

TOWN OF LYNNFIELD, MASSACHUSETTS

Comprehensive Annual Financial Report

For the Year Ended June 30, 2020



Town Hall was recently painted, the steeple was refurbished and a new sign was placed in front of the building. – Photo courtesy of Drew Sanborn

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For the Year Ended June 30, 2020



Robert Dolan
Town Administrator

Prepared by:

Julie McCarthy
Assistant Finance Director/Town Accountant



Horse Trough on the Common. – Photo courtesy of Jennifer Welter

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CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	1
Organizational Chart	7
Principal Town Officials	8
Certificate of Achievement	9
Town Location	10
FINANCIAL SECTION:	
INDEPENDENT AUDITORS' REPORT	13
MANAGEMENT'S DISCUSSION AND ANALYSIS	16
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	28
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31

Statement of Revenues and Other Sources, and Expenditures and Other Uses – Budget and Actual – General Fund	32
Proprietary Funds:	
Statement of Net Position	33
Statement of Revenues, Expenses, and Changes in Fund Net Position	34
Statement of Cash Flows	35
Fiduciary Funds:	
Statement of Fiduciary Net Position	36
Statement of Changes in Fiduciary Net Position	37
Notes to Financial Statements	38
REQUIRED SUPPLEMENTARY INFORMATION:	
Pension:	
Schedule of Proportionate Share of the Net Pension Liability	79
Schedule of Pension Contributions	80
OPEB:	
Schedule of Changes in Net OPEB Liability	81
Schedules of Net OPEB Liability, Contributions, and Investment Returns	82
SUPPLEMENTARY STATEMENTS AND DETAIL SCHEDULES:	
Detail Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund	85
Governmental Funds Combining Financial Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Equity – Nonmajor Governmental Funds	94

STATISTICAL SECTION:

Financial Trend Data

Net Position by Component – Last Ten Fiscal Years	100
Changes in Net Position – Last Ten Fiscal Years	101
Fund Balances, Governmental Funds – Last Ten Fiscal Years	103
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	104

Information on Revenue Capacity

Assessed Value of Taxable Property by Classification – Last Ten Fiscal Years	105
Principal Property Taxpayers	106
Property Tax Levies & Collections – Last Ten Fiscal Years	107

Debt Capacity Information

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	108
Direct and Overlapping Governmental Activities Debt	109
Legal Debt Margin Information – Last Ten Fiscal Years	110

Demographic and Economic Information

Demographic and Economic Statistics – Last Ten Fiscal Years	111
Principal Employers	112

Operating Information

Government Employees by Function – Full Time Equivalents	113
Operating Indicators by Function – Last Ten Fiscal Years	114
Capital Asset Statistics by Function – Last Ten Fiscal Years	115



Gateway to the Historical district in Lynnfield Center. – Photo courtesy of Tyler Hamlin

INTRODUCTORY SECTION



Old Burying Ground also known as the Old Lynnfield Centre Cemetery in Lynnfield Center. This burial ground has Revolutionary War veterans amongst those interred. – Photo courtesy of Jennifer Welter



TOWN OF LYNNFIELD

Julie McCarthy
Assistant Finance Director
55 Summer Street
Lynnfield MA 01940
Telephone: 781-334-9420

December 17, 2020

Letter of Transmittal

To the Honorable Board of Selectmen and Citizens of the Town of Lynnfield:

State law requires the Town of Lynnfield to publish at the close of each fiscal year, a complete set of financial statements, in conformity with U.S. generally accepted accounting principles (GAAP), that are audited in accordance with generally accepted auditing standards in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Lynnfield, Massachusetts, for the fiscal year ending June 30, 2020 for your review.

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 credit raters as well as residents and taxpayers of the Town of Lynnfield.

The report consists of management's representations concerning the finances of the Town of Lynnfield. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in the report. To provide a reasonable basis for making these representations, management of the Town of Lynnfield has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient information for the preparation of the Town of Lynnfield's financial statements in conformity with GAAP.

The Town of Lynnfield's financial statements have been audited by Melanson, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town of Lynnfield for the year ending June 30, 2020, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town of Lynnfield's financial statements for the year ended June 30, 2020, and that they are, in fact, 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 statement of the Town of Lynnfield 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 representation 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 of Lynnfield's separately issued Single Audit Report.

Generally accepted accounting principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement, and should be read in conjunction with, the MD&A. The Town's MD&A can be found immediately following the independent auditor's report from Melanson.

Profile of the Town

Lynnfield initially consisted of two separate villages with a single governing body. The Town of Lynnfield was settled in 1638 and was made a district separate from Lynn in 1782. It was later officially incorporated in 1814. With a population of approximately 13,000, it is located in what traditionally is known as the "North Shore" approximately 12 miles from Boston within Essex County. Lynnfield is an affluent suburban community with a total area of 10.5 miles. Lynnfield lies along the western border of Essex County, and is bordered by the towns of Wakefield to the southwest, Reading to the west, North Reading to the north and northwest, Peabody to the Northeast, Lynn to the southeast and Saugus to the south.

The Town has access to Interstate 95 and US route 1 that pass through Town. This provides residents with easy accessibility to various employment centers in the Boston area.

Lynnfield is governed by the open town meeting model with a three-member Board of Selectmen overseeing the operation of the Town. The Town Administrator is responsible for carrying out the policies and direction of the Board of Selectmen and managing the day-to-day operations of the Town. An elected, five-member School Committee appoints a School Superintendent who administers the school system. An appointed Finance Committee, consisting of 11 members, makes recommendations to Town Meeting on operating budgets, capital budgets and other financial matters.

The Town offers a full range of traditional municipal services including police and fire protection, K-12 education, street and sidewalk maintenance, curbside solid waste and recycling collection and disposal, services for senior citizens and veterans a full-service Library, and recreational activities. The Town currently owns and operates two successful nine-hole golf courses; Reedy

Meadow and King Rail. Lynnfield also has a Cultural and Media Center which is a community meeting space and also houses the local Cable Access station.

Lynnfield Public Schools operate 4 public schools, Lynnfield High School, Lynnfield Middle School, Huckleberry Hill Elementary School and Summer Street Elementary School. The Essex North Shore Agricultural and Technical School in Middleton offers vocational technical education in grades 9 through 12.

Lynnfield is divided into two water districts: the Lynnfield Water District and the Lynnfield Center Water District. Both districts are chartered through the state legislature and exist separately from the Town government. Each holds its own annual meeting and elects its own Board of Water Commissioners.

The Town of Lynnfield is committed to preserve the character of our community through promoting programs and policies that preserve the friendly small-town community atmosphere.

Factors Affecting Financial Condition

Local Economy

Lynnfield typically has a very strong economy supported by the access to Boston's metropolitan area, high property values, and very good Town services, including highly rated public schools. The per capita income is significantly higher than state averages, and the unemployment rate 13.92% is lower than the state average of 16.1% as of June 30th during the COVID-19 pandemic. Despite the difficult economy, in 2020 the average home price in Lynnfield was \$710,000, an increase of 7.5% over the prior year. The Town of Lynnfield has a primarily residential tax base which has grown through rapidly rising home values. The commercial base has also continued to grow through the continued expansion of the MarketStreet development. Prior to the development of Market Street (2012) commercial property comprised only 8% of the Town's total value compared to 18.5% in 2020.

MarketStreet Lynnfield is a mixed-use development consisting of 395,000 s.f. of retail, restaurants and entertainment, a 180-unit residential community, and 80,000 s.f. of office space. Anchored by Whole Foods, the MarketStreet development features a classic main street appeal with a town square and village green. It is easily accessible with close proximity from route 95.

Since the opening of MarketStreet in 2013 the Town has received in excess of \$25 million in property taxes. Also, with the numerous new restaurants the Town's meals tax revenue has increased substantially with over \$2.6 million directly attributed to these new restaurants. Other revenues have increased, including motor vehicle taxes because of the additional cars at Arbor Point the Residential complex at MarketStreet and other miscellaneous fees and licenses. With the onset of COVID-19, there have been a couple of restaurants and a few retail stores that have closed. We are very optimistic that when the pandemic has subsided we will quickly have new

tenants in these open spaces. This shopping area is one of the most popular on the North Shore area and we have the distinct advantage that each store is directly accessible to the outside.

The Town's main source of revenue, property taxes are capped by Proposition 2 ½ and can only be overridden by a majority vote at a Town election. Tax revenue increases are limited, and state local aid has seen only minimal increases of less than 2%, local receipts have substantially decreased as a direct result of the COVID-19 pandemic. In 2020 the Town collected in excess of \$4.9 million in local receipts, a 14.7% decrease over the prior year. The major categories of revenues losses include meals tax, building permits, and miscellaneous departmental receipts.

As COVID-19 continued from the middle of March through the end of June our buildings were open by appointment only and our schools were closed. There were some sizeable cost savings on heat and electricity, supplies, and contractual services etc. The Town had realized \$1.8M in unexpended appropriations. We also took several measures to minimize the impact to our FY 2021 budget. These included reductions of \$1,023,862 or 1.7% to our operating and capital budgets.

Long-Term Financial Planning

Lynnfield is focused on addressing the numerous needs of the community.

The Town of Lynnfield has attained a solid financial rating of AA+ from Standard and Poor's since 2014. This reflects Lynnfield's strong budgetary flexibility, very strong liquidity with limited capital needs.

The Town of Lynnfield has a very conservative approach to budgeting. The Town maintains a 10-year capital improvement plan and also prepares a formal three- year budget forecast. The budget forecast is presented to the Board of Selectmen, School Committee and the Finance Committee. The Town of Lynnfield also has several formal financial policies in place. The Stabilization reserve is to maintain a balance of 3% to 5% of the operating budget, and is currently at 3.6%. Also, the Capital Facilities Maintenance Fund policy is to maintain a balance of 1% to 3% of our operating budget, and is currently 2.7%.

Lynnfield has also adopted a formal debt management policy that requires debt service to not exceed 10% of annual operating budget. Fiscal 2020 debt service budget of \$3.2 million was just 5.7% of the operating budget. The Town has total debt outstanding as of June 2020 of \$16,198,539. 74% of this debt will be paid within the next 5 years.

During 2020 the Town dedicated just under \$942,215 in free cash and one-time revenues to fund the capital plan related to building and equipment replacement and repair. Going forward, it is the goal of the Town to continue to aggressively fund capital needs annually on a cash basis. Additionally, \$150,000 was voted to increase reserves such as the Stabilization Fund and the Capital Facilities Maintenance Fund. Also, \$150,000 was funded in the Town's Other Post Employment Benefit Fund.

Relevant Financial Policies

The Town has continued to maintain quality municipal and school services despite years of reduced state aid through prudent budgeting, strong tax collections, conservative revenue estimates and continued property growth.

The Town's goals are to create a balanced and sustainable budget, with no use of non-recurring reserves to fund the operating budget, to maintain an aggressive capital plan, to continue to build the stabilization and capital facilities maintenance fund reserves, and to fund annually the OPEB Trust.

The Town of Lynnfield manages its risk through a combination of self-insured programs for unemployment and worker's compensation. The Town of Lynnfield is a member of Massachusetts Interlocal Insurance Association (MIIA). This is a member based non-profit that provides property and casualty and worker's compensation coverage to Massachusetts cities and towns. MIIA is self-supported through premiums and reinsures through commercial companies.

Major Initiative

A Strategic Planning Committee (SPC) was recently formed to advise the Board on the scope of upcoming capital projects, to examine and evaluate options regarding these projects, assist in their prioritization, examination of funding sources and strategies, and to analyze how these projects will fit in with the Town's spending and debt plan. Over the previous decade the Town has made historic investments in its public-school buildings and athletic / recreation facilities. Over the next decade the Town sees positive opportunities to make considerable investment in Town infrastructure such as public safety buildings, our library, school buildings and town hall to modernize operations and to invest and improve these important community services. This blue-ribbon committee is made up of some of the Lynnfield's most talented citizens, all experts in their fields, to lead this critical initiative in partnership with the Board of Selectmen, Town Administrator and his senior staff. It will truly be a community guide for the coming decade, and advance the goal of the Town of Lynnfield to be a AAA bond rated community.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lynnfield, Massachusetts for its comprehensive annual financial report for the fiscal year ended June 20, 2019. This was the first year the Town was awarded an Achievement for Excellence in Financial Reporting. Based on information available on the GFOA website, only forty-six municipalities or 13% in Massachusetts received this distinction for fiscal 2017. This is a very prestigious award and in order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of achievement is valid for one year only. We believe that our current comprehensive annual financial report will meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this comprehensive document requires a significant investment of time and resources. I would like to express my sincere thanks to all departments who assisted and contributed to the efforts of this report. Also, a special thanks to Melanson, our audit firm, for all of their advice and assistance in the preparation of this report.

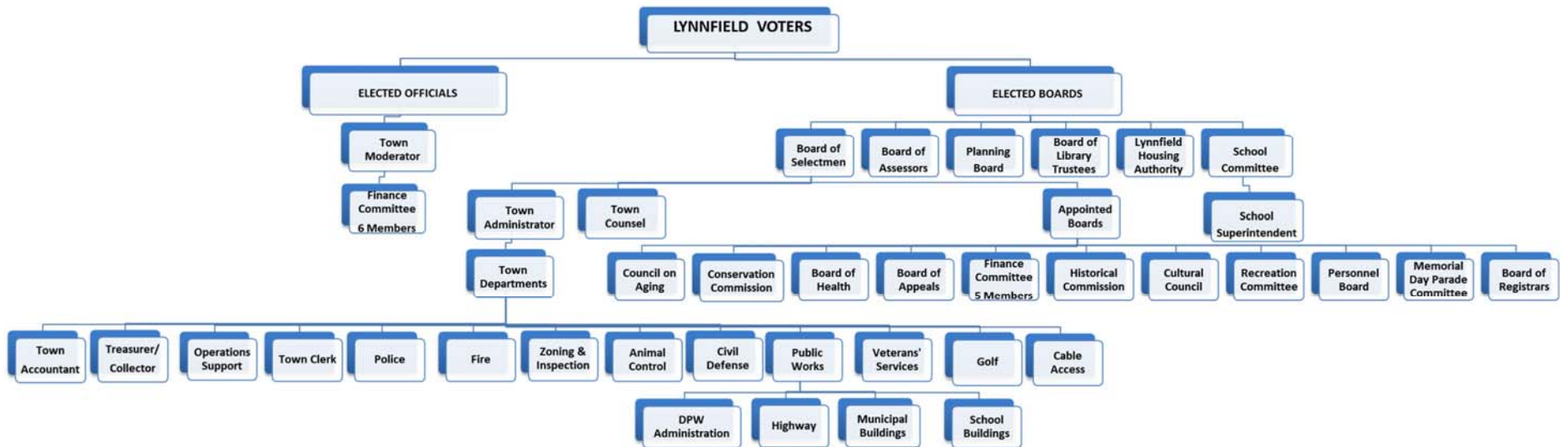
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Robert Dolan", with a long horizontal flourish extending to the right.

Robert Dolan
Town Administrator/Finance Director

A handwritten signature in blue ink, appearing to read "Julie McCarthy", with a long horizontal flourish extending to the right.

Julie McCarthy
Assistant Finance Director/Town Accountant



**Town of Lynnfield,
Massachusetts**

Principal Executive Officers

<u>Title</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Length of Term</u>	<u>Expiration of Term</u>
Clerk- Board of Selectmen	Philip B. Crawford	Elected	3 Years	2023
Chairman- Board of Selectmen	Christopher J. Barrett	Elected	3 Years	2021
Vice Chairman- Board of Selectmen	Richard Dalton	Elected	3 Years	2022
Town Administrator/Director of Finance	Robert Dolan	Appointed	2 Years	2020
Asst. Finance Director/Town Accountant	Julianne M. McCarthy	Appointed	2 Years	2022
Treasurer/Collector	Leslie Davidson	Appointed	Indefinite	2021
Town Clerk	Linda Emerson	Appointed	Indefinite	2021
Assessing Manager	John Cena-Interim	Appointed	Indefinite	N/A
Assessor-Chairman	Donald P. Garrity	Elected	3 Years	2021
Assessor	Bonnie Celi	Elected	3 Years	2023
Assessor	Richard J. O'Neil, Jr.	Elected	3 Years	2022
Fire Chief	Glenn Davis	Appointed	Indefinite	N/A
Police Chief	David Breen	Appointed	Indefinite	N/A
Public Works Director	John Tomasz	Appointed	Indefinite	N/A
School Superintendent	Jane Tremblay	Appointed	Indefinite	N/A
School Director of Finance	Thomas Geary	Appointed	Indefinite	N/A
Town Moderator	Joseph Markey	Elected	1 year	2021
Town Counsel	Thomas A. Mullen	Appointed	2 Years	2021



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Lynnfield
Massachusetts**

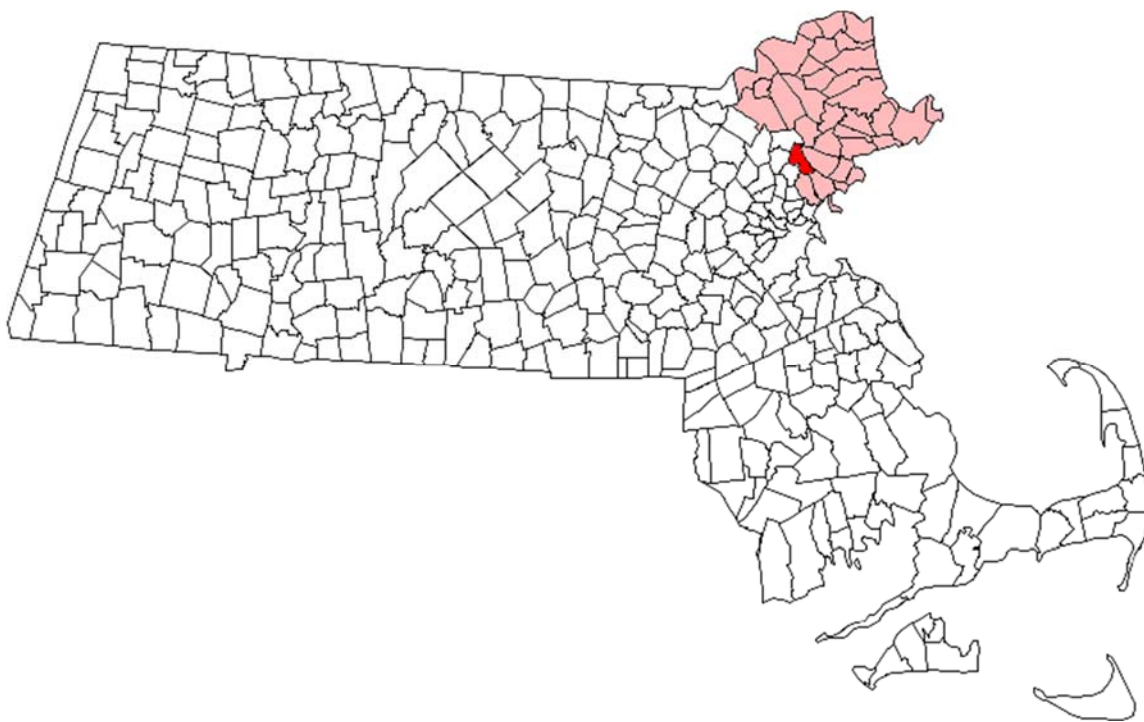
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Geographic Location



**FINANCIAL
SECTION**



Aerial View of Pillings Pond. This is a man-made mill pond that at one time was lined with summer cottages and used as a get-away destination. – Photo courtesy of Tyler Hamlin

INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen
Town of Lynnfield, 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 Lynnfield, Massachusetts, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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



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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lynnfield, Massachusetts, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lynnfield, Massachusetts' basic financial statements. The accompanying supplementary information appearing on pages 85 through 95 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such



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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 2020 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Government's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Andover, Massachusetts
December 17, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Lynnfield, Massachusetts (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020.

A. Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required/other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, education, public works, health and human services, culture and recreation, interest on debt, and intergovernmental assessments. The business-type activities include golf course and emergency medical services activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure

and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for the golf course and emergency medical services 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 statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

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

Required/Other Supplementary Information

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

B. Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$(51,757,469), a change of \$(6,013,735), and net position in business-type activities was \$10,544,106, a change of \$873,872. The deficit balance in governmental activities is primarily due to the unfunded net pension liability and net OPEB liability.
- As of the close of the current fiscal year, governmental funds reported a combined ending fund balance of \$16,462,554, a change of \$981,391 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,483,351, a change of \$(987,906) in comparison to the prior year.

C. Government-Wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

NET POSITION (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 19,849	\$ 19,813	\$ 909	\$ 680	\$ 20,758	\$ 20,493
Capital assets	<u>71,462</u>	<u>73,800</u>	<u>13,548</u>	<u>13,627</u>	<u>85,010</u>	<u>87,427</u>
Total assets	91,311	93,613	14,457	14,307	105,768	107,920
Deferred outflows of resources	23,415	4,364	-	-	23,415	4,364
Current liabilities	4,403	5,858	786	772	5,189	6,630
Noncurrent liabilities	<u>146,370</u>	<u>129,534</u>	<u>3,127</u>	<u>3,865</u>	<u>149,497</u>	<u>133,399</u>
Total liabilities	150,773	135,392	3,913	4,637	154,686	140,029
Deferred inflows of resources	15,711	8,328	-	-	15,711	8,328
Net investment in capital assets	59,471	59,818	9,881	9,093	69,352	68,911
Restricted	6,564	6,357	-	-	6,564	6,357
Unrestricted	<u>(117,793)</u>	<u>(111,918)</u>	<u>663</u>	<u>577</u>	<u>(117,130)</u>	<u>(111,341)</u>
Total net position	\$ <u>(51,758)</u>	\$ <u>(45,743)</u>	\$ <u>10,544</u>	\$ <u>9,670</u>	\$ <u>(41,214)</u>	\$ <u>(36,073)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$(41,213,363), a change of \$(5,139,863) in comparison to the prior year.

A portion of net position \$69,352,175 reflects our investment in capital assets (e.g., land and construction in progress, land improvements, buildings and improvements, machinery, equipment and furnishings, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$6,564,024 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit of \$(117,129,562) primarily resulting from unfunded pension and OPEB liabilities.

CHANGES IN NET POSITION (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 2,881	\$ 3,548	\$ 1,824	\$ 1,798	\$ 4,705	\$ 5,346
Operating grants and contributions	14,811	12,644	-	-	14,811	12,644
Capital grants and contributions	456	228	-	-	456	228
General revenues:						
Property taxes	46,727	46,282	-	-	46,727	46,282
Excises	3,396	3,597	-	-	3,396	3,597
Penalties and interest on taxes	717	710	-	-	717	710
Grants and contributions not restricted to specific programs	1,179	1,203	-	-	1,179	1,203
Investment income	230	279	3	3	233	282
Other	396	695	-	-	396	695
Total revenues	70,793	69,186	1,827	1,801	72,620	70,987
Expenses:						
General government	4,013	3,539	-	-	4,013	3,539
Public safety	7,796	7,216	-	-	7,796	7,216
Education	51,261	49,198	-	-	51,261	49,198
Public works	10,026	10,122	-	-	10,026	10,122
Health and human services	1,166	976	-	-	1,166	976
Culture and recreation	1,472	1,587	-	-	1,472	1,587
Interest on long-term debt	182	483	-	-	182	483
Other	61	-	-	-	61	-
Golf course	-	-	1,039	1,035	1,039	1,035
Emergency medical services	-	-	764	784	764	784
Total expenses	75,977	73,121	1,803	1,819	77,780	74,940

(continued)

(continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
Change in net position before transfers and permanent fund contributions	(5,184)	(3,935)	24	(18)	(5,160)	(3,953)
Transfers in (out)	(850)	(783)	850	783	-	-
Permanent fund contributions	<u>19</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>21</u>
Change in net position	(6,015)	(4,697)	874	765	(5,141)	(3,932)
Net position - beginning of year	<u>(45,743)</u>	<u>(41,046)</u>	<u>9,670</u>	<u>8,905</u>	<u>(36,073)</u>	<u>(32,141)</u>
Net position - end of year	<u>\$ (51,758)</u>	<u>\$ (45,743)</u>	<u>\$ 10,544</u>	<u>\$ 9,670</u>	<u>\$ (41,214)</u>	<u>\$ (36,073)</u>

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$(6,013,735). Key elements of this change are as follows:

Change in net pension liability and related deferred outflows and inflows of resources	\$ (899,200)
Change in net OPEB liability and related deferred outflows and inflows of resources	(5,222,192)
Other	<u>107,657</u>
Total	<u>\$ (6,013,735)</u>

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$873,872. Key elements of this change are as follows:

Golf course operations (after general fund debt service subsidy)	\$ 873,313
Emergency medical services operations	<u>559</u>
Total	<u>\$ 873,872</u>

The increase in Golf Course operations resulted primarily because debt service, which was subsidized by the general fund, exceeded depreciation expense.

D. Financial Analysis of Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements.

In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$16,462,554, a change of \$981,391 in comparison to the prior year. Key elements of this change are as follows:

General fund change in fund balance (explained in more detail below)	\$ 34,831
Receipts Reserved major fund change in fund balance	(421,025)
Nonmajor funds change in fund balance	<u>1,367,585</u>
Total	<u><u>\$ 981,391</u></u>

The Receipts Reserved Major Fund change in fund balance was primarily caused by budgeted transfers to the general fund approved at annual Town meeting. Under Massachusetts General Laws, these revenues are restricted for future appropriation.

The nonmajor funds change in fund balance was primarily caused by bond proceeds funding the athletic facilities improvement project.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,483,351, while total fund balance was \$10,406,265. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>	% of Total General Fund Expenditures*
Unassigned fund balance	\$ 6,483,351	\$ 7,471,257	\$ (987,906)	11.4%
Total fund balance	\$ 10,406,265	\$ 10,371,434	\$ 34,831	18.2%

* Expenditure amounts used to calculate the above percentage have been adjusted to exclude the on-behalf payment from Commonwealth to the Massachusetts Retirement System of \$3,619,653.

The total fund balance of the general fund changed by \$34,831 during the current fiscal year. Key factors in this change are as follows:

Revenues less than budget	\$ (267,824)
Expenditures less than budget	1,641,079
Use of free cash as a funding source	(1,442,310)
Use of overlay surplus as a funding source	(535,373)
Change in stabilization funds balance	292,368
Other	<u>346,891</u>
Total	<u><u>\$ 34,831</u></u>

Major causes of revenue and expenditure budget variances are discussed below. The use of free cash (component of general fund balance) was primarily used for capital-related purposes.

Included in the total general fund balance are the Town's stabilization accounts with the following balances:

	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>
General stabilization fund	\$ 2,201,392	\$ 1,992,586	\$ 208,806
Capital facilities maintenance fund	1,509,294	1,469,533	39,761
Recreation capital fund	<u>362,270</u>	<u>318,469</u>	<u>43,801</u>
Total	<u>\$ 4,072,956</u>	<u>\$ 3,780,588</u>	<u>\$ 292,368</u>

Proprietary Funds

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

Unrestricted net position of the proprietary funds at the end of the year amounted to \$663,234, a change of \$86,478 in comparison to the prior year. Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in an overall change of \$398,975. This change primarily consists of prior year encumbrances.

The majority of the revenue deficits are due to COVID-19. The largest appropriation turnbacks relate to property/liability insurances, school maintenance and buses, and health/life/ disability insurances.

F. Capital Asset And Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$85,009,804 (net of accumulated depreciation). This investment in capital assets includes land and construction in progress, land improvements, buildings and building improvements, machinery, equipment and furnishings, and infrastructure assets.

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

- \$866,818 for buildings and improvements related to the Jordan Park construction.

- \$720,599 for infrastructure related to the Library, Meeting House, and Historic Center septic systems.
- Depreciation expense of \$(3,653,067).

Additional capital asset disclosures can be found in Note 8 of the accompanying Financial Statements.

Credit Rating

As of June 30, 2020, the Town's Standard & Poor's credit rating is AA+/Stable.

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$15,835,027, all of which was backed by the full faith and credit of the Town.

Additional information on long-term debt can be found in the Note 16 to Financial Statements.

Requests for Information

This financial report is designed to provide a general overview of the Town of Lynnfield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of Assistant Finance Director/Town Accountant

Town of Lynnfield, Massachusetts

55 Summer Street

Lynnfield, Massachusetts 01940



Aerial Partridge Island Boardwalk extends out to Lynnfield's 540 acre Reedy Meadow, the largest freshwater cattail marsh in Massachusetts and designated by the U.S. Department of the Interior as a National Natural Landmark. – Photo courtesy of Stephan Fantone

BASIC FINANCIAL STATEMENTS

TOWN OF LYNNFIELD, MASSACHUSETTS

Statement of Net Position
June 30, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and short-term investments	\$ 13,236,289	\$ 787,500	\$ 14,023,789
Investments	4,834,904	-	4,834,904
Receivables, net of allowance for uncollectibles:			
Property taxes	454,390	-	454,390
Excises	387,233	-	387,233
User fees	-	121,805	121,805
Departmental and other	18,446	-	18,446
Intergovernmental	250,799	-	250,799
Betterments	8,994	-	8,994
Total Current Assets	19,191,055	909,305	20,100,360
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	583,595	-	583,595
Betterments	75,582	-	75,582
Capital assets			
Land and construction in progress	7,989,195	12,849,568	20,838,763
Other capital assets, net of accumulated depreciation	63,472,737	698,304	64,171,041
Total Noncurrent Assets	72,121,109	13,547,872	85,668,981
Total Assets	91,312,164	14,457,177	105,769,341
Deferred Outflows of Resources			
Related to pensions	3,935,323	-	3,935,323
Related to OPEB	19,479,640	-	19,479,640
Total Deferred Outflows of Resources	23,414,963	-	23,414,963
Liabilities			
Current:			
Warrants and accounts payable	774,605	26,206	800,811
Accrued liabilities	600,031	4,737	604,768
Tax refunds payable	75,625	-	75,625
Notes payable	188,000	-	188,000
Other current liabilities	348,492	-	348,492
Current portion of long-term liabilities:			
Bonds and loans payable	1,923,333	754,926	2,678,259
Compensated absences	460,242	-	460,242
Capital leases	32,981	-	32,981
Total Current Liabilities	4,403,309	785,869	5,189,178
Noncurrent:			
Bonds and loans payable, net of current portion	10,326,129	3,127,202	13,453,331
Net pension liability	32,936,686	-	32,936,686
Net OPEB liability	102,229,201	-	102,229,201
Compensated absences	844,504	-	844,504
Capital leases	33,968	-	33,968
Total Noncurrent Liabilities	146,370,488	3,127,202	149,497,690
Total Liabilities	150,773,797	3,913,071	154,686,868
Deferred Inflows of Resources			
Related to pensions	2,529,175	-	2,529,175
Related to OPEB	13,181,624	-	13,181,624
Total Deferred Inflows of Resources	15,710,799	-	15,710,799
Net Position			
Net investment in capital assets	59,471,303	9,880,872	69,352,175
Restricted for:			
Grants and other statutory restrictions	5,511,333	-	5,511,333
Permanent funds:			
Nonexpendable	963,950	-	963,950
Expendable	88,741	-	88,741
Unrestricted	(117,792,796)	663,234	(117,129,562)
Total Net Position	\$ (51,757,469)	\$ 10,544,106	\$ (41,213,363)

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

TOWN OF LYNNFIELD, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2020

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-	Total
	<u>Expenses</u>	<u>Services</u>	<u>Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>Activities</u>	<u>Type Activities</u>	
Governmental Activities							
General government	\$ 4,013,223	\$ 250,216	\$ 1,354	\$ -	\$ (3,761,653)	\$ -	\$ (3,761,653)
Public safety	7,795,920	579,478	265,803	-	(6,950,639)	-	(6,950,639)
Education	51,261,139	1,571,391	13,901,293	-	(35,788,455)	-	(35,788,455)
Public works	10,025,728	138,075	323,526	455,618	(9,108,509)	-	(9,108,509)
Health and human services	1,166,109	89,995	287,788	-	(788,326)	-	(788,326)
Culture and recreation	1,472,248	252,194	31,879	-	(1,188,175)	-	(1,188,175)
Interest on long-term debt	181,592	-	-	-	(181,592)	-	(181,592)
Other	60,966	-	-	-	(60,966)	-	(60,966)
Total Governmental Activities	75,976,925	2,881,349	14,811,643	455,618	(57,828,315)	-	(57,828,315)
Business-Type Activities							
Golf course	1,038,811	1,061,125	-	-	-	22,314	22,314
Emergency medical services	764,034	762,438	-	-	-	(1,596)	(1,596)
Total Business-Type Activities	1,802,845	1,823,563	-	-	-	20,718	20,718
Total	\$ 77,779,770	\$ 4,704,912	\$ 14,811,643	\$ 455,618	(57,828,315)	20,718	(57,807,597)
General Revenues, Transfers, and Contributions							
					46,727,020	-	46,727,020
Property taxes					3,396,349	-	3,396,349
Excises					716,704	-	716,704
Penalties, interest and other taxes							
Grants and contributions not restricted to specific programs					1,179,302	-	1,179,302
Investment income					229,809	3,486	233,295
Miscellaneous					395,589	-	395,589
Transfers, net					(849,668)	849,668	-
Permanent fund contributions					19,475	-	19,475
Total general revenues, transfers, and contributions					51,814,580	853,154	52,667,734
Change in Net Position					(6,013,735)	873,872	(5,139,863)
Net Position							
Beginning of year					(45,743,734)	9,670,234	(36,073,500)
End of year					\$ (51,757,469)	\$ 10,544,106	\$ (41,213,363)

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

TOWN OF LYNNFIELD, MASSACHUSETTS

Governmental Funds
Balance Sheet
June 30, 2020

	General <u>Fund</u>	Receipts <u>Reserved</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets				
Cash and short-term investments	\$ 7,985,957	\$ 2,847,228	\$ 2,403,104	\$ 13,236,289
Investments	3,835,854	-	999,050	4,834,904
Receivables:				
Property taxes	943,723	-	-	943,723
Excises	442,133	-	-	442,133
Departmental and other	15,510	2,936	-	18,446
Intergovernmental	-	-	250,799	250,799
Due from other funds	214,089	-	-	214,089
Total Assets	<u>\$ 13,437,266</u>	<u>\$ 2,850,164</u>	<u>\$ 3,652,953</u>	<u>\$ 19,940,383</u>
Liabilities				
Warrants and accounts payable	\$ 736,313	\$ -	\$ 38,292	\$ 774,605
Accrued liabilities	596,520	-	3,511	600,031
Tax refunds payable	75,625	-	-	75,625
Notes payable	-	-	188,000	188,000
Due to other funds	-	-	214,089	214,089
Other liabilities	348,492	-	-	348,492
Total Liabilities	1,756,950	-	443,892	2,200,842
Deferred Inflows of Resources				
Unavailable revenues	1,274,051	2,936	-	1,276,987
Fund Balances				
Nonspendable	-	-	963,950	963,950
Restricted	-	2,847,228	2,857,146	5,704,374
Committed	1,634,776	-	-	1,634,776
Assigned	2,288,138	-	-	2,288,138
Unassigned	6,483,351	-	(612,035)	5,871,316
Total Fund Balances	<u>10,406,265</u>	<u>2,847,228</u>	<u>3,209,061</u>	<u>16,462,554</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,437,266</u>	<u>\$ 2,850,164</u>	<u>\$ 3,652,953</u>	<u>\$ 19,940,383</u>

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

TOWN OF LYNNFIELD, MASSACHUSETTS

Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
in the Statement of Net Position
June 30, 2020

Total governmental fund balances	\$ 16,462,554
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	71,461,932
Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,400,925
Long-term liabilities, including bonds payable, net OPEB liability, and net pension liability are not due and payable in the current period; therefore, they are not reported in the governmental funds.	(148,787,044)
Deferred outflows and (inflows) of resources related to Pensions to be recognized in pension expense in future periods.	1,406,148
Deferred outflows and (inflows) of resources related to OPEB to be recognized in OPEB expense in future periods.	<u>6,298,016</u>
Net position of governmental activities	\$ <u><u>(51,757,469)</u></u>

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

TOWN OF LYNNFIELD, MASSACHUSETTS

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

	General Fund	Receipts Reserved	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 46,327,653	\$ -	\$ -	\$ 46,327,653
Excises	3,208,887	-	-	3,208,887
Penalties, interest and other taxes	91,693	32,454	-	124,147
Payments in lieu of taxes	592,558	-	-	592,558
Charges for services	385,183	1,330	1,859,511	2,246,024
Intergovernmental	9,249,607	-	2,771,205	12,020,812
Licenses and permits	552,852	-	-	552,852
Fines and forfeitures	38,488	-	-	38,488
Investment income	186,752	-	35,426	222,178
Miscellaneous	34,506	364,665	355,819	754,990
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	60,668,179	398,449	5,021,961	66,088,589
Expenditures				
General government	3,154,536	-	103,228	3,257,764
Public safety	5,205,019	-	515,568	5,720,587
Education	33,418,310	-	2,607,571	36,025,881
Public works	8,009,826	-	835,463	8,845,289
Health and human services	519,664	-	279,032	798,696
Culture and recreation	920,205	-	253,955	1,174,160
Employee benefits	6,650,957	-	-	6,650,957
Debt service:				
Principal	1,894,613	-	-	1,894,613
Interest	427,000	-	-	427,000
Intergovernmental	462,583	-	-	462,583
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	60,662,713	-	4,594,817	65,257,530
Excess of revenues over expenditures	5,466	398,449	427,144	831,059
Other Financing Sources (Uses)				
Issuance of bonds	-	-	955,300	955,300
Issuance of refunding bonds	-	-	57,700	57,700
Bond premium	-	-	47,966	47,966
Payment to refunding agent	-	-	(60,966)	(60,966)
Transfers in	1,173,672	-	294,639	1,468,311
Transfers out	(1,144,307)	(819,474)	(354,198)	(2,317,979)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	29,365	(819,474)	940,441	150,332
Change in fund balance	34,831	(421,025)	1,367,585	981,391
Fund Balance, at Beginning of Year, as reclassified	10,371,434	3,268,253	1,841,476	15,481,163
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance, at End of Year	\$ 10,406,265	\$ 2,847,228	\$ 3,209,061	\$ 16,462,554

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

TOWN OF LYNNFIELD, MASSACHUSETTS

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Net changes in fund balances - total governmental funds	\$ 981,391
 Governmental funds report capital outlays as expenditures. However, in the the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	1,236,137
Depreciation	(3,574,222)
 The issuance of long-term debt (e.g., bonds and capital leases) provides current financial resources to governmental funds, while the repayment of the the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:	
Issuance of debt	(953,000)
Repayments of debt	1,894,613
Other	(37,071)
 Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.	
	727,076
 Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Change in pension expense from GASB 68	(899,200)
Change in OPEB expense from GASB 75	(5,222,192)
Other	(296,061)
Other differences	<u>128,794</u>
Change in net position of governmental activities	\$ <u>(6,013,735)</u>

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

TOWN OF LYNNFIELD, MASSACHUSETTS

General Fund
Statement of Revenues and Other Sources, and Expenditures and Other Uses - Budget and Actual
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Revenues				
Property taxes	\$ 46,379,714	\$ 46,379,715	\$ 46,327,653	\$ (52,062)
Excise taxes	3,275,000	3,275,000	3,208,887	(66,113)
Penalties, interest and other taxes	90,000	90,000	91,693	1,693
Payments in lieu of taxes	530,000	530,000	592,558	62,558
Charges for services	405,000	405,000	385,183	(19,817)
Intergovernmental	5,719,267	5,719,267	5,629,954	(89,313)
Licenses and permits	650,000	650,000	552,852	(97,148)
Fines and forfeitures	45,000	45,000	38,488	(6,512)
Investment income	80,000	80,000	78,150	(1,850)
Miscellaneous	-	-	740	740
Total Revenues	57,173,981	57,173,982	56,906,158	(267,824)
Expenditures				
General government	3,000,285	2,957,802	2,529,314	428,488
Public safety	5,157,856	5,335,537	5,114,123	221,414
Education	29,605,932	29,707,343	29,705,410	1,933
Public works	7,226,870	7,276,374	6,830,477	445,897
Health and human services	574,990	581,990	519,703	62,287
Culture and recreation	979,289	990,024	911,575	78,449
Employee benefits	7,090,211	6,861,586	6,510,954	350,632
Miscellaneous	275,000	275,000	275,000	-
Debt service	3,225,576	3,244,009	3,230,297	13,712
Intergovernmental	478,859	486,928	462,583	24,345
Prior year encumbrances	-	315,637	301,715	13,922
Articles	3,583,713	3,565,326	3,565,326	-
Total Expenditures	61,198,581	61,597,556	59,956,477	1,641,079
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4,024,600)	(4,423,574)	(3,050,319)	1,373,255
Other Financing Sources/(Uses)				
Use of free cash:				
Operating budget	50,095	50,095	50,095	-
Capital budget	1,242,215	1,242,215	1,242,215	-
Transfer to stabilization funds	150,000	150,000	150,000	-
Use of overlay surplus	535,373	535,373	535,373	-
Use of prior year assigned fund balance (carryforwards)	1,180,518	1,579,492	1,579,492	-
Transfers in	1,166,399	1,166,399	1,173,672	7,273
Transfers out	(300,000)	(300,000)	(300,000)	-
Total Other Financing Sources/(Uses)	4,024,600	4,423,574	4,430,847	7,273
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 1,380,528	\$ 1,380,528

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

TOWN OF LYNNFIELD, MASSACHUSETTS

Proprietary Funds
Statement of Net Position
June 30, 2020

	Business-Type Activities		
	Enterprise Funds		
	Golf Course <u>Fund</u>	Nonmajor Emergency Medical Services <u>Fund</u>	<u>Total</u>
Assets			
Current:			
Cash and short-term investments	\$ 542,645	\$ 244,855	\$ 787,500
User fee receivables, net of allowance	-	121,805	121,805
Total Current Assets	542,645	366,660	909,305
Noncurrent:			
Land and construction in progress	12,849,568	-	12,849,568
Capital assets, net of accumulated depreciation	425,365	272,939	698,304
Total Noncurrent Assets	13,274,933	272,939	13,547,872
Total Assets	13,817,578	639,599	14,457,177
Liabilities			
Current:			
Warrants and accounts payable	14,558	11,648	26,206
Accrued liabilities	4,737	-	4,737
Current portion of long-term liabilities:			
Bonds payable	754,926	-	754,926
Total Current Liabilities	774,221	11,648	785,869
Noncurrent:			
Bonds payable, net of current portion	3,127,202	-	3,127,202
Total Noncurrent liabilities	3,127,202	-	3,127,202
Total Liabilities	3,901,423	11,648	3,913,071
Net Position			
Net investment in capital assets	9,607,933	272,939	9,880,872
Unrestricted	308,222	355,012	663,234
Total Net Position	\$ 9,916,155	\$ 627,951	\$ 10,544,106

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

TOWN OF LYNNFIELD, MASSACHUSETTS

Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2020

	Business-Type Activities Enterprise Funds		
	Golf Course Fund	Nonmajor Emergency Medical Services Fund	Total
Operating Revenues			
Charges for services	\$ 1,061,125	\$ 762,438	\$ 1,823,563
Total Operating Revenues	1,061,125	762,438	1,823,563
Operating Expenses			
Salaries and benefits	533,103	560,774	1,093,877
Other operating expenses	360,582	143,246	503,828
Depreciation	18,831	60,014	78,845
Total Operating Expenses	912,516	764,034	1,676,550
Operating Income (Loss)	148,609	(1,596)	147,013
Nonoperating Revenues (Expenses)			
Investment income	1,331	2,155	3,486
Interest expense	(126,295)	-	(126,295)
Total Nonoperating Revenues (Expenses), Net	(124,964)	2,155	(122,809)
Income before transfers	23,645	559	24,204
Transfers in	849,668	-	849,668
Total transfers	849,668	-	849,668
Change in Net Position	873,313	559	873,872
Net Position at Beginning of Year	9,042,842	627,392	9,670,234
Net Position at End of Year	\$ 9,916,155	\$ 627,951	\$ 10,544,106

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

TOWN OF LYNNFIELD, MASSACHUSETTS

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2020

	Business-Type Activities Enterprise Funds		
	Golf Course Fund	Nonmajor Emergency Medical Services Fund	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 1,061,125	\$ 780,583	\$ 1,841,708
Payments to employees	(533,103)	(560,774)	(1,093,877)
Payments to vendors	<u>(426,875)</u>	<u>(143,304)</u>	<u>(570,179)</u>
Net Cash Provided By Operating Activities	101,147	76,505	177,652
Cash Flows From Capital and Related Financing Activities			
Transfers from general fund	849,668	-	849,668
Principal payments on bonds	(675,000)	-	(675,000)
Interest expense	<u>(109,167)</u>	<u>-</u>	<u>(109,167)</u>
Net Cash Provided By Capital and Related Financing Activities	65,501	-	65,501
Cash Flows From Investing Activities			
Investment income	<u>1,331</u>	<u>2,155</u>	<u>3,486</u>
Net Cash Provided By Investing Activities	<u>1,331</u>	<u>2,155</u>	<u>3,486</u>
Net Change in Cash and Short-Term Investments	167,979	78,660	246,639
Cash and Short-Term Investments, Beginning of Year	<u>374,666</u>	<u>166,195</u>	<u>540,861</u>
Cash and Short-Term Investments, End of Year	\$ <u><u>542,645</u></u>	\$ <u><u>244,855</u></u>	\$ <u><u>787,500</u></u>
Reconciliation of Operating Income to Net Cash Provided By (Used For) Operating Activities			
Operating income	\$ 148,609	\$ (1,596)	\$ 147,013
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	18,831	60,014	78,845
Changes in assets and liabilities:			
Accounts receivable	(5,531)	18,145	12,614
Warrants and accounts payable	-	(58)	(58)
Accrued liabilities	<u>(60,762)</u>	<u>-</u>	<u>(60,762)</u>
Net Cash Provided By Operating Activities	\$ <u><u>101,147</u></u>	\$ <u><u>76,505</u></u>	\$ <u><u>177,652</u></u>

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

TOWN OF LYNNFIELD, MASSACHUSETTS

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2020

	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets			
Cash and short term investments	\$ 6,361	\$ 42,693	\$ 92,042
Investments:			
Certificates of deposit	-	127,121	-
Corporate bonds	-	296,341	-
Corporate equities	932,933	31,040	-
Fixed income mutual funds	512,620	-	-
U.S. Treasury and agencies	<u>-</u>	<u>236,189</u>	<u>-</u>
Total Investments	1,445,553	690,691	-
Accounts receivable	<u>-</u>	<u>-</u>	<u>135,288</u>
Total Assets	1,451,914	733,384	227,330
 Liabilities			
Warrants payable	-	-	10,223
Other liabilities	<u>-</u>	<u>-</u>	<u>217,107</u>
Total Liabilities	<u>-</u>	<u>-</u>	\$ <u>227,330</u>
 Net Position			
Restricted for OPEB purposes	1,451,914	-	
Restricted for individual organizations and other governments	<u>-</u>	<u>733,384</u>	
Total net position held in trust	\$ <u>1,451,914</u>	\$ <u>733,384</u>	

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

TOWN OF LYNNFIELD, MASSACHUSETTS

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	OPEB <u>Trust Fund</u>	Private Purpose Trust <u>Funds</u>
Additions		
Contributions:		
Employers	\$ 2,211,658	\$ -
Other	<u>-</u>	<u>534,970</u>
Total contributions	2,211,658	534,970
Investment Income:		
Interest	<u>45,886</u>	<u>13,943</u>
Net investment income	<u>45,886</u>	<u>13,943</u>
Total additions	2,257,544	548,913
Deductions		
Benefit payments to plan members	2,061,658	-
Other	<u>-</u>	<u>4,540</u>
Total deductions	<u>2,061,658</u>	<u>4,540</u>
Net increase	195,886	544,373
Net position restricted for OPEB and other purposes		
Beginning of year	<u>1,256,028</u>	<u>189,011</u>
End of year	\$ <u><u>1,451,914</u></u>	\$ <u><u>733,384</u></u>

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

TOWN OF LYNNFIELD, MASSACHUSETTS

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Lynnfield (the Town) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The Town is a municipal corporation governed by an elected Board of Selectmen. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2020, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

B. Related Organization

The Town has a related organization relationship with Lynnfield Initiative for Elders, Inc. (LIFE), a Massachusetts non-profit corporation organized under Chapter 180 of the Massachusetts General Laws to own, develop, operate, and manage elderly housing units within the Town of Lynnfield. The Town, acting through the Board of Selectmen, is the sole Class A member of LIFE, and as such, has the right to fix the number of LIFE's directors, elect a majority of directors, remove directors, and fill all director vacancies. In addition, the Board of Selectmen must approve LIFE's plans for financing, constructing, and managing real property before they become final. However, the Town is not financially accountable for LIFE because it cannot impose its will and does not have a financial benefit or burden relationship with LIFE, even though it appoints a voting majority of LIFE's governing Board of Directors.

C. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from

goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

D. 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*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The Town reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

- The *Receipts Reserved Fund* is used to account for Town funds that have been received from various specific sources to be appropriated separately, in accordance with Massachusetts General Laws.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following major proprietary fund:

- The *Golf Course Fund* is used to account for all of the activity associated with the Town's operation of the Reedy Meadow and King Rail Reserve golf courses.

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

The Town reports the following fiduciary funds:

- The *other post-employment benefit trust fund* is used to accumulate resources for health and life insurance benefits for retired employees.
- The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *agency funds* account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. Agency funds report only assets and liabilities, and therefore, have no measurement focus.

E. Cash and Investments

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

revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. Generally, a cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments".

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

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

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

F. Property Tax Limitations

Legislation known as "Proposition 2½" limits the amount of revenue that can be derived from property taxes. The prior fiscal year's tax levy limit is used as a base and cannot increase by more than 2.5% (excluding new growth); unless an override or debt exemption is voted. The actual fiscal year 2020 tax levy reflected an excess capacity of \$11,105. Certain provisions of Proposition 2 1/12 can be overridden by a referendum.

G. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

H. Capital Assets

Capital assets, which include property, plant, and equipment and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$50,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Infrastructure	30 - 75
Vehicles	5
Office equipment	5
Computer equipment	5

I. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Long-Term Obligations

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

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

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

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned and unassigned.

Net Position – Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

L. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

At the annual town meeting, the Finance Committee presents an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by town meeting, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at special town meetings as required by changing conditions. In cases of extraordinary or unforeseen expenses, the Finance Committee is empowered to transfer funds from the reserve fund (a contingency appropriation) to a departmental appropriation. “Extraordinary” includes expenses which are not in the usual line, or are great or exceptional. “Unforeseen” includes expenses which are not foreseen as of the time of the annual meeting when appropriations are voted.

Departments are limited to the line items as voted. Certain items may exceed the line item budget as approved if it is for an emergency and for the safety of the general public. These items are limited by the Massachusetts General Laws and must be raised in the next year’s tax rate.

Formal budgetary integration is employed as a management control device during the year for the general fund and proprietary funds. Effective budgetary control is achieved for all other funds through provisions of the Massachusetts General Laws.

At year end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

B. Budgetary Basis

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

C. Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/(Uses)</u>
Revenues/expenditures/other financing sources/(uses) (GAAP basis)	\$ 60,668,179	\$ 60,662,713	\$ 29,365
Reverse MTRS on-behalf payment	(3,619,653)	(3,619,653)	-
Add end-of-year appropriation carryforwards from expenditures	-	1,648,744	-
Record raising of prior year deficits	-	275,000	-
Record use of assigned fund balance	-	-	1,579,492
Record use of free cash	-	-	1,442,310
Record use of overlay surplus	-	-	535,373
Reclassification of transfers	-	994,307	994,307
Reverse the effects of combining general fund and stabilization funds (GASB 54)	(142,368)	-	(150,000)
Other	-	(4,634)	-
Budgetary basis	<u>\$ 56,906,158</u>	<u>\$ 59,956,477</u>	<u>\$ 4,430,847</u>

D. Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2020.

It is anticipated that the deficits in these funds will be eliminated through future grant revenues and bond proceeds.

E. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations during the current fiscal year as follows:

Snow and ice removal	\$188,942
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3. Deposits and Investments

State statutes (MGL Chapter 44, Section 55) place certain limitation on the nature of deposits and investments available to the Town. Deposits, including demand deposits, money markets, certificates of deposits in any one financial institution, may not exceed 60% of the capital and surplus of such institution unless collateralized by the institution involved. Investments may be made in unconditionally guaranteed U.S. government obligations have maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consists of such obligations. Other allowable investments include certificates of deposits having a maturity date of up to 3 years from the date of purchase, national banks and Massachusetts Municipal Depository Trust (MMDT). MMDT, which is an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by GASB 79, Certain External Investment Pools and Pool Participants, to report its investments at amortized cost, which approximates the net asset value of 1.00 per share. MMDT has a maturity of less than 1 year and is not rated or subject to custodial credit risk disclosure. MGL Chapter 44, Section 54 provides additional investment options for certain special revenue, trust and OPEB funds.

Custodial Credit Risk – Deposits.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town does not have formal deposit policies related to the custodial credit risk of deposits.

As of June 30, 2020, \$3,804,894 of the Town's bank balance of \$15,209,196 was exposed to custodial credit risk as uninsured and/or uncollateralized.

Investment Summary

The following is a summary of the Town's investments (in thousands) as of June 30, 2020:

<u>Investment Type</u>	<u>Amount</u>
Certificates of deposits	\$ 1,017
Corporate bonds	2,371
Corporate equities	1,181
Fixed income mutual funds	513
U.S. Treasury and agencies	<u>1,889</u>
Total investments	<u>\$ 6,971</u>

Custodial Credit Risk – Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Town will not be able to recover

the value of its investments or collateral securities that are in possession of another party. The Town does not have formal investment policies related to custodial credit risk.

As of June 30, 2020, \$5,954,172 was subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and held by the Town's brokerage firm, which is also the counterparty to these securities as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Held by Counterparty</u>	<u>Held by Counterparty's Trust or Agent</u>
Corporate bonds	\$ 2,371	\$ -	\$ 2,371
Corporate equities	1,181	-	1,181
Fixed income mutual funds	513	-	513
U.S. Treasury and agencies	<u>1,889</u>	<u>-</u>	<u>1,889</u>
Total	<u>\$ 5,954</u>	<u>\$ -</u>	<u>\$ 5,954</u>

Credit Risk – Investments of Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. The Town does not have formal investment policies related to credit risk.

As of June 30, 2020, the credit quality ratings of the Town's debt securities are as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Rating as of Year End</u>								
		<u>AAA</u>	<u>AA2</u>	<u>AA3</u>	<u>A1</u>	<u>A2</u>	<u>A3</u>	<u>Baa1</u>	<u>Baa2</u>	<u>Unrated</u>
Corporate bonds	\$ 2,371	\$ 377	\$ 127	\$ 101	\$ 259	\$ 334	\$ 288	\$ 625	\$ 260	-
Fixed income mutual funds	513	-	-	-	-	-	-	-	-	513
U.S. Treasury and agencies	<u>1,889</u>	<u>1,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,773</u>	<u>\$ 2,266</u>	<u>\$ 127</u>	<u>\$ 101</u>	<u>\$ 259</u>	<u>\$ 334</u>	<u>\$ 288</u>	<u>\$ 625</u>	<u>\$ 260</u>	<u>\$ 513</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the Town's investment in a single issuer. The Town places no limit on the amount invested in any one issuer. The Town does not have formal investment policies related to concentration of credit risk exposure.

Individual investments exceeding 5% of the Town's primary government and OPEB trust investments are as follows:

<u>Investment Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
Primary government investments:		
Altria Group Inc Note	\$ 289	5%
Georgia Pwr Co	278	5%
Subtotal - primary government investments	567	
OPEB trust investments:		
Alger Focus Equity	170	12%
Carillon Eagle Growth & Inc	135	9%
First Eagle Overseas Class	103	7%
Ivy Mid Cap Income Opportunities	73	5%
Guggenheim Total Return Bond	135	9%
Performance Trust Strategic Bond	94	6%
Voya Intermediate Bond Class	74	5%
Subtotal - OPEB trust investments	784	
Total	\$ 1,351	

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is as follows (in thousands):

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
Certificates of deposits	\$ 1,017	\$ 263	\$ 754	\$ -
Corporate bonds	2,371	472	1,899	-
U.S. Treasury and agencies	1,889	425	1,133	331
Total	\$ 5,277	\$ 1,160	\$ 3,786	\$ 331

A. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town does not have formal investment policies related to foreign currency risk.

As of June 30, 2020, the Town had no investments that were directly exposed to foreign currency risk.

B. Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund has the ability to access at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

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

The Town has the following fair value measurements (in thousands) as of June 30, 2020:

		Fair Value Measurements Using:	
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)
<u>Investment Type</u>	<u>Amount</u>		
Investments by fair value level:			
Corporate bonds	\$ 2,371	\$ -	\$ 2,371
Corporate equities	1,181	1,181	-
Equity mutual funds	513	513	-
U.S. Treasury and agencies	<u>1,889</u>	1,889	-
Total	<u>\$ 5,954</u>		

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

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

4. Property Taxes and Excises Receivables

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

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

Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid generally

occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation known as "Proposition 2 ½" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½% of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 ½ % of the prior year's levy plus the taxes on property newly added to the tax rolls.

Property taxes and excise receivables at June 30, 2020 consist of the following:

	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Current Portion	Long- Term Portion
Real estate taxes	\$ 448,158	\$ 44,816	\$ 403,342	\$ -
Personal property taxes	10,572	3,295	7,277	-
Tax liens	31,215	3,122	23,059	5,034
Deferred taxes	423,319	42,332	20,712	360,275
Taxes in litigation	30,459	30,459	-	-
Other	-	-	-	218,286
Total property taxes	<u>\$ 943,723</u>	<u>\$ 124,024</u>	<u>\$ 454,390</u>	<u>\$ 583,595</u>
Motor vehicle excise	<u>\$ 442,133</u>	<u>\$ 54,900</u>	<u>\$ 387,233</u>	
Total excises	<u>\$ 442,133</u>	<u>\$ 54,900</u>	<u>\$ 387,233</u>	

5. User Fee Receivables

Receivables for user charges and betterments at June 30, 2020 consist of the following:

	Gross Amount	Allowance for Doubtful Accounts	Net Amount
Emergency Medical Services	\$ 175,928	\$ 54,123	\$ 121,805
Total	<u>\$ 175,928</u>	<u>\$ 54,123</u>	<u>\$ 121,805</u>

6. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2020.

7. Interfund Fund Accounts

Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The following is an analysis of interfund receivable and payable accounts:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
<u>Governmental Funds:</u>		
General fund	\$ 214,089	\$ -
Nonmajor funds:		
Special revenue fund:		
Town grants	-	214,089
Total	<u>\$ 214,089</u>	<u>\$ 214,089</u>

Transfers

The Town reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The following is an analysis of interfund transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General fund	\$ 1,173,672	\$ 1,144,307
Receipts Reserved fund	-	819,474
Nonmajor Funds:		
Special revenue:		
Revolving fund	-	347,000
School lunch	200,639	-
Town grants	-	7,198
Capital project funds:		
Center Farm acquisition	94,000	-
Subtotal - Nonmajor Funds	294,639	354,198
<u>Business-Type Funds:</u>		
Golf enterprise fund	849,668	-
Subtotal - Business-Type Funds	849,668	-
Total	<u>\$ 2,317,979</u>	<u>\$ 2,317,979</u>

Most transfers into the general fund reflect annual transfers from various school revolving special revenue funds and receipts reserved as voted during the annual Town meeting. The majority of transfers out of the general fund were to subsidize the Golf Course Enterprise fund debt service costs.

8. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated:				
Land improvements	\$ 1,076	\$ -	\$ -	\$ 1,076
Buildings and improvements	103,048	867	-	103,915
Machinery, equipment, and furnishings	16,730	-	-	16,730
Infrastructure	<u>14,243</u>	<u>369</u>	<u>-</u>	<u>14,612</u>
Total capital assets, being depreciated	135,097	1,236	-	136,333
Less accumulated depreciation for:				
Land improvements	(858)	(32)	-	(890)
Buildings and improvements	(49,906)	(2,493)	-	(52,399)
Machinery, equipment, and furnishings	(13,895)	(677)	-	(14,572)
Infrastructure	<u>(4,627)</u>	<u>(372)</u>	<u>-</u>	<u>(4,999)</u>
Total accumulated depreciation	<u>(69,286)</u>	<u>(3,574)</u>	<u>-</u>	<u>(72,860)</u>
Total capital assets, being depreciated, net	65,811	(2,338)	-	63,473
Capital assets, not being depreciated:				
Land	7,768	-	-	7,768
Construction in progress	<u>221</u>	<u>-</u>	<u>-</u>	<u>221</u>
Total capital assets, not being depreciated	<u>7,989</u>	<u>-</u>	<u>-</u>	<u>7,989</u>
Governmental activities capital assets, net	<u>\$ 73,800</u>	<u>\$ (2,338)</u>	<u>\$ -</u>	<u>\$ 71,462</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, being depreciated:				
Land improvements	\$ 161	\$ -	\$ -	\$ 161
Buildings and improvements	482	-	-	482
Machinery, equipment, and furnishings	<u>1,148</u>	<u>-</u>	<u>-</u>	<u>1,148</u>
Total capital assets, being depreciated	1,791	-	-	1,791
Less accumulated depreciation for:				
Land improvements	(31)	(7)	-	(38)
Buildings and improvements	(168)	(12)	-	(180)
Machinery, equipment, and furnishings	<u>(815)</u>	<u>(60)</u>	<u>-</u>	<u>(875)</u>
Total accumulated depreciation	<u>(1,014)</u>	<u>(79)</u>	<u>-</u>	<u>(1,093)</u>
Total capital assets, being depreciated, net	777	(79)	-	698
Capital assets, not being depreciated:				
Land	12,587	-	-	12,587
Construction in progress	<u>263</u>	<u>-</u>	<u>-</u>	<u>263</u>
Total capital assets, not being depreciated	<u>12,850</u>	<u>-</u>	<u>-</u>	<u>12,850</u>
Business-type activities capital assets, net	<u>\$ 13,627</u>	<u>\$ (79)</u>	<u>\$ -</u>	<u>\$ 13,548</u>

Depreciation expense was charged to functions of the Town as follows (in thousands):

Governmental Activities	
General government	\$ 466
Public safety	229
Education	2,147
Public works	595
Health and human services	126
Culture and recreation	<u>11</u>
Total governmental activities	<u>\$ 3,574</u>
Business-Type Activities	
Golf Course	\$ 19
Emergency Medical Services	<u>60</u>
Total business-type activities	<u>\$ 79</u>

9. Deferred Outflows of Resources

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

10. Warrants and Accounts Payable

Warrants payable represent fiscal year 2020 expenditures paid by July 15, 2020. Accounts payable represent additional fiscal year 2020 expenditures paid after July 15, 2020.

11. Accrued Liabilities

Accrued liabilities represent fiscal year 2020 expenditures paid in fiscal year 2021.

12. Tax Refunds Payable

This balance consists of an estimate of refunds due to property taxpayers for potential abatements. These cases are currently pending with the state Appellate Tax Board.

13. Notes Payable

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance at 6/30/20</u>
Land acquisition	2.05%	06/04/20	06/04/21	\$ <u>188,000</u>
Total				\$ <u><u>188,000</u></u>

The following summarizes activity in notes payable during fiscal year 2020:

<u>Purpose</u>	<u>Balance Beginning of Year</u>	<u>Rollover</u>	<u>Bonded</u>	<u>Paydown</u>	<u>Balance End of Year</u>
Land acquisition	\$ 282,000	\$ (188,000)	\$ -	\$ (94,000)	\$ -
Athletic facilities	1,000,000		(1,000,000)		-
Land acquisition	-	188,000	-		188,000
Total	\$ <u>1,282,000</u>	\$ <u>-</u>	\$ <u>(1,000,000)</u>	\$ <u>(94,000)</u>	\$ <u>188,000</u>

14. Other Current Liabilities

This balance consists primarily of various employee payroll withholdings.

15. Capital Lease Obligations

The Town is the lessee of certain equipment under a capital lease expiring in fiscal year 2022. Future minimum lease payments under the capital lease consist of the following as of June 30, 2020:

<u>Fiscal Year</u>	<u>Capital Leases</u>
2021	\$ 34,983
2022	<u>34,983</u>
Total minimum lease payments	69,966
Less amounts representing interest	<u>(3,017)</u>
Present Value of Minimum Lease Payments	\$ <u><u>66,949</u></u>

The following is an analysis for the leased assets included in capital assets as June 30, 2020:

	Governmental <u>Activities</u>
Machinery, vehicles and equipment	\$ 165,050
Less: accumulated depreciation	<u>(41,263)</u>
Equipment under capital leases, net	<u><u>\$ 123,787</u></u>

16. Long-Term Debt

A. Long-Term Debt Supporting Activities

The Town issues general obligation bonds and direct borrowings to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds and direct borrowings currently outstanding are as follows:

	Serial Maturities <u>Through</u>	Interest Rate(s) %	Amount Outstanding as of <u>6/30/20</u>
<u>Governmental Activities</u>			
General obligation bonds:			
General obligation bonds	04/01/30	3.00-4.00%	\$ 1,215,000
School bonds	06/15/33	2.75%	1,655,000
Refunded senior center bonds	07/01/21	1.42%	215,000
Refunded school bonds	07/01/22	1.55%	1,740,000
Refunded school bonds	07/01/24	1.79%	2,740,000
Recreation	07/15/34	2.67%	3,295,000
Refunded capital bonds	02/15/24	2-5%	57,700
Refunded athletic facilities bond	02/15/33	2-5%	<u>955,300</u>
Total general obligation bonds			11,873,000
Loans payable (direct borrowings):			
Septic (MWPAT)	07/15/32	0.00%	130,681
Septic (MWPAT)	01/15/33	0.00%	<u>164,346</u>
Total loans payable (direct borrowings)			<u>295,027</u>
Total Governmental Activities			<u><u>\$ 12,168,027</u></u>

<u>Business-Type Activities</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/20</u>
Golf fund general obligation bonds:			
Refunded golf course purchase	02/15/25	2-5%	\$ 1,007,000
Refunded golf course purchase	02/15/25	2-5%	<u>2,660,000</u>
Total golf fund general obligation bonds			<u>3,667,000</u>
Total Business-Type Activities			<u>\$ 3,667,000</u>

B. Future Debt Service

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

<u>Governmental</u>	<u>Bonds</u>		<u>Loans - Direct Borrowings</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$ 1,893,100	\$ 352,312	\$ 22,604	\$ -	\$ 2,268,016
2022	1,876,000	290,539	22,619	-	2,189,158
2023	1,759,000	222,114	22,634	-	2,003,748
2024	1,164,900	171,701	22,649	-	1,359,250
2025	1,150,000	138,269	22,664	-	1,310,933
2026	635,000	112,769	22,679	-	770,448
2027	610,000	94,319	22,694	-	727,013
2028	615,000	76,694	22,709	-	714,403
2029	625,000	58,769	22,725	-	706,494
2030	630,000	40,644	22,740	-	693,384
2031 - 2035	<u>915,000</u>	<u>61,588</u>	<u>68,310</u>	<u>-</u>	<u>1,044,898</u>
Total	<u>\$ 11,873,000</u>	<u>\$ 1,619,718</u>	<u>\$ 295,027</u>	<u>\$ -</u>	<u>\$ 13,787,745</u>

<u>Business-Type</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 711,900	\$ 111,521	\$ 823,421
2022	704,000	118,355	822,355
2023	721,000	89,155	810,155
2024	750,100	53,105	803,205
2025	<u>780,000</u>	<u>15,600</u>	<u>795,600</u>
Total	<u>\$ 3,667,000</u>	<u>\$ 387,736</u>	<u>\$ 4,054,736</u>

The general fund has been designated as the sole source to repay the governmental activities and business-type activities general obligation long-term debt outstanding as of June 30, 2020.

C. Changes in General Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Governmental Activities						
Bonds payable	\$ 12,760	\$ 1,013	\$ (1,900)	\$ 11,873	\$ (1,893)	\$ 9,980
Loans payable (direct borrowings)	317	-	(22)	295	(23)	272
Unamortized premium	45	44	(8)	81	(7)	74
Subtotal	13,122	1,057	(1,930)	12,249	(1,923)	10,326
Net pension liability	34,543	-	(1,606)	32,937	-	32,937
Net OPEB liability	82,947	19,282	-	102,229	-	102,229
Compensated absences	1,008	583	(286)	1,305	(460)	845
Capital leases	99	-	(32)	67	(33)	34
Totals	<u>\$ 131,719</u>	<u>\$ 20,922</u>	<u>\$ (3,854)</u>	<u>\$ 148,787</u>	<u>\$ (2,416)</u>	<u>\$ 146,371</u>
Business-Type Activities						
Bonds payable	\$ 4,540	\$ 3,667	\$ (4,540)	\$ 3,667	\$ (712)	\$ 2,955
Unamortized premium	-	258	(43)	215	(43)	172
Totals	<u>\$ 4,540</u>	<u>\$ 3,925</u>	<u>\$ (4,583)</u>	<u>\$ 3,882</u>	<u>\$ (755)</u>	<u>\$ 3,127</u>

D. Long-Term Debt Supporting Governmental and Business-Type Activities

General obligation bonds and loans issued by the Town for various municipal projects are approved by Town Meeting and repaid with revenues recorded in the general fund.

Current Refunding

On May 19, 2020, the Town issued general obligation bonds in the amount of \$3,724,700 with a variable interest rate ranging from 2.00% to 5.00% to advance refund \$3,925,000 of term bonds with an interest rate of 3.29% to 4.01%. The Town reduced its total debt service cash flow requirements by \$200,300, which resulted in an economic gain.

17. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes. *Unavailable revenues* are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

18. Governmental Funds – Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The Town has implemented *GASB Statement No. 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2020:

Nonspendable

Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance includes nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted

Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes various special revenue and expendable trust funds, capital projects funded by borrowing and/or grants, and the income portion of permanent trust funds.

Committed

Represents 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. This fund balance classification includes general fund encumbrances for non-lapsing, special article appropriations approved at Town Meeting.

Assigned

Represents amounts that are constrained by the Town's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period, and general fund surplus fund balance that has been appropriated as a funding source for the subsequent fiscal period. The Town follows an informal policy that permits the Town Administrator to assign fund balance amounts to specific purpose, although fund balance to be applied against a subsequent year's budget is voted by Town Meeting through formal warrant articles.

Unassigned

Represents amounts that are available to spend in future periods. This fund balance classification includes general fund surplus fund balance, general and capital facility stabilization funds set aside by Town Meeting vote (now reported as part of the general fund per GASB 54), and various special revenue and capital project temporary deficit fund balances.

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

	General <u>Fund</u>	Receipts <u>Reserved</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Nonspendable				
Nonexpendable permanent funds:	\$ -	\$ -	\$ 963,950	\$ 963,950
Total Nonspendable	-	-	963,950	963,950
Restricted				
Special revenue funds:		-		
Sale of real estate	-	1,408,829	-	1,408,829
MWPAT septic-betterment loan/interest proceeds	-	294,988	-	294,988
Cable/PEG access gift	-	1,040,911	-	1,040,911
Community School support	-	-	411,999	411,999
Non-residential tuition revolving	-	-	202,235	202,235
Circuit breaker	-	-	614,583	614,583
Council on Aging activity	-	-	170,543	170,543
Other	-	102,500	1,264,744	1,367,244
Capital project funds	-	-	104,301	104,301
Expendable permanent funds	-	-	88,741	88,741
Total Restricted	-	2,847,228	2,857,146	5,704,374
Committed				
Article carryforwards				
General government	483,685	-	-	483,685
Public safety	327,990	-	-	327,990
Education	341	-	-	341
Public works	447,530	-	-	447,530
Health and human services	10,000	-	-	10,000
Culture and recreation	2,960	-	-	2,960
Recreation capital stabilization	362,270	-	-	362,270
Total Committed	1,634,776	-	-	1,634,776
Assigned				
Encumbered for:				
General government	92,201	-	-	92,201
Public safety	4,890	-	-	4,890
Education	74,273	-	-	74,273
Public works	177,357	-	-	177,357
Culture and recreation	17,517	-	-	17,517
Employee benefits	10,000	-	-	10,000
For next year's expenditures:				
Operating budget	60,000	-	-	60,000
Capital budget	1,851,900	-	-	1,851,900
Total Assigned	2,288,138	-	-	2,288,138
Unassigned				
General fund	2,772,665	-	-	2,772,665
General stabilization	2,201,392	-	-	2,201,392
Capital facilities stabilization	1,509,294	-	-	1,509,294
Special revenue fund deficits	-	-	(424,035)	(424,035)
Capital project fund deficits	-	-	(188,000)	(188,000)
Total Unassigned	6,483,351	-	(612,035)	5,871,316
Total Fund Balance	\$ 10,406,265	\$ 2,847,228	\$ 3,209,061	\$ 16,462,554

19. Essex Regional Retirement System

The Town follows the provisions of *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, with respect to the employees' retirement funds.

A. Plan Description

Substantially all Town employees (except teachers and administrators under contract employed by the School Department) are members of the Essex Regional Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System, which provides pension benefits, deferred allowances, and death and disability benefits. The System's authority is established by Chapter 32 of the Massachusetts General Laws, which also govern contribution percentages and benefits paid. The System's Board of Directors does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports, which are publicly available from the System's administrative offices located at 491 Maple Street, Suite 202, Danvers, Massachusetts 01923-4025. Reports are also available on the System's website at www.essexregional.com.

Participants Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of the Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the system. In addition, all employees hired after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 - December 31, 1983	7%
January 1, 1984 - June 30, 1996	8%
Beginning July 1, 1996	9%

For those members entering a Massachusetts System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Participant Retirement Benefits

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest 5-year average annual rate of regular compensation for those first becoming members of the Massachusetts System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100%, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are four classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.
- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

Methods of Payment

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the members death.
- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.
- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

Participant Refunds

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

Employer Contributions

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

The Town's contribution to the System for the year ended June 30, 2020 was \$2,950,357, which was equal to its annual required contribution.

B. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense,

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

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

At June 30, 2020, the Town reported a liability of \$32,936,686 for its proportionate share of the System's net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town's proportion of the net pension liability was based on an actuarially determined projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2019, the Town's proportion was 7.818%.

For the year ended June 30, 2020, the Town recognized pension expense of \$3,849,557. In addition, the Town reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 4,520	\$ (156,528)
Changes of assumptions	3,291,939	-
Net difference between projected and actual earnings on pension plan investments	-	(1,228,036)
Changes in proportion and differences between employer contributions and proportionate share of contributions	638,864	(1,144,611)
Total	<u>\$ 3,935,323</u>	<u>\$ (2,529,175)</u>

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

Year ended June 30:

2021	\$ 620,855
2022	472,091
2023	589,745
2024	(276,543)
Total	<u>\$ 1,406,148</u>

D. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions:

COLA	2% of first \$14,000 for fiscal 2021 and 3% of first \$14,000 thereafter
Salary increases	Based on years of service, ranging from 7.50% at 0 years of service decreasing to 3.75% after 5 years of service.
Investment rate of return	7.30%

Mortality rates for pre-retirement were based on the RP-2014 Employee Mortality Table projected generationally with Scale MP-2019. Mortality rates for healthy retirees were based on the RP-014 Healthy Annuitant Mortality Table projected generationally with Scale MP-2019. Mortality rates for disabled retirees were based on the RP-2014 Healthy Annuitant Mortality Table set forward two years projected generationally with Scale MP-2019.

E. Target Allocations

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

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

F. Discount Rate

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.30%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Current Discount Rate	
1% Decrease <u>(6.30%)</u>		1% Increase <u>(8.30%)</u>
\$ 41,419,907	\$ 32,936,686	\$ 25,806,009

H. Pension Plan Fiduciary Net Position

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

20. Massachusetts Teachers' Retirement System (MTRS)

A. Plan Description

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth's reporting entity and does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members—two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

B. Benefits Provided

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

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

MTRS funding policies have been established by Chapter 32 of the MGL and the State Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

C. Contributions

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

<u>Membership Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000

D. Actuarial Assumptions

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

- (a) 7.25% (previously 7.35%) investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase on the first \$13,000 per year.
- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-employment mortality through January 1, 2017.
- Mortality rates were as follows:
 - Pre-retirement – reflects RP-2014 White Collar Employees table projected generationally with Scale MP-2016 (gender distinct).
 - Post-retirement – reflects RP-2014 White Collar Healthy Annuitant table projected generationally with Scale MP-2016 (gender distinct).
 - Disability – assumed to be in accordance with the RP-2014 White Collar Healthy Annuitant table projected generationally with Scale MP-2016 (gender distinct).

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2018 are summarized in the following table:

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

E. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

F. Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

1% Decrease to 6.25%	Current Discount Rate 7.25%	1% Increase to 8.25%
\$ 31,232,100	\$ 25,214,020	\$ 20,062,500

G. Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statements No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), and the Commonwealth is a nonemployer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

H. Town Proportions

In fiscal year 2019 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability was approximately \$63,216,300 based on a proportionate share of 0.250719%. As required by GASB 68, the Town has recognized its portion of the Commonwealth's contribution of approximately \$3,619,653 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of an additional \$4,046,421 as both a revenue and expense in the governmental activities.

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

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of *Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2010, the Town established a single employer defined benefit OPEB Trust Fund to provide funding for future employee health care costs. The OPEB Trust Fund does not issue a stand-alone financial report.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

All the following OPEB disclosures are based on a measurement date of June 30, 2020.

A. General Information about the OPEB Plan

Plan Description

The Town provides post-employment healthcare benefits for retired employees through the Town's plan. The Town provides health insurance coverage through Group Insurance Commission (GIC). The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of the Massachusetts General Laws.

Benefits Provided

The Town provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the Town and meet the eligibility criteria will receive these benefits.

Funding Policy

The Town's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on annual budget limitations/authorizations.

Plan Membership

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	317
Active employees	<u>311</u>
Total	<u><u>628</u></u>

B. Investments

The OPEB trust fund assets consist of corporate equities and fixed income mutual funds.

Rate of return. For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 3.36%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

C. Actuarial Assumptions and Other Inputs

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

Salary increases	3.00%
Investment rate of return	7.00%
Municipal bond rate	2.45%, previously 3.13%
Discount rate	2.45%, previously 3.13%
Healthcare cost trend rates	5.50% per year
Retirees' share of benefit-related costs	Varies based on plan; 15% HMO plans, 25% PPO plans, 50% indemnity plans, and 15% medicare plans
Participation rate	95% of eligible employees

Mortality rates were based on the 2010 Public Sector Retirement Plans Mortality table for general employee populations with MP-2020 mortality improvement scale.

D. Target Allocations

Long-term expected real rate of return information is not applicable because the OPEB Trust Fund is substantially underfunded and the OPEB plan uses the municipal bond rate for a discount rate. Target asset allocation as of June 30, 2020 is summarized in the following table.

<u>Asset Class</u>	<u>Target Asset Allocation</u>
Equity	35.00%
Fixed income	45.00%
Alternatives	20.00%
Total	100.00%

E. Contributions

In addition to the implicit subsidy contribution, the Town's policy is to contribute various amounts provided annually by the budget. In recent years, the contributions (above the implicit subsidy) have approximated \$200,000 annually.

F. Discount Rate

The discount rate used to measure the net OPEB liability was 2.45%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. As a result, the municipal bond rate of 2.45% was used for the discount rate. The municipal bond rate was based on the Fidelity GO AA 20-year index.

G. Net OPEB Liability

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

Total OPEB liability	\$	103,681,115
Plan fiduciary net position		<u>1,451,914</u>
Net OPEB liability	\$	<u><u>102,229,201</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		1.40%

The fiduciary net position has been determined on the same basis used by the OPEB Plan. For this purpose, the Plan recognizes benefit payments when due and payable.

H. Changes in the Net OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	\$ 84,202,947	\$ 1,256,028	\$ 82,946,919
Changes for the year:			
Service cost	4,581,138	-	4,581,138
Interest	2,602,608	-	2,602,608
Contributions - employer	-	2,211,658	(2,211,658)
Net investment income	-	45,886	(45,886)
Changes of benefit terms	-	-	-
Differences between expected and actual experience	90,630	-	90,630
Changes in assumptions or other inputs	14,265,450	-	14,265,450
Benefit payments	<u>(2,061,658)</u>	<u>(2,061,658)</u>	<u>-</u>
Net Changes	<u>19,478,168</u>	<u>195,886</u>	<u>19,282,282</u>
Balances, end of year	<u>\$ 103,681,115</u>	<u>\$ 1,451,914</u>	<u>\$ 102,229,201</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.13% in 2019 to 2.45% in 2020 and a change in mortality tables used.

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

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

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 123,128,233	\$ 102,229,201	\$ 85,891,786

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

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

<u>1%</u> <u>Decrease</u>	Current Healthcare Cost Trend <u>Rates</u>	<u>1%</u> <u>Increase</u>
\$ 81,702,220	\$ 102,229,201	\$ 130,053,891

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

For the year ended June 30, 2019, the Town recognized an OPEB expense of \$7,434,930. At June 30, 2020, the Town reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference between expected and actual experience	\$ 88,854	\$ (5,806,736)
Change in assumptions	19,334,806	(7,374,888)
Net difference between projected and actual OPEB investment earnings	<u>55,980</u>	<u>-</u>
Total	<u>\$ 19,479,640</u>	<u>\$ (13,181,624)</u>

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

<u>Year Ended June 30:</u>	
2021	\$ 349,363
2022	347,190
2023	344,892
2024	342,722
2025	1,238,395
Thereafter	<u>3,675,454</u>
Total	<u>\$ 6,298,016</u>

22. Subsequent Events

Management has evaluated subsequent events through December 17, 2020, which is the date of the financial statements were available to be issued.

Debt

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

	<u>Amount</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
Freightliner truck capital lease	\$ 127,460	4.14%	09/25/20	09/25/23

23. Commitments and Contingencies

Outstanding Legal Issues

On an ongoing basis, there are typically pending legal issues in which the Town is involved. The Town's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Encumbrances

At year-end the Town's general fund has \$376,238 in encumbrances that will be honored in the next fiscal year.

COVID-19

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

24. Beginning Fund Balance Reclassification

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

Fund Basis Financial Statements:

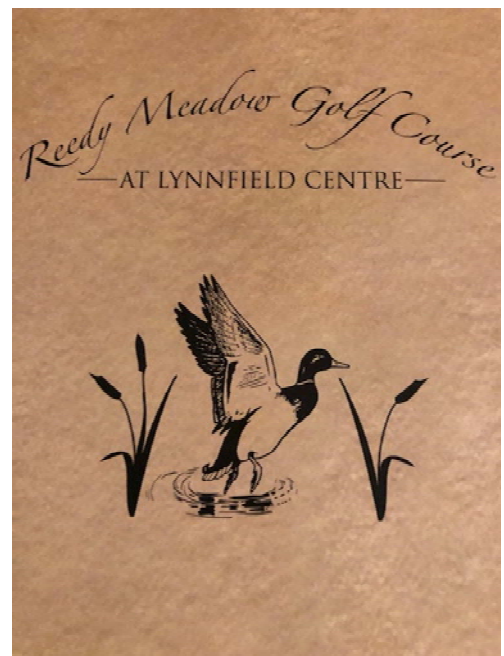
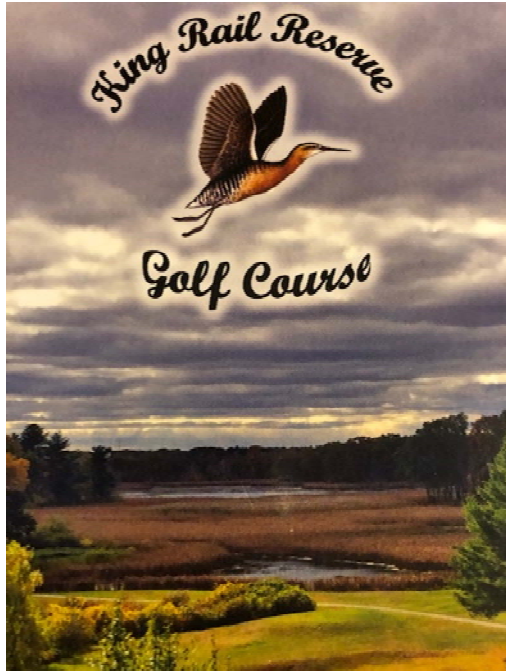
	Athletic Facilities <u>Improvement</u>	Receipt <u>Reserved</u>	Nonmajor Governmental <u>Funds</u>
As previously reported	\$ (915,334)	\$ 2,401,107	\$ 3,623,956
Reclassification of major fund	915,334	-	(915,334)
Reclassification of Cable PEG Access Fund	-	867,146	(867,146)
As reclassified	<u>\$ -</u>	<u>\$ 3,268,253</u>	<u>\$ 1,841,476</u>

25. New Pronouncements

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

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the Town beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION



The town owns 2 municipal 9 hole golf courses; Reedy Meadow and King Rail Course. – Photos courtesy of Don Lyons

TOWN OF LYNNFIELD, MASSACHUSETTS

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
June 30, 2020
(Unaudited)

Essex Regional Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2020	December 31, 2019	7.818%	\$32,936,686	\$ 10,850,279	303.56%	55.46%
June 30, 2019	December 31, 2018	8.176%	\$32,936,686	\$ 10,944,608	300.94%	51.89%
June 30, 2018	December 31, 2017	7.993%	\$30,083,690	\$ 10,519,886	285.97%	55.40%
June 30, 2017	December 31, 2016	7.955%	\$30,649,501	\$ 10,794,272	283.94%	51.12%
June 30, 2016	December 31, 2015	8.020%	\$29,141,294	\$ 9,961,467	292.54%	51.01%
June 30, 2015	December 31, 2014	7.907%	\$26,824,501	\$ 9,568,326	280.35%	52.27%

Massachusetts Teachers' Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town</u>	<u>Total Net Pension Liability Associated with the Town</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2020	June 30, 2019	0.250719%	\$ -	\$ 63,216,300	\$ 63,216,300	\$ 18,220,901	-	53.95%
June 30, 2019	June 30, 2018	0.251846%	\$ -	\$ 59,715,836	\$ 59,715,836	\$ 17,879,533	-	54.84%
June 30, 2019	June 30, 2018	0.251846%	\$ -	\$ 59,715,836	\$ 59,715,836	\$ 17,879,533	-	54.84%
June 30, 2018	June 30, 2017	0.249970%	\$ -	\$ 57,212,889	\$ 57,212,889	\$ 16,960,942	-	54.25%
June 30, 2017	June 30, 2016	0.249821%	\$ -	\$ 55,854,804	\$ 55,854,804	\$ 16,429,324	-	52.73%
June 30, 2016	June 30, 2015	0.253662%	\$ -	\$ 51,974,513	\$ 51,974,513	\$ 16,096,692	-	55.38%
June 30, 2015	June 30, 2014	0.251726%	\$ -	\$ 40,015,290	\$ 40,015,290	\$ 15,439,861	-	61.64%

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

See Independent Auditors' Report.

TOWN OF LYNNFIELD, MASSACHUSETTS

Required Supplementary Information
Schedule of Pension Contributions
June 30, 2020
(Unaudited)

Essex Regional Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2020	December 31, 2019	\$ 2,950,357	\$ 2,950,357	\$ -	\$ 11,380,595	25.92%
June 30, 2019	December 31, 2018	\$ 2,864,069	\$ 2,864,069	\$ -	\$ 10,787,014	26.55%
June 30, 2018	December 31, 2017	\$ 2,609,984	\$ 2,609,984	\$ -	\$ 10,987,525	23.75%
June 30, 2017	December 31, 2016	\$ 2,418,319	\$ 2,418,319	\$ -	\$ 10,665,375	22.67%
June 30, 2016	December 31, 2015	\$ 2,308,330	\$ 2,308,330	\$ -	\$ 10,307,958	22.39%
June 30, 2015	December 31, 2014	\$ 2,118,002	\$ 2,118,002	\$ -	\$ 9,803,623	22.14%

Massachusetts Teachers' Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Contractually Required Contribution Provided by Commonwealth</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2020	June 30, 2019	\$ 3,619,653	\$ 3,619,653	\$ -	\$ 18,657,251	19.40%
June 30, 2019	June 30, 2018	\$ 3,311,223	\$ 3,311,223	\$ -	\$ 18,220,901	18.17%
June 30, 2018	June 30, 2017	\$ 3,088,756	\$ 3,088,756	\$ -	\$ 17,879,533	17.28%
June 30, 2017	June 30, 2016	\$ 2,809,445	\$ 2,809,445	\$ -	\$ 16,960,942	16.56%
June 30, 2016	June 30, 2015	\$ 2,592,252	\$ 2,592,252	\$ -	\$ 16,429,324	15.78%
June 30, 2015	June 30, 2014	\$ 2,359,629	\$ 2,359,629	\$ -	\$ 16,096,692	14.66%

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

See Independent Auditors' Report.

TOWN OF LYNNFIELD, MASSACHUSETTS

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

(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service cost	\$ 4,581,138	\$ 3,976,612	\$ 4,033,881	\$ 4,972,243
Interest	2,602,608	2,507,008	2,655,790	2,370,457
Differences between expected and actual experience	90,630	(6,693,135)	15,920	(1,459,126)
Changes of assumptions	14,265,450	9,151,494	(3,144,633)	(10,371,124)
Benefit payments, including refunds of member contributions	<u>(2,061,658)</u>	<u>(1,958,373)</u>	<u>(1,999,825)</u>	<u>(2,001,110)</u>
Net change in total OPEB liability	19,478,168	6,983,606	1,561,133	(6,488,660)
Total OPEB liability - beginning	<u>84,202,947</u>	<u>77,219,341</u>	<u>75,658,208</u>	<u>82,146,868</u>
Total OPEB liability - ending (a)	103,681,115	84,202,947	77,219,341	75,658,208
Plan Fiduciary Net Position				
Contributions - employer	2,211,658	2,158,373	2,299,825	2,201,110
Net investment income	45,886	74,949	46,138	33,055
Benefit payments, including refunds of member contributions	<u>(2,061,658)</u>	<u>(1,958,373)</u>	<u>(1,999,825)</u>	<u>(2,001,110)</u>
Net change in plan fiduciary net position	195,886	274,949	346,138	233,055
Plan fiduciary net position - beginning	<u>1,256,028</u>	<u>981,079</u>	<u>634,941</u>	<u>401,886</u>
Plan fiduciary net position - ending (b)	<u>1,451,914</u>	<u>1,256,028</u>	<u>981,079</u>	<u>634,941</u>
Net OPEB liability (asset) - ending (a-b)	\$ <u><u>102,229,201</u></u>	\$ <u><u>82,946,919</u></u>	\$ <u><u>76,238,262</u></u>	\$ <u><u>75,023,267</u></u>

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

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

See Independent Auditors' Report.

TOWN OF LYNNFIELD, MASSACHUSETTS

**Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedule of Net OPEB Liability, Contributions, and Investment Returns**

(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Net OPEB Liability				
Total OPEB liability	\$ 103,681,115	\$ 84,202,947	\$ 77,219,341	\$ 75,658,208
Plan fiduciary net position	<u>1,451,914</u>	<u>1,256,028</u>	<u>981,079</u>	<u>634,941</u>
Net OPEB liability (asset)	<u>\$ 102,229,201</u>	<u>\$ 82,946,919</u>	<u>\$ 76,238,262</u>	<u>\$ 75,023,267</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.40%	1.49%	1.27%	0.84%
Covered employee payroll	\$ 22,036,000	\$ 21,394,304	\$ 18,958,000	\$ 18,405,817
Participating employer net OPEB liability as a percentage of covered employee payroll	463.92%	387.71%	402.14%	407.61%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Contributions				
Actuarially determined contribution	\$ 8,884,396	\$ 7,794,911	\$ 8,143,717	\$ 1,784,927
Contributions in relation to the actuarially determined contribution	<u>2,211,658</u>	<u>2,158,373</u>	<u>2,299,825</u>	<u>2,201,110</u>
Contribution deficiency (excess)	<u>\$ 6,672,738</u>	<u>\$ 5,636,538</u>	<u>\$ 5,843,892</u>	<u>\$ (416,183)</u>
Covered employee payroll	\$ 22,036,000	\$ 21,394,304	\$ 18,958,000	\$ 18,405,817
Contributions as a percentage of covered employee payroll	10.04%	10.09%	12.13%	11.96%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Investment Returns				
Annual money weighted rate of return, net of investment expense	3.36%	7.03%	5.88%	6.59%

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

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

See Independent Auditors' Report.

**SUPPLEMENTARY STATEMENTS
AND DETAIL SCHEDULES**

GENERAL FUND

The General Fund is established to account for all resources obtained and used for those services commonly provided by the Town, which are not accounted for in any other fund. These services include among other items: general government services, public safety, education, public works, health and human services, and culture and recreation. The primary sources of revenue of the General Fund are: property taxes, excise taxes, unrestricted state revenue sharing grants, certain restricted grants and fees for services rendered.

TOWN OF LYNNFIELD, MASSACHUSETTS

General Fund
Detail Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
General Government				
Selectmen				
Selectmen's Salaries	\$ 2,250	\$ 2,250	\$ 1,400	\$ 850
Town Administrator's Salary	177,300	187,901	187,248	653
Administrative Salary	95,439	97,939	96,039	1,900
Professional Services	91,050	171,050	119,641	51,409
Pay Rate Increase Fund	200,000	47,209	-	47,209
Property and Liability Insurance	740,726	640,726	524,061	116,665
Other Expenses	24,000	24,000	17,760	6,240
Cable				
Cable Access Salaries	112,588	113,413	113,413	-
Cable Access Expense	33,595	33,595	33,410	185
Cable Access Capital	18,000	23,173	22,929	244
Town Accountant				
Accountant's Salary	118,675	132,415	132,415	-
Clerical Salary	61,932	63,107	60,472	2,635
Expenses	5,255	5,255	2,212	3,043
Town Counsel				
Professional Services	75,000	125,000	110,912	14,088
Expenses Law Books	3,000	3,000	3,000	-
Operations Support				
Salaries	75,122	75,422	51,606	23,816
Expenses	47,400	47,400	25,327	22,073
Information Systems				
Salaries	-	2,505	2,505	-
Expenses	251,969	251,969	230,574	21,395
Tax Collector				
Collector Expenses	21,050	21,050	15,480	5,570
Senior Tax Work-Off Program	9,000	1,962	1,962	-
Treasurer				
Treasurer's Salaries	192,545	237,305	235,939	1,366
Treasurer's Expenses	28,740	28,740	18,452	10,288
Town Clerk				
Town Clerk Salaries	133,622	136,990	136,990	-
Clerk Expenses	41,062	41,062	31,125	9,937
Board of Assessors				
Board Salaries	11,500	11,500	11,200	300
Other Salaries	140,905	141,205	134,501	6,704
Professional Services	43,935	43,935	28,485	15,450
Assessment Update	8,200	8,200	8,200	-
Expenses	11,970	11,970	3,982	7,988
Board of Appeals				
Expenses	2,741	2,741	1,464	1,277
Conservation Commission				
Salaries	151,926	154,025	152,504	1,521
Expenses	10,704	10,704	10,679	25
Professional Services	1,545	1,545	1,024	521
Open Space	1,545	1,545	678	867
Personnel Board				
Salary	1,874	1,874	-	1,874
Professional Services	2,870	2,870	-	2,870
Expenses	330	330	-	330
Finance Committee				
Salary	3,000	3,000	1,515	1,485
Expenses	420	420	210	210
Finance Committee Report	2,500	2,500	-	2,500
Reserve Fund	45,000	45,000	-	45,000
Total General Government	3,000,285	2,957,802	2,529,314	428,488

(continued)

(continued)

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	Variance Positive <u>(Negative)</u>
Public Safety				
Police				
Chief's Salary (including holidays)	199,627	202,454	202,297	157
Other Salaries (including holidays)	2,272,015	2,316,515	2,221,283	95,232
Officers' Overtime	401,865	451,865	451,865	-
Officers Training	133,633	133,633	107,473	26,160
Other Expenses	223,925	223,925	220,288	3,637
Fire				
Chief's Salary (including holidays)	135,000	141,050	140,762	288
Full-time Salaries (including holidays)	871,821	871,821	822,648	49,173
Call Dept. Salaries	484,389	484,389	457,312	27,077
Fire Alarm Salaries	14,934	14,934	11,650	3,284
Fire Dept. Expenses	116,869	116,869	113,168	3,701
Fire Alarm Expenses	13,882	13,882	12,833	1,049
Division of Zoning & Inspection				
Other Salaries	79,663	80,586	75,656	4,930
Professional Services	165,195	238,576	238,575	1
Expenses	13,131	13,131	8,588	4,543
Emergency Management				
Other Salaries	2,500	2,500	2,500	-
Expenses	1	1		1
Animal Control Officer				
Dog Officer's Salary	27,552	27,552	26,879	673
Expenses	1,854	1,854	346	1,508
Total Public Safety	5,157,856	5,335,537	5,114,123	221,414
Education				
School Operating	26,210,345	26,273,345	26,273,345	-
School Health Insurance	2,890,548	2,933,548	2,931,615	1,933
School Vocational Assessment	505,039	500,450	500,450	-
Total Education	29,605,932	29,707,343	29,705,410	1,933
Public Works				
Administration				
Director Salary	134,985	138,985	137,955	1,030
Other Salaries	526,034	538,055	538,055	-
Motor Fuel/Oil	134,000	134,000	79,516	54,484
Other Expenses	9,500	9,500	7,417	2,083
Highway				
Salaries	888,734	900,039	827,741	72,298
Expenses	561,992	561,992	549,856	12,136
Sidewalk Construction & Maint.				
Expenses	25,000	25,000	25,000	-
Snow and Ice Removal				
Salaries and Expenses	120,000	120,000	308,942	(188,942)
Street Lighting				
Expenses	180,000	180,000	132,752	47,248
Rubbish Collection				
Expenses	842,095	842,095	842,095	-
School Maintenance and Buses				
Salaries	1,093,418	1,111,943	1,039,810	72,133
Energy Supply	724,000	724,000	527,825	196,175
Expenses	1,369,870	1,369,870	1,248,619	121,251
Town Building Maintenance				
Salaries	245,742	249,395	217,806	31,589
Expenses	371,500	371,500	347,088	24,412
Total Public Works	7,226,870	7,276,374	6,830,477	445,897

(continued)

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Health and Human Services				
Board of Health				
Other Salaries	92,068	93,068	89,481	3,587
Expenses	40,304	44,304	33,416	10,888
Council on Aging				
Salary	336,257	338,257	308,406	29,851
Expenses	26,949	26,949	23,573	3,376
Veterans' Services				
Director's Salary	15,912	15,912	15,912	-
Expenses	8,300	8,300	1,498	6,802
Veterans Benefits	24,000	24,000	23,051	949
Prevention Services				
Salary	25,000	25,000	18,366	6,634
Expenses	6,200	6,200	6,000	200
Total Health and Human Services	<u>574,990</u>	<u>581,990</u>	<u>519,703</u>	<u>62,287</u>
Culture and Recreation				
Library				
Director's Salary	94,085	95,085	94,174	911
Other Salaries	542,575	541,564	529,666	11,898
Expenses	251,279	260,436	198,410	62,026
Recreation Commission				
Salaries	72,140	73,729	73,729	-
Expenses	3,300	3,300	582	2,718
Historical Commission				
Expenses	15,910	15,910	15,014	896
Total Culture and Recreation	<u>979,289</u>	<u>990,024</u>	<u>911,575</u>	<u>78,449</u>
Employee Benefits and Unclassified				
Pension Contributions	2,979,228	2,945,872	2,942,859	3,013
Town Health/Life/Disability Insurance	3,356,353	3,161,084	2,867,349	293,735
Medicare - F.I.C.A.	490,000	490,000	468,944	21,056
Workers' Compensation Insurance	229,083	229,083	209,900	19,183
Other	5,047	5,047	2,509	2,538
Unemployment Compensation	30,500	30,500	19,393	11,107
Total Employee Benefits	<u>7,090,211</u>	<u>6,861,586</u>	<u>6,510,954</u>	<u>350,632</u>
Miscellaneous				
Prior Year Deficits	275,000	275,000	275,000	-
Total Miscellaneous	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Debt Service				
Short-term Interest	10,000	28,433	28,432	1
Long-term Principal Payment	524,000	524,000	524,000	-
Long-term Interest	161,126	161,126	154,115	7,011
Long-term Principal Debt Exclusion	2,085,000	2,085,000	2,085,000	-
Long-term Interest Debt Exclusion	422,861	422,861	416,161	6,700
Septic Loan Program	22,589	22,589	22,589	-
Total Debt Service	<u>3,225,576</u>	<u>3,244,009</u>	<u>3,230,297</u>	<u>13,712</u>
Intergovernmental				
State and County Assessments	478,859	486,928	462,583	24,345
Prior Year Encumbrances				
General government	-	77,094	76,569	525
Public safety	-	9,265	9,156	109
Education	-	83,087	76,899	6,188
Public works	-	130,265	123,165	7,100
Health and human services	-	733	733	-
Culture and recreation	-	15,193	15,193	-
Total Articles	<u>-</u>	<u>315,637</u>	<u>301,715</u>	<u>13,922</u>

(continued)

(continued)

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	Variance Positive <u>(Negative)</u>
Articles				
Unassigned (prior year bills)	-	6,500	6,500	-
General government	591,492	591,492	591,492	-
Public safety	414,620	414,620	414,620	-
Education	433,812	419,872	419,872	-
Public works	2,120,648	2,109,701	2,109,701	-
Health and human services	10,000	10,000	10,000	-
Culture and recreation	<u>13,141</u>	<u>13,141</u>	<u>13,141</u>	<u>-</u>
Total Articles	3,583,713	3,565,326	3,565,326	-
Other Financing Uses				
Transfers out				
Transfer to OPEB Trust	150,000	150,000	150,000	-
Transfer to Stabilization	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total Other Financing Uses	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 61,498,581</u>	<u>\$ 61,897,556</u>	<u>\$ 60,256,477</u>	<u>\$ 1,641,079</u>

Combining Financial Statements

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for certain revenue generating activities that are legally and/or programmatically restricted to expenditures for a specified purpose. From the Town's financial ledgers, these activities can be distinctly categorized into the following groupings:

- Revolving Funds: To account for the Town's within revolving funds established in accordance with MGL Chapter 44, Section 53E ½, Chapter 71 and other applicable statutes.
- School Lunch: To account for the School Department's School Lunch Program.
- Town Grants: To account for Town grant programs.
- School Grants: To account for educational-based grant programs.
- Other Special Revenue Funds: To account for other miscellaneous special revenue accounts which relate to Town and educational-based activities.

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the overall financial activities related to the acquisition, renovation, or construction of significant capital assets, excluding those associated with business-type funds. Significant project activities can be categorized as:

- Center Farm Acquisition: To account for activity associated with the purchase of 567 Main street
- Outdoor Recreation and Athletic Fields: To account for the activity associated with the construction of outdoor recreation and athletic fields.
- Capital Equipment: To account for various equipment acquisitions to various Town activities.
- Athletic Facilities Improvement: To account for activity associated with the improvements to the athletic facilities.
- Other Capital Projects: To fund accounts for various Town activities.

PERMANENT FUNDS

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

- Permanent Fund: To account for the principal received for perpetual care and related interest. The interest income is used to maintain community cemetery. It is also used to account for the various other bequests to the Town designated for particular purposes.

TOWN OF LYNNFIELD, MASSACHUSETTS

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds					<u>Subtotals</u>
	<u>Revolving Funds</u>	<u>School Lunch</u>	<u>Town Grants</u>	<u>School Grants</u>	<u>Other Special Revenues</u>	
Assets						
Cash and short-term investments	\$ 1,149,311	\$ 147,641	\$ -	\$ 362,130	\$ 578,440	\$ 2,237,522
Investments	-	-	-	-	7,640	7,640
Intergovernmental receivables	-	-	-	250,799	-	250,799
	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,799</u>	<u>-</u>	<u>250,799</u>
Total Assets	<u>\$ 1,149,311</u>	<u>\$ 147,641</u>	<u>\$ -</u>	<u>\$ 612,929</u>	<u>\$ 586,080</u>	<u>\$ 2,495,961</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Warrants and accounts payable	\$ 26,999	\$ -	\$ 10,561	\$ 606	\$ 126	\$ 38,292
Accrued liabilities	2,037	-	1,474	-	-	3,511
Notes Payable	-	-	-	-	-	-
Due to other funds	-	-	214,089	-	-	214,089
	<u>-</u>	<u>-</u>	<u>214,089</u>	<u>-</u>	<u>-</u>	<u>214,089</u>
Total Liabilities	29,036	-	226,124	606	126	255,892
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	1,120,275	147,641	170,834	639,400	585,954	2,664,104
Unassigned	-	-	(396,958)	(27,077)	-	(424,035)
	<u>-</u>	<u>-</u>	<u>(396,958)</u>	<u>(27,077)</u>	<u>-</u>	<u>(424,035)</u>
Total Fund Balances	<u>1,120,275</u>	<u>147,641</u>	<u>(226,124)</u>	<u>612,323</u>	<u>585,954</u>	<u>2,240,069</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,149,311</u>	<u>\$ 147,641</u>	<u>\$ -</u>	<u>\$ 612,929</u>	<u>\$ 586,080</u>	<u>\$ 2,495,961</u>

Capital Project Funds						Permanent Trust Fund	Total Nonmajor Governmental Funds
Center Farm Acquisition	Outdoor Recreation and Athletic Fields	Capital Equipment	Athletic Facilities Improvement	Other Capital Projects	Subtotal		
\$ -	\$ 31,591	\$ 26,015	\$ 10,687	\$ 36,008	\$ 104,301	\$ 61,281	\$ 2,403,104
-	-	-	-	-	-	991,410	999,050
-	-	-	-	-	-	-	250,799
<u>\$ -</u>	<u>\$ 31,591</u>	<u>\$ 26,015</u>	<u>\$ 10,687</u>	<u>\$ 36,008</u>	<u>\$ 104,301</u>	<u>\$ 1,052,691</u>	<u>\$ 3,652,953</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,292
-	-	-	-	-	-	-	3,511
188,000	-	-	-	-	188,000	-	188,000
-	-	-	-	-	-	-	214,089
188,000	-	-	-	-	188,000	-	443,892
-	-	-	-	-	-	963,950	963,950
-	31,591	26,015	10,687	36,008	104,301	88,741	2,857,146
(188,000)	-	-	-	-	(188,000)	-	(612,035)
(188,000)	31,591	26,015	10,687	36,008	(83,699)	1,052,691	3,209,061
<u>\$ -</u>	<u>\$ 31,591</u>	<u>\$ 26,015</u>	<u>\$ 10,687</u>	<u>\$ 36,008</u>	<u>\$ 104,301</u>	<u>\$ 1,052,691</u>	<u>\$ 3,652,953</u>

TOWN OF LYNNFIELD, MASSACHUSETTS

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

	Special Revenue Funds					
	Revolving Funds	School Lunch	Town Grants	School Grants	Other Special Revenues	Subtotal
Revenues						
Charges for services	\$ 1,311,052	\$ 547,759	\$ -	\$ -	\$ 700	\$ 1,859,511
Intergovernmental	5,600	118,426	1,033,039	1,614,140	-	2,771,205
Investment income	399	229	-	-	5,749	6,377
Miscellaneous	<u>30,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,447</u>	<u>334,302</u>
Total Revenues	1,347,906	666,414	1,033,039	1,614,140	309,896	4,971,395
Expenditures						
Current:						
General government	27,430	-	-	-	1,819	29,249
Public safety	5,779	-	501,775	-	8,014	515,568
Education	749,101	830,135	-	955,068	73,267	2,607,571
Public works	101,490	-	501,254	-	232,719	835,463
Health and human services	24,536	-	252,797	-	1,699	279,032
Culture and recreation	<u>251,362</u>	<u>-</u>	<u>254</u>	<u>-</u>	<u>477</u>	<u>252,093</u>
Total Expenditures	<u>1,159,698</u>	<u>830,135</u>	<u>1,256,080</u>	<u>955,068</u>	<u>317,995</u>	<u>4,518,976</u>
Excess (deficiency) of revenues over (under) expenditures	188,208	(163,721)	(223,041)	659,072	(8,099)	452,419
Other Financing Sources (Uses)						
Issuance of bonds	-	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Payment to refunding agent	-	-	-	-	-	-
Transfers in	140,803	200,639	-	-	7,836	349,278
Transfers out	<u>(487,803)</u>	<u>-</u>	<u>(7,198)</u>	<u>-</u>	<u>(7,836)</u>	<u>(502,837)</u>
Total Other Financing Sources (Uses)	<u>(347,000)</u>	<u>200,639</u>	<u>(7,198)</u>	<u>-</u>	<u>-</u>	<u>(153,559)</u>
Net change in fund balances	(158,792)	36,918	(230,239)	659,072	(8,099)	298,860
Fund Balances, beginning of year, as reclassified	<u>1,279,067</u>	<u>110,723</u>	<u>4,115</u>	<u>(46,749)</u>	<u>594,053</u>	<u>1,941,209</u>
Fund Balances, end of year	<u>\$ 1,120,275</u>	<u>\$ 147,641</u>	<u>\$ (226,124)</u>	<u>\$ 612,323</u>	<u>\$ 585,954</u>	<u>\$ 2,240,069</u>

Capital Project Funds						Permanent Trust Fund	Total Nonmajor Governmental Funds
Center Farm Acquisition	Outdoor Recreation and Athletic Fields	Capital Equipment	Athletic Facilities Improvement	Other Capital Projects	Subtotal		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,859,511
-	-	-	-	-	-	-	2,771,205
-	-	-	-	-	-	29,049	35,426
-	-	-	-	-	-	21,517	355,819
-	-	-	-	-	-	50,566	5,021,961
-	-	-	73,979	-	73,979	-	103,228
-	-	-	-	-	-	-	515,568
-	-	-	-	-	-	-	2,607,571
-	-	-	-	-	-	-	835,463
-	-	-	-	-	-	-	279,032
-	-	-	-	-	-	1,862	253,955
-	-	-	73,979	-	73,979	1,862	4,594,817
-	-	-	(73,979)	-	(73,979)	48,704	427,144
-	-	-	955,300	-	955,300	-	955,300
-	-	57,700	-	-	57,700	-	57,700
-	-	3,266	44,700	-	47,966	-	47,966
-	-	(60,966)	-	-	(60,966)	-	(60,966)
94,000	-	-	-	-	94,000	-	443,278 ¹
-	-	-	-	-	-	-	(502,837) ¹
94,000	-	-	1,000,000	-	1,094,000	-	940,441
94,000	-	-	926,021	-	1,020,021	48,704	1,367,585
(282,000)	31,591	26,015	(915,334)	36,008	(1,103,720)	1,003,987	1,841,476
\$ (188,000)	\$ 31,591	\$ 26,015	\$ 10,687	\$ 36,008	\$ (83,699)	\$ 1,052,691	\$ 3,209,061

¹ Transfers in and out were netted on page 30 to eliminate activity within nonmajor governmental funds.

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**STATISTICAL
SECTION**



The Jordan Park renovation project was completed in the spring of 2020. The project included expanded parking, upgrade of all playing fields and new playground equipment.. – Photos courtesy of Jennifer Welter, Nicole DiVirgillio, and Drew Sanborn

TOWN OF LYNNFIELD, MASSACHUSETTS

STATISTICAL SECTION

The Town of Lynnfield's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	100 - 104
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	105 - 107
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	108 - 110
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	111 - 112
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.	113 - 115

TOWN OF LYNNFIELD, MASSACHUSETTS
Net Position by Component
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Government Activity										
Net investment in capital assets	\$ 52,577,993	\$ 52,745,223	\$ 52,661,247	\$ 54,316,789	\$ 55,339,766	\$ 56,794,478	\$ 57,855,878	\$ 60,053,192	\$ 59,817,700	\$ 59,471,303
Restricted	3,097,762	3,754,482	4,515,269	4,968,768	6,587,689	6,444,293	6,578,942	6,170,785	6,356,808	6,564,024
Unrestricted	<u>(7,914,040)</u>	<u>(12,266,289)</u>	<u>(13,462,910)</u>	<u>(16,217,913)</u>	<u>(45,575,899)</u>	<u>(51,210,626)</u>	<u>(56,910,602)</u>	<u>(107,270,068)</u>	<u>(111,918,242)</u>	<u>(117,792,796)</u>
Total governmental activities net position	<u>\$ 47,761,715</u>	<u>\$ 44,233,416</u>	<u>\$ 43,713,606</u>	<u>\$ 43,067,644</u>	<u>\$ 16,351,556</u>	<u>\$ 12,028,145</u>	<u>\$ 7,524,218</u>	<u>\$ (41,046,091)</u>	<u>\$ (45,743,734)</u>	<u>\$ (51,757,469)</u>
Business-type Activities										
Net investment in capital assets	\$ 3,049,986	\$ 3,513,689	\$ 4,976,433	\$ 5,476,229	\$ 6,360,015	\$ 6,936,101	\$ 7,547,509	\$ 8,294,921	\$ 9,093,478	\$ 9,880,872
Unrestricted	<u>224,097</u>	<u>274,798</u>	<u>215,013</u>	<u>158,798</u>	<u>62,255</u>	<u>236,738</u>	<u>492,760</u>	<u>609,624</u>	<u>576,756</u>	<u>663,234</u>
Total business-type activities net position	<u>\$ 3,274,083</u>	<u>\$ 3,788,487</u>	<u>\$ 5,191,446</u>	<u>\$ 5,635,027</u>	<u>\$ 6,422,270</u>	<u>\$ 7,172,839</u>	<u>\$ 8,040,269</u>	<u>\$ 8,904,545</u>	<u>\$ 9,670,234</u>	<u>\$ 10,544,106</u>
Primary Government										
Net investment in capital assets	\$ 55,627,979	\$ 56,258,912	\$ 57,637,680	\$ 59,793,018	\$ 61,699,781	\$ 63,730,579	\$ 65,403,387	\$ 68,348,113	\$ 68,911,178	\$ 69,352,175
Restricted	3,097,762	3,754,482	4,515,269	4,968,768	6,587,689	6,444,293	6,578,942	6,170,785	6,356,808	6,564,024
Unrestricted	<u>(7,689,943)</u>	<u>(11,991,491)</u>	<u>(13,247,897)</u>	<u>(16,059,115)</u>	<u>(45,513,644)</u>	<u>(50,973,888)</u>	<u>(56,417,842)</u>	<u>(106,660,444)</u>	<u>(111,341,486)</u>	<u>(117,129,562)</u>
Total primary government net position	<u>\$ 51,035,798</u>	<u>\$ 48,021,903</u>	<u>\$ 48,905,052</u>	<u>\$ 48,702,671</u>	<u>\$ 22,773,826</u>	<u>\$ 19,200,984</u>	<u>\$ 15,564,487</u>	<u>\$ (32,141,546)</u>	<u>\$ (36,073,500)</u>	<u>\$ (41,213,363)</u>

Data source: Audited financial statements

TOWN OF LYNNFIELD, MASSACHUSETTS
Changes in Net Position
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
General government	\$ 1,735,600	\$ 1,735,254	\$ 1,961,343	\$ 2,080,661	\$ 2,647,269	\$ 2,472,962	\$ 3,399,507	\$ 3,348,278	\$ 3,538,777	\$ 4,013,223
Public safety	4,415,177	4,632,068	4,706,569	4,968,269	4,423,705	4,669,749	6,345,717	6,911,541	7,216,296	7,795,920
Education	29,246,944	30,897,062	31,409,770	32,142,504	31,375,172	34,187,292	46,749,239	46,014,983	49,198,093	51,261,139
Public works	6,089,717	5,527,382	6,034,878	6,585,036	6,634,587	6,782,767	8,441,244	8,673,638	10,122,364	10,025,728
Health and human services	595,093	535,067	547,131	572,096	587,958	599,228	828,016	820,528	975,893	1,166,109
Cultural and recreation	802,056	827,293	845,631	908,344	1,069,362	1,290,029	1,496,611	1,501,844	1,587,342	1,472,248
Interest	807,531	742,445	915,256	607,393	713,244	612,107	573,441	513,806	483,552	181,592
Other	-	-	-	-	-	-	-	-	-	60,966
Employee benefits	7,962,133	8,209,486	8,161,277	9,015,854	9,175,205	11,820,997	*	*	*	*
Intergovernmental	331,518	375,678	400,171	398,616	372,449	375,413	364,845	437,107	**	**
Total governmental activities expenses	51,985,769	53,481,735	54,982,026	57,278,773	56,998,951	62,810,544	68,198,620	68,221,725	73,122,317	75,976,925
Business-type Activities										
Golf course operations	1,102,541	977,570	887,200	880,903	888,400	1,036,636	1,087,534	1,072,549	1,035,456	1,038,811
Emergency Medical Service operations	-	-	-	-	689,061	707,679	672,727	675,899	783,803	764,034
Total business-type activities expenses	1,102,541	977,570	887,200	880,903	1,577,461	1,744,315	1,760,261	1,748,448	1,819,259	1,802,845
Total primary government expenses	\$ 53,088,310	\$ 54,459,305	\$ 55,869,226	\$ 58,159,676	\$ 58,576,412	\$ 64,554,859	\$ 69,958,881	\$ 69,970,173	\$ 74,941,576	\$ 77,779,770
Program Revenues										
Governmental Activities										
Charges for services:										
General government	\$ 254,231	\$ 193,305	\$ 212,698	\$ 274,134	\$ 277,559	\$ 304,475	\$ 270,014	\$ 284,344	\$ 273,499	\$ 250,216
Public safety	910,626	981,583	999,297	1,137,462	360,303	390,131	372,131	472,791	659,480	579,478
Education	1,941,927	2,130,533	2,066,267	2,169,241	2,317,372	2,235,281	2,041,251	2,036,760	2,095,632	1,571,391
Public works	98,593	114,858	118,060	78,310	111,057	123,456	85,232	92,038	117,797	138,075
Health and human services	141,122	158,743	155,707	92,196	102,351	96,670	96,797	98,965	94,412	89,995
Cultural and recreation	53,127	83,970	122,358	103,152	161,237	322,334	238,159	250,695	307,371	252,194
Operating grants and contributions	9,755,709	9,951,771	10,721,726	10,735,791	9,000,984	10,401,336	12,295,036	12,678,689	12,643,471	14,811,643
Capital grants and contributions	360,766	402,551	1,761,586	602,081	534,181	423,191	550,612	621,626	228,186	455,618
Total government activities program revenues	13,516,101	14,017,314	16,157,699	15,192,367	12,865,044	14,296,874	15,949,232	16,535,908	16,419,848	18,148,610
Business-type Activities										
Charges for services:										
Golf course operations	885,746	692,034	507,443	509,133	530,043	733,527	878,376	974,670	1,007,033	1,061,125
Emergency Medical Service operations	-	-	-	-	612,764	711,668	910,870	724,432	791,153	762,438
Total business - type activities revenues	885,746	692,034	507,443	509,133	1,142,807	1,445,195	1,789,246	1,699,102	1,798,186	1,823,563
Total primary government revenues	\$ 14,401,847	\$ 14,709,348	\$ 16,665,142	\$ 15,701,500	\$ 14,007,851	\$ 15,742,069	\$ 17,738,478	\$ 18,235,010	\$ 18,218,034	\$ 19,972,173
Net (Expense)/Revenue										
Governmental activities	\$ (38,469,668)	\$ (39,464,421)	\$ (38,824,327)	\$ (42,086,406)	\$ (44,133,907)	\$ (48,513,670)	\$ (52,249,388)	\$ (51,685,817)	\$ (56,702,469)	\$ (57,828,315)
Business-type activities	(216,795)	(285,536)	(379,757)	(371,770)	(434,654)	(299,120)	28,985	(49,346)	(21,073)	20,718
Total primary government net (expense)	\$ (38,686,463)	\$ (39,749,957)	\$ (39,204,084)	\$ (42,458,176)	\$ (44,568,561)	\$ (48,812,790)	\$ (52,220,403)	\$ (51,735,163)	\$ (56,723,542)	\$ (57,807,597)

Data source: Audited financial statements

(continued)

* Beginning in FY16 the employee benefits have been allocated to the various function based on a % of total salaries and wages

** Beginning in FY19 the intergovernmental expenses have been reclassified to the various function based on the actual expenses

TOWN OF LYNNFIELD, MASSACHUSETTS

Changes in Net Position

Last Ten Fiscal Years

continued:											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
General Revenues and Other Changes in Net Position											
Governmental Activities:											
Real estate and personal property-net											
of refunds payable	\$ 31,274,162	\$ 32,613,283	\$ 33,859,481	\$ 35,530,602	\$ 38,861,219	\$ 40,121,435	\$ 42,206,263	\$ 42,874,531	\$ 46,282,176	\$ 46,727,020	
Excise tax	2,010,033	1,983,946	2,282,217	2,586,452	3,226,540	3,405,622	3,431,592	3,670,019	3,597,245	3,396,349	
Penalties, interest, and other taxes	484,069	533,685	467,777	551,830	608,955	667,345	678,974	655,075	710,051	716,704	
Grants, contributions - not restricted											
to specific programs	1,217,140	1,010,482	1,021,952	1,011,292	1,042,971	1,078,400	1,126,084	1,108,886	1,203,261	1,179,302	
Investment income	20,906	39,668	4,203	20,617	11,060	50,026	32,409	57,069	279,195	229,809	
Contributions and miscellaneous	55,579	554,396	1,482,204	2,654,325	1,814,532	116,625	1,107,906	211,731	715,986	395,589	
Transfers	(691,318)	(799,338)	(813,317)	(914,674)	(919,953)	(1,249,194)	(837,767)	(911,573)	(783,088)	(849,668)	
Total government activities	34,370,571	35,936,122	38,304,517	41,440,444	44,645,324	44,190,259	47,745,461	47,665,738	52,004,826	51,795,105	
Business-type activities											
Investment income	1,177	602	969,399	677	493	495	678	2,049	3,674	3,486	
Transfers	691,318	799,338	813,317	814,674	819,953	1,049,194	837,767	911,573	783,088	849,668	
Total business type activities	692,495	799,940	1,782,716	815,351	820,446	1,049,689	838,445	913,622	786,762	853,154	
Total primary government	\$ 35,063,066	\$ 36,736,062	\$ 40,087,233	\$ 42,255,795	\$ 45,465,770	\$ 45,239,948	\$ 48,583,906	\$ 48,579,360	\$ 52,791,588	\$ 52,648,259	
Changes in Net Position											
Governmental activities	\$ (4,099,097)	\$ (3,528,299)	\$ (519,810)	\$ (645,962)	\$ 511,417	\$ (4,323,411)	\$ (4,503,927)	\$ (4,020,079)	\$ (4,697,643)	\$ (6,033,210)	
Business-type activities	475,700	514,404	1,402,959	443,581	385,792	750,569	867,430	864,276	765,689	873,872	
Total primary government changes in net position	\$ (3,623,397)	\$ (3,013,895)	\$ 883,149	\$ (202,381)	\$ 897,209	\$ (3,572,842)	\$ (3,636,497)	\$ (3,155,803)	\$ (3,931,954)	\$ (5,159,338)	

Data source: Audited financial statements

TOWN OF LYNNFIELD, MASSACHUSETTS
Fund Balance, Governmental Funds
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Committed	\$ 1,758,516	\$ 1,654,069	\$ 260,471	\$ 203,595	\$ 272,525	\$ 771,025	\$ 1,239,590	\$ 1,044,907	\$ 1,512,793	\$ 1,634,776
Assigned	344,042	999,492	921,176	1,105,984	529,203	1,585,025	2,887,111	2,204,030	1,387,384	2,288,138
Unassigned	800,289	797,575	3,325,112	3,249,849	5,792,182	5,771,370	5,684,933	4,672,751	7,471,257	6,483,351
Total general fund	<u>\$ 2,902,847</u>	<u>\$ 3,451,136</u>	<u>\$ 4,506,759</u>	<u>\$ 4,559,428</u>	<u>\$ 6,593,910</u>	<u>\$ 8,127,420</u>	<u>\$ 9,811,634</u>	<u>\$ 7,921,688</u>	<u>\$ 10,371,434</u>	<u>\$ 10,406,265</u>
All Other Governmental Funds										
Nonspendable	\$ 757,400	\$ 776,909	\$ 801,450	\$ 824,025	\$ 866,975	\$ 883,375	\$ 904,975	\$ 923,775	\$ 944,475	\$ 963,950
Restricted	2,815,673	3,161,227	3,956,234	3,322,745	5,858,847	5,600,380	6,006,186	5,404,333	5,505,947	5,704,374
Committed	179,500	-	-	1,449,113	-	-	-	-	-	-
Unassigned	(640,701)	(1,388,614)	(1,188,379)	(1,302,368)	(1,589,317)	(2,005,449)	(505,835)	(1,104,523)	(1,340,693)	(612,035)
Total all other governmental funds:	<u>\$ 3,111,872</u>	<u>\$ 2,549,522</u>	<u>\$ 3,569,305</u>	<u>\$ 4,293,515</u>	<u>\$ 5,136,505</u>	<u>\$ 4,478,306</u>	<u>\$ 6,405,326</u>	<u>\$ 5,223,585</u>	<u>\$ 5,109,729</u>	<u>\$ 6,056,289</u>

Data source: Audited financial statements

TOWN OF LYNNFIELD, MASSACHUSETTS
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Real estate and personal property taxes										
net of tax refunds	\$ 31,354,616	\$ 32,604,999	\$ 33,848,542	\$ 35,639,858	\$ 38,811,833	\$ 40,079,432	\$ 42,260,027	\$ 42,758,691	\$ 46,368,633	\$ 46,327,653
Motor vehicle and other excise taxes	2,021,065	1,987,219	2,250,003	2,627,824	3,110,340	3,494,597	3,428,366	3,643,200	3,581,298	3,801,445
Penalties, interest and other taxes	151,515	185,823	111,671	196,225	138,577	129,627	128,629	89,448	129,604	124,147
Charges for services	2,989,542	3,286,009	3,155,485	3,270,148	2,907,695	3,023,120	2,654,063	2,684,727	2,822,466	2,246,024
Intergovernmental	11,061,056	11,360,303	13,062,902	11,593,735	7,225,712	7,115,537	13,231,819	10,934,295	11,128,166	12,020,812
License and permits	301,269	336,628	425,073	592,594	427,977	472,212	450,425	550,317	725,014	552,852
Fines and forfeitures	73,424	77,670	81,872	83,435	83,541	92,291	60,894	67,591	53,960	38,488
Investment income	31,232	39,668	4,590	29,551	14,512	63,096	29,087	57,496	274,758	222,178
Miscellaneous and payment in lieu	650,368	906,759	1,213,769	2,769,702	3,480,781	1,096,052	2,334,851	1,296,138	1,447,805	754,990
Total Revenues	48,634,087	50,785,078	54,153,907	56,803,072	56,200,968	55,565,964	64,578,161	62,081,903	66,531,704	66,088,589
Expenditures:										
General government	1,696,696	1,774,913	1,912,643	3,300,704	9,736,014	2,681,776	2,881,887	4,393,417	2,911,326	3,257,764
Public safety	4,209,166	4,552,501	4,427,919	5,068,925	4,267,064	4,498,401	5,462,756	5,370,045	5,386,322	5,720,587
Education	27,449,151	29,211,273	32,967,696	30,715,415	27,002,713	28,708,227	35,131,328	34,253,732	35,155,820	36,025,881
Public works	6,058,730	6,021,965	6,076,877	6,912,985	6,650,511	7,439,531	7,954,733	9,140,897	8,556,891	8,845,289
Health and human services	505,718	427,547	438,489	529,949	476,067	489,093	555,735	618,832	617,428	798,696
Cultural and recreation	677,804	753,509	808,868	882,751	1,069,191	1,272,911	1,193,838	1,217,587	1,262,520	1,174,160
Employee benefits	4,796,870	4,773,386	4,882,243	5,037,722	5,129,181	5,524,278	5,910,860	6,239,796	6,529,495	6,650,957
Debt service	2,370,463	2,309,029	2,554,929	2,264,452	2,303,611	2,451,829	2,401,853	2,570,604	2,502,014	2,321,613
Intergovernmental	331,518	375,678	400,171	398,616	372,449	375,413	364,845	437,107	490,910	462,583
Total Expenditures	48,096,116	50,199,801	54,469,835	55,111,519	57,006,801	53,441,459	61,857,835	64,242,017	63,412,726	65,257,530
Excess of revenues over/(under) expenditures	537,971	585,277	(315,928)	1,691,553	(805,833)	2,124,505	2,720,326	(2,160,114)	3,118,978	831,059
Other Financing Sources (Uses)										
Issuance of bonds and notes	-	200,000	15,322,841	-	4,467,000	-	1,671,000	-	-	1,013,000
Bond premiums	-	-	1,616,929	-	178,253	-	57,675	-	-	47,966
Payments to refund bond escrow	-	-	(13,735,119)	-	-	-	-	-	-	(60,966)
Transfer in	739,390	709,119	613,090	3,195,591	1,574,259	1,047,175	1,004,911	2,303,835	795,982	1,468,311
Transfer out	(1,430,708)	(1,508,457)	(1,426,407)	(4,110,265)	(2,494,212)	(2,296,369)	(1,842,678)	(3,215,408)	(1,579,070)	(2,317,979)
Total other financing sources (uses)	(691,318)	(599,338)	2,391,334	(914,674)	3,725,300	(1,249,194)	890,908	(911,573)	(783,088)	150,332
Net change in fund balance	\$ (153,347)	\$ (14,061)	\$ 2,075,406	\$ 776,879	\$ 2,919,467	\$ 875,311	\$ 3,611,234	\$ (3,071,687)	\$ 2,335,890	\$ 981,391
Debt service as a percentage of noncapital expenditures⁽¹⁾	5.01%	4.76%	5.40%	4.30%	4.73%	4.82%	4.05%	4.32%	4.03%	3.63%

Data source: Audited financial statements

⁽¹⁾ Capital outlay purchases from the reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities are used to calculate this ratio.

TOWN OF LYNNFIELD, MASSACHUSETTS
Assessed Value⁽¹⁾ of Taxable Property by Classification
Last Ten Fiscal Years

Fiscal Year	Assessed Value							
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Town Value
2011	\$ 2,134,855,004	\$13.49	\$ 141,360,708	\$ 18,723,800	\$ 28,471,946	\$ 188,556,454	\$14.61	\$ 2,323,411,458
2012	\$ 2,096,637,630	\$14.26	\$ 140,078,519	\$ 18,724,100	\$ 26,573,218	\$ 185,375,837	\$15.56	\$ 2,282,013,467
2013	\$ 2,082,581,167	\$14.82	\$ 146,443,644	\$ 18,733,700	\$ 27,280,229	\$ 192,457,573	\$16.29	\$ 2,275,038,740
2014	\$ 2,166,450,901	\$14.77	\$ 175,292,510	\$ 18,780,800	\$ 25,677,455	\$ 219,750,765	\$16.59	\$ 2,386,201,666
2015	\$ 2,288,137,880	\$14.49	\$ 287,271,431	\$ 18,780,800	\$ 29,035,704	\$ 335,087,935	\$17.28	\$ 2,623,225,815
2016	\$ 2,360,823,073	\$14.50	\$ 326,484,138	\$ 18,782,000	\$ 32,228,477	\$ 377,494,615	\$17.68	\$ 2,738,317,688
2017	\$ 2,582,557,718	\$13.78	\$ 353,115,470	\$ 20,333,300	\$ 32,621,122	\$ 406,069,892	\$16.80	\$ 2,988,627,610
2018	\$ 2,641,638,474	\$13.76	\$ 379,947,409	\$ 20,346,800	\$ 34,686,219	\$ 434,980,428	\$17.08	\$ 3,076,618,902
2019	\$ 2,680,991,049	\$13.91	\$ 379,807,443	\$ 20,346,800	\$ 38,311,769	\$ 438,466,012	\$17.95	\$ 3,119,457,061
2020	\$ 2,744,133,363	\$13.92	\$ 395,089,790	\$ 20,346,800	\$ 39,060,791	\$ 454,497,381	\$18.86	\$ 3,198,630,744

Data source: Town of Lynnfield Tax Recapitulation Sheets

⁽¹⁾ Assessed value is comparable to estimated actual value

TOWN OF LYNNFIELD, MASSACHUSETTS

Principal Taxpayers
Current and Nine Years Ago

		2020			2011		
Name of Business	Nature of Business	Assessed Valuation	Rank	% of Total Taxable Assessed Value	Assessed Valuation	Rank	% of Total Taxable Assessed Value
Market Street South LLC	Retail Mall	\$242,000,000	1	7.57%	-	-	0.00%
Arborpoint at Market Street LLC	Apartment Building	\$35,081,400	2	1.10%	-	-	0.00%
Lynnfield Commons LLC	Apartment Building	\$34,034,000	3	1.06%	\$8,762,300	5	0.38%
Ship Mall LLC	Retail Condo	\$31,642,300	4	0.99%	\$12,098,200	2	0.52%
JRT Realty LLC	Office	\$16,277,200	5	0.51%	\$10,758,500	3	0.46%
Herb Chambers of Lynnfield, Inc.	Car Dealership	\$14,365,100	6	0.45%	\$9,525,500	4	0.41%
LIM Partnership BL Assoc.	Industrial	\$8,661,800	7	0.27%	\$7,685,700	6	0.33%
SSMNMI, LLC	Mixed Res/Storage	\$8,188,400	8	0.26%	\$6,577,100	8	0.28%
Salem Street 50 Realty Trust	Office	\$7,177,900	9	0.22%	\$6,736,300	7	0.29%
Realty Trust II BL SL Tr-comb	Office	\$6,578,100	10	0.21%	\$6,095,000	9	0.26%
Totals		<u>\$404,006,200</u>		<u>12.64%</u>	<u>\$ 68,238,600</u>		<u>2.93%</u>

Source: Board of Assessors, Town of Lynnfield

TOWN OF LYNNFIELD, MASSACHUSETTS
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Overlay Reserve for Abatements	Net Tax Levy	Collections During the Fiscal Year Payable		Collections in Subsequent Years	Collections as of June 30, 2019	
				Dollar Amount	% of Net Levy		Dollar Amount	% of Net Levy
2011	\$ 31,554,034	\$ 161,459	\$ 31,392,575	\$ 31,020,140	98.81%	\$ 204,209	\$ 31,224,349	99.5%
2012	\$ 32,782,501	\$ 184,398	\$ 32,598,103	\$ 32,212,516	98.82%	\$ 213,658	\$ 32,426,174	99.5%
2013	\$ 33,998,987	\$ 328,657	\$ 33,670,330	\$ 33,586,379	99.75%	\$ 159,156	\$ 33,745,535	100.2%
2014	\$ 35,644,145	\$ 179,812	\$ 35,464,333	\$ 35,119,786	99.03%	\$ 316,054	\$ 35,435,840	99.9%
2015	\$ 38,945,437	\$ 778,964	\$ 38,166,473	\$ 38,472,415	100.80%	\$ 214,388	\$ 38,686,803	101.4%
2016	\$ 40,906,040	\$ 775,573	\$ 40,130,467	\$ 40,333,816	100.51%	\$ 210,768	\$ 40,544,584	101.0%
2017	\$ 42,409,619	\$ 587,402	\$ 41,822,217	\$ 41,913,978	100.22%	\$ 207,378	\$ 42,121,356	100.7%
2018	\$ 43,778,411	\$ 291,587	\$ 43,486,824	\$ 43,416,791	99.84%	\$ 119,130	\$ 43,535,921	100.1%
2019	\$ 45,163,050	\$ 202,307	\$ 44,960,743	\$ 44,630,946	99.27%	\$ 117,132	\$ 44,748,078	99.5%
2020	\$ 46,770,157	\$ 390,442	\$ 46,379,715	\$ 45,391,832	97.87%	\$ 256,567	\$ 45,648,399	98.4%

Data source: DLS Databank - Tax Levies by Class
Town of Lynnfield General Ledger
Bond Prospectus

TOWN OF LYNNFIELD, MASSACHUSETTS

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities Debt									
Fiscal Year	Population	Total Personal Income	Assessed Valuation	General Obligation Bonds	Capital Leases	Total Debt	Per Capita Income	Percentage of Personal Income	Percentage of Assessed Value
2011	11,412	\$ 676,606,068	\$ 2,323,411,458	\$ 18,513,777	\$ -	\$ 18,513,777	\$ 59,289	2.7363%	0.7968%
2012	12,035	\$ 637,818,895	\$ 2,282,013,467	\$ 17,172,678	\$ -	\$ 17,172,678	\$ 52,997	2.6924%	0.7525%
2013	11,596	\$ 591,790,264	\$ 2,275,038,740	\$ 17,784,419	\$ -	\$ 17,784,419	\$ 51,034	3.0052%	0.7817%
2014	11,720	\$ 684,248,760	\$ 2,386,201,666	\$ 16,080,819	\$ -	\$ 16,080,819	\$ 58,383	2.3501%	0.6739%
2015	11,805	\$ 703,082,190	\$ 2,623,225,815	\$ 18,919,208	\$ -	\$ 18,919,208	\$ 59,558	2.6909%	0.7212%
2016	12,395	\$ 768,167,730	\$ 2,738,317,688	\$ 17,103,582	\$ -	\$ 17,103,582	\$ 61,974	2.2265%	0.6246%
2017	12,652	\$ 798,695,456	\$ 2,988,627,610	\$ 17,029,180	\$ 43,551	\$ 17,072,731	\$ 63,128	2.1376%	0.5713%
2018	12,761	\$ 899,331,475	\$ 3,076,618,902	\$ 15,065,087	\$ 152,867	\$ 15,217,954	\$ 70,475	1.6921%	0.4946%
2019	12,743	\$ 964,543,156	\$ 3,119,457,061	\$ 13,121,982	\$ 98,973	\$ 13,220,955	\$ 75,692	1.3707%	0.4238%
2020	13,041	\$ 1,033,108,020	\$ 3,198,630,744	\$ 12,249,462	\$ 66,949	\$ 12,316,411	\$ 79,220	1.1922%	0.3851%

Business - Type Activities Debt			Total Primary Government		
Fiscal Year	Golf Fund	Total Debt Outstanding	Per Capita Income	Percentage of Personal Income	Percentage of Assessed Value
2011	\$ 9,102,000	\$ 27,615,777	\$ 59,289	4.08%	1.19%
2012	\$ 8,613,000	\$ 25,785,678	\$ 52,997	4.04%	1.13%
2013	\$ 8,094,000	\$ 25,878,419	\$ 51,034	4.37%	1.14%
2014	\$ 7,560,000	\$ 23,640,819	\$ 58,383	3.46%	0.99%
2015	\$ 7,006,000	\$ 25,925,208	\$ 59,558	3.69%	0.99%
2016	\$ 6,427,000	\$ 23,530,582	\$ 61,974	3.06%	0.86%
2017	\$ 5,823,000	\$ 22,895,731	\$ 63,128	2.87%	0.77%
2018	\$ 5,194,000	\$ 20,411,954	\$ 70,475	2.27%	0.66%
2019	\$ 4,540,000	\$ 17,760,955	\$ 75,692	1.84%	0.57%
2020	\$ 3,882,128	\$ 16,198,539	\$ 79,220	1.57%	0.51%

Data source: Massachusetts Department of Revenue, Local Services Division
Audited financial statements

TOWN OF LYNNFIELD, MASSACHUSETTS
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt ⁽²⁾
Debt repaid with property taxes:			
Essex North Shore Agricultural and Technical School District	\$ 27,610,000	2.634%	\$ 727,247
Massachusetts Bay Transportation	5,475,549,153	0.005%	284,729
Subtotal, overlapping debt			1,011,976
Town direct debt			12,316,411
Total direct and overlapping debt			\$ 13,328,387

Data source: Multiple entities including Town Treasurer

⁽¹⁾ Estimated share based on debt service only

⁽²⁾ Estimated dollar assessment based upon total net operating expenses, inclusive (where applicable) of debt service

TOWN OF LYNNFIELD, MASSACHUSETTS
Legal Debt Margin Information
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equalized Valuation ⁽¹⁾	\$2,564,456,400	\$2,504,734,600	\$2,504,734,600	\$2,496,773,700	\$2,496,773,700	\$3,007,167,600	\$3,007,167,600	\$3,324,301,800	\$3,324,301,800	\$3,508,636,700
Debt Limit - 5% of equalized valuation	128,222,820	125,236,730	125,236,730	124,838,685	124,838,685	150,358,380	150,358,380	166,215,090	161,715,090	175,431,835
Less:										
Total debt applicable to limitation ⁽²⁾	27,615,776	25,785,677	25,878,418	23,640,818	25,925,207	23,531,008	20,799,367	20,210,711	17,618,042	15,835,072
Legal debt margin	\$100,607,044	\$99,451,053	\$99,358,312	\$101,197,867	\$98,913,478	\$126,827,372	\$129,559,013	\$146,004,379	\$144,097,048	\$159,596,763
Total debt applicable to the limit as a percentage of debt limit	21.54%	20.59%	20.66%	18.94%	20.77%	15.65%	13.83%	12.16%	10.89%	9.03%

Data source:

⁽¹⁾ MA Bureau of Local Services (DataBank)

⁽²⁾ Town of Lynnfield

TOWN OF LYNNFIELD, MASSACHUSETTS
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population Estimates	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2011	11,412	\$59,289	44.6	2,315	6.30%
2012	12,035	\$52,997	44.6	2,280	4.90%
2013	11,596	\$51,034	44.6	2,266	4.90%
2014	11,720	\$58,383	44.6	2,222	5.20%
2015	11,805	\$59,558	44.6	2,212	3.90%
2016	12,395	\$61,974	44.6	2,227	3.10%
2017	12,652	\$63,128	44.6	2,210	2.10%
2018	12,761	\$70,475	44.6	2,155	2.90%
2019	12,743	\$75,692	44.6	2,201	2.30%
2020	13,041	\$79,220	44.6	2,140	13.92%

Data source: DLS Databank - Labor Force
Town of Lynnfield Census Data
DESE October 1 reports

TOWN OF LYNNFIELD, MASSACHUSETTS

Principal Employers

Current Year and Nine Years Ago

Employer	Type of Business	2020			2011		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Whole Foods	Grocery	500	1	7.13%	-	-	-
Boston Sports Club	Fitness/Gym	249	2	3.55%	-	-	-
Catamount Management Group	Consultants	249	3	3.55%	-	-	-
Unemployment Services Corporation	Software/Computer Processor	150	4	2.14%	185	4	3.10%
Christmas Tree Shop	Retail Store	125	5	1.78%	103	5	1.73%
Johnson Controls, Inc.	Environmental Control Systems	120	6	1.71%	102	6	1.71%
Flagship Motors	Automobile	110	7	1.57%	100	7	1.68%
Carhartt Inc.	Retail Store	100	8	1.43%	-	-	-
Ninety Nine	Restaurant	60	9	0.86%	60	8	1.01%
Kelly Jeep Eagle	Automobile	55	10	0.78%	55	9	0.92%
Total Principal Employers		1718			605		
Total Town Employment		7013 ⁽¹⁾			5962 ⁽²⁾		

Sources:

⁽¹⁾ Massachusetts Executive Office of Labor and Workforce Development

⁽²⁾ Massachusetts Bureau of Local Services (DataBank)

TOWN OF LYNNFIELD, MASSACHUSETTS
Government Employees by Function - Full Time Equivalents
Last Ten Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:	16.54	15.54	15.80	15.80	15.86	16.02	15.64	15.64	15.93	17.30
Public Safety:										
Police	23.47	23.47	24.41	24.39	26.40	26.90	26.58	28.82	28.80	28.00
Fire	18.57	18.83	19.25	20.56	20.47	20.63	22.13	23.47	21.76	22.92
Inspection	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Animal Control	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Sub-Total	43.32	43.58	44.94	46.23	48.15	48.81	49.99	53.57	51.84	52.20
Education:	281.30	281.30	288.90	288.30	296.80	299.80	309.30	309.70	323.00	315.70
Public Works:										
Administration	6.00	6.00	6.46	6.61	6.28	6.32	6.14	6.65	7.65	8.00
Highway	15.10	14.95	15.10	15.10	15.10	14.18	14.18	14.18	14.20	14.00
Municipal Buildings	4.00	4.00	4.00	4.00	4.00	4.10	4.10	4.14	4.35	4.80
School Buildings & Bus	19.32	19.32	18.10	20.30	18.72	18.10	18.10	17.40	18.10	17.80
Sub-Total	44.42	44.27	43.66	46.01	44.10	42.70	42.52	42.37	44.30	44.60
Health and Human Services:										
Board of Health	1.06	1.06	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Council on Aging	6.32	6.39	6.39	6.60	6.60	7.01	7.05	7.05	7.05	6.40
Veteran's Agent	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.43	0.43
Sub-Total	7.66	7.73	8.07	8.28	8.28	8.69	8.73	8.73	8.88	8.23
Culture and Recreation:										
Library	11.54	11.43	12.86	12.63	12.60	12.71	12.83	12.54	12.68	13.00
Recreation	0.63	0.63	0.43	0.54	1.00	1.00	1.00	1.00	1.00	1.00
Golf	12.27	10.47	9.82	9.65	14.82	11.30	11.82	13.15	11.25	10.00
Sub-Total	24.44	22.53	23.11	22.82	28.42	25.01	25.65	26.69	24.93	24.00
TOTALS:	417.68	414.95	424.48	427.44	441.61	441.03	451.83	456.70	468.88	462.03

Source: Town of Lynnfield Departments

TOWN OF LYNNFIELD, MASSACHUSETTS
Operating Indicators by Function
Last Ten Fiscal Years

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Town Clerk											
	Registered Voters	9,239	9,239	9,310	9,310	8,767	9,336	9,144	9,614	9,287	9,497
	Dog Licenses	703	806	827	850	996	970	1,043	1,078	1,089	993
Finance											
	Taxable property parcels assessed	4,591	4,580	4,460	4,452	4,510	4,544	4,580	4,592	4,590	4,599
	Motor vehicles registered	13,480	13,071	13,417	13,772	11,745	14,637	14,705	14,387	14,425	13,569
Police											
	Physical arrests	91	70	67	52	68	63	31	51	124	80
	Traffic violations	240	349	218	254	452	614	399	539	1,289	230
Fire											
	Emergency responses	1,566	1,358	1,426	1,667	1,887	1,866	1,855	2,020	2,020	1,606
	Fires extinguished	111	111	97	91	85	146	109	83	89	96
	Medical Responses	810	827	846	1,016	1,212	1,239	1,113	1,204	1,239	919
Education											
	Number of students	2,315	2,280	2,266	2,222	2,212	2,227	2,210	2,155	2,201	2,140
Building											
	Building permits issued	359	193	457	437	482	323	408	416	477	449
	Estimated construction value	\$14,003,402	\$72,386,818	\$48,913,181	\$44,723,700	\$23,933,546	\$19,328,319	\$28,696,892	\$21,809,661	\$42,547,087	\$21,440,028
Public Library											
	Volumes of collections	74,496	88,830	90,835	97,661	99,211	101,914	101,631	105,377	109,487	97,517
	Total circulation	156,566	146,320	141,296	139,620	141,112	135,913	134,691	114,967	110,762	85,318
	Registered borrowers	9,950	7,525	7,911	8,271	8,570	8,907	9,175	9,385	7,348	6,095

Data source: Various Town departments

Registered Voters - Town Report
DLS Databank

TOWN OF LYNNFIELD, MASSACHUSETTS
Capital Assets Statistics by Function
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks	1	1	1	1	1	1	1	1	1	1
Number of pumpers	4	4	4	4	4	4	4	4	4	4
Number of support vehicles	6	6	6	6	6	6	6	6	6	6
Education										
Number of Elementary Schools	2	2	2	2	2	2	2	2	2	2
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										
Miles of street	67.79	68.65	68.85	69.05	69.05	69.05	69.05	69.05	69.16	69.16
Number of storm drains	1,598	1,626	1,629	1,635	1,635	1,635	1,635	1,635	1,642	1,741
Cemeteries	4	4	4	4	4	4	4	4	4	4
Recreation										
Acres of Parks	60	60	60	60	60	60	60	60	60	60
Ball fields	12	12	12	12	12	12	12	12	12	16
Tennis courts	11	11	11	11	11	11	11	11	11	10
Golf										
Number of courses	2	2	2	2	2	2	2	2	2	2
Emergency Medical Services										
Number of vehicles	3	3	3	3	3	3	3	3	3	3

Data source: Town reports
Various Town departments