



## **TOWN OF WEYMOUTH, MASSACHUSETTS**

Annual Financial Statements  
For the Year Ended June 30, 2022

(With Independent Auditors' Report Thereon)

## TABLE OF CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Position	13
Statement of Activities	15
<b>Fund Financial Statements:</b>	
<b>Governmental Funds:</b>	
Balance Sheet	17
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
<b>Proprietary Funds:</b>	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Net Position	22
Statement of Cash Flows	23

<b>Fiduciary Funds:</b>	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
<b>Notes to Financial Statements</b>	26
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
<b>Budget and Actual:</b>	
Schedule of Revenues, Expenditures and Other Financing Sources (Uses) – Budget and Actual - General Fund	66
Notes to Required Supplementary Information for General Fund Budget	67
<b>Pension:</b>	
Schedule of Proportionate Share of the Net Pension Liability	68
Schedule of Pension Contributions	69
<b>OPEB:</b>	
Schedule of Changes in the Net OPEB Liability	70
Schedules of the Net OPEB Liability, Contributions, and Investment Returns	71
<b>INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	72



## INDEPENDENT AUDITORS' REPORT

To the Town Council  
Town of Weymouth, Massachusetts

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Weymouth, Massachusetts (the Town), as of and for the year ended June 30, 2022, (except for the Weymouth Contributory Retirement System which is as of and for the year ended December 31, 2021) and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Weymouth, Massachusetts, as of June 30, 2022 (except for the Weymouth Contributory Retirement System which is as of and for the year ended December 31, 2021) and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Weymouth Contributory Retirement System were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the Town and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison for the General Fund, and certain pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Marcum LLP*

Andover, MA  
April 8, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the **Town of Weymouth**, 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, 2022.

### **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 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 and 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 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, and intergovernmental. The business-type activities include water and sewer 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. The Town's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### *Governmental Funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town'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 Town's near-term financing decisions. Reconciliations are provided to facilitate the 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. The proprietary fund category includes enterprise and internal service funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on 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 water and sewer operations, which are considered to be major funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Specifically, internal service funds are used to account for self-insured employee health programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

### *Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. 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 programs. The accounting used for fiduciary funds is much like that used for proprietary funds.



**Notes to Financial Statements**

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

**Required Supplementary Information**

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

**Financial Highlights**

- As of the close of the current fiscal year, net position in governmental activities was \$(269,100,788), a change of \$37,710,732; and net position in business-type activities was \$65,077,590, a change of \$4,918,711.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$60,047,721, a change of \$(32,463,430) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,953,093, a change of \$(2,959,349) in comparison to the prior year.

## Government-Wide Financial Analysis

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

	NET POSITION (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2022	0	2022	0	2022	0
<b>Assets</b>						
Current and other assets	\$ 110,802	\$ 136,077	\$ 16,692	\$ 13,973	\$ 127,494	\$ 150,050
Capital assets	<u>321,439</u>	<u>247,266</u>	<u>90,029</u>	<u>88,994</u>	<u>411,468</u>	<u>336,260</u>
Total Assets	432,241	383,343	106,721	102,967	538,962	486,310
<b>Deferred Outflows of Resources</b>	42,386	62,533	1,303	1,798	43,689	64,331
<b>Liabilities</b>						
Other liabilities	40,741	32,192	344	297	41,085	32,489
Long-term liabilities	<u>564,002</u>	<u>650,537</u>	<u>38,306</u>	<u>41,952</u>	<u>602,308</u>	<u>692,489</u>
Total Liabilities	604,743	682,729	38,650	42,249	643,393	724,978
<b>Deferred Inflows of Resources</b>	138,984	69,958	4,296	2,357	143,280	72,315
<b>Net Position</b>						
Net investment in capital assets	181,874	161,654	64,507	62,864	246,381	224,518
Restricted	20,504	14,966	-	-	20,504	14,966
Unrestricted	<u>(471,478)</u>	<u>(483,431)</u>	<u>571</u>	<u>(2,705)</u>	<u>(470,907)</u>	<u>(486,136)</u>
Total Net Position	\$ <u>(269,100)</u>	\$ <u>(306,811)</u>	\$ <u>65,078</u>	\$ <u>60,159</u>	\$ <u>(204,022)</u>	\$ <u>(246,652)</u>

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. At the close of the most recent fiscal year, total net position was \$(204,023,198) a change of \$42,629,443 in comparison to the prior year.

The largest portion of net position \$246,380,515 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$20,503,528 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 \$(470,907,241) primarily resulting from unfunded pension and OPEB liabilities.

**CHANGES IN NET POSITION**  
(in thousands)

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2022</u>	<u>0</u>	<u>2022</u>	<u>0</u>	<u>2022</u>	<u>0</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 12,430	\$ 8,141	\$ 29,127	\$ 30,458	\$ 41,557	\$ 38,599
Operating grants and contributions	63,991	68,470	-	-	63,991	68,470
Capital grants and contributions	24,988	16,059	1,084	2,380	26,072	18,439
General revenues:						
Property taxes	125,641	117,792	-	-	125,641	117,792
Excises	7,838	7,824	-	-	7,838	7,824
Penalties and interest on taxes	2,779	2,687	-	-	2,779	2,687
Grants and contributions not restricted to specific	10,335	9,295	-	-	10,335	9,295
Investment income (loss)	(66)	619	10	44	(56)	663
Enbridge mitigation	-	10,000	-	-	-	10,000
Miscellaneous	5,012	2,293	-	-	5,012	2,293
Total Revenues	<u>252,948</u>	<u>243,180</u>	<u>30,221</u>	<u>32,882</u>	<u>283,169</u>	<u>276,062</u>
<b>Expenses</b>						
General government	13,280	16,722	-	-	13,280	16,722
Public safety	35,089	29,163	-	-	35,089	29,163
Education	131,686	154,876	-	-	131,686	154,876
Public works	14,777	13,086	-	-	14,777	13,086
Health and human services	930	1,396	-	-	930	1,396
Culture and recreation	6,945	9,525	-	-	6,945	9,525
Intergovernmental	8,277	7,490	-	-	8,277	7,490
Interest on long-term debt	3,947	2,433	-	-	3,947	2,433
Water services	-	-	7,923	10,012	7,923	10,012
Sewer services	-	-	17,685	17,865	17,685	17,865
Total Expenses	<u>214,931</u>	<u>234,691</u>	<u>25,608</u>	<u>27,877</u>	<u>240,539</u>	<u>262,568</u>
Change in Net Position Before Transfers	38,017	8,489	4,613	5,005	42,630	13,494
Transfers In (Out)	<u>(306)</u>	<u>1,015</u>	<u>306</u>	<u>(1,015)</u>	<u>-</u>	<u>-</u>
Change in Net Position	37,711	9,504	4,919	3,990	42,630	13,494
Net Position - Beginning of Year	<u>(306,811)</u>	<u>(316,315)</u>	<u>60,159</u>	<u>56,169</u>	<u>(246,652)</u>	<u>(260,146)</u>
Net Position - End of Year	<u>\$ (269,100)</u>	<u>\$ (306,811)</u>	<u>\$ 65,078</u>	<u>\$ 60,159</u>	<u>\$ (204,022)</u>	<u>\$ (246,652)</u>

### **Governmental Activities**

Governmental activities for the year resulted in a change in net position of \$37,710,732. Key elements of this change are as follows:

Change in net pension liability, net of related deferrals	\$	8,971,459
Capital grants and contributions		24,987,680
Other		<u>3,751,593</u>
Total	\$	<u><u>37,710,732</u></u>

### **Business-Type Activities**

Business-type activities for the year resulted in a change in net position of \$4,918,711. This increase in net position is driven by the decrease in OPEB and pension expense and capital contribution revenue.

### **Financial Analysis of the Town's Funds**

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

#### **Governmental Funds**

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

#### **General Fund**

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,953,093, while total fund balance was \$24,779,139. Unassigned fund balance decreased by \$(2,959,349) primarily from positive budgetary results of \$5,019,701 less the use of certified "free cash" to supplement the fiscal year 2022 budget of \$9,025,373.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>% of General Fund Expenditures*</u>
Unassigned fund balance	\$ 10,953,093	\$ 13,912,442	\$ (2,959,349)	6.15%
Total fund balance	\$ 24,779,139	\$ 26,616,384	\$ (1,837,245)	13.92%

\*Expenditure amounts used to calculate the above percentages have been adjusted to exclude the on-behalf payment from the Commonwealth of Massachusetts to the Massachusetts Teachers Retirement System of \$10,985,591.

The total fund balance of the General Fund changed by \$(1,837,245) during the current fiscal year. Key factors in this change are as follows:

Revenues in excess of budget	\$	2,545,811
Expenditures less than budget		2,830,758
Use of free cash as a funding source		(9,025,373)
Change in stabilization		1,936,564
Other		<u>(125,005)</u>
Total	\$	<u>(1,837,245)</u>

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
General stabilization	\$ 8,052,612	\$ 6,114,300	\$ 1,938,312
Special purpose stabilization	<u>91,309</u>	<u>93,057</u>	<u>(1,748)</u>
Total	<u>\$ 8,143,921</u>	<u>\$ 6,207,357</u>	<u>\$ 1,936,564</u>

*Other Major Funds*

The fund balance of the Chapman Middle School Fund changed by \$(45,735,296), primarily from construction costs relating to the new middle school.

The fund balance of the ARPA Fund changed by \$41,554.

*Nonmajor Governmental Funds*

The fund balance of nonmajor governmental funds changed by \$15,067,557 primarily from timing differences between the receipt and disbursement of grants and permanent financing of capital projects.

*Proprietary Funds*

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

Unrestricted net position of the Water Fund at the end of the year amounted to \$(5,310,067), a change of \$1,435,003 in comparison to the prior year.

Unrestricted net position of the Sewer Fund at the end of the year amounted to \$5,880,885, a change of \$1,840,992 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.

## **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$10,205,408. Additionally, there were other reclassifications that had no impact on the overall budget. This increase was related primarily to the following:

- \$753,700 increase in public safety appropriations.
- \$238,650 increase in education appropriations.
- \$315,364 increase in public works appropriations.
- \$8,970,889 increase in transfers to other funds which is comprised of \$5,971,983 to the Capital Articles Fund, and \$2,998,906 to various trust funds.

Of this increase, \$9,025,373 was funded through the use of free cash and \$1,160,891 was funded through the use of prior year encumbrances.

## **Capital Assets and Debt Administration**

### ***Capital Assets***

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$411,468,192 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, equipment and furnishings, infrastructure, and construction in progress. Major capital asset events during the current fiscal year included the following:

- \$68,792,682 Chapman Middle School construction

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

### ***Long-Term Debt***

At the end of the current fiscal year, total bonded debt outstanding was \$171,571,868, all of which was backed by the full faith and credit of the Town.

The Town maintained its AA rating from S&P for general obligation debt.

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

## **Requests for Information**

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

Town Auditor  
Town of Weymouth  
75 Middle Street  
Weymouth, Massachusetts 02189

**TOWN OF WEYMOUTH, MASSACHUSETTS**

Statement of Net Position

June 30, 2022

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>Assets</b>			
Current Assets:			
Cash and short-term investments	\$ 90,889,894	\$ 10,399,074	\$ 101,288,968
Investments	8,469,915	-	8,469,915
Receivables, net of allowance for uncollectibles:			
Property taxes	2,369,864	-	2,369,864
Excises	927,143	-	927,143
User fees	237,534	6,293,372	6,530,906
Departmental and other	327,873	-	327,873
Intergovernmental	<u>1,825,853</u>	<u>-</u>	<u>1,825,853</u>
Total Current Assets	105,048,076	16,692,446	121,740,522
Noncurrent Assets:			
Receivables, net of allowance for uncollectibles:			
Property taxes	5,754,402	-	5,754,402
Capital assets:			
Nondepreciable capital assets	172,539,433	2,776,997	175,316,430
Other capital assets, net of accumulated depreciation	<u>148,899,528</u>	<u>87,252,234</u>	<u>236,151,762</u>
Total Noncurrent Assets	<u>327,193,363</u>	<u>90,029,231</u>	<u>417,222,594</u>
Total Assets	432,241,439	106,721,677	538,963,116
<b>Deferred Outflows of Resources</b>			
Related to pension	9,270,401	554,622	9,825,023
Related to OPEB	<u>33,115,930</u>	<u>748,401</u>	<u>33,864,331</u>
Total Deferred Outflows of Resources	42,386,331	1,303,023	43,689,354

(continued)

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



**TOWN OF WEYMOUTH, MASSACHUSETTS**

Statement of Net Position

June 30, 2022

(continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable	4,577,892	-	4,577,892
Accrued liabilities	9,680,620	345,140	10,025,760
Unearned revenue	15,468,109	-	15,468,109
Notes payable	10,849,754	-	10,849,754
Other current liabilities	164,707	-	164,707
Current portion of long-term liabilities:			
Bonds payable	6,625,125	3,385,048	10,010,173
Compensated absences liability	205,200	1,490	206,690
Landfill liability	10,000	-	10,000
Total Current Liabilities	<u>47,581,407</u>	<u>3,731,678</u>	<u>51,313,085</u>
Noncurrent Liabilities:			
Bonds payable, net of current portion	138,498,905	23,062,790	161,561,695
Compensated absences liability, net of current portion	3,898,793	28,309	3,927,102
Landfill liability, net of current portion	70,000	-	70,000
Net pension liability	61,072,717	3,836,434	64,909,151
Net OPEB liability	<u>353,622,254</u>	<u>7,991,668</u>	<u>361,613,922</u>
Total Noncurrent Liabilities	<u>557,162,669</u>	<u>34,919,201</u>	<u>592,081,870</u>
Total Liabilities	604,744,076	38,650,879	643,394,955
<b>Deferred Inflows of Resources</b>			
Related to pension	32,851,471	1,897,683	34,749,154
Related to OPEB	<u>106,133,011</u>	<u>2,398,548</u>	<u>108,531,559</u>
Total Deferred Inflows of Resources	138,984,482	4,296,231	143,280,713
<b>Net Position</b>			
Net investment in capital assets	181,873,743	64,506,772	246,380,515
Restricted for:			
Grants and other statutory restrictions	6,678,992	-	6,678,992
Education	4,926,298	-	4,926,298
Community preservation	4,713,191	-	4,713,191
Public safety	2,122,401	-	2,122,401
Culture and recreation	1,417,481	-	1,417,481
Permanent funds:			
Nonexpendable	153,721	-	153,721
Expendable	491,444	-	491,444
Unrestricted	<u>(471,478,059)</u>	<u>570,818</u>	<u>(470,907,241)</u>
Total Net Position	<u>\$ (269,100,788)</u>	<u>\$ 65,077,590</u>	<u>\$ (204,023,198)</u>

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

**TOWN OF WEYMOUTH, MASSACHUSETTS**

Statement of Activities  
For the Year Ended June 30, 2022

		Program Revenues			Net (Expenses) Revenues
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
General government	\$ 13,279,716	\$ 1,026,900	\$ 8,368,959	\$ -	\$ (3,883,857)
Public safety	35,088,558	6,371,616	708,583	-	(28,008,359)
Education	131,686,865	1,673,744	53,560,321	23,057,626	(53,395,174)
Public works	14,776,660	1,750,392	632,604	-	(12,393,664)
Health and human services	930,361	138,296	187,222	-	(604,843)
Culture and recreation	6,944,613	1,468,836	533,778	1,930,054	(3,011,945)
Intergovernmental	8,276,704	-	-	-	(8,276,704)
Interest	3,947,281	-	-	-	(3,947,281)
Total Governmental Activities	214,930,758	12,429,784	63,991,467	24,987,680	(113,521,827)
<b>Business-Type Activities</b>					
Water services	7,922,922	10,620,786	-	80,994	2,778,858
Sewer services	17,686,043	18,505,892	-	1,002,838	1,822,687
Total Business Activities	25,608,965	29,126,678	-	1,083,832	4,601,545
Total	\$ 240,539,723	\$ 41,556,462	\$ 63,991,467	\$ 26,071,512	(108,920,282)

(continued)

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

**TOWN OF WEYMOUTH, MASSACHUSETTS**

Statement of Activities  
For the Year Ended June 30, 2022

(continued)

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Change in net (expenses) revenues from previous page	\$ (113,521,827)	\$ 4,601,545	\$ (108,920,282)
<b>General Revenues, Contributions, and Transfers</b>			
Property taxes	125,641,157	-	125,641,157
Excise taxes	7,838,329	-	7,838,329
Penalties, interest, and other taxes	2,779,058	-	2,779,058
Grants and contributions not restricted	10,335,042	-	10,335,042
Investment income (loss)	(66,434)	10,748	(55,686)
Miscellaneous	5,011,825	-	5,011,825
Transfers	<u>(306,418)</u>	<u>306,418</u>	<u>-</u>
Total General Revenues, Contributions and Transfers	<u>151,232,559</u>	<u>317,166</u>	<u>151,549,725</u>
Change in Net Position	37,710,732	4,918,711	42,629,443
<b>Net Position</b>			
Beginning of Year	<u>(306,811,520)</u>	<u>60,158,879</u>	<u>(246,652,641)</u>
End of Year	<u>\$ (269,100,788)</u>	<u>\$ 65,077,590</u>	<u>\$ (204,023,198)</u>

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

**TOWN OF WEYMOUTH, MASSACHUSETTS**

Governmental Funds  
Balance Sheet  
June 30, 2022

	General Fund	Chapman Middle School Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and short-term investments	\$ 29,019,618	\$ 6,648,857	\$ 15,510,711	\$ 39,559,492	\$ 90,738,678
Investments	8,469,915	-	-	-	8,469,915
Receivables:					
Property taxes	8,776,266	-	-	-	8,776,266
Excises	2,010,143	-	-	-	2,010,143
User fees	-	-	-	237,534	237,534
Departmental and other	8,472	-	-	319,401	327,873
Intergovernmental	-	-	-	1,825,853	1,825,853
Total Assets	<u>\$ 48,284,414</u>	<u>\$ 6,648,857</u>	<u>\$ 15,510,711</u>	<u>\$ 41,942,280</u>	<u>\$ 112,386,262</u>
<b>Liabilities</b>					
Accounts payable	\$ 4,577,892	\$ -	\$ -	\$ -	\$ 4,577,892
Accrued liabilities	8,100,411	-	-	-	8,100,411
Notes payable	-	-	-	10,849,754	10,849,754
Unearned revenue	-	-	15,468,109	-	15,468,109
Other liabilities	<u>32,088</u>	<u>-</u>	<u>-</u>	<u>132,619</u>	<u>164,707</u>
Total Liabilities	12,710,391	-	15,468,109	10,982,373	39,160,873
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	10,794,884	-	-	2,382,784	13,177,668
<b>Fund Balances</b>					
Nonspendable	-	-	-	153,721	153,721
Restricted	-	6,648,857	-	24,541,380	31,190,237
Committed	10,091,309	-	42,602	10,085,649	20,219,560
Assigned	3,734,737	-	-	-	3,734,737
Unassigned	<u>10,953,093</u>	<u>-</u>	<u>-</u>	<u>(6,203,627)</u>	<u>4,749,466</u>
Total Fund Balances	<u>24,779,139</u>	<u>6,648,857</u>	<u>42,602</u>	<u>28,577,123</u>	<u>60,047,721</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 48,284,414</u>	<u>\$ 6,648,857</u>	<u>\$ 15,510,711</u>	<u>\$ 41,942,280</u>	<u>\$ 112,386,262</u>

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

**TOWN OF WEYMOUTH, MASSACHUSETTS**

Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
in the Statement of Net Position  
June 30, 2022

<b>Total Governmental Fund Balances</b>	\$	60,047,721
<ul style="list-style-type: none"> <li>• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.</li> </ul>	321,438,961	
<ul style="list-style-type: none"> <li>• Deferred outflows of resources related to pension to be recognized in pension expense in future periods.</li> </ul>	9,270,401	
<ul style="list-style-type: none"> <li>• Deferred outflows of resources related to OPEB to be recognized in OPEB expense in future periods.</li> </ul>	33,115,930	
<ul style="list-style-type: none"> <li>• Internal service funds are used by management to account for workers' compensation activities. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.</li> </ul>	(83,975)	
<ul style="list-style-type: none"> <li>• Revenues are reported on the accrual basis of accounting and are not deferred until collection.</li> </ul>	11,442,668	
<ul style="list-style-type: none"> <li>• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds: <ul style="list-style-type: none"> <li>Bonds payable</li> <li>Compensated absences liability</li> <li>Landfill liability</li> <li>Net pension liability</li> <li>Net OPEB liability</li> </ul> </li> </ul>	(145,124,030)	
	(4,103,993)	
	(80,000)	
	(61,072,717)	
	(353,622,254)	
<ul style="list-style-type: none"> <li>• Deferred inflows of resources related to pension to be recognized in pension expense in future periods.</li> </ul>	(32,851,471)	
<ul style="list-style-type: none"> <li>• Deferred inflows of resources related to OPEB to be recognized in OPEB expense in future periods.</li> </ul>	(106,133,011)	
<ul style="list-style-type: none"> <li>• Accrued interest.</li> </ul>	<u>(1,345,018)</u>	
<b>Net Position of Governmental Activities</b>	\$	<u><u>(269,100,788)</u></u>

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

**TOWN OF WEYMOUTH, MASSACHUSETTS**

Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2022

	General Fund	Chapman Middle School Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 123,672,915	\$ -	\$ -	\$ 978,144	\$ 124,651,059
Excises	8,204,481	-	-	-	8,204,481
Penalties, interest, and other taxes	2,670,208	-	-	108,850	2,779,058
Charges for services	496,660	-	-	4,690,571	5,187,231
Intergovernmental	51,667,741	23,057,626	2,336,108	23,721,264	100,782,739
Licenses and permits	3,064,888	-	-	-	3,064,888
Fines and forfeitures	58,756	-	-	3,962,297	4,021,053
Contributions	-	-	-	471,978	471,978
Investment income (loss)	(139,411)	-	41,555	31,422	(66,434)
Miscellaneous	<u>1,801,206</u>	<u>-</u>	<u>-</u>	<u>1,938,640</u>	<u>3,739,846</u>
Total Revenues	191,497,444	23,057,626	2,377,663	35,903,166	252,835,899
<b>Expenditures</b>					
Current:					
General government	7,026,397	-	2,336,109	2,515,518	11,878,024
Public safety	25,437,398	-	-	3,864,410	29,301,808
Education	88,048,388	68,792,922	-	13,829,152	170,670,462
Public works	8,745,349	-	-	11,017,141	19,762,490
Health and human services	578,628	-	-	253,974	832,602
Culture and recreation	2,932,988	-	-	4,336,055	7,269,043
Employee benefits	37,496,735	-	-	-	37,496,735
Debt service:					
Principal	6,585,000	-	-	-	6,585,000
Interest and costs	3,920,043	-	-	-	3,920,043
Intergovernmental	<u>8,276,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,276,704</u>
Total Expenditures	<u>189,047,630</u>	<u>68,792,922</u>	<u>2,336,109</u>	<u>35,816,250</u>	<u>295,992,911</u>
Excess (Deficiency) of Revenues over Expenditures	2,449,814	(45,735,296)	41,554	86,916	(43,157,012)
<b>Other Financing Sources (Uses)</b>					
Proceeds of bonds	-	-	-	9,831,000	9,831,000
Bond premiums	-	-	-	1,169,000	1,169,000
Transfers in	2,304,924	-	-	6,624,073	8,928,997
Transfers out	<u>(6,591,983)</u>	<u>-</u>	<u>-</u>	<u>(2,643,432)</u>	<u>(9,235,415)</u>
Total Other Financing Sources (Uses)	<u>(4,287,059)</u>	<u>-</u>	<u>-</u>	<u>14,980,641</u>	<u>10,693,582</u>
Change in Fund Balance	(1,837,245)	(45,735,296)	41,554	15,067,557	(32,463,430)
Fund Balances, at Beginning of Year	<u>26,616,384</u>	<u>52,384,153</u>	<u>1,048</u>	<u>13,509,566</u>	<u>92,511,151</u>
Fund Balances, at End of Year	\$ <u>24,779,139</u>	\$ <u>6,648,857</u>	\$ <u>42,602</u>	\$ <u>28,577,123</u>	\$ <u>60,047,721</u>

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

**TOWN OF WEYMOUTH, 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, 2022

<b>Net Changes in Fund Balances - Total Governmental Funds</b>	<b>\$ (32,463,430)</b>																												
<ul style="list-style-type: none"> <li>• Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Capital outlay</td> <td style="text-align: right;">82,073,304</td> </tr> <tr> <td>Net effect from disposal of assets</td> <td style="text-align: right;">(143,740)</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(7,756,280)</td> </tr> </table> </li> <li>• The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Issuance of general obligation bonds</td> <td style="text-align: right;">(9,831,000)</td> </tr> <tr> <td>Repayments of general obligation bonds</td> <td style="text-align: right;">6,640,000</td> </tr> <tr> <td>Premiums on general obligation bonds, net of amortization</td> <td style="text-align: right;">(732,206)</td> </tr> </table> </li> <li>• 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 certain 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 unavailable revenue, net of the change in allowance for doubtful accounts. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">(699,513)</td> </tr> </table> </li> <li>• 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 government funds: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Change in compensated absences</td> <td style="text-align: right;">(49,293)</td> </tr> <tr> <td>Change in landfill liability</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Change in net pension liability and related deferred outflows and inflows</td> <td style="text-align: right;">8,971,459</td> </tr> <tr> <td>Change in net OPEB liability and related deferred outflows and inflows</td> <td style="text-align: right;">(7,658,158)</td> </tr> <tr> <td>Change in accrued interest on bonds payable</td> <td style="text-align: right;">(375,292)</td> </tr> </table> </li> <li>• Internal services funds are used by management to accounts for workers' compensation activities. The net activity of internal service funds is reported with governmental activities. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">(132,903)</td> </tr> </table> </li> <li>• Other differences. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right; border-top: 1px solid black;">(142,216)</td> </tr> </table> </li> </ul>		Capital outlay	82,073,304	Net effect from disposal of assets	(143,740)	Depreciation	(7,756,280)	Issuance of general obligation bonds	(9,831,000)	Repayments of general obligation bonds	6,640,000	Premiums on general obligation bonds, net of amortization	(732,206)		(699,513)	Change in compensated absences	(49,293)	Change in landfill liability	10,000	Change in net pension liability and related deferred outflows and inflows	8,971,459	Change in net OPEB liability and related deferred outflows and inflows	(7,658,158)	Change in accrued interest on bonds payable	(375,292)		(132,903)		(142,216)
Capital outlay	82,073,304																												
Net effect from disposal of assets	(143,740)																												
Depreciation	(7,756,280)																												
Issuance of general obligation bonds	(9,831,000)																												
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Premiums on general obligation bonds, net of amortization	(732,206)																												
	(699,513)																												
Change in compensated absences	(49,293)																												
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Change in net pension liability and related deferred outflows and inflows	8,971,459																												
Change in net OPEB liability and related deferred outflows and inflows	(7,658,158)																												
Change in accrued interest on bonds payable	(375,292)																												
	(132,903)																												
	(142,216)																												
<b>Change in Net Position of Governmental Activities</b>	<b>\$ <u>37,710,732</u></b>																												

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

**TOWN OF WEYMOUTH, MASSACHUSETTS**

Proprietary Funds  
Statement of Net Position  
June 30, 2022

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Fund
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Fund</u>
<b>Assets</b>				
Current Assets:				
Cash and short-term investments	\$ 3,090,926	\$ 7,308,148	\$ 10,399,074	\$ 151,216
User fees, net of allowance for uncollectibles	<u>2,253,901</u>	<u>4,039,471</u>	<u>6,293,372</u>	<u>-</u>
Total Current Assets	5,344,827	11,347,619	16,692,446	151,216
Noncurrent Assets:				
Capital assets:				
Nondepreciable capital assets	1,129,283	1,647,714	2,776,997	-
Other capital assets, net of accumulated depreciation	<u>57,065,707</u>	<u>30,186,527</u>	<u>87,252,234</u>	<u>-</u>
Total Noncurrent Assets	<u>58,194,990</u>	<u>31,834,241</u>	<u>90,029,231</u>	<u>-</u>
Total Assets	63,539,817	43,181,860	106,721,677	151,216
<b>Deferred Outflows of Resources</b>				
Related to pension	381,982	172,640	554,622	-
Related to OPEB	<u>535,056</u>	<u>213,345</u>	<u>748,401</u>	<u>-</u>
Total Deferred Outflows of Resources	917,038	385,985	1,303,023	-
<b>Liabilities</b>				
Current Liabilities:				
Accrued liabilities	166,390	178,750	345,140	235,191
Current portion of long-term liabilities:				
Bonds payable	2,223,148	1,161,900	3,385,048	-
Compensated absences liabilities	<u>1,401</u>	<u>89</u>	<u>1,490</u>	<u>-</u>
Total Current Liabilities	2,390,939	1,340,739	3,731,678	235,191
Noncurrent Liabilities:				
Bonds payable, net of current portion	18,020,415	5,042,375	23,062,790	-
Compensated absences liability, net of current portion	26,609	1,700	28,309	-
Net pension liability	2,642,250	1,194,184	3,836,434	-
Net OPEB liability	<u>5,713,500</u>	<u>2,278,168</u>	<u>7,991,668</u>	<u>-</u>
Total Noncurrent Liabilities	<u>26,402,774</u>	<u>8,516,427</u>	<u>34,919,201</u>	<u>-</u>
Total Liabilities	28,793,713	9,857,166	38,650,879	235,191
<b>Deferred Inflows of Resources</b>				
Related to pension	1,306,983	590,700	1,897,683	-
Related to OPEB	<u>1,714,799</u>	<u>683,749</u>	<u>2,398,548</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>3,021,782</u>	<u>1,274,449</u>	<u>4,296,231</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	37,951,427	26,555,345	64,506,772	-
Unrestricted	<u>(5,310,067)</u>	<u>5,880,885</u>	<u>570,818</u>	<u>(83,975)</u>
Total Net Position	<u>\$ 32,641,360</u>	<u>\$ 32,436,230</u>	<u>\$ 65,077,590</u>	<u>\$ (83,975)</u>

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



**TOWN OF WEYMOUTH, MASSACHUSETTS**

Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds			Governmental
	Water	Sewer	Total	Activities
	Fund	Fund	Total	Internal Service Fund
<b>Operating Revenues</b>				
Charges for services	\$ 10,620,786	\$ 18,505,892	\$ 29,126,678	\$ -
Employee and employer contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>800,000</u>
 Total Operating Revenues	 10,620,786	 18,505,892	 29,126,678	 800,000
<b>Operating Expenses</b>				
Salaries and benefits	3,019,899	2,010,494	5,030,393	932,903
Other operating expenses	2,586,174	14,295,852	16,882,026	-
Depreciation	<u>1,891,139</u>	<u>1,123,171</u>	<u>3,014,310</u>	<u>-</u>
 Total Operating Expenses	 <u>7,497,212</u>	 <u>17,429,517</u>	 <u>24,926,729</u>	 <u>932,903</u>
 Operating Income (Loss)	 3,123,574	 1,076,375	 4,199,949	 (132,903)
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	5,178	5,570	10,748	-
Interest expense	<u>(425,710)</u>	<u>(256,526)</u>	<u>(682,236)</u>	<u>-</u>
 Total Nonoperating (Expenses), Net	 <u>(420,532)</u>	 <u>(250,956)</u>	 <u>(671,488)</u>	 <u>-</u>
 Income (Loss) Before Transfers and Capital Contributions	 2,703,042	 825,419	 3,528,461	 (132,903)
Capital Contributions	80,994	1,002,838	1,083,832	-
Transfers In	<u>-</u>	<u>306,418</u>	<u>306,418</u>	<u>-</u>
 Change in Net Position	 2,784,036	 2,134,675	 4,918,711	 (132,903)
 Net Position, Beginning of Year	 <u>29,857,324</u>	 <u>30,301,555</u>	 <u>60,158,879</u>	 <u>48,928</u>
 Net Position, End of Year	 <u>\$ 32,641,360</u>	 <u>\$ 32,436,230</u>	 <u>\$ 65,077,590</u>	 <u>\$ (83,975)</u>

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

**TOWN OF WEYMOUTH, MASSACHUSETTS**

Proprietary Funds  
Statement of Cash Flows  
For the Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds			Governmental
				Activities
	Water Fund	Sewer Fund	Total	Internal Service Fund
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 10,587,131	\$ 18,369,890	\$ 28,957,021	\$ -
Payments to vendors and employees	(5,655,596)	(16,322,976)	(21,978,572)	-
Employee and employer contributions	-	-	-	800,000
Payments of employee benefits and expenses	<u>(811,321)</u>	<u>-</u>	<u>(811,321)</u>	<u>(914,387)</u>
Net Cash Provided By (Used for) Operating Activities	4,120,214	2,046,914	6,167,128	(114,387)
<b>Cash Flows From Noncapital Financing Activities</b>				
Transfers in	<u>-</u>	<u>306,418</u>	<u>306,418</u>	<u>-</u>
Net Cash Provided By Noncapital Financing Activities	-	306,418	306,418	-
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from issuance of bonds and notes	-	3,091,250	3,091,250	-
Acquisition and construction of capital assets	(830,870)	(3,218,729)	(4,049,599)	-
Principal payments on bonds	(2,409,300)	(1,023,375)	(3,432,675)	-
Capital contributions	80,994	1,002,838	1,083,832	-
Interest expense	<u>(425,710)</u>	<u>(201,523)</u>	<u>(627,233)</u>	<u>-</u>
Net Cash (Used For) Capital and Related Financing Activities	(3,584,886)	(349,539)	(3,934,425)	-
<b>Cash Flows From Investing Activities</b>				
Investment income	<u>5,178</u>	<u>5,570</u>	<u>10,748</u>	<u>-</u>
Net Cash Provided By Investing Activities	5,178	5,570	10,748	-
Net Change in Cash and Short-Term Investments	540,506	2,009,363	2,549,869	(114,387)
Cash and Short-Term Investments, Beginning of Year	<u>2,550,420</u>	<u>5,298,785</u>	<u>7,849,205</u>	<u>265,603</u>
Cash and Short-Term Investments, End of Year	<u>\$ 3,090,926</u>	<u>\$ 7,308,148</u>	<u>\$ 10,399,074</u>	<u>\$ 151,216</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities</b>				
Operating Income (Loss)	\$ 3,123,574	\$ 1,076,375	\$ 4,199,949	\$ (132,903)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,891,139	1,123,171	3,014,310	-
Changes in assets, liabilities, and deferred outflows/inflows:				
User fees receivable	(43,820)	(136,002)	(179,822)	-
Intergovernmental receivables	10,167	-	10,167	-
Deferred outflows - related to pension	66,776	(2,834)	63,942	-
Deferred outflows - related to OPEB	306,389	124,309	430,698	-
Accrued liabilities	(49,523)	98,460	48,937	18,516
Net pension liability	(1,256,825)	(281,485)	(1,538,310)	-
Net OPEB liability	(1,236,662)	(510,477)	(1,747,139)	-
Compensated absences liability	(16,620)	(3,065)	(19,685)	-
Deferred inflows - related to pension	447,345	265,356	712,701	-
Deferred inflows - related to OPEB	878,274	348,106	1,226,380	-
Other	<u>-</u>	<u>(55,000)</u>	<u>(55,000)</u>	<u>-</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 4,120,214</u>	<u>\$ 2,046,914</u>	<u>\$ 6,167,128</u>	<u>\$ (114,387)</u>

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

**TOWN OF WEYMOUTH, MASSACHUSETTS**

Fiduciary Funds  
Statement of Fiduciary Net Position  
June 30, 2022

	Pension and OPEB <u>Trust Fund</u>	Private Purpose Trust <u>Funds</u>	Custodial <u>Funds</u>
<b>Assets</b>			
Cash and short-term investments	\$ 7,761,910	\$ 1,314,642	\$ 317,965
Investments:			
Corporate equities	12,291,706	-	-
Mutual funds	89,120,896	-	-
Fixed income mutual funds	12,252,027	-	-
Pooled alternative investments	33,845,938	-	-
Pooled investments	<u>129,989,978</u>	<u>-</u>	<u>-</u>
Total Investments	277,500,545	-	-
Accounts receivable	<u>128,297</u>	<u>-</u>	<u>-</u>
Total Assets	285,390,752	1,314,642	317,965
<b>Liabilities</b>			
Accounts payable	<u>250,814</u>	<u>-</u>	<u>-</u>
Total Liabilities	250,814	-	-
<b>Net Position</b>			
Restricted for pension	280,011,035	-	-
Restricted for OPEB	5,128,903	-	-
Restricted for individuals and organizations	<u>-</u>	<u>1,314,642</u>	<u>317,965</u>
Total Net Position	<u>\$ 285,139,938</u>	<u>\$ 1,314,642</u>	<u>\$ 317,965</u>

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

**TOWN OF WEYMOUTH, MASSACHUSETTS**

Fiduciary Funds  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2022

	<u>Pension and OPEB Trust Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
<b>Additions</b>			
Contributions:			
Employer	\$ 22,917,644	\$ -	\$ -
Plan members	5,306,943	-	-
Other systems and Commonwealth of Massachusetts	540,444	-	-
Private donations	-	102,692	-
Fees collected for students	-	-	348,185
Total Contributions	28,765,031	102,692	348,185
Investment Income:			
Increase in fair value of investments	42,436,693	3,701	336
Investment income (loss)	(790,502)	-	-
Less: management fees	(1,633,844)	-	-
Net Investment Income	40,012,347	3,701	336
Total Additions	68,777,378	106,393	348,521
<b>Deductions</b>			
Benefit payments	30,709,880	-	-
Refunds	536,320	-	-
Transfers to other systems	570,740	-	-
Administrative expenses	437,196	-	-
Other	-	102,900	-
Payments on behalf of students	-	-	289,994
Total Deductions	32,254,136	102,900	289,994
Change in Net Position	36,523,242	3,493	58,527
<b>Restricted Net Position</b>			
Beginning of year	248,616,696	1,311,149	259,438
End of year	\$ 285,139,938	\$ 1,314,642	\$ 317,965

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

# TOWN OF WEYMOUTH, MASSACHUSETTS

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

The accounting policies of the Town of Weymouth, Massachusetts (the Town) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles. The following is a summary of the significant policies of the Town.

#### ***Reporting Entity***

The Town is a municipal corporation governed by an elected Town Council. As required by GAAP, these financial statements present the Town and applicable component units for which the Town is considered to be financially accountable. In fiscal year 2022, no entities met the component unit requirements of GASB 14 (as amended). The criteria provided in Governmental Accounting Standards Board Codification Section 2100 has also been considered, and as a result, the component unit discussed below is included in the Town's reporting entity because of its operational significance and financial relationship with the Town.

#### ***Fiduciary Component Unit***

The Weymouth Contributory Retirement System (the System) was established to provide retirement benefits primarily to employees and their beneficiaries. The System's Pension Trust Fund is presented as a fiduciary component unit using the accrual basis of accounting and is reported as a part of the Pension and OPEB trust fund in the fiduciary fund financial statements. Additional financial information of the System can be obtained by contacting the System located at 807 Broad Street, Weymouth, MA 02189.

#### ***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 normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and

other items not properly included among program revenues are reported instead as *general revenues*.

#### *Fund Financial Statements*

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

### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

#### *Government-Wide Financial Statements*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

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 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Chapman Middle School Fund* accounts for funds used for the construction of the new Chapman Middle School.
- The *ARPA Fund* accounts for funds received by the Town through the American Rescue Plan Act.

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 an enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary (enterprise) funds:

- *Water Fund*
- *Sewer Fund*

The Town's self-insured workers' compensation program is reported as an internal service fund in the accompanying financial statements.

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 *Pension and OPEB Trust Fund* is used to accumulate resources for retiree post-employment benefits.
- The *Private-Purpose Trust Funds* are 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 or private organizations.
- The *Custodial Funds* account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements.

### ***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 financial statements under the caption "cash and short-term investments".

For purpose of the Statement of Cash Flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using net asset value (NAV). The NAV per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification.

The Town invests in the Massachusetts Municipal Depository Trust (MMDT) Cash Portfolio, an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts. This cash portfolio meets the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, where investments are valued at amortized cost, which approximates the net asset value of \$1 per share.

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

***Property Tax Limitations***

Legislation known as "Proposition 2½" has limited the amount of revenue that can be derived from property taxes. The prior fiscal year's tax levy limit is used as a base and cannot increase by more than 2.5% (excluding new growth), unless an override is voted. Certain provisions of Proposition 2 ½ can be overridden by a referendum.

***Capital Assets***

Capital assets, which include buildings and improvements, machinery, equipment, and furnishings, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$15,000 and an estimated useful life in excess of three 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	30 - 50
Building improvements	20 - 50
Machinery, equipment, and furnishings	20 - 50
Infrastructure	3 - 20



### ***Compensated Absences***

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

### ***Long-Term Obligations***

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

### ***Fund Equity***

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

### ***Fund Balance***

Generally, fund balance represents the difference between current assets/deferred outflows and current liabilities/deferred inflows. 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 by clarifying existing governmental fund type definitions, as follows:

- *Nonspendable* represents amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This fund balance classification includes General Fund reserves for prepaid expenditures and 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 General Fund encumbrances funded by bond issuances, various special revenue funds, 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 Council resolution, special purpose stabilization funds, and various special revenue funds.
- *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 surplus set aside to be used in the subsequent year's budget.

- *Unassigned* represents amounts that are available to be spent in future periods, general stabilization funds, and deficit funds. The General Fund is the only fund that reports a positive unassigned fund balance.

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 use either through 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.

#### *Use of Estimates*

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

## **2. Stewardship, Compliance, and Accountability**

#### ***Budgetary Information***

Municipal law requires the adoption of a balanced budget that is approved by the Town Council (the Council). The Mayor's Office presents an annual budget to the Council, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Council, which has full authority to decrease and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget requires majority Council and Mayoral approval via a supplemental appropriation or re-appropriation. Additionally, department heads whose appropriations are reduced must approve the transfers.

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

Generally, expenditures may not exceed the legal level of spending (salaries, expenses, and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Council.

The Town Accountant has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting and reporting system. 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 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 Massachusetts General Laws. At year end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

#### ***Deficit Fund Equity***

Certain individual funds reflected deficit balances as of June 30, 2022. It is anticipated that the deficits in these funds will be eliminated through future departmental revenues, bond proceeds, and transfers from other funds.

### **3. Deposits and Investments – Town (Excluding the Pension and OPEB Trust Fund)**

Massachusetts General Laws (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, and 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 having 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 consist 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 Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool*

*Participants.* MMDT has an average 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.

***Deposits***

*Custodial Credit Risk*

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, 2022, \$2,165,240 of the Town’s bank balances of \$105,060,103, was exposed to custodial credit risk as uninsured and uncollateralized, \$98,096,519 was collateralized by securities held by the pledging institution, \$30,218,918 was collateralized by securities held by the pledging financial institution’s trust department or agent, but not in the Town’s name, and \$4,789,344 was invested in MMDT, which is not subject to this disclosure.

***Investments***

The following is a summary of the Town’s investments as of June 30, 2022:

	<u>Amount</u>
Corporate bonds	\$ 1,367,316
Equity mutual funds	1,345,316
Fixed income mutual funds	1,571,903
Federal agency securities	1,007,285
U.S. Treasury notes	<u>3,178,095</u>
Total	<u>\$ 8,469,915</u>

*Custodial Credit Risk*

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 investment or collateral securities that are in the possession of another party. The Town’s custodial credit risk policy requires that proof of securities purchased from any bank or dealer be provided to the Treasurer and recorded on the Town’s books. The Town manages custodial credit risk exposure with SIPC and excess SIPC insurance.

At June 30, 2022, \$5,552,696 was subject to custodial credit exposure because the related securities were 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>	Held by Counterparty's <u>Trust or Agent</u>
Corporate bonds	\$ 1,367,316	\$ 1,367,316
Federal agency securities	1,007,285	1,007,285
U.S. Treasury notes	<u>3,178,095</u>	<u>3,178,095</u>
Total	\$ <u>5,552,696</u>	\$ <u>5,552,696</u>

#### *Credit Risk – Investments in Debt Securities*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Town's investment policies related to credit risk are to pre-qualify the financial institutions, brokers/dealers, and advisors with which the Town will do business, diversify the investment portfolio so that potential losses on individual securities will be minimized, and collateralize public deposits through pledging of appropriate securities as the only way to fully guarantee the safety of such deposits.

As of June 30, 2022, the credit quality ratings, as rated by S&P Global Ratings, of the Town's debt securities were as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Rating as of Year End</u>				
		<u>A3</u>	<u>A2</u>	<u>Baa1</u>	<u>Baa2</u>	<u>Unrated</u>
Corporate bonds	\$ 1,367,316	\$ 351,665	\$ 338,301	\$ 460,699	\$ 216,651	\$ -
Fixed income mutual funds	<u>1,571,903</u>	-	-	-	-	<u>1,571,903</u>
Total	\$ <u>2,939,219</u>	\$ <u>351,665</u>	\$ <u>338,301</u>	\$ <u>460,699</u>	\$ <u>216,651</u>	\$ <u>1,571,903</u>

#### *Concentration of Credit Risk*

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 investment or collateral securities that are in possession of another party. The Town places no limit on the amount the Town may invest in any one issuer. The Town does not have formal investment policies related to concentration of credit risk exposure. At June 30, 2022, the Town did not have any investments in any one issuer exceeding 5% of total investments.

#### *Interest Rate Risk – Investments in Debt Securities*

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's policy related to interest rate risk is to structure the investment portfolio so that securities mature to meet cash requirements for

ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities.

Information about the sensitivity of the fair values of the Town’s investments to market interest rate fluctuations was as follows at June 30, 2022:

<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>
Corporate bonds	\$ 1,367,316	\$ -	\$ 971,866	\$ 395,450
Fixed income mutual funds	1,571,903	-	1,571,903	-
Federal agency securities	1,007,285	-	562,022	445,263
U.S. Treasury notes	<u>3,178,095</u>	<u>149,842</u>	<u>2,293,692</u>	<u>734,561</u>
Total	<u>\$ 7,124,599</u>	<u>\$ 149,842</u>	<u>\$ 5,399,483</u>	<u>\$ 1,575,274</u>

*Foreign Currency Risk*

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

At June 30, 2022, none of the Town’s investments were exposed to foreign currency risk.

*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 an asset or liability 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 are accessible 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 had the following fair value measurements as of June 30, 2022:

<u>Investment Type</u>	<u>Amount</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Corporate bonds	\$ 1,367,316	\$ -	\$ 1,367,316	\$ -
Equity mutual funds	1,345,316	1,345,316	-	-
Fixed income mutual funds	1,571,903	-	1,571,903	-
Federal agency securities	1,007,285	-	1,007,285	-
U.S. Treasury notes	<u>3,178,095</u>	<u>3,178,095</u>	<u>-</u>	<u>-</u>
Total	\$ <u>8,469,915</u>	\$ <u>4,523,411</u>	\$ <u>3,946,504</u>	\$ <u>-</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 security’s relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

#### 4. Investments – OPEB Trust Fund

Generally, the OPEB Trust Fund’s investment policies mirror that of the Town as discussed in the previous note.

The following is a summary of the OPEB Trust Fund’s investments as of June 30, 2022:

	<u>Amount</u>
External investment pool- Plymouth County OPEB Trust	\$ <u>5,128,903</u>

**Custodial Credit Risk**

As of June 30, 2022, all of the OPEB Trust Fund’s investments were subject to custodial credit risk exposure because the related securities were uninsured, unregistered, and/or held by the OPEB Trust Fund’s brokerage firm, which is also the counterparty to these securities.

**Credit Risk – Investments in Debt Securities**

All of the OPEB Trust Fund’s investments were unrated as of June 30, 2022.

**Concentration of Credit Risk**

All of the OPEB Trust Fund’s investments at June 30, 2022 were invested in external investment pools, which is excluded from concentration of credit disclosure.

**Interest Rate Risk**

Information about the sensitivity of the fair values of the OPEB Trust Fund’s investments to market interest rate fluctuations was not disclosed by the Plymouth County OPEB Trust (PCOT).

**Foreign Currency Risk**

At June 30, 2022, none of the OPEB Trust Fund’s investments were exposed to foreign currency risk.

**Fair Value**

The OPEB Trust Fund’s investments as of June 30, 2022 were measured using NAV:

<u>Investment Type</u>	<u>Amount</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If currently eligible)</u>	<u>Redemption Notice Period</u>
Plymouth County OPEB Trust External investment pools	\$ <u>5,128,903</u>	\$ <u>-</u>	Monthly	30 Days

**5. Investments – Pension Trust Fund**

The following is a summary of the System’s investments as of December 31, 2021:

	<u>Amount</u>
Corporate equities	\$ 12,291,706
Mutual funds	89,120,896
Fixed income mutual funds	12,252,027
Pooled alternative investments	33,845,938
Pooled investments	<u>124,861,075</u>
Total	\$ <u>272,371,642</u>



***Custodial Credit Risk***

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, investments or collateral securities that are in the possession of another party will not be recovered. The System's credit risk policy requires that proof of securities purchased from any bank or dealer be provided to the Treasurer and recorded on the Town's books.

As of December 31, 2021, the System did not have any investments exposed to custodial credit risk.

***Concentration of Credit Risk***

Massachusetts General Law Chapter 32, Section 23 limit the amount the System may invest in any one issuer or security type, with the exception of the PRIT Fund. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit disclosure.

As of December 31, 2021, the Pension Trust Fund did not have any investments subject to concentration of credit risk disclosure.

***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 System 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.

Interest rate risk information for the Weymouth Contributory Retirement System's Financial Statements was not readily available.

***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 System does not have formal investment policies related to foreign currency risk.

At December 31, 2021, none of the Pension Trust Fund's investments were exposed to foreign currency risk.

***Fair Value***

The Pension Trust Fund 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 an asset or liability. 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 are accessible 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.

At December 31, 2021, the Pension Trust Fund’s investments were categorized in Level 1. Detailed information about the Fund’s investments measured at NAV and unfunded commitments was not readily available.

## **6. Property Taxes and Excises Receivable**

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, respectively.

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 1/2 % of the prior year’s levy plus the taxes on property newly added to the tax rolls. The actual fiscal year 2022 tax levy reflected an excess capacity of \$76,844.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth of Massachusetts. The Registry of Motor Vehicles annually calculates the value of all registered motor vehicles for the purpose of excise assessment. The amount of motor vehicle excise tax due is calculated using a fixed rate of \$25 per \$1,000 of value.

Boat excise taxes are assessed annually for all water vessels, including documented boats and ships, used or capable of being used for transportation on water. A boat excise is assessed by the community where the vessel is moored. July 1 is the assessing date for all vessels, and the boat excise due is calculated using a fixed rate of \$10 per \$1,000 of value.

Property taxes and excises receivables at June 30, 2022 consisted of the following (in thousands):

	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Current Portion	Long- Term Portion
Real estate taxes	\$ 2,133	\$ (273)	\$ 1,860	\$ -
Personal property taxes	83	(51)	32	-
Tax liens	6,057	(303)	-	5,754
Deferred taxes	503	(25)	478	-
Total property taxes	<u>\$ 8,776</u>	<u>\$ (652)</u>	<u>\$ 2,370</u>	<u>\$ 5,754</u>
Motor vehicle excise	\$ 1,970	\$ (1,054)	\$ 916	
Boat excise	40	(29)	11	
Total excises	<u>\$ 2,010</u>	<u>\$ (1,083)</u>	<u>\$ 927</u>	

## 7. User Fees Receivable

Receivables for user charges and betterments at June 30, 2022 consisted of the following (in thousands):

	Gross Amount	Allowance for Doubtful Accounts	Net Amount
Water	\$ 2,362	\$ (108)	\$ 2,254
Sewer	4,247	(208)	4,039
Total	<u>\$ 6,609</u>	<u>\$ (316)</u>	<u>\$ 6,293</u>

## 8. Intergovernmental Receivables

This balance represents reimbursements requested from federal and state agencies for expenditures incurred in fiscal year 2022.

## 9. Interfund 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 interfund transfers for fiscal year 2022 were as follows:

<u>Governmental Activities</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,304,924	\$ (6,591,983)
Nonmajor Funds:		
Special Revenue Funds	57,090	(2,618,331)
Capital Project Funds	<u>6,566,983</u>	<u>(25,101)</u>
Subtotal Nonmajor Funds	6,624,073	(2,643,432)
<u>Business-Type Activities</u>		
Sewer Fund	<u>306,418</u>	<u>-</u>
Subtotal Business-Type Funds	<u>306,418</u>	<u>-</u>
Total	<u>\$ 9,235,415</u>	<u>\$ (9,235,415)</u>

Of the transfer into the General Fund, \$1,775,000 was transferred from the Solid Waste Removal Fund. Of the transfer out of the General Fund, \$5,971,983 was transferred to the Capital Articles Fund as part of the Town's practice of funding certain capital projects with the use of "free cash". The Town's other routine transfers include transfers made to move (1) unrestricted revenues or balances that have been collected or accumulated in the General Fund to other funds based on budgetary authorization, and (2) revenues from a fund that by statute or budgetary authority must collect them to funds that are required by statute or budgetary authority to expend them.

## 10. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Governmental Activities</b>				
Capital Assets, Being Depreciated:				
Buildings and improvements	\$ 135,006	\$ 37,275	\$ -	\$ 172,281
Machinery, equipment, and furnishings	49,115	2,375	(855)	50,635
Infrastructure	<u>64,259</u>	<u>11,414</u>	<u>-</u>	<u>75,673</u>
Total Capital Assets, Being Depreciated	248,380	51,064	(855)	298,589
Less Accumulated Depreciation For:				
Buildings and improvements	(78,069)	(3,082)	-	(81,151)
Machinery, equipment, and furnishings	(33,332)	(3,683)	711	(36,304)
Infrastructure	<u>(31,243)</u>	<u>(991)</u>	<u>-</u>	<u>(32,234)</u>
Total Accumulated Depreciation	<u>(142,644)</u>	<u>(7,756)</u>	<u>711</u>	<u>(149,689)</u>
Capital Assets, Being Depreciated, Net	105,736	43,308	(144)	148,900
Capital Assets, Not Being Depreciated:				
Land	34,164	6,512	-	40,676
Construction in progress (CIP)	<u>107,366</u>	<u>82,073</u>	<u>(57,576)</u>	<u>131,863</u>
Total Capital Assets, Not Being Depreciated	<u>141,530</u>	<u>88,585</u>	<u>(57,576)</u>	<u>172,539</u>
Governmental Activities Capital Assets, Net	<u>\$ 247,266</u>	<u>\$ 131,893</u>	<u>\$ (57,720)</u>	<u>\$ 321,439</u>
	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Business-Type Activities</b>				
Capital Assets, Being Depreciated:				
Buildings and improvements	\$ 46,303	\$ 3,229	\$ -	\$ 49,532
Machinery, equipment, and furnishings	2,743	55	(70)	2,728
Infrastructure	<u>99,416</u>	<u>4,566</u>	<u>-</u>	<u>103,982</u>
Total Capital Assets, Being Depreciated	148,462	7,850	(70)	156,242
Less Accumulated Depreciation For:				
Buildings and improvements	(30,702)	(758)	-	(31,460)
Machinery, equipment, and furnishings	(2,087)	(153)	70	(2,170)
Infrastructure	<u>(33,257)</u>	<u>(2,103)</u>	<u>-</u>	<u>(35,360)</u>
Total Accumulated Depreciation	<u>(66,046)</u>	<u>(3,014)</u>	<u>70</u>	<u>(68,990)</u>
Capital Assets, Being Depreciated, Net	82,416	4,836	-	87,252
Capital Assets, Not Being Depreciated:				
Land	1,668	-	-	1,668
Construction in progress (CIP)	<u>4,910</u>	<u>4,049</u>	<u>(7,850)</u>	<u>1,109</u>
Total Capital Assets, Not Being Depreciated	<u>6,578</u>	<u>4,049</u>	<u>(7,850)</u>	<u>2,777</u>
Business-Type Activities Capital Assets, Net	<u>\$ 88,994</u>	<u>\$ 8,885</u>	<u>\$ (7,850)</u>	<u>\$ 90,029</u>

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

Governmental Activities	
General government	\$ 290
Public safety	1,174
Education	3,954
Public works	2,044
Human services	1
Culture and recreation	<u>293</u>
Total Governmental Activities	<u>\$ 7,756</u>
Business-Type Activities	
Water	\$ 1,891
Sewer	<u>1,123</u>
Total Business-Type Activities	<u>\$ 3,014</u>

#### 11. Deferred Outflows of Resources

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

#### 12. Notes Payable

The Town had the following notes outstanding at June 30, 2022:

	Interest <u>Rate</u>	Date of <u>Issue</u>	Date of <u>Maturity</u>	Balance at <u>6/30/22</u>
General Obligation BAN	1.50%	08/26/21	08/26/22	\$ <u>10,849,754</u>

The following summarizes activity in notes payable during fiscal year 2022:

	Balance Beginning of Year	New Issues	Maturities	Balance End of Year
General Obligation BAN	\$ 1,417,036	\$ -	\$ (1,417,036)	\$ -
General Obligation BAN	8,000,000	-	(8,000,000)	-
General Obligation BAN	<u>-</u>	<u>10,849,754</u>	<u>-</u>	<u>10,849,754</u>
Total	<u>\$ 9,417,036</u>	<u>\$ 10,849,754</u>	<u>\$ (9,417,036)</u>	<u>\$ 10,849,754</u>

### 13. Unearned Revenue

Unearned revenue represents grant funds received by the Town from the American Rescue Plan Act (ARPA). These funds will be used for COVID-19 related expenditures or negative economic impacts of COVID-19 over the next several years.

### 14. Long Term Debt

#### ***General Obligation Bonds and Loans***

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 outstanding were as follows at June 30, 2022

<b>Governmental Activities</b>	Original	Serial	Interest	Amount Outstanding as of 6/30/22
<u>General Obligation Bonds</u>	<u>Issue</u>	<u>Maturities Through</u>	<u>Rate(s) %</u>	
Public offerings:				
General obligation refunding	\$ 7,885,000	09/15/24	1.74%	\$ 699,600
General obligation bond of 2016	1,993,000	06/30/29	2.15%	1,055,000
General obligation bond of 2015	13,845,000	10/15/29	1.90%	6,390,000
Parks and field bond	4,130,000	03/01/32	2.84%	3,200,000
General obligation bond of 2016	1,750,000	06/30/32	2.37%	1,085,000
General obligation library bond	9,810,000	08/15/47	2.36%	9,410,000
General obligation bond of 2019	7,690,000	03/01/36	2.31%	6,220,000
General obligation bond	50,100,000	06/30/49	2.52%	48,915,000
General obligation bond	49,515,000	09/15/50	2.55%	48,255,000
General obligation bond	3,640,000	08/15/41	2.10%	3,640,000
General obligation bond	8,925,000	06/01/37	1.53%	<u>6,191,000</u>
Total general obligation bonds				<u>135,060,600</u>
Total Governmental Activities				<u>\$ 135,060,600</u>

**Business-Type Activities**

		Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/22
<u>General Obligation Bonds</u>				
Public offerings:				
Sewer 1-5 Refunding	\$ 9,015,000	09/15/24	1.74%	\$ 2,205,400
Refunding water 4	2,922,000	06/30/29	2.15%	2,030,000
General obligation bond	2,734,000	06/01/37	1.53%	<u>2,734,000</u>
Total general obligation bonds				6,969,400
<u>Loans - Direct Borrowings</u>				
MWRA sewer bond WRA-P9-39	197,500	08/30/28	0.00%	138,250
MWRA loan 2	250,000	08/15/29	0.00%	200,000
MWPAT DW-06-12	20,000,000	07/15/28	2.00%	7,897,936
MWRA sewer bond 16-073 11/17	212,500	11/15/27	0.00%	127,500
MWRA sewer bond 16-073	73,750	02/15/27	0.00%	36,875
MWRA sewer bond	450,000	11/30/23	0.00%	405,000
MWPAT DW 02-02	411,907	08/01/22	5.01%	28,495
MWPAT DW-06-12-A (O)	16,379,794	07/15/32	2.00%	10,287,132
MWRA sewer bond	91,250	02/15/32	0.00%	<u>91,250</u>
Total loans - direct borrowings				<u>19,212,438</u>
Total Business-Type Activities				<u>\$ 26,181,838</u>

**Future Debt Service**

The annual payments to retire all general obligation bonds outstanding as of June 30, 2022 were as follows:

Governmental Activities	Bonds - Public Offerings	
	Principal	Interest
2023	\$ 6,110,600	\$ 4,348,114
2024	5,555,000	4,036,144
2025	5,715,000	3,789,244
2026	5,320,000	3,529,294
2027	5,195,000	3,281,556
2028 - 2032	26,665,000	12,710,443
2033 - 2037	23,220,000	7,761,766
2038 - 2042	23,605,000	3,933,645
2043 - 2047	23,045,000	762,465
2048 - 2051	<u>10,630,000</u>	<u>26,950</u>
Total	<u>\$ 135,060,600</u>	<u>\$ 44,179,621</u>



Business-Type Activities	Bonds - Public Offerings		Loans - Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	\$ 1,329,400	\$ 261,106	\$ 2,055,648	\$ 345,417
2024	1,095,000	216,400	2,066,813	306,316
2025	1,090,000	174,575	2,107,303	267,124
2026	430,000	146,050	2,148,638	227,114
2027	430,000	127,450	2,190,839	186,270
2028 - 2032	1,245,000	87,300	7,604,266	399,351
2033 - 2037	675,000	-	1,038,931	10,389
2048 - 2051	675,000	-	-	-
Total	\$ <u>6,969,400</u>	\$ <u>1,012,881</u>	\$ <u>19,212,438</u>	\$ <u>1,741,981</u>

### Changes in Long-Term Liabilities

During the year ended June 30, 2022, the following changes occurred in long-term liabilities (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
<b>Governmental Activities</b>						
Bonds payable:						
Public offerings	\$ 131,870	\$ 9,831	\$ (6,640)	\$ 135,061	\$ (6,112)	\$ 128,949
Unamortized premium	<u>9,331</u>	<u>1,169</u>	<u>(436)</u>	<u>10,064</u>	<u>(513)</u>	<u>9,551</u>
Subtotal	141,201	11,000	(7,076)	145,125	(6,625)	138,500
Compensated absences liability	4,064	40	-	4,104	(205)	3,899
Landfill liability	90	-	(10)	80	(10)	70
Net pension liability	85,898	-	(24,825)	61,073	-	61,073
Net OPEB liability	<u>419,284</u>	<u>-</u>	<u>(65,662)</u>	<u>353,622</u>	<u>-</u>	<u>353,622</u>
Total	\$ <u>650,537</u>	\$ <u>11,040</u>	\$ <u>(97,573)</u>	\$ <u>564,004</u>	\$ <u>(6,840)</u>	\$ <u>557,164</u>
<b>Business-Type Activities</b>						
Bonds payable:						
Public offerings	\$ 5,660	\$ 2,734	\$ (1,425)	\$ 6,969	\$ (1,329)	\$ 5,640
Unamortized premium	-	266	-	266	-	266
Loans payable (direct borrowings)	<u>21,130</u>	<u>91</u>	<u>(2,008)</u>	<u>19,213</u>	<u>(2,056)</u>	<u>17,157</u>
Subtotal	26,790	3,091	(3,433)	26,448	(3,385)	23,063
Compensated absences liability	48	-	(19)	29	(1)	28
Net pension liability	5,375	-	(1,539)	3,836	-	3,836
Net OPEB liability	<u>9,739</u>	<u>-</u>	<u>(1,747)</u>	<u>7,992</u>	<u>-</u>	<u>7,992</u>
Total	\$ <u>41,952</u>	\$ <u>3,091</u>	\$ <u>(6,738)</u>	\$ <u>38,305</u>	\$ <u>(3,386)</u>	\$ <u>34,919</u>

***Long-Term Debt Supporting Governmental and Business-Type Activities***

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 and user fees recorded in enterprise funds. All other long-term debt is repaid from the funds that the cost relates to, primarily the General Fund and enterprise funds.

**15. Landfill Closure and Postclosure Care Costs**

State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure.

The \$80,000 reported as landfill postclosure care liability at June 30, 2022 represents the remaining estimated postclosure maintenance costs. These amounts are based on what it would cost to perform all postclosure care in 2022. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

**16. Deferred Inflows of Resources**

Deferred inflows of resources represent the acquisition of net assets by the Town that apply 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, in accordance with GASB Statements No. 69 and 75, will be recognized as expense in future years and are more fully described in the corresponding OPEB note. 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.

## 17. Governmental Funds – Fund Balances

The Town's fund balances at June 30, 2022 were comprised of the following:

	General Fund	Chapman Middle School Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>					
Permanent funds	\$ -	\$ -	\$ -	\$ 153,721	\$ 153,721
Total Nonspendable	-	-	-	153,721	153,721
<b>Restricted</b>					
Bonded projects	-	6,648,857	-	3,429,711	10,078,568
<b>Special revenue funds:</b>					
Community preservation fund	-	-	-	4,713,191	4,713,191
Federal grants	-	-	-	2,449,080	2,449,080
Town grants	-	-	-	2,194,809	2,194,809
Circuit breaker	-	-	-	1,530,909	1,530,909
School food services	-	-	-	903,391	903,391
Bond premium reserve	-	-	-	810,442	810,442
Peg Access & Cable Related	-	-	-	722,034	722,034
Rubbish Removal	-	-	-	715,562	715,562
S/R Waterways/Shellfish/Ramp	-	-	-	464,995	464,995
Police And Fire Detail	-	-	-	464,186	464,186
State Aid - Libraries	-	-	-	455,927	455,927
School revolving	-	-	-	622,575	622,575
Town revolving	-	-	-	774,256	774,256
Donations and gifts	-	-	-	924,620	924,620
Other	-	-	-	2,874,248	2,874,248
Permanent funds	-	-	-	491,444	491,444
Total Restricted	-	6,648,857	-	24,541,380	31,190,237
<b>Committed</b>					
Capital articles fund	-	-	-	10,085,649	10,085,649
ARPA	-	-	42,602	-	42,602
Stabilization fund for specific purposes*	91,309	-	-	-	91,309
Enbridge mitigation	10,000,000	-	-	-	10,000,000
Total Committed	10,091,309	-	42,602	10,085,649	20,219,560
<b>Assigned</b>					
<b>Encumbrances:</b>					
General government	321,321	-	-	-	321,321
Public safety	42,006	-	-	-	42,006
Education	1,061,216	-	-	-	1,061,216
Public works	849,613	-	-	-	849,613
Human services	328	-	-	-	328
Culture and recreation	28,012	-	-	-	28,012
GIC	1,432,241	-	-	-	1,432,241
Total Assigned	3,734,737	-	-	-	3,734,737
<b>Unassigned</b>					
General fund	2,900,481	-	-	-	2,900,481
General stabilization fund	8,052,612	-	-	-	8,052,612
Deficit fund balances	-	-	-	(6,203,627)	(6,203,627)
Total Unassigned	10,953,093	-	-	(6,203,627)	4,749,466
Total Fund Balance	\$ 24,779,139	\$ 6,648,857	\$ 42,602	\$ 28,577,123	\$ 60,047,721

\* Massachusetts General Laws Ch. 40 §5B allow for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund, along with any additions to or appropriations from the fund, requires a two-thirds vote of the legislative body.

## 18. Weymouth Contributory 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 employees' retirement funds.

### *Plan Description*

Substantially all employees of the Town (except teachers and administrators under contract employed by the School Department) are members of the Weymouth Contributory Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports publicly available from the System located at 870 Broad Street, Weymouth, Massachusetts 02189.

### *Participant Contributions*

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the System. In addition, all employees hired on or 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 the 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 five-year average annual rate of regular compensation for those first becoming members of the 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 percent, 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.

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.

#### *Methods of Payment*

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

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.
- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member—provided, however, that if the total amount of the annuity portion received by the member is less than the amount of his or her

accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.

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

#### *Participant Refunds*

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

#### *Employer Contributions*

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

The Town's contribution to the System for the year ended June 30, 2022 was \$12,724,094 which was \$13,839 greater than its annual required contribution of \$12,710,253.

#### ***Summary of Significant Accounting Policies***

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

#### ***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension***

At June 30, 2022, the Town reported a liability of \$64,909,151 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31,

2021, the Town's proportion was 97.44%, which was a decrease of 0.01% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$2,690,606. In addition, the Town reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 1,045,815	\$ -
Changes of assumptions	3,881,905	-
Net difference between projected and actual earnings on pension plan investments	-	29,907,375
Changes in proportion and differences between contributions and proportionate share of contributions	<u>4,897,303</u>	<u>4,841,779</u>
Total	<u>\$ 9,825,023</u>	<u>\$ 34,749,154</u>

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

<u>Year Ended June 30:</u>	
2023	\$ (3,627,688)
2024	(10,635,208)
2025	(6,198,915)
2026	(4,461,645)
2027	<u>(675)</u>
Total	<u>\$ (24,924,131)</u>

***Actuarial Assumptions***

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

Valuation Date	January 1, 2020
Cost-of-living adjustment	3.00% of \$12,000
Salary increases	3.50% ultimate rate
Investment rate of return	7.25%
Actuarial cost method	Entry age normal cost method

Mortality rates were based on the RP-2014 table adjusted to 2006, projected generationally using MP-2016.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of the most recent actuarial experience study for the period of January 1, 2020 to December 31, 2021.

***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 geometric average real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity (Large Cap)	30.00%	4.00%
International Equity	13.50%	5.95%
US Bond	10.50%	0.00%
Private Real Estate	9.00%	4.68%
US Equity (Small Cap)	8.00%	4.39%
Marketable Alternatives	7.00%	4.20%
Private Equity	5.00%	7.12%
Broad Real Assets	4.00%	3.02%
EM Equity	4.00%	7.80%
US Bonds - Dynamic	3.00%	0.29%
EM Bonds	2.50%	0.88%
Global Bonds	2.50%	(0.29)%
Real Estate	<u>1.00%</u>	3.71%
Total	<u>100.00%</u>	

***Discount Rate***

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. 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.

***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 7.25%, 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	
1% Decrease	Discount Rate	1% Increase
<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
\$ 100,632,528	\$ 64,909,151	\$ 34,632,638

***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.

**19. Massachusetts Teachers’ Retirement System (MTRS)**

***Plan Description***

The Massachusetts Teachers’ Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth of Massachusetts on behalf of municipal teachers and municipal teacher retirees. The Commonwealth of Massachusetts 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 of Massachusetts’ reporting entity and does not issue a stand-alone audited financial report.

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

***Benefits Provided***

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement

allowance benefits up to a maximum of 80% of a member’s highest 3-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last 5 years or any 5 consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member’s age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

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

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

**Contributions**

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

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

In addition, members who join MTRS on or after April 2, 2012 will have their withholding rates reduced to 8% for those participating in retirement, otherwise the withholdings are reduced to 6% plus 2% on earnings over \$30,000 a year after achieving 30 years of creditable service.

**Actuarial Assumptions**

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

- (a) 7.15% (changed from 7.25%) investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase on the first \$13,000 per year.

- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-retirement mortality through January 1, 2017.
- Mortality rates were as follows:
  - Pre-retirement - reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct).
  - Post-retirement - reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct).
  - Disability – assumed to be in accordance with the Pub-2010 Teachers Retirees Mortality Table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct).

### ***Target Allocations***

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	39.00%	4.80%
Core fixed income	15.00%	0.70%
Private equity	13.00%	7.80%
Portfolio completion strategies	11.00%	2.90%
Real estate	10.00%	3.70%
Value added fixed income	8.00%	3.90%
Timber/natural resources	4.00%	4.30%
Total	<u>100.00%</u>	

### ***Discount Rate***

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return

on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity Analysis**

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. 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 <u>6.00%</u>	Current Discount <u>Rate 7.00%</u>	1% Increase <u>8.00%</u>
\$ 29,687,706	\$ 22,706,876	\$ 16,882,184

**Special Funding Situation**

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

**Town Proportions**

In fiscal year 2021 (the most recent measurement period), the Town’s proportionate share of the MTRS’ collective net pension liability was \$142,665,650 based on a proportionate share of 0.628%. As required by GASB 68, the Town has recognized its portion of the Commonwealth of Massachusetts’ contribution of \$10,985,591 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of \$11,448,364 as both a revenue and expense in the governmental activities.

**20. Other Post-Employment Benefits**

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of GASB 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 2017, the Town of Weymouth 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 GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This 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, 2022.

**General Information about the OPEB Plan**

*Plan Description*

The Town of Weymouth provides post-employment healthcare benefits for retired employees through the Town of Weymouth’s plan. The Town of Weymouth provides health insurance coverage through Allways Health Partners, Fallon, Harvard Pilgrim, Tufts, Unicare, Health NE, and Medicare. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of Massachusetts General Laws.

*Benefits Provided*

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

*Funding Policy*

The Town of Weymouth’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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	1,271
Active employees	<u>1,444</u>
Total	<u><u>2,715</u></u>

**Investments**

The OPEB Trust Fund’s assets at June 30, 2022 consisted entirely of external investment pool investments.

*Rate of Return*

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (13.42)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### ***Actuarial Assumptions and Other Inputs***

The net OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.75%
Municipal bond rate	3.54%
Discount rate	3.60% (previously 2.22%)
Healthcare cost trend rates	6.00% for 2022
Participation rate	80% of the active Town of Weymouth employees eligible for post-employment medical benefits are assumed to elect Medical Coverage immediately upon retirement. 60% of active Town of Weymouth employees eligible for post-employment medical benefits are assumed to elect Life Insurance coverage immediately upon retirement. For the Town of Weymouth plans 60% of spouses are assumed to participate.

Mortality rates were based on the Pub-2010 Headcount-weighted Mortality Tables, sex-distinct, for employees projected using MP-2021 for active members, The Pub-2010 Headcount-weighted Mortality Tables, sex-distinct, for Healthy Annuitants projected using MP-2021 for retired members, and The Pub-2010 Headcount-weighted Mortality Tables, sex-distinct, for Healthy Annuitants projected using MP-2021. Set forward 2 years for disabled members.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study.

### ***Target Allocations***

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic large stocks	29.80%	4.00%
Domestic mid stock	14.90%	4.40%
Domestic small stocks	16.20%	4.50%
International developed markets equity	6.80%	5.30%
International emerging markets equity	5.10%	4.40%
Core fixed income	13.50%	1.00%
High yield fixed income	5.10%	2.50%
Real estate	7.00%	3.50%
Cash	1.60%	0.00%
Total	<u>100.00%</u>	

### ***Contributions***

In addition to the implicit subsidy contribution, the Town's policy is to contribute an amount provided annually by the budget.

### ***Discount Rate***

The discount rate used to measure the net OPEB liability was 3.60%. 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, a blended discount rate was used based on a combination of the investment rate of return of 6.75% and municipal bond rate of 3.54% (based on the Bond Buyer 20 bond index 20-year municipal bond rate as of June 30, 2022).

### ***Net OPEB Liability***

The components of the net OPEB liability, measured as of June 30, 2022, were as follows:

Total OPEB liability	\$ 366,742,825
Plan fiduciary net position	<u>5,128,903</u>
Net OPEB liability	<u>\$ 361,613,922</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.

**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	\$ 434,691,780	\$ 5,669,405	\$ 429,022,375
Changes for the year:			
Service cost	19,983,565	-	19,983,565
Interest	9,983,272	-	9,983,272
Contributions - employer	-	10,207,391	(10,207,391)
Net investment income (loss)	-	(790,502)	790,502
Changes in assumptions	(87,958,401)	-	(87,958,401)
Benefit payments	<u>(9,957,391)</u>	<u>(9,957,391)</u>	<u>-</u>
Net Changes	<u>(67,948,955)</u>	<u>(540,502)</u>	<u>(67,408,453)</u>
Balances, end of year	<u>\$ 366,742,825</u>	<u>\$ 5,128,903</u>	<u>\$ 361,613,922</u>

Changes of assumptions reflect a change in the discount rate from 2.22% in 2021 to 3.60% in 2022.

**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:

1% Decrease (2.60%)	Current Discount Rate (3.60%)	1% Increase (4.60%)
\$ 422,462,164	<u>\$ 361,613,922</u>	\$ 312,996,148



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

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

1% Decrease <u>(57.00%)</u>	Current Healthcare Cost Trend Rates <u>(6.00%)</u>	1% Increase <u>(7.00%)</u>
\$ 303,402,406	\$ 361,613,922	\$ 437,347,116

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2022, the Town of Weymouth recognized an OPEB expense of \$17,775,579. At June 30, 2022, the Town of Weymouth reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ 34,075,194
Changes in assumptions	33,837,509	74,456,365
Net difference between projected and actual earnings on OPEB investment	<u>26,822</u>	<u>-</u>
Total	\$ <u>33,864,331</u>	\$ <u>108,531,559</u>

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

<u>Year Ended June 30:</u>	
2023	\$ (12,014,045)
2024	(9,541,117)
2025	(23,503,406)
2026	(20,466,029)
2027	<u>(9,142,631)</u>
Total	\$ <u>(74,667,228)</u>

## 21. Consolidation of Pension and OPEB Trust Funds

The Weymouth Contributory Retirement System and the Weymouth OPEB Trust Fund are presented in a single column in the accompanying fiduciary fund financial statements. Details of the financial position and changes in net position are as follows:

	Pension Trust Fund <u>(December 31, 2021)</u>	Other Post-Employment Benefits Trust <u>Fund</u>	Pension and OPEB Trust Fund <u>Trust Fund</u>
<b>Assets</b>			
Cash and short-term investments	\$ 7,761,910	\$ -	\$ 7,761,910
Investments:			
Corporate equities	12,291,706	-	12,291,706
Mutual funds	89,120,896	-	89,120,896
Fixed income mutual funds	12,252,027	-	12,252,027
Pooled alternative investments	33,845,938	-	33,845,938
Pooled investments	<u>124,861,075</u>	<u>5,128,903</u>	<u>129,989,978</u>
Total investments	272,371,642	5,128,903	277,500,545
Accounts receivable	<u>128,297</u>	<u>-</u>	<u>128,297</u>
Total Assets	280,261,849	5,128,903	285,390,752
<b>Liabilities</b>			
Accounts payable	<u>250,814</u>	<u>-</u>	<u>250,814</u>
Total Liabilities	250,814	-	250,814
<b>Net Position</b>			
Restricted for pension	280,011,035	-	280,011,035
Restricted for OPEB	<u>-</u>	<u>5,128,903</u>	<u>5,128,903</u>
Total Net Position	<u>\$ 280,011,035</u>	<u>\$ 5,128,903</u>	<u>\$ 285,139,938</u>

	Pension Trust Fund (year ended <u>December 31, 2021</u> )	Other Post-Employment Benefits Trust <u>Fund</u>	Pension and OPEB Trust Fund
<b>Additions</b>			
Contributions:			
Employer	\$ 12,710,253	\$ 10,207,391	\$ 22,917,644
Plan members	5,306,943	-	5,306,943
Other systems and Commonwealth of Massachusetts	540,444	-	540,444
Total Contributions	<u>18,557,640</u>	<u>10,207,391</u>	<u>28,765,031</u>
Investment Income:			
Increase in fair value of investments	42,436,693	-	42,436,693
Investment income (loss)	-	(790,502)	(790,502)
Less: management fees	<u>(1,633,844)</u>	<u>-</u>	<u>(1,633,844)</u>
Net Investment Income	<u>40,802,849</u>	<u>(790,502)</u>	<u>40,012,347</u>
Total Additions	59,360,489	9,416,889	68,777,378
<b>Deductions</b>			
Benefit payments to plan members, beneficiaries, and other systems	20,752,489	9,957,391	30,709,880
Refunds to plan members	536,320	-	536,320
Transfers to other systems	570,740	-	570,740
Administrative expenses	<u>437,196</u>	<u>-</u>	<u>437,196</u>
Total Deductions	<u>22,296,745</u>	<u>9,957,391</u>	<u>32,254,136</u>
Change in Net Position	37,063,744	(540,502)	36,523,242
<b>Net Position Restricted for Pension and OPEB</b>			
Beginning of Year	<u>242,947,291</u>	<u>5,669,405</u>	<u>248,616,696</u>
End of Year	<u>\$ 280,011,035</u>	<u>\$ 5,128,903</u>	<u>\$ 285,139,938</u>

## 22. Self-Insurance

The Town of Weymouth self-insures against claims for workers' compensation. Annual estimated requirements for claims are provided in the Town's annual operating budget.

### ***Workers' Compensation***

The Town contracts with an insurance consultant for claims processing of the Town's workers' compensation policy, which has no excess liability coverage for any employees. The workers' compensation claims liability represents an estimate of future costs based on a historical analysis of similar claims for all employees, excluding public safety employees. The Town is unable to make any reasonable estimate of its liability for public safety employees.

Changes in the aggregate liability for claims for the year ended June 30, 2022 were as follows:

Claims liability, beginning of year	\$ 216,675
Claims incurred/recognized in fiscal year 2022	932,903
Claims paid in fiscal year 2022	<u>(914,387)</u>
Claims liability, end of year	<u>\$ 235,191</u>

**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 had \$2,302,496 in encumbrances that will be honored in the next fiscal year.

**24. Subsequent Events**

Management has evaluated subsequent events through April 8, 2024, which is the date the financial statements were available to be issued.

***Debt***

Subsequent to June 30, 2022, the Town incurred the following additional debt:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
General Obligation Bond Anticipation Note	<u>\$ 16,454,917</u>	3.50%	08/26/22	08/25/23

**TOWN OF WEYMOUTH, MASSACHUSETTS**

Required Supplementary Information  
General Fund  
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual  
For the Year Ended June 30, 2022  
(Unaudited)

	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts (Budgetary <u>Basis</u> )	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 124,858,248	\$ 124,858,248	\$ 124,214,546	\$ (643,702)
Excises	7,462,000	7,462,000	8,204,481	742,481
Penalties, interest and other taxes	2,418,000	2,418,000	2,670,208	252,208
Departmental	254,550	254,550	501,798	247,248
Intergovernmental	40,045,672	40,045,672	40,682,151	636,479
Licenses and permits	2,437,700	2,437,700	3,064,888	627,188
Investment income	215,000	215,000	140,752	(74,248)
Fines and forfeitures	90,000	90,000	58,756	(31,244)
Miscellaneous	<u>1,011,805</u>	<u>1,011,805</u>	<u>1,801,206</u>	<u>789,401</u>
Total Revenues	178,792,975	178,792,975	181,338,786	2,545,811
<b>Expenditures</b>				
General government	8,884,954	8,736,444	8,133,764	602,680
Public safety	24,752,976	25,506,676	25,477,196	29,480
Education	78,366,002	78,604,652	78,562,788	41,864
Public works	10,285,469	10,600,833	9,813,568	787,265
Health and human services	625,033	626,139	578,956	47,183
Culture and recreation	3,199,464	3,206,131	2,961,000	245,131
Employee benefits	38,722,541	38,726,229	38,666,708	59,521
Debt service	15,673,329	15,673,329	14,568,703	1,104,626
Intergovernmental	<u>8,125,858</u>	<u>8,189,712</u>	<u>8,276,704</u>	<u>(86,992)</u>
Total Expenditures	<u>188,635,626</u>	<u>189,870,145</u>	<u>187,039,387</u>	<u>2,830,758</u>
Excess (deficiency) of revenues over expenditures	(9,842,651)	(11,077,170)	(5,700,601)	5,376,569
<b>Other Financing Sources/Uses</b>				
Transfers in	9,431,795	9,431,795	9,074,927	(356,868)
Transfers out	-	(8,970,889)	(8,970,889)	-
Use of free cash:				
Operating budget	-	1,463,431	1,463,431	-
Capital budget	-	4,563,036	4,563,036	-
Transfer to stabilization fund	-	250,000	250,000	-
OPEB trust fund contribution	-	2,748,906	2,748,906	-
Other source: prior year encumbrances	-	1,160,891	1,160,891	-
Other sources	<u>410,856</u>	<u>430,000</u>	<u>430,000</u>	<u>-</u>
Total Other Financing Sources/Uses	<u>9,842,651</u>	<u>11,077,170</u>	<u>10,720,302</u>	<u>(356,868)</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,019,701</u>	<u>\$ 5,019,701</u>

See Independent Auditors' Report and Notes to Required Supplementary Information.

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

***Budgetary Basis***

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

***Budget/GAAP Reconciliation***

The budgetary data for the General Fund is based upon accounting principles that differ from 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, expenditures, and other financing sources (uses), to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
Revenues/expenditures/transfers (GAAP basis)	\$ 191,497,444	\$ 189,047,630	\$ (4,287,059)
Remove effect of combining stabilization fund	285,301	(274,351)	(2,748,906)
Add end-of-year appropriation carryforwards to expenditures	-	2,300,288	-
Prior year appropriations used to fund current year expenditures	-	-	1,160,891
To record use of free cash	-	-	9,025,373
To reclassify overhead costs	-	6,770,003	6,770,003
To reverse the effect of non-budgeted State contributions for teachers retirement	(10,985,591)	(10,985,591)	-
Other timing differences	<u>541,632</u>	<u>181,408</u>	<u>800,000</u>
Budgetary basis	<u>\$ 181,338,786</u>	<u>\$ 187,039,387</u>	<u>\$ 10,720,302</u>

See Independent Auditors' Report.

TOWN OF WEYMOUTH, MASSACHUSETTS

Required Supplementary Information  
Schedule of Proportionate Share of the Net Pension Liability

(Unaudited)

**Weymouth Contributory Retirement System**

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2022	December 31, 2021	97.44%	\$64,909,151	\$ 49,247,674	132%	80.08%
June 30, 2021	December 31, 2020	97.45%	\$91,272,336	\$ 46,822,392	195%	72.20%
June 30, 2020	December 31, 2019	97.41%	\$101,512,804	\$ 44,250,529	229%	67.60%
June 30, 2019	December 31, 2018	97.38%	\$124,936,132	\$ 42,132,094	297%	58.90%
June 30, 2018	December 31, 2017	97.11%	\$ 90,965,998	\$ 40,489,492	225%	68.00%
June 30, 2017	December 31, 2016	97.24%	\$106,323,048	\$ 38,893,006	273%	61.60%
June 30, 2016	December 31, 2015	97.14%	\$100,568,641	\$ 37,745,958	266%	61.90%
June 30, 2015	December 31, 2014	97.06%	\$ 88,777,870	\$ 36,310,108	244%	65.27%

**Massachusetts Teachers' Retirement System**

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town	Total Net Pension Liability Associated with the Town	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2022	June 30, 2021	0.628%	\$ -	\$ 142,665,650	\$ 142,665,650	\$ 48,730,330	0.00%	62.03%
June 30, 2021	June 30, 2020	0.643%	\$ -	\$ 183,663,382	\$ 183,663,382	\$ 48,750,510	0.00%	50.67%
June 30, 2020	June 30, 2019	0.618%	\$ -	\$ 155,906,482	\$ 155,906,482	\$ 44,997,008	0.00%	53.95%
June 30, 2019	June 30, 2018	0.636%	\$ -	\$ 150,911,463	\$ 150,911,463	\$ 44,697,312	0.00%	54.84%
June 30, 2018	June 30, 2017	0.641%	\$ -	\$ 146,666,891	\$ 146,666,891	\$ 43,518,480	0.00%	54.25%
June 30, 2017	June 30, 2016	0.623%	\$ -	\$ 139,322,714	\$ 139,322,714	\$ 40,988,460	0.00%	52.73%
June 30, 2016	June 30, 2015	0.642%	\$ -	\$ 131,456,065	\$ 131,456,065	\$ 40,668,594	0.00%	55.38%
June 30, 2015	June 30, 2014	0.656%	\$ -	\$ 104,294,146	\$ 104,294,146	\$ 40,227,996	0.00%	61.64%

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 WEYMOUTH, MASSACHUSETTS**

Required Supplementary Information  
Schedule of Pension Contributions

(Unaudited)

**Weymouth Contributory Retirement System**

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2022	December 31, 2021	\$ 12,710,253	\$ 12,724,092	\$ (13,839)	\$ 49,631,732	25.64%
June 30, 2021	December 31, 2020	\$ 11,756,986	\$ 11,756,986	\$ -	\$ 33,900,737	34.68%
June 30, 2020	December 31, 2019	\$ 11,389,412	\$ 11,389,412	\$ -	\$ 44,738,759	25.46%
June 30, 2019	December 31, 2018	\$ 10,988,715	\$ 10,988,715	\$ -	\$ 42,132,094	26.08%
June 30, 2018	December 31, 2017	\$ 10,863,755	\$ 10,863,755	\$ -	\$ 40,489,492	26.83%
June 30, 2017	December 31, 2016	\$ 9,881,721	\$ 9,881,721	\$ -	\$ 38,893,006	25.41%
June 30, 2016	December 31, 2015	\$ 9,548,846	\$ 9,548,846	\$ -	\$ 37,745,958	25.30%
June 30, 2015	December 31, 2014	\$ 9,196,045	\$ 9,196,045	\$ -	\$ 36,310,108	25.33%

**Massachusetts Teachers' Retirement System**

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Actuarially Determined Contribution Provided by Commonwealth</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2022	June 30, 2021	\$ 10,985,591	\$ 10,985,591	\$ -	\$ 48,730,330	22.54%
June 30, 2021	June 30, 2020	\$ 9,995,107	\$ 9,995,107	\$ -	\$ 48,750,510	20.50%
June 30, 2020	June 30, 2019	\$ 8,926,928	\$ 8,926,928	\$ -	\$ 44,997,008	19.84%
June 30, 2019	June 30, 2018	\$ 8,367,990	\$ 8,367,990	\$ -	\$ 44,697,312	18.72%
June 30, 2018	June 30, 2017	\$ 7,918,114	\$ 7,918,114	\$ -	\$ 43,518,480	18.19%
June 30, 2017	June 30, 2016	\$ 7,007,803	\$ 7,007,803	\$ -	\$ 40,988,460	17.10%
June 30, 2016	June 30, 2015	\$ 6,556,429	\$ 6,556,429	\$ -	\$ 40,668,594	16.12%
June 30, 2015	June 30, 2014	\$ 7,245,815	\$ 7,245,815	\$ -	\$ 40,227,996	18.01%

*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 WEYMOUTH, MASSACHUSETTS**  
Required Supplementary Information  
Schedule of Changes in the Net OPEB Liability

(Unaudited)  
(Amounts expressed in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>						
Service cost	\$ 19,983	\$ 18,832	\$ 12,391	\$ 11,801	\$ 11,348	\$ 11,868
Interest	9,983	10,854	13,558	14,751	14,843	13,205
Differences between expected and actual experience	-	(43,489)	-	(29,692)	-	-
Changes of assumptions	(87,958)	(3,525)	74,855	16,597	(17,512)	-
Benefit payments, including refunds of member contributions	<u>(9,957)</u>	<u>(10,369)</u>	<u>(9,468)</u>	<u>(11,901)</u>	<u>(11,037)</u>	<u>(10,181)</u>
Net change in total OPEB liability	(67,949)	(27,697)	91,336	1,556	(2,358)	14,892
Total OPEB liability - beginning	<u>434,692</u>	<u>462,389</u>	<u>371,053</u>	<u>369,497</u>	<u>371,855</u>	<u>356,963</u>
Total OPEB liability - ending (a)	366,743	434,692	462,389	371,053	369,497	371,855
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	10,207	10,369	9,468	12,101	11,287	10,381
Net investment income (loss)	(790)	1,299	101	203	364	345
Benefit payments, including refunds of member contributions	<u>(9,957)</u>	<u>(10,369)</u>	<u>(9,468)</u>	<u>(11,901)</u>	<u>(11,037)</u>	<u>(10,181)</u>
Net change in plan fiduciary net position	(540)	1,299	101	403	614	545
Plan fiduciary net position - beginning	<u>5,669</u>	<u>4,370</u>	<u>4,269</u>	<u>3,866</u>	<u>3,252</u>	<u>2,707</u>
Plan fiduciary net position - ending (b)	<u>5,129</u>	<u>5,669</u>	<u>4,370</u>	<u>4,269</u>	<u>3,866</u>	<u>3,252</u>
Net OPEB liability - ending (a-b)	<u>\$ 361,614</u>	<u>\$ 429,023</u>	<u>\$ 458,019</u>	<u>\$ 366,784</u>	<u>\$ 365,631</u>	<u>\$ 368,603</u>

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

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

See Independent Auditors' Report.

TOWN OF WEYMOUTH, MASSACHUSETTS

Required Supplementary Information  
Schedules of the Net OPEB Liability, Contributions, and Investment Returns

(Unaudited)  
(Amounts expressed in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Schedule of Net OPEB Liability</b>						
Total OPEB liability	\$ 366,743	\$ 434,692	\$ 462,389	\$ 371,053	\$ 369,497	\$ 371,855
Plan fiduciary net position	<u>5,129</u>	<u>5,669</u>	<u>4,370</u>	<u>4,269</u>	<u>3,866</u>	<u>3,252</u>
Net OPEB liability	<u>\$ 361,614</u>	<u>\$ 429,023</u>	<u>\$ 458,019</u>	<u>\$ 366,784</u>	<u>\$ 365,631</u>	<u>\$ 368,603</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.4%	1.3%	0.9%	1.2%	1.0%	0.9%
Covered employee payroll	\$ 99,734	\$ 96,361	\$ 87,183	\$ 84,234	N/A	N/A
Net OPEB liability as a percentage of covered employee payroll	362.58%	445.22%	525.35%	435.43%	N/A	N/A
<b>Schedule of Contributions</b>						
Actuarially determined contribution	N/A	N/A	N/A	N/A	\$ 21,529	\$ 25,200
Contributions in relation to the actuarially determined contribution	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>11,287</u>	<u>10,381</u>
Contribution deficiency	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 10,242</u>	<u>\$ 14,819</u>
Covered employee payroll	\$ 99,734	\$ 96,361	\$ 87,183	\$ 84,234	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
<b>Schedule of Investment Returns</b>						
Annual money weighted rate of return, net of investment expense	-13.42%	29.72%	2.38%	5.28%	11.35%	12.66%

Covered employee payroll figures not provided in 2017 or 2018 GASB 74/75 reports.  
Actuarially determined contribution figures not provided in 2019-2022 GASB 74/75 reports.

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

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

See Independent Auditors' Report.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Town Council  
**Town of Weymouth, Massachusetts**

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Weymouth, Massachusetts (the Town), as of and for the year ended June 30, 2022, (except for the Weymouth Contributory Retirement System which is as of and for the year ended December 31, 2021) and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 8, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Andover, MA  
April 8, 2024