

Town of Wayland, Massachusetts

Presentation of Financial Statement

Audit Results

June 30, 2019

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Principal

and

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Principal

Relationship with the Auditors

- ▶ Auditors work with management to perform the audit.
- ▶ Auditors express an opinion on the financial statements that are the responsibility of management.
- ▶ Auditors report to those charged with governance.

Reports Issued

- ▶ Opinion on your financial statements (however, we do not express an opinion on your management discussion and analysis and your required supplemental information, which includes pension and OPEB schedules)
- ▶ Management Letter
- ▶ Governance Letter

Management Letter Comments

1. Ensure Compliance with Uniform Guidance
2. Re-establish Timely Cash Reconciliations
3. Fund the Withholding Account
4. Improve Controls Over Payroll

Audit Process

An audit involves:

- ▶ Performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.
- ▶ NO opinion is expressed on the effectiveness of the entity's internal control. However, we do get an understanding of checks and balances that are present in the Town and test transactions on sample basis.

Rule Setting Agencies

- ▶ Governmental Accounting Standards Board (GASB) is the nation-wide body that establishes the form and content of the statements. The GASB provides the standards on how to prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Users such as investors and rating agencies rely on the consistent application of GAAP. This is the only way users can assess the financial position of one government compared to another.
 - ▶ GASB Statement No. 88, effective for June 30, 2019 financial statements (FS), makes direct borrowing debt more apparent in debt disclosures.
 - ▶ GASB 84, effective for June 30, 2020 FS, clarifies the definition of a Fiduciary Activity, eliminates Agency Funds and introduces Custodial Funds.
 - ▶ GASB 87, effective for June 30, 2021 FS, revises existing standards on lease accounting and financial reporting.

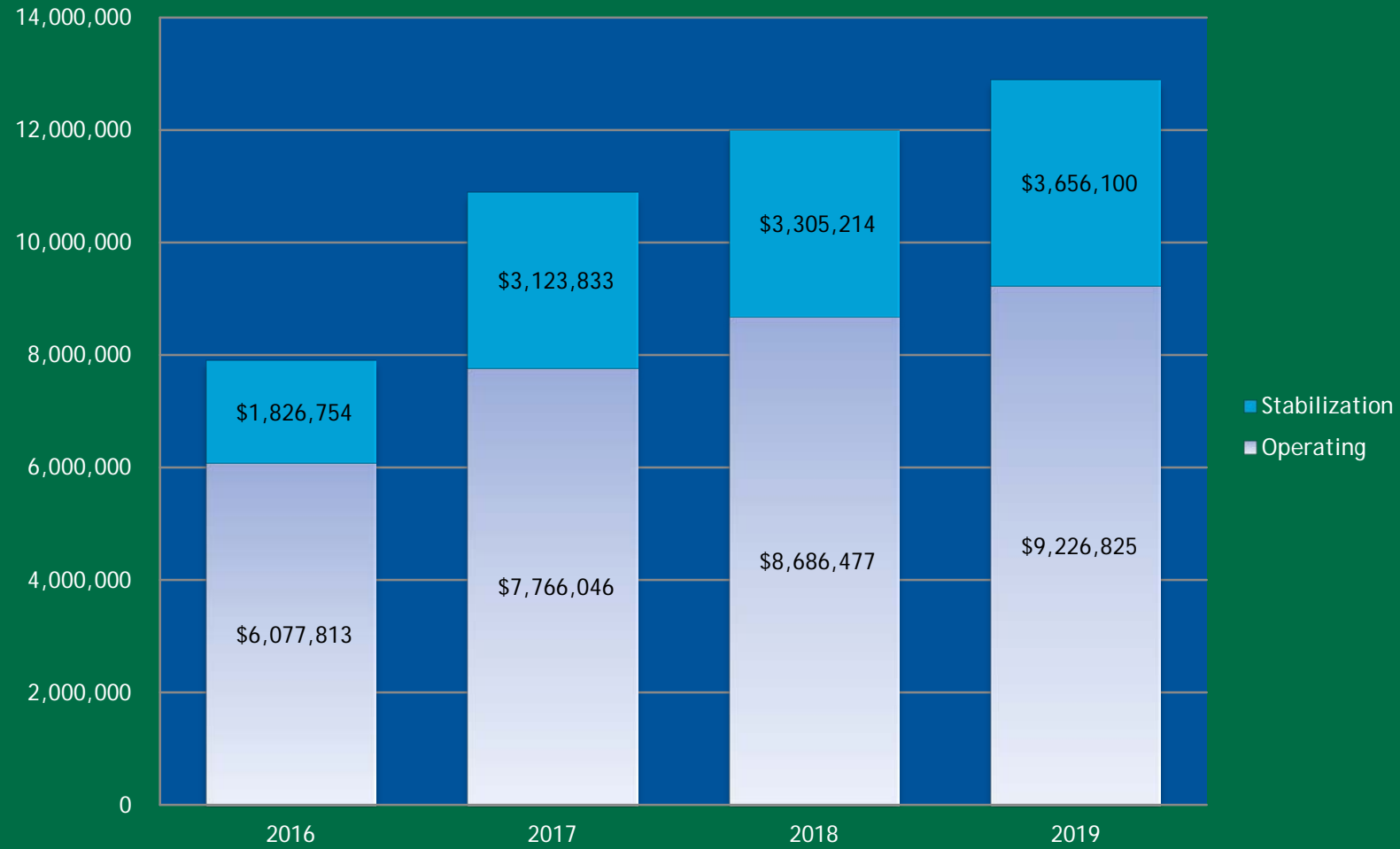
Implementation of GASB 84 and 87 may be delayed due to COVID19. Final guidance from GASB is expected on May 26, 2020.

- ▶ Generally Accepted Governmental Auditing Standards (GAGAS), also known as the Yellow Book, outlines requirements for audit reports, professional qualifications for auditors and audit organization quality control.
- ▶ The DOR accounting standards are known as the Uniform Municipal Accounting System (UMAS) and are not GAAP.

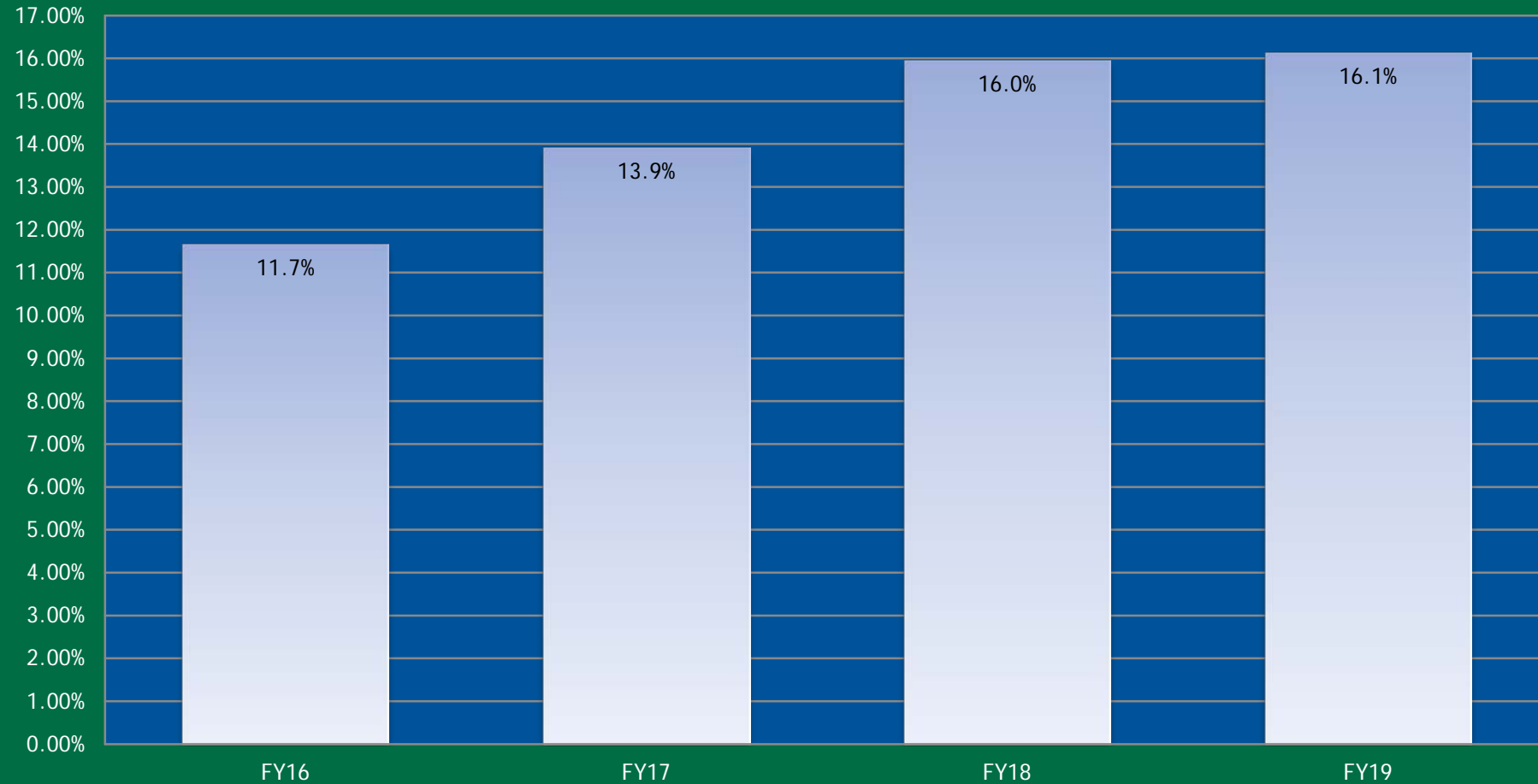
Overview of the Financial Statements and How to Read Them

- ▶ Auditors' Report – unmodified opinion
- ▶ Management Discussion & Analysis – provides reader with summary to have a basic understanding of how the Town is doing
- ▶ Dual perspective financial statements:
 - ▶ Government-Wide Financial Statements – long term perspective
 - ▶ Fund Financial Statements – short term perspective for governmental funds
- ▶ Notes to the financial statements and required supplementary information

Town of Wayland, MA General Fund Unassigned Fund Balance for fiscal years ending June 30



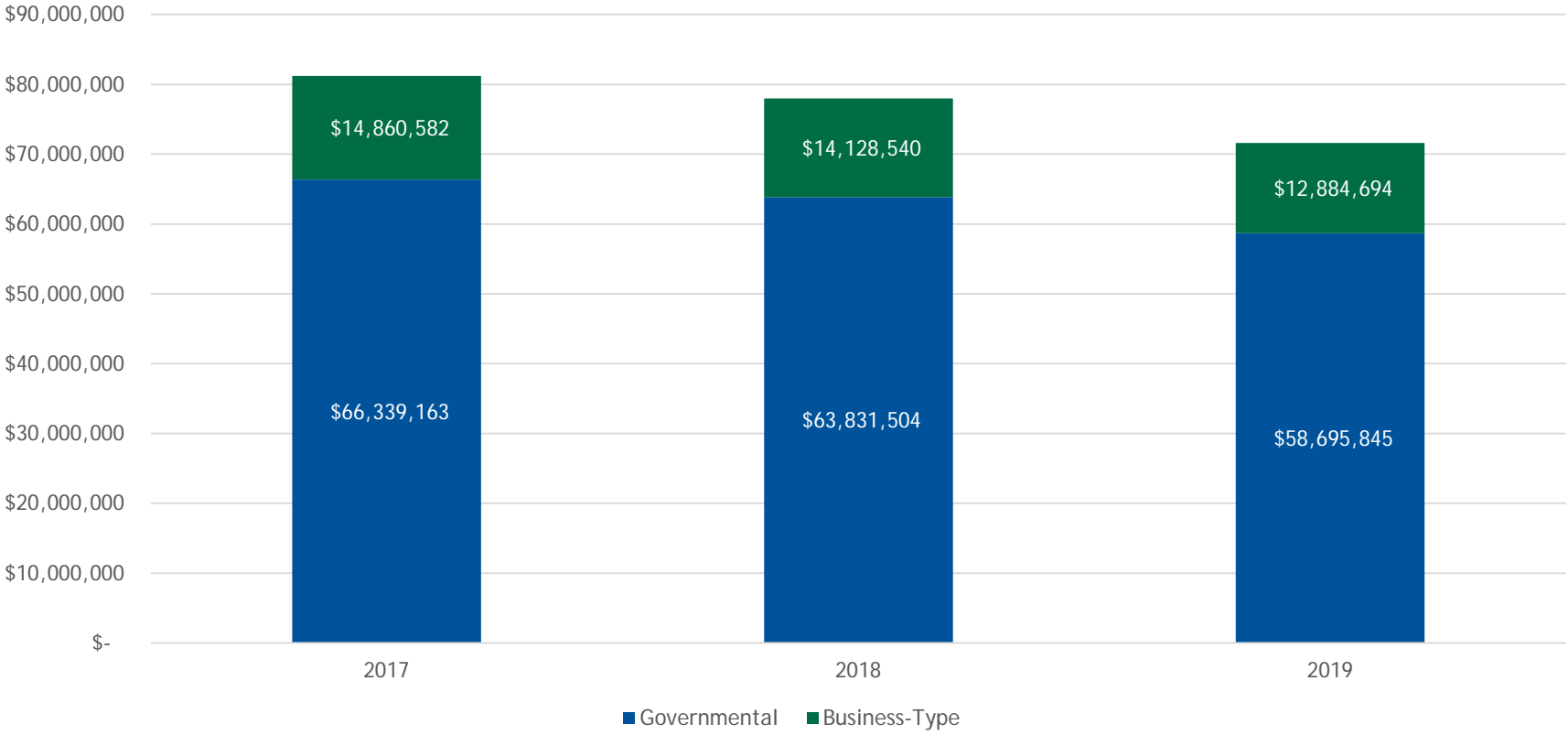
Town of Wayland, MA Unassigned Fund Balance as percentage of General Fund revenues



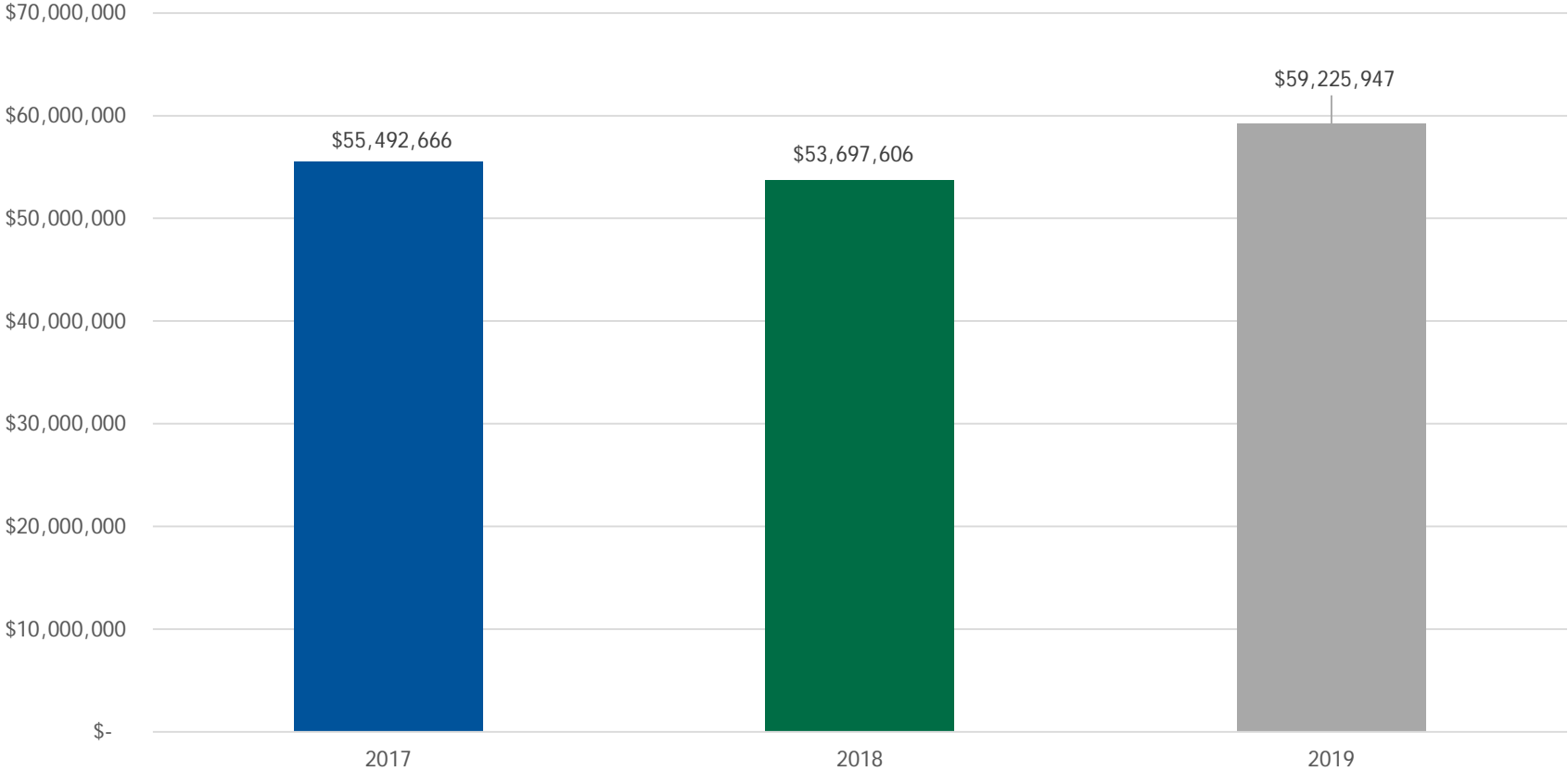
Budget vs. Actual Comparison – General Fund – Fiscal Year Ended June 30, 2019 – Budgetary Basis

	Budgeted Amounts	Actual Amounts	Variance
Revenues and OFS	\$81,211,097	\$81,630,654	\$419,557
Expenditures and OFU	\$82,807,817	\$81,653,543	\$1,154,274
Use of Fund Balance for Capital	\$1,596,720	\$ -	\$(1,596,720)
Net	\$ -	\$(22,889)	\$(22,889)

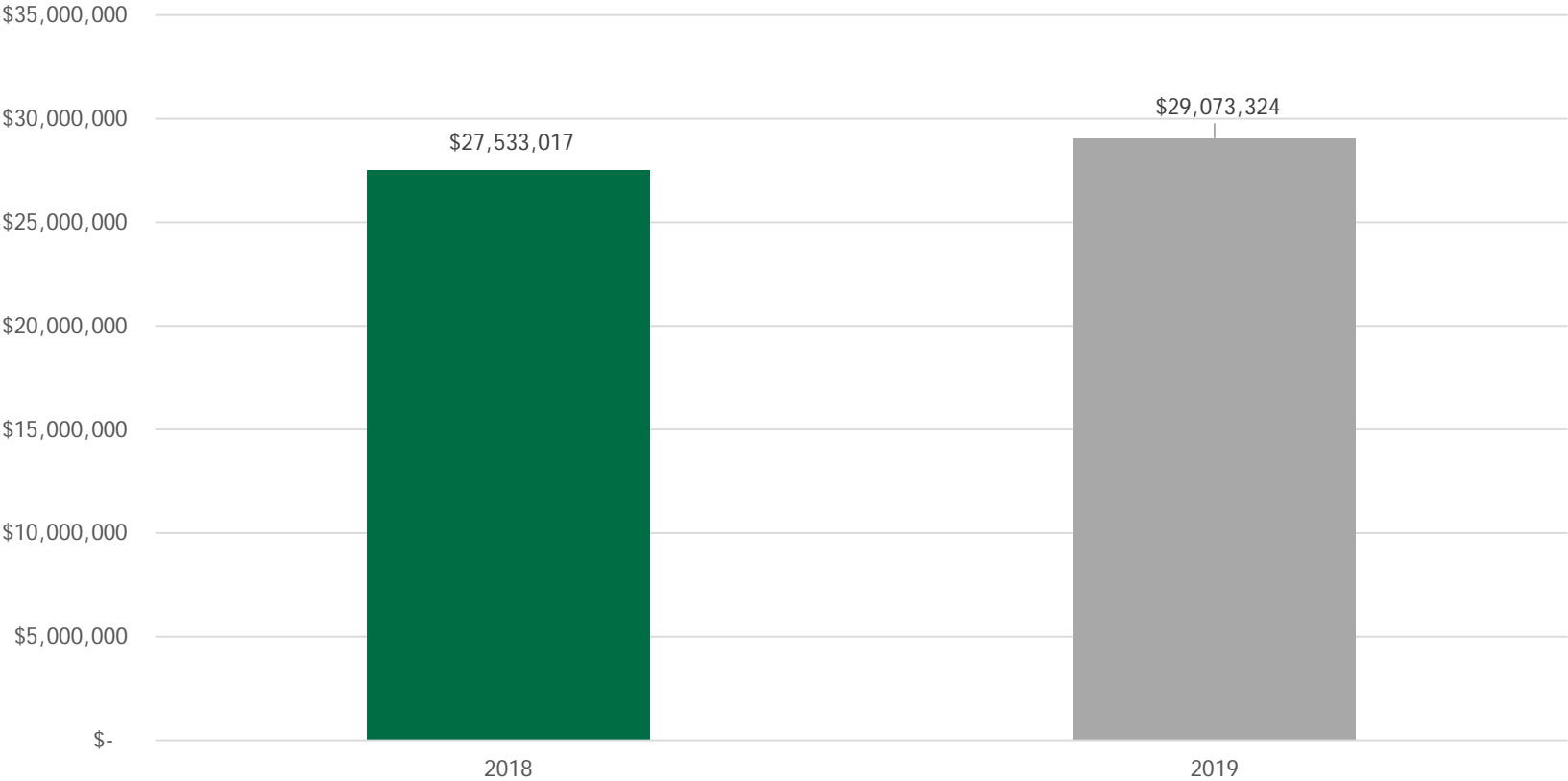
Bonds and Loans Payable – Last 3 Years



Net Pension Liability – Last 3 Years



Net OPEB Liability – Last 2 Years



Questions & Comments

This presentation is intended as a tool to assist the Board of Selectmen and management in understanding its financial results. The information contained in this presentation should be read in conjunction with the audited financial statements and related disclosures.