</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 2,702	\$ -	\$ -	\$ 2,702
Machinery, equipment, and furnishings	305	-	-	305
Vehicles	888	95	-	983
Infrastructure	<u>24,288</u>	<u>-</u>	<u>-</u>	<u>24,288</u>
Total capital assets, being depreciated	28,183	95	-	28,278
Less accumulated depreciation for:				
Buildings and improvements	(344)	(100)	-	(444)
Machinery, equipment, and furnishings	(306)	-	-	(306)
Vehicles	(769)	(54)	-	(823)
Infrastructure	<u>(6,839)</u>	<u>(607)</u>	<u>-</u>	<u>(7,446)</u>
Total accumulated depreciation	<u>(8,258)</u>	<u>(761)</u>	<u>-</u>	<u>(9,019)</u>
Total capital assets, being depreciated, net	19,925	(666)	-	19,259
Capital assets, not being depreciated:				
Construction in progress	<u>2,108</u>	<u>774</u>	<u>-</u>	<u>2,882</u>
Business-type activities capital assets, net	<u>\$ 22,033</u>	<u>\$ 108</u>	<u>\$ -</u>	<u>\$ 22,141</u>

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

Governmental Activities:	
General government	\$ 454,007
Public safety	805,047
Education	2,928,407
Public works	1,595,343
Culture and recreation	<u>124,163</u>
Total depreciation expense - governmental activities	<u>\$ 5,906,967</u>
Business-Type Activities:	
Water	\$ 609,326
Wastewater	<u>151,534</u>
Total depreciation expense - business-type activities	<u>\$ 760,860</u>

9. 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.

10. Accounts Payable

Accounts payable represent fiscal year 2020 expenditures paid subsequent to year end.

11. Note Payable

The Town had the following notes outstanding at June 30, 2020:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance at 6/30/19</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance at 6/30/20</u>
Governmental - Public Offering:							
Municipal purpose	2.14%	06/17/19	02/18/20	\$ 258,909	-	(258,909)	\$ -
Rivers Edge	2.16%	06/17/19	04/23/20	480,000	-	(480,000)	-
Municipal purpose	2.40%	11/08/19	02/18/20	-	6,300,000	(6,300,000)	-
Rivers Edge	1.72%	04/23/20	04/23/21	<u>-</u>	<u>525,000</u>	<u>-</u>	<u>525,000</u>
Subtotal				738,909	6,825,000	(7,038,909)	525,000
Business-Type Activities - Direct Borrowing:							
Mass Clean Water Trust	2.00%	12/01/18	10/24/19	<u>\$ 356,930</u>	<u>343,070</u>	<u>(700,000)</u>	<u>\$ -</u>
Total				<u>\$ 1,095,839</u>	<u>7,168,070</u>	<u>(7,738,909)</u>	<u>\$ 525,000</u>

12. Long-Term Debt

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>				Amount
	Original	Serial	Interest	Outstanding
	<u>Issue</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>as of</u>
		<u>Through</u>		<u>6/30/20</u>
2011 Surface drain, outdoor recreation and building remodel	\$ 34,899,000	02/01/36	4.0 - 5.0%	\$ 21,180,900
2013 Municipal Purposes	3,809,000	02/01/22	2.0 - 3.0%	505,000
2014 Municipal Purposes	12,585,000	02/01/34	3.0 - 5.0%	8,210,000
2015 Municipal Purposes	5,917,000	02/01/35	3.0 - 3.25%	3,420,000
2016 Municipal Purposes	2,401,000	10/01/36	2.0 - 4.0%	1,450,000
2016 G.O. Refunding	3,339,000	07/15/27	2.0 - 5.0%	2,010,000
2017 Municipal Purposes	3,300,000	03/27/33	2.0 - 5.0%	2,310,000
2018 Municipal Purposes	3,505,000	02/01/33	3.0 - 5.0%	2,405,000
2020 Municipal Purposes	9,295,000			<u>14,535,000</u>
Total public offerings:				56,025,900
Title V	301,043	07/01/23	-	<u>17,786</u>
Total direct borrowings:				<u>17,786</u>
Total to be paid by the General Fund				56,043,686
2017 Mainstone Farm	7,000,000	03/27/47	2.5 - 5.0%	<u>6,600,000</u>
Total bonded debt to be paid by the CPA Fund				<u>6,600,000</u>
Grand Total				<u>\$ 62,643,686</u>

<u>Business-Type Activities:</u>				Amount
	Original	Serial	Interest	Outstanding
	Issue	Maturities	Rate(s) %	as of
		Through		6/30/20
2011 Municipal Purposes	\$ 6,251,000	02/01/31	2.25 - 5.0%	\$ 3,469,100
2012 Wastewater treatment facility	325,000	02/01/31	4.0 - 5.0%	220,000
2013 Water mains-refunding and sewer	278,000	02/01/22	2.0 - 3.0%	40,000
2014 Wastewater	200,000	02/01/34	4.0 - 5.0%	140,000
2015 Water pumping station	1,000,000	02/01/35	3.0 - 3.25%	750,000
2016 Water mains	700,000	10/01/36	2.0 - 4.0%	560,000
2016 G.O. Refunding	1,186,000	07/15/27	2.0 - 5.0%	790,000
2017 Water pumping station, mains and Old Sudbury	2,710,000	03/27/37	2.0 - 5.0%	2,280,000
2018 Water mains	670,000	06/30/33	3.0 - 5.0%	580,000
Refunding of 2008 bonds	2,815,000	06/30/28	3.0 - 5.0%	2,245,000
2020 Municipal purposes	1,680,000	12/15/39	2.0 - 5.0%	<u>1,680,000</u>
Total public offerings:				12,754,100
Wastewater - MWPAT	612,778	07/01/22	-	43,247
Water - MCWT	700,000	07/15/39	2.00%	<u>700,000</u>
Total direct borrowings:				<u>743,247</u>
Grand Total				<u>\$ 13,497,347</u>

Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2020 are as follows:

<u>Governmental Public Offering Bonds: excluding CPA</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 4,625,900	\$ 2,217,483	\$ 6,843,383
2022	4,440,000	2,015,938	6,455,938
2023	4,075,000	1,832,613	5,907,613
2024	4,015,000	1,662,013	5,677,013
2025	3,985,000	1,498,438	5,483,438
2026-2030	17,625,000	5,283,425	22,908,425
2031-2035	15,010,000	2,023,494	17,033,494
2036-2040	<u>2,250,000</u>	<u>112,325</u>	<u>2,362,325</u>
Total	<u>\$ 56,025,900</u>	<u>\$ 16,645,729</u>	<u>\$ 72,671,629</u>

Governmental Loans - Direct Borrowing

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 5,838	\$ 743	\$ 6,581
2022	5,974	448	6,422
2023	5,974	149	6,123
Total	<u>\$ 17,786</u>	<u>\$ 1,340</u>	<u>\$ 19,126</u>

Governmental Bonds Public Offering Bonds: CPA

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	180,000	193,731	373,731
2026-2030	1,000,000	868,181	1,868,181
2031-2035	1,150,000	716,881	1,866,881
2036-2040	1,340,000	523,881	1,863,881
2041-2045	1,580,000	285,750	1,865,750
2046-2047	710,000	37,013	747,013
Total	<u>\$ 6,600,000</u>	<u>\$ 3,479,111</u>	<u>\$ 10,079,111</u>

Business-Type Public Offering Bonds

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,199,100	\$ 481,233	\$ 1,680,333
2022	1,160,000	433,203	1,593,203
2023	1,145,000	387,753	1,532,753
2024	1,150,000	338,053	1,488,053
2025	1,140,000	290,253	1,430,253
2026-2030	4,685,000	822,045	5,507,045
2031-2035	1,805,000	201,335	2,006,335
2036-2040	470,000	22,300	492,300
Total	<u>\$ 12,754,100</u>	<u>\$ 2,976,175</u>	<u>\$ 15,730,275</u>

Business-Type Loans - Direct Borrowing

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 78,247	\$ 14,785	\$ 93,032
2022	35,000	12,950	47,950
2023	35,000	12,250	47,250
2024	35,000	11,550	46,550
2025	35,000	10,850	45,850
2026-2030	175,000	43,750	218,750
2031-2035	175,000	26,250	201,250
2036-2040	175,000	8,750	183,750
Total	\$ 743,247	\$ 141,135	\$ 884,382

Changes in General Long-Term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities (in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Refunding</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Less Current Portion</u>	<u>Equals Long-Term Portion</u>
Governmental Activities							
Public offering bonds	\$ 58,662	\$ 14,535	\$ (6,000)	\$ (4,571)	\$ 62,626	\$ (4,776)	\$ 57,850
Notes from direct borrowings	34	-	-	(16)	18	(6)	12
Unamortized debt premiums	2,989	2,101	-	(297)	4,793	(402)	4,391
Subtotal	61,685	16,636	(6,000)	(4,884)	67,437	(5,184)	62,253
Net pension liability	57,076	-	-	(50)	57,026	-	57,026
Net OPEB liability	28,844	798	-	-	29,642	-	29,642
Other:							
Accrued employee benefits	1,058	2,292	-	(2,135)	1,215	(304)	911
Landfill closure	250	-	-	(10)	240	(10)	230
Totals	\$ 148,913	\$ 19,726	\$ (6,000)	\$ (7,079)	\$ 155,560	\$ (5,498)	\$ 150,062
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Less Current Portion</u>	<u>Equals Long-Term Portion</u>
Business-Type Activities							
Public offering bonds	\$ 12,799	\$ 1,680	\$ (535)	\$ (1,190)	\$ 12,754	\$ (1,199)	\$ 11,555
Notes from direct borrowings	86	700	-	(43)	743	(78)	665
Unamortized debt premiums	193	252	-	(21)	424	(34)	390
Subtotal	13,078	2,632	(535)	(1,254)	13,921	(1,311)	12,610
Net pension liability	2,150	15	-	-	2,165	-	2,165
Net OPEB liability	229	6	-	-	235	-	235
Other:							
Accrued employee benefits	41	141	-	(131)	51	(8)	43
Totals	\$ 15,498	\$ 2,794	\$ (535)	\$ (1,385)	\$ 16,372	\$ (1,319)	\$ 15,053

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.

Current Year Refunding

On February 13, 2020, the Town issued general obligation bonds in the amount of \$5,700,000 with a variable interest rate ranging from 2.00 - 5.00% to refund \$6,535,000 of term bonds with an interest rate ranging from 2.25 - 4.50%. The net proceeds on this refunding were \$6,578,875. As a result of the refunding, the Town reduced its total debt service requirement by \$1,222,609 with a net present value savings of \$1,079,508 (economic gain).

Prior Year Refunding

In fiscal year 2018, 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, 2020, the amount of defeased debt outstanding but removed was \$2,400,000.

13. 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, 2020 is based on estimated costs to be incurred after fiscal year 2020 for annual landfill postclosure monitoring and care costs. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

14. 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, 2020 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.

15. Governmental Fund Balances

The following is a breakdown of the Town's governmental fund balances at June 30, 2020:

	General Fund	Community Preservation Fund	Town Revolving Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Nonexpendable permanent funds:						
Perpetual care	\$ -	\$ -	\$ -	\$ -	\$ 1,024,717	\$ 1,024,717
Gossels academic excellence	-	-	-	-	251,046	251,046
Other nonexpendable	-	-	-	-	111,349	111,349
Total Nonexpendable	-	-	-	-	1,387,112	1,387,112
Restricted:						
Bond premium for debt service	636,211	-	-	-	-	636,211
Community preservation:						
Acquisition and preservation of historic buildings and landscapes	-	943,114	-	-	-	943,114
Acquisition and preservation of open space	-	190,760	-	-	-	190,760
Recreation	-	317,379	-	-	-	317,379
Creation and support of affordable housing	-	8,619	-	-	-	8,619
Community preservation administration	-	28,848	-	-	-	28,848
Other community preservation funds	-	1,856,499	-	-	-	1,856,499
Town special revenue accounts:						
Residential dwelling	-	-	951,745	-	-	951,745
Ambulance	-	-	465,102	-	-	465,102
Recreation revolving	-	-	616,154	-	-	616,154
Recreation athletic fields	-	-	358,223	-	-	358,223
Bike trail	-	-	249,007	-	-	249,007
Insurance reimbursement	-	-	155,982	-	-	155,982
Other town grants and revolving accounts	-	-	1,789,185	-	-	1,789,185
School special revenue accounts:						
Circuit breaker	-	-	-	-	642,510	642,510
School lunch	-	-	-	-	333,576	333,576
Before/after school enrichment (BASE)	-	-	-	-	278,240	278,240
Other school grants and revolving accounts	-	-	-	-	620,151	620,151
Capital projects:						
Fire station	-	-	-	1,769,827	-	1,769,827
Town building HVAC	-	-	-	1,575,000	-	1,575,000
Transfer street access road	-	-	-	163,478	-	163,478
Other capital project funds	-	-	-	652,921	-	652,921
Expendable permanent funds	-	-	-	-	2,614,570	2,614,570
Total Restricted	636,211	3,345,219	4,585,398	4,161,226	4,489,047	17,217,101
Committed:						
Fiscal year 2021 capital projects	1,931,000	-	-	-	-	1,931,000
Capital projects:						
Road construction	-	-	-	500,000	-	500,000
COA study	-	-	-	470,000	-	470,000
Interior renovations	-	-	-	372,299	-	372,299
Loker roof and insulation	-	-	-	312,500	-	312,500
High school wastewater plant	-	-	-	285,000	-	285,000
Other	-	-	-	2,378,233	-	2,378,233
Total Committed	1,931,000	-	-	4,318,032	-	6,249,032

(continued)

(continued)

	General Fund	Community Preservation Fund	Town Revolving Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assigned:						
Encumbered for:						
General government	336,526	-	-	-	-	336,526
Public safety	42,285	-	-	-	-	42,285
Education	499,330	-	-	-	-	499,330
Public works	183,588	-	-	-	-	183,588
Health and human services	10,544	-	-	-	-	10,544
Culture and recreation	25,565	-	-	-	-	25,565
Other	66,237	-	-	-	-	66,237
Total Assigned	1,164,075	-	-	-	-	1,164,075
Unassigned:						
General fund	9,855,898	-	-	-	-	9,855,898
Stabilization*	3,857,722	-	-	-	-	3,857,722
Town revolving	-	-	(83,535)	-	-	(83,535)
Capital projects	-	-	-	(681,486)	-	(681,486)
Other nonmajor	-	-	-	-	(589,104)	(589,104)
Total Unassigned	13,713,620	-	(83,535)	(681,486)	(589,104)	12,359,495
Total Fund Balance	<u>\$ 17,444,906</u>	<u>\$ 3,345,219</u>	<u>\$ 4,501,863</u>	<u>\$ 7,797,772</u>	<u>\$ 5,287,055</u>	<u>\$ 38,376,815</u>

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

16. 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.

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 percentages 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 actuarially determined contribution for the year ended June 30, 2020 was \$4,863,333. The Town's contribution to the System was \$4,862,852 and was made in July 2019.

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.

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

At June 30, 2020, the Town reported a liability for its proportionate share of the net pension liability of \$59,191,196. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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, 2019, the Town's proportion was 3.70%. For the year ended June 30, 2020, the Town recognized a pension expense of \$7,488,343.

No contributions were made between January 1, 2020 to June 30, 2020. 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	\$ -	\$ (1,536,007)
Difference between expected and actual experience	1,440,249	(134,054)
Change in assumptions	4,076,266	-
Changes in proportion	<u>253,730</u>	<u>(2,297,638)</u>
Total	<u>\$ 5,770,245</u>	<u>\$ (3,967,699)</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:	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2021	\$ 791,218
2022	416,360
2023	824,469
2024	<u>(229,501)</u>
Total	<u>\$ 1,802,546</u>

Actuarial Assumptions

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

Inflation	2.00%
Wage Inflation	3.25%
Projected salary increases	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2, and 4.50% for Group 4
Discount rate/investment rate of return	7.30%, net of pension plan investment expense, including inflation, previously 7.50%
Cost of living adjustments	3.00% of first \$16,000 of retirement income

Mortality rates were based on the following:

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

Significant assumptions are reevaluated as follows:

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

Target Allocations

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	21.00%	6.15%
International developed markets equity	13.00%	6.78%
International emerging markets equity	5.00%	8.65%
Core fixed income	15.00%	1.11%
High-yield fixed income	8.00%	3.51%
Real estate	10.00%	4.33%
Commodities	4.00%	4.13%
Hedge funds, GTAA, risk parity	11.00%	3.19%
Private equity	13.00%	9.99%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

<u>For the Year Ended</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
June 30, 2020	\$ 72,741,292	\$ 59,191,196	\$ 47,489,138

Pension Plan Fiduciary Net Position

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

17. Massachusetts Teachers' Retirement System (MTRS)

Plan Description

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth 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.

Benefits Provided

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

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

The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS

retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Contributions

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

<u>Membership Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 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

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of January 1, 2019 rolled forward to June 30, 2019. This valuation used the following assumptions:

- (a) 7.25% 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-2016 (gender distinct).

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	39.00%	4.90%
Core fixed income	15.00%	1.30%
Private equity	13.00%	8.20%
Portfolio Completion Strategies	11.00%	3.90%
Real estate	10.00%	3.60%
Value added fixed income	8.00%	4.70%
Timber/natural resources	4.00%	4.10%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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.

Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate as of June 30, 2019. 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 Rate</u>	<u>1% Increase</u>
\$ 31,232,100	\$ 25,214,020	\$ 20,062,500

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.

Town Proportions

In fiscal year 2019 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability was approximately \$94,011,205 based on a proportionate share of 0.373%. As required by GASB 68, the Town has recognized its portion of the Commonwealth's contribution of approximately \$5,382,915 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of approximately \$11,400,490 as both a revenue and expense in the governmental activities.

18. 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, 2020 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, 2020 with a valuation date of July 1, 2018.

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 July 1, 2018, the following employees were covered by the benefit terms:

Retirees, disabled, and dependent beneficiaries currently receiving benefit payments	503
Active employees	<u>636</u>
Total	<u><u>1,139</u></u>

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	2.50%
Salary increases	3.00%
Investment rate of return	7.01%, net of OPEB plan investment expense, including inflation
Discount rate	7.00%, net of OPEB plan investment expense, including inflation
Municipal bond rate	2.66%
Discount rate	7.00%
Healthcare cost trend rates	4.50 - 5.00%
Retirees' share of benefit-related costs	26 - 50 %
Participation rate	80% of eligible employees

Mortality rates were based on:

- Pre-retirement – reflects RP-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 an actuarial experience analysis published in 2014 (based on the years 2006-2011), updated to reflect data through January 1, 2015.

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, 2020 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%	4.80%
Domestic Equity - Small/Mid Cap	3.50%	5.29%
International Equity - Developed Market	16.00%	5.45%
International Equity-Emerging Market	6.00%	6.42%
Domestic Fixed Income	20.00%	2.05%
International Fixed Income	3.00%	3.00%
Alternatives	23.00%	6.50%
Real estate	14.00%	6.25%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the net OPEB liability was 7.0%.

The projection of cash flows assumed that contributions will be made in accordance with the Town’s funding policy, that the Town is expected to contribute \$250,000 in Fiscal 2021 and \$550,000 per year thereafter. Based on these assumptions, the OPEB Plan’s fiduciary net position is projected to be sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return of the OPEB Plan assets was applied to all projected future benefit payments.

Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2020, were as follows:

Total OPEB liability	\$ 48,990,592
Plan fiduciary net position	<u>19,112,931</u>
Net OPEB liability	<u>\$ 29,877,661</u>

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

Changes in the Net OPEB Liability

The following summarizes the changes in the net OPEB liability for the year ending June 30, 2020:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	\$ 47,277,115	\$ 18,203,791	\$ 29,073,324
Changes for the year:			
Service cost	1,176,584	-	1,176,584
Interest	3,301,185	-	3,301,185
Change in experience	(131,937)	-	(131,937)
Contributions - employer	-	3,183,409	(3,183,409)
Net investment income	-	358,086	(358,086)
Benefit payments	<u>(2,632,355)</u>	<u>(2,632,355)</u>	<u>-</u>
Net Changes	<u>1,713,477</u>	<u>909,140</u>	<u>804,337</u>
Balances, end of year	<u>\$ 48,990,592</u>	<u>\$ 19,112,931</u>	<u>\$ 29,877,661</u>

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

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

<u>1% Decrease</u>	Current Discount Rate	<u>1% Increase</u>
\$ 35,498,479	\$ 29,877,661	\$ 24,256,843

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%</u> <u>Decrease</u>	Current Healthcare Cost Trend <u>Rates</u>	<u>1%</u> <u>Increase</u>
\$ 24,588,559	\$ 29,877,661	\$ 36,223,713

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

For the year ended June 30, 2020, the Town recognized an OPEB expense of \$3,445,975. At June 30, 2020, the Town reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Difference between actual and expected experience	\$ 2,120,704	\$ (108,122)
Change of assumptions	-	(1,476,170)
Net difference between projected and actual OPEB investment earnings	<u>884,715</u>	<u>(254,832)</u>
Total	<u>\$ 3,005,419</u>	<u>\$ (1,839,124)</u>

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

<u>Year Ended June 30:</u>	
2021	\$ 263,279
2022	263,279
2023	390,697
2024	261,902
2025	<u>(12,862)</u>
Total	<u>\$ 1,166,295</u>

19. Commitments and Contingencies

COVID-19

The COVID-19 outbreak in the United States (and across the globe) has resulted in economic uncertainties. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on individuals served by the Town, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

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 \$1,164,075 in encumbrances that will be honored in the next fiscal year.

20. Beginning Fund Balance Reclassification

The beginning (July 1, 2019) fund balance of the Town has been reclassified as follows:

	Fund Balance 6/30/2019 (as previously reported)	Reclassification	Fund Balance 7/1/2019 (as reclassified)
Capital Project Fund	\$ -	\$ 2,969,784	\$ 2,969,784
Town Revolving Fund	-	4,534,961	4,534,961
Nonmajor Governmental Funds	<u>12,854,928</u>	<u>(7,504,745)</u>	<u>5,350,183</u>
Total	<u>\$ 12,854,928</u>	<u>\$ -</u>	<u>\$ 12,854,928</u>

21. Subsequent Events

Management has evaluated subsequent events through December 31, 2020, which is the date the financial statements were available to be issued.

Debt

Subsequent to June 30, 2020, the Town has incurred the following additional debt:

	<u>Amount</u>	Interest <u>Rate</u>	Date of <u>Issue</u>	Date of <u>Maturity</u>
Municipal purpose bond	\$ 23,680,000	2.0 - 5.0%	11/10/20	11/01/40

22. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, Fiduciary Activities, as amended by GASB Statement No. 97, effective for the Town beginning with its fiscal year ending June 30, 2021. This statement establishes guidance on how to address the categorization of fiduciary activities for financial reporting and how fiduciary activities are to be reported and may require reclassification of certain funds.

GASB has issued Statement No. 87, Leases, effective for the Town beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements for leases in the financial statements. Management has not yet evaluated the effect of implementation of these or other GASB statements that will be applicable in the next few years.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WAYLAND, MASSACHUSETTS

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

Middlesex County Retirement System

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

Massachusetts Teachers' Retirement System

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

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

See Independent Auditors' Report.

TOWN OF WAYLAND, MASSACHUSETTS

Required Supplementary Information
Schedule of Pension Contributions
(Unaudited)

Middlesex County Retirement System

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

Massachusetts Teachers' Retirement System

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

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

See Independent Auditors' Report.

TOWN OF WAYLAND, MASSACHUSETTS

Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedule of Changes in Net OPEB Liability
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service cost	\$ 1,176,584	\$ 1,121,044	\$ 938,983	\$ 938,983
Interest on total OPEB liability	3,301,185	3,110,726	2,905,702	2,843,330
Differences between expected and actual experience	(131,937)	3,318,840	-	-
Changes of assumptions	-	(2,310,162)	-	-
Benefit payments, including refunds of member contributions	<u>(2,632,355)</u>	<u>(2,519,842)</u>	<u>(1,823,387)</u>	<u>(1,823,387)</u>
Net change in total OPEB liability	1,713,477	2,720,606	2,021,298	1,958,926
Total OPEB liability - beginning	<u>47,277,115</u>	<u>44,556,509</u>	<u>42,535,211</u>	<u>40,576,285</u>
Total OPEB liability - ending (a)	<u>\$ 48,990,592</u>	<u>\$ 47,277,115</u>	<u>\$ 44,556,509</u>	<u>\$ 42,535,211</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 3,183,409	\$ 3,066,376	\$ 2,066,671	\$ 2,074,672
Net investment income	358,086	968,586	1,443,193	1,573,467
Benefit payments, including refunds of member contributions	<u>(2,632,355)</u>	<u>(2,519,842)</u>	<u>(1,823,387)</u>	<u>(1,823,387)</u>
Net change in plan fiduciary net position	909,140	1,515,120	1,686,477	1,824,752
Plan fiduciary net position - beginning	<u>18,203,791</u>	<u>16,688,671</u>	<u>15,002,194</u>	<u>13,177,442</u>
Plan fiduciary net position - ending (b)	<u>19,112,931</u>	<u>18,203,791</u>	<u>16,688,671</u>	<u>15,002,194</u>
Net OPEB liability - ending (a-b)	<u>\$ 29,877,661</u>	<u>\$ 29,073,324</u>	<u>\$ 27,867,838</u>	<u>\$ 27,533,017</u>
Plan fiduciary net position as a percentage of the total OPEB liability	39.0%	38.5%	37.5%	35.3%
Covered employee payroll	\$ 46,270,904	\$ 44,923,208	\$ 43,614,765	\$ 41,284,252
Net OPEB liability as a percentage of covered employee payroll	64.6%	64.7%	63.9%	66.7%

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

See 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)
 Schedule of Contributions and Investment Returns
 (Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Contributions				
Actuarially determined contribution	\$ 3,183,409	\$ 3,066,376	\$ 2,066,671	\$ 2,074,672
Contributions in relation to the actuarially determined contribution	<u>3,183,409</u>	<u>3,066,376</u>	<u>2,066,671</u>	<u>2,074,672</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 46,270,904	\$ 44,923,208	\$ 43,614,765	\$ 41,284,252
Contributions as a percentage of covered employee payroll	6.9%	6.8%	4.7%	5.0%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Investment Returns				
Annual money weighted rate of return, net of investment expense	1.97%	5.67%	9.54%	7.04%

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

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

See Independent 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, 2020

	<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>General Government</u>				
Selectmen				
Nonpersonnel	\$ 42,500	\$ 42,500	\$ 41,509	\$ 991
Town office				
Personnel	564,393	578,393	564,972	13,421
Nonpersonnel	72,998	72,998	65,928	7,070
Personnel Board				
Personnel	4,000	4,000	4,000	-
Nonpersonnel	25,000	25,000	2,030	22,970
Finance				
Personnel	319,242	319,242	310,097	9,145
Nonpersonnel	61,365	61,365	58,170	3,195
Assessor				
Personnel	286,095	286,095	205,808	80,287
Nonpersonnel	47,560	47,560	30,599	16,961
Treasurer				
Personnel	208,251	208,251	200,837	7,414
Nonpersonnel	61,150	186,150	183,107	3,043
Town Counsel				
Nonpersonnel	244,000	244,000	136,910	107,090
Information Technology				
Personnel	180,965	180,965	177,744	3,221
Nonpersonnel	663,011	663,011	541,385	121,626
Town Clerk				
Personnel	142,142	139,268	131,062	8,206
Nonpersonnel	15,718	15,718	14,263	1,455
Elections				
Personnel	300	3,174	532	2,642
Nonpersonnel	24,376	39,964	40,703	(739)
Registrar				
Personnel	1,075	1,075	325	750
Nonpersonnel	4,625	4,625	712	3,913
Conservation				
Personnel	209,937	209,937	197,650	12,287
Nonpersonnel	45,645	45,645	20,958	24,687
Planning				
Personnel	113,756	113,756	112,238	1,518
Nonpersonnel	6,655	6,655	4,322	2,333
Facilities				
Personnel	393,532	393,532	370,414	23,118
Nonpersonnel	952,700	952,700	826,808	125,892
Miscellaneous Committees				
Nonpersonnel	<u>54,775</u>	<u>54,775</u>	<u>53,904</u>	<u>871</u>
Total General Government	4,745,766	4,900,354	4,296,987	603,367

(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	2,768,367	2,738,367	2,525,272	213,095
Nonpersonnel	326,825	326,825	323,381	3,444
Joint Communications				
Personnel	520,051	550,051	545,532	4,519
Nonpersonnel	32,000	32,000	29,084	2,916
Emergency Management				
Nonpersonnel	23,250	23,250	17,938	5,312
Dog Officer				
Nonpersonnel	37,120	37,120	37,119	1
Fire				
Personnel	2,921,706	2,921,706	2,474,305	447,401
Nonpersonnel	270,800	270,800	252,088	18,712
Building and Zoning				
Personnel	309,575	309,575	306,193	3,382
Nonpersonnel	<u>19,550</u>	<u>19,550</u>	<u>10,646</u>	<u>8,904</u>
Total Public Safety	7,229,244	7,229,244	6,521,558	707,686
<u>Education</u>				
Schools	41,919,750	41,919,750	41,786,120	133,630
<u>Vocational Education</u>				
Regional Vocational School	230,000	302,000	301,910	90
<u>Public Works</u>				
Highway				
Personnel	1,026,246	1,026,246	953,712	72,534
Nonpersonnel	531,800	531,800	436,151	95,649
Engineering				
Personnel	332,227	332,227	261,048	71,179
Nonpersonnel	45,420	45,420	18,011	27,409
Snow				
Personnel	175,000	175,000	126,464	48,536
Nonpersonnel	325,000	325,000	306,219	18,781
Transfer Station				
Nonpersonnel	40,000	40,000	40,000	-
Park and Cemetery				
Personnel	683,700	683,700	640,390	43,310
Nonpersonnel	<u>400,800</u>	<u>400,800</u>	<u>336,602</u>	<u>64,198</u>
Total Public Works	3,560,193	3,560,193	3,118,597	441,596
<u>Health and Human Services</u>				
Board of Health				
Personnel	761,412	761,412	742,976	18,436
Nonpersonnel	166,825	166,825	136,388	30,437
Veterans Services				
Nonpersonnel	48,000	48,000	35,585	12,415
Council on Aging				
Personnel	239,495	239,495	215,305	24,190
Nonpersonnel	65,280	65,280	52,030	13,250
Youth Services				
Personnel	222,008	222,008	189,744	32,264
Nonpersonnel	<u>6,225</u>	<u>6,225</u>	<u>1,383</u>	<u>4,842</u>
Total Health and Human Services	1,509,245	1,509,245	1,373,411	135,834

(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	850,985	850,985	834,033	16,952
Nonpersonnel	278,850	278,850	256,367	22,483
Recreation				
Personnel	178,193	178,193	167,589	10,604
Nonpersonnel	<u>2,275</u>	<u>2,275</u>	<u>2,237</u>	<u>38</u>
Total Culture and Recreation	1,310,303	1,310,303	1,260,226	50,077
<u>State Assessments and Charges</u>				
Assessments	122,321	122,321	116,215	6,106
<u>Debt Service</u>				
Debt Principal and Interest	6,814,789	6,814,789	6,729,672	85,117
<u>Pension</u>				
Pension Assessment	4,862,852	4,862,852	4,862,852	-
<u>OPEB</u>				
OPEB Contribution	500,000	500,000	500,000	-
<u>Unclassified</u>				
Insurance General	686,000	791,000	790,120	880
Insurance 32B	7,955,200	7,955,200	7,901,511	53,689
Medicare	681,062	735,062	734,556	506
Unemployment	50,000	50,000	49,999	1
Police and Fire Disability	15,000	15,000	-	15,000
Reserve for Salary Adj	25,000	11,000	-	11,000
Occupational Health	8,000	8,000	7,445	555
Retirement and Buyback	40,000	47,000	46,066	934
Employee Mitigation	340,000	6,412	-	6,412
Stormwater	210,000	210,000	101,728	108,272
Town Meeting	115,000	115,000	8,636	106,364
Street lighting	95,000	95,000	25,032	69,968
Reserve Fund	<u>250,000</u>	<u>205,000</u>	<u>-</u>	<u>205,000</u>
Total Unclassified	<u>10,470,262</u>	<u>10,243,674</u>	<u>9,665,093</u>	<u>578,581</u>
Total Expenditures	<u>\$ 83,274,725</u>	<u>\$ 83,274,725</u>	<u>\$ 80,532,641</u>	<u>\$ 2,742,084</u>

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

**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:

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

PERMANENT FUND

Permanent 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, 2020

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School <u>Revolving</u>	School <u>Grants</u>	<u>Subtotals</u>	Permanent <u>Fund</u>	
Assets					
Cash and short-term investments	\$ 1,427,295	\$ 233,920	\$ 1,661,215	\$ -	\$ 1,661,215
Investments	-	-	-	4,000,282	4,000,282
Receivables:					
Departmental	-	-	-	1,400	1,400
Total Assets	<u>\$ 1,427,295</u>	<u>\$ 233,920</u>	<u>\$ 1,661,215</u>	<u>\$ 4,001,682</u>	<u>\$ 5,662,897</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 3,098	\$ 18,650	\$ 21,748	\$ -	\$ 21,748
Accrued payroll	-	675	675	-	675
Unearned revenue	312,619	-	312,619	-	312,619
Due to fiduciary fund	<u>40,800</u>	<u>-</u>	<u>40,800</u>	<u>-</u>	<u>40,800</u>
Total Liabilities	356,517	19,325	375,842	-	375,842
Fund Balances:					
Nonspendable	-	-	-	1,387,112	1,387,112
Restricted	1,070,778	803,699	1,874,477	2,614,570	4,489,047
Unassigned	<u>-</u>	<u>(589,104)</u>	<u>(589,104)</u>	<u>-</u>	<u>(589,104)</u>
Total Fund Balances	<u>1,070,778</u>	<u>214,595</u>	<u>1,285,373</u>	<u>4,001,682</u>	<u>5,287,055</u>
Total Liabilities and Fund Balances	<u>\$ 1,427,295</u>	<u>\$ 233,920</u>	<u>\$ 1,661,215</u>	<u>\$ 4,001,682</u>	<u>\$ 5,662,897</u>

TOWN OF WAYLAND, MASSACHUSETTS

Combining Statement of Revenues, Expenditures and Changes in Fund Equity
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds				Total Nonmajor Governmental Funds
	<u>School Revolving</u>	<u>School Grants</u>	<u>Subtotal</u>	<u>Permanent Fund</u>	
Revenues:					
Intergovernmental	\$ 159,778	\$ 2,406,140	\$ 2,565,918	-	\$ 2,565,918
Charges for services	5,004,948	-	5,004,948	\$ 32,950	5,037,898
Investment income	-	-	-	141,399	141,399
Contributions	<u>7,199</u>	<u>-</u>	<u>7,199</u>	<u>250</u>	<u>7,449</u>
Total Revenues	5,171,925	2,406,140	7,578,065	174,599	7,752,664
Expenditures:					
Current:					
General government	-	-	-	99,730	99,730
Education	<u>4,871,568</u>	<u>2,154,102</u>	<u>7,025,670</u>	<u>-</u>	<u>7,025,670</u>
Total Expenditures	<u>4,871,568</u>	<u>2,154,102</u>	<u>7,025,670</u>	<u>99,730</u>	<u>7,125,400</u>
Excess (deficiency) of revenues over (under) expenditures	300,357	252,038	552,395	74,869	627,264
Other Financing Sources (Uses):					
Transfers out	<u>(690,392)</u>	<u>-</u>	<u>(690,392)</u>	<u>-</u>	<u>(690,392)</u>
Total Other Financing Sources (Uses)	<u>(690,392)</u>	<u>-</u>	<u>(690,392)</u>	<u>-</u>	<u>(690,392)</u>
Net change in fund balances	(390,035)	252,038	(137,997)	74,869	(63,128)
Fund Balances, beginning of year	<u>1,460,813</u>	<u>(37,443)</u>	<u>1,423,370</u>	<u>3,926,813</u>	<u>5,350,183</u>
Fund Balances, end of year	<u>\$ 1,070,778</u>	<u>\$ 214,595</u>	<u>\$ 1,285,373</u>	<u>\$ 4,001,682</u>	<u>\$ 5,287,055</u>

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, 2020

	Balance July 1, <u>2019</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2020</u>
<u>Student Activity Funds:</u>				
Assets - cash and short-term investments	\$ <u>303,339</u>	\$ <u>409,764</u>	\$ <u>(342,519)</u>	\$ <u>370,584</u>
Liabilities - accounts payable and other	\$ <u>303,339</u>	\$ <u>409,764</u>	\$ <u>(342,519)</u>	\$ <u>370,584</u>

**STATISTICAL
SECTION**

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.	102 - 106
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the Town’s most significant local revenue source, the property tax.	107 – 109
<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.	110 - 111
<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.	112 - 113
<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.	114 - 116

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

	2011	2012	2013	2014	2015 *	2016	2017	2018	2019	2020
Government Activity										
Net Investment in Capital Assets	\$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	\$84,203,456
Restricted	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	14,032,773
Unrestricted	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)	(63,904,916)
Total governmental activities net position	\$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	\$34,331,313
Business type activities										
Net Investment in Capital Assets	\$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	\$10,182,939
Unrestricted	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	5,841,440
Total business-type activities net position	\$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	\$16,024,379
Primary Government										
Net Investment in Capital Assets	\$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	\$94,386,395
Restricted	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	14,032,773
Unrestricted	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)	(58,063,476)
Total primary government net position	\$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	\$50,355,692

* 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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
General government	\$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	\$7,774,181
Public safety	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	8,395,203
Education	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	64,671,678
Public works	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	5,164,865
Health and Human services	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	1,602,670
Cultural and recreation	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	3,055,178
Intergovernmental	186,244	191,501	185,367	131,848	109,179	203,615	147,287	197,704	235,132	116,215
Employee Benefits	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	14,562,712
Interest	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	2,531,947
Total governmental activities expenses	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	107,874,649
Business type activities										
Water operations	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	3,074,473
Wastewater operations	257,876	498,707	510,222	652,493	612,552	572,602	584,118	583,056	625,009	744,213
Total business-type activities expenses	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	3,818,686
Total primary government expenses	\$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	\$111,693,335
Program revenues										
Governmental activities										
Charges for services										
General government	\$613,085	\$1,229,604	\$789,359	\$842,337	\$655,766	\$618,342	\$739,331	\$888,649	\$731,911	\$684,769
Public safety	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	1,672,215
Education	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	5,004,948
Public works	21,414	536,424	484,407	433,662	428,409	421,579	399,116	349,090	361,837	413,780
Health and Human services	681,924	231,989	159,445	193,217	212,744	246,132	237,713	204,722	206,499	187,942
Cultural and recreation	906,393	849,872	834,332	1,022,109	728,996	935,041	845,061	775,569	838,462	653,807
Operating grants and contributions	9,951,789	9,808,480	9,627,705	10,036,715	6,513,227	13,031,722	15,434,277	15,487,124	18,255,789	22,588,521
Capital grants and contributions	-	-	-	500,000	1,253,720	1,198,161	639,688	339,066	-	-
Total government activities program revenues	17,679,877	18,622,964	18,470,623	18,901,265	16,685,374	23,192,530	24,958,622	25,577,796	27,494,313	31,205,982
Business type activities										
Charges for services										
Water operations	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	3,641,839
Wastewater operations	212,140	324,512	359,829	621,988	4,346,580	674,376	466,302	351,824	518,201	353,111
Capital grants and contributions	-	-	-	-	-	-	-	-	-	157,006
Total business-type activities revenues	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	4,151,956
Total primary government revenues	\$21,939,866	\$23,043,833	\$22,281,411	\$23,370,490	\$24,769,907	\$27,397,538	\$29,498,828	\$29,570,977	\$31,629,117	\$35,357,938
Net (Expense) / Revenue										
Governmental activities	(\$57,646,235)	(\$59,983,398)	(\$61,297,177)	(\$64,070,492)	(\$64,891,137)	(\$63,550,113)	(\$68,239,483)	(\$71,131,538)	(\$77,020,027)	(\$76,668,667)
Business-type activities	947,946	951,512	133,515	1,137,211	4,635,520	456,190	876,499	(71,644)	195,019	333,270
Total primary government net (expense)	(\$56,698,289)	(\$59,031,886)	(\$61,163,662)	(\$62,933,281)	(\$60,255,617)	(\$63,093,923)	(\$67,362,984)	(\$71,203,182)	(\$76,825,008)	(\$76,335,397)

continued

Town of Wayland, Massachusetts										
Changes in Net Positions										
Last Ten Fiscal Years										
continued:										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and other Changes in Net Position										
Governmental activities;										
Real estate and personal property-net of refunds payable	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	\$71,923,297
Excise Tax	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	2,385,927
Grants, contributions- not restricted to specific programs	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	1,489,122
Investment income	830,822	362,492	412,826	539,875	302,319	428,446	603,720	438,010	977,769	778,880
Other	76,518	141,249	96,511	176,699	176,700	199,814	606,499	459,070	574,930	788,643
Transfers	-	(510,000)	-	402,653	(325,671)	(175,000)	-	(50,085)	219,000	(43,600)
Total government activities	\$72,845,762	\$75,063,363	\$60,661,082	\$64,263,892	\$64,190,723	\$64,018,334	\$70,175,109	\$71,062,995	\$76,476,132	\$77,322,269
Business-type activities										
Grants, contributions- not restricted to specific programs	-	-	-	-	-	7,516	41,492	10,995	6,127	11,939
Investment income	25,390	16,887	4,992	5,457	10,395	11,413	11,168	13,577	67,973	48,946
Miscellaneous	-	-	15,103	8,805	9,732	69,000	69,103	76,978	27,648	22,465
Transfers	-	510,000	-	(402,653)	325,671	175,000	-	50,085	(219,000)	43,600
Total business type activities	25,390	526,887	20,095	(388,391)	345,798	262,929	121,763	151,635	(117,252)	126,950
Total primary government	\$72,871,152	\$75,590,250	\$60,681,177	\$63,875,501	\$64,536,521	\$64,281,263	\$70,296,872	\$71,214,630	\$76,358,880	\$77,449,219
Changes in Net Position										
Governmental activities	\$15,199,527	\$15,079,965	(\$636,095)	\$193,400	\$2,771,493	\$468,221	\$1,935,626	-\$68,843	(\$543,895)	\$653,602
Business type activities	973,336	1,478,399	153,610	748,820	4,491,552	719,119	998,265	79,991	77,767	460,220
Total primary government changes in net position	\$16,172,863	\$16,558,364	(\$482,485)	\$942,220	\$7,263,045	\$1,187,340	\$2,933,891	\$11,148	(466,128)	\$1,113,822

Data source: Audited financial statements

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
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	\$ 636,211
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	1,931,000
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	1,164,075
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	13,713,620
Total general fund	\$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	\$17,444,906
All Other Governmental Funds										
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	\$ 1,387,112
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	16,580,890
Committed	-	-	-	-	894,747	962,953	1,474,921	2,231,148	2,853,629	4,318,032
Unassigned	-	-	(1,535,016)	(52,336)	(239,025)	(109,805)	(250,838)	(158,055)	(1,337,254)	(1,354,125)
Total all other governmental funds:	\$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	\$20,931,909

Data source: Audited financial statements

Town of Wayland, Massachusetts										
Changes in Fund Balances, Governmental Funds										
Last Ten Fiscal Years										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Real estate and personal property taxes net of tax refunds.	\$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	\$71,888,011
Motor vehicle and other excise taxes	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	2,346,404
License and permits	782,626	769,814	1,006,114	687,589	999,262	945,108	793,794	761,310	555,647	380,023
Intergovernmental	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	18,052,619
Charges for services	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	7,978,966
Investment income	830,822	362,492	412,826	539,874	302,319	428,450	603,718	438,010	977,773	778,879
Fines and forfeitures	62,604	80,303	72,662	78,748	53,005	55,078	37,524	36,000	30,991	22,303
Contributions	2,473	75,215	8,516	500,650	1,074,534	1,537,961	115,737	31,063	35,667	61,857
Miscellaneous	-	-	-	-	-	-	321,214	161,848	263,259	437,018
Total Revenues	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	101,946,080
Expenditures:										
General government	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	6,733,521
Public safety	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	6,943,787
Education	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	54,247,694
Public works	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	2,575,809
Health and human services	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	1,468,114
Cultural and recreation	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	2,719,634
Employee benefits	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	14,562,712
Intergovernmental	186,244	191,501	185,367	131,848	109,179	203,615	147,287	197,704	235,132	116,215
Debt service										
Principle	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	4,587,159
Interest	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	2,517,273
Capital outlay	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	9,251,002
Total Expenditures	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	105,722,920
Excess of revenues over / (under) expenditures	(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)	(3,776,840)
Other Financing Sources (use)										
Issuance of bonds and notes	36,000,000	2,010,000	2,555,000	12,585,000	5,917,000	2,401,000	10,300,000	2,835,000	0	9,295,000.00
Issuance of refunding bonds	-	-	1,314,000	-	-	3,339,000	-	-	-	5,240,000.00
Bond premiums	1,851,132	67,203	224,659	882,064	462,210	521,147	546,129	179,077	0	2,102,159.00
Payments to refund bond escrow	-	-	(1,360,000)	-	-	(3,685,773)	-	-	-	(6,000,000.00)
Transfer in	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	4,104,358
Transfer out	(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)	(4,147,958)
Total other financing sources (uses)	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	10,593,559
Fund balance restatement										
Net change in fund balance	\$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)	\$6,816,719
Debt Service as a percentage of non capital expenditures										
	6.57%	9.55%	9.53%	8.73%	9.82%	9.70%	8.32%	8.76%	7.73%	7.36%

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	
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	
2020	3,811,844,266	17.76	132,854,334	4,452,500	45,781,200	183,088,034	17.76	3,994,932,300	

Data Source: Town of Wayland Tax Recapitulation Sheets

Town of Wayland, Massachusetts
Principal Taxpayers
Current and Nine Years Ago

Name of Taxpayer	Nature of Business	2020		2011		% of Total Taxable Assessed Value	% of Total Taxable Assessed Value
		Assessed Valuation	Rank	Assessed Valuation	Rank		
BOS Retail 1 , LLC	Developer	\$34,586,300	1	22,483,000	1	0.96%	0.67%
NSTAR Electric	Energy	15,618,400	2	9,141,000	3	0.43%	0.27%
373 Commonwealth Residence	Development	9,665,300	3			0.27%	
Boston Gas Company	Energy	9,382,800	4			0.26%	
Atria Living Group, Inc.	Assisted Living	8,583,500	5			0.24%	
Individual	Residential	8,504,800	6			0.24%	
Northbridge Wayland Assisted	Assisted Living / Nursing Home	8,394,000	7			0.23%	
Individual	Residential	7,996,200	8			0.22%	
Individual	Residential	6,939,800	9			0.19%	
Sunrise Assisted Living	Assisted Living	6,788,100	10	9,549,400	2	0.19%	0.28%
Totals		<u>\$116,459,200</u>		<u>\$41,173,400</u>		<u>3.23%</u>	<u>1.22%</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
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%
2020	\$70,949,997	\$160,053	\$70,789,944	\$70,167,631	99.12%	\$171,160	\$70,167,631	99.12%	\$451,153	0.64%

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
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	\$148,764	3.2630%	1.8605%
2019	13,965	\$2,077,524,918	\$3,771,121,300	\$61,684,728	\$148,764	2.9691%	1.6357%
2020	13,896	\$2,098,300,168	\$3,994,932,300	\$67,437,507	\$151,000	3.2139%	1.6881%
Business - Type Activities Debt				Total Primary Government			
Fiscal Year	Outstanding Debt		Total Debt Outstanding	Per Capita Income	Percentage of Personal Income	Percentage of Assessed Value	
	Water Fund	Wastewater Fund					
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	-	\$79,683,726	\$148,502	3.99%	2.46%
2016	\$10,658,770	\$6,168,390	-	\$81,060,946	\$151,679	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	\$148,764	3.96%	2.26%
2019	\$9,201,700	\$3,876,494	-	\$74,762,922	\$148,764	3.60%	1.98%
2020	\$10,352,725	\$3,568,247	-	\$81,358,479	\$151,000	3.88%	2.04%

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equalized Valuation	\$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	\$3,994,932,300
Debt Limit - 5% of equalized valuation	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	199,746,615
Less:										
Total debt applicable to limitation	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	21,972,128
Legal debt margin	\$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	\$177,774,487
Total debt applicable to the limit as a percentage of debt limit	11.33%	11.33%	11.33%	11.33%	11.33%	11.33%	11.04%	11.00%	11.00%	11.00%

Data Source: Official Statements

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

Fiscal Year	Population Estimates	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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	\$148,764	46	2,707	2.50%
2020	13,896	\$151,000	46	2,700	2.50%

Data Source: Official Statements

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

Employer	Type of Business	2020			2011		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Russells Garden Center	Garden / Flowers / Gifts	200	1	2.85%	60	5	0.91%
Villa Restaurant	Restaurant	77	2	1.10%	51	6	0.78%
Wayland Country Club	Recreation	75	3	1.07%			
Sandy Burr Golf	Recreation	74	4	1.05%			
Stop and Shop	Retail	73	5	1.04%			
Northbridge Wayland Asst. Living	Assisted Living	70	6	1.00%			
The Local	Restaurant	35	7	0.50%			
110 Grill	Restaurant	30	8	0.43%			
Donolan's Supermarket	Retail	30	9	0.43%			
Coach Grill	Restaurant	21	10	0.30%			
		685			111		

Data Source: Official Statements

Town of Wayland, Massachusetts										
Government Employees by Function - Full Time Equivalents										
Last Ten Years										
Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	40.00	42.85	42.28	42.30	46.65	36.67	38.69	37.05	37.05	41.05
Public Safety										
Police	31.00	32.33	32.33	33.33	33.59	33.29	33.59	33.59	34.59	36.59
Fire	28.21	28.87	28.87	28.87	28.87	29.87	26.54	26.54	28.54	30.54
Education	337.90	367.26	374.44	374.64	391.86	393.50	405.50	417.65	427.92	436.49
Public Works										
Highway	15.70	27.57	28.37	28.37	29.41	29.41	39.69	41.24	42.34	43.15
Parks	12.00	-	-	-	-	-	-	-	-	-
Transfer Station	2.30	-	-	-	-	-	-	-	-	-
Total	30.00	27.57	28.37	28.37	29.41	522.74	544.01	556.07	570.44	587.82
Planning and Human Services										
Planning	1.50	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Board of Health	8.80	9.15	9.15	9.15	9.29	9.29	9.29	9.29	9.29	9.29
Recreation	1.90	2.33	2.33	1.83	2.11	2.54	3.54	3.54	3.54	3.54
Council on Aging	2.80	2.83	2.83	2.83		3.34	3.34	3.34	3.34	3.34
Total	15.00	15.71	15.71	15.21	12.80	16.57	17.57	17.57	17.57	17.57
Library	14.74	14.74	14.74	14.74	13.74	13.74	13.69	13.69	13.39	13.39
TOTALS:	496.85	529.33	536.74	537.46	556.92	553.05	575.27	587.33	601.40	618.78

Source:

Town of Wayland Human Resources Office

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Finance										
Registered Voters	9,974	9,861	9,861	9,870	9,965	9,971	9,971	10,334	10,334	10,334
Taxable property parcels assessed	5,054	5,098	5,093	5,128	5,131	5,172	5,183	5,181	5,181	5,181
Motor vehicle registered	14,359	13,823	14,091	13,957	13,957	14,285	14,309	14,309	14,309	14,309
Police										
Physical arrests	97	118	108	116	83	85	71	39	54	36
Traffic violations	3,593	3,251	3,179	2,984	2,917	2,691	2,041	2,478	2,315	983
Fire										
Calls answered	3,518	3,660	3,784	4,006	3,280	4,258	3,908	3,532	3,729	3,293
Emergency response	2,150	1,506	1,151	2,301	1,913	2,361	2,611	2,119	2,333	2,239
Fires extinguished	40	36	37	36	23	37	35	77	15	31
Number of inspections conducted	989	703	796	702	639	841	742	613	609	517
Emergency medical responses	1,304	1,242	1,212	1,153	884	1,019	1,289	1,139	1,206	1,029
Building										
Building permits issued	696	765	844	808	808	1,061	939	765	859	774
Estimated construction value	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	14,000,000
Pubic works										
Miles snow plowed	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6
Public Library										
Volumes of collections	91,469	99,871	97,490	106,967	106,967	136,567	134,777	163,313	159,187	161,583
Total volumes borrowed	197,670	207,157	213,678	222,184	222,184	226,731	228,677	234,654	236,306	200,158
Total circulation	232,666	246,429	246,429	252,405	252,405	264,848	264,532	265,535	271,117	223,023
Registered borrowers	7,120	6,972	6,972	6,880	6,880	6,837	6,753	6,749	7,274	8,008
Water										
Water main breaks	14	28	6	31	31	11	8	9	9	11
Daily average consumption	1.32	1.21	1.47	1.35	1.35	1.45	1.43	1.45	1.43	1.39
Peak daily consumption	1.91	1.75	1.87	1.74	1.74	2.00	1.98	2.27	2	1.87

Source:
Town of Wayland Departmental Managers

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks	1	1	1	1	1	1	1	1	1	1
Number of pumpers	3	3	3	3	3	3	3	3	3	3
Number of support vehicles	5	5	5	5	5	5	5	5	5	5
Public Works										
Miles of street	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3
Miles of storm drains	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Recreation										
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	102	102	102	102	102	102	102	102
Number of service connections	4,993	4,993	4,993	4,993	4,993	4,993	5,028	5,028	5,028	5,028
Storage capacity in gallons (millions of gallons)	2.5	2.5	2	2	2	2	2	2	2	2
Maximum daily capacity of plant (millions of gallons)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2
Number of fire hydrants	488	490	490	491	491	491	497	497	497	497
Sewer Systems										
Miles of sanitary sewers	0.9	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
Number of treatment plants	40	70	90	100	120	120	120	120	120	120
Number of service connections	40	70	90	100	120	120	120	120	120	120

Source:
Town of Wayland Departmental Managers