

TOWN OF DEDHAM

MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



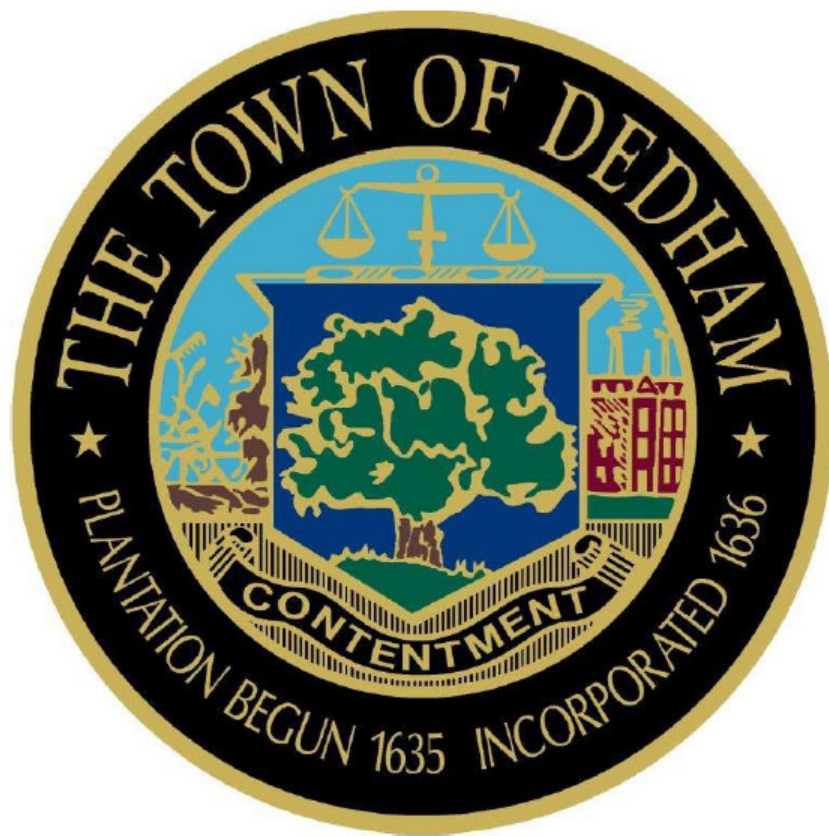
For the Year Ended June 30, 2021

On the Cover: Newly Renovated Dedham Town Hall (Historic Ames School House built in 1897)

TOWN OF DEDHAM, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2021



Prepared by:

The Finance Department of the Town of Dedham, Massachusetts

TOWN OF DEDHAM, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2021

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Introductory Section



Fish Sculpture at Mill Pond Park

Introductory Section

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Leon Goodwin
Town Manager



TOWN OF DEDHAM

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Nancy A. Baker
Assistant Town Manager

Letter of Transmittal

December 23, 2021

To the Honorable Select Board and Citizens of the Town of Dedham, Massachusetts:

I am pleased to acknowledge that the Town of Dedham has completed its ninth *Annual Comprehensive Financial Report* (ACFR). The report is for the fiscal year ended June 30, 2021, and it has been prepared by the Town's Finance Department.

The Town is responsible for the accuracy, completeness and fairness of the data presented in the ACFR. This letter of transmittal and the management's discussion and analysis, located in the financial section of the ACFR, provide a comprehensive financial overview of the Town and ensure that the financial and general operations of Town government remain transparent, and therefore open for easy viewing.

The ACFR represents a complete set of financial statements in conformity with generally accepted accounting principles in the United States of American (GAAP), that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This ACFR meets and exceeds those requirements and presents itself as an informative resource for all those interested in the financial activities of the Town.

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and rating agencies as well as the citizens and taxpayers of the Town.

Since the report consists of management's representations concerning the finances of the Town, management assumes full responsibility for the completeness and reliability of all the information presented. In addition, management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected 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. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Town of Dedham's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit is, to on an annual basis, provide reasonable assurance that the financial statements of the Town 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, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended 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 was part of a broader, federally mandated "Single Audit" designed to meet the special needs of 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 involving the administration of federal awards. These reports are available in the Town's separately issued Single Audit Reports Pursuant to Uniform Guidance.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of 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's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

Dedham is located in, and serves as the county seat of, Norfolk County, Massachusetts. The Town has a total area of 10.6 square miles of which 10.4 square miles is land and 0.2 square miles is water. It borders Boston on the northeast, Needham on the northwest, Westwood on the southwest and Canton on the southeast. It is within close proximity to Routes 128, 1, 109 and Interstates 93 and 95. The population at the 2010 census was 24,729. Dedham's close proximity to Boston also places it within a reasonable distance from Logan International Airport, the largest transportation center in New England.

Commuter rail service is available to Boston's South Station via two stops on the Franklin Line (Endicott, Dedham Corporate Center) and one on the Providence Line (Route 128 Station). This service is provided by the Massachusetts Bay Transportation Authority (MBTA).

Dedham was first settled in 1635 by inhabitants of Roxbury and Watertown. It was incorporated in 1636 and named after a village in northern Essex, England named Dedham, the birthplace of some of the founding fathers. The first public meeting was held August 15, 1636 and was attended by 18 men who signed the Town covenant. The covenant stipulated that if differences were to arise between townsmen, they would seek arbitration for resolution, and each would pay his fair share for the common good.

The Town offers a full range of traditional municipal services including police and fire protection, education, maintenance of streets, solid waste collection, health and human services, cultural and recreational services, and sewer services in conjunction with the Massachusetts Water Resources Authority (MWRA). Water is from ground sources and owned by the Dedham – Westwood Water District, which distributes water to both Towns and bills and collects user charges independent of the Town.

Dedham prides itself on the quality of its school system. On January 1, 1643, the Town authorized the first taxpayer funded school in America. This was considered "the seed of American education" and is now the national standard. The Town, in collaboration with the Massachusetts School Building Authority (MSBA), recently completed construction of its Dr. Thomas J. Curran Early Childhood Education Center (ECEC) in February 2019. This building houses students ages 3-6 in Prekindergarten and Kindergarten. Current school enrollment is approximately 2,600 students, PreK through Grade 12, across seven schools. Funding is received via taxation and from governmental revenues, based on a minimum net school spending formula. Dedham Public Schools has

long been considered a leader in Educational Technology as evidenced by its 1-to-1 student to device ratio in Grades 1 through 12 along with its network fiber ring encompassing all of its buildings recently installed district wide.

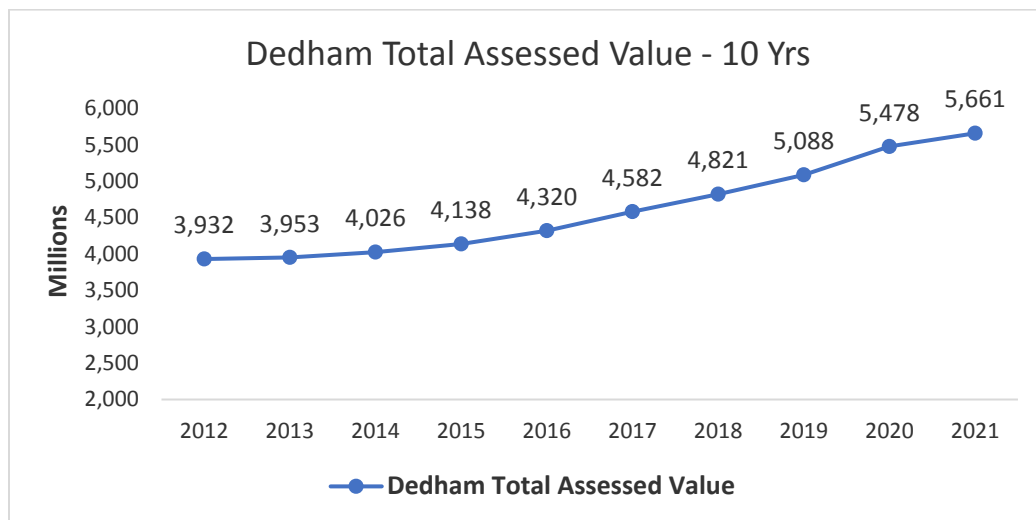
The Town operates under the Select Board, Town Manager and Representative Town Meeting form of government. The five elected Select Board make policy decisions and the Town Manager is responsible for carrying out the policies of the Select Board and for managing the day-to-day operations of the Town. An elected, seven-member School Committee appoints a School Superintendent who administers the public school system of the Town. Select Board members and School Committee members are elected to three-year terms.

An annual operating budget is approved by the Town Meeting Representatives in May. Dedham’s annual budget serves as the foundation for the Town’s financial planning and control. The budget is prepared by fund, function (e.g. general government), department (e.g. finance) and category (e.g. personnel services, purchase of services, supplies, other charges & expenses) allowing the department heads to allocate resources within the department. Transfers between categories need approval from Town Meeting unless specifically exempted by the state statute.

Information Useful in Assessing the Town’s Economic Condition

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 operates. Dedham’s proximity to Boston’s business districts, presence of MBTA’s commuter rail and bus service make Dedham a popular suburb for professionals commuting to the City. Dedham is primarily a residential community with continued commercial development, primarily along Providence Highway and State Route 1A. The socioeconomic diversification of the property owner of Dedham has led to a very strong local economy. Growth of average property values and income levels over the past decade are a key indicator of this trend. Other relevant socioeconomic data is located in the statistical section of this report.

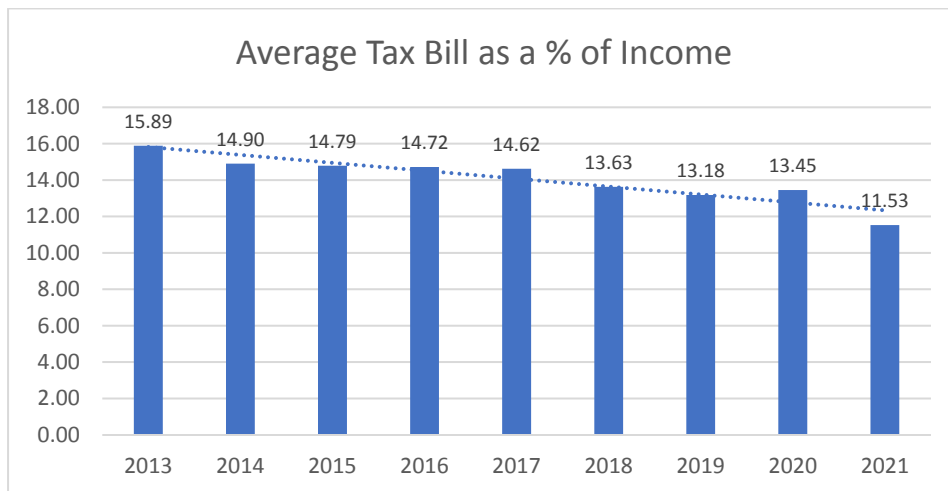
Dedham Square remains a vibrant hub for small businesses while elsewhere the Town has become a regional retail destination with development ranging from big box retail, traditional malls to the latest iteration in retail development, the “lifestyle” center. Commercial activity remains diversified with Dedham’s top 100 employers spread across 16 different industry segments. The past decade has been one of aggressive economic growth in Town.



*Source: Massachusetts Department of revenue; Division of Local Services

The Town has continued its economic growth with a market value change of 3.3% over the previous year to \$5.66 billion of assessed value.

The review of average taxpayer income to the assessed value is an important comparison to the economic condition of the community. Growth of the average taxpayer income when compared to the strong growth in assessed values shows a strong economic underpinning for the Town of Dedham.



*Source: Massachusetts Department of revenue; Division of Local Services

Financial Condition

Town leaders recognize the importance of maintaining a stable tax situation for its residents. Development on the commercial side helps accomplish this goal and the Town continues to seek out the means to maintain vigilance in this area. Notably, through careful management since fiscal year 2014, the Town has not needed to tax to its maximum tax levy permitted by state law.

The Town’s municipal revenue growth factor (MRGF), which represents the combined percentage increase in reoccurring key, stable, and typical revenue components, had a modest increase from 3.70% to 3.76% from 2020, and 2021, respectively. Over the last decade, Dedham has been able to appropriate approximately \$37 million in Free Cash for capital and other onetime or short-lived uses, most notably to substantially reduce its unfunded pension liability. Conservative spending, new and increasing local receipts and, improving property tax collections during the last several accounting cycles, has contributed to the growth in the Town’s strong financial condition.

Once again, S&P Global Ratings (S&P) assigned in June 2021, its highest ‘AAA/Stable’ credit rating to the Town’s latest general obligation bonds and affirmed the same on all the Town’s existing debt, even in context of pandemic situation stating, “Supporting the long-term rating are Dedham’s very strong socioeconomic profile, and very strong budgetary reserves and flexibility.” S&P further stated, “Dedham’s GO bonds are eligible to be rated above the sovereign because we believe the Town can maintain better credit characteristics than the nation in a stress scenario.”

Capital Improvements

The Town currently maintains two special purpose stabilization funds for capital. The Mitigation Stabilization fund was created by Town Meeting to set aside mitigation payments for later use for certain small to mid-sized projects. The Robin Reyes Major Capital Facilities Stabilization fund was created by Town Meeting to set aside local option meals and rooms excise tax for later use to pay the annual debt service for large building projects. In

August 2017, the State legislature and Governor approved a special act that allows Dedham to post its local option tax receipts directly into the stabilization fund. Appropriations from the special fund for debt service payments will still require a 2/3rds vote at Town Meeting.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the Town of Dedham for its annual comprehensive financial report (ACFR) for the year ended June 30, 2020. This was the seventh year the Town had applied to receive this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR will meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for this certificate.

The publication of this ACFR represents an important achievement in the ability of the Town to provide enhanced financial information and accountability to its citizens, elected and appointed officials, and investors. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Office. Special thanks also go to the certified public accounting firm of Powers & Sullivan, LLC for their advice and assistance in the preparation of this report.

Respectfully submitted,

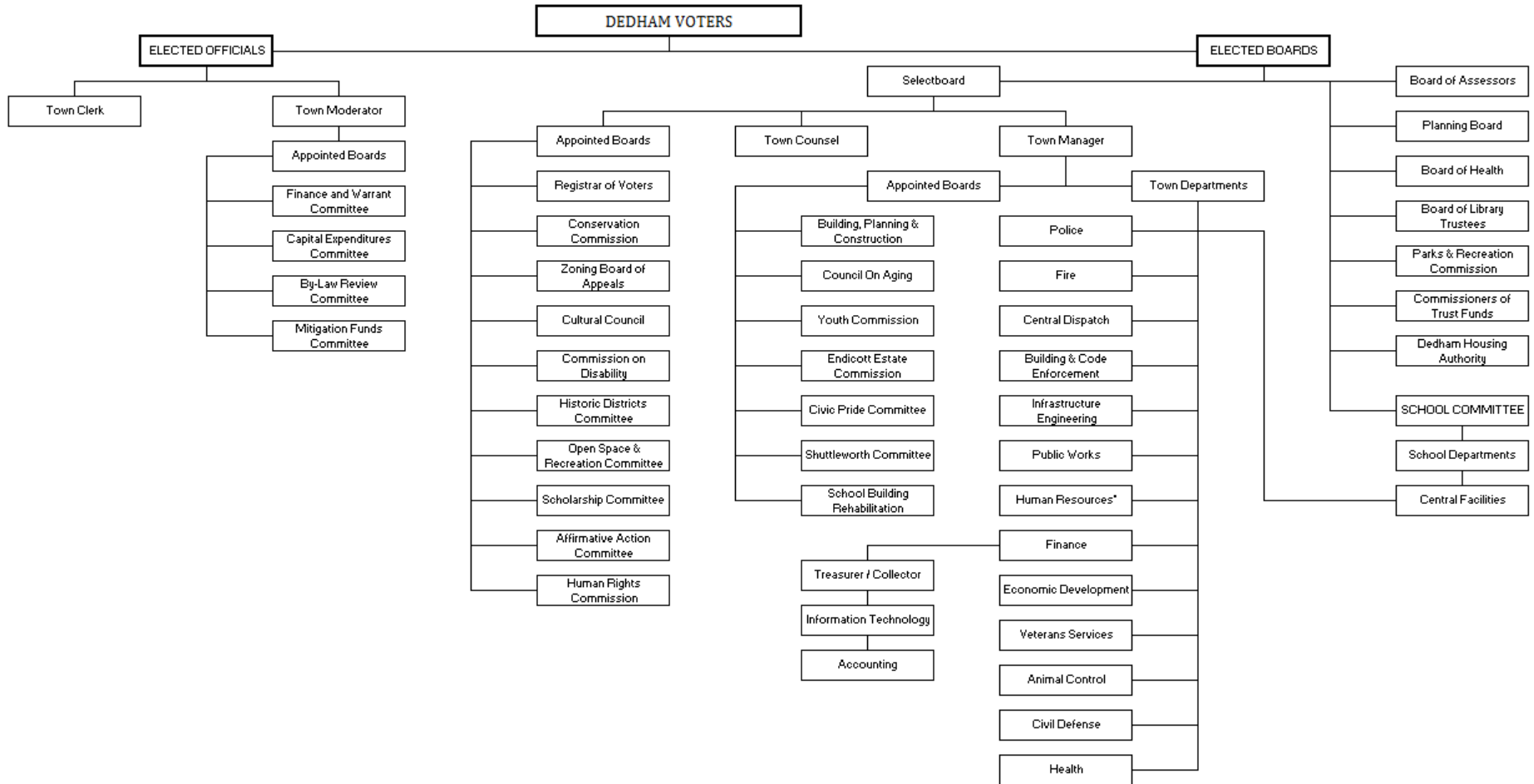
Leon Goodwin

Leon Goodwin
Town Manager

John R. Arnett

John Arnett
Director of Finance

TOWN ORGANIZATIONAL CHART



Principal Town Officials As of June 30, 2021

| <u>Elected Officials</u> | | <u>Term Expires</u> |
|--------------------------|---------------------------------|---------------------|
| Select Board | Dimitria Sullivan, Chair | 2022 |
| | Sarah MacDonald, Vice Chair | 2022 |
| | Kevin R. Coughlin | 2023 |
| | James A. MacDonald | 2024 |
| | Dr. Dennis J. Teehan, Jr. | 2023 |
| Moderator | Daniel Driscoll | 2024 |
| Town Clerk | Paul M. Munchbach | 2023 |
| School Committee | Tracey White, Chair | 2022 |
| | Dr. Melissa Pearrow, Vice Chair | 2023 |
| | Mayanne Briggs | 2022 |
| | Joshua Donati | 2023 |
| | Victor Hebert | 2024 |
| | Cailin McCormick | 2024 |
| | Christopher Polito | 2024 |

Appointed Officials

| | | |
|-----------------------------|-------------------------------|------|
| Finance & Warrant Committee | Dave Roberts, Chair | 2023 |
| | Michelle Persson Reilly, Vice | 2024 |
| | Kevin Preston | 2022 |
| | John Heffernan | 2023 |
| | Michael G. Leahy | 2022 |
| | Liz O'Donnell | 2024 |
| | Fred Civian | 2024 |
| | Sarah Smegal | 2024 |
| | Mike Emery | 2024 |

Other Officials

| | |
|---------------------------|--------------------|
| Town Manager | Leon I Goodwin III |
| Director of Finance | John Arnett |
| Superintendent of Schools | Michael Welch |



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Dedham
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Financial Section



Topping off the new Public Safety facility

Financial Section

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Independent Auditor's Report

To the Honorable Select Board
and the Audit Committee
Town of Dedham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dedham, Massachusetts (Town), as of and for the year ended June 30, 2021 (except for the Dedham Contributory Retirement System which is as of and for the year ended December 31, 2020), and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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.

Auditor's 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 auditor's 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 Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dedham, Massachusetts, as of June 30, 2021 (except for the Dedham Contributory Retirement System which is as of December 31, 2020), 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 the management's discussion and analysis and required supplementary information, as listed in the table of contents, 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 sufficient evidence 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 of Dedham's basic financial statements. The introductory section, combining statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021, on our consideration of the Town of Dedham, Massachusetts' 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 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 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 of Dedham's internal control over financial reporting and compliance.

Powers & Sullivan LLC

December 23, 2021

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Dedham, Massachusetts (the Town), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2021.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector businesses.

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred 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 of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future 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, and interest. The business-type activities include the activities of the sewer fund.

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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town 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 statements focus on near-term inflows and outflows of expendable

resources, as well as on balances of expendable resources available at the end of the 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 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.

The Town maintains two major governmental funds that are presented separately in the governmental fund financial statements. The remaining nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains one type of proprietary fund.

Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer operations.

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 statement 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.

The fiduciary fund financial statements provide combined information for the pension and net other postemployment benefits (OPEB) trust fund of the Town. The pension and other postemployment benefits trust is used to account for assets accumulated to provide funding for future pension and OPEB liabilities. The private purpose trust fund is used to account for resources held in trust which principal and investment income exclusively benefit individuals, private organizations, or other governments.

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.

Financial Overview

- The government-wide assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the recent year by \$65.8 million and \$28 million (net position) for governmental activities and business-type activities, respectively.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$25 million, a decrease of \$517,000 over the prior year. Total fund balance represents 19.8% of total general fund expenditures, which management considers adequate. Approximately \$22.4 million of this total amount is unassigned and available for appropriation at the Town's discretion.

- The Town's governmental debt increased by \$19.4 million during the current year resulting from \$7.4 million of principal payments and new borrowings of \$25.2 million. Current year debt issuances include the new public safety building and various capital improvements and infrastructure projects.
- The Town's business-type debt increased by \$15,000 during the current year due to principal payments of \$295,000 and new borrowings of \$320,000. Current year debt issuances were for infrastructure improvements.
- In 2021, the Town incurred \$3.6 million of expenses related to the COVID-19 Pandemic, which will be funded by grants received from Federal and State agencies (See Note 16).

Government-wide Financial Analysis

Government-wide net position of \$120.2 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets 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 the Town's net position, \$4.6 million (4.9%), represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position has a year-end deficit of \$31 million. The primary reason for this deficit balance is the recognition of the net other postemployment benefits liability and net pension liability totaling \$51.5 million and \$16.2 million, respectively.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act provided a number of funding sources for various community purposes, including school reopening. The Town was awarded a portion of this federal funding to help prevent, prepare for, and respond to the impacts of the COVID-19 pandemic.

The American Rescue Plan Act (ARPA) of 2021, Public Law 117-2, was enacted on March 11, 2021. ARPA provides additional funding for communities to respond to the COVID-19 pandemic. The Town will be able to use ARPA funds in future years for: public health and negative economic impacts, premium pay, revenue loss, and investments in sewer or broadband infrastructure.

Details related to the Town's governmental and business-type activities follow.

Governmental activities. The governmental activities net position increased by \$432,000 during the current year to \$65.8 million, as compared to a decrease of \$3.3 million during the prior year.

| | 2021 | 2020 (as revised) |
|-----------------------------------------------------|----------------------|----------------------|
| Assets: | | |
| Current assets..... | \$ 85,207,748 | \$ 67,057,521 |
| Capital assets, non depreciable..... | 35,845,754 | 23,954,575 |
| Capital assets, net of accumulated depreciation.... | 147,981,087 | 150,308,035 |
| Total assets..... | 269,034,589 | 241,320,131 |
| Deferred outflow of resources..... | 10,818,267 | 21,606,055 |
| Liabilities: | | |
| Current liabilities (excluding debt)..... | 14,429,989 | 8,890,606 |
| Noncurrent liabilities (excluding debt)..... | 69,251,813 | 81,756,898 |
| Current debt..... | 9,526,047 | 8,751,209 |
| Noncurrent debt..... | 105,193,084 | 86,608,484 |
| Total liabilities..... | 198,400,933 | 186,007,197 |
| Deferred inflow of resources..... | 15,604,738 | 11,503,638 |
| Net position: | | |
| Net investment in capital assets..... | 99,112,250 | 96,813,501 |
| Restricted..... | 4,641,265 | 4,266,053 |
| Unrestricted..... | (37,906,330) | (35,664,203) |
| Total net position..... | \$ 65,847,185 | \$ 65,415,351 |

Beginning net position of the governmental activities has been revised for implementation of GASB Statement No. 84 *Fiduciary Activities*. Accordingly, previously reported net position of \$65 million has been revised and totals \$65.4 million (see Note 15).

Total revenues increased when compared to prior year by approximately \$8.4 million. The increase primarily related to real estate and personal property taxes, and operating grants and contributions. The increase in real estate and personal property taxes is consistent with the budgeted increase. The increase in operating grants is related to the Massachusetts Teachers Retirement System’s (MTRS) which increased the on-behalf revenue and corresponding education expense by \$2.7 million and an increase in Federal grants received related to the COVID-19 pandemic through CARES and ARPA.

Overall, governmental activities expenses increased \$5.2 million from the prior year. This is the net result of budgetary increases, an increase in MTRS expense of \$2.7 million and a net increase in the net pension liability and related deferrals of \$4.6 million, offset by \$2.1 million decrease in the net OPEB liability and related deferrals.

| | 2021 | 2020 |
|-----------------------------------------------------------------------------|----------------------|----------------------|
| Program Revenues: | | |
| Charges for services..... | \$ 7,036,943 | \$ 6,749,035 |
| Operating grants and contributions..... | 28,995,153 | 22,925,186 |
| Capital grants and contributions..... | 739,209 | 1,166,380 |
| General Revenues: | | |
| Real estate and personal property taxes, net of tax refunds payable..... | 91,882,084 | 89,045,964 |
| Tax and other liens..... | 411,292 | 93,538 |
| Motor vehicle and other excise taxes..... | 3,893,949 | 3,987,269 |
| Hotel/motel tax..... | 415,880 | 1,085,872 |
| Meals tax..... | 777,976 | 907,415 |
| Penalties and interest on taxes..... | 329,561 | 440,462 |
| Payments in lieu of taxes..... | 101,675 | 68,908 |
| Grants and contributions not restricted to specific programs..... | 3,763,568 | 3,661,144 |
| Unrestricted investment income..... | 1,627,138 | 1,549,617 |
| Miscellaneous..... | 135,195 | 20,711 |
| Total revenues..... | 140,109,623 | 131,701,501 |
| Expenses: | | |
| General government..... | 12,283,764 | 11,462,498 |
| Public safety..... | 21,781,379 | 20,940,308 |
| Education..... | 83,349,267 | 80,176,268 |
| Public works..... | 13,978,588 | 12,764,012 |
| Health and human services..... | 1,993,326 | 2,061,818 |
| Culture and recreation..... | 3,455,668 | 4,094,029 |
| Interest..... | 2,838,232 | 2,956,656 |
| Total expenses..... | 139,680,224 | 134,455,589 |
| Excess (Deficiency) before transfers | 429,399 | (2,754,088) |
| Transfers..... | 2,435 | (588,182) |
| Change in net position..... | 431,834 | (3,342,270) |
| Net position, beginning of year, as revised..... | 65,415,351 | 68,757,621 |
| Net position, end of year..... | \$ 65,847,185 | \$ 65,415,351 |

Other financial notes related to governmental activities:

- Charges for services represented 5.0% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in this category. These charges increased \$288,000 from prior year.
- Operating grants and contributions accounted for 20.7% of the governmental activities' resources. Most of these resources apply to educational operations. These resources offset costs within the school

department and supplement the portion of the general fund operating budget that is dedicated to the education function. The \$6.1 million increase over the prior year relates to an increase in the MTRS on behalf revenue as noted above, and additional grants received to assist in the impact of the COVID-19 pandemic. These one-time grants were used for reopening of the schools, providing free meals for all students and various other Town purposes.

- Real estate and personal property taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 65.6% of current resources. These taxes increased \$2.8 million from the prior year which is consistent with the budgetary increase for Town services.
- Other taxes and other revenues comprised a total of 8.7% of the governmental activities' resources. This category primarily includes capital grants, motor vehicle and other excise taxes, hotel/motel tax, meals tax, non-restricted grants and contributions, and investment earnings. The Town saw a \$800,000 decrease in hotel/motel and meals tax as the community continued to be impacted by the COVID-19 pandemic.
- Education is by far the largest governmental activity of the Town, with \$83.4 million of current year expenses. Approximately \$55.5 million in taxes and other revenue (general revenues) were needed to cover its 2021 operating expenses, net of related program revenues. A pension contribution of approximately \$14.1 million was made by the State on-behalf of Dedham teachers. Operating grants and educational expenses are grossed-up by recording this contribution.
- Public safety \$21.8 million, and public works \$14 million, are the second and third largest activities of the Town. Approximately \$17.9 million and \$11.7 million, respectively, of general revenues were needed to cover their 2021 operating expenses, net of related program revenues. Public safety expenses were consistent with the prior year, while public works saw an increase of \$1.2 million related to snow removal and COVID-19 pandemic related costs.

Business-type activities. The business-type activities assets exceeded liabilities by \$28 million at the close of 2021. The net investment in capital assets was \$21.1 million (75.2%) and unrestricted net position was \$7 million (24.8%).

| | 2021 | 2020 |
|-----------------------------------------------------|----------------------|----------------------|
| Assets: | | |
| Current assets..... | \$ 6,957,779 | \$ 9,446,294 |
| Capital assets, net of accumulated depreciation.... | 25,471,922 | 22,920,350 |
| Total assets..... | 32,429,701 | 32,366,644 |
| Liabilities: | | |
| Current liabilities (excluding debt)..... | 3,548 | 674,089 |
| Current debt..... | 343,130 | 304,671 |
| Noncurrent debt..... | 4,055,475 | 4,078,605 |
| Total liabilities..... | 4,402,153 | 5,057,365 |
| Net position: | | |
| Net investment in capital assets..... | 21,073,317 | 20,479,377 |
| Unrestricted..... | 6,954,231 | 6,829,902 |
| Total net position..... | \$ 28,027,548 | \$ 27,309,279 |

Business-type activities net position increased by \$718,000 compared to an increase of \$430,000 in the previous year. The sewer fund reported an operating deficit of \$61,000 (prior to capital grants). The fund is used to account for the capital operations of running the Town's sewer infrastructure. The non-capital expenditures in the fund were primarily the Town's assessment to Massachusetts Water Resources Authorities' (MWRA) of \$5.9 million.

During fiscal year 2021, the Sewer fund issued \$290,000 of direct borrowings through MWRA and \$30,000 of general obligation bonds, for inflow and infiltration improvements. Similar to fiscal year 2020, the sewer fund received a \$870,000 capital grant as part of the distribution from MWRA.

| | 2021 | 2020 |
|---------------------------------------------------|----------------------|----------------------|
| Program Revenues: | | |
| Charges for services..... | \$ 7,454,409 | \$ 6,687,177 |
| Operating grants and contributions..... | - | 1,375 |
| Capital grants and contributions..... | 870,000 | 870,000 |
| General Revenues: | | |
| Unrestricted investment income..... | - | 21,348 |
| Total revenues..... | 8,324,409 | 7,579,900 |
| Expenses: | | |
| Sewer..... | 7,603,705 | 7,737,912 |
| Excess (Deficiency) before transfers | 720,704 | (158,012) |
| Transfers..... | (2,435) | 588,182 |
| Change in net position..... | 718,269 | 430,170 |
| Net position, beginning of year..... | 27,309,279 | 26,879,109 |
| Net position, end of year..... | \$ 28,027,548 | \$ 27,309,279 |

Pension and Other Postemployment Benefits (OPEB). The general fund assumes responsibility for funding pension and OPEB costs Town-wide, and no amounts are allocated to the enterprise fund.

Financial Analysis of the Governmental Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$64.2 million which translates into a \$12.2 million increase over the prior year. The cause of the increase is mainly related to the timing difference between the issuance of bonds within the Building and Improvements fund, and the related capital expenditures. Additional activities contributing to the increase are outlined on the following page.

The general fund is the chief operating fund of the Town. At the end of the current year, the unassigned fund balance of the general fund was \$22.4 million, while the total fund balance was \$25 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represented 17.8% of total general fund expenditures, while the total fund balance represented 19.8% of that same amount.

The general fund's decrease of \$517,000 was primarily due to the budgeted use of free cash of \$3.3 million, \$1.8 million of which was used to reduce the tax rate, while the remainder was appropriated for various capital articles. The decrease was partially offset by revenues exceeding budget by \$1.4 million and expenditures lower than budget by \$3.9 million. Departmental and other revenues exceeded budget by \$548,000, as the budget was set conservatively due to the ongoing COVID-19 pandemic. Further, the Town's stabilization funds, reported within the general fund, decreased by \$1.6 million during the year due to the budgeted use of \$4.5 million for debt service and to reduce the tax rate, exceeding current year additions to reserves and investment income.

The building and improvements fund accounts for the building acquisition and construction activities that are funded through the issuance of long-term debt, free cash and State reimbursements. Fund balance totaled \$27.8 million at year end and \$12.2 million in capital expenditures were reported. These expenditures were funded through proceeds from the issuance of \$23.3 million of issuance of bonds, \$1.6 million of premium from the issuance of the bonds, used to reduce borrowing costs for projects, and \$241,000 of transfers from the general fund. Of the total issuance the new public safety facility accounted for \$23.4 million, and the Town spent \$10.5 million on the project during the current year.

Nonmajor governmental funds stayed consistent with the prior year with a minor decrease of \$157,000. This represents the activity of nonmajor capital projects, grants and permanent trust funds. The decrease represents a timing difference between the receipt of grants and issuance of debt, and the related expenditures.

General Fund Budgetary Highlights

The original budget consisted of \$117.3 million of appropriations and other amounts to be raised, which included \$1.1 million of amounts carried over from previous years. The final budget increased from the original budget by approximately \$1.6 million. The Town voted an additional \$266,000 from raise and appropriate for collective bargaining agreements and \$1.1 million supplemental appropriation of free cash which included, \$400,000 for the general fund snow and ice budget, and transfers out for capital purposes.

Revenues of the general fund came in higher than anticipated by \$1.4 million, mainly relating to departmental and other of \$548,000 and real estate and personal property taxes of \$438,000. Total expenditures and carryovers were less than budget by approximately \$3.9 million. Major contributors were general government, employee benefits and public safety.

Capital Assets and Debt Management

The Town's valuation of governmental activities capital assets as of June 30, 2021, amounts to \$183.8 million, net of accumulated depreciation. This amount represents purchases made over time in the following categories: land, infrastructure, improvements other than buildings, buildings and improvements, and vehicles, machinery and equipment. The Town's net capital additions of \$16.6 million relate to the following major additions: \$10.5 million for the new public safety building, \$1 million for the Ames building renovations, and \$2.3 million for roads and sidewalks infrastructure improvements.

The Town's valuation of business-type activities capital assets as of June 30, 2021, amounts to \$25.5 million, net of accumulated depreciation. Additions totaled \$3.5 million for sewer infrastructure.

The Town's governmental funds had total bonded debt outstanding of \$109.2 million at the end of the current year. As compared to the prior year, this is a net increase of \$17.8 million resulting from principal payments of \$7.4 million offset by \$25.2 million long term bond issuances during 2021.

The sewer enterprise fund had bonded debt outstanding of \$4.3 million, that is supported by a general fund subsidy. The fund issued \$320,000 million in debt during 2021 and made principal payments of \$295,000.

During fiscal year 2021 S&P Global Ratings assigned 'AAA' crediting rating to the Town's latest general obligation bonds and affirmed its 'AAA' long-term rating, with stable outlook, on the Town's existing debt.

Please refer to notes 4, 6, and 7 to the financial statements for further discussion of the major capital and debt activity.

Pension Trust Fund

The Pension Trust Fund (the System) recognized net investment gain and receipts of \$25.9 million for the calendar year ended December 31, 2020. The System paid out \$11 million of retirement benefits, administration costs and transfers to other systems. Total net position of the System amounted to \$171.7 million at December 31, 2020.

Based on the most recent actuarial valuation performed as of January 1, 2020, the System's Funded Ratio was 91.08%, up from 85.89%. The funded ratio increased as a result of strong investment income for the year. Refer to Note 10 in the financial statements for further discussion.

Other Postemployment Benefits

In accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, the government-wide activities have accumulated a liability for the net other postemployment benefits totaling \$51.5 million as of June 30, 2021. The total assets set aside in a trust for future benefits amounted to approximately \$28.9 million at June 30, 2021.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, 450 Washington Street, Dedham, Massachusetts 02026.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2021

| | <i>Primary Government</i> | | |
|-----------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| CURRENT: | | | |
| Cash and cash equivalents..... | \$ 50,753,094 | \$ 5,034,803 | \$ 55,787,897 |
| Investments..... | 26,489,716 | - | 26,489,716 |
| Receivables, net of allowance for uncollectibles: | | | |
| Real estate and personal property taxes..... | 1,479,902 | - | 1,479,902 |
| Tax liens..... | 3,645,191 | - | 3,645,191 |
| Motor vehicle and other excise taxes..... | 578,002 | - | 578,002 |
| User charges..... | - | 1,922,976 | 1,922,976 |
| Departmental and other..... | 383,438 | - | 383,438 |
| Intergovernmental..... | 1,878,405 | - | 1,878,405 |
| Total current assets..... | <u>85,207,748</u> | <u>6,957,779</u> | <u>92,165,527</u> |
| NONCURRENT: | | | |
| Capital assets, nondepreciable..... | 35,845,754 | - | 35,845,754 |
| Capital assets, net of accumulated depreciation..... | 147,981,087 | 25,471,922 | 173,453,009 |
| Total noncurrent assets..... | <u>183,826,841</u> | <u>25,471,922</u> | <u>209,298,763</u> |
| TOTAL ASSETS..... | <u>269,034,589</u> | <u>32,429,701</u> | <u>301,464,290</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pensions..... | 9,533,506 | - | 9,533,506 |
| Deferred outflows related to other postemployment benefits..... | 1,284,761 | - | 1,284,761 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES..... | <u>10,818,267</u> | <u>-</u> | <u>10,818,267</u> |
| LIABILITIES | | | |
| CURRENT: | | | |
| Warrants payable..... | 5,631,131 | 3,548 | 5,634,679 |
| Accrued payroll..... | 5,758,615 | - | 5,758,615 |
| Tax refunds payable..... | 700,000 | - | 700,000 |
| Accrued interest..... | 478,095 | - | 478,095 |
| Other liabilities..... | 1,335,448 | - | 1,335,448 |
| Compensated absences..... | 526,700 | - | 526,700 |
| Notes payable..... | 1,000,000 | - | 1,000,000 |
| Bonds payable..... | 8,526,047 | 343,130 | 8,869,177 |
| Total current liabilities..... | <u>23,956,036</u> | <u>346,678</u> | <u>24,302,714</u> |
| NONCURRENT: | | | |
| Compensated absences..... | 1,580,300 | - | 1,580,300 |
| Net pension liability..... | 16,170,118 | - | 16,170,118 |
| Net other postemployment benefits liability..... | 51,501,395 | - | 51,501,395 |
| Bonds payable..... | 105,193,084 | 4,055,475 | 109,248,559 |
| Total noncurrent liabilities..... | <u>174,444,897</u> | <u>4,055,475</u> | <u>178,500,372</u> |
| TOTAL LIABILITIES..... | <u>198,400,933</u> | <u>4,402,153</u> | <u>202,803,086</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Taxes paid in advance..... | 104,113 | - | 104,113 |
| Deferred inflows related to pensions..... | 9,604,438 | - | 9,604,438 |
| Deferred inflows related to other postemployment benefits..... | 5,896,187 | - | 5,896,187 |
| TOTAL DEFERRED INFLOWS OF RESOURCES..... | <u>15,604,738</u> | <u>-</u> | <u>15,604,738</u> |
| NET POSITION | | | |
| Net investment in capital assets..... | 99,112,250 | 21,073,317 | 120,185,567 |
| Restricted for: | | | |
| Permanent funds: | | | |
| Expendable..... | 1,625,986 | - | 1,625,986 |
| Nonexpendable..... | 794,115 | - | 794,115 |
| Gifts and grants..... | 2,221,164 | - | 2,221,164 |
| Unrestricted..... | (37,906,330) | 6,954,231 | (30,952,099) |
| TOTAL NET POSITION..... | <u>\$ 65,847,185</u> | <u>\$ 28,027,548</u> | <u>\$ 93,874,733</u> |

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue |
|-------------------------------------------|-----------------------|-------------------------|------------------------------------------|----------------------------------------|--------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary Government: | | | | | |
| <i>Governmental Activities:</i> | | | | | |
| General government..... | \$ 12,283,764 | \$ 1,717,611 | \$ 320,047 | \$ - | \$ (10,246,106) |
| Public safety..... | 21,781,379 | 3,470,094 | 338,017 | 37,335 | (17,935,933) |
| Education..... | 83,349,267 | 1,170,778 | 26,705,588 | 8,181 | (55,464,720) |
| Public works..... | 13,978,588 | 214,705 | 1,380,297 | 693,693 | (11,689,893) |
| Health and human services..... | 1,993,326 | 119,757 | 219,080 | - | (1,654,489) |
| Culture and recreation..... | 3,455,668 | 343,998 | 32,124 | - | (3,079,546) |
| Interest..... | 2,838,232 | - | - | - | (2,838,232) |
| Total Governmental Activities..... | 139,680,224 | 7,036,943 | 28,995,153 | 739,209 | (102,908,919) |
| <i>Business-Type Activities:</i> | | | | | |
| Sewer..... | 7,603,705 | 7,454,409 | - | 870,000 | 720,704 |
| Total Primary Government..... | \$ 147,283,929 | \$ 14,491,352 | \$ 28,995,153 | \$ 1,609,209 | \$ (102,188,215) |

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

| | Primary Government | | |
|-----------------------------------------------------------------------------|----------------------------|-----------------------------|-------------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Changes in net position: | | | |
| Net (expense) revenue from previous page..... | \$ (102,908,919) | \$ 720,704 | \$ (102,188,215) |
| <i>General revenues:</i> | | | |
| Real estate and personal property taxes, net of tax refunds payable..... | 91,882,084 | - | 91,882,084 |
| Tax and other liens..... | 411,292 | - | 411,292 |
| Motor vehicle and other excise taxes..... | 3,893,949 | - | 3,893,949 |
| Hotel/motel tax..... | 415,880 | - | 415,880 |
| Meals tax..... | 777,976 | - | 777,976 |
| Penalties and interest on taxes..... | 329,561 | - | 329,561 |
| Payments in lieu of taxes..... | 101,675 | - | 101,675 |
| Grants and contributions not restricted to specific programs..... | 3,763,568 | - | 3,763,568 |
| Unrestricted investment income..... | 1,627,138 | - | 1,627,138 |
| Miscellaneous..... | 135,195 | - | 135,195 |
| <i>Transfers, net</i> | 2,435 | (2,435) | - |
| Total general revenues and transfers..... | 103,340,753 | (2,435) | 103,338,318 |
| Change in net position..... | 431,834 | 718,269 | 1,150,103 |
| <i>Net position:</i> | | | |
| Beginning of year, as revised..... | 65,415,351 | 27,309,279 | 92,724,630 |
| End of year..... | \$ <u>65,847,185</u> | \$ <u>28,027,548</u> | \$ <u>93,874,733</u> |

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2021

| | General | Building and Improvements | Nonmajor Governmental Funds | Total Governmental Funds |
|-------------------------------------------------------------------------------------|----------------------|------------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents..... | \$ 8,842,378 | \$ 32,218,454 | \$ 9,692,262 | \$ 50,753,094 |
| Investments..... | 24,117,277 | - | 2,372,439 | 26,489,716 |
| Receivables, net of uncollectibles: | | | | |
| Real estate and personal property taxes..... | 1,479,902 | - | - | 1,479,902 |
| Tax liens..... | 3,645,191 | - | - | 3,645,191 |
| Motor vehicle and other excise taxes..... | 578,002 | - | - | 578,002 |
| Departmental and other..... | 67,084 | - | 316,354 | 383,438 |
| Intergovernmental..... | - | - | 1,878,405 | 1,878,405 |
| Due from other funds..... | 1,137,007 | - | - | 1,137,007 |
| TOTAL ASSETS..... | \$ 39,866,841 | \$ 32,218,454 | \$ 14,259,460 | \$ 86,344,755 |
| LIABILITIES | | | | |
| Warrants payable..... | \$ 1,713,144 | \$ 3,383,840 | \$ 534,147 | \$ 5,631,131 |
| Accrued payroll..... | 5,758,615 | - | - | 5,758,615 |
| Tax refunds payable..... | 700,000 | - | - | 700,000 |
| Due to other funds..... | - | - | 1,137,007 | 1,137,007 |
| Other liabilities..... | 1,034,361 | - | 301,087 | 1,335,448 |
| Notes payable..... | - | 1,000,000 | - | 1,000,000 |
| TOTAL LIABILITIES..... | 9,206,120 | 4,383,840 | 1,972,241 | 15,562,201 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Taxes paid in advance..... | 104,113 | - | - | 104,113 |
| Unavailable revenue..... | 5,554,592 | - | 894,390 | 6,448,982 |
| TOTAL DEFERRED INFLOWS OF RESOURCES..... | 5,658,705 | - | 894,390 | 6,553,095 |
| FUND BALANCES | | | | |
| Nonspendable..... | - | - | 794,115 | 794,115 |
| Restricted..... | - | 27,834,614 | 10,598,714 | 38,433,328 |
| Committed..... | 730,737 | - | - | 730,737 |
| Assigned..... | 1,861,724 | - | - | 1,861,724 |
| Unassigned..... | 22,409,555 | - | - | 22,409,555 |
| TOTAL FUND BALANCES..... | 25,002,016 | 27,834,614 | 11,392,829 | 64,229,459 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES..... | \$ 39,866,841 | \$ 32,218,454 | \$ 14,259,460 | \$ 86,344,755 |

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2021

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------|
| Total governmental fund balances..... | | \$ 64,229,459 |
| Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds..... | | 183,826,841 |
| Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds..... | | 6,448,982 |
| The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred..... | | (4,682,358) |
| In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due..... | | (478,095) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds: | | |
| Bonds payable..... | (113,719,131) | |
| Net pension liability..... | (16,170,118) | |
| Net other postemployment benefits liability..... | (51,501,395) | |
| Compensated absences..... | <u>(2,107,000)</u> | |
| Net effect of reporting long-term liabilities..... | | <u>(183,497,644)</u> |
| Net position of governmental activities..... | | <u>\$ 65,847,185</u> |

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

| | General | Building and Improvements | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------------------------------------------------------|----------------------|------------------------------|-----------------------------------|--------------------------------|
| REVENUES: | | | | |
| Real estate and personal property taxes, net of tax refunds..... | \$ 91,868,778 | \$ - | \$ - | \$ 91,868,778 |
| Tax liens..... | 240,319 | - | - | 240,319 |
| Motor vehicle and other excise taxes..... | 3,787,279 | - | - | 3,787,279 |
| Hotel/motel tax..... | 415,880 | - | - | 415,880 |
| Meals tax..... | 777,976 | - | - | 777,976 |
| Penalties and interest on taxes..... | 329,561 | - | - | 329,561 |
| Payments in lieu of taxes..... | 101,675 | - | - | 101,675 |
| Licenses and permits..... | 1,361,217 | - | - | 1,361,217 |
| Fines and forfeitures..... | 43,584 | - | - | 43,584 |
| Intergovernmental - state aid..... | 9,888,196 | - | - | 9,888,196 |
| Intergovernmental - Teachers Retirement..... | 14,103,024 | - | - | 14,103,024 |
| Intergovernmental - other..... | 291,090 | - | 9,616,094 | 9,907,184 |
| Departmental and other..... | 1,602,630 | - | 2,946,100 | 4,548,730 |
| Contributions and donations..... | - | - | 761,573 | 761,573 |
| Investment income..... | 1,367,637 | - | 259,501 | 1,627,138 |
| TOTAL REVENUES..... | 126,178,846 | - | 13,583,268 | 139,762,114 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government..... | 7,622,775 | 430,161 | 2,292,305 | 10,345,241 |
| Public safety..... | 14,214,756 | 10,537,509 | 2,672,943 | 27,425,208 |
| Education..... | 48,384,045 | 455,654 | 6,923,771 | 55,763,470 |
| Public works..... | 7,713,392 | - | 4,136,202 | 11,849,594 |
| Health and human services..... | 1,174,507 | - | 280,367 | 1,454,874 |
| Culture and recreation..... | 2,211,492 | 783,625 | 59,287 | 3,054,404 |
| Pension benefits..... | 4,083,261 | - | - | 4,083,261 |
| Pension benefits - Teachers Retirement..... | 14,103,024 | - | - | 14,103,024 |
| Employee benefits..... | 12,601,751 | - | - | 12,601,751 |
| State and county charges..... | 3,401,931 | - | - | 3,401,931 |
| Debt service: | | | | |
| Principal..... | 7,445,000 | - | - | 7,445,000 |
| Interest..... | 3,112,148 | - | - | 3,112,148 |
| TOTAL EXPENDITURES..... | 126,068,082 | 12,206,949 | 16,364,875 | 154,639,906 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES..... | 110,764 | (12,206,949) | (2,781,607) | (14,877,792) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Issuance of bonds..... | - | 23,280,000 | 1,935,000 | 25,215,000 |
| Premium from issuance of bonds..... | - | 1,610,479 | 285,167 | 1,895,646 |
| Transfers in..... | 1,495 | 241,000 | 555,855 | 798,350 |
| Transfers out..... | (629,210) | (15,556) | (151,149) | (795,915) |
| TOTAL OTHER FINANCING SOURCES (USES)..... | (627,715) | 25,115,923 | 2,624,873 | 27,113,081 |
| NET CHANGE IN FUND BALANCES..... | (516,951) | 12,908,974 | (156,734) | 12,235,289 |
| FUND BALANCES AT BEGINNING OF YEAR, AS REVISED..... | 25,518,967 | 14,925,640 | 11,549,563 | 51,994,170 |
| FUND BALANCES AT END OF YEAR..... | \$ 25,002,016 | \$ 27,834,614 | \$ 11,392,829 | \$ 64,229,459 |

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2021

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Net change in fund balances - total governmental funds..... | \$ | 12,235,289 |
| <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..... | 16,561,120 | |
| Depreciation expense..... | <u>(6,996,889)</u> | |
| Net effect of reporting capital assets..... | | 9,564,231 |
| <p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p> | | |
| | | 347,509 |
| <p>The issuance of long-term debt 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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p> | | |
| Issuance of bonds..... | (25,215,000) | |
| Premium from issuance of bonds..... | (1,895,646) | |
| Net amortization of premium from issuance of bonds..... | 306,208 | |
| Debt service principal payments..... | <u>7,445,000</u> | |
| Net effect of reporting long-term debt..... | | (19,359,438) |
| <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> | | |
| Net change in compensated absences accrual..... | 209,900 | |
| Net change in accrued interest on long-term debt..... | (32,292) | |
| Net change in deferred outflow/(inflow) of resources related to pensions..... | (13,014,656) | |
| Net change in net pension liability..... | 8,397,599 | |
| Net change in deferred outflow/(inflow) of resources related to other postemployment benefits..... | (1,866,394) | |
| Net change in net other postemployment benefits liability..... | <u>3,950,086</u> | |
| Net effect of recording long-term liabilities..... | | <u>(2,355,757)</u> |
| Change in net position of governmental activities..... | \$ | <u>431,834</u> |

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2021

| | | Business-type Activities - Enterprise Fund |
|------------------------------------------------------|----|--------------------------------------------------|
| | | <u>Sewer</u> |
| ASSETS | | |
| CURRENT: | | |
| Cash and cash equivalents..... | \$ | 5,034,803 |
| Receivables, net of allowance for uncollectibles: | | |
| User charges..... | | <u>1,922,976</u> |
| Total current assets..... | | <u>6,957,779</u> |
| NONCURRENT: | | |
| Capital assets, net of accumulated depreciation..... | | <u>25,471,922</u> |
| TOTAL ASSETS..... | | <u>32,429,701</u> |
| LIABILITIES | | |
| CURRENT: | | |
| Warrants payable..... | | 3,548 |
| Bonds payable..... | | <u>343,130</u> |
| Total current liabilities..... | | <u>346,678</u> |
| NONCURRENT: | | |
| Bonds payable..... | | <u>4,055,475</u> |
| TOTAL LIABILITIES..... | | <u>4,402,153</u> |
| NET POSITION | | |
| Net investment in capital assets..... | | 21,073,317 |
| Unrestricted..... | | <u>6,954,231</u> |
| TOTAL NET POSITION..... | \$ | <u><u>28,027,548</u></u> |

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2021

| | | Business-type Activities - Enterprise Fund |
|------------------------------------------------------------------|----|--------------------------------------------------|
| | | Sewer |
| <u>OPERATING REVENUES:</u> | | |
| Charges for services..... | \$ | 7,454,409 |
| <u>OPERATING EXPENSES:</u> | | |
| Cost of services and administration..... | | 739,688 |
| MWRA assessment..... | | 5,877,037 |
| Depreciation..... | | 899,096 |
| TOTAL OPERATING EXPENSES..... | | 7,515,821 |
| OPERATING INCOME (LOSS)..... | | (61,412) |
| <u>NONOPERATING REVENUES (EXPENSES):</u> | | |
| Interest expense..... | | (87,884) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS..... | | (149,296) |
| CAPITAL CONTRIBUTIONS..... | | 870,000 |
| <u>TRANSFERS:</u> | | |
| Transfers out..... | | (2,435) |
| CHANGE IN NET POSITION..... | | 718,269 |
| NET POSITION AT BEGINNING OF YEAR..... | | 27,309,279 |
| NET POSITION AT END OF YEAR..... | \$ | 28,027,548 |

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

| | | Business-type Activities - Enterprise Fund |
|-------------------------------------------------------------------------------------|--------------|--------------------------------------------------|
| | | Sewer |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | | |
| Receipts from customers and users..... | \$ 7,609,011 | |
| Payments to vendors..... | (6,696,095) | |
| | | 912,916 |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u> | | |
| Transfers out..... | | (2,435) |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u> | | |
| Proceeds from the issuance of bonds..... | | 320,000 |
| Premium from the issuance of bonds..... | | 2,565 |
| Capital contributions..... | | 870,000 |
| Acquisition and construction of capital assets..... | | (4,041,839) |
| Principal payments on bonds..... | | (294,650) |
| Interest expense..... | | (100,470) |
| | | (3,244,394) |
| NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES..... | | (3,244,394) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS..... | | (2,333,913) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR..... | | 7,368,716 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR..... | \$ | 5,034,803 |
| <u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u> | | |
| <u>FROM OPERATING ACTIVITIES:</u> | | |
| Operating income (loss)..... | \$ | (61,412) |
| Adjustments to reconcile operating income to net cash from operating activities: | | |
| Depreciation..... | | 899,096 |
| Changes in assets and liabilities: | | |
| User charges..... | | 154,602 |
| Warrants payable..... | | (79,370) |
| Total adjustments..... | | 974,328 |
| NET CASH FROM OPERATING ACTIVITIES..... | \$ | 912,916 |
| <u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u> | | |
| Acquisition of capital assets on account..... | \$ | (591,171) |

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

| | Pension and Other Postemployment Benefit Trust Fund (1) | Private Purpose Trust Funds |
|------------------------------------------------------|------------------------------------------------------------------|-----------------------------------|
| ASSETS | | |
| Cash and cash equivalents..... | \$ 639,695 | \$ 35,844 |
| Investments: | | |
| Investments in Pension Reserve Investment Trust..... | 199,983,200 | - |
| U.S. treasuries..... | - | 269,773 |
| Government sponsored enterprises..... | - | 193,360 |
| Corporate bonds..... | - | 243,964 |
| Equity securities..... | - | 455,893 |
| Equity mutual funds..... | - | 275,889 |
| Fixed income mutual funds..... | - | 345,313 |
| Receivables, net of allowance for uncollectibles: | | |
| Intergovernmental..... | 196,664 | - |
| TOTAL ASSETS | 200,819,559 | 1,820,036 |
| LIABILITIES | | |
| Warrants payable..... | 232,940 | - |
| Other liabilities..... | - | 446,614 |
| TOTAL LIABILITIES | 232,940 | 446,614 |
| NET POSITION | | |
| Restricted for pensions..... | 171,731,676 | - |
| Restricted for other postemployment benefits..... | 28,854,943 | - |
| Held in trust for other purposes..... | - | 1,373,422 |
| TOTAL NET POSITION | \$ 200,586,619 | \$ 1,373,422 |

(1) The Pension Trust Fund is as of December 31, 2020.

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2021

| | Pension and Other Postemployment Benefit Trust Fund (1) | Private Purpose Trust Funds |
|-----------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------|
| ADDITIONS: | | |
| Contributions: | | |
| Employer contributions..... | \$ 4,704,619 | \$ - |
| Employer contributions for other postemployment benefit payments..... | 4,428,360 | - |
| Member contributions..... | 2,665,198 | - |
| Transfers from other systems..... | 148,735 | - |
| 3(8)c contributions from other systems..... | 196,668 | - |
| State COLA reimbursements..... | 74,423 | - |
| Member makeup payments and redeposits..... | 6,434 | - |
| | <u>12,224,437</u> | <u>-</u> |
| Total contributions..... | | |
| | 12,224,437 | - |
| Net investment income: | | |
| Investment income..... | 26,007,697 | 226,783 |
| Less: investment expense..... | (884,118) | - |
| | <u>25,123,579</u> | <u>226,783</u> |
| Net investment income..... | | |
| | 25,123,579 | 226,783 |
| TOTAL ADDITIONS..... | | |
| | <u>37,348,016</u> | <u>226,783</u> |
| DEDUCTIONS: | | |
| Administration..... | 289,889 | - |
| Transfers to other systems..... | 131,026 | - |
| 3(8)c transfer to other systems..... | 249,074 | - |
| Retirement benefits and refunds..... | 10,363,837 | - |
| Other postemployment benefit payments..... | 4,428,360 | - |
| Educational scholarships..... | - | 40,250 |
| | <u>15,462,186</u> | <u>40,250</u> |
| TOTAL DEDUCTIONS..... | | |
| | 15,462,186 | 40,250 |
| NET INCREASE (DECREASE) IN NET POSITION..... | | |
| | 21,885,830 | 186,533 |
| NET POSITION AT BEGINNING OF YEAR..... | | |
| | <u>178,700,789</u> | <u>1,186,889</u> |
| NET POSITION AT END OF YEAR..... | | |
| | <u>\$ 200,586,619</u> | <u>\$ 1,373,422</u> |

(1) The Pension Trust Fund is as of December 31, 2020.

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Dedham, Massachusetts (Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

A. Reporting Entity

The Town was incorporated in 1636 under the statutes of the Commonwealth of Massachusetts (Commonwealth). The Town is a municipal corporation governed by an elected Select Board.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. The Town has included one component unit in the reporting entity, because of the significance of its operational and financial relationship.

Component Unit Presented as a Fiduciary Fund – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of the relationship between the Town and the component unit.

The Dedham Contributory Retirement System (System) was established to provide retirement benefits to Town employees, the Dedham Housing Authority employees, and their beneficiaries. The System is governed by a five-member board comprised of the Town Accountant (ex-officio), two members elected by the System's participants, one member appointed by the Select Board and one member appointed by the Board members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

The System did not issue a separate audited financial statement. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System at 202 Bussey Street, Suite 101, Dedham, Massachusetts 02026.

Joint Ventures – The Town has entered into a joint venture with the Towns of Westwood, Avon, Canton, Braintree, Holbrook, Milton, Norwood and Randolph to pool resources and share the costs, risks and rewards associated with providing vocational education through the Blue Hills Regional Technical School District. The members share in the operations of the Blue Hills Regional Technical School District and each member is responsible for its proportionate share of the operational and capital cost of the Blue Hills Regional Technical School District, which are paid in the form of assessments. The Town does not have an equity interest in the Blue Hills Regional Technical School District and the 2021 assessment was \$2,000,000. The School issues a publicly available financial report that can be obtained by writing to the School Business Manager at 800 Randolph Street, Canton, Massachusetts 02021.

Jointly Governed Organizations – The Dedham-Westwood Water District is responsible for providing water services to the Town's citizens. The Town is responsible for appointing three of the six members of the Board of Water Commissioners. The Town is not financially accountable to the District beyond making these appointments.

B. Government-Wide and Fund-Level Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds 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. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal 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.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred, and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *building and improvements fund* is used to account for the building acquisition and construction activities that are funded through the issuance of long-term debt or other available funds.

The *nonmajor governmental funds* consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds' financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted or committed to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the 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 the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary fund is reported:

The *sewer fund* is used to account for sewage treatment operations of the department of public works that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *pension and other postemployment benefit trust fund* is used to account for the activities of the System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries and of the OPEB (other postemployment benefits) trust which accumulates resources to provide funding for future OPEB liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trust funds have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allow the trustees to authorize spending of the realized investment earnings. The Town's educational scholarships and citizen benefit funds are accounted for in this fund.

D. Cash and Investments

Government-Wide and Fund Financial Statements

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value. The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Personal property taxes cannot be secured through the lien process. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle and Other Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value. Boat excise taxes are assessed annually for each boat registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of boats registered and the fair value of those boats. The tax calculation is the fair value of the boat multiplied by \$10 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Sewer User Charges

User fees are levied quarterly based on individual meter readings from the Dedham-Westwood Water District and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are estimated at year end and are recorded as revenue in the current period. Liens are processed in December of every year and included as a lien on the property owner's tax bill.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Departmental and Other

Departmental and other receivables are recorded net of an allowance for uncollectible accounts. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

Various Federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, improvements other than buildings, buildings and improvements, vehicles, machinery and equipment, and infrastructure (e.g., roads, street lights, sewer mains, and similar items), are

reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with useful lives of greater than 3 years.

Capital assets (excluding land and construction-in-progress) are depreciated over the estimated useful lives using the straight-line method. The estimated useful lives of capital assets being depreciated are as follows:

| <u>Capital Asset Type</u> | <u>Estimated Useful Life (in years)</u> |
|----------------------------------------|-----------------------------------------|
| Improvements other than buildings..... | 10 - 40 |
| Buildings and improvements..... | 10 - 40 |
| Vehicles, machinery and equipment..... | 5 - 20 |
| Infrastructure..... | 20 - 50 |

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has reported deferred outflows of resources related to pensions and other postemployment benefits in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has reported taxes paid in advance and deferred inflows of resources related to pensions and other postemployment benefits in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have not been recorded in the governmental fund financial statements but the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The

Town has recorded taxes paid in advance and unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

L. Unavailable Revenue

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

M. Net Position and Fund Equity

Government-Wide Financial Statements (Net position)

Net position reported as "net investment in capital assets" includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of

capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state's school building program is not considered to be capital related debt.

Net position is reported as restricted when amounts are not otherwise available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been "restricted for" the following:

"Permanent funds - expendable" represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

"Permanent funds - nonexpendable" represents the endowment portion of donor restricted trusts that support governmental programs.

"Gifts and grants" represents restrictions placed on assets from outside parties and consists primarily of gifts and federal and state grants.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

"Nonspendable" fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

"Restricted" fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments' or that are imposed by law through constitutional provisions or enabling legislation.

"Committed" fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. Town Meeting is the highest level of decision making authority that can, by adoption of a Town Meeting warrant article (resolution), commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

"Assigned" fund balance includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. The Town's by-laws authorize the Town Accountant to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount.

Sometimes, the Town will fund outlays for a particular purpose from different components of fund balance. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When different components of fund balance can be used for the same purpose, it is the Town’s policy to consider restricted fund balance to have been depleted first, followed by committed fund balance, and assigned fund balance. Unassigned fund balance is applied last.

N. Long-term Debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

O. Pensions

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 both the Dedham Contributory Retirement System and the Massachusetts Teachers Retirement System and additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and personnel policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Compensated absences are reported in the governmental funds only if they have matured, (i.e. unused reimbursable leave still outstanding following an employee’s resignation or retirement.) Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

Q. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Investment income from proprietary funds is retained by the fund.

R. Use of Estimates*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 year. Actual results could vary from estimates that were used.

S. Total Column*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents". The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U. S. Treasury, agencies, instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the Treasurer of the Commonwealth's Investment Pool (Pool). The Town Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

The Retirement System participates, as a Participating member, in the Pension Reserves Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth who serves as trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares.

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities. The underlying components of PRIT’s fixed income portfolio had an effective weighted duration rate ranging from 0.019 to 16.28 years. There is no credit quality rating for the fund.

MMDT maintains a cash portfolio and a short-term bond portfolio with combined average maturities of approximately 49 days and a weighted average maturity of 2.64 years. The fair value of the position of the Pool is the same as the value of the Pool shares.

Custodial Credit Risk – Deposits

In the case of deposits, the custodial risk is the risk that, in the event of a bank failure the Town’s deposits may not be recovered. The Town’s policy states the Treasurer/Collector should consider choosing banks with Federal Depository Insurance and Depositor Insurance Fund insurance to fully protect Town funds, or a firm offering collateralization. At year end, the carrying amount of deposits totaled \$49,544,730 and the bank balance totaled \$50,180,740. Of the bank balance, \$1,250,000 was covered by Federal Depository Insurance, \$35,496,415 was covered by Depositor Insurance Fund, and \$13,434,325 was covered through collateralization agreements with the bank.

At December 31, 2020, the carrying amount of the Retirement System’s deposits totaled \$639,695 and the bank balance totaled \$708,679. Of the bank balance \$408,616 was covered by Federal Depository Insurance and \$300,063 was uncollateralized.

As of June 30, 2021, the Town had the following investments:

| <u>Investment Type</u> | <u>Fair value</u> | <u>Under 1 Year</u> | <u>1-5 Years</u> | <u>6-10 Years</u> |
|----------------------------------------------|-------------------|---------------------|------------------|-------------------|
| <u>Debt securities:</u> | | | | |
| U.S. treasury notes..... | \$ 3,009,844 | \$ 50,322 | \$ 2,172,125 | \$ 787,397 |
| Government sponsored enterprises..... | 2,123,290 | 481,327 | 1,499,864 | 142,099 |
| Corporate bonds..... | 2,839,468 | 127,539 | 2,496,374 | 215,555 |
| Total debt securities..... | 7,972,602 | \$ 659,188 | \$ 6,168,363 | \$ 1,145,051 |
| <u>Other investments:</u> | | | | |
| Equity securities..... | 3,523,936 | | | |
| Equity mutual funds..... | 2,272,531 | | | |
| Fixed income mutual funds..... | 3,672,389 | | | |
| Money market mutual funds..... | 329,833 | | | |
| Pension Reserve Investment Trust (PRIT)..... | 28,854,943 | | | |
| MMDT - Bond portfolio..... | 10,832,450 | | | |
| MMDT - Cash portfolio..... | 5,949,178 | | | |
| Total investments..... | \$ 63,407,862 | | | |

As of December 31, 2020, the Retirement System had investments in PRIT totaling \$171,128,257.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town’s investments in debt securities and equity securities are exposed to custodial credit risk, as the securities are uninsured. The shares of MMDT and open-end mutual funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book-entry form.

The Town’s policy is for the Treasurer/Collector to review each financial institution conducting business with the Town on a quarterly basis, using a recognized bank rating service. In addition, required monthly activity statements must be reconciled to the Town’s records to ensure the timely resolution of any errors, discrepancies, etc. Securities held directly by the Town must be registered in the Town’s name and tax identification number to prevent loss.

At December 31, 2020, the System’s \$171,128,257 investment in PRIT were not subject to custodial credit risk exposure because it was not evidenced by securities that exist in physical or book-entry form.

The System has not adopted a formal policy related to custodial credit risk.

Interest Rate Risk

Neither the Town nor the System has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. The Town has not adopted a formal policy related to credit risk. At June 30, 2021, the Town’s investments were rated as follows:

| <u>Quality Rating</u> | <u>Government Sponsored Enterprises</u> | <u>Corporate Bonds</u> |
|-----------------------|-------------------------------------------------|----------------------------|
| AAA..... | \$ 2,123,290 | \$ 79,976 |
| AA+..... | - | 77,811 |
| AA..... | - | 56,934 |
| AA-..... | - | 1,279,384 |
| A+..... | - | 144,169 |
| A..... | - | 766,141 |
| BBB+..... | - | 410,218 |
| BBB-..... | - | 24,835 |
| Total..... | \$ 2,123,290 | \$ 2,839,468 |

The Town's investments in equity securities, equity mutual funds, fixed income mutual funds, money market mutual funds, PRIT and MMDT are unrated.

The System has not adopted a formal policy related to Credit Risk. The System's investments in PRIT are unrated.

Concentration of Credit Risk

The Town's policy states no more than 25% of the Town's cash should be invested in a single financial institution unless that institution's investment is fully insured or collateralized. The Town did not have more than 5% of its investments in any one individual security.

The System places no limit on the amount they may invest in any one issuer.

Fair Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents financial assets at June 30, 2021, that the Town measures fair value on a recurring basis, by level, within the fair value hierarchy:

| Investment Type | June 30, 2021 | Fair Value Measurements Using | | |
|-------------------------------------------------|------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments measured at fair value: | | | | |
| <u>Debt securities:</u> | | | | |
| U.S. treasury notes..... | \$ 3,009,844 | \$ 3,009,844 | \$ - | \$ - |
| Government sponsored enterprises..... | 2,123,290 | 2,123,290 | - | - |
| Corporate bonds..... | 2,839,468 | - | 2,839,468 | - |
| Total debt securities..... | 7,972,602 | 5,133,134 | 2,839,468 | - |
| <u>Other investments:</u> | | | | |
| Equity securities..... | 3,523,936 | 3,523,936 | - | - |
| Equity mutual funds..... | 2,272,531 | 2,272,531 | - | - |
| Fixed income mutual funds..... | 3,672,389 | 3,672,389 | - | - |
| Money market mutual funds..... | 329,833 | 329,833 | - | - |
| MMDT - Bond portfolio..... | 10,832,450 | 10,832,450 | - | - |
| Total other investments..... | 20,631,139 | 20,631,139 | - | - |
| Total investments measured at fair value..... | 28,603,741 | \$ 25,764,273 | \$ 2,839,468 | \$ - |
| Investments measured at amortized cost: | | | | |
| MMDT - Cash portfolio..... | 5,949,178 | | | |
| Investments measured at net asset value: | | | | |
| Pension Reserve Investment Trust (PRIT)..... | 28,854,943 | | | |
| Total investments..... | \$ 63,407,862 | | | |

U.S. treasury notes, government sponsored enterprises, equity securities, equity mutual funds, fixed income mutual funds, money market mutual funds and MMDT bond portfolio classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

MMDT cash portfolio investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If

amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

PRIT investments are valued using the net asset value (NAV) method. Neither the Town nor the System has the ability to control any of the investment decisions relative to its funds in PRIT.

As of June 30, 2021, the Town had investments in PRIT totaling \$28,854,943.

As of December 31, 2020, the Retirement System had investments in PRIT totaling \$171,128,257.

NOTE 3 – RECEIVABLES

At June 30, 2021, receivables for the individual major and nonmajor governmental funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | Gross Amount | Allowance for Uncollectibles | Net Amount |
|-------------------------------------------------|------------------|------------------------------------|---------------------|
| <u>Receivables:</u> | | | |
| Real estate and personal property taxes..... \$ | 1,948,702 | \$ (468,800) | \$ 1,479,902 |
| Tax liens..... | 3,645,191 | - | 3,645,191 |
| Motor vehicle and other excise taxes..... | 713,102 | (135,100) | 578,002 |
| Departmental and other..... | 383,438 | - | 383,438 |
| Intergovernmental..... | 1,878,405 | - | 1,878,405 |
| Total..... \$ | <u>8,568,838</u> | <u>\$ (603,900)</u> | <u>\$ 7,964,938</u> |

At December 31, 2020, the Pension System reported intergovernmental receivables of \$196,664, related to 3(8)(c) reimbursements from other Systems.

At June 30, 2021, the sewer enterprise fund receivables consist of \$1,922,976 of user charges, all of which were considered fully collectible by the Town.

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. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

| | General Fund | Other Governmental Funds | Total |
|-------------------------------------------------|------------------|--------------------------------|---------------------|
| <u>Receivables:</u> | | | |
| Real estate and personal property taxes..... \$ | 1,296,432 | \$ - | \$ 1,296,432 |
| Tax liens..... | 3,645,191 | - | 3,645,191 |
| Motor vehicle and other excise taxes..... | 578,002 | - | 578,002 |
| Departmental and other..... | 34,967 | 316,354 | 351,321 |
| Intergovernmental - highway improvements..... | - | 578,036 | 578,036 |
| Total..... \$ | <u>5,554,592</u> | <u>\$ 894,390</u> | <u>\$ 6,448,982</u> |

NOTE 4 – CAPITAL ASSETS

A summary of changes in capital asset activity for the year ended June 30, 2021, is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--------------------------------------------------------|----------------------|--------------|-------------|-------------------|
| Governmental Activities: | | | | |
| <u>Capital assets not being depreciated:</u> | | | | |
| Land..... | \$ 19,670,260 | \$ 32,653 | \$ - | \$ 19,702,913 |
| Construction in progress..... | 4,284,315 | 11,858,526 | - | 16,142,841 |
| Total capital assets not being depreciated.... | 23,954,575 | 11,891,179 | - | 35,845,754 |
| <u>Capital assets being depreciated:</u> | | | | |
| Improvements other than buildings..... | 9,045,034 | - | - | 9,045,034 |
| Buildings and improvements..... | 170,527,277 | 1,454,074 | (2,617,410) | 169,363,941 |
| Vehicles, machinery and equipment..... | 20,779,046 | 920,414 | (1,160,846) | 20,538,614 |
| Infrastructure..... | 87,529,084 | 2,295,453 | (2,295,453) | 87,529,084 |
| Total capital assets being depreciated..... | 287,880,441 | 4,669,941 | (6,073,709) | 286,476,673 |
| <u>Less accumulated depreciation for:</u> | | | | |
| Improvements other than buildings..... | (3,232,663) | (322,722) | - | (3,555,385) |
| Buildings and improvements..... | (73,522,504) | (3,443,590) | 2,617,410 | (74,348,684) |
| Vehicles, machinery and equipment..... | (17,137,614) | (833,889) | 1,160,846 | (16,810,657) |
| Infrastructure..... | (43,679,625) | (2,396,688) | 2,295,453 | (43,780,860) |
| Total accumulated depreciation..... | (137,572,406) | (6,996,889) | 6,073,709 | (138,495,586) |
| Total capital assets being depreciated, net..... | 150,308,035 | (2,326,948) | - | 147,981,087 |
| Total governmental activities capital assets, net.... | \$ 174,262,610 | \$ 9,564,231 | \$ - | \$ 183,826,841 |
| | | | | |
| | Beginning Balance | Increases | Decreases | Ending Balance |
| Business-Type Activities: | | | | |
| <u>Capital assets being depreciated:</u> | | | | |
| Vehicles, machinery and equipment..... | \$ 75,823 | \$ - | \$ - | \$ 75,823 |
| Infrastructure..... | 29,864,059 | 3,450,668 | - | 33,314,727 |
| Total capital assets being depreciated..... | 29,939,882 | 3,450,668 | - | 33,390,550 |
| <u>Less accumulated depreciation for:</u> | | | | |
| Vehicles, machinery and equipment..... | (75,823) | - | - | (75,823) |
| Infrastructure..... | (6,943,709) | (899,096) | - | (7,842,805) |
| Total accumulated depreciation..... | (7,019,532) | (899,096) | - | (7,918,628) |
| Total business-type activities capital assets, net.... | \$ 22,920,350 | \$ 2,551,572 | \$ - | \$ 25,471,922 |

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

| | |
|-----------------------------------------------------------|---------------------|
| Governmental Activities: | |
| General government..... | \$ 1,060,700 |
| Public safety..... | 408,915 |
| Education..... | 2,448,056 |
| Public works..... | 2,778,482 |
| Culture and recreation..... | <u>300,736</u> |
| Total depreciation expense - governmental activities..... | \$ <u>6,996,889</u> |
| Business-Type Activities: | |
| Sewer..... | \$ <u>899,096</u> |

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2021, the Town had an interfund receivable payable of \$1,137,007 which existed between the general fund and nonmajor governmental funds. The purpose of the balance was to cover short term cash needs which will be funded by future grant proceeds.

Interfund transfers for the year ended June 30, 2021, are summarized as follows:

| Transfers Out: | Transfers In: | | | | Total | |
|----------------------------------|-----------------|---------------------------|-----------------------------|-------------------|-------|--|
| | General Fund | Building and Improvements | Nonmajor Governmental Funds | | | |
| General fund..... | \$ - | \$ 241,000 | \$ 388,210 | \$ 629,210 | (1) | |
| Building and Improvements..... | - | - | 15,556 | 15,556 | (2) | |
| Nonmajor governmental funds..... | 1,495 | - | 149,654 | 151,149 | (3) | |
| Sewer enterprise fund..... | - | - | 2,435 | 2,435 | (4) | |
| Total..... | \$ <u>1,495</u> | \$ <u>241,000</u> | \$ <u>555,855</u> | \$ <u>798,350</u> | | |

- (1) Represents transfers from the general fund to the building and improvements major fund and nonmajor capital project funds to fund various Town capital projects.
- (2) Represents a transfer from the building and improvements major fund to the nonmajor funds to reserve bond premiums for future projects.
- (3) Represents a transfer from the nonmajor funds to the general fund for the close out of an old fund. Transfers between nonmajor funds represent the reallocation of resources and to reserve bond premiums for future projects.
- (4) Represents a transfer from the sewer enterprise fund to nonmajor funds to reserve bond premiums for future projects.

NOTE 6 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund.

Details related to the short-term debt activity for the year ended June 30, 2021, are as follows:

| Type | Purpose | Rate (%) | Due Date | Balance at June 30, 2020 | Renewed/ Issued | Retired/ Redeemed | Balance at June 30, 2021 |
|-------------------------------|-----------------------|----------|----------|--------------------------|-----------------|-------------------|--------------------------|
| Governmental Funds: | | | | | | | |
| BAN | ECEC construction.... | 1.13% | 05/12/21 | \$ 1,000,000 | \$ - | \$ (1,000,000) | \$ - |
| BAN | ECEC construction.... | 0.42% | 05/12/22 | - | 1,000,000 | - | 1,000,000 |
| Total Governmental Funds..... | | | | \$ 1,000,000 | \$ 1,000,000 | \$ (1,000,000) | \$ 1,000,000 |

NOTE 7 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Details related to the Town’s outstanding general obligation indebtedness at June 30, 2021, and the debt service requirements for the governmental activities were as follows:

| Project | Maturities Through | Original Loan Amount | Interest Rate (%) | Outstanding at June 30, 2021 |
|----------------------------------------------------------|-----------------------|----------------------------|-------------------------|------------------------------------|
| Municipal Purpose Bonds of 2002..... | 2022 | \$ 4,210,000 | 3.50-5.00 | \$ 100,000 |
| Municipal Purpose Bonds of 2005..... | 2025 | 15,826,000 | 3.25-4.00 | 2,000,000 |
| Municipal Purpose Bonds of 2007..... | 2022 | 9,865,000 | 3.70-5.00 | 290,000 |
| Municipal Purpose Bonds of 2008..... | 2027 | 6,825,000 | 3.50-4.05 | 1,260,000 |
| Municipal Purpose Bonds of 2010..... | 2030 | 8,094,500 | 2.00-4.00 | 2,430,000 |
| Municipal Purpose Bonds of 2011..... | 2031 | 16,890,000 | 2.00-5.00 | 6,850,000 |
| Municipal Purpose Bonds of 2012..... | 2032 | 6,295,000 | 2.00-4.00 | 2,340,000 |
| Municipal Purpose Bonds of 2013..... | 2023 | 6,988,000 | 2.00-2.38 | 3,180,000 |
| Municipal Purpose Bonds of 2014..... | 2029 | 3,589,105 | 3.00 | 1,570,000 |
| Municipal Purpose Bonds of 2014..... | 2035 | 5,384,455 | 2.00-3.20 | 3,730,000 |
| Municipal Purpose Bonds of 2015..... | 2035 | 6,607,270 | 2.00-4.00 | 3,295,000 |
| Municipal Purpose Bonds of 2016..... | 2046 | 20,568,692 | 2.00-5.00 | 15,850,000 |
| Municipal Purpose Bonds of 2017..... | 2047 | 13,617,000 | 3.00-5.00 | 10,100,000 |
| Municipal Purpose Bonds of 2018..... | 2048 | 25,615,000 | 2.70-5.00 | 22,615,000 |
| Municipal Purpose Bonds of 2019..... | 2049 | 5,440,000 | 2.13-5.00 | 4,720,000 |
| Municipal Purpose Bonds of 2020..... | 2050 | 3,930,000 | 2.00-4.00 | 3,670,000 |
| Municipal Purpose Bonds of 2021..... | 2051 | 25,215,000 | 2.00-5.00 | 25,215,000 |
| Total Governmental General Obligation Bonds Payable..... | | | | 109,215,000 |
| Add: Unamortized premium on bonds..... | | | | 4,504,131 |
| Total Bonds Payable, net..... | | | | \$ 113,719,131 |

Debt service requirements for principal and interest for governmental general obligation bonds payable in future years were as follows:

| General Obligation Bonds Payable: | | | |
|-----------------------------------|-----------------------|----------------------|-----------------------|
| Year | Principal | Interest | Total |
| 2022..... | \$ 8,085,000 | \$ 3,650,657 | \$ 11,735,657 |
| 2023..... | 7,215,000 | 3,349,033 | 10,564,033 |
| 2024..... | 7,145,000 | 3,050,420 | 10,195,420 |
| 2025..... | 6,990,000 | 2,754,445 | 9,744,445 |
| 2026..... | 6,380,000 | 2,479,734 | 8,859,734 |
| 2027..... | 6,125,000 | 2,235,558 | 8,360,558 |
| 2028..... | 5,750,000 | 2,012,151 | 7,762,151 |
| 2029..... | 5,220,000 | 1,816,488 | 7,036,488 |
| 2030..... | 5,010,000 | 1,639,213 | 6,649,213 |
| 2031..... | 4,600,000 | 1,477,448 | 6,077,448 |
| 2032..... | 3,835,000 | 1,343,230 | 5,178,230 |
| 2033..... | 3,380,000 | 1,230,738 | 4,610,738 |
| 2034..... | 3,280,000 | 1,129,968 | 4,409,968 |
| 2035..... | 3,150,000 | 1,031,238 | 4,181,238 |
| 2036..... | 2,640,000 | 938,811 | 3,578,811 |
| 2037..... | 2,495,000 | 858,036 | 3,353,036 |
| 2038..... | 2,490,000 | 788,573 | 3,278,573 |
| 2039..... | 2,485,000 | 719,067 | 3,204,067 |
| 2040..... | 2,485,000 | 649,442 | 3,134,442 |
| 2041..... | 2,450,000 | 578,855 | 3,028,855 |
| 2042..... | 2,445,000 | 508,869 | 2,953,869 |
| 2043..... | 2,445,000 | 438,980 | 2,883,980 |
| 2044..... | 2,440,000 | 368,182 | 2,808,182 |
| 2045..... | 2,440,000 | 296,583 | 2,736,583 |
| 2046..... | 2,435,000 | 224,981 | 2,659,981 |
| 2047..... | 1,855,000 | 170,915 | 2,025,915 |
| 2048..... | 1,590,000 | 116,844 | 1,706,844 |
| 2049..... | 860,000 | 53,792 | 913,792 |
| 2050..... | 765,000 | 33,682 | 798,682 |
| 2051..... | 730,000 | 16,426 | 746,426 |
| Total..... | \$ <u>109,215,000</u> | \$ <u>35,962,357</u> | \$ <u>145,177,357</u> |

Details related to the Town’s outstanding general obligation and direct borrowings indebtedness at June 30, 2021, and the debt service requirements for the sewer enterprise fund were as follows:

| Project | Maturities Through | Original Loan Amount | Interest Rate (%) | Outstanding at June 30, 2021 |
|------------------------------------------------|-----------------------|----------------------------|-------------------------|------------------------------------|
| Municipal Purpose Loans of 2003.. | 2023 | \$ 2,172,000 | 2.00-4.00 | \$ 210,000 |
| Municipal Purpose Bonds of 2020.. | 2050 | 3,395,000 | 2.00-4.00 | 3,280,000 |
| Municipal Purpose Bonds of 2021.. | 2024 | 30,000 | 5.00 | 30,000 |
| Subtotal General Obligation Bonds Payable..... | | | | 3,520,000 |
| MWRA Loans of 2015..... | 2025 | 228,250 | 0.00 | 91,300 |
| MWRA Loans of 2016..... | 2026 | 228,250 | 0.00 | 114,125 |
| MWRA Loans of 2020..... | 2030 | 290,000 | 0.00 | 261,000 |
| MWRA Loans of 2021..... | 2031 | 290,000 | 0.00 | 290,000 |
| Subtotal Direct Borrowings Payable..... | | | | 756,425 |
| Total Bonds Payable..... | | | | 4,276,425 |
| Add: Unamortized premium on bonds..... | | | | 122,180 |
| Total Bonds Payable, net..... | | | | \$ 4,398,605 |

The Town is a member of the Massachusetts Water Resources Authority (MWRA) which offers its members interest free loans for various purposes. The imputed interest on this loan is immaterial and has not been recognized by the Town.

Debt service requirements for principal and interest for enterprise fund general obligation bonds and direct borrowings payable in future years were as follows:

| General Obligation Bonds Payable: | | | |
|-----------------------------------|---------------------|---------------------|---------------------|
| Year | Principal | Interest | Total |
| 2022..... | \$ 230,000 | \$ 94,982 | \$ 324,982 |
| 2023..... | 230,000 | 85,719 | 315,719 |
| 2024..... | 125,000 | 76,419 | 201,419 |
| 2025..... | 115,000 | 71,319 | 186,319 |
| 2026..... | 115,000 | 66,719 | 181,719 |
| 2027..... | 115,000 | 62,119 | 177,119 |
| 2028..... | 115,000 | 57,519 | 172,519 |
| 2029..... | 115,000 | 52,919 | 167,919 |
| 2030..... | 115,000 | 50,617 | 165,617 |
| 2031..... | 115,000 | 48,319 | 163,319 |
| 2032..... | 115,000 | 46,019 | 161,019 |
| 2033..... | 115,000 | 43,719 | 158,719 |
| 2034..... | 115,000 | 41,437 | 156,437 |
| 2035..... | 115,000 | 39,119 | 154,119 |
| 2036..... | 115,000 | 36,819 | 151,819 |
| 2037..... | 115,000 | 34,519 | 149,519 |
| 2038..... | 115,000 | 32,219 | 147,219 |
| 2039..... | 115,000 | 29,919 | 144,919 |
| 2040..... | 115,000 | 27,619 | 142,619 |
| 2041..... | 110,000 | 25,319 | 135,319 |
| 2042..... | 110,000 | 22,843 | 132,843 |
| 2043..... | 110,000 | 20,369 | 130,369 |
| 2044..... | 110,000 | 17,893 | 127,893 |
| 2045..... | 110,000 | 15,419 | 125,419 |
| 2046..... | 110,000 | 12,943 | 122,943 |
| 2047..... | 110,000 | 10,332 | 120,332 |
| 2048..... | 110,000 | 7,719 | 117,719 |
| 2049..... | 110,000 | 5,106 | 115,106 |
| 2050..... | 105,000 | 2,493 | 107,493 |
| Total..... | \$ <u>3,520,000</u> | \$ <u>1,138,476</u> | \$ <u>4,658,476</u> |

| Direct Borrowings: | | | |
|--------------------|-------------------|-------------|-------------------|
| Year | Principal | Interest | Total |
| 2022..... | \$ 103,650 | \$ - | \$ 103,650 |
| 2023..... | 103,650 | - | 103,650 |
| 2024..... | 103,650 | - | 103,650 |
| 2025..... | 103,650 | - | 103,650 |
| 2026..... | 80,825 | - | 80,825 |
| 2027..... | 58,000 | - | 58,000 |
| 2028..... | 58,000 | - | 58,000 |
| 2029..... | 58,000 | - | 58,000 |
| 2030..... | 58,000 | - | 58,000 |
| 2031..... | 29,000 | - | 29,000 |
| Total..... | \$ 756,425 | \$ - | \$ 756,425 |

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2021, the Town had the following authorized and unissued debt:

| Purpose | Amount |
|----------------------------------------------------|----------------------|
| Public safety facility..... | \$ 14,228,353 |
| Early childhood education center..... | 1,255,599 |
| Striar property..... | 210,000 |
| High School and Greenlodge Elementary ceilings.... | 100,000 |
| Solar panels..... | 25,000 |
| Total..... | \$ 15,818,952 |

Changes in Long-term Liabilities

During the year ended June 30, 2021, the following changes occurred in long-term liabilities:

| | Beginning Balance | Bonds and Notes Issued | Bonds and Notes Redeemed | Other Increases | Other Decreases | Ending Balance | Due Within One Year |
|--------------------------------------------------------|-------------------|------------------------|--------------------------|-----------------|-----------------|----------------|---------------------|
| Governmental Activities: | | | | | | | |
| Long-term general obligation bonds payable..... | \$ 91,445,000 | \$ 25,215,000 | \$ (7,445,000) | \$ - | \$ - | \$ 109,215,000 | \$ 8,085,000 |
| Add: Unamortized premium on bonds..... | 2,914,693 | 1,895,646 | (306,208) | - | - | 4,504,131 | 441,047 |
| Total bonds payable..... | 94,359,693 | 27,110,646 | (7,751,208) | - | - | 113,719,131 | 8,526,047 |
| Compensated absences..... | 2,316,900 | - | - | 369,300 | (579,200) | 2,107,000 | 526,700 |
| Net pension liability..... | 24,567,717 | - | - | 8,720,318 | (17,117,917) | 16,170,118 | - |
| Net OPEB liability..... | 55,451,481 | - | - | 917,211 | (4,867,297) | 51,501,395 | - |
| Total governmental activity long-term liabilities..... | \$ 176,695,791 | \$ 27,110,646 | \$ (7,751,208) | \$ 10,006,829 | \$ (22,564,414) | \$ 183,497,644 | \$ 9,052,747 |
| Business-Type Activities: | | | | | | | |
| Long-term general obligation bonds payable..... | \$ 3,710,000 | \$ 30,000 | \$ (220,000) | \$ - | \$ - | \$ 3,520,000 | \$ 230,000 |
| Long-term direct borrowings payable..... | 541,075 | 290,000 | (74,650) | - | - | 756,425 | 103,650 |
| Add: Unamortized premium on bonds..... | 132,201 | 2,565 | (12,586) | - | - | 122,180 | 9,480 |
| Total bonds payable..... | \$ 4,383,276 | \$ 322,565 | \$ (307,236) | \$ - | \$ - | \$ 4,398,605 | \$ 343,130 |

The governmental activities long-term liabilities are generally liquidated by the general fund and the business-type activities long-term liabilities are generally liquidated by the sewer enterprise fund.

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town classifies fund balances according to the constraints imposed on the use of those resources. There are two major types of fund balances, which are nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, accounting standards provide a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority. The Town's highest level of decision-making authority is the Annual Town Meeting. Town Meeting adoption of a "warrant article" is required to commit fund balance.
- Assigned: fund balances that contain self-imposed constraints of the Town to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes on an as needed basis. The creation of a fund requires a two-thirds vote of Town Meeting and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of Town Meeting. At June 30, 2021, the following amounts (included on the following page as unassigned fund balance) have been set aside in the following stabilization funds: general stabilization \$7,351,344, mitigation stabilization fund \$211,602, and \$6,581,732 in the Robin Reyes major capital facilities stabilization fund.

The general stabilization fund balance can be used for general and/or capital purposes upon two-thirds majority approval of Town Meeting. The mitigation stabilization fund balance can only be used to offset unforeseen Town operating costs as a result of increased demand for services. The Robin Reyes major capital facilities stabilization fund balance can be used for any capital purpose approved by Town Meeting.

With the exception of the reserve for bond premium, the committed balances in the general fund are articles carried forward to next year. Assigned balances in the general fund are encumbrances carried forward to next year and free cash for subsequent year expenditures. The detail of each article and encumbrance is included in the budgetary comparison schedule presented as required supplementary information.

The Town has classified its fund balances with the following hierarchy:

| | <u>General</u> | <u>Building and Improvements</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-------------------------------------------------|----------------------|--------------------------------------|--------------------------------------------|-----------------------------------------|
| Fund Balances: | | | | |
| Nonspendable: | | | | |
| Permanent fund principal..... | \$ - | \$ - | \$ 794,115 | \$ 794,115 |
| Restricted for: | | | | |
| Building and improvements..... | - | 27,834,614 | - | 27,834,614 |
| Town grants..... | - | - | 756,135 | 756,135 |
| School grants..... | - | - | 579,127 | 579,127 |
| Town gifts..... | - | - | 615,415 | 615,415 |
| School gifts..... | - | - | 270,487 | 270,487 |
| School lunch..... | - | - | 367,244 | 367,244 |
| Town revolving..... | - | - | 1,277,762 | 1,277,762 |
| School revolving..... | - | - | 469,576 | 469,576 |
| Receipts reserved..... | - | - | 1,111,962 | 1,111,962 |
| COVID-19 pandemic grants..... | - | - | 12,862 | 12,862 |
| Details and other..... | - | - | 189,912 | 189,912 |
| Land and improvements..... | - | - | 419,850 | 419,850 |
| Roadway improvements..... | - | - | 1,340,143 | 1,340,143 |
| Machinery and equipment..... | - | - | 1,148,231 | 1,148,231 |
| Ames property..... | - | - | 414,022 | 414,022 |
| Cemetery trust funds..... | - | - | 384,713 | 384,713 |
| Library trust funds..... | - | - | 729,586 | 729,586 |
| Other trust funds..... | - | - | 511,687 | 511,687 |
| Committed to: | | | | |
| Reserve for bond premium..... | 146,188 | - | - | 146,188 |
| Articles and continuing appropriations: | | | | |
| General government: | | | | |
| Select Board/Town Manager..... | 291,445 | - | - | 291,445 |
| Economic development..... | 26,287 | - | - | 26,287 |
| Planning..... | 7,120 | - | - | 7,120 |
| Town facilities..... | 97,145 | - | - | 97,145 |
| Public safety..... | 10,148 | - | - | 10,148 |
| Education..... | 32,769 | - | - | 32,769 |
| Public works..... | 78,761 | - | - | 78,761 |
| Community services..... | 40,874 | - | - | 40,874 |
| Assigned to: | | | | |
| General government: | | | | |
| Town facilities..... | 108,649 | - | - | 108,649 |
| School facilities..... | 62,006 | - | - | 62,006 |
| Other general government..... | 41,566 | - | - | 41,566 |
| Public safety..... | 15,989 | - | - | 15,989 |
| Education..... | 30,698 | - | - | 30,698 |
| Public works..... | 162,992 | - | - | 162,992 |
| Community services..... | 16,737 | - | - | 16,737 |
| Debt service..... | 550 | - | - | 550 |
| Employee benefits..... | 37 | - | - | 37 |
| Free cash for subsequent year expenditures..... | 1,422,500 | - | - | 1,422,500 |
| Unassigned..... | 22,409,555 | - | - | 22,409,555 |
| Total Fund Balances..... | <u>\$ 25,002,016</u> | <u>\$ 27,834,614</u> | <u>\$ 11,392,829</u> | <u>\$ 64,229,459</u> |

NOTE 9 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Town carries commercial premium based insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town provides health insurance to its employees and retirees through its participation in a pooled health insurance group called the West Suburban Health Group (Group). The purpose of the Group is for the joint negotiation and purchase of health insurance coverage with various carriers. Under these agreements, the insurance claims of the covered employees are paid for by the insurance carrier and are subsequently reimbursed by the Group. The Group charges monthly premiums to each governmental unit based upon requirements established through underwriting or actuarial estimates. The Group also maintains a deposit with the insurance carrier which is sufficient to cover two months of claims paid by the carrier for the Group. In addition, the Group provides full reinsurance coverage for all claim costs in excess of \$225,000 per covered employee.

The Town is entirely self-insured for its unemployment activities and workers compensation for its' public safety employees. These activities are accounted for in the general fund. The associated liabilities are immaterial to the basic financial statements and have not been recorded.

NOTE 10 – PENSION PLAN*Plan Descriptions*

The Town is a member of the Dedham Contributory Retirement System (DCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 2 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension and other postemployment benefit trust fund in the fiduciary fund financial statements.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the 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 the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2020. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$14,103,024 is reported in the general fund as intergovernmental

revenue and pension benefits in the current fiscal year. The portion of the Commonwealth’s collective net pension liability associated with the Town is \$114,181,282 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The Systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth’s state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

There were no changes of benefit terms that affected the total pension liability at December 31, 2020.

At December 31, 2020, the DCRS membership consists of the following:

| | |
|--------------------------------------------------------------|-------------------|
| Active members..... | 460 |
| Inactive members..... | 158 |
| Retirees and beneficiaries currently receiving benefits..... | <u>333</u> |
| Total..... | <u><u>951</u></u> |

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the DCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The total member units’ required contribution for the year ended December 31, 2020, was \$4,265,682 15.67% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town’s proportionate share of the required contribution was \$4,103,261, which equaled its actual contribution.

Pension Liabilities

The components of the net pension liability of the participating member units at December 31, 2020, were as follows:

| | | |
|--------------------------------------------------|----|----------------------|
| Total pension liability..... | \$ | 188,541,862 |
| Total pension plan's fiduciary net position..... | | <u>(171,731,676)</u> |
| Total net pension liability..... | \$ | <u>16,810,186</u> |
| The pension plan's fiduciary net position as | | |
| a percentage of the total pension liability..... | | 91.08% |

At June 30, 2021, the Town reported a liability of \$16,170,118 for its proportionate share of the net pension liability. 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 January 1, 2020. The Town's proportion of the net pension liability 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 members. At December 31, 2020, the Town's proportion was 96.19%, which decreased from a proportion of 96.91% at December 31, 2019.

Pension Expense

For the year ended June 30, 2021, the Town recognized pension expense of \$8,720,318. At June 30, 2021, the Town reported deferred outflows of resources related to pensions of \$9,533,506, and deferred inflows of resources related to pensions of \$9,604,438.

The balances of deferred outflows and inflows at June 30, 2021, consist of the following:

| Deferred Category | Deferred Outflows of Resources | Deferred Inflows of Resources | Total |
|-------------------------------------------------------------------|--------------------------------------|-------------------------------------|--------------------|
| Differences between expected and actual experience..... | \$ 2,935,218 | \$ - | \$ 2,935,218 |
| Difference between projected and actual earnings, net..... | - | (9,506,822) | (9,506,822) |
| Changes in assumptions..... | 5,315,003 | - | 5,315,003 |
| Changes in proportion and proportionate share of contributions... | <u>1,283,285</u> | <u>(97,616)</u> | <u>1,185,669</u> |
| Total deferred outflows/(inflows) of resources..... | <u>\$ 9,533,506</u> | <u>\$ (9,604,438)</u> | <u>\$ (70,932)</u> |

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

| <u>Year ended June 30:</u> | |
|----------------------------|------------------------|
| 2022..... | \$ 5,104,017 |
| 2023..... | 9,045 |
| 2024..... | (3,768,675) |
| 2025..... | <u>(1,415,319)</u> |
| Total..... | \$ <u>(70,932)</u> |

Actuarial Assumptions

The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date that was rolled back to December 31, 2020:

| | |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date..... | January 1, 2020 |
| Actuarial cost method..... | Entry Age Normal Cost Method. |
| Amortization method..... | 9.32% increasing per year until 2023 and the amortization payments increase 3.00% per year thereafter. |
| Remaining amortization period..... | 9 years for the remaining liability, until 2030. |
| Asset valuation method..... | Fair value of assets as reported in the System's annual statement less unrecognized return in each of the last four years. Unrecognized return is equal to the difference between the actual market value return and the expected market value return and is recognized over a 4 year period, further adjusted, if necessary, to be within 10% of the market value. |
| Investment rate of return/discount rate..... | 7.25% |
| Inflation rate..... | 3.00% |
| Projected salary increases..... | 4.00% per year. |
| Cost of living adjustments..... | 3.00% of the first \$15,000. |
| Mortality rates..... | <i>Pre-Retirement:</i> RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2018. <i>Healthy Retiree:</i> RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2018. <i>Disabled Retiree:</i> RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2018. |

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.25% as of December 31, 2020 and December 31, 2019. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the System’s fiduciary 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.

Investment Policy

The System’s policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

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 real rates of return (expected returns, net of pension plan investment expense and inflation) 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 and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of January 1, 2021, are summarized in the following table:

| Asset Class | Long-Term Expected Asset Allocation | Long-Term Expected Real Rate of Return |
|----------------------------------------------|----------------------------------------|-------------------------------------------|
| Domestic equities..... | 22.00% | 6.28% |
| International developed markets equities.... | 12.00% | 7.00% |
| International emerging markets equities..... | 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 fund, GTAA, risk parity..... | 10.00% | 2.35% |
| Private equity..... | 14.00% | 10.11% |
| Total..... | 100.00% | |

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

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount (7.25%) | 1% Increase (8.25%) |
|--------------------------------------------------------------------------|-----------------------------|--------------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| The Town's proportionate share of the net pension liability/(asset)..... | \$ 36,979,928 | \$ 16,170,118 | \$ (1,235,790) |
| DCRS total net pension liability/(asset)..... | <u>\$ 38,443,719</u> | <u>\$ 16,810,186</u> | <u>\$ (1,284,707)</u> |

Changes in Assumptions – None.

Changes in Plan Provisions – None.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Town maintains a single employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s group health and life insurance plans, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Plan does not issue a publicly available financial report.

Funding Policy

Contribution requirements are negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. Retired plan members and beneficiaries currently receiving benefits are required to contribute between 10% and 50% of the cost of benefits provided depending on the plan they choose. The Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town contributed approximately \$4.9 million to the plan during 2021. Administrative costs of the Plan are assumed to be included in plan premiums.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish the other postemployment benefit trust fund to begin pre-funding its OPEB liabilities. During 2021, the Town pre-funded future OPEB liabilities totaling \$439,000 by contributing funds to the OPEB trust fund in excess of the pay-as-you-go required contribution. The fund is reported within the Fiduciary Fund financial statements. As of June 30, 2021, the net position of the OPEB trust fund totaled \$28.9 million.

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Investment Policy

The Town’s policy in regard to the allocation of invested assets is established and may be amended by the Select Board by a majority vote of its members. The OPEB plan’s assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town’s investment policy.

Employees Covered by Benefit Terms

The following table represents the Plan’s membership at June 30, 2021:

| | |
|----------------------------------------------------|---------------------|
| Active members..... | 658 |
| Inactive members currently receiving benefits..... | <u>730</u> |
| Total..... | <u><u>1,388</u></u> |

Components of OPEB Liability

The following table represents the components of the Plan’s OPEB liability as of June 30, 2021:

| | |
|--------------------------------------------------------------------------------------------|-----------------------------|
| Total OPEB liability..... | \$ 80,356,338 |
| Less: OPEB plan’s fiduciary net position..... | <u>(28,854,943)</u> |
| Net OPEB liability..... | <u><u>\$ 51,501,395</u></u> |
| The OPEB plan’s fiduciary net position as a percentage of the total OPEB liability..... | 35.91% |

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that were update to June 30, 2021:

| | |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date..... | July 1, 2020 |
| Actuarial cost method..... | Entry Age Normal. |
| Asset valuation method..... | Fair Value of Assets as of the reporting date. |
| Discount rate..... | 7.50% |
| Healthcare cost trend rate..... | 4.50% |
| Mortality rates..... | <p><i>Pre-retirement and beneficiary:</i> RP-2014 Blue Collar Mortality Table with Scale MP-2015, fully generational.</p> <p><i>Retired Group 1 and 2:</i> RP-2014 Blue Collar Mortality Table set forward five years for males and three years for females, fully generational.</p> <p><i>Retired Group 4:</i> RP-2014 Blue Collar Mortality Table set forward three years for males and six years for females, fully generational.</p> <p><i>Disabled Group 1 and 2:</i> RP-2000 Mortality Table set forward six years.</p> <p><i>Disabled Group 4:</i> RP-2000 Mortality Table set forward two years.</p> |

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 29.31%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 (expected returns, net of pension plan investment expense and inflation) 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 and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2021 are summarized in the following table:

| Asset Class | Long-Term Expected Asset Allocation | Long-Term Expected Real Rate of Return |
|----------------------------------------------|----------------------------------------|-------------------------------------------|
| Domestic equities..... | 22.00% | 6.28% |
| International developed markets equities.... | 12.00% | 7.00% |
| International emerging markets equities..... | 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 fund, GTAA, risk parity..... | 10.00% | 2.35% |
| Private equity..... | 14.00% | 10.11% |
| | | |
| Total..... | 100.00% | |

Discount Rate

The discount rate used to measure the total OPEB liability was 7.50% as of June 30, 2021, and June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members.

Changes in the Net OPEB Liability

| | Increase (Decrease) | | |
|-----------------------------------|--------------------------------|----------------------------------|------------------------------------|
| | Total OPEB Liability (a) | Plan | |
| | | Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
| Balances at June 30, 2020..... \$ | 77,336,477 | \$ 21,884,996 | \$ 55,451,481 |
| Changes for the year: | | | |
| Service cost..... | 1,684,695 | - | 1,684,695 |
| Interest..... | 5,763,526 | - | 5,763,526 |
| Benefit payments..... | (4,428,360) | (4,428,360) | - |
| Employer contributions..... | - | 4,867,297 | (4,867,297) |
| Investment income..... | - | 6,531,010 | (6,531,010) |
| | | | |
| Net change..... | 3,019,861 | 6,969,947 | (3,950,086) |
| | | | |
| Balances at June 30, 2021..... \$ | 80,356,338 | \$ 28,854,943 | \$ 51,501,395 |

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

The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 7.50%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|-------------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB liability..... | \$ 60,965,706 | \$ 51,501,395 | \$ 43,632,489 |

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

The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate of 4.50%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher:

| | 1% Decrease | Current Trend | 1% Increase |
|-------------------------|---------------|---------------|---------------|
| Net OPEB liability..... | \$ 41,458,348 | \$ 51,501,395 | \$ 63,882,698 |

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 OPEB expense of \$2,783,605. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| Deferred Category | Deferred Outflows of Resources | Deferred Inflows of Resources | Total |
|------------------------------------------------------------|--------------------------------------|-------------------------------------|----------------|
| Differences between expected and actual experience..... | \$ 1,284,761 | \$ (2,730,607) | \$ (1,445,846) |
| Difference between projected and actual earnings, net..... | - | (3,165,580) | (3,165,580) |
| Total deferred outflows/(inflows) of resources..... | \$ 1,284,761 | \$ (5,896,187) | \$ (4,611,426) |

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | |
|-----------------------------------------------------|-----------------------|
| <u>Year ended June 30:</u> | |
| 2022..... | \$ (2,902,168) |
| 2023..... | (416,004) |
| 2024..... | (322,829) |
| 2025..... | <u>(970,425)</u> |
| Total deferred outflows/(inflows) of resources..... | \$ <u>(4,611,426)</u> |

Changes in Assumptions – None.

Changes in Plan Provisions – None.

NOTE 12 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS

GAAP requires that all Pension and Other Postemployment Trust Funds be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements. Provided below are the individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds as Pension and Other Postemployment Benefit Trust Funds.

| | Pension Trust Fund (as of December 31, 2020) | Other Postemployment Benefit Trust Fund | Total Pension and Other Postemployment Benefit Trust Funds |
|------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------|
| ASSETS | | | |
| Cash and cash equivalents..... | \$ 639,695 | \$ - | \$ 639,695 |
| Investments: | | | |
| Investments in Pension Reserve Investment Trust..... | 171,128,257 | 28,854,943 | 199,983,200 |
| Receivables, net of allowance for uncollectibles: | | | |
| Intergovernmental..... | <u>196,664</u> | <u>-</u> | <u>196,664</u> |
| TOTAL ASSETS..... | <u>171,964,616</u> | <u>28,854,943</u> | <u>200,819,559</u> |
| LIABILITIES | | | |
| Warrants payable..... | <u>232,940</u> | <u>-</u> | <u>232,940</u> |
| NET POSITION | | | |
| Restricted for pensions..... | 171,731,676 | - | 171,731,676 |
| Restricted for other postemployment benefits..... | <u>-</u> | <u>28,854,943</u> | <u>28,854,943</u> |
| TOTAL NET POSITION..... | <u>\$ 171,731,676</u> | <u>\$ 28,854,943</u> | <u>\$ 200,586,619</u> |

| | Pension Trust Fund (as of December 31, 2020) | Other Postemployment Benefit Trust Fund | Total Pension and Other Postemployment Benefit Trust Funds |
|-----------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------|
| ADDITIONS: | | | |
| Contributions: | | | |
| Employer contributions..... | \$ 4,265,682 | \$ 438,937 | \$ 4,704,619 |
| Employer contributions for other postemployment benefit payments..... | - | 4,428,360 | 4,428,360 |
| Member contributions..... | 2,665,198 | - | 2,665,198 |
| Transfers from other systems..... | 148,735 | - | 148,735 |
| 3(8)c contributions from other systems..... | 196,668 | - | 196,668 |
| State COLA reimbursements..... | 74,423 | - | 74,423 |
| Member makeup payments and redeposits..... | 6,434 | - | 6,434 |
| Total contributions..... | 7,357,140 | 4,867,297 | 12,224,437 |
| Net investment income: | | | |
| Investment income..... | 19,345,971 | 6,661,726 | 26,007,697 |
| Less: investment expense..... | (753,402) | (130,716) | (884,118) |
| Net investment income..... | 18,592,569 | 6,531,010 | 25,123,579 |
| TOTAL ADDITIONS..... | 25,949,709 | 11,398,307 | 37,348,016 |
| DEDUCTIONS: | | | |
| Administration..... | 289,889 | - | 289,889 |
| Transfers to other systems..... | 131,026 | - | 131,026 |
| 3(8)c transfer to other systems..... | 249,074 | - | 249,074 |
| Retirement benefits and refunds..... | 10,363,837 | - | 10,363,837 |
| Other postemployment benefit payments..... | - | 4,428,360 | 4,428,360 |
| TOTAL DEDUCTIONS..... | 11,033,826 | 4,428,360 | 15,462,186 |
| NET INCREASE (DECREASE) IN NET POSITION..... | 14,915,883 | 6,969,947 | 21,885,830 |
| NET POSITION AT BEGINNING OF YEAR..... | 156,815,793 | 21,884,996 | 178,700,789 |
| NET POSITION AT END OF YEAR..... | \$ 171,731,676 | \$ 28,854,943 | \$ 200,586,619 |

NOTE 13 – COMMITMENTS

The Town is committed to completing various projects throughout the Town that will be funded with long-term debt which has been authorized, but not yet issued, totaling approximately \$15.8 million. The November 2017, Special Town Meeting authorized the Select Board to borrow an initial \$43 million for the Public Safety Facility construction project, and the November 2020, Fall Annual Town Meeting authorized the Select Board to borrow an additional \$9.9 million. As of June 30, 2021, the Town has issued \$38.7 million for the project.

The general fund had various commitments for goods and services related to encumbrances of \$1,023,773.

NOTE 14 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through June 30, 2021, these

programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2021, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2021.

NOTE 15 – REVISION OF NET POSITION AND FUND BALANCE PREVIOUSLY REPORTED

Beginning net position of governmental activities and beginning fund balance of the nonmajor governmental funds have been revised to reflect the implementation of GASB Statement No. 84, *Fiduciary Activities*. To reflect this change, funds previously reported as agency funds with the Statement of Fiduciary Net Position have been reclassified to nonmajor governmental special revenue funds. The revised balances are summarized in the following table:

| | 06/30/2020 Previously Reported Balances | Implementation of GASB #84 | 06/30/2020 Revised Balances |
|---------------------------------------------|--------------------------------------------------|-------------------------------|-----------------------------------|
| Government-Wide Financial Statements | | | |
| Governmental activities..... | \$ 64,964,108 | \$ 451,243 | \$ 65,415,351 |
| Governmental funds | | | |
| Nonmajor governmental funds..... | \$ 11,274,781 | \$ 274,782 | \$ 11,549,563 |

NOTE 16 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state’s Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The Town is considered an essential business and although it was closed to the public for a period of time, departments remained operational, and most employees continued to perform their daily duties.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act provided a number of funding sources for various community purposes. The Town was awarded a portion of this federal funding to help prevent, prepare for, and respond to the impacts of COVID-19.

The American Rescue Plan (ARP) Act of 2021, Public Law 117-2, was enacted on March 11, 2021. The ARP Act provides additional funding for communities to respond to the COVID-19 pandemic.

The Town has incurred unanticipated costs specifically related to the pandemic; however, the full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 23, 2021, which is the date the financial statements were available to be issued.

NOTE 18 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2021, the following GASB pronouncements were implemented:

- GASB Statement #84, *Fiduciary Activities*. The annual comprehensive financial report and related notes were updated to be in compliance with this pronouncement.
- GASB Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #98, *The Annual Comprehensive Financial Report*. The annual comprehensive financial report and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.
- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which is required to be implemented in 2022.

Management is currently assessing the impact the implementation of these pronouncements will have on the annual comprehensive financial report.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for the entire Town's financial resources, except those required to be accounted for in another fund.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | | | Actual Budgetary Amounts | Amounts Carried Forward to Next Year | Variance to Final Budget |
|---------------------------------------------------------------------|-----------------------------------------------|-----------------------------------|--------------------|--------------------|--------------------------------|--------------------------------------------|--------------------------------|
| | Amounts Carried Forward from Prior Year | Current Year Initial Budget | Original Budget | Final Budget | | | |
| REVENUES: | | | | | | | |
| Real estate and personal property taxes, net of tax refunds..... | \$ - | \$ 91,874,869 | \$ 91,874,869 | \$ 92,140,597 | \$ 92,578,864 | \$ - | \$ 438,267 |
| Tax liens..... | - | - | - | - | 240,319 | - | 240,319 |
| Motor vehicle and other excise taxes..... | - | 3,655,000 | 3,655,000 | 3,655,000 | 3,787,279 | - | 132,279 |
| Penalties and interest on taxes..... | - | 500,000 | 500,000 | 500,000 | 329,561 | - | (170,439) |
| Payments in lieu of taxes..... | - | 65,000 | 65,000 | 65,000 | 101,675 | - | 36,675 |
| Licenses and permits..... | - | 1,250,000 | 1,250,000 | 1,250,000 | 1,361,217 | - | 111,217 |
| Fines and forfeitures..... | - | 90,000 | 90,000 | 90,000 | 43,584 | - | (46,416) |
| Intergovernmental..... | - | 9,973,806 | 9,973,806 | 9,973,806 | 10,179,286 | - | 205,480 |
| Departmental and other..... | - | 1,055,000 | 1,055,000 | 1,055,000 | 1,602,630 | - | 547,630 |
| Investment income..... | - | 205,000 | 205,000 | 205,000 | 141,112 | - | (63,888) |
| TOTAL REVENUES..... | - | 108,668,675 | 108,668,675 | 108,934,403 | 110,365,527 | - | 1,431,124 |
| EXPENDITURES: | | | | | | | |
| Current: | | | | | | | |
| General Government | | | | | | | |
| Select Board/Town Manager: | | | | | | | |
| Personnel services..... | - | 930,954 | 930,954 | 609,900 | 525,196 | - | 84,704 |
| Purchase of services..... | 5 | 100,000 | 100,005 | 121,233 | 105,827 | 8,446 | 6,960 |
| Other charges and expenses..... | - | 1,219,925 | 1,219,925 | 1,219,925 | 1,175,201 | - | 44,724 |
| Operating capital..... | 46,184 | - | 46,184 | 46,184 | 1,060 | 45,124 | - |
| Articles..... | 24,000 | - | 24,000 | 339,000 | 92,679 | 246,321 | - |
| Total..... | 70,189 | 2,250,879 | 2,321,068 | 2,336,242 | 1,899,963 | 299,891 | 136,388 |
| Finance & Warrant Committee: | | | | | | | |
| Reserve fund..... | - | 250,000 | 250,000 | 250,000 | - | - | 250,000 |
| Finance Department: | | | | | | | |
| Personnel services..... | - | 809,824 | 809,824 | 894,085 | 780,611 | - | 113,474 |
| Purchase of services..... | 64,448 | 950,915 | 1,015,363 | 1,335,859 | 1,222,167 | 8,412 | 105,280 |
| Supplies..... | - | 13,000 | 13,000 | 17,995 | 14,681 | 1,600 | 1,714 |
| Other charges and expenses..... | - | 11,735 | 11,735 | 11,735 | 4,408 | - | 7,327 |
| Total..... | 64,448 | 1,785,474 | 1,849,922 | 2,259,674 | 2,021,867 | 10,012 | 227,795 |
| Central Purchasing: | | | | | | | |
| Personnel services..... | - | 10,000 | 10,000 | 10,000 | 10,000 | - | - |
| Purchase of services..... | - | 75,000 | 75,000 | 75,000 | 65,623 | - | 9,377 |
| Overtime..... | - | 60,000 | 60,000 | 72,857 | 68,375 | - | 4,482 |
| Supplies..... | - | 90,000 | 90,000 | 101,224 | 44,429 | 2,834 | 53,961 |
| Total..... | - | 235,000 | 235,000 | 259,081 | 188,427 | 2,834 | 67,820 |
| Assessing: | | | | | | | |
| Personnel services..... | - | 385,331 | 385,331 | 407,310 | 401,933 | - | 5,377 |
| Purchase of services..... | - | 156,750 | 156,750 | 156,750 | 139,574 | 1,340 | 15,836 |
| Supplies..... | - | 500 | 500 | 500 | - | - | 500 |
| Other charges and expenses..... | - | 3,500 | 3,500 | 3,500 | 1,661 | - | 1,839 |
| Articles..... | - | - | - | 16,049 | - | - | 16,049 |
| Total..... | - | 546,081 | 546,081 | 584,109 | 543,168 | 1,340 | 39,601 |
| Human Resources: | | | | | | | |
| Personnel services..... | - | 252,073 | 252,073 | 246,007 | 219,904 | - | 26,103 |
| Purchase of services..... | 3,910 | 95,000 | 98,910 | 93,985 | 15,302 | 8,934 | 69,749 |
| Other charges and expenses..... | - | 4,600 | 4,600 | 2,600 | 744 | - | 1,856 |
| Total..... | 3,910 | 351,673 | 355,583 | 342,592 | 235,950 | 8,934 | 97,708 |
| Legal: | | | | | | | |
| Purchase of services..... | - | 250,000 | 250,000 | 263,063 | 204,448 | 10,000 | 48,615 |
| Litigation & judgements..... | - | 25,000 | 25,000 | 25,000 | 5,398 | - | 19,602 |
| Total..... | - | 275,000 | 275,000 | 288,063 | 209,846 | 10,000 | 68,217 |
| Town Clerk: | | | | | | | |
| Personnel services..... | - | 314,560 | 314,560 | 333,835 | 328,642 | - | 5,193 |
| Purchase of services..... | - | 49,080 | 49,080 | 59,080 | 55,908 | - | 3,172 |
| Supplies..... | - | 1,200 | 1,200 | 1,200 | 1,173 | - | 27 |
| Other charges and expenses..... | - | 1,500 | 1,500 | 1,500 | 770 | - | 730 |
| Total..... | - | 366,340 | 366,340 | 395,615 | 386,493 | - | 9,122 |
| Economic Development: | | | | | | | |
| Personnel services..... | - | 103,979 | 103,979 | 108,873 | 105,649 | - | 3,224 |
| Purchase of services..... | 1,000 | 8,500 | 9,500 | 9,500 | 8,701 | - | 799 |
| Operating capital..... | 22,824 | - | 22,824 | 22,824 | - | 22,824 | - |
| Articles..... | 7,638 | - | 7,638 | 40,800 | - | 3,463 | 37,337 |
| Total..... | 31,462 | 112,479 | 143,941 | 181,997 | 114,350 | 26,287 | 41,360 |

(continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | | | Actual Budgetary Amounts | Amounts Carried Forward to Next Year | Variance to Final Budget |
|--------------------------------------|-----------------------------------------------|-----------------------------------|--------------------|-------------------|--------------------------------|--------------------------------------------|--------------------------------|
| | Amounts Carried Forward from Prior Year | Current Year Initial Budget | Original Budget | Final Budget | | | |
| Planning: | | | | | | | |
| Personnel services..... | - | 205,745 | 205,745 | 219,635 | 210,246 | - | 9,389 |
| Purchase of services..... | 1,900 | 22,250 | 24,150 | 29,150 | 29,090 | - | 60 |
| Other charges and expenses..... | - | 9,050 | 9,050 | 9,050 | 8,648 | - | 402 |
| Operating capital..... | 20,000 | - | 20,000 | 20,000 | 12,880 | 7,120 | - |
| Articles..... | 9,130 | - | 9,130 | 50,000 | 9,130 | - | 40,870 |
| Total..... | 31,030 | 237,045 | 268,075 | 327,835 | 269,994 | 7,120 | 50,721 |
| Town Facilities: | | | | | | | |
| Personnel services..... | - | 635,903 | 635,903 | 630,089 | 597,470 | - | 32,619 |
| Overtime..... | - | 18,824 | 18,824 | 26,928 | 26,799 | - | 129 |
| Utilities..... | 10,926 | 658,227 | 669,153 | 584,153 | 425,986 | 10,888 | 147,279 |
| Purchase of services..... | 59,037 | 571,357 | 630,394 | 622,313 | 518,053 | 78,854 | 25,406 |
| Supplies..... | 2,918 | 157,195 | 160,113 | 160,113 | 131,846 | 18,907 | 9,360 |
| Other charges and expenses..... | - | 2,926 | 2,926 | 2,926 | 1,984 | - | 942 |
| Operating capital..... | 97,146 | - | 97,146 | 97,145 | - | 97,145 | - |
| Total..... | 170,027 | 2,044,432 | 2,214,459 | 2,123,667 | 1,702,138 | 205,794 | 215,735 |
| School Facilities: | | | | | | | |
| Personnel services..... | - | 1,934,850 | 1,934,850 | 1,956,322 | 1,838,673 | - | 117,649 |
| Overtime..... | - | 182,100 | 182,100 | 182,100 | 141,326 | - | 40,774 |
| Utilities..... | 1,402 | 1,234,607 | 1,236,009 | 1,143,410 | 1,004,932 | 438 | 138,040 |
| Purchase of services..... | 26,567 | 481,043 | 507,610 | 642,210 | 595,268 | 38,881 | 8,061 |
| Supplies..... | 24,832 | 233,637 | 258,469 | 258,469 | 219,658 | 22,687 | 16,124 |
| Other charges and expenses..... | - | 2,500 | 2,500 | 2,500 | 5 | - | 2,495 |
| Operating capital..... | 74,061 | - | 74,061 | 74,061 | - | - | 74,061 |
| Total..... | 126,862 | 4,068,737 | 4,195,599 | 4,259,072 | 3,799,862 | 62,006 | 397,204 |
| Conservation: | | | | | | | |
| Personnel services..... | - | 111,715 | 111,715 | 104,947 | 88,602 | - | 16,345 |
| Supplies..... | - | 650 | 650 | 650 | 188 | - | 462 |
| Other charges and expenses..... | 500 | 6,300 | 6,800 | 6,800 | 1,682 | - | 5,118 |
| Total..... | 500 | 118,665 | 119,165 | 112,397 | 90,472 | - | 21,925 |
| Environmental: | | | | | | | |
| Personnel services..... | - | 39,553 | 39,553 | 42,818 | 42,818 | - | - |
| Purchase of services..... | - | - | - | 588 | 588 | - | - |
| Other charges and expenses..... | - | - | - | 1,700 | 1,700 | - | - |
| Total..... | - | 39,553 | 39,553 | 45,106 | 45,106 | - | - |
| Total General Government..... | 498,428 | 12,681,358 | 13,179,786 | 13,765,450 | 11,507,636 | 634,218 | 1,623,596 |
| Public Safety: | | | | | | | |
| Police Department: | | | | | | | |
| Personnel services..... | - | 5,712,376 | 5,712,376 | 5,727,305 | 5,547,805 | 2,344 | 177,156 |
| Overtime..... | - | 672,193 | 672,193 | 642,129 | 521,495 | - | 120,634 |
| Purchase of services..... | 978 | 464,467 | 465,445 | 468,258 | 377,874 | 3,146 | 87,238 |
| Supplies..... | 10,227 | 157,880 | 168,107 | 172,764 | 133,453 | 5,256 | 34,055 |
| Other charges and expenses..... | - | 23,990 | 23,990 | 23,990 | 16,603 | - | 7,387 |
| Operating capital..... | 5,748 | - | 5,748 | 5,748 | - | 5,748 | - |
| Total..... | 16,953 | 7,030,906 | 7,047,859 | 7,040,194 | 6,597,230 | 16,494 | 426,470 |
| Fire Department: | | | | | | | |
| Personnel services..... | - | 5,859,734 | 5,859,734 | 5,770,541 | 5,647,318 | - | 123,223 |
| Overtime..... | - | 467,888 | 467,888 | 622,405 | 587,257 | - | 35,148 |
| Purchase of services..... | - | 186,435 | 186,435 | 156,435 | 108,960 | 475 | 47,000 |
| Supplies..... | - | 154,823 | 154,823 | 137,823 | 75,868 | 4,768 | 57,187 |
| Other charges and expenses..... | - | 11,920 | 11,920 | 11,920 | 6,751 | - | 5,169 |
| Operating capital..... | 4,400 | - | 4,400 | 4,400 | - | 4,400 | - |
| Total..... | 4,400 | 6,680,800 | 6,685,200 | 6,703,524 | 6,426,154 | 9,643 | 267,727 |
| Central Dispatch Center: | | | | | | | |
| Personnel services..... | - | 588,244 | 588,244 | 605,746 | 551,738 | - | 54,008 |
| Overtime..... | - | 58,770 | 58,770 | 85,101 | 75,533 | - | 9,568 |
| Purchase of services..... | - | 38,894 | 38,894 | 38,894 | 29,610 | - | 9,284 |
| Other charges and expenses..... | - | 4,840 | 4,840 | 4,840 | 2,875 | - | 1,965 |
| Total..... | - | 690,748 | 690,748 | 734,581 | 659,756 | - | 74,825 |
| Building Inspection: | | | | | | | |
| Personnel services..... | - | 509,033 | 509,033 | 535,670 | 524,942 | - | 10,728 |
| Overtime..... | - | 8,000 | 8,000 | 8,159 | 5,307 | - | 2,852 |
| Supplies..... | - | 2,000 | 2,000 | 2,000 | 70 | - | 1,930 |
| Other charges and expenses..... | - | 3,000 | 3,000 | 3,000 | 210 | - | 2,790 |
| Total..... | - | 522,033 | 522,033 | 548,829 | 530,529 | - | 18,300 |
| Civil Preparedness: | | | | | | | |
| Purchase of services..... | - | 1,395 | 1,395 | 1,395 | 60 | - | 1,335 |
| Supplies..... | - | 2,350 | 2,350 | 2,350 | 1,027 | - | 1,323 |
| Total..... | - | 3,745 | 3,745 | 3,745 | 1,087 | - | 2,658 |
| Total Public Safety..... | 21,353 | 14,928,232 | 14,949,585 | 15,030,873 | 14,214,756 | 26,137 | 789,980 |

(continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | | | Actual Budgetary Amounts | Amounts Carried Forward to Next Year | Variance to Final Budget |
|-------------------------------------------------|-----------------------------------------------|-----------------------------------|--------------------|-------------------|--------------------------------|--------------------------------------------|--------------------------------|
| | Amounts Carried Forward from Prior Year | Current Year Initial Budget | Original Budget | Final Budget | | | |
| Education: | | | | | | | |
| Dedham Public Schools: | | | | | | | |
| School operations..... | 3,363 | 42,576,992 | 42,580,355 | 42,580,355 | 42,547,744 | 30,698 | 1,913 |
| Operating capital..... | 40,381 | - | 40,381 | 40,381 | 14,592 | 25,789 | - |
| Articles..... | 6,980 | - | 6,980 | 6,980 | - | 6,980 | - |
| Total..... | 50,724 | 42,576,992 | 42,627,716 | 42,627,716 | 42,562,336 | 63,467 | 1,913 |
| Blue Hills Regional School: | | | | | | | |
| Assessment..... | - | 2,000,644 | 2,000,644 | 2,000,644 | 1,999,847 | - | 797 |
| Norfolk County Agricultural High School: | | | | | | | |
| Assessment..... | - | 26,000 | 26,000 | 26,000 | 22,000 | - | 4,000 |
| Total Education..... | 50,724 | 44,603,636 | 44,654,360 | 44,654,360 | 44,584,183 | 63,467 | 6,710 |
| Public Works: | | | | | | | |
| Public Works Operations: | | | | | | | |
| Personnel services..... | - | 2,090,696 | 2,090,696 | 1,781,538 | 1,586,810 | - | 194,728 |
| Overtime..... | - | 189,000 | 189,000 | 189,000 | 167,927 | - | 21,073 |
| Purchase of services..... | 95,005 | 1,359,175 | 1,454,180 | 1,604,180 | 1,493,654 | 91,356 | 19,170 |
| Supplies..... | 25,975 | 325,950 | 351,925 | 391,925 | 383,385 | 6,964 | 1,576 |
| Other charges and expenses..... | - | 14,000 | 14,000 | 14,000 | 4,206 | - | 9,794 |
| Operating capital..... | 29,791 | - | 29,791 | 29,791 | 3,546 | 26,245 | - |
| Total..... | 150,771 | 3,978,821 | 4,129,592 | 4,010,434 | 3,639,528 | 124,565 | 246,341 |
| Snow and Ice: | | | | | | | |
| Snow and ice removal..... | - | 677,000 | 677,000 | 1,077,030 | 1,043,393 | - | 33,637 |
| Engineering: | | | | | | | |
| Personnel services..... | - | 521,887 | 521,887 | 526,031 | 521,769 | - | 4,262 |
| Purchase of services..... | 7,000 | 59,605 | 66,605 | 76,605 | 51,101 | 24,632 | 872 |
| Supplies..... | - | 16,200 | 16,200 | 16,200 | 11,906 | - | 4,294 |
| Other charges and expenses..... | - | 11,020 | 11,020 | 11,020 | 2,282 | - | 8,738 |
| Articles..... | 108,873 | - | 108,873 | 181,851 | 61,457 | 52,516 | 67,878 |
| Total..... | 115,873 | 608,712 | 724,585 | 811,707 | 648,515 | 77,148 | 86,044 |
| Rubbish and Recycling: | | | | | | | |
| Rubbish and recycling..... | 77,695 | 2,780,000 | 2,857,695 | 2,857,696 | 2,661,011 | 40,040 | 156,645 |
| Total Public Works..... | 344,339 | 8,044,533 | 8,388,872 | 8,756,867 | 7,992,447 | 241,753 | 522,667 |
| Community Services: | | | | | | | |
| Board of Health: | | | | | | | |
| Personnel services..... | - | 374,457 | 374,457 | 365,303 | 320,149 | - | 45,154 |
| Purchase of services..... | - | 1,600 | 1,600 | 67,524 | 62,623 | - | 4,901 |
| Supplies..... | - | 1,100 | 1,100 | 1,100 | - | - | 1,100 |
| Other charges and expenses..... | - | 22,700 | 22,700 | 26,700 | 22,332 | 3,500 | 868 |
| Total..... | - | 399,857 | 399,857 | 460,627 | 405,104 | 3,500 | 52,023 |
| Council of Aging: | | | | | | | |
| Personnel services..... | - | 264,392 | 264,392 | 281,200 | 271,201 | - | 9,999 |
| Purchases of services..... | - | 15,000 | 15,000 | 15,000 | 5,663 | - | 9,337 |
| Supplies..... | - | 27,500 | 27,500 | 27,500 | 10,984 | - | 16,516 |
| Other charges and expenses..... | - | 2,700 | 2,700 | 2,700 | 1,400 | - | 1,300 |
| Total..... | - | 309,592 | 309,592 | 326,400 | 289,248 | - | 37,152 |
| Youth Commission: | | | | | | | |
| Personnel services..... | - | 306,696 | 306,696 | 313,918 | 308,213 | - | 5,705 |
| Purchase of services..... | - | 5,000 | 5,000 | 5,000 | 2,014 | 525 | 2,461 |
| Supplies..... | - | 1,750 | 1,750 | 1,750 | 108 | - | 1,642 |
| Other charges and expenses..... | - | 1,900 | 1,900 | 1,900 | 1,350 | - | 550 |
| Total..... | - | 315,346 | 315,346 | 322,568 | 311,685 | 525 | 10,358 |
| Veteran's Services: | | | | | | | |
| Personnel services..... | - | 88,739 | 88,739 | 89,967 | 81,895 | - | 8,072 |
| Purchase of services..... | - | 5,150 | 5,150 | 5,150 | 3,897 | - | 1,253 |
| Supplies..... | - | 300 | 300 | 300 | - | - | 300 |
| Other charges and expenses..... | - | 186,000 | 186,000 | 166,000 | 82,678 | - | 83,322 |
| Total..... | - | 280,189 | 280,189 | 261,417 | 168,470 | - | 92,947 |
| Library: | | | | | | | |
| Personnel services..... | - | 1,143,545 | 1,143,545 | 1,166,581 | 933,777 | - | 232,804 |
| Overtime..... | - | 12,000 | 12,000 | 12,228 | 1,020 | - | 11,208 |
| Purchase of services..... | - | 108,260 | 108,260 | 108,290 | 108,284 | - | 6 |
| Supplies..... | - | 239,000 | 239,000 | 239,000 | 209,656 | 1,296 | 28,048 |
| Other charges and expenses..... | - | 8,700 | 8,700 | 8,700 | 6,490 | - | 2,210 |
| Articles..... | 16,908 | - | 16,908 | 16,908 | - | 16,908 | - |
| Total..... | 16,908 | 1,511,505 | 1,528,413 | 1,551,707 | 1,259,227 | 18,204 | 274,276 |

(continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts | | | | Actual Budgetary Amounts | Amounts Carried Forward to Next Year | Variance to Final Budget |
|---------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------|---------------------|---------------------|--------------------------------|--------------------------------------------|--------------------------------|
| | Amounts Carried Forward from Prior Year | Current Year Initial Budget | Original Budget | Final Budget | | | |
| Parks & Recreation: | | | | | | | |
| Personnel services..... | - | 679,856 | 679,856 | 678,128 | 590,662 | - | 87,466 |
| Overtime..... | - | 11,500 | 11,500 | 11,500 | 6,962 | - | 4,538 |
| Utilities..... | 424 | 2,250 | 2,674 | 2,674 | 1,141 | - | 1,533 |
| Purchase of services..... | - | 41,000 | 41,000 | 41,000 | 25,969 | 5,700 | 9,331 |
| Supplies..... | - | 144,000 | 144,000 | 144,000 | 132,702 | 4,269 | 7,029 |
| Other charges and expenses..... | - | 600 | 600 | 600 | - | - | 600 |
| Operating capital..... | 23,965 | - | 23,965 | 23,966 | - | 23,966 | - |
| Total..... | 24,389 | 879,206 | 903,595 | 901,868 | 757,436 | 33,935 | 110,497 |
| Endicott Estate: | | | | | | | |
| Personnel services..... | - | 155,551 | 155,551 | 156,770 | 151,172 | - | 5,598 |
| Purchase of services..... | - | 17,650 | 17,650 | 17,650 | 12,640 | 1,447 | 3,563 |
| Supplies..... | - | 5,000 | 5,000 | 5,000 | 981 | - | 4,019 |
| Other charges and expenses..... | - | 1,900 | 1,900 | 1,900 | 36 | - | 1,864 |
| Total..... | - | 180,101 | 180,101 | 181,320 | 164,829 | 1,447 | 15,044 |
| Civic & Cultural Programs: | | | | | | | |
| Civic pride..... | - | 20,000 | 20,000 | 20,000 | 20,000 | - | - |
| Cultural Council..... | - | 10,000 | 10,000 | 10,000 | 10,000 | - | - |
| Total..... | - | 30,000 | 30,000 | 30,000 | 30,000 | - | - |
| Total Community Services..... | 41,297 | 3,905,796 | 3,947,093 | 4,035,907 | 3,385,999 | 57,611 | 592,297 |
| State and County Assessments..... | - | 3,070,340 | 3,070,340 | 3,070,340 | 3,401,931 | - | (331,591) |
| Debt Service: | | | | | | | |
| Principal..... | - | 7,716,825 | 7,716,825 | 7,445,000 | 7,445,000 | - | - |
| Interest..... | - | 3,212,619 | 3,212,619 | 3,135,149 | 3,112,148 | 550 | 22,451 |
| Total..... | - | 10,929,444 | 10,929,444 | 10,580,149 | 10,557,148 | 550 | 22,451 |
| Employee Benefits: | | | | | | | |
| Personnel services..... | 95,000 | 17,171,698 | 17,266,698 | 17,466,698 | 16,745,012 | 37 | 721,649 |
| TOTAL EXPENDITURES..... | 1,051,141 | 115,335,037 | 116,386,178 | 117,360,644 | 112,389,112 | 1,023,773 | 3,947,759 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES..... | (1,051,141) | (6,666,362) | (7,717,503) | (8,426,241) | (2,023,585) | (1,023,773) | 5,378,883 |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Transfers in..... | - | 5,333,272 | 5,333,272 | 5,334,767 | 5,334,767 | - | - |
| Transfers out..... | - | (890,000) | (890,000) | (1,501,505) | (1,501,505) | - | - |
| TOTAL OTHER FINANCING SOURCES (USES)..... | - | 4,443,272 | 4,443,272 | 3,833,262 | 3,833,262 | - | - |
| NET CHANGE IN FUND BALANCE..... | (1,051,141) | (2,223,090) | (3,274,231) | (4,592,979) | 1,809,677 | (1,023,773) | 5,378,883 |
| BUDGETARY FUND BALANCE, Beginning of year..... | - | 9,564,195 | 9,564,195 | 9,564,195 | 9,564,195 | - | - |
| BUDGETARY FUND BALANCE, End of year..... | \$ (1,051,141) | \$ 7,341,105 | \$ 6,289,964 | \$ 4,971,216 | \$ 11,373,872 | \$ (1,023,773) | \$ 5,378,883 |

(concluded)

See notes to required supplementary information.

Pension Plan Schedules – Retirement System

The Pension Plan's Schedule of Changes in the Net Pension Liability presents multi-year trend information on the net pension liability and related ratios.

The Pension Plan's Schedule of Contributions presents multi-year trend information on the required and actual contributions to the pension plan and related ratios.

The Pension Plan's Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on retirement assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM**

| | December 31, 2014 | December 31, 2015 | December 31, 2016 |
|------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Total pension liability: | | | |
| Service cost..... | \$ 2,850,624 | \$ 3,044,083 | \$ 3,044,083 |
| Interest..... | 10,222,589 | 10,663,706 | 10,166,868 |
| Changes in benefit terms..... | - | 1,684,915 | - |
| Differences between expected and actual experience..... | - | 3,030,168 | - |
| Changes in assumptions..... | - | (4,100,558) | - |
| Benefit payments..... | (8,913,863) | (9,304,824) | (9,809,840) |
| Interest on benefit payments..... | - | (353,834) | - |
| Net change in total pension liability..... | 4,159,350 | 4,663,656 | 3,401,111 |
| Total pension liability - beginning..... | <u>124,131,714</u> | <u>128,291,064</u> | <u>132,954,720</u> |
| Total pension liability - ending (a)..... | <u>\$ 128,291,064</u> | <u>\$ 132,954,720</u> | <u>\$ 136,355,831</u> |
| Plan fiduciary net position: | | | |
| Employer contributions..... | \$ 4,277,701 | \$ 4,725,074 | \$ 12,194,092 |
| Member contributions..... | 2,183,402 | 2,480,961 | 2,509,736 |
| Net investment income (loss)..... | 7,721,433 | 705,719 | 8,454,659 |
| Administrative expenses..... | (213,559) | (221,292) | (227,189) |
| Retirement benefits and refunds..... | (8,913,863) | (9,304,824) | (9,809,840) |
| Other receipts..... | <u>289,068</u> | <u>305,199</u> | <u>487,921</u> |
| Net increase (decrease) in fiduciary net position..... | 5,344,182 | (1,309,163) | 13,609,379 |
| Fiduciary net position - beginning of year..... | <u>105,377,440</u> | <u>110,721,622</u> | <u>109,412,459</u> |
| Fiduciary net position - end of year (b)..... | <u>\$ 110,721,622</u> | <u>\$ 109,412,459</u> | <u>\$ 123,021,838</u> |
| Net pension liability - ending (a)-(b)..... | <u>\$ 17,569,442</u> | <u>\$ 23,542,261</u> | <u>\$ 13,333,993</u> |
| Plan fiduciary net position as a percentage of the total pension liability..... | 86.31% | 82.29% | 90.22% |
| Covered payroll..... | \$ 20,523,383 | \$ 22,457,073 | \$ 23,355,356 |
| Net pension liability as a percentage of covered payroll..... | 85.61% | 104.83% | 57.09% |

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

| | December 31, 2017 | December 31, 2018 | December 31, 2019 | December 31, 2020 |
|----|----------------------|-----------------------|-----------------------|-----------------------|
| \$ | 3,130,263 | \$ 3,407,651 | \$ 3,087,842 | \$ 3,185,292 |
| | 10,434,432 | 10,778,701 | 12,592,079 | 13,094,204 |
| | - | - | - | - |
| | 1,572,401 | 7,826,299 | 1,275,215 | - |
| | 3,494,125 | 18,037,471 | - | - |
| | (9,880,882) | (9,595,614) | (9,929,337) | (10,324,111) |
| | - | - | - | - |
| | 8,750,339 | 30,454,508 | 7,025,799 | 5,955,385 |
| | <u>136,355,831</u> | <u>145,106,170</u> | <u>175,560,678</u> | <u>182,586,477</u> |
| \$ | <u>145,106,170</u> | \$ <u>175,560,678</u> | \$ <u>182,586,477</u> | \$ <u>188,541,862</u> |
| \$ | 7,031,923 | \$ 5,357,850 | \$ 3,937,057 | \$ 4,265,682 |
| | 2,449,519 | 2,448,456 | 2,575,743 | 2,671,632 |
| | 21,087,313 | (3,214,135) | 21,995,860 | 18,592,569 |
| | (211,787) | (249,350) | (275,561) | (289,889) |
| | (9,880,882) | (9,595,614) | (9,929,337) | (10,324,111) |
| | 266,900 | - | - | - |
| | 20,742,986 | (5,252,793) | 18,303,762 | 14,915,883 |
| | <u>123,021,838</u> | <u>143,764,824</u> | <u>138,512,031</u> | <u>156,815,793</u> |
| \$ | <u>143,764,824</u> | \$ <u>138,512,031</u> | \$ <u>156,815,793</u> | \$ <u>171,731,676</u> |
| \$ | <u>1,341,346</u> | \$ <u>37,048,647</u> | \$ <u>25,770,684</u> | \$ <u>16,810,186</u> |
| | 99.08% | 78.90% | 85.89% | 91.08% |
| \$ | 24,330,871 | \$ 25,300,391 | \$ 26,246,264 | \$ 27,222,951 |
| | 5.51% | 146.44% | 98.19% | 61.75% |

SCHEDULE OF CONTRIBUTIONS
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM

| Year | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percentage of covered payroll |
|------------------------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|--------------------|-----------------------------------------------------------|
| December 31, 2020..... | \$ 4,265,682 | \$ (4,265,682) | \$ - | \$ 27,222,951 | 15.67% |
| December 31, 2019..... | 3,927,108 | (3,937,057) | (9,949) | 26,246,264 | 15.00% |
| December 31, 2018..... | 5,348,511 | (5,357,851) | (9,340) | 25,300,391 | 21.18% |
| December 31, 2017..... | 5,031,923 | (7,031,923) | (2,000,000) | 24,330,871 | 28.90% |
| December 31, 2016..... | 4,694,092 | (12,194,092) | (7,500,000) | 23,355,356 | 52.21% |
| December 31, 2015..... | 4,531,244 | (4,725,074) | (193,830) | 22,457,073 | 21.04% |
| December 31, 2014..... | 4,277,701 | (4,277,701) | - | 20,523,383 | 20.84% |

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM

| <u>Year</u> | <u>Annual money-weighted rate of return, net of investment expense</u> |
|------------------------|--------------------------------------------------------------------------------|
| December 31, 2020..... | 11.99% |
| December 31, 2019..... | 16.14% |
| December 31, 2018..... | -2.28% |
| December 31, 2017..... | 17.17% |
| December 31, 2016..... | 7.54% |
| December 31, 2015..... | 0.64% |
| December 31, 2014..... | 7.58% |

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Pension Plan Schedules – Town

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM**

| Year | Proportion of the net pension liability (asset) | Proportionate share of the net pension liability (asset) | Covered payroll | Net pension liability as a percentage of covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|----------------------------|-------------------------------------------------------|-------------------------------------------------------------------|--------------------|----------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| December 31, 2020..... | 96.19% | \$ 16,170,118 | \$ 20,232,926 | 79.92% | 91.08% |
| December 31, 2019..... | 96.91% | 24,567,717 | 25,294,317 | 97.13% | 85.89% |
| December 31, 2018..... (A) | 95.73% | 35,465,442 | 24,313,714 | 145.87% | 78.90% |
| December 31, 2017..... (A) | 70.32% | 943,289 | 23,583,495 | 4.00% | 99.08% |
| December 31, 2016..... | 93.50% | 12,467,754 | 22,419,105 | 55.61% | 90.22% |
| December 31, 2015..... | 95.73% | 22,537,763 | 21,498,156 | 104.84% | 82.29% |
| December 31, 2014..... | 96.31% | 16,921,130 | 19,766,070 | 85.61% | 86.31% |

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

(A) The proportionate share of the Net Pension Liability is based on the Annual Actuarially Determined Contribution that is required from each member unit. The Town made additional contributions of \$7,500,000 in 2017 and \$2,500,000 in 2018 to reduce their unfunded liability, however these amounts were not reflected in the proportional allocation until the following year.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM**

| Year | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percentage of covered payroll |
|--------------------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|--------------------|-----------------------------------------------------------|
| June 30, 2021..... | \$ 4,103,261 | \$ (4,103,261) | \$ - | 20,485,838 | 20.03% |
| June 30, 2020..... | 3,806,854 | (3,816,803) | (9,949) | 25,610,496 | 14.90% |
| June 30, 2019..... | 5,124,523 | (5,133,863) | (9,340) | 24,617,635 | 20.85% |
| June 30, 2018..... | 4,826,096 | (6,826,096) | (2,000,000) | 23,878,289 | 28.59% |
| June 30, 2017..... | 4,505,919 | (12,005,919) | (7,500,000) | 22,699,344 | 52.89% |
| June 30, 2016..... | 4,337,414 | (4,531,244) | (193,830) | 21,766,883 | 20.82% |
| June 30, 2015..... | 4,107,233 | (4,107,233) | - | 20,013,146 | 20.52% |

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

| <u>Year</u> | <u>Commonwealth's 100% Share of the Associated Net Pension Liability</u> | <u>Expense and Revenue Recognized for the Commonwealth's Support</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u> |
|-------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 2021..... | \$ 114,181,282 | \$ 14,103,024 | 50.67% |
| 2020..... | 94,041,839 | 11,404,205 | 53.95% |
| 2019..... | 91,250,976 | 9,246,965 | 54.84% |
| 2018..... | 85,654,990 | 8,940,061 | 54.25% |
| 2017..... | 80,976,650 | 8,260,149 | 52.73% |
| 2016..... | 74,825,083 | 6,068,980 | 55.38% |
| 2015..... | 58,416,266 | 4,058,458 | 61.64% |

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

| | June 30, 2017 | June 30, 2018 | June 30, 2019 | June 30, 2020 | June 30, 2021 |
|---------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | | |
| Service Cost..... | \$ 1,644,829 | \$ 1,472,302 | \$ 1,538,556 | \$ 1,612,148 | \$ 1,684,695 |
| Interest..... | 5,265,920 | 5,595,888 | 5,193,396 | 5,396,873 | 5,763,526 |
| Changes of benefit terms..... | - | - | - | - | - |
| Differences between expected and actual experience..... | - | (13,034,791) | - | 2,138,423 | - |
| Changes of assumptions..... | - | - | - | - | - |
| Benefit payments..... | <u>(3,771,164)</u> | <u>(3,475,557)</u> | <u>(3,952,760)</u> | <u>(4,237,665)</u> | <u>(4,428,360)</u> |
| Net change in total OPEB liability..... | 3,139,585 | (9,442,158) | 2,779,192 | 4,909,779 | 3,019,861 |
| Total OPEB liability - beginning..... | <u>75,950,079</u> | <u>79,089,664</u> | <u>69,647,506</u> | <u>72,426,698</u> | <u>77,336,477</u> |
| Total OPEB liability - ending (a)..... | <u>\$ 79,089,664</u> | <u>\$ 69,647,506</u> | <u>\$ 72,426,698</u> | <u>\$ 77,336,477</u> | <u>\$ 80,356,338</u> |
| Plan fiduciary net position | | | | | |
| Employer contributions..... | \$ 1,540,138 | \$ 1,609,454 | \$ 1,724,479 | \$ 1,680,142 | \$ 438,937 |
| Employer contributions for OPEB payments..... | 3,771,164 | 3,475,557 | 3,952,760 | 4,237,665 | 4,428,360 |
| Net investment income..... | 1,408,979 | 1,431,564 | 1,033,543 | 420,508 | 6,531,010 |
| Benefit payments..... | <u>(3,771,164)</u> | <u>(3,475,557)</u> | <u>(3,952,760)</u> | <u>(4,237,665)</u> | <u>(4,428,360)</u> |
| Net change in plan fiduciary net position..... | 2,949,117 | 3,041,018 | 2,758,022 | 2,100,650 | 6,969,947 |
| Plan fiduciary net position - beginning of year..... | <u>11,036,189</u> | <u>13,985,306</u> | <u>17,026,324</u> | <u>19,784,346</u> | <u>21,884,996</u> |
| Plan fiduciary net position - end of year (b)..... | <u>\$ 13,985,306</u> | <u>\$ 17,026,324</u> | <u>\$ 19,784,346</u> | <u>\$ 21,884,996</u> | <u>\$ 28,854,943</u> |
| Net OPEB liability - ending (a)-(b)..... | <u>\$ 65,104,358</u> | <u>\$ 52,621,182</u> | <u>\$ 52,642,352</u> | <u>\$ 55,451,481</u> | <u>\$ 51,501,395</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability..... | 17.68% | 24.45% | 27.32% | 28.30% | 35.91% |
| Covered-employee payroll..... | \$ 48,730,159 | \$ 52,002,675 | \$ 53,822,768 | \$ 57,625,832 | \$ 59,642,736 |
| Net OPEB liability as a percentage of covered-employee payroll..... | 133.60% | 101.19% | 97.81% | 96.23% | 86.35% |

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

| Year | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | Covered- employee payroll | Contributions as a percentage of covered- employee payroll |
|--------------------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|------------------------------|---------------------------------------------------------------------|
| June 30, 2021..... | \$ 4,967,812 | \$ (4,867,297) | \$ 100,515 | \$ 59,642,736 | 8.16% |
| June 30, 2020..... | 4,741,922 | (5,917,807) | (1,175,885) | 57,625,832 | 10.27% |
| June 30, 2019..... | 4,524,078 | (5,677,239) | (1,153,161) | 53,822,768 | 10.55% |
| June 30, 2018..... | 4,313,840 | (5,085,011) | (771,171) | 52,002,675 | 9.78% |
| June 30, 2017..... | 5,282,204 | (5,925,736) | (643,532) | 48,730,159 | 12.16% |

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

| <u>Year</u> | <u>Annual money-weighted rate of return, net of investment expense</u> |
|--------------------|--------------------------------------------------------------------------------|
| June 30, 2021..... | 29.31% |
| June 30, 2020..... | 1.97% |
| June 30, 2019..... | 5.56% |
| June 30, 2018..... | 9.26% |
| June 30, 2017..... | 12.72% |

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved at the Annual and Special Town Meetings. The Town has an Advisory Committee that submits reports on proposed appropriations at Town Meetings.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations among departments require the approval of Town Meeting.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year’s original budget.

Generally, expenditures may not exceed the legal level of spending (personnel services, purchase of services, other charges and expenses, operating capital, and articles) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Select Board and written approval from the Massachusetts Department of Revenue.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2021 budget consisted of approximately \$117.3 million in appropriations and other amounts to be raised. Included in the original budget are approximately \$1.1 million in amounts carried over from previous years.

The Finance Department has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

Budgetary – GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2021, is presented below:

| | |
|-----------------------------------------------------------------------------------|---------------------|
| Net change in fund balance - budgetary basis..... | \$ 1,809,677 |
| <u>Perspective differences:</u> | |
| Activity of the stabilization funds recorded in the general fund for GAAP..... | (1,616,541) |
| <u>Basis of accounting differences:</u> | |
| Net change in recording tax refunds payable..... | (599,000) |
| Net change in recording 60 day receipts..... | (111,087) |
| Recognition of revenue for on-behalf payments..... | 14,103,024 |
| Recognition of expenditures for on-behalf payments..... | <u>(14,103,024)</u> |
| Net change in fund balance - GAAP basis..... | <u>\$ (516,951)</u> |

Appropriation Deficits

During 2021, expenditures exceeded budgeted appropriations for state and county assessments, this over expenditure is allowable under Massachusetts General Law. The Town will raise the deficit in the next fiscal year.

NOTE B – PENSION PLAN***Pension Plan Schedules – Retirement System***Changes in the Net Pension Liability and Related Ratios

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the System's total pension liability, changes in the System's net position, and the ending net pension liability. It also demonstrates the plan's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on covered payroll.

Schedule of Investment Returns

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

Pension Plan Schedules - TownSchedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

Schedule of Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July

at a discounted rate. Accordingly, actual contributions may be less than the “total appropriation”. The pension fund appropriation is allocated to the Town based on covered payroll.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

Changes in Assumptions – None.

Changes in Plan Provisions – None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single employer defined benefit healthcare plan (“The Other Postemployment Benefit Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town's participation in the West Suburban Healthcare Group, which covers both active and retired members. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state.

The Other Postemployment Benefit Plan

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Actuarially contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are as follows on the next page.

| | |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date..... | July 1, 2020 |
| Actuarial cost method..... | Entry Age Normal. |
| Asset valuation method..... | Fair Value of Assets as of the reporting date. |
| Discount rate..... | 7.50% |
| Healthcare cost trend rate..... | 4.50% |
| Mortality rates..... | <p><i>Pre-retirement and beneficiary:</i> RP-2014 Blue Collar Mortality Table with Scale MP-2015, fully generational.</p> <p><i>Retired Group 1 and 2:</i> RP-2014 Blue Collar Mortality Table set forward five years for males and three years for females, fully generational.</p> <p><i>Retired Group 4:</i> RP-2014 Blue Collar Mortality Table set forward three years for males and six years for females, fully generational.</p> <p><i>Disabled Group 1 and 2:</i> RP-2000 Mortality Table set forward six years.</p> <p><i>Disabled Group 4:</i> RP-2000 Mortality Table set forward two years.</p> |

Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan’s other postemployment assets, net of investment expense.

Changes in Assumptions – None.

Changes in Provisions – None.

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Combining Statements

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes.

Town Grants Fund – This fund is used to account for non-school related activity specially financed by federal, state, and other grants.

School Grants Fund – This fund is used to account for educational programs specially financed by federal, state, and other grants.

Town Gifts Fund – This fund is used to account for gifts which have been accepted by the Town to be used for non-school purposes that are specified by the donor.

School Gifts Fund – This fund is used to account for gifts which have been accepted by the Town for school related purposes that are specified by the donor.

School Lunch Fund – This fund accounts for the operations of the public school's lunch program that is funded by user fees and grants.

Town Revolving Fund – This fund accounts for self-supporting non-school related programs that are sponsored by the Town.

School Revolving Fund – This fund accounts for self-supporting school related programs that are sponsored by the Town.

Receipts Reserved Fund – This fund accounts for specific receipts identified by the Commonwealth that are to be held until appropriated.

COVID-19 Pandemic Grants Fund – This fund accounts for COVID-19 pandemic related costs specifically financed by federal, state, and other grants.

Details and Other Fund – This fund accounts for off-duty work details, performance bonds and student activities.

CAPITAL PROJECT FUNDS

Land and Improvements Fund – This fund accounts for land acquisition and land improvements that are financed through the issuance of long-term debt or other available funds.

Roadway Improvements Fund – This fund accounts for roadway improvements throughout the Town that are funded through the issuance of long-term debt, grants received under the Commonwealth of Massachusetts' Chapter 90 program, and other available funds.

Machinery and Equipment Fund – This fund accounts for the acquisition of capital equipment that is funded through the issuance of long-term debt or other available funds.

Ames Property Fund – is used to account for the remodeling/repurposing of the Ames Building.

PERMANENT FUNDS

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs. The Town maintains one fund to account for nonexpendable contributions and expendable earnings that can be spent on governmental purposes.

Cemetery Trust Fund – This fund accounts for contributions earmarked for the perpetual care and maintenance of cemetery facilities and property.

Library Trust Fund – This fund accounts for contributions earmarked for the support of the Town's libraries.

Other Trust Fund – This fund accounts for all contributions and bequests for which only earnings may be expended to benefit the government activities that are not financed by the Cemetery Trust Fund or the Library Trust Fund.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2021

| | Special Revenue Funds | | | | | | |
|-------------------------------------------------------------------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| | Town Grants | School Grants | Town Gifts | School Gifts | School Lunch | Town Revolving | School Revolving |
| ASSETS | | | | | | | |
| Cash and cash equivalents..... | \$ 770,152 | \$ 604,210 | \$ 615,415 | \$ 271,887 | \$ 429,449 | \$ 1,285,602 | \$ 496,627 |
| Investments..... | - | - | - | - | - | - | - |
| Receivables, net of uncollectibles: | | | | | | | |
| Departmental and other..... | - | - | - | - | - | - | - |
| Intergovernmental..... | - | - | - | - | - | - | - |
| TOTAL ASSETS..... | \$ 770,152 | \$ 604,210 | \$ 615,415 | \$ 271,887 | \$ 429,449 | \$ 1,285,602 | \$ 496,627 |
| LIABILITIES | | | | | | | |
| Warrants payable..... | \$ 14,017 | \$ 25,083 | \$ - | \$ 1,400 | \$ 62,205 | \$ 7,840 | \$ 27,051 |
| Due to other funds..... | - | - | - | - | - | - | - |
| Other liabilities..... | - | - | - | - | - | - | - |
| TOTAL LIABILITIES..... | 14,017 | 25,083 | - | 1,400 | 62,205 | 7,840 | 27,051 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue..... | - | - | - | - | - | - | - |
| FUND BALANCES | | | | | | | |
| Nonspendable..... | - | - | - | - | - | - | - |
| Restricted..... | 756,135 | 579,127 | 615,415 | 270,487 | 367,244 | 1,277,762 | 469,576 |
| TOTAL FUND BALANCES..... | 756,135 | 579,127 | 615,415 | 270,487 | 367,244 | 1,277,762 | 469,576 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES..... | \$ 770,152 | \$ 604,210 | \$ 615,415 | \$ 271,887 | \$ 429,449 | \$ 1,285,602 | \$ 496,627 |

(Continued)

| Special Revenue Funds | | | | Capital Project Funds | | | | |
|-----------------------|--------------------------|-------------------|---------------------|-----------------------|----------------------|-------------------------|-------------------|---------------------|
| Receipts Reserved | COVID-19 Pandemic Grants | Details and Other | Subtotal | Land and Improvements | Roadway Improvements | Machinery and Equipment | Ames Property | Subtotal |
| \$ 1,111,962 | \$ - | \$ 490,999 | \$ 6,076,303 | \$ 420,720 | \$ 1,363,531 | \$ 1,239,541 | \$ 544,505 | \$ 3,568,297 |
| - | - | - | - | - | - | - | - | - |
| - | - | 316,354 | 316,354 | - | - | - | - | - |
| - | <u>1,184,712</u> | - | <u>1,184,712</u> | - | <u>693,693</u> | - | - | <u>693,693</u> |
| <u>\$ 1,111,962</u> | <u>\$ 1,184,712</u> | <u>\$ 807,353</u> | <u>\$ 7,577,369</u> | <u>\$ 420,720</u> | <u>\$ 2,057,224</u> | <u>\$ 1,239,541</u> | <u>\$ 544,505</u> | <u>\$ 4,261,990</u> |
| \$ - | \$ 34,843 | \$ - | \$ 172,439 | \$ 870 | \$ 139,045 | \$ 91,310 | \$ 130,483 | \$ 361,708 |
| - | 1,137,007 | - | 1,137,007 | - | - | - | - | - |
| - | - | 301,087 | 301,087 | - | - | - | - | - |
| - | <u>1,171,850</u> | <u>301,087</u> | <u>1,610,533</u> | <u>870</u> | <u>139,045</u> | <u>91,310</u> | <u>130,483</u> | <u>361,708</u> |
| - | - | 316,354 | 316,354 | - | 578,036 | - | - | 578,036 |
| - | - | - | - | - | - | - | - | - |
| <u>1,111,962</u> | <u>12,862</u> | <u>189,912</u> | <u>5,650,482</u> | <u>419,850</u> | <u>1,340,143</u> | <u>1,148,231</u> | <u>414,022</u> | <u>3,322,246</u> |
| <u>1,111,962</u> | <u>12,862</u> | <u>189,912</u> | <u>5,650,482</u> | <u>419,850</u> | <u>1,340,143</u> | <u>1,148,231</u> | <u>414,022</u> | <u>3,322,246</u> |
| <u>\$ 1,111,962</u> | <u>\$ 1,184,712</u> | <u>\$ 807,353</u> | <u>\$ 7,577,369</u> | <u>\$ 420,720</u> | <u>\$ 2,057,224</u> | <u>\$ 1,239,541</u> | <u>\$ 544,505</u> | <u>\$ 4,261,990</u> |

(Continued)

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2021

| | Permanent Funds | | | | Total Nonmajor Governmental Funds |
|-------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|---------------------|--------------------------------------------|
| | Cemetery Trust | Library Trust | Other Trust | Subtotal | |
| ASSETS | | | | | |
| Cash and cash equivalents..... | \$ 17,592 | \$ 18,352 | \$ 11,718 | \$ 47,662 | \$ 9,692,262 |
| Investments..... | 875,646 | 913,478 | 583,315 | 2,372,439 | 2,372,439 |
| Receivables, net of uncollectibles: | | | | | |
| Departmental and other..... | - | - | - | - | 316,354 |
| Intergovernmental..... | - | - | - | - | 1,878,405 |
| TOTAL ASSETS..... | \$ 893,238 | \$ 931,830 | \$ 595,033 | \$ 2,420,101 | \$ 14,259,460 |
| LIABILITIES | | | | | |
| Warrants payable..... | \$ - | \$ - | \$ - | \$ - | \$ 534,147 |
| Due to other funds..... | - | - | - | - | 1,137,007 |
| Other liabilities..... | - | - | - | - | 301,087 |
| TOTAL LIABILITIES..... | - | - | - | - | 1,972,241 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue..... | - | - | - | - | 894,390 |
| FUND BALANCES | | | | | |
| Nonspendable..... | 508,525 | 202,244 | 83,346 | 794,115 | 794,115 |
| Restricted..... | 384,713 | 729,586 | 511,687 | 1,625,986 | 10,598,714 |
| TOTAL FUND BALANCES..... | 893,238 | 931,830 | 595,033 | 2,420,101 | 11,392,829 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES..... | \$ 893,238 | \$ 931,830 | \$ 595,033 | \$ 2,420,101 | \$ 14,259,460 |

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NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

| | Special Revenue Funds | | | | | |
|---------------------------------------------------------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| | Town Grants | School Grants | Town Gifts | School Gifts | School Lunch | Town Revolving |
| REVENUES: | | | | | | |
| Intergovernmental - other..... | \$ 417,815 | \$ 2,808,092 | \$ - | \$ - | \$ 1,833,682 | \$ 40,950 |
| Departmental and other..... | 21,219 | - | - | - | 68,312 | 273,541 |
| Contributions and donations..... | - | - | 633,692 | 81,715 | - | 30,516 |
| Investment income..... | - | - | 35 | 31 | - | 173 |
| TOTAL REVENUES..... | 439,034 | 2,808,092 | 633,727 | 81,746 | 1,901,994 | 345,180 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government..... | 116,971 | - | 678,645 | - | - | 49,897 |
| Public safety..... | 152,533 | - | - | - | - | 37,673 |
| Education..... | - | 2,536,221 | - | 61,632 | 1,674,631 | - |
| Public works..... | 40,000 | - | 71,800 | - | - | - |
| Health and human services..... | 180,559 | - | 11,323 | - | - | 33,921 |
| Culture and recreation..... | 4,732 | - | - | - | - | 43,859 |
| TOTAL EXPENDITURES..... | 494,795 | 2,536,221 | 761,768 | 61,632 | 1,674,631 | 165,350 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES..... | (55,761) | 271,871 | (128,041) | 20,114 | 227,363 | 179,830 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Issuance of bonds..... | - | - | - | - | - | - |
| Premium from issuance of bonds..... | - | - | - | - | - | - |
| Transfers in..... | - | - | - | - | - | - |
| Transfers out..... | - | - | - | - | - | (129,752) |
| TOTAL OTHER FINANCING SOURCES (USES)..... | - | - | - | - | - | (129,752) |
| NET CHANGE IN FUND BALANCES..... | (55,761) | 271,871 | (128,041) | 20,114 | 227,363 | 50,078 |
| FUND BALANCES AT BEGINNING OF YEAR, AS REVISED..... | 811,896 | 307,256 | 743,456 | 250,373 | 139,881 | 1,227,684 |
| FUND BALANCES AT END OF YEAR..... | \$ 756,135 | \$ 579,127 | \$ 615,415 | \$ 270,487 | \$ 367,244 | \$ 1,277,762 |

(Continued)

| Special Revenue Funds | | | | | Capital Project Funds | | | | |
|-----------------------|---------------------|--------------------------|-------------------|---------------------|-----------------------|----------------------|-------------------------|--------------------|---------------------|
| School Revolving | Receipts Reserved | COVID-19 Pandemic Grants | Details and Other | Subtotal | Land and Improvements | Roadway Improvements | Machinery and Equipment | Ames Property | Subtotal |
| \$ - | \$ - | 3,452,951 | - | \$ 8,553,490 | \$ - | \$ 1,062,604 | \$ - | \$ - | \$ 1,062,604 |
| 758,333 | 13,900 | - | 1,810,795 | 2,946,100 | - | - | - | - | - |
| - | - | - | - | 745,923 | - | - | - | - | - |
| - | - | - | 13 | 252 | - | - | - | - | - |
| <u>758,333</u> | <u>13,900</u> | <u>3,452,951</u> | <u>1,810,808</u> | <u>12,245,765</u> | <u>-</u> | <u>1,062,604</u> | <u>-</u> | <u>-</u> | <u>1,062,604</u> |
| - | - | 156,303 | 1,978 | 1,003,794 | 95,880 | - | 167,815 | 1,024,816 | 1,288,511 |
| - | - | 315,394 | 1,829,631 | 2,335,231 | - | - | 336,355 | - | 336,355 |
| 681,648 | - | 1,905,502 | 64,069 | 6,923,703 | - | - | - | - | - |
| - | - | 1,134,142 | - | 1,245,942 | - | 2,275,536 | 614,704 | - | 2,890,240 |
| - | - | 54,564 | - | 280,367 | - | - | - | - | - |
| - | - | 10,696 | - | 59,287 | - | - | - | - | - |
| <u>681,648</u> | <u>-</u> | <u>3,576,601</u> | <u>1,895,678</u> | <u>11,848,324</u> | <u>95,880</u> | <u>2,275,536</u> | <u>1,118,874</u> | <u>1,024,816</u> | <u>4,515,106</u> |
| <u>76,685</u> | <u>13,900</u> | <u>(123,650)</u> | <u>(84,870)</u> | <u>397,441</u> | <u>(95,880)</u> | <u>(1,212,932)</u> | <u>(1,118,874)</u> | <u>(1,024,816)</u> | <u>(3,452,502)</u> |
| - | - | - | - | - | - | 1,350,000 | 585,000 | - | 1,935,000 |
| - | - | - | - | - | - | 213,453 | 71,714 | - | 285,167 |
| - | 32,964 | - | - | 32,964 | 75,000 | - | 313,209 | 134,682 | 522,891 |
| - | - | - | - | (129,752) | - | (12,659) | (2,313) | - | (14,972) |
| <u>-</u> | <u>32,964</u> | <u>-</u> | <u>-</u> | <u>(96,788)</u> | <u>75,000</u> | <u>1,550,794</u> | <u>967,610</u> | <u>134,682</u> | <u>2,728,086</u> |
| 76,685 | 46,864 | (123,650) | (84,870) | 300,653 | (20,880) | 337,862 | (151,264) | (890,134) | (724,416) |
| <u>392,891</u> | <u>1,065,098</u> | <u>136,512</u> | <u>274,782</u> | <u>5,349,829</u> | <u>440,730</u> | <u>1,002,281</u> | <u>1,299,495</u> | <u>1,304,156</u> | <u>4,046,662</u> |
| <u>\$ 469,576</u> | <u>\$ 1,111,962</u> | <u>\$ 12,862</u> | <u>\$ 189,912</u> | <u>\$ 5,650,482</u> | <u>\$ 419,850</u> | <u>\$ 1,340,143</u> | <u>\$ 1,148,231</u> | <u>\$ 414,022</u> | <u>\$ 3,322,246</u> |

(Continued)

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

| | Permanent Funds | | | | Total Nonmajor Governmental Funds |
|---------------------------------------------------------------------------|-------------------|-------------------|-------------------|---------------------|--------------------------------------------|
| | Cemetery Trust | Library Trust | Other Trust | Subtotal | |
| REVENUES: | | | | | |
| Intergovernmental - other..... | \$ - | \$ - | \$ - | \$ - | \$ 9,616,094 |
| Departmental and other..... | - | - | - | - | 2,946,100 |
| Contributions and donations..... | 15,650 | - | - | 15,650 | 761,573 |
| Investment income..... | 90,670 | 95,919 | 72,660 | 259,249 | 259,501 |
| TOTAL REVENUES..... | 106,320 | 95,919 | 72,660 | 274,899 | 13,583,268 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General government..... | - | - | - | - | 2,292,305 |
| Public safety..... | - | - | 1,357 | 1,357 | 2,672,943 |
| Education..... | - | - | 68 | 68 | 6,923,771 |
| Public works..... | - | - | 20 | 20 | 4,136,202 |
| Health and human services..... | - | - | - | - | 280,367 |
| Culture and recreation..... | - | - | - | - | 59,287 |
| TOTAL EXPENDITURES..... | - | - | 1,445 | 1,445 | 16,364,875 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES..... | 106,320 | 95,919 | 71,215 | 273,454 | (2,781,607) |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Issuance of bonds..... | - | - | - | - | 1,935,000 |
| Premium from issuance of bonds..... | - | - | - | - | 285,167 |
| Transfers in..... | - | - | - | - | 555,855 |
| Transfers out..... | - | - | (6,425) | (6,425) | (151,149) |
| TOTAL OTHER FINANCING SOURCES (USES)..... | - | - | (6,425) | (6,425) | 2,624,873 |
| NET CHANGE IN FUND BALANCES..... | 106,320 | 95,919 | 64,790 | 267,029 | (156,734) |
| FUND BALANCES AT BEGINNING OF YEAR, AS REVISED..... | 786,918 | 835,911 | 530,243 | 2,153,072 | 11,549,563 |
| FUND BALANCES AT END OF YEAR..... | \$ 893,238 | \$ 931,830 | \$ 595,033 | \$ 2,420,101 | \$ 11,392,829 |

(Concluded)

Statistical Section



Photo: The Fairbanks House, the oldest surviving timber frame house in North America, circa 1637-1641.

The Fairbanks House

Statistical Section

This part of the Town of Dedham'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.

Financial Trends

- These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

- 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.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the audited financial reports for the relevant year.

**Net Position By Component
Last Ten Years**

| | 2012 | 2013 (1) | 2014 (2) | 2015 | 2016 | 2017 (3) | 2018 | 2019 (4) | 2020 (5) | 2021 |
|---------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets..... | \$ 70,945,301 | \$ 74,967,068 | \$ 74,333,335 | \$ 75,778,459 | \$ 74,335,822 | \$ 80,672,671 | \$ 86,724,148 | \$ 87,718,413 | \$ 96,813,501 | \$ 99,112,250 |
| Restricted..... | 6,908,583 | 8,973,983 | 4,987,798 | 4,772,773 | 5,080,485 | 4,930,693 | 4,477,121 | 3,079,059 | 4,266,053 | 4,641,265 |
| Unrestricted..... | 11,195,528 | 11,191,965 | 24,868,411 | 16,745,818 | 23,863,133 | (20,973,724) | (20,089,497) | (22,491,094) | (35,664,203) | (37,906,330) |
| Total governmental activities net position..... | \$ 89,049,412 | \$ 95,133,016 | \$ 104,189,544 | \$ 97,297,050 | \$ 103,279,440 | \$ 64,629,640 | \$ 71,111,772 | \$ 68,306,378 | \$ 65,415,351 | \$ 65,847,185 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets..... | \$ 11,061,349 | \$ 10,563,015 | \$ 14,327,266 | \$ 15,737,411 | \$ 18,135,704 | \$ 20,074,127 | \$ 19,779,480 | \$ 20,589,401 | \$ 20,479,377 | \$ 21,073,317 |
| Unrestricted..... | 10,746,685 | 11,430,629 | 10,510,375 | 9,275,326 | 10,459,155 | 9,657,456 | 9,148,903 | 6,289,708 | 6,829,902 | 6,954,231 |
| Total business-type activities net position..... | \$ 21,808,034 | \$ 21,993,644 | \$ 24,837,641 | \$ 25,012,737 | \$ 28,594,859 | \$ 29,731,583 | \$ 28,928,383 | \$ 26,879,109 | \$ 27,309,279 | \$ 28,027,548 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets..... | \$ 82,006,650 | \$ 85,530,083 | \$ 88,660,601 | \$ 91,515,870 | \$ 92,471,526 | \$ 100,746,798 | \$ 106,503,628 | \$ 108,307,814 | \$ 117,292,878 | \$ 120,185,567 |
| Restricted..... | 6,908,583 | 8,973,983 | 4,987,798 | 4,772,773 | 5,080,485 | 4,930,693 | 4,477,121 | 3,079,059 | 4,266,053 | 4,641,265 |
| Unrestricted..... | 21,942,213 | 22,622,594 | 35,378,786 | 26,021,144 | 34,322,288 | (11,316,268) | (10,940,594) | (16,201,386) | (28,834,301) | (30,952,099) |
| Total primary government net position..... | \$ 110,857,446 | \$ 117,126,660 | \$ 129,027,185 | \$ 122,309,787 | \$ 131,874,299 | \$ 94,361,223 | \$ 100,040,155 | \$ 95,185,487 | \$ 92,724,630 | \$ 93,874,733 |

- (1) In 2013, the Town adjusted its estimate of unbilled sewer usage charges, which resulted in a decrease to its beginning net position as of July 1, 2012 of \$584,140.
- (2) In 2014, the Town restated its business-type activity beginning net position for capital assets that were not recorded in prior years, which resulted in an increase of \$1,289,477 to its beginning net position. The 2014, unrestricted net position for governmental activities has been revised due to the implementation of GASB Statements #68 and #71.
- (3) The 2017, unrestricted net position for governmental activities has been revised due to the implementation of GASB Statement #75.
- (4) The 2019, unrestricted net position for governmental activities has been restated to reflect the change in measurement date for GASB Statement #75. The 2019, unrestricted net position for business-type activities has been restated to reflect an adjustment for estimate of unbilled sewer usage charges.
- (5) The 2020, unrestricted net position for governmental activities has been revised due to the implementation of GASB Statement #84.

**Changes in Net Position
Last Ten Years**

| | 2012 | 2013 | 2014 | 2015 | 2016 (1) | 2017 | 2018 (2) | 2019 | 2020 | 2021 |
|-------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government..... | \$ 7,144,072 | \$ 8,576,777 | \$ 8,933,404 | \$ 9,213,762 | \$ 9,895,257 | \$ 9,056,603 | \$ 9,477,757 | \$ 12,516,527 | \$ 11,492,324 | \$ 12,283,764 |
| Public safety..... | 16,505,620 | 16,223,866 | 16,283,890 | 16,073,950 | 16,397,639 | 15,239,193 | 16,929,199 | 20,847,436 | 20,688,013 | 21,781,379 |
| Education..... | 57,609,327 | 59,992,955 | 60,660,525 | 58,821,863 | 63,663,385 | 65,847,140 | 71,559,646 | 74,481,775 | 80,176,268 | 83,349,267 |
| Public works..... | 8,640,310 | 10,593,671 | 9,867,811 | 10,694,480 | 9,743,512 | 8,761,324 | 10,377,613 | 12,089,797 | 12,986,481 | 13,978,588 |
| Health and human services..... | 1,293,813 | 1,333,425 | 1,426,511 | 1,407,928 | 1,607,696 | 1,432,425 | 1,772,701 | 2,058,842 | 2,061,818 | 1,993,326 |
| Culture and recreation..... | 3,216,271 | 3,264,258 | 3,185,169 | 3,181,678 | 3,043,349 | 2,948,425 | 3,512,242 | 4,143,407 | 4,094,029 | 3,455,668 |
| Interest..... | 1,858,222 | 1,782,917 | 1,629,350 | 1,411,829 | 1,675,411 | 2,039,494 | 2,846,337 | 3,008,019 | 2,956,656 | 2,838,232 |
| Total government activities expenses..... | 96,267,635 | 101,767,869 | 101,986,660 | 100,805,490 | 106,026,249 | 105,324,604 | 116,475,495 | 129,145,803 | 134,455,589 | 139,680,224 |
| Business-type activities: | | | | | | | | | | |
| Sewer..... | 5,310,034 | 5,442,503 | 5,488,730 | 5,783,229 | 5,766,409 | 6,180,498 | 6,389,381 | 7,201,106 | 7,737,912 | 7,603,705 |
| Endicott Estate..... | - | - | - | - | 281,150 | 343,085 | 369,543 | - | - | - |
| Total business-type activities expenses..... | 5,310,034 | 5,442,503 | 5,488,730 | 5,783,229 | 6,047,559 | 6,523,583 | 6,758,924 | 7,201,106 | 7,737,912 | 7,603,705 |
| Total primary government expenses..... | \$ 101,577,669 | \$ 107,210,372 | \$ 107,475,390 | \$ 106,588,719 | \$ 112,073,808 | \$ 111,848,187 | \$ 123,234,419 | \$ 136,346,909 | \$ 142,193,501 | \$ 147,283,929 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government..... | \$ 521,601 | \$ 705,729 | \$ 871,069 | \$ 1,749,713 | \$ 967,506 | \$ 1,014,293 | \$ 1,607,657 | \$ 1,075,107 | \$ 1,962,229 | \$ 1,717,611 |
| Public safety..... | 1,109,683 | 1,156,597 | 947,966 | 1,450,133 | 1,907,041 | 1,564,526 | 1,229,946 | 1,648,802 | 1,974,376 | 3,470,094 |
| Education..... | 2,314,003 | 2,415,302 | 2,270,306 | 2,032,470 | 1,936,319 | 2,692,683 | 2,501,080 | 2,428,716 | 2,074,712 | 1,170,778 |
| Public works..... | 226,893 | 48,673 | 148,978 | 133,983 | 62,571 | 98,230 | 153,435 | 110,528 | 189,350 | 214,705 |
| Health and human services..... | 217,543 | 113,926 | 318,813 | 181,192 | 196,789 | 203,925 | 110,039 | 121,363 | 106,165 | 119,757 |
| Culture and recreation..... | 516,599 | 633,245 | 662,126 | 689,088 | 325,222 | 293,744 | 361,222 | 723,139 | 442,203 | 343,998 |
| Operating grants and contributions..... | 15,443,557 | 15,464,617 | 15,558,347 | 11,514,258 | 14,404,503 | 15,982,107 | 16,496,065 | 18,297,523 | 22,925,186 | 28,995,153 |
| Capital grants and contributions..... | 7,200,151 | 2,190,370 | 856,405 | 1,503,681 | 1,092,587 | 2,574,075 | 4,115,030 | 5,530,075 | 1,166,380 | 739,209 |
| Total government activities program revenues..... | 27,550,030 | 22,728,459 | 21,634,010 | 19,254,518 | 20,892,538 | 24,423,583 | 26,574,474 | 29,935,253 | 30,840,601 | 36,771,305 |
| Business-type activities: | | | | | | | | | | |
| Charge for services..... | 8,409,004 | 7,684,458 | 7,684,973 | 7,598,905 | 8,323,701 | 8,223,787 | 7,457,001 | 5,079,798 | 6,687,177 | 7,454,409 |
| Operating grants and contributions..... | 38,227 | 82,589 | 37,454 | 35,087 | 29,718 | 24,347 | 14,044 | 7,934 | 1,375 | - |
| Capital grants and contributions..... | - | 212,850 | - | 684,750 | 684,750 | - | - | - | 870,000 | 870,000 |
| Total business-type activities program revenues..... | 8,447,231 | 7,979,897 | 7,722,427 | 8,318,742 | 9,038,169 | 8,248,134 | 7,471,045 | 5,087,732 | 7,558,552 | 8,324,409 |
| Total primary government program revenues..... | \$ 35,997,261 | \$ 30,708,356 | \$ 29,356,437 | \$ 27,573,260 | \$ 29,930,707 | \$ 32,671,717 | \$ 34,045,519 | \$ 35,022,985 | \$ 38,399,153 | \$ 45,095,714 |

(1) In 2016, the Town established the Endicott Estate enterprise fund.

(2) At the end of 2018, the Town terminated the Endicott Estate enterprise fund.

(Continued)

**Changes in Net Position
Last Ten Years**

| | 2012 | 2013 (1) | 2014 | 2015 | 2016 (2) | 2017 | 2018 (3) | 2019 | 2020 | 2021 |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities..... | \$ (68,717,605) | \$ (79,039,410) | \$ (80,352,650) | \$ (81,550,972) | \$ (85,133,711) | \$ (80,901,021) | \$ (89,901,021) | \$ (99,210,550) | \$ (103,614,988) | \$ (102,908,919) |
| Business-type activities..... | 3,137,197 | 2,537,394 | 2,233,697 | 2,535,513 | 2,990,610 | 1,724,551 | 712,121 | (2,113,374) | (179,360) | 720,704 |
| Total primary government net expense..... | \$ (65,580,408) | \$ (76,502,016) | \$ (78,118,953) | \$ (79,015,459) | \$ (82,143,101) | \$ (79,176,470) | \$ (89,188,900) | \$ (101,323,924) | \$ (103,794,348) | \$ (102,188,215) |
| General Revenues and other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Real estate and personal property taxes, net of tax refunds payable..... | \$ 72,965,354 | \$ 76,993,771 | \$ 78,692,616 | \$ 78,571,596 | \$ 79,171,605 | \$ 81,582,439 | \$ 83,914,028 | \$ 85,360,315 | \$ 89,045,964 | \$ 91,882,084 |
| Tax liens..... | - | - | 355,426 | 1,875,713 | 1,804,992 | 618,227 | 39,292 | 887,497 | 93,538 | 411,292 |
| Motor vehicle and other excise taxes..... | 4,449,942 | 3,041,377 | 3,401,778 | 3,416,160 | 3,674,075 | 3,613,389 | 3,889,293 | 3,902,400 | 3,987,269 | 3,893,949 |
| Hotel/motel tax..... | - | 315,907 | 1,187,574 | 1,395,840 | 1,487,976 | 1,454,061 | 1,468,170 | 1,446,469 | 1,085,872 | 415,880 |
| Meals tax..... | - | 813,338 | 828,669 | 860,026 | 870,316 | 862,982 | 924,153 | 1,006,126 | 907,415 | 777,976 |
| Penalties and interest on taxes..... | 345,562 | 344,787 | 585,132 | 656,738 | 548,701 | 485,962 | 533,387 | 630,133 | 440,462 | 329,561 |
| Payments in lieu of taxes..... | - | - | - | 934 | 291 | 59,366 | 30,942 | 142,223 | 68,908 | 101,675 |
| Grants and contributions not restricted to specific programs..... | 2,765,940 | 2,737,462 | 3,139,624 | 3,202,367 | 3,255,520 | 3,429,611 | 3,548,546 | 3,681,863 | 3,661,144 | 3,763,568 |
| Unrestricted investment income..... | 611,980 | 398,380 | 510,602 | 380,238 | 884,474 | 343,702 | 430,563 | 1,980,624 | 1,549,617 | 1,627,138 |
| Miscellaneous..... | - | - | - | - | - | 503,462 | 59,545 | 138,841 | 20,711 | 135,195 |
| Transfers..... | 430,112 | 478,192 | 679,977 | 2,361,107 | (591,512) | 646,696 | 824,258 | (64,100) | (588,182) | 2,435 |
| Special item..... | - | - | - | - | - | - | 720,976 | - | - | - |
| Total governmental activities..... | 81,568,890 | 85,123,214 | 89,381,398 | 92,720,719 | 91,106,438 | 93,599,897 | 96,383,153 | 99,112,391 | 100,272,718 | 103,340,753 |
| Business-type activities: | | | | | | | | | | |
| Grants and contributions not restricted to specific programs..... | - | - | - | - | - | - | 3,763,568 | - | - | - |
| Unrestricted investment income..... | 11 | 25 | 800 | 690 | - | 58,869 | 29,913 | - | 21,348 | - |
| Transfers..... | (430,112) | (478,192) | (679,977) | (2,361,107) | 591,512 | (646,696) | (824,258) | 64,100 | 588,182 | (2,435) |
| Special item..... | - | - | - | - | - | - | (720,976) | - | - | - |
| Total business type activities..... | (430,101) | (478,167) | (679,177) | (2,360,417) | 591,512 | (587,827) | 2,248,247 | 64,100 | 609,530 | (2,435) |
| Total primary government general revenues and other changes in net position..... | \$ 81,138,789 | \$ 84,645,047 | \$ 88,702,221 | \$ 90,360,302 | \$ 91,697,950 | \$ 93,012,070 | \$ 98,631,400 | \$ 99,176,491 | \$ 100,882,248 | \$ 103,338,318 |
| Changes in Net Position | | | | | | | | | | |
| Governmental activities..... | \$ 12,851,285 | \$ 6,083,804 | \$ 9,028,748 | \$ 11,169,747 | \$ 5,972,727 | \$ 12,698,876 | \$ 6,482,132 | \$ (98,159) | \$ (3,342,270) | \$ 431,834 |
| Business-type activities..... | 2,707,096 | 2,059,227 | 1,554,520 | 175,096 | 3,582,122 | 1,136,724 | 2,960,368 | (2,049,274) | 430,170 | 718,269 |
| Total primary government..... | \$ 15,558,381 | \$ 8,143,031 | \$ 10,583,268 | \$ 11,344,843 | \$ 9,554,849 | \$ 13,835,600 | \$ 9,442,500 | \$ (2,147,433) | \$ (2,912,100) | \$ 1,150,103 |

(1) Prior to 2013, the Town, in accordance with Department of Revenue oversight, considered hotel/motel tax and meals tax collections to be part of the motor vehicle and other excise tax category.

(Concluded)

(2) In 2016, the Town established the Endicott Estate enterprise fund and net position was transferred to governmental activities.

(3) At the end of 2018, the Town terminated the Endicott Estate enterprise fund.

**Fund Balances, Governmental Funds
Last Ten Years**

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 (1) | 2021 |
|------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| General Fund | | | | | | | | | | |
| Restricted..... | \$ 857,469 | \$ 450,779 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Committed..... | 3,133,729 | 4,938,065 | 1,365,378 | 844,518 | 792,356 | 1,138,572 | 859,545 | 741,178 | 710,411 | 730,737 |
| Assigned..... | 2,973,705 | 1,716,512 | 1,963,577 | 6,530,614 | 11,276,770 | 11,220,687 | 4,560,703 | 3,311,223 | 2,846,199 | 1,861,724 |
| Unassigned..... | <u>11,016,182</u> | <u>14,067,643</u> | <u>24,935,383</u> | <u>29,669,754</u> | <u>29,673,739</u> | <u>22,755,407</u> | <u>25,124,966</u> | <u>24,307,627</u> | <u>21,962,357</u> | <u>22,409,555</u> |
| Total general fund..... | \$ <u>17,981,085</u> | \$ <u>21,172,999</u> | \$ <u>28,264,338</u> | \$ <u>37,044,886</u> | \$ <u>41,742,865</u> | \$ <u>35,114,666</u> | \$ <u>30,545,214</u> | \$ <u>28,360,028</u> | \$ <u>25,518,967</u> | \$ <u>25,002,016</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable..... | \$ 782,615 | \$ 796,915 | \$ 894,421 | \$ 793,815 | \$ 728,260 | \$ 783,787 | \$ 794,115 | \$ 794,115 | \$ 794,115 | \$ 794,115 |
| Restricted..... | 6,125,968 | 8,710,556 | 9,271,805 | 9,774,616 | 25,746,528 | 25,295,950 | 31,091,264 | 25,228,473 | 25,681,088 | 38,433,328 |
| Unassigned..... | <u>(528,119)</u> | <u>(60,283)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total all other governmental funds..... | \$ <u>6,380,464</u> | \$ <u>9,447,188</u> | \$ <u>10,166,226</u> | \$ <u>10,568,431</u> | \$ <u>26,474,788</u> | \$ <u>26,079,737</u> | \$ <u>31,885,379</u> | \$ <u>26,022,588</u> | \$ <u>26,475,203</u> | \$ <u>39,227,443</u> |

(1) The 2020, restricted fund balance for all other governmental funds has been revised due to the implementation of GASB Statement #84.

**Changes in Fund Balances, Governmental Funds
Last Ten Years**

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 (3) | 2019 | 2020 | 2021 |
|---------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|----------------------|-----------------------|---------------------|-----------------------|-----------------------|----------------------|
| Revenues: | | | | | | | | | | |
| Real estate and personal property taxes, net of tax refunds..... | \$ 72,986,435 | \$ 76,448,797 | \$ 79,137,319 | \$ 79,916,907 | \$ 79,902,404 | \$ 81,985,920 | \$ 83,419,986 | \$ 85,794,821 | \$ 88,211,982 | \$ 91,868,778 |
| (1) Tax liens..... | - | - | 200,981 | 269,413 | 564,136 | 862,402 | 748,315 | 910,780 | 498,712 | 240,319 |
| Motor vehicle and other excise taxes..... | 4,466,321 | 3,094,928 | 3,429,094 | 3,603,525 | 3,763,952 | 3,714,018 | 3,910,506 | 3,882,516 | 3,864,757 | 3,787,279 |
| (2) Hotel/motel tax..... | - | 315,907 | 1,187,574 | 1,395,840 | 1,487,976 | 1,454,061 | 1,468,170 | 1,446,469 | 1,085,872 | 415,880 |
| (2) Meals tax..... | - | 813,338 | 828,669 | 860,026 | 870,316 | 862,982 | 924,153 | 1,006,126 | 907,415 | 777,976 |
| Penalties and interest on taxes..... | 345,562 | 344,787 | 585,132 | 656,738 | 548,701 | 485,962 | 533,387 | 630,133 | 440,462 | 329,561 |
| (1) Payment in lieu of taxes..... | - | - | 27,780 | 28,714 | 291 | 59,366 | 30,942 | 142,223 | 68,908 | 101,675 |
| Licenses and permits..... | - | - | - | 1,375,299 | 1,816,602 | 1,309,044 | 1,029,842 | 1,394,965 | 1,411,321 | 1,361,217 |
| (1) Fines and forfeitures..... | - | - | 180,097 | 97,452 | 89,396 | 142,127 | 149,352 | 118,543 | 94,716 | 43,584 |
| Intergovernmental..... | 24,719,530 | 19,897,642 | 18,690,605 | 15,601,714 | 18,680,689 | 19,906,851 | 23,951,279 | 27,180,745 | 27,352,446 | 33,898,404 |
| Departmental and other..... | 4,011,738 | 4,336,189 | 4,481,537 | 4,754,491 | 3,592,592 | 6,750,208 | 4,907,874 | 4,831,159 | 4,508,038 | 4,548,730 |
| Contributions and donations..... | 531,787 | 450,855 | 564,880 | 296,504 | 389,959 | 242,530 | 153,935 | 223,820 | 477,717 | 761,573 |
| Investment income..... | 573,233 | 398,380 | 510,602 | 380,238 | 884,474 | 343,702 | 430,563 | 1,980,624 | 1,549,617 | 1,627,138 |
| Total Revenues..... | 107,634,606 | 106,100,823 | 109,824,270 | 109,236,861 | 112,591,488 | 118,119,173 | 121,658,304 | 129,542,924 | 130,471,963 | 139,762,114 |
| Expenditures: | | | | | | | | | | |
| General government..... | 4,622,485 | 5,494,350 | 5,991,113 | 6,708,315 | 7,195,013 | 6,244,126 | 6,785,992 | 9,650,321 | 8,203,810 | 8,842,214 |
| Public safety..... | 11,332,964 | 11,120,678 | 11,712,788 | 12,050,599 | 12,128,514 | 13,733,540 | 12,992,895 | 13,856,208 | 13,981,292 | 16,496,351 |
| Education..... | 37,973,487 | 40,590,610 | 41,811,603 | 46,542,607 | 51,425,188 | 55,291,949 | 48,917,172 | 50,641,129 | 53,770,879 | 55,275,029 |
| Public works..... | 7,172,931 | 8,578,740 | 6,896,867 | 7,466,215 | 6,252,586 | 6,104,779 | 6,314,629 | 6,596,016 | 7,478,413 | 8,992,423 |
| Health and human services..... | 844,790 | 937,300 | 1,016,686 | 1,059,331 | 1,156,673 | 713,400 | 1,359,514 | 1,362,223 | 1,414,606 | 1,454,874 |
| Culture and recreation..... | 2,277,109 | 2,226,395 | 2,420,484 | 2,407,798 | 3,274,473 | 3,021,456 | 2,810,160 | 2,606,349 | 2,641,282 | 2,270,780 |
| Pension and fringe benefits..... | 21,215,130 | 21,858,995 | 22,234,425 | 15,105,891 | 16,506,963 | 24,836,102 | 29,761,440 | 27,748,489 | 28,062,566 | 30,788,036 |
| State and county charges..... | 2,335,196 | 2,369,851 | 2,396,658 | 2,481,421 | 2,477,739 | 2,673,551 | 2,892,415 | 2,890,687 | 3,182,848 | 3,401,931 |
| Capital outlay..... | 20,106,394 | 6,994,455 | 5,676,752 | 12,146,745 | 5,318,370 | 19,284,925 | 26,079,059 | 16,882,677 | 7,096,771 | 16,561,120 |
| Debt service: | | | | | | | | | | |
| Principal..... | 6,236,728 | 6,341,729 | 6,159,729 | 5,980,831 | 6,123,451 | 6,530,418 | 7,163,726 | 7,831,726 | 7,650,000 | 7,445,000 |
| Interest..... | 1,858,222 | 1,899,555 | 1,759,699 | 1,697,913 | 1,772,943 | 2,168,032 | 2,593,646 | 3,324,515 | 3,286,028 | 3,112,148 |
| Total Expenditures..... | 115,975,436 | 108,412,658 | 108,076,804 | 113,647,666 | 113,631,913 | 140,602,284 | 147,670,648 | 143,390,340 | 136,768,495 | 154,639,906 |
| Excess of revenues over (under) expenditures..... | <u>(8,340,830)</u> | <u>(2,311,835)</u> | <u>1,747,466</u> | <u>(4,410,805)</u> | <u>(1,040,425)</u> | <u>(22,483,111)</u> | <u>(26,012,344)</u> | <u>(13,847,416)</u> | <u>(6,296,532)</u> | <u>(14,877,792)</u> |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Issuance of bonds and notes..... | 6,295,000 | 6,988,000 | 4,523,560 | 11,057,270 | 20,568,692 | 13,617,000 | 25,615,000 | 5,440,000 | 3,930,000 | 25,215,000 |
| Premium from issuance of bonds..... | 323,945 | 114,851 | - | 175,181 | 644,847 | 1,196,165 | 809,276 | 423,539 | 291,486 | 1,895,646 |
| Transfers in..... | 3,266,787 | 3,523,044 | 2,491,371 | 6,506,648 | 1,842,343 | 3,563,706 | 4,149,495 | 4,172,089 | 2,939,090 | 798,350 |
| Transfers out..... | (2,836,675) | (3,044,852) | (1,811,394) | (4,145,541) | (1,411,121) | (2,917,010) | (3,325,237) | (4,236,189) | (3,527,272) | (795,915) |
| Total other financing sources (uses)..... | 7,049,057 | 7,581,043 | 5,203,537 | 13,593,558 | 21,644,761 | 15,459,861 | 27,248,534 | 5,799,439 | 3,633,304 | 27,113,081 |
| Net change in fund balance..... | \$ (1,291,773) | \$ 5,269,208 | \$ 6,951,003 | \$ 9,182,753 | \$ 20,604,336 | \$ (7,023,250) | \$ 1,236,190 | \$ (8,047,977) | \$ (2,663,228) | \$ 12,235,289 |
| Debt service as a percentage of noncapital expenditures..... | 8.44% | 8.13% | 7.73% | 7.57% | 7.29% | 7.17% | 8.02% | 8.82% | 8.43% | 7.65% |

(1) Prior to 2014, tax liens and payments in lieu of taxes were reported as real estate and personal property taxes. Additionally, fines and forfeitures were reported as departmental and other revenues.

(2) Prior to 2013, the Town, in accordance with Department of Revenue oversight, considered hotel/motel tax and meals tax collections to be part of the motor vehicle and other excise tax category.

(3) Capital outlay does not include the transfer of capital assets from the Endicott Estate enterprise fund.

**Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates
Last Ten Years**

| Year | Assessed and Actual Values and Tax Rates | | | | | | | | | | |
|------|------------------------------------------|----------------------|------------------------------|------------------|------------------|-------------------|------------------------|---------------------|-----------------------------|-------------------|------------------|
| | Residential Value | Residential Tax Rate | Residential % of Total Value | Commercial Value | Industrial Value | Personal Property | Total Commercial Value | Commercial Tax Rate | Commercial % of Total Value | Total Direct Rate | Total Town Value |
| 2012 | \$ 3,109,065,167 | \$ 15.43 | 79.06% | \$ 656,519,213 | \$ 39,588,320 | \$ 127,147,780 | \$ 823,255,313 | \$ 32.20 | 20.94% | \$ 18.94 | \$ 3,932,320,480 |
| 2013 | 3,134,309,527 | 15.79 | 79.29% | 658,879,273 | 40,010,900 | 120,007,710 | 818,897,883 | 34.37 | 20.71% | 19.64 | 3,953,207,410 |
| 2014 | 3,214,058,863 | 16.08 | 79.83% | 658,995,037 | 36,653,100 | 116,322,320 | 811,970,457 | 34.72 | 20.17% | 19.84 | 4,026,029,320 |
| 2015 | 3,330,483,081 | 15.87 | 80.48% | 661,372,619 | 33,981,500 | 112,195,780 | 807,549,899 | 33.95 | 19.52% | 19.40 | 4,138,032,980 |
| 2016 | 3,487,624,988 | 15.49 | 80.73% | 691,486,412 | 32,486,100 | 108,568,250 | 832,540,762 | 33.02 | 19.27% | 18.87 | 4,320,165,750 |
| 2017 | 3,710,487,092 | 14.76 | 80.97% | 719,725,798 | 39,639,410 | 112,560,630 | 871,925,838 | 31.36 | 19.03% | 17.92 | 4,582,412,930 |
| 2018 | 3,929,302,277 | 14.55 | 81.50% | 733,573,448 | 39,820,375 | 118,583,480 | 891,977,303 | 30.68 | 18.50% | 17.53 | 4,821,279,580 |
| 2019 | 4,153,135,015 | 14.15 | 81.63% | 746,781,895 | 42,204,190 | 145,408,540 | 934,394,625 | 29.79 | 18.37% | 17.02 | 5,087,529,640 |
| 2020 | 4,498,656,707 | 13.72 | 82.12% | 782,164,818 | 43,214,175 | 154,250,140 | 979,629,133 | 28.70 | 17.88% | 16.40 | 5,478,285,840 |
| 2021 | 4,609,009,167 | 13.67 | 81.42% | 818,883,683 | 45,743,550 | 186,947,050 | 1,051,574,283 | 28.86 | 18.58% | 16.49 | 5,660,583,450 |

Source: Assessor's Department, Town of Dedham
All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Principal Taxpayers
Current Year and Nine Years Ago

| Name | Nature of Business | 2021 | | | 2012 | | |
|---------------------------|-----------------------|-----------------------|------|--------------------------------------------|-----------------------|------|--------------------------------------------|
| | | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value |
| Legacy Place LLC | Shopping Center | \$ 129,046,600 | 1 | 2.28% | \$ 105,674,500 | 1 | 2.69% |
| HRCA of Dedham, Inc. | Apts/Assisted Living | 92,747,900 | 2 | 1.64% | 89,832,300 | 2 | 2.28% |
| OCW Retail-Dedham LLC | Shopping Center | 71,070,500 | 3 | 1.26% | 45,820,800 | 3 | 1.17% |
| Eversource-Gas | Utility | 69,295,280 | 4 | 1.22% | - | | |
| Archstone Legacy Place | Apartment Complex | 64,530,100 | 5 | 1.14% | - | | |
| RAR2-Jefferson At Dedham | Apartment Complex | 62,924,100 | 6 | 1.11% | 40,318,700 | 4 | 1.03% |
| Eversource-Electric | Utility | 45,299,320 | 7 | 0.80% | - | | |
| DIV CMM Rustcraft | Office/Warehouse | 41,524,900 | 8 | 0.73% | - | | |
| Federal Realty Investment | Shopping Center | 39,284,800 | 9 | 0.69% | 29,692,900 | 6 | 0.76% |
| National Amusements | Theater/Entertainment | 31,222,200 | 10 | 0.55% | - | | |
| Fairfield Dedham LLC | Apartment Complex | - | | | 38,151,200 | 5 | 0.97% |
| Liberty MA Portfolio | Office/Warehouse | - | | | 23,641,700 | 7 | 0.60% |
| Pearl Realty Trust | Retail | - | | | 22,627,900 | 8 | 0.58% |
| Dedham Fee LLC | Offices | - | | | 14,198,200 | 10 | 0.36% |
| Lowe's | Retail | - | | | 15,642,900 | 9 | 0.40% |
| | Totals | \$ 646,945,700 | | 11.43% | \$ 425,601,100 | | 10.82% |

Source: Official Statements

**Property Tax Levies and Collections
Last Ten Years**

| Year | Total Tax Levy | Less Abatements & Exemptions (1) | Net Tax Levy | First Year Current Tax Collections | Percent of Net Levy Collected | Delinquent Tax Collections | Total Tax Collections | Percent of Total Tax Collections to Net Tax Levy (2) |
|-------------|---------------------------|-----------------------------------------------------|-------------------------|---------------------------------------------------|----------------------------------------------|-------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|
| 2012 | \$ 74,481,697 | \$ 1,947,191 | \$ 72,534,506 | \$ 73,079,651 | 100.75% | \$ 633,516 | \$ 73,713,167 | 101.62% |
| 2013 | 77,636,268 | 2,327,218 | 75,309,050 | 75,820,958 | 100.68% | 586,607 | 76,407,565 | 101.46% |
| 2014 | 79,873,681 | 2,275,432 | 77,598,249 | 77,968,654 | 100.48% | 1,236,443 | 79,205,097 | 102.07% |
| 2015 | 80,271,086 | 2,166,652 | 78,104,434 | 78,814,902 | 100.91% | 882,434 | 79,697,336 | 102.04% |
| 2016 | 81,513,807 | 1,795,999 | 79,717,808 | 79,831,976 | 100.14% | 442,909 | 80,274,885 | 100.70% |
| 2017 | 82,110,384 | 612,899 | 81,497,485 | 80,504,125 | 98.78% | 321,256 | 80,825,381 | 99.18% |
| 2018 | 84,537,212 | 786,359 | 83,750,853 | 83,201,168 | 99.34% | 348,540 | 83,549,708 | 99.76% |
| 2019 | 86,602,476 | 665,243 | 85,937,233 | 85,313,155 | 99.27% | 238,375 | 85,551,530 | 99.55% |
| 2020 | 89,836,926 | 594,514 | 89,242,412 | 87,942,409 | 98.54% | 765,214 | 88,707,623 | 99.40% |
| 2021 | 93,353,589 | 1,212,992 | 92,140,597 | 92,034,286 | 99.88% | - | 92,034,286 | 99.88% |

Source: Accounting Records and Official Statements

(1) Budgeted per tax rate setting.

(2) If the actual abatements and exemptions are lower than the estimate, the actual collections can exceed the net levy.

**Ratio of Outstanding Debt by Type
Last Ten Years**

| Year | Governmental Activities | | Business-Type Activities | | Total Debt Outstanding | Percentage of Personal Income | U.S. Census | Debt Per Capita |
|------|------------------------------|------------------------------|--------------------------|---------------|------------------------|-------------------------------|-------------|-----------------|
| | General Obligation Bonds (1) | General Obligation Bonds (1) | Direct Borrowings | | | | | |
| 2012 | \$ 53,487,088 | \$ 1,725,000 | \$ 1,656,500 | \$ 56,868,588 | 5.51% | 25,094 | \$ 2,266 | |
| 2013 | 54,989,041 | 1,505,000 | 1,638,870 | 58,132,911 | 5.42% | 25,349 | 2,293 | |
| 2014 | 53,222,523 | 1,265,000 | 1,342,080 | 55,829,603 | 5.38% | 25,459 | 2,193 | |
| 2015 | 58,188,059 | 1,025,000 | 1,269,140 | 60,482,199 | 5.62% | 25,383 | 2,383 | |
| 2016 | 73,180,615 | 785,000 | 1,223,335 | 75,188,950 | 6.72% | 25,398 | 2,960 | |
| 2017 | 81,334,824 | 660,000 | 921,855 | 82,916,679 | 7.24% | 25,255 | 3,283 | |
| 2018 | 100,352,916 | 540,000 | 610,675 | 101,503,591 | 7.90% | 25,231 | 4,023 | |
| 2019 | 98,086,480 | 420,000 | 346,725 | 98,853,205 | 7.62% | 25,219 | 3,920 | |
| 2020 | 94,359,693 | 3,842,201 | 541,075 | 98,742,969 | 5.91% | 25,377 | 3,891 | |
| 2021 | 113,719,131 | 3,642,180 | 756,425 | 118,117,736 | 6.78% | 25,420 | 4,647 | |

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

Source: U.S. Census, State Division of Local Services

**Ratio of General Bonded Debt
Last Ten Years**

| Year | General Obligation Bonds (1) | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|------|------------------------------------|-------------------------------------------------------------------|---------------|
| 2012 | \$ 55,212,088 | 1.40% | 2,200 |
| 2013 | 56,494,041 | 1.43% | 2,229 |
| 2014 | 54,487,523 | 1.35% | 2,140 |
| 2015 | 59,213,059 | 1.43% | 2,333 |
| 2016 | 73,965,615 | 1.71% | 2,912 |
| 2017 | 81,994,824 | 1.79% | 3,247 |
| 2018 | 100,892,916 | 2.09% | 3,999 |
| 2019 | 98,506,480 | 1.94% | 3,906 |
| 2020 | 98,201,894 | 1.79% | 3,870 |
| 2021 | 117,361,311 | 2.07% | 4,617 |

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

Source: U.S. Census, State Division of Local Services

Direct and Overlapping Governmental Activities Debt

As of June 30, 2021

| <u>Town of Dedham, Massachusetts</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|-------------------------------------------------|-----------------------------|------------------------------------------------|--------------------------------------------------------|
| Debt repaid with property taxes: | | | |
| Massachusetts Bay Transportation Authority..... | \$ 121,165,000 | 0.468% | \$ 567,052 |
| Direct debt: | | | |
| Governmental Bonds Payable..... | | | <u>113,719,131</u> |
| Total direct and overlapping debt..... | | | <u>\$ 114,286,183</u> |

Source: Official Statements, Accounting Records

Note: The estimated percentage applicable is based on the Town's weighted percentage of total population as provided in the enabling act.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the Town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Computation of Legal Debt Margin

Last Ten Years

(Amounts in thousands)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Equalized Valuation..... | \$ <u>4,266,970</u> | \$ <u>4,266,970</u> | \$ <u>4,205,404</u> | \$ <u>4,205,404</u> | \$ <u>4,726,183</u> | \$ <u>4,726,183</u> | \$ <u>5,319,863</u> | \$ <u>5,319,863</u> | \$ <u>5,863,556</u> | \$ <u>5,863,556</u> |
| Debt Limit: 5% of Equalized Valuation..... | 213,349 | 213,349 | 210,270 | 210,270 | 236,309 | 236,309 | 265,993 | 265,993 | 293,178 | 293,178 |
| Less: | | | | | | | | | | |
| Outstanding debt applicable to limit..... | 57,276 | 58,133 | 49,576 | 55,421 | 69,123 | 68,900 | 80,685 | 76,022 | 76,709 | 95,377 |
| Authorized and unissued debt..... | <u>24,064</u> | <u>19,681</u> | <u>34,256</u> | <u>25,458</u> | <u>39,158</u> | <u>26,971</u> | <u>46,239</u> | <u>47,503</u> | <u>29,591</u> | <u>15,819</u> |
| Legal debt margin..... | \$ <u><u>132,009</u></u> | \$ <u><u>135,535</u></u> | \$ <u><u>126,438</u></u> | \$ <u><u>129,391</u></u> | \$ <u><u>128,028</u></u> | \$ <u><u>140,438</u></u> | \$ <u><u>139,069</u></u> | \$ <u><u>142,468</u></u> | \$ <u><u>186,878</u></u> | \$ <u><u>181,982</u></u> |
| Total debt applicable to the limit as a percentage of debt limit..... | 38.13% | 36.47% | 39.87% | 38.46% | 45.82% | 40.57% | 47.72% | 46.44% | 36.26% | 37.93% |

Source: State Division of Local Services, Accounting Records

Demographic and Economic Statistics

Last Ten Years

| Year | Population Estimates | Personal Income | Per Capita Personal Income | Median Age | School Enrollment | Unemployment Rate |
|-------------|-----------------------------|------------------------|-----------------------------------|-------------------|--------------------------|--------------------------|
| 2012 | 25,094 | \$ 1,032,345,860 | \$ 44,218 | 43.4 | 2,862 | 5.80% |
| 2013 | 25,349 | 1,072,932,988 | 45,283 | 43.4 | 2,826 | 5.40% |
| 2014 | 25,459 | 1,038,210,248 | 50,584 | 43.4 | 2,819 | 4.70% |
| 2015 | 25,383 | 1,076,803,958 | 53,667 | 43.4 | 2,776 | 4.00% |
| 2016 | 25,398 | 1,118,671,182 | 55,162 | 43.1 | 2,772 | 2.40% |
| 2017 | 25,255 | 1,145,623,000 | 65,206 | 43.1 | 2,693 | 3.30% |
| 2018 | 25,231 | 1,285,381,000 | 60,765 | 42.4 | 2,658 | 2.60% |
| 2019 | 25,219 | 1,296,887,075 | 63,246 | 43.3 | 2,687 | 2.90% |
| 2020 | 25,377 | 1,670,526,812 | 65,828 | 43.3 | 2,736 | 16.20% |
| 2021 | 25,420 | 1,741,690,402 | 68,516 | 42.9 | 2,556 | 5.40% |

Source: U. S. Census, Division of Local Services, Massachusetts Department of Elementary and Secondary Education

Note: Median age is based on most recent census data.

Principal Employers
Current Year and Nine Years Ago

| Employer | Nature of Business | 2021 | | | 2012 | | |
|---------------------------------|------------------------------|---------------|------|-------------------------------------|--------------|------|-------------------------------------|
| | | Employees (1) | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment |
| Legacy Place Lifestyle Center | Retail | 750 | 1 | 25.89% | - | - | - |
| Newbridge on the Charles | Assisted Living/Nursing Home | 375 | 2 | 12.94% | 650 | 1 | 19.90% |
| Dedham Medical Associates | Medical Center | 375 | 2 | 12.94% | 500 | 2 | 15.30% |
| Norfolk County/Sheriff | County Government | 175 | 3 | 6.03% | 500 | 2 | 15.30% |
| General Dynamics | Technology | 175 | 3 | 6.03% | - | - | - |
| Citizens Bank | Finance | 175 | 3 | 6.03% | - | - | - |
| Whole Foods | Grocery/ Retail | 175 | 3 | 6.03% | 300 | 4 | 9.18% |
| American Red Cross | Emergency Relief/Blood Bank | 175 | 3 | 6.03% | - | - | - |
| Dedham Executive Center | Office Complex | 175 | 3 | 6.03% | 250 | 5 | 7.65% |
| Dedham Savings | Banking | 175 | 3 | 6.03% | 220 | 7 | 6.73% |
| Sears, Roebuck & Co | Retail | 175 | 3 | 6.03% | 250 | 5 | 7.65% |
| Fox Television | Broadcasting | - | - | - | 205 | 8 | 6.27% |
| Hilton at Dedham | Hotel | - | - | - | 202 | 9 | 6.18% |
| Commonwealth of MA Court System | Government | - | - | - | 190 | 10 | 5.82% |
| | Total | 2,895 | | 100.00% | 3,267 | | 100.00% |

Source: Official Statements

Note: Employers with same amount of employees are ranked equally.
(1) = Median employment number based on range of employees provided by the state.
Calendar Year Average

Full-time Equivalent Town Employees by Function

Last Ten Years

| Function | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government..... | 64 | 67 | 68 | 68 | 65 | 66 | 68 | 72 | 73 | 88 |
| Public safety..... | 144 | 143 | 141 | 141 | 141 | 145 | 145 | 145 | 145 | 138 |
| Education..... | 497 | 502 | 515 | 486 | 490 | 501 | 494 | 496 | 509 | 502 |
| Public works..... | 24 | 24 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 29 |
| Health and human services..... | 14 | 14 | 14 | 14 | 14 | 13 | 13 | 14 | 14 | 12 |
| Culture and recreation..... | 26 | 25 | 27 | 28 | 28 | 28 | 29 | 29 | 29 | 25 |
| Total | 769 | 775 | 793 | 765 | 766 | 781 | 777 | 784 | 798 | 794 |

Source: Town personnel records

Operating Indicators by Function/Program

Last Ten Years

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | | | | | | | | | | |
| Town Clerk | | | | | | | | | | |
| Registered voters..... | 17,825 | 17,930 | 18,147 | 17,498 | 18,924 | 18,544 | 19,075 | 18,243 | 19,522 | 19,984 |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Criminal offenses | | | | | | | | | | |
| Violent..... | 83 | 68 | 78 | 22 | 13 | 11 | 5 | 7 | 9 | 9 |
| Property..... | 669 | 737 | 654 | 498 | 585 | 473 | 378 | 345 | 280 | 345 |
| Total criminal offenses..... | 752 | 805 | 732 | 520 | 598 | 484 | 383 | 352 | 289 | 354 |
| Fire | | | | | | | | | | |
| Incidents | | | | | | | | | | |
| Fires..... | 209 | 177 | 206 | 230 | 217 | 191 | 169 | 121 | 110 | 101 |
| Non-fire incidents..... | 4,081 | 4,246 | 4,203 | 4,568 | 4,352 | 4,665 | 4,909 | 4,773 | 4,623 | 4,636 |
| Total fire calls..... | 4,290 | 4,423 | 4,409 | 4,798 | 4,569 | 4,856 | 5,078 | 4,894 | 4,733 | 4,737 |
| Inspectional Services | | | | | | | | | | |
| Number of building permits..... | 1,165 | 1,104 | 1,149 | 1,032 | 1,475 | 1,527 | 1,207 | 1,376 | 1,352 | 1,444 |
| Education | | | | | | | | | | |
| Number of students..... | 2,864 | 2,829 | 2,819 | 2,776 | 2,747 | 2,694 | 2,658 | 2,687 | 2,736 | 2,609 |
| Public Works | | | | | | | | | | |
| Highway | | | | | | | | | | |
| Roads paved (miles)..... | 4 | 4 | 11 | 8 | 4 | 6 | 1 | 2.6 | 0.5 | 1.5 |
| Sewer | | | | | | | | | | |
| Sanitary sewers replaced (miles)..... | 0.01 | 0.01 | 0.04 | 0.09 | 0.14 | 0.10 | 0.10 | 0.01 | 0.01 | 0.03 |
| Health and Human Services | | | | | | | | | | |
| Board of Health | | | | | | | | | | |
| Inspections | | | | | | | | | | |
| Food establishments..... | 511 | 492 | 568 | 605 | 742 | 724 | 690 | 629 | 385 | 612 |
| Other..... | 241 | 200 | 366 | 268 | 202 | 159 | 210 | 394 | 426 | 307 |
| Total inspections..... | 752 | 692 | 934 | 873 | 944 | 883 | 900 | 1,023 | 811 | 919 |
| Culture and Recreation | | | | | | | | | | |
| Libraries | | | | | | | | | | |
| Circulation..... | 138,732 | 140,195 | 137,891 | 146,186 | 137,326 | 154,653 | 172,363 | 172,204 | 154,978 | 156,486 |
| Holdings..... | 124,252 | 126,368 | 137,149 | 137,994 | 150,214 | 126,763 | 130,020 | 137,438 | 140,930 | 108,421 |
| Total libraries..... | 262,984 | 266,563 | 275,040 | 284,180 | 287,540 | 281,416 | 302,383 | 309,642 | 295,908 | 264,907 |

Source: Various Town Departments and State Websites.

Capital Asset Statistics by Function/Program

Last Ten Years

| <u>Function/Program</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Government | | | | | | | | | | |
| Number of buildings..... | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Police | | | | | | | | | | |
| Number of stations..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire | | | | | | | | | | |
| Number of stations..... | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Education | | | | | | | | | | |
| Number of elementary schools..... | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Number of middle schools..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of high schools..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Works | | | | | | | | | | |
| Road miles..... | 110 | 110 | 107 | 107 | 107 | 107 | 107 | 107 | 107 | 107 |
| Sewer main lines (miles)..... | 118 | 118 | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 95 |
| Number of cemeteries..... | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Culture and Recreation | | | | | | | | | | |
| Number of libraries..... | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of public parks..... | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |

Source: Various Town Departments and State websites.