



TOWN OF WAYLAND, MASSACHUSETTS

Annual Comprehensive Financial Report

For the Fiscal Year Ending

June 30, 2021

TOWN OF WAYLAND, MASSACHUSETTS

Annual Comprehensive Financial Report
Annual Financial Statements

For the Year Ended June 30, 2021

Prepared by:
The Finance Department

TOWN OF WAYLAND, MASSACHUSETTS
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

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**INTRODUCTORY
SECTION**



STEPHEN CRANE
ACTING TOWN MANAGER

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TOWN OF WAYLAND

41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

SELECT BOARD

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

Letter of Transmittal

April 29, 2022

To the 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 Annual Comprehensive Financial Report (ACFR) of the Town of Wayland, Massachusetts, for the fiscal year ending June 30, 2021 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, 2021, 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, 2021, 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, 2021, 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 notable is the Town Center which was developed in 2010. The Town Center continues to grow and attract new businesses and patrons. Wayland Center and Cochituate Village offer small to medium retail and office space as well as providing a mix of fast food and full-service restaurants. The Wayland Town Center currently has a 90% occupancy rate. Directly across the Street from Town Center, Wayland Village is in the process of a \$4 M renovation.

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

completed construction in 2011. Most recently the Town appropriated \$7 M to renovate the fields behind and in front of the High School. Annually the Town appropriates capital project funds to maintain and upgrade all town and school buildings.

The new Department of Public Works Facility located at 66 River Road opened in June 2015. Minor construction continues to take place as the facility is close to completion. The new facility has provided enhanced services for town residents and significantly improves the work environment of town employees. The new facility is a 36,500 square foot building which offers safer working conditions for employees and 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 2022. 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 prioritize 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 2021 or Fiscal 2022 operating budgets. The Town has established Enterprise Funds for the Water Department and Wastewater Department. The town authorizes seven funds: Recreation Revolving, Recreation Fields, School Curriculum, School Professional Development, Council on Aging Revolving, Community Gardens and the Transfer Station as 53E ½ funds.

The Town currently manages \$71.4 million 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 2021 is approximately 7.47%. 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 2021 is \$18.52. State aid continues to increase at a minimal rate and accounts for approximately 7% of the Town's budgeted revenue. Due in large part to COVID-19, total Local Receipts in Fiscal 2021 were \$5.5M compared to \$4.4M in Fiscal 2020.

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, 2021 the balance in the OPEB account is \$25M.

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, 2021 the balance of unrestricted cash and investments for all funds totaled \$83,712,490 compared to \$69,124,480 as of June 30, 2020.

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 version from MUNIS 10.5 version. It is expected the MUNIS will need to be upgraded to MUNIS 11.5 version in FY 22.

Economic Development

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

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 2022. This will also include the creation of an Economic Development Action Plan with implementation steps and key strategies identified.

Wayland Town Center Project - Great News!

The Town of Wayland has completed its negotiations with the owners of Town Center. A fully executed settlement agreement has been reached to acquire the 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 on Aging Staff are working together to coordinate the use of shared space and resources so that the facility is used to its full

potential and services can be streamlined by the town department's staff through joint planning. The plan is to utilize the existing 10,000 sq foot Day Care Building that exists on site and add a small addition. The Town of Wayland would also need to construct a 100-space parking lot.

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 - Great News!

River's Edge has broken ground and construction continues at a rapid pace. The first occupancy permit for Building 1 is expected at the end of May 2022. River's Edge Alta has changed their name to Alta Oxbow. Alta Oxbow will be the new home of 218 Luxury Multi-Family residential community units with 55 units designated as affordable and 66 units age-restricted to 55 and older. The project has three (3) buildings, garage and surface parking and driveways, and drainage improvements (collectively, the "project").

The Board of Selectmen finalized the Land Disposition Agreement in fiscal year 2020 at \$2.4M for the sale of River's Edge and received our first payment held in escrow in the amount of \$829,275. All final escrow funds will be completed by May 1, 2022. The Town of Wayland in 2017 received a \$2.4M Massworks grant for water infrastructure for River's Edge which was completed in 2020. The Town of Wayland has completed another Massworks Grant in the amount of \$2.2M for sewer infrastructure to connect to the Town's Wayland Center wastewater system. The current Wayland Center wastewater system, while state-of-the-art, is both underutilized and lacks growth capacity due to limited suitable areas in the immediate Sudbury River environs to accept outflow. Connecting the River's Edge development helps mitigate both issues, by adding needed usage to the wastewater plant so it operates more efficiently, while providing additional outflow capacity by accepting excess outflow on the River's Edge property, so that the existing wastewater plant can be tapped into to spur additional economic growth along the Route 20 corridor in Wayland Center. If successful, this option would provide significant savings for the development and the Town of Wayland.

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

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

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

- Windsor Place - The subject property is located at 24 School Street and consists of approximately 37,865 square feet of land bordering a stream on the adjacent property to the west. The site is zoned single family R-20., 20,000 square feet, 20% minimum lot coverage. The Applicant proposes the construction of two buildings with six units in each totaling 12 units of which 3 will be affordable. The applicant proposes a single access way from School Street with an emergency gated access drive to East Plain Street (Route 30).
- Cascade – The property is located at 113, 115, 117 & 119 Boston Post Road and consists of approximately 6.49 acres. The site is zoned Single Residential Zone 40,000 – 180' of frontage. The upland areas are located towards the front and rear portions of the site while the wetlands diagonally traverse the center. The wetlands are associated with Pine Brook and traverses from east to west before gathering into the river channel. The applicant proposes a series of three-story elements in a single structure. The single structure will constitute 60 dwelling units. Of the 60 rental units, 15 will be affordable to households under the 80% of the area median income (AMI) and 45 will be available to households at market rates. 89 bedrooms are proposed for the Cascade development. Cascade may be required to design and build a new wastewater system.

Acknowledgements

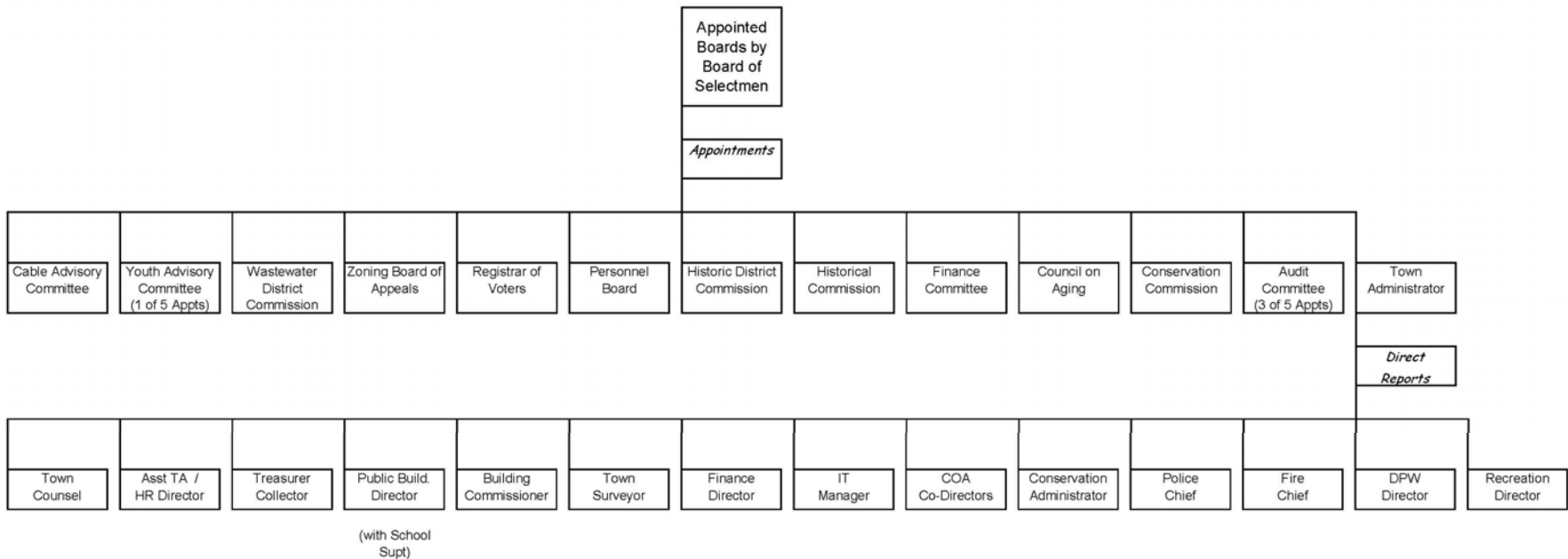
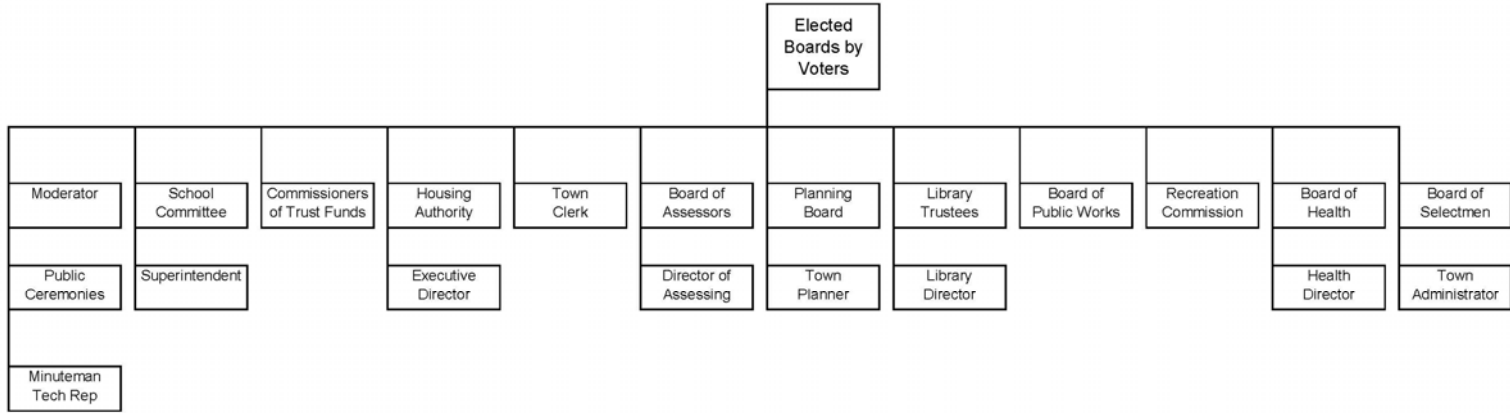
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the 6th consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Town had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Brian Keveny". The signature is written in black ink and has a long, sweeping horizontal line extending to the right.

Brian Keveny
Finance Director
Town of Wayland, Massachusetts



Principal Town Officials

Title	Name	Selection / Team	Term Expires
Selectwoman	Cherry Karlson	Elected / 3 Years	2023
Selectman	Adam Garrett Gutbezahl	Elected / 3 Years	2024
Selectman	Dave V Watkins	Elected / 3 Years	2023
Selectwoman	Carol B Martin	Elected / 3 Years	2024
Selectman	Thomas J Fay	Elected / 3 Years	2022
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	Jess Polizzotti	Elected / 3 Years	2024
School Committee	Kim Reichelt	Elected / 3 Years	2021
School Superintendent	Omar Easy	Appointed / 3 Years	2024



Government Finance Officers Association

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**Town of Wayland
Massachusetts**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

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, 2021, 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

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

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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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the respective budgetary comparison for the general fund and certain Pension and OPEB schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

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 combining and individual fund statements 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 and general fund detailed schedule of expenditures, budget and actual, 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 April 29, 2022 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". The signature is written in a cursive, flowing style.

Merrimack, New Hampshire
April 29, 2022

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, 2021.

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.

Required 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.

Other Supplementary Information

The combining statements in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$38,196,884, an increase of \$3,865,571, and net position in business-type activities was \$16,800,115, an increase of \$775,736.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$45,516,411, an increase of \$7,139,596 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15,051,895 an increase of \$1,338,275 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 52,180	\$ 44,526	\$ 10,514	\$ 10,435	\$ 62,694	\$ 54,961
Capital assets	<u>142,855</u>	<u>147,480</u>	<u>21,412</u>	<u>22,141</u>	<u>164,267</u>	<u>169,621</u>
Total assets	195,035	192,006	31,926	32,576	226,961	224,582
Deferred outflows of resources	<u>11,924</u>	<u>8,541</u>	<u>185</u>	<u>235</u>	<u>12,109</u>	<u>8,776</u>
Total assets and deferred outflows of resources	<u>\$ 206,959</u>	<u>\$ 200,547</u>	<u>\$ 32,111</u>	<u>\$ 32,811</u>	<u>\$ 239,070</u>	<u>\$ 233,358</u>
Long-term liabilities outstanding	\$ 155,652	\$ 156,107	\$ 14,888	\$ 16,372	\$ 170,540	\$ 172,479
Other liabilities	<u>4,483</u>	<u>4,462</u>	<u>231</u>	<u>255</u>	<u>4,714</u>	<u>4,717</u>
Total liabilities	160,135	160,569	15,119	16,627	175,254	177,196
Deferred inflows of resources	8,627	5,647	192	160	8,819	5,807
Net position:						
Net investment in capital assets	86,578	84,203	10,231	10,183	96,809	94,386
Restricted	16,373	14,033	-	-	16,373	14,033
Unrestricted	<u>(64,754)</u>	<u>(63,905)</u>	<u>6,569</u>	<u>5,841</u>	<u>(58,185)</u>	<u>(58,064)</u>
Total net position	<u>38,197</u>	<u>34,331</u>	<u>16,800</u>	<u>16,024</u>	<u>54,997</u>	<u>50,355</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 206,959</u>	<u>\$ 200,547</u>	<u>\$ 32,111</u>	<u>\$ 32,811</u>	<u>\$ 239,070</u>	<u>\$ 233,358</u>

Changes in Net Position

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues						
Charges for services	\$ 7,760	\$ 8,617	\$ 4,521	\$ 3,995	\$ 12,281	\$ 12,612
Operating grants and contributions	24,522	22,589	-	-	24,522	22,589
Capital grants and contributions	-	-	94	157	94	157
General revenues:						
Property taxes	75,012	71,923	-	-	75,012	71,923
Excises	2,851	2,386	-	-	2,851	2,386
Grants and contributions not restricted to specific programs	1,285	1,489	-	12	1,285	1,501
Investment income	1,809	779	11	49	1,820	828
Other	<u>1,668</u>	<u>788</u>	<u>35</u>	<u>21</u>	<u>1,703</u>	<u>809</u>
Total revenues	114,907	108,571	4,661	4,234	119,568	112,805
Expenses:						
General government	7,489	7,774	-	-	7,489	7,774
Public safety	8,674	8,395	-	-	8,674	8,395
Education	67,103	64,672	-	-	67,103	64,672
Public works	5,564	5,165	-	-	5,564	5,165
Health and human services	1,838	1,603	-	-	1,838	1,603
Culture and recreation	2,880	3,055	-	-	2,880	3,055
Intergovernmental	116	116	-	-	116	116
Employee benefits	15,214	14,562	-	-	15,214	14,562
Interest on long-term debt	2,192	2,532	-	-	2,192	2,532
Water	-	-	3,321	3,074	3,321	3,074
Sewer	-	-	535	744	535	744
Total expenses	<u>111,070</u>	<u>107,874</u>	<u>3,856</u>	<u>3,818</u>	<u>114,926</u>	<u>111,692</u>
Change in net position before transfers	3,837	697	805	416	4,642	1,113
Transfers in (out)	<u>29</u>	<u>(44)</u>	<u>(29)</u>	<u>44</u>	<u>-</u>	<u>-</u>
Change in net position	3,866	653	776	460	4,642	1,113
Net position - beginning 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>
Net position - end of year	<u>\$ 38,197</u>	<u>\$ 34,331</u>	<u>\$ 16,800</u>	<u>\$ 16,024</u>	<u>\$ 54,997</u>	<u>\$ 50,355</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 \$96,809,121 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 \$16,372,617 represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position has a negative balance of \$(58,184,739) for fiscal year 2021. The deficit balance is primarily the result of the adoption of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* in fiscal year 2015 and GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* in fiscal year 2018. These statements established standards for the measurement, recognition, and presentation of net pension and OPEB liabilities in the Town's financial statements, along with their related deferred outflows and inflows.

Governmental Activities

Governmental activities for the year resulted in an increase in net position of \$3,865,571. This change is primarily driven by the Town's practice of funding some capital assets through general revenues.

Revenues increased \$6.3 million or 6% from the prior year due to \$3.1 million increase in property taxes, \$1.9 million increase in operating grants and contributions, and \$1.0 million increase in investment income. Property taxes remain the largest source of revenue at \$75.0 million for the current fiscal year. The assessed valuations have remained constant since fiscal year 2020, however the rate charged to property owners has risen from \$17.76 in fiscal year 2020 to \$18.52 in the current year, a 4% increase. Operating grants and contributions include Massachusetts State Teachers Retirement System (MTRS) on-behalf payment that increased by \$1.8 million, 16% increase from prior year. MTRS provides pensions to retired teachers. Investment income increased due to strong performance in the market for the fiscal year ending June 30, 2021. Expenses increased \$3.2 million (3%) from the prior year. Education expense increased \$2.4 million, primarily from the \$1.8 million increase in MTRS on-behalf payment. Other than the increase in education expense, governmental expense remained consistent.

Business-Type Activities

Business-type activities for the year resulted in an increase in net position of \$775,736. Revenues increased \$0.4 million or 10% while expenses remained consistent from the prior year. This is attributable to the rate increase for water, which amounted to between 2% and 3%, depending on the tier, while the base charge remained the same.

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. In this connection, it is worth noting that the ratio of the General Fund Balance to Total General Fund Revenue is an important metric used by Moody's Rating Service in assigning credit ratings. Refer to the table below.

<u>General Fund</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>	Balance % of Total General Fund Revenue ⁽¹⁾ <u>June 30, 2021</u>
Restricted	\$ 10,814	\$ 636,211	\$ (625,397)	0.0%
Committed	2,171,500	1,931,000	240,500	2.5%
Assigned	1,022,783	1,164,075	(141,292)	1.2%
Unassigned	<u>15,051,895</u>	<u>13,713,620</u>	<u>1,338,275</u>	<u>17.5%</u>
Total fund balance	\$ <u>18,256,992</u>	\$ <u>17,444,906</u>	\$ <u>812,086</u>	<u>21.2%</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 \$4,394,061 is included at June 30, 2021 and \$3,857,722 at June 30, 2020.

The total fund balance of the general fund increased by \$812,086 during the current fiscal year, primarily from decreased expenditures due to COVID-19 which prevented departments from purchasing intended supplies. Additionally, the Town had experienced significant employee turnover and delay in replacement of personnel.

The Town's unassigned fund balance of the general fund increased by \$1,338,275 during the current fiscal year. Key factors in this change are as follows:

Unassigned fund balance June 30, 2020	\$ 13,713,620
Positive results of operations in fiscal year 2021:	
Revenues	292,484
Expenditures	2,005,091
Transfers in	128,799
Other adjustments:	
Stabilization investment income	536,339
Unspent prior year carryforwards	610,881
Use of free cash for fiscal year 2022 capital	(2,171,500)
Other	<u>(63,819)</u>
Unassigned fund balance June 30, 2021	<u>\$ 15,051,895</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 debt service costs. The majority of fiscal 2021 CPA fund expenditures relate to debt service on Mainstone Farm. The CPA fund balance increased due to property tax and state match exceeding expenditures by a similar amount as in the prior year, without a major open space acquisition. The nature of the fund is to accumulate resources until an opportunity for a major acquisition arises.

Town Revolving 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. Town revolving fund balance decreased due to delaying some grant expenditures to current year.

Capital Project Fund – established to account for resources obtained and expended for the acquisition of major capital facilities or equipment. The issuance of bonds which were not fully spent yet led to the increase in Capital project fund balance.

Nonmajor Governmental Funds

The increase in fund balance in nonmajor governmental funds results primarily from strong investment performance in the permanent 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 \$3,174,097, an increase of \$1,015,563 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 \$3,395,141, a decrease of \$(287,765) in comparison with the prior year. This is partly attributable to using retained earnings to support capital projects.

General Fund Budgetary Highlights

General Fund Revenues

The Town has collected approximately 100% of Property Tax - net of overlay, Local Receipts, Transfers from Other Fund and State Aid budgeted revenue. Taxation collections for current year tax levy was \$73.3M or 99% of budget, compared to \$70.2M or 99% of budget in the prior fiscal year. In FY21, total Local Receipts collections were \$5.5M compared to \$4.4M in the prior fiscal year. The Local Receipts category achieved 108% of budget compared to 88% of budget last year. Most specifically, Motor Vehicle Excise revenue and Departmental Fees and Charges revenue showed unfavorable variances to the budget, while Licenses and Permits revenues exceeded the budget by favorable variances. State Aid receipts were \$6.3M compared to \$6.4M in the prior year. Total fiscal year 2021 collections and transfers in totaled \$87,168,488 compared to \$83,472,024 in the prior year.

Constant total collections were achieved in the unbudgeted revenue category. Specifically, the collections of Tax Title revenue decreased \$164,487 and Prior Year Tax increased \$309,886 compared to last fiscal year. Additionally, the Transfer Station transferred \$100,000 in surplus fund balance to the General Fund.

General Fund Expenditures

Town Departments expended and encumbered \$18,062,043 or 91% of budget. The School Department expended and encumbered \$43,453,056 or 99% of budget. The Unclassified category, including debt service and pension expended and encumbered \$22,269,972 or 98% of budget. In total, the General Fund expended 97% of budget. The total combined turnback net of overlay amounts was \$2,005,091 compared to \$2,715,401 last fiscal year. The Fiscal 2021 rollover amount is \$1,022,783 compared to \$1,157,436 last year. Total turn backs in General Government were \$640,374. The largest turnback amounts included Town Information Technology of \$256,910, Town Facilities of \$82,585, and Town Assessor of \$100,380. The Health Insurance turnback was \$3,848, compared to \$53,689 last year. The Finance Committee did not use the reserve fund of \$170,000 compared to using \$45,000 last year. Fiscal year 2021 COVID-19 expenses in the amount of \$2,039,936 will be funded by FEMA, CARES and Other School Covid Grants.

Capital Asset and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$164,267,422 (net of accumulated depreciation), a change of \$(5,353,516) 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: \$444,547
- Loker Elementary Roof and Insulation CIP: \$202,000
- Police Radios: \$241,401

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 \$70,160,000, 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, 2021 was \$78,346,782. Additional information on long-term debt can be found in the Notes to Financial Statements, Note 11.

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, 2021

	Primary Government			Discretely Presented Component <u>Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Assets and Deferred Outflows of Resources				
Assets				
Current:				
Cash and short-term investments	\$ 38,568,222	\$ 7,765,642	\$ 46,333,864	\$ 1,079,924
Investments	10,841,100	-	10,841,100	100,393
Receivables, net of allowance for uncollectibles:				
Property taxes	543,918	-	543,918	-
Excises	190,015	-	190,015	-
User fees	-	597,632	597,632	-
Betterments	-	180,496	180,496	-
Assessments	13,720	-	13,720	-
Intergovernmental	884,597	-	884,597	-
Departmental	<u>209,594</u>	<u>-</u>	<u>209,594</u>	<u>-</u>
Total current assets	51,251,166	8,543,770	59,794,936	1,180,317
Noncurrent:				
Property taxes	928,490	-	928,490	-
Betterments	-	1,970,227	1,970,227	-
Capital assets:				
Nondepreciable capital assets	33,369,202	2,906,432	36,275,634	252,444
Intangible capital assets	14,400,000	-	14,400,000	-
Other capital assets, net of accumulated depreciation	<u>95,086,234</u>	<u>18,505,554</u>	<u>113,591,788</u>	<u>198,056</u>
Total noncurrent assets	<u>143,783,926</u>	<u>23,382,213</u>	<u>167,166,139</u>	<u>450,500</u>
Total Assets	195,035,092	31,925,983	226,961,075	1,630,817
Deferred Outflows of Resources				
Related to pensions	3,188,634	113,926	3,302,560	-
Related to OPEB	<u>8,735,790</u>	<u>70,794</u>	<u>8,806,584</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>11,924,424</u>	<u>184,720</u>	<u>12,109,144</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 206,959,516</u>	<u>\$ 32,110,703</u>	<u>\$ 239,070,219</u>	<u>\$ 1,630,817</u>

(continued)

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

Statement of Net Position
June 30, 2021

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Current:				
Accounts payable	\$ 870,002	\$ 66,210	\$ 936,212	\$ -
Accrued interest	591,035	127,909	718,944	-
Accrued payroll and withholdings	1,435,905	35,949	1,471,854	-
Guaranteed deposits payable	750,044	-	750,044	-
Unearned revenue	311,030	-	311,030	-
Notes payable	525,000	-	525,000	-
Other liabilities	2,328	-	2,328	-
Current portion of long-term liabilities:				
Bonds and loans payable	4,905,548	1,146,063	6,051,611	-
Compensated absences	302,640	7,696	310,336	-
Landfill liability	10,000	-	10,000	-
Total current liabilities	9,703,532	1,383,827	11,087,359	-
Noncurrent:				
Long-term liabilities:				
Bonds and loans payable, net of current portion	60,815,556	11,479,615	72,295,171	-
Net pension liability	54,470,622	1,946,155	56,416,777	-
Net OPEB liability	34,017,759	256,523	34,274,282	-
Compensated absences, net of current portion	907,922	52,307	960,229	-
Landfill liability, net of current portion	220,000	-	220,000	-
Total noncurrent liabilities	150,431,859	13,734,600	164,166,459	-
Total Liabilities	160,135,391	15,118,427	175,253,818	-
Deferred Inflows of Resources				
Related to pensions	4,334,719	154,873	4,489,592	-
Related to OPEB	4,292,522	37,288	4,329,810	-
Total Deferred Inflows of Resources	8,627,241	192,161	8,819,402	-
Net Position				
Net investment in capital assets	86,578,244	10,230,877	96,809,121	450,500
Restricted for:				
Housing trust	-	-	-	1,180,317
Community preservation	3,738,364	-	3,738,364	-
General government	2,140,546	-	2,140,546	-
Education	1,612,371	-	1,612,371	-
Recreation	1,156,940	-	1,156,940	-
Public safety	1,727,662	-	1,727,662	-
Other purposes	908,386	-	908,386	-
Permanent fund:				
Nonexpendable	1,420,727	-	1,420,727	-
Expendable	3,667,621	-	3,667,621	-
Unrestricted	(64,753,977)	6,569,238	(58,184,739)	-
Total Net Position	38,196,884	16,800,115	54,996,999	1,630,817
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 206,959,516	\$ 32,110,703	\$ 239,070,219	\$ 1,630,817

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

TOWN OF WAYLAND, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues
Governmental Activities:					
General government	\$ 7,489,061	\$ 729,512	\$ 643,243	\$ -	\$ (6,116,306)
Public safety	8,673,990	3,489,363	67,431	-	(5,117,196)
Education	67,103,253	2,534,687	23,106,289	-	(41,462,277)
Public works	5,563,565	428,149	603,461	-	(4,531,955)
Health and human services	1,838,445	182,991	68,052	-	(1,587,402)
Culture and recreation	2,879,549	395,459	33,449	-	(2,450,641)
Intergovernmental	116,317	-	-	-	(116,317)
Employee benefits	15,213,613	-	-	-	(15,213,613)
Interest	2,192,390	-	-	-	(2,192,390)
Total Governmental Activities	111,070,183	7,760,161	24,521,925	-	(78,788,097)
Business-Type Activities:					
Water services	3,320,501	4,224,656	-	-	904,155
Wastewater services	534,818	295,738	-	94,398	(144,682)
Total Business-Type Activities	3,855,319	4,520,394	-	94,398	759,473
Total primary government	\$ 114,925,502	\$ 12,280,555	\$ 24,521,925	\$ 94,398	\$ (78,028,624)
Total component unit	\$ 8,959	\$ -	\$ -	\$ 229,758	\$ 220,799

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2021

(continued)	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>	Discretely Presented Component <u>Unit</u>
Change in Net Position:				
Net (expenses) revenue from previous page	\$ (78,788,097)	\$ 759,473	\$ (78,028,624)	\$ 220,799
General Revenue:				
Property taxes	75,011,682	-	75,011,682	-
Excise taxes	2,851,499	-	2,851,499	-
Grants and contributions not restricted to specific programs	1,285,356	-	1,285,356	-
Investment income	1,809,414	10,968	1,820,382	8,138
Other	1,666,930	34,082	1,701,012	-
Transfers	<u>28,787</u>	<u>(28,787)</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>82,653,668</u>	<u>16,263</u>	<u>82,669,931</u>	<u>8,138</u>
Change in Net Position	3,865,571	775,736	4,641,307	228,937
Net Position:				
Beginning of year	<u>34,331,313</u>	<u>16,024,379</u>	<u>50,355,692</u>	<u>1,401,880</u>
End of year	\$ <u><u>38,196,884</u></u>	\$ <u><u>16,800,115</u></u>	\$ <u><u>54,996,999</u></u>	\$ <u><u>1,630,817</u></u>

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

TOWN OF WAYLAND, MASSACHUSETTS

Governmental Funds
Balance Sheet
June 30, 2021

	General Fund	Community Preservation Fund	Town Revolving Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and short-term investments	\$ 15,356,410	\$ 3,733,835	\$ 3,735,688	\$ 13,812,914	\$ 1,929,375	\$ 38,568,222
Investments	5,764,920	-	-	-	5,076,180	10,841,100
Receivables:						
Property taxes	1,802,049	8,460	-	-	-	1,810,509
Excises	290,715	-	-	-	-	290,715
Assessments	8,220	-	5,500	-	-	13,720
Intergovernmental	-	-	884,597	-	-	884,597
Departmental	250	-	253,544	-	1,400	255,194
Total Assets	\$ 23,222,564	\$ 3,742,295	\$ 4,879,329	\$ 13,812,914	\$ 7,006,955	\$ 52,664,057
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 696,150	\$ 3,931	\$ 37,025	\$ 67,473	\$ 65,423	\$ 870,002
Accrued payroll	1,415,814	-	-	-	20,091	1,435,905
Unearned revenue	-	-	-	-	311,030	311,030
Guaranteed deposits payable	750,044	-	-	-	-	750,044
Notes payable	-	-	-	525,000	-	525,000
Other liabilities	2,330	-	-	-	-	2,330
Total Liabilities	2,864,338	3,931	37,025	592,473	396,544	3,894,311
Deferred Inflows of Resources						
Unavailable revenues	2,101,234	8,460	1,143,641	-	-	3,253,335
Fund Balances						
Nonspendable	-	-	-	-	1,420,727	1,420,727
Restricted	10,814	3,729,904	4,845,667	9,443,912	5,279,992	23,310,289
Committed	2,171,500	-	-	4,687,669	-	6,859,169
Assigned	1,022,783	-	-	-	-	1,022,783
Unassigned	15,051,895	-	(1,147,004)	(911,140)	(90,308)	12,903,443
Total Fund Balances	18,256,992	3,729,904	3,698,663	13,220,441	6,610,411	45,516,411
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 23,222,564	\$ 3,742,295	\$ 4,879,329	\$ 13,812,914	\$ 7,006,955	\$ 52,664,057

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, 2021

Total governmental fund balances	\$ 45,516,411
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	142,855,436
Revenues are reported on the accrual basis of accounting and are not deferred until collection.	2,768,936
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(591,035)
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	(59,150,448)
Unamortized debt premium	(6,570,656)
Net pension liability	(54,470,622)
Pension related deferred outflows of resources	3,188,634
Pension related deferred inflows of resources	(4,334,719)
Net OPEB liability	(34,017,759)
OPEB related deferred outflows of resources	8,735,790
OPEB related deferred inflows of resources	(4,292,522)
Compensated absences liability	(1,210,562)
Landfill liability	<u>(230,000)</u>
Net position of governmental activities	<u>\$ 38,196,884</u>

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

TOWN OF WAYLAND, MASSACHUSETTS

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	General Fund	Community Preservation Fund	Town Revolving Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 73,996,110	\$ 942,602	\$ -	\$ -	\$ -	\$ 74,938,712
Excise taxes	2,835,704	-	-	-	-	2,835,704
Licenses and permits	1,770,951	-	-	-	-	1,770,951
Intergovernmental	12,359,516	262,079	549,638	644,667	4,601,571	18,417,471
Charges for services	377,344	-	2,381,936	-	2,561,390	5,320,670
Investment income	672,477	2,864	66	-	1,134,007	1,809,414
Fines and forfeitures	3,266	-	-	-	-	3,266
Contributions	-	-	134,005	-	10,009	144,014
Other revenues	<u>42,920</u>	<u>-</u>	<u>51,043</u>	<u>-</u>	<u>-</u>	<u>93,963</u>
Total Revenues	92,058,288	1,207,545	3,116,688	644,667	8,306,977	105,334,165
Expenditures						
Current:						
General government	4,805,000	220,371	1,560,198	-	74,502	6,660,071
Public safety	6,895,678	-	734,974	-	-	7,630,652
Education	49,342,681	-	-	-	6,611,642	55,954,323
Public works	2,359,153	-	451,445	-	-	2,810,598
Health and human services	1,441,958	229,758	135,513	-	-	1,807,229
Culture and recreation	2,395,616	-	318,440	-	-	2,714,056
Employee benefits	15,213,613	-	-	-	-	15,213,613
Intergovernmental	116,317	-	-	-	-	116,317
Debt service:						
Principal	5,301,306	150,000	-	-	-	5,451,306
Interest	2,251,413	222,731	-	-	-	2,474,144
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,564,912</u>	<u>-</u>	<u>2,564,912</u>
Total Expenditures	<u>90,122,735</u>	<u>822,860</u>	<u>3,200,570</u>	<u>2,564,912</u>	<u>6,686,144</u>	<u>103,397,221</u>
Excess (deficiency) of revenues over expenditures	1,935,553	384,685	(83,882)	(1,920,245)	1,620,833	1,936,944
Other Financing Sources (Uses)						
Issuance of bonds	-	-	-	4,569,400	-	4,569,400
Issuance of refunding bonds	-	-	-	16,519,100	-	16,519,100
Premium	-	-	-	3,215,797	-	3,215,797
Deposit to refunding escrow agent	-	-	-	(19,130,432)	-	(19,130,432)
Transfers in	1,108,533	-	13,364	2,232,000	-	3,353,897
Transfers out	<u>(2,232,000)</u>	<u>-</u>	<u>(732,682)</u>	<u>(62,951)</u>	<u>(297,477)</u>	<u>(3,325,110)</u>
Total Other Financing Sources (Uses)	<u>(1,123,467)</u>	<u>-</u>	<u>(719,318)</u>	<u>7,342,914</u>	<u>(297,477)</u>	<u>5,202,652</u>
Net change in fund balances	812,086	384,685	(803,200)	5,422,669	1,323,356	7,139,596
Fund Balances, at Beginning of Year	<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>
Fund Balances, at End of Year	\$ <u>18,256,992</u>	\$ <u>3,729,904</u>	\$ <u>3,698,663</u>	\$ <u>13,220,441</u>	\$ <u>6,610,411</u>	\$ <u>45,516,411</u>

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, 2021

Net changes in fund balances - total governmental funds	\$ 7,139,596
<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	1,258,111
Depreciation	(5,882,414)
<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>	
	754,038
<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	(21,088,500)
Repayments of debt	5,451,306
Bond premium	(3,215,797)
Bond premium amortization	1,438,962
Deposit to escrow refunding agent	19,130,432
<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>	
	281,752
<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	2,555,416
Change in pension-related deferred outflows	(2,370,541)
Change in pension-related deferred inflows	(512,155)
Change in net OPEB liability	(4,375,460)
Change in OPEB-related deferred outflows	6,406,323
Change in OPEB-related deferred inflows	(3,120,163)
Change in compensated absences	4,665
Change in landfill liability	10,000
Change in net position of governmental activities	\$ <u>3,865,571</u>

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

TOWN OF WAYLAND, MASSACHUSETTS

Proprietary Funds
Statement of Net Position
June 30, 2021

	Business-Type Activities		
	Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Asset and Deferred			
Outflows of Resources			
Assets			
Current:			
Cash and short-term investments	\$ 6,426,075	\$ 1,339,567	\$ 7,765,642
User fees receivable	409,112	188,520	597,632
Betterments receivable	-	180,496	180,496
Total current assets	6,835,187	1,708,583	8,543,770
Noncurrent:			
Betterments receivable, net of allowance	-	1,970,227	1,970,227
Capital assets:			
Nondepreciable capital assets	2,906,432	-	2,906,432
Other capital assets, net of accumulated depreciation	14,208,603	4,296,951	18,505,554
Total noncurrent assets	17,115,035	6,267,178	23,382,213
Total Assets	23,950,222	7,975,761	31,925,983
Deferred Outflows of Resources			
Related to pensions	101,023	12,903	113,926
Related to OPEB	70,794	-	70,794
Total Deferred Outflows of Resources	171,817	12,903	184,720
Total Assets and Deferred Outflows of Resources	\$ 24,122,039	\$ 7,988,664	\$ 32,110,703
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Current:			
Accounts payable	\$ 52,134	\$ 14,076	\$ 66,210
Accrued interest	86,679	41,230	127,909
Accrued payroll	32,635	3,314	35,949
Current portion of long-term liabilities:			
Bonds and loans payable	945,194	200,869	1,146,063
Compensated absences	7,696	-	7,696
Total current liabilities	1,124,338	259,489	1,383,827
Noncurrent:			
Bonds and loans payable, net of current portion	8,410,510	3,069,105	11,479,615
Net pension liability	1,725,743	220,412	1,946,155
Net OPEB liability	256,523	-	256,523
Compensated absences, net of current portion	52,307	-	52,307
Total noncurrent liabilities	10,445,083	3,289,517	13,734,600
Total Liabilities	11,569,421	3,549,006	15,118,427
Deferred Inflows of Resources			
Related to pensions	137,333	17,540	154,873
Related to OPEB	37,288	-	37,288
Total Deferred Inflows of Resources	174,621	17,540	192,161
Net Position			
Net investment in capital assets	9,203,900	1,026,977	10,230,877
Unrestricted	3,174,097	3,395,141	6,569,238
Total Net Position	12,377,997	4,422,118	16,800,115
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 24,122,039	\$ 7,988,664	\$ 32,110,703

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, 2021

	Business-Type Activities		
	Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Operating Revenues			
Charges for services	\$ 4,224,656	\$ 295,738	\$ 4,520,394
Operating Expenses			
Personnel services	1,072,511	139,739	1,212,250
Nonpersonnel	1,311,288	144,076	1,455,364
Depreciation	<u>602,284</u>	<u>151,534</u>	<u>753,818</u>
Total Operating Expenses	<u>2,986,083</u>	<u>435,349</u>	<u>3,421,432</u>
Operating Income (Loss)	1,238,573	(139,611)	1,098,962
Nonoperating Revenues (Expenses)			
Investment income	7,312	3,656	10,968
Interest expense	(334,418)	(99,469)	(433,887)
Miscellaneous revenue	<u>34,082</u>	<u>-</u>	<u>34,082</u>
Total Nonoperating Expenses, Net	<u>(293,024)</u>	<u>(95,813)</u>	<u>(388,837)</u>
Income (Loss) Before Contributions and Transfers	945,549	(235,424)	710,125
Capital Contributions	-	94,398	94,398
Transfers Out	<u>(28,787)</u>	<u>-</u>	<u>(28,787)</u>
Change in Net Position	916,762	(141,026)	775,736
Net Position at Beginning of Year	<u>11,461,235</u>	<u>4,563,144</u>	<u>16,024,379</u>
Net Position at End of Year	<u>\$ 12,377,997</u>	<u>\$ 4,422,118</u>	<u>\$ 16,800,115</u>

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, 2021

	Business-Type Activities		
	Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 4,172,676	\$ 254,329	\$ 4,427,005
Payments of employee salaries, benefits, and related expenses	(1,182,901)	(120,292)	(1,303,193)
Payments to vendors	<u>(1,291,306)</u>	<u>(164,143)</u>	<u>(1,455,449)</u>
Net cash provided (used by) operating activities	1,698,469	(30,106)	1,668,363
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(24,606)	-	(24,606)
Betterments payments received	-	372,678	372,678
Principal payments on bonds	(964,100)	(313,247)	(1,277,347)
Interest expense	(348,918)	(108,628)	(457,546)
Transfer to general fund	<u>(28,787)</u>	<u>-</u>	<u>(28,787)</u>
Net cash used by capital and related financing activities	(1,366,411)	(49,197)	(1,415,608)
Cash Flows From Investing Activities			
Investment income	<u>7,312</u>	<u>3,656</u>	<u>10,968</u>
Net Change in Cash and Short-Term Investments	339,370	(75,647)	263,723
Cash and Short-Term Investments, Beginning of Year	<u>6,086,705</u>	<u>1,415,214</u>	<u>7,501,919</u>
Cash and Short-Term Investments, End of Year	<u>\$ 6,426,075</u>	<u>\$ 1,339,567</u>	<u>\$ 7,765,642</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ 1,238,573	\$ (139,611)	\$ 1,098,962
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	602,284	151,534	753,818
Changes in assets, liabilities, and deferred outflows/inflows:			
User fees receivables	(51,980)	(41,409)	(93,389)
Deferred outflows	42,081	7,944	50,025
Accounts payable	19,982	(20,067)	(85)
Accrued payroll	20,684	1,739	22,423
Due to fiduciary fund	(7,753)	-	(7,753)
Compensated absences	9,667	-	9,667
Net pension liability	(225,562)	6,559	(219,003)
Net OPEB liability	21,160	-	21,160
Deferred inflows	<u>29,333</u>	<u>3,205</u>	<u>32,538</u>
Net cash provided (used by) operating activities	<u>\$ 1,698,469</u>	<u>\$ (30,106)</u>	<u>\$ 1,668,363</u>

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

TOWN OF WAYLAND, MASSACHUSETTS

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2021

	Other Post- Employment Benefits <u>Trust Fund</u>	Custodial <u>Fund</u>
Assets		
Cash and short-term investments	\$ -	\$ 196,914
Investments:		
External investment pool	<u>25,009,641</u>	<u>-</u>
Total Assets	\$ <u>25,009,641</u>	\$ <u>196,914</u>
 Liabilities and Net Position		
Other liabilities	\$ -	\$ 7,276
 Net Position		
Net position restricted for OPEB and other purposes	<u>25,009,641</u>	<u>189,638</u>
Total Liabilities and Net Position	\$ <u>25,009,641</u>	\$ <u>196,914</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, 2021

	Other Post- Employment Benefits <u>Trust Fund</u>	Custodial <u>Fund</u>
Additions		
Employer contributions	\$ 3,003,870	\$ -
Investment income	5,638,306	-
Student activity fund receipts	<u>-</u>	<u>64,610</u>
Total Additions	8,642,176	64,610
Deductions		
Benefit payments	2,745,466	-
Student activity fund payments	<u>-</u>	<u>245,556</u>
Total Deductions	<u>2,745,466</u>	<u>245,556</u>
Change in net position	5,896,710	(180,946)
Net position restricted for OPEB and other purposes		
Beginning of year	<u>19,112,931</u>	<u>370,584</u>
End of year	<u>\$ 25,009,641</u>	<u>\$ 189,638</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 2021, 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 year end or shortly thereafter. 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 Cochrane Road, Wayland, MA 01778.
- The Custodial Fund include funds collected from student organizations for various Student Activity Funds. The custodial fund account for fiduciary assets held by the Town in custodial capacity as an agent on behalf of others.

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 2021 tax levy reflected an excess capacity of \$5,558,424.

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.

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

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.

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, 2021, \$10,568,470 of the Town's deposits of \$47,787,666 was exposed to custodial credit risk as uninsured or uncollateralized. Additionally, \$537,905 was invested in a state pool, which is not subject to this disclosure.

The Town's investments include \$1,442,229 insured by FDIC and \$34,408,512 held in the Town's name.

Primary Government Investments

The following is a summary of the primary government investments as of June 30, 2021:

<u>Investment Type</u>	<u>Amount</u>
Certificates of deposits	\$ 1,442,230
Corporate bonds	375,276
Corporate equities	2,452,997
Equity mutual funds	3,954,177
Federal agency securities	443,254
Fixed income mutual funds	1,590,409
US treasury notes	<u>582,757</u>
Total investments	<u>\$ 10,841,100</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	\$ 375,276	\$ 149,830	\$ 225,446	\$ -	\$ -
Fixed income mutual funds	<u>1,590,409</u>	<u>979,932</u>	<u>471,195</u>	<u>50,461</u>	<u>88,821</u>
Total	<u>\$ 1,965,685</u>	<u>\$ 1,129,762</u>	<u>\$ 696,641</u>	<u>\$ 50,461</u>	<u>\$ 88,821</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 Village Bank for \$1,339,697.

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, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Effective Duration (in years)</u>
Debt related:		
Corporate bonds	\$ 375,276	3.68
Federal agency securities	443,254	3.24
Fixed income mutual funds	1,590,409	8.70
US treasury notes	<u>582,757</u>	4.31
Total debt securities	<u>\$ 2,991,696</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, 2021:

<u>Description</u>	<u>Fair Value Measurements Using:</u>			
		Quoted prices in active markets for identical assets <u>(Level 1)</u>	Significant observable inputs <u>(Level 2)</u>	Significant unobservable inputs <u>(Level 3)</u>
Investments by fair value level:				
Debt securities:				
Corporate bonds	\$ 375,276	\$ -	\$ 375,276	\$ -
Federal agency securities	443,254	-	443,254	-
Fixed income mutual funds	1,590,409	-	1,590,409	-
US Treasury notes	582,757	-	582,757	-
Equity securities:				
Equity mutual funds	3,954,177	3,954,177	-	-
Consumer discretionary	124,735	124,735	-	-
Consumer staples	721,737	721,737	-	-
Financials	224,815	224,815	-	-
Healthcare	783,582	783,582	-	-
Industrials	260,972	260,972	-	-
Information technology	135,885	135,885	-	-
Utilities	201,271	201,271	-	-
Subtotal	\$ <u>9,398,870</u>	\$ <u>6,407,174</u>	\$ <u>2,991,696</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 as disclosed in the corresponding OPEB note. The investment policy is consistent with prudent investor rule as defined per MGL Chapter 203C. The funding policy is that the Town pays for retiree benefits on a “pay-as-you-go” basis and is expected to contribute \$550,000 in Fiscal 2023 and per year thereafter into the OPEB fund. Once the fund is fully funded, in 2039, benefits will be paid out of the fund.

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 \$25,009,641, measured at the net asset value, as of June 30, 2021 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 ½ % of the prior year’s levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2 ½ can be overridden by a referendum.

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, 2021 consist of the following:

	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Net Amount (accrual basis)
<u>Receivables:</u>			
Real estate taxes	\$ 605,396	\$ (75,000)	\$ 530,396
Personal property taxes	36,062	(31,000)	5,062
Community preservation	8,460	-	8,460
Tax liens	1,072,905	(214,600)	858,305
Deferred taxes	<u>87,686</u>	<u>(17,501)</u>	<u>70,185</u>
Total property taxes	\$ <u>1,810,509</u>	\$ <u>(338,101)</u>	1,472,408
Less current portion			<u>(543,918)</u>
Noncurrent			\$ <u>928,490</u>
Motor vehicle excise	\$ <u>290,715</u>	\$ <u>(100,700)</u>	\$ <u>190,015</u>

5. Betterments Receivable

Betterments receivable reflect an estimated allowance for doubtful accounts of \$104,800.

6. Departmental Receivables

Departmental receivables represent the following:

<u>Receivables:</u>	<u>Gross Amount (fund basis)</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount (accrual basis)</u>
Ambulance	\$ 152,099	\$ (45,600)	\$ 106,499
Police detail	101,445	-	101,445
Fines	250	-	250
Other departmental	<u>1,400</u>	<u>-</u>	<u>1,400</u>
Total	<u>\$ 255,194</u>	<u>\$ (45,600)</u>	<u>\$ 209,594</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 2021:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General fund	\$ 1,108,533	\$ 2,232,000
Major Town revolving fund	13,364	732,682
Major Capital project fund	2,232,000	62,951
Nonmajor funds:		
School revolving fund	<u>-</u>	<u>297,477</u>
Subtotal nonmajor funds	<u>-</u>	<u>297,477</u>
<u>Business-Type Funds:</u>		
Water fund	<u>-</u>	<u>28,787</u>
Grand Total	<u>\$ 3,353,897</u>	<u>\$ 3,353,897</u>

The transfers into the general fund include the \$575,000 in annual Town Ambulance Revolving Fund revenues, \$100,000 from transfer station revenues, \$221,000 from the Before-After-School Extension (BASE) program, 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, 2021 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 160,220	\$ -	\$ (2,301)	\$ 157,919
Machinery, equipment, and furnishings	6,593	325	(2,244)	4,674
Vehicles	3,825	233	(111)	3,947
Infrastructure	<u>12,501</u>	<u>-</u>	<u>-</u>	<u>12,501</u>
Total capital assets, being depreciated	183,139	558	(4,656)	179,041
Less accumulated depreciation for:				
Buildings and improvements	(65,209)	(4,242)	2,301	(67,150)
Machinery, equipment, and furnishings	(5,262)	(592)	2,234	(3,620)
Vehicles	(3,018)	(401)	111	(3,308)
Infrastructure	<u>(9,230)</u>	<u>(647)</u>	<u>-</u>	<u>(9,877)</u>
Total accumulated depreciation	<u>(82,719)</u>	<u>(5,882)</u>	<u>4,646</u>	<u>(83,955)</u>
Total capital assets, being depreciated, net	100,420	(5,324)	(10)	95,086
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>9,334</u>	<u>708</u>	<u>-</u>	<u>10,042</u>
Total capital assets, not being depreciated	<u>47,061</u>	<u>708</u>	<u>-</u>	<u>47,769</u>
Governmental activities capital assets, net	<u>\$ 147,481</u>	<u>\$ (4,616)</u>	<u>\$ (10)</u>	<u>\$ 142,855</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	983	-	-	983
Infrastructure	<u>24,288</u>	<u>-</u>	<u>-</u>	<u>24,288</u>
Total capital assets, being depreciated	28,278	-	-	28,278
Less accumulated depreciation for:				
Buildings and improvements	(444)	(100)	-	(544)
Machinery, equipment, and furnishings	(306)	-	-	(306)
Vehicles	(823)	(47)	-	(870)
Infrastructure	<u>(7,445)</u>	<u>(607)</u>	<u>-</u>	<u>(8,052)</u>
Total accumulated depreciation	<u>(9,018)</u>	<u>(754)</u>	<u>-</u>	<u>(9,772)</u>
Total capital assets, being depreciated, net	19,260	(754)	-	18,506
Capital assets, not being depreciated:				
Construction in progress	<u>2,881</u>	<u>25</u>	<u>-</u>	<u>2,906</u>
Business-type activities capital assets, net	<u>\$ 22,141</u>	<u>\$ (729)</u>	<u>\$ -</u>	<u>\$ 21,412</u>

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

Governmental Activities:	
General government	\$ 446,345
Public safety	819,995
Education	2,965,932
Public works	1,525,979
Culture and recreation	<u>124,163</u>
Total depreciation expense - governmental activities	<u>\$ 5,882,414</u>
Business-Type Activities:	
Water	\$ 602,284
Wastewater	<u>151,534</u>
Total depreciation expense - business-type activities	<u>\$ 753,818</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. Note Payable

The Town had the following notes outstanding at June 30, 2021:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance at 6/30/20</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance at 6/30/21</u>
Governmental - Public Offering:							
Rivers Edge	1.72%	04/23/20	04/23/21	\$ 525,000	-	(525,000)	\$ -
Rivers Edge	0.59%	04/23/21	11/19/21	-	525,000	-	525,000
Total				<u>\$ 525,000</u>	<u>525,000</u>	<u>(525,000)</u>	<u>\$ 525,000</u>

11. 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>	<u>Original Issue</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/21</u>
2013 Municipal Purposes	\$ 3,809,000	02/01/22	2.0 - 3.0%	\$ 250,000
2014 Municipal Purposes	12,585,000	02/01/34	3.0 - 5.0%	7,585,000
2015 Municipal Purposes	5,917,000	02/01/35	3.0 - 3.25%	3,135,000
2016 Municipal Purposes	2,401,000	10/01/36	2.0 - 4.0%	1,230,000
2016 G.O. Refunding	3,339,000	07/15/27	2.0 - 5.0%	1,645,000
2017 Municipal Purposes	3,300,000	03/27/33	2.0 - 5.0%	1,970,000
2018 Municipal Purposes	3,505,000	02/01/33	3.0 - 5.0%	2,190,000
2020 Municipal Purposes	9,295,000	12/15/39	2.0 - 5.0%	13,595,000
2021 Municipal Purposes	21,088,500	11/01/40	2.0 - 5.0%	<u>21,088,500</u>
Total public offerings:				52,688,500
Title V	301,043	07/01/23	-	<u>11,948</u>
Total direct borrowings:				<u>11,948</u>
Total to be paid by the General Fund				52,700,448
2017 Mainstone Farm	7,000,000	03/27/47	2.5 - 5.0%	<u>6,450,000</u>
Total bonded debt to be paid by the CPA Fund				<u>6,450,000</u>
Grand Total				<u>\$ 59,150,448</u>

Business-Type Activities:

	Original <u>Issue</u>	Serial Maturities <u>Through</u>	Interest <u>Rate(s) %</u>	Amount Outstanding as of <u>6/30/21</u>
2012 Wastewater treatment facility	\$ 325,000	02/01/31	4.0 - 5.0%	\$ 200,000
2013 Water mains-refunding and sewer	278,000	02/01/22	2.0 - 3.0%	20,000
2014 Wastewater	200,000	02/01/34	4.0 - 5.0%	130,000
2015 Water pumping station	1,000,000	02/01/35	3.0 - 3.25%	700,000
2016 Water mains	700,000	10/01/36	2.0 - 4.0%	525,000
2016 G.O. Refunding	1,186,000	07/15/27	2.0 - 5.0%	675,000
2017 Water pumping station, mains and Old Sudbury	2,710,000	03/27/37	2.0 - 5.0%	2,135,000
2018 Water mains	670,000	06/30/33	3.0 - 5.0%	535,000
Refunding of 2008 bonds	2,815,000	06/30/28	3.0 - 5.0%	1,965,000
2020 Municipal purposes	1,680,000	12/15/39	2.0 - 5.0%	1,545,000
2021 Municipal purposes	2,591,500	11/01/40	2.0 - 5.0%	<u>2,591,500</u>
Total public offerings:				11,021,500
Water - MCWT	700,000	07/15/39	2.00%	<u>665,000</u>
Total direct borrowings:				<u>665,000</u>
Grand Total				<u>\$ 11,686,500</u>

Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2021 are as follows:

Governmental Public Offering Bonds: excluding CPA

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 4,255,500	\$ 2,348,677	\$ 6,604,177
2023	4,200,000	1,752,538	5,952,538
2024	4,145,000	1,562,363	5,707,363
2025	4,120,000	1,378,962	5,498,962
2026	3,993,000	1,202,813	5,195,813
2027-2031	17,740,000	3,669,406	21,409,406
2032-2036	12,760,000	865,138	13,625,138
2037-2041	<u>1,475,000</u>	<u>68,062</u>	<u>1,543,062</u>
Total	<u>\$ 52,688,500</u>	<u>\$ 12,847,959</u>	<u>\$ 65,536,459</u>

Governmental Loans - Direct Borrowing

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 5,974	\$ 448	\$ 6,422
2023	5,974	149	6,123
Total	<u>\$ 11,948</u>	<u>\$ 597</u>	<u>\$ 12,545</u>

Governmental Bonds Public Offering Bonds: CPA

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	190,000	184,731	374,731
2027-2031	1,025,000	840,206	1,865,206
2032-2036	1,185,000	681,769	1,866,769
2037-2041	1,385,000	479,975	1,864,975
2042-2046	1,635,000	232,425	1,867,425
2047	360,000	12,600	372,600
Total	<u>\$ 6,450,000</u>	<u>\$ 3,256,380</u>	<u>\$ 9,706,380</u>

Business-Type Public Offering Bonds

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,049,500	\$ 479,759	\$ 1,529,259
2023	1,095,000	376,403	1,471,403
2024	1,100,000	326,078	1,426,078
2025	1,090,000	277,477	1,367,477
2026	1,107,000	228,903	1,335,903
2027-2031	3,980,000	586,215	4,566,215
2032-2036	1,330,000	142,138	1,472,138
2037-2040	270,000	10,088	280,088
Total	<u>\$ 11,021,500</u>	<u>\$ 2,427,061</u>	<u>\$ 13,448,561</u>

Business-Type Loans - Direct Borrowing

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	35,000	10,150	45,150
2027-2031	175,000	40,250	215,250
2032-2036	175,000	22,750	197,750
2037-2040	<u>140,000</u>	<u>5,600</u>	<u>145,600</u>
Total	<u>\$ 665,000</u>	<u>\$ 126,350</u>	<u>\$ 791,350</u>

Changes in General Long-Term Liabilities

During the year ended June 30, 2021, 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>
<u>Governmental Activities</u>							
Public offering bonds	\$ 62,626	\$ 21,088	\$ (19,800)	\$ (4,776)	\$ 59,138	\$ (4,410)	\$ 54,728
Notes from direct borrowings	18	-	-	(6)	12	(6)	6
Unamortized debt premiums	<u>4,793</u>	<u>3,216</u>	<u>(1,036)</u>	<u>(402)</u>	<u>6,571</u>	<u>(489)</u>	<u>6,082</u>
Subtotal	67,437	24,304	(20,836)	(5,184)	65,721	(4,905)	60,816
Net pension liability	57,026	-	-	(2,555)	54,471	-	54,471
Net OPEB liability	29,642	4,376	-	-	34,018	-	34,018
Other:							
Accrued employee benefits	1,215	119	-	(123)	1,211	(303)	908
Landfill closure	<u>240</u>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>230</u>	<u>(10)</u>	<u>220</u>
Totals	<u>\$ 155,560</u>	<u>\$ 28,799</u>	<u>\$ (20,836)</u>	<u>\$ (7,872)</u>	<u>\$ 155,651</u>	<u>\$ (5,218)</u>	<u>\$ 150,433</u>

	<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>
<u>Business-Type Activities</u>							
Public offering bonds	\$ 12,754	\$ 2,592	\$ (3,125)	\$ (1,199)	\$ 11,022	\$ (1,050)	\$ 9,972
Notes from direct borrowings	743	-	-	(78)	665	(35)	630
Unamortized debt premiums	<u>424</u>	<u>550</u>	<u>-</u>	<u>(35)</u>	<u>939</u>	<u>(62)</u>	<u>877</u>
Subtotal	13,921	3,142	(3,125)	(1,312)	12,626	(1,147)	11,479
Net pension liability	2,165	-	-	(219)	1,946	-	1,946
Net OPEB liability	235	22	-	-	257	-	257
Other:							
Accrued employee benefits	<u>51</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>60</u>	<u>(8)</u>	<u>52</u>
Totals	<u>\$ 16,372</u>	<u>\$ 3,173</u>	<u>\$ (3,125)</u>	<u>\$ (1,531)</u>	<u>\$ 14,889</u>	<u>\$ (1,155)</u>	<u>\$ 13,734</u>

Long-Term Debt Supporting Governmental and Business-Type Activities

General obligation bonds issued by the Town for various municipal projects are approved by Town Meeting and repaid with revenues recorded in the general fund and user fees recorded in enterprise funds. All other long-term debt is repaid from the funds that the cost relates to, primarily the general fund and enterprise funds. The Town's general fund and enterprise funds liquidate pension liabilities. 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 November 10, 2020, the Town issued general obligation bonds in the amount of \$19,110,600 with a variable interest rate ranging from 2.00 - 5.00% to refund \$22,925,000 of term bonds with an interest rate ranging from 2.25 – 5.00%. The net proceeds on this refunding were \$23,432,925. As a result of the refunding, the Town reduced its total debt service requirement by \$6,028,164 with a net present value savings of \$5,358,848 (economic gain).

Prior Year Refunding

In fiscal year 2018, the Town defeased a bond issue by creating a separate irrevocable trust fund. The proceeds from the new issuance of the general obligation bonds were used to purchase U.S. government securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds mature in fiscal year 2028. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from Town's balance sheet. As of June 30, 2021, the amount of defeased debt outstanding but removed was \$2,100,000.

12. 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, 2021 is based on estimated costs to be incurred after fiscal year 2021 for annual landfill postclosure monitoring and care costs. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

13. 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, 2021 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.

14. Governmental Fund Balances

The following is a breakdown of the Town's governmental fund balances at June 30, 2021:

	General Fund	Community Preservation Fund	Town Revolving Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Nonexpendable permanent funds:						
Perpetual care	\$ -	\$ -	\$ -	\$ -	\$ 1,048,757	\$ 1,048,757
Gossels academic excellence	-	-	-	-	260,622	260,622
Other nonexpendable	-	-	-	-	111,348	111,348
Total Nonexpendable	-	-	-	-	1,420,727	1,420,727
Restricted:						
Bond premium for debt service	10,814	-	-	-	-	10,814
Community preservation:						
Acquisition and preservation of historic buildings and landscapes	-	1,140,872	-	-	-	1,140,872
Acquisition and preservation of open space	-	788,500	-	-	-	788,500
Recreation	-	645,981	-	-	-	645,981
Creation and support of affordable housing	-	46,574	-	-	-	46,574
Community preservation administration	-	35,348	-	-	-	35,348
Other community preservation funds	-	1,072,629	-	-	-	1,072,629
Town special revenue accounts:						
Residential dwelling	-	-	951,745	-	-	951,745
Ambulance	-	-	439,295	-	-	439,295
Recreation revolving	-	-	597,503	-	-	597,503
Recreation athletic fields	-	-	391,235	-	-	391,235
Bike trail	-	-	249,007	-	-	249,007
Insurance reimbursement	-	-	218,332	-	-	218,332
Other town grants and revolving accounts	-	-	1,998,550	-	-	1,998,550
School special revenue accounts:						
Circuit breaker	-	-	-	-	610,340	610,340
Transportation	-	-	-	-	183,054	183,054
School lunch	-	-	-	-	114,452	114,452
Other school grants and revolving accounts	-	-	-	-	704,525	704,525
Capital projects:						
Loker School roof	-	-	-	2,974,004	-	2,974,004
Fire station	-	-	-	1,732,499	-	1,732,499
Town building HVAC	-	-	-	1,565,000	-	1,565,000
Other capital project funds	-	-	-	3,172,409	-	3,172,409
Expendable permanent funds	-	-	-	-	3,667,621	3,667,621
Total Restricted	10,814	3,729,904	4,845,667	9,443,912	5,279,992	23,310,289
Committed:						
Fiscal year 2021 capital projects	2,171,500	-	-	-	-	2,171,500
Capital projects:						
Road construction	-	-	-	868,605	-	868,605
COA study	-	-	-	470,000	-	470,000
Interior renovations	-	-	-	350,056	-	350,056
DW core network	-	-	-	215,000	-	215,000
Other	-	-	-	2,784,008	-	2,784,008
Total Committed	2,171,500	-	-	4,687,669	-	6,859,169

(continued)

(continued)

	General Fund	Community Preservation Fund	Town Revolving Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assigned:						
Encumbered for:						
General government	302,148	-	-	-	-	302,148
Public safety	40,829	-	-	-	-	40,829
Education	512,368	-	-	-	-	512,368
Public works	74,268	-	-	-	-	74,268
Health and human services	9,643	-	-	-	-	9,643
Culture and recreation	41,800	-	-	-	-	41,800
Other	41,727	-	-	-	-	41,727
Total Assigned	1,022,783	-	-	-	-	1,022,783
Unassigned:						
General fund	10,657,834	-	-	-	-	10,657,834
Stabilization*	4,394,061	-	-	-	-	4,394,061
Town revolving	-	-	(1,147,004)	-	-	(1,147,004)
Capital projects	-	-	-	(911,140)	-	(911,140)
Other nonmajor	-	-	-	-	(90,308)	(90,308)
Total Unassigned	15,051,895	-	(1,147,004)	(911,140)	(90,308)	12,903,443
Total Fund Balance	\$ 18,256,992	\$ 3,729,904	\$ 3,698,663	\$ 13,220,441	\$ 6,610,411	\$ 45,516,411

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

15. 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 percentage are as follows:

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

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

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

Participant Refunds

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

Employer Contributions

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

The actuarially determined contribution for the year ended June 30, 2021 was \$5,182,543. The Town’s contribution to the System was \$5,182,237 and was made in July 2020.

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, 2021, the Town reported a liability for its proportionate share of the net pension liability of \$56,416,777. The net pension liability was measured as of December 31, 2020, 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, 2020, the Town's proportion was 3.68%. For the year ended June 30, 2021, the Town recognized a pension expense of \$5,397,703.

No contributions were made between January 1, 2021 to June 30, 2021. 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	\$ -	\$ (3,198,185)
Difference between expected and actual experience	1,031,842	(66,763)
Change in assumptions	2,153,638	-
Changes in proportion	<u>117,080</u>	<u>(1,224,644)</u>
Total	<u>\$ 3,302,560</u>	<u>\$ (4,489,592)</u>

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

	Net Deferred Outflows/(Inflows) <u>of Resources</u>
Year ended June 30:	
2022	\$ (135,015)
2023	272,812
2024	(777,235)
2025	<u>(547,594)</u>
Total	<u>\$ (1,187,032)</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	2.10%
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
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	22.00%	6.28%
International developed markets equity	12.00%	7.00%
International emerging markets equity	5.00%	8.82%
Core fixed income	15.00%	0.38%
High-yield fixed income	8.00%	2.97%
Real estate	10.00%	3.50%
Timber	4.00%	3.45%
Hedge funds, GTAA, risk parity	10.00%	2.35%
Private equity	<u>14.00%</u>	10.11%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.30%. 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, 2021	\$ 70,301,380	\$ 56,416,777	\$ 44,735,393

Pension Plan Fiduciary Net Position

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of January 1, 2019 rolled forward to June 30, 2020. This valuation used the following assumptions:

- (a) 7.15% investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase on the first \$13,000 per year.
- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011.
- Mortality rates were as follows:
 - Pre-retirement – reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct).
 - Post-retirement – reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct).
 - Disability – assumed to be in accordance with the Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct).
- Inflation – not explicitly stated

Target Allocations

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2020 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%	4.80%
Core fixed income	15.00%	0.70%
Private equity	13.00%	8.20%
Portfolio Completion Strategies	11.00%	3.20%
Real estate	10.00%	3.50%
Value added fixed income	8.00%	4.20%
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 7.15%. 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, 2021. 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>
\$ 35,411,955	\$ 28,544,844	\$ 22,908,510

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 2020 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability was approximately \$106,808,852 based on a proportionate share of 0.374%. As required by GASB 68, the Town has recognized its portion of the Commonwealth's contribution of approximately \$5,812,622 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of approximately \$13,192,423 as both a revenue and expense in the governmental activities.

17. 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, 2021 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, 2021 with a valuation date of July 1, 2020.

General Information about the OPEB Plan

Plan Description

The Town provides post-employment healthcare benefits for retired employees through the Town's plan. The Town provides health insurance coverage through West Suburban Health Group. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32B of 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 the remaining premium costs and advanced contribution to the OPEB Trust. Town's contributions are based on actuarially determined amounts, which include service cost and amortization of unfunded liability.

Plan Membership

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

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

Actuarial Assumptions and Other Inputs

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

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.77%, net of OPEB plan investment expense, including inflation
Discount rate	6.75%, net of OPEB plan investment expense, including inflation
Municipal bond rate	2.18%
Discount rate	6.75%
Healthcare cost trend rates	4.50 - 5.00%
Retirees' share of benefit-related costs	26 - 50 %
Participation rate	80% of eligible employees

Mortality rates were based on:

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

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

Target Allocations

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, netting with investment expense and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 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%	4.90%
Domestic Equity - Small/Mid Cap	3.50%	5.40%
International Equity - Developed Market	16.00%	5.32%
International Equity-Emerging Market	6.00%	6.26%
Domestic Fixed Income	20.00%	1.40%
International Fixed Income	3.00%	1.30%
Alternatives	23.00%	6.32%
Real estate	<u>14.00%</u>	6.25%
Total	<u><u>100.00%</u></u>	

Discount Rate

The discount rate used to measure the net OPEB liability was 6.75%.

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

Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2021, were as follows:

Total OPEB liability	\$ 59,283,923
Plan fiduciary net position	<u>25,009,641</u>
Net OPEB liability	<u>\$ 34,274,282</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, 2021:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	\$ 48,990,592	\$ 19,112,931	\$ 29,877,661
Changes for the year:			
Service cost	1,238,546	-	1,238,546
Interest	3,421,574	-	3,421,574
Change in experience	(288,614)	-	(288,614)
Change in assumptions	8,667,291	-	8,667,291
Contributions - employer		3,003,870	(3,003,870)
Net investment income	-	5,638,306	(5,638,306)
Benefit payments	<u>(2,745,466)</u>	<u>(2,745,466)</u>	<u>-</u>
Net Changes	<u>10,293,331</u>	<u>5,896,710</u>	<u>4,396,621</u>
Balances, end of year	<u>\$ 59,283,923</u>	<u>\$ 25,009,641</u>	<u>\$ 34,274,282</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>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 41,016,538	\$ 34,274,282	\$ 27,728,041

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
\$ 27,067,470	\$ 34,274,282	\$ 43,132,164

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

For the year ended June 30, 2021, the Town recognized an OPEB expense of \$4,090,011. As of June 30, 2021, the Town reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between actual and expected experience	\$ 1,521,636	\$ (326,891)
Change of assumptions	7,284,948	(1,059,174)
Net difference between projected and actual OPEB investment earnings	<u>-</u>	<u>(2,943,745)</u>
Total	\$ <u>8,806,584</u>	\$ <u>(4,329,810)</u>

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

<u>Year Ended June 30:</u>	
2022	\$ 732,440
2023	859,858
2024	731,063
2025	456,301
2026	1,336,313
Thereafter	<u>360,799</u>
Total	\$ <u>4,476,774</u>

18. Change in Accounting Principle

During fiscal year 2021, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This required moving certain items previously recorded through an agency fund to the newly established custodial fund that reports additions and deductions for these activities.

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 \$1,022,783 in encumbrances that will be honored in the next fiscal year.

20. Subsequent Events

Management has evaluated subsequent events through April 29, 2022, which is the date the financial statements were available to be issued.

Debt

Subsequent to June 30, 2021, the Town has incurred the following additional debt:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>
Bond Anticipation Note	\$ 465,000	0.67%	11/19/21	11/18/22

21. New Pronouncements

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 is currently evaluating the impact of implementing this pronouncement.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WAYLAND, MASSACHUSETTS

Required Supplementary Information
 General Fund
 Schedule of Revenues, Expenditures, and Other Financing Sources/(Uses) -
 Budget and Actual
 For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance with
	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>Amounts</u>	Final Budget Positive <u>(Negative)</u>
Revenues				
Property taxes	\$ 74,069,812	\$ 74,069,812	\$ 73,811,212	\$ (258,600)
Abatements	(137,379)	(137,379)	-	137,379
Intergovernmental	6,385,669	6,385,669	6,372,247	(13,422)
Motor vehicle & other excise tax	3,156,596	3,156,596	2,977,414	(179,182)
Penalties & interest	272,000	272,000	153,584	(118,416)
In-lieu payments	40,000	40,000	43,476	3,476
Departmental fees & charges	609,000	609,000	434,955	(174,045)
Licenses & permits	790,000	790,000	1,770,951	980,951
Special assessments	7,000	7,000	7,343	343
Fines & forfeitures	45,000	45,000	3,266	(41,734)
Investment income	175,000	175,000	136,138	(38,862)
Other	<u>5,404</u>	<u>5,404</u>	<u>-</u>	<u>(5,404)</u>
Total Revenues	<u>85,418,102</u>	<u>85,418,102</u>	<u>85,710,586</u>	<u>292,484</u>
Expenditures				
General government	5,460,290	5,550,176	4,909,802	640,374
Public safety	7,414,894	7,421,170	6,918,900	502,270
Education	43,359,145	43,491,145	43,453,056	38,089
Vocational education	333,000	363,000	360,163	2,837
Public works	3,581,190	3,682,624	3,410,574	272,050
Health & human services	1,610,629	1,624,020	1,450,280	173,740
Culture & recreation	1,423,324	1,428,546	1,372,487	56,059
State & county assessments	117,517	117,517	116,317	1,200
Debt service	6,874,864	6,884,164	6,883,150	1,014
Pension	5,182,237	5,182,237	5,182,237	-
OPEB	250,000	250,000	250,000	-
Unclassified	<u>10,909,552</u>	<u>10,522,043</u>	<u>10,204,585</u>	<u>317,458</u>
Total Expenditures	<u>86,516,642</u>	<u>86,516,642</u>	<u>84,511,551</u>	<u>2,005,091</u>
Excess (deficiency) of revenues over expenditures	(1,098,540)	(1,098,540)	1,199,035	2,297,575
Other Financing Sources (Uses)				
Use of free cash for capital	1,931,000	1,931,000	-	(1,931,000)
Use of bond premium	70,437	70,437	-	(70,437)
Transfers from other funds	1,329,103	1,329,103	1,457,902	128,799
Transfers to other funds	<u>(2,232,000)</u>	<u>(2,232,000)</u>	<u>(2,232,000)</u>	<u>-</u>
Total Other Financing Sources(Uses)	<u>1,098,540</u>	<u>1,098,540</u>	<u>(774,098)</u>	<u>(1,872,638)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 424,937</u>	<u>\$ 424,937</u>

See Independent Auditor's Report

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

Budgetary Basis

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

Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from 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)	\$ 92,058,288	\$ (90,122,735)	\$ (1,123,467)
Gross up enterprise reimbursements related to indirect costs	-	(398,944)	398,944
Reverse expenditures of prior year carryforwards	-	546,569	-
Use of restricted fund balance	-	619,993	-
Add end of year appropriation carryforwards to expenditures	-	(1,022,783)	-
Reverse the effect of non-budgeted state contributions for teachers retirement	(5,812,622)	5,812,622	-
Other reconciling items	<u>(535,080)</u>	<u>53,727</u>	<u>(49,575)</u>
Budgetary Basis	<u>\$ 85,710,586</u>	<u>\$ (84,511,551)</u>	<u>\$ (774,098)</u>

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, 2021	December 31, 2020	3.684738%	\$56,416,777	\$ 20,891,951	270%	53.42%
June 30, 2020	December 31, 2019	3.699320%	\$59,191,196	\$ 20,058,574	295%	49.45%
June 30, 2019	December 31, 2018	3.799758%	\$59,255,947	\$ 19,166,003	309%	46.40%
June 30, 2018	December 31, 2017	3.783694%	\$53,697,606	\$ 18,372,533	292%	49.27%
June 30, 2017	December 31, 2016	3.916549%	\$55,492,666	\$ 18,058,289	307%	45.49%
June 30, 2016	December 31, 2015	4.120452%	\$53,154,605	\$ 18,096,912	294%	46.13%
June 30, 2015	December 31, 2014	4.107272%	\$49,341,309	\$ 17,400,877	284%	47.65%

Massachusetts Teachers' Retirement System

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

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

See Independent Auditors' Report.

TOWN OF WAYLAND, MASSACHUSETTS

Required Supplementary Information
Schedule of Pension Contributions
(Unaudited)

Middlesex County Retirement System

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

Massachusetts Teachers' Retirement System

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

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

See Independent Auditors' Report.

TOWN OF WAYLAND, MASSACHUSETTS

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service cost	\$ 1,238,546	\$ 1,176,584	\$ 1,121,044	\$ 938,983	\$ 938,983
Interest on total OPEB liability	3,421,574	3,301,185	3,110,726	2,905,702	2,843,330
Differences between expected and actual experience	(288,614)	(131,937)	3,318,840	-	-
Changes of assumptions	8,667,291	-	(2,310,162)	-	-
Benefit payments, including refunds of member contributions	<u>(2,745,466)</u>	<u>(2,632,355)</u>	<u>(2,519,842)</u>	<u>(1,823,387)</u>	<u>(1,823,387)</u>
Net change in total OPEB liability	10,293,331	1,713,477	2,720,606	2,021,298	1,958,926
Total OPEB liability - beginning	<u>48,990,592</u>	<u>47,277,115</u>	<u>44,556,509</u>	<u>42,535,211</u>	<u>40,576,285</u>
Total OPEB liability - ending (a)	<u>\$ 59,283,923</u>	<u>\$ 48,990,592</u>	<u>\$ 47,277,115</u>	<u>\$ 44,556,509</u>	<u>\$ 42,535,211</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 3,003,870	\$ 3,183,409	\$ 3,066,376	\$ 2,066,671	\$ 2,074,672
Net investment income	5,638,307	358,086	968,586	1,443,193	1,573,467
Benefit payments, including refunds of member contributions	<u>(2,745,467)</u>	<u>(2,632,355)</u>	<u>(2,519,842)</u>	<u>(1,823,387)</u>	<u>(1,823,387)</u>
Net change in plan fiduciary net position	5,896,710	909,140	1,515,120	1,686,477	1,824,752
Plan fiduciary net position - beginning	<u>19,112,931</u>	<u>18,203,791</u>	<u>16,688,671</u>	<u>15,002,194</u>	<u>13,177,442</u>
Plan fiduciary net position - ending (b)	<u>25,009,641</u>	<u>19,112,931</u>	<u>18,203,791</u>	<u>16,688,671</u>	<u>15,002,194</u>
Net OPEB liability - ending (a-b)	<u>\$ 34,274,282</u>	<u>\$ 29,877,661</u>	<u>\$ 29,073,324</u>	<u>\$ 27,867,838</u>	<u>\$ 27,533,017</u>
Plan fiduciary net position as a percentage of the total OPEB liability	42.2%	39.0%	38.5%	37.5%	35.3%
Covered employee payroll	\$ 52,436,654	\$ 46,270,904	\$ 44,923,208	\$ 43,614,765	\$ 41,284,252
Net OPEB liability as a percentage of covered employee payroll	65.4%	64.6%	64.7%	63.9%	66.7%

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

See 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Contributions					
Actuarially determined contribution	\$ 3,068,474	\$ 3,183,409	\$ 3,066,376	\$ 2,066,671	\$ 2,074,672
Contributions in relation to the actuarially determined contribution	<u>3,068,474</u>	<u>3,183,409</u>	<u>3,066,376</u>	<u>2,066,671</u>	<u>2,074,672</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered employee payroll	\$ 46,270,904	\$ 46,270,904	\$ 44,923,208	\$ 43,614,765	\$ 41,284,252
Contributions as a percentage of covered employee payroll	6.6%	6.9%	6.8%	4.7%	5.0%

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Investment Returns					
Annual money weighted rate of return, net of investment expense	29.25%	1.97%	5.67%	9.54%	7.04%

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

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

See Independent 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
Detailed Schedule Of Expenditures
Budget and Actual
For the Year Ended June 30, 2021

	<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	\$ 59,500	\$ 59,500	\$ 55,318	\$ 4,182
Town office				
Personnel	674,000	682,946	672,012	10,934
Nonpersonnel	245,600	305,600	302,374	3,226
Personnel Board				
Personnel	8,000	8,000	8,000	-
Nonpersonnel	28,000	28,000	16,865	11,135
Finance				
Personnel	320,242	326,084	280,005	46,079
Nonpersonnel	66,365	66,365	46,084	20,281
Assessor				
Personnel	240,947	203,178	148,672	54,506
Nonpersonnel	50,560	90,560	44,686	45,874
Treasurer				
Personnel	214,000	187,616	165,384	22,232
Nonpersonnel	63,500	93,500	90,154	3,346
Town Counsel				
Nonpersonnel	244,000	324,000	306,705	17,295
Information Technology				
Personnel	336,445	341,786	334,594	7,192
Nonpersonnel	679,830	649,830	400,112	249,718
Town Clerk				
Personnel	142,223	143,355	140,465	2,890
Nonpersonnel	93,758	93,758	74,876	18,882
Conservation				
Personnel	218,917	222,777	209,924	12,853
Nonpersonnel	49,075	49,075	28,815	20,260
Planning				
Personnel	100,350	102,220	102,033	187
Nonpersonnel	7,300	7,300	2,105	5,195
Facilities				
Personnel	468,403	475,451	447,156	28,295
Nonpersonnel	1,145,500	1,085,500	1,031,210	54,290
Miscellaneous Committees				
Nonpersonnel	<u>3,775</u>	<u>3,775</u>	<u>2,253</u>	<u>1,522</u>
Total General Government	5,460,290	5,550,176	4,909,802	640,374

(continued)

(continued)

	<u>Budgeted Amounts</u>		Adjusted Actual <u>Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
	Original <u>Budget</u>	Final <u>Budget</u>		
<u>Public Safety</u>				
Police				
Personnel	2,816,403	2,818,142	2,652,047	166,095
Nonpersonnel	367,555	367,555	320,978	46,577
Joint Communications				
Personnel	541,477	553,858	553,847	11
Nonpersonnel	36,500	36,500	36,056	444
Fire				
Personnel	3,024,423	2,982,063	2,706,634	275,429
Nonpersonnel	276,839	280,839	274,654	6,185
Building and Zoning				
Personnel	332,147	362,663	361,576	1,087
Nonpersonnel	<u>19,550</u>	<u>19,550</u>	<u>13,108</u>	<u>6,442</u>
Total Public Safety	7,414,894	7,421,170	6,918,900	502,270
<u>Education</u>				
Schools	43,359,145	43,491,145	43,453,056	38,089
<u>Vocational Education</u>				
Regional Vocational School	333,000	363,000	360,163	2,837
<u>Public Works</u>				
Highway				
Personnel	1,032,100	1,050,025	1,001,688	48,337
Nonpersonnel	612,800	656,800	527,345	129,455
Engineering				
Personnel	283,970	293,070	293,013	57
Nonpersonnel	49,420	45,820	22,380	23,440
Snow				
Personnel	175,000	150,000	149,832	168
Nonpersonnel	325,000	356,000	349,685	6,315
Transfer Station				
Nonpersonnel	50,000	50,000	47,352	2,648
Park and Cemetery				
Personnel	703,100	731,109	731,069	40
Nonpersonnel	<u>349,800</u>	<u>349,800</u>	<u>288,210</u>	<u>61,590</u>
Total Public Works	3,581,190	3,682,624	3,410,574	272,050
<u>Health and Human Services</u>				
Board of Health				
Personnel	807,551	814,036	780,157	33,879
Nonpersonnel	174,124	174,124	138,375	35,749
Veterans Services				
Nonpersonnel	50,000	50,000	34,163	15,837
Council on Aging				
Personnel	252,495	254,942	251,113	3,829
Nonpersonnel	70,650	70,650	10,254	60,396
Youth Services				
Personnel	249,283	253,742	235,948	17,794
Nonpersonnel	<u>6,526</u>	<u>6,526</u>	<u>270</u>	<u>6,256</u>
Total Health and Human Services	1,610,629	1,624,020	1,450,280	173,740

(continued)

(continued)

	<u>Budgeted Amounts</u>		Adjusted Actual <u>Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
	Original <u>Budget</u>	Final <u>Budget</u>		
<u>Culture and Recreation</u>				
Library				
Personnel	867,321	869,477	845,657	23,820
Nonpersonnel	286,276	286,276	286,219	57
Recreation				
Personnel	182,317	185,383	171,101	14,282
Nonpersonnel	<u>87,410</u>	<u>87,410</u>	<u>69,510</u>	<u>17,900</u>
Total Culture and Recreation	1,423,324	1,428,546	1,372,487	56,059
<u>State Assessments and Charges</u>				
Assessments	117,517	117,517	116,317	1,200
<u>Debt Service</u>				
Debt Principal and Interest	6,874,864	6,884,164	6,883,150	1,014
<u>Pension</u>				
Pension Assessment	5,182,237	5,182,237	5,182,237	-
<u>OPEB</u>				
OPEB Contribution	250,000	250,000	250,000	-
<u>Unclassified</u>				
Insurance General	701,000	751,000	742,094	8,906
Insurance 32B	8,514,164	8,449,164	8,445,316	3,848
Medicare	698,088	763,088	761,302	1,786
Unemployment	50,000	35,500	15,566	19,934
Police and Fire Disability	15,000	15,000	1,157	13,843
Reserve for Salary Adj	383,300	35,091	-	35,091
Occupational Health	8,000	8,200	8,180	20
Retirement and Buyback	40,000	45,000	44,680	320
Stormwater	200,000	200,000	136,290	63,710
Water Charges	50,000	50,000	50,000	-
Reserve Fund	<u>250,000</u>	<u>170,000</u>	<u>-</u>	<u>170,000</u>
Total Unclassified	<u>10,909,552</u>	<u>10,522,043</u>	<u>10,204,585</u>	<u>317,458</u>
Total Expenditures	<u>\$ 86,516,642</u>	<u>\$ 86,516,642</u>	<u>\$ 84,511,551</u>	<u>\$ 2,005,091</u>

See Independent Auditors' Report.

**Combining and Individual Fund
Financial Statements**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Special Revenue Funds are established for the following purposes:

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

PERMANENT FUND

Permanent 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, 2021

	Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental Funds
	<u>School Revolving</u>	<u>School Grants</u>	<u>Subtotals</u>		
Assets					
Cash and short-term investments	\$ 1,192,501	\$ 726,106	\$ 1,918,607	\$ 10,768	\$ 1,929,375
Investments	-	-	-	5,076,180	5,076,180
Receivables:					
Departmental	-	-	-	1,400	1,400
Total Assets	<u>\$ 1,192,501</u>	<u>\$ 726,106</u>	<u>\$ 1,918,607</u>	<u>\$ 5,088,348</u>	<u>\$ 7,006,955</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 25,556	\$ 39,867	\$ 65,423	\$ -	\$ 65,423
Accrued payroll	6,509	13,582	20,091	-	20,091
Unearned revenue	<u>311,030</u>	<u>-</u>	<u>311,030</u>	<u>-</u>	<u>311,030</u>
Total Liabilities	343,095	53,449	396,544	-	396,544
Fund Balances:					
Nonspendable	-	-	-	1,420,727	1,420,727
Restricted	849,406	762,965	1,612,371	3,667,621	5,279,992
Unassigned	<u>-</u>	<u>(90,308)</u>	<u>(90,308)</u>	<u>-</u>	<u>(90,308)</u>
Total Fund Balances	<u>849,406</u>	<u>672,657</u>	<u>1,522,063</u>	<u>5,088,348</u>	<u>6,610,411</u>
Total Liabilities and Fund Balances	<u>\$ 1,192,501</u>	<u>\$ 726,106</u>	<u>\$ 1,918,607</u>	<u>\$ 5,088,348</u>	<u>\$ 7,006,955</u>

See Independent Auditors' Report.

TOWN OF WAYLAND, MASSACHUSETTS

Combining Statement of Revenues, Expenditures and Changes in Fund Equity
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School <u>Revolving</u>	School <u>Grants</u>	<u>Subtotal</u>	Permanent <u>Fund</u>	
Revenues:					
Intergovernmental	\$ 625,032	\$ 3,976,539	\$ 4,601,571	-	\$ 4,601,571
Charges for services	2,534,687	-	2,534,687	\$ 26,703	2,561,390
Investment income	-	-	-	1,134,007	1,134,007
Contributions	<u>9,551</u>	<u>-</u>	<u>9,551</u>	<u>458</u>	<u>10,009</u>
Total Revenues	3,169,270	3,976,539	7,145,809	1,161,168	8,306,977
Expenditures:					
Current:					
General government	-	-	-	74,502	74,502
Education	<u>3,093,165</u>	<u>3,518,477</u>	<u>6,611,642</u>	<u>-</u>	<u>6,611,642</u>
Total Expenditures	<u>3,093,165</u>	<u>3,518,477</u>	<u>6,611,642</u>	<u>74,502</u>	<u>6,686,144</u>
Excess of revenues over expenditures	76,105	458,062	534,167	1,086,666	1,620,833
Other Financing Sources (Uses):					
Transfers out	<u>(297,477)</u>	<u>-</u>	<u>(297,477)</u>	<u>-</u>	<u>(297,477)</u>
Total Other Financing Sources (Uses)	<u>(297,477)</u>	<u>-</u>	<u>(297,477)</u>	<u>-</u>	<u>(297,477)</u>
Net change in fund balances	(221,372)	458,062	236,690	1,086,666	1,323,356
Fund Balances, beginning 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>
Fund Balances, end of year	<u>\$ 849,406</u>	<u>\$ 672,657</u>	<u>\$ 1,522,063</u>	<u>\$ 5,088,348</u>	<u>\$ 6,610,411</u>

See Independent Auditors' Report.

**STATISTICAL
SECTION**

TOWN OF WAYLAND, MASSACHUSETTS

STATISTICAL SECTION

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

	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.	100 - 104
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the Town’s most significant local revenue source, the property tax.	105 – 107
<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.	108 - 109
<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.	110 - 111
<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.	112 - 114

Town of Wayland, Massachusetts										
Net Position by Component										
Last Ten Fiscal Years										
	2012	2013	2014	2015 *	2016	2017	2018	2019	2020	2021
Government Activity										
Net Investment in Capital Assets	\$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	\$86,578,244
Restricted	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	16,372,617
Unrestricted	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)	(64,753,977)
Total governmental activities net position	\$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	\$38,196,884
Business type activities										
Net Investment in Capital Assets	\$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	\$10,230,877
Unrestricted	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	6,569,238
Total business-type activities net position	\$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	\$16,800,115
Primary Government										
Net Investment in Capital Assets	\$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	\$96,809,121
Restricted	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	16,372,617
Unrestricted	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)	(58,184,739)
Total primary government net position	\$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	\$54,996,999

* 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										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
General government	\$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	\$7,489,061
Public safety	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	8,673,990
Education	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	67,103,253
Public works	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	5,563,565
Health and human services	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	1,838,445
Cultural and recreation	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	2,879,549
Intergovernmental	191,501	185,367	131,848	109,179	203,615	147,287	197,704	235,132	116,215	116,317
Employee benefits	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	15,213,613
Interest	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	2,192,390
Total governmental activities expenses	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	111,070,183
Business type activities										
Water operations	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	3,320,501
Wastewater operations	498,707	510,222	652,493	612,552	572,602	584,118	583,056	625,009	744,213	534,818
Total business-type activities expenses	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	3,855,319
Total primary government expenses	\$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	\$114,925,502
Program revenues										
Governmental activities										
Charges for services										
General government	\$1,229,604	\$789,359	\$842,337	\$655,766	\$618,342	\$739,331	\$888,649	\$731,911	\$684,769	\$729,512
Public safety	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	3,489,363
Education	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	2,534,687
Public works	536,424	484,407	433,662	428,409	421,579	399,116	349,090	361,837	413,780	428,149
Health and human services	231,989	159,445	193,217	212,744	246,132	237,713	204,722	206,499	187,942	182,991
Cultural and recreation	849,872	834,332	1,022,109	728,996	935,041	845,061	775,569	838,462	653,807	395,459
Operating grants and contributions	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	24,521,925
Capital grants and contributions	-	-	500,000	1,253,720	1,198,161	639,688	339,066	-	-	-
Total government activities program revenues	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	32,282,086
Business type activities										
Charges for services										
Water operations	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	4,224,656
Wastewater operations	324,512	359,829	621,988	4,346,580	674,376	466,302	351,824	518,201	353,111	295,738
Capital grants and contributions	-	-	-	-	-	-	-	-	157,006	94,398
Total business-type activities revenues	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	4,614,792
Total primary government revenues	\$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	\$36,896,878
Net (Expense) / Revenue										
Governmental activities	(\$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)	(\$78,788,097)
Business-type activities	951,512	133,515	1,137,211	4,635,520	456,190	876,499	(71,644)	195,019	333,270	759,473
Total primary government net (expense)	(\$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)	(\$78,028,624)

continued

Data source: Audited financial statements

Town of Wayland, Massachusetts										
Changes in Net Positions										
Last Ten Fiscal Years										
continued:										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and other Changes in Net Position										
Governmental activities;										
Real estate and personal property-net										
of refunds payable	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	\$75,011,682
Excise Tax	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	2,851,499
Grants, contributions- not restricted										
to specific programs	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	1,285,356
Investment income	362,492	412,826	539,875	302,319	428,446	603,720	438,010	977,769	778,880	1,809,414
Other	141,249	96,511	176,699	176,700	199,814	606,499	459,070	574,930	788,643	1,666,930
Transfers	(510,000)	-	402,653	(325,671)	(175,000)	-	(50,085)	219,000	(43,600)	28,787
Total government activities	\$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	\$82,653,668
Business-type activities										
Grants, contributions- not restricted										
to specific programs	-	-	-	-	7,516	41,492	10,995	6,127	11,939	-
Investment income	16,887	4,992	5,457	10,395	11,413	11,168	13,577	67,973	48,946	10,968
Miscellaneous	-	15,103	8,805	9,732	69,000	69,103	76,978	27,648	22,465	34,082
Transfers	510,000	-	(402,653)	325,671	175,000	-	50,085	(219,000)	43,600	(28,787)
Total business type activities	526,887	20,095	(388,391)	345,798	262,929	121,763	151,635	(117,252)	126,950	16,263
Total primary government	\$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	\$82,669,931
Changes in Net Position										
Governmental activities	\$15,079,965	(\$636,095)	\$193,400	\$2,771,493	\$468,221	\$1,935,626	-\$68,843	(\$543,895)	\$653,602	\$3,865,571
Business type activities	1,478,399	153,610	748,820	4,491,552	719,119	998,265	79,991	77,767	460,220	775,736
Total primary government changes in net position	\$16,558,364	(\$482,485)	\$942,220	\$7,263,045	\$1,187,340	\$2,933,891	\$11,148	(466,128)	1,113,822	\$4,641,307

Data source: Audited financial statements

Town of Wayland, Massachusetts Fund Balance, Governmental Funds Last Ten Fiscal Years										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 1,380,195	\$ 1,260,811	\$ 1,198,453	\$ 1,091,466	\$ 992,021	\$ 1,341,434	\$ 884,394	\$ 720,053	\$ 636,211	\$ 10,814
Committed	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	2,171,500
Assigned	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	1,022,783
Unassigned	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	15,051,895
Total general fund	\$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	\$18,256,992
All Other Governmental Funds										
Nonspendable	\$ 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	\$ 1,420,727
Restricted	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	23,299,475
Committed	-	-	-	894,747	962,953	1,474,921	2,231,148	2,853,629	4,318,032	4,687,669
Unassigned	-	(1,535,016)	(52,336)	(239,025)	(109,805)	(250,838)	(158,055)	(1,337,254)	(1,354,125)	(2,148,452)
Total all other governmental funds:	\$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	\$27,259,419

Data source: Audited financial statements

Town of Wayland, Massachusetts										
Changes in Fund Balances, Governmental Funds										
Last Ten Fiscal Years										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Real estate and personal property taxes										
net of tax refunds.	\$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	\$74,938,712
Motor vehicle and other excise taxes	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	2,835,704
License and permits	769,814	1,006,114	687,589	999,262	945,108	793,794	761,310	555,647	380,023	1,770,951
Intergovernmental	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	18,417,471
Charges for services	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	5,320,670
Investment income	362,492	412,826	539,874	302,319	428,450	603,718	438,010	977,773	778,879	1,809,414
Fines and forfeitures	80,303	72,662	78,748	53,005	55,078	37,524	36,000	30,991	22,303	3,266
Contributions	75,215	8,516	500,650	1,074,534	1,537,961	115,737	31,063	35,667	61,857	144,014
Miscellaneous	-	-	-	-	-	321,214	161,848	263,259	437,018	93,963
Total Revenues	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	105,334,165
Expenditures:										
General government	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	6,660,071
Public safety	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	7,630,652
Education	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	55,954,323
Public works	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	2,810,598
Health and human services	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	1,807,229
Cultural and recreation	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	2,714,056
Employee benefits	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	15,213,613
Intergovernmental	191,501	185,367	131,848	109,179	203,615	147,287	197,704	235,132	116,215	116,317
Debt service										
Principal	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	5,451,306
Interest	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	2,474,144
Capital outlay	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	2,564,912
Total Expenditures	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	103,397,221
Excess of revenues over / (under) expenditures	(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)	1,936,944
Other Financing Sources (use)										
Issuance of bonds and notes	2,010,000	2,555,000	12,585,000	5,917,000	2,401,000	10,300,000	2,835,000	-	9,295,000	4,569,400
Issuance of refunding bonds	-	1,314,000	-	-	3,339,000	-	-	-	5,240,000	16,519,100
Bond premiums	67,203	224,659	882,064	462,210	521,147	546,129	179,077	-	2,102,159	3,215,797
Payments to refund bond escrow	-	(1,360,000)	-	-	(3,685,773)	-	-	-	(6,000,000)	(19,130,432)
Transfer in	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	3,353,897
Transfer out	(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)	(3,325,110)
Total other financing sources (uses)	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	5,202,652
Net change in fund balance	(\$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	\$7,139,596
Debt Service as a percentage of non capital expenditures	9.55%	9.53%	8.73%	9.82%	9.70%	8.32%	8.76%	7.73%	7.36%	7.86%

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	
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	
2021	3,816,051,966	18.52	131,565,734	4,452,500	47,379,700	183,397,934	18.52	3,999,449,900	

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	2021		2012		% 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	\$23,422,800	1	0.86%	0.80%
NSTAR Electric Co.	Energy	15,419,000	2	13,636,100	2	0.39%	0.47%
Boston Gas Company	Energy	12,004,000	3	4,985,600	3	0.30%	0.17%
373 Commonwealth Residence LLC	Development	9,587,100	4			0.24%	
Individual	Residential	8,504,800	5			0.21%	
Atria Living Group, Inc.	Assisted Living	8,354,600	6			0.21%	
Northbridge Carriage House II LLC	Assisted Living	8,275,600	7			0.21%	
Individual	Residential	7,476,400	8			0.19%	
Sunrise Assisted Living, Inc.	Assisted Living	6,788,100	9			0.17%	
Individual	Residential	6,717,500	10			0.17%	
Totals		<u>\$117,713,400</u>		<u>\$42,044,500</u>		<u>2.94%</u>	<u>1.44%</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
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%	\$622,313	\$70,167,631	99.12%	\$451,153	0.64%
2021	\$74,069,812	\$211,328	\$73,858,484	\$73,288,027	99.23%	\$570,457	\$73,288,027	99.23%	\$591,084	0.80%

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
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%
2021	13,931	\$2,119,283,169	\$3,999,449,900	\$65,721,104	\$152,127	3.1011%	1.6433%
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					
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%
2021	\$9,355,704	\$3,269,974	-	\$78,346,782	\$152,127	3.70%	1.96%

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Equalized Valuation	\$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	\$3,999,449,900
Debt Limit - 5% of equalized valuation	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	199,972,495
Less:										
Total debt applicable to limitation	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	21,996,974
Legal debt margin	\$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	\$177,975,521
Total debt applicable to the limit as a percentage of debt limit	11.33%	11.33%	11.33%	11.33%	11.33%	11.04%	11.00%	11.00%	11.00%	11.00%

Data Source: Official Statements

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

Fiscal Year	Population Estimates	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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%
2021	13,931	\$152,127	44	2,700	3.30%

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

Employer	Type of Business	2021			2012		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Russells Garden Center	Garden / Flowers / Gifts	200	1	2.85%	60	5	0.91%
Villa Restaurant	Restaurant	75	2	1.07%	51	6	0.78%
Wayland Country Club	Recreation	75	3	1.07%			0.00%
Northbridge Wayland Asst. Living	Assisted Living	75	4	1.07%			0.00%
Stop and Shop	Retail	70	5	1.00%			0.00%
Sandy Burr	Recreation	65	6	0.93%			0.00%
Donolen's	Retail	43	7	0.61%			0.00%
Traditions Wayland	Assisted Living	41	8	0.58%			
The Local	Restaurant	35	9	0.50%			
110 Grill	Restaurant	35	10	0.50%			
		714			111		

Data Source: Official Statements

Town of Wayland, Massachusetts										
Government Employees by Function - Full Time Equivalents										
Last Ten Years										
Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	42.85	42.28	42.30	46.65	36.67	38.69	37.05	37.05	41.05	32.53
Public Safety										
Police	32.33	32.33	33.33	33.59	33.29	33.59	33.59	34.59	36.59	26.59
Fire	28.87	28.87	28.87	28.87	29.87	26.54	26.54	28.54	30.54	29.54
Education	367.26	374.44	374.64	391.86	393.50	405.50	417.65	427.92	436.49	460.84
Public Works - Highway	27.57	28.37	28.37	29.41	29.41	39.69	41.24	42.34	43.15	41.82
Planning and Human Services										
Planning	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.00
Board of Health	9.15	9.15	9.15	9.29	9.29	9.29	9.29	9.29	9.29	10.43
Recreation	2.33	2.33	1.83	2.11	2.54	3.54	3.54	3.54	3.54	3.54
Council on Aging	2.83	2.83	2.83		3.34	3.34	3.34	3.34	3.34	4.09
Total	15.71	15.71	15.21	12.80	16.57	17.57	17.57	17.57	17.57	19.06
Library	14.74	14.74	14.74	13.74	13.74	13.69	13.69	13.39	13.39	13.69
TOTALS:	529.33	536.74	537.46	556.92	553.05	575.27	587.33	601.40	618.78	624.07

Source:

Town of Wayland Human Resources Office

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Finance										
Registered Voters	9,861	9,861	9,870	9,965	9,971	9,971	10,334	10,334	10,334	10,334
Taxable property parcels assessed	5,098	5,093	5,128	5,131	5,172	5,183	5,181	5,181	5,181	5,181
Motor vehicle registered	13,823	14,091	13,957	13,957	14,285	14,309	14,309	14,309	14,309	14,309
Police										
Physical arrests	118	108	116	83	85	71	39	54	36	20
Traffic violations	3,251	3,179	2,984	2,917	2,691	2,041	2,478	2,315	983	658
Fire										
Calls answered	3,660	3,784	4,006	3,280	4,258	3,908	3,532	3,729	3,293	3,391
Emergency response	1,506	1,151	2,301	1,913	2,361	2,611	2,119	2,333	2,239	2,095
Fires extinguished	36	37	36	23	37	35	77	15	31	33
Number of inspections conducted	703	796	702	639	841	742	613	609	517	704
Emergency medical responses	1,242	1,212	1,153	884	1,019	1,289	1,139	1,206	1,029	930
Building										
Building permits issued	765	844	808	808	1,061	939	765	859	774	971
Estimated construction value	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	91,000,000
Public works										
Miles snow plowed	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6
Public Library										
Volumes of collections	99,871	97,490	106,967	106,967	136,567	134,777	163,313	159,187	161,583	179,982
Total volumes borrowed	207,157	213,678	222,184	222,184	226,731	228,677	234,654	236,306	200,158	157,572
Total circulation	246,429	246,429	252,405	252,405	264,848	264,532	265,535	271,117	223,023	218,382
Registered borrowers	6,972	6,972	6,880	6,880	6,837	6,753	6,749	7,274	8,008	7,777
Water										
Water main breaks	28	6	31	31	11	8	9	9	11	14
Daily average consumption	1.21	1.47	1.35	1.35	1.45	1.43	1.45	1.43	1.39	1.55
Peak daily consumption	1.75	1.87	1.74	1.74	2.00	1.98	2.27	2	1.87	2

Source:

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks	1	1	1	1	1	1	1	1	1	1
Number of pumpers	3	3	3	3	3	3	3	3	3	3
Number of support vehicles	5	5	5	5	5	5	5	5	5	5
Public Works										
Miles of street	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3
Miles of storm drains	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Recreation										
Parks	12	12	12	12	12	12	12	13	14	14
Playgrounds	12	12	12	12	12	12	12	12	12	12
Public Beach	1	1	1	1	1	1	1	1	1	1
Athletic Fields	17	17	17	17	17	17	17	17	18	18
Ball Diamonds	15	15	15	15	15	15	15	15	15	15
Gymnasia	1	1	1	1	1	1	1	1	1	1
Tennis Courts	10	10	10	10	-	-	-	-	6	6
Water system										
Miles of water mains	101	102	102	102	102	102	102	102	102	102
Number of service connections	4,993	4,993	4,993	4,993	4,993	5,028	5,028	5,028	5,028	5,028
Storage capacity in gallons (millions of gallons)	2.5	2	2	2	2	2	2	2	2	2
Maximum daily capacity of plant (millions of gallons)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Number of fire hydrants	490	490	491	491	491	497	497	497	497	497
Sewer Systems										
Miles of sanitary sewers	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
Number of treatment plants	70	90	100	120	120	120	120	120	120	120
Number of service connections	70	90	100	120	120	120	120	120	120	120

Source:
Town of Wayland Departmental Managers