

**TOWN OF WARE, MASSACHUSETTS**

**Report on the Examination  
Of Basic Financial Statements**

**For the Year Ended June 30, 2020**

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## **Independent Auditor's Report**

To the Honorable Board of Selectmen  
Town of Ware, Massachusetts

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Ware, Massachusetts, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Ware, Massachusetts' basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Opinions***

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ware, Massachusetts' basic financial statements. The Supplementary Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2021, on our consideration of the Town of Ware, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ware, Massachusetts' internal control over financial reporting and compliance.

## *Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

April 30, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of the Town of Ware, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

### Financial Highlights

- The Town's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$3,146,221 (net position) for the fiscal year reported. This compares to the previous year when liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$7,301,654, an increase of \$4,155,433 (57%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$6,398,789, an increase of \$1,669,818 (35%) in comparison with the prior year.
- The General Fund's total fund balance increased \$1,850,645 (57%) to \$5,117,271. The ending General Fund balance is 15% of revenues and transfers in and 15% of expenditures and transfers out.
- Total long-term liabilities of the Town decreased by \$20,000 to \$44,701,579 during the fiscal year. This net change resulted mainly from net increases in bond anticipation notes of \$928,600 and in the Other Post Employment Benefits (OPEB) liability of \$1,143,020 and decreases in the pension liability of \$1,940,414 and in the bonds and leases payable of \$523,249.
- The Town had General Fund free cash certified by the Department of Revenue in the amount of \$1,844,771. The key factors that attributed to the free cash amount for fiscal year 2020 were unexpended/unencumbered appropriations of \$821,600, excess over budget – State and local receipts of \$735,400 and prior year free cash not appropriated of \$229,800.

### Overview of the Financial Statements

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

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

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference between them 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 government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial 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 activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

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

**Proprietary funds.** The Town maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and water activities.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

## Financial Highlights

### Statement of Net Position Highlights

	Governmental Activities		
	2020	2019	Change
<b>Assets:</b>			
Current assets	\$ 12,824,962	\$ 10,643,418	\$ 2,181,544
Capital assets	26,212,279	24,027,640	2,184,639
<b>Total assets</b>	<b>39,037,241</b>	<b>34,671,058</b>	<b>4,366,183</b>
<b>Deferred Outflows of Resources</b>	<b>3,732,270</b>	<b>3,136,918</b>	<b>595,352</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt and leases)	3,106,295	2,741,939	364,356
Current debt including leases	1,960,981	1,205,349	755,632
Noncurrent liabilities (excluding debt and leases)	33,800,260	34,571,898	(771,638)
Noncurrent debt including leases	2,200,364	2,589,245	(388,881)
<b>Total liabilities</b>	<b>41,067,900</b>	<b>41,108,431</b>	<b>(40,531)</b>
<b>Deferred Inflows of Resources</b>	<b>8,316,369</b>	<b>7,659,358</b>	<b>657,011</b>
<b>Net Position:</b>			
Net investment in capital assets	22,050,934	20,233,046	1,817,888
Restricted	3,081,566	2,909,360	172,206
Unrestricted	(31,747,258)	(34,102,219)	2,354,961
<b>Total net position</b>	<b>\$ (6,614,758)</b>	<b>\$ (10,959,813)</b>	<b>\$ 4,345,055</b>

	Business-Type Activities		
	2020	2019	Change
<b>Assets:</b>			
Current assets	\$ 1,970,593	\$ 2,439,791	\$ (469,198)
Capital assets	5,348,585	4,991,628	356,957
<b>Total assets</b>	<b>7,319,178</b>	<b>7,431,419</b>	<b>(112,241)</b>
<b>Deferred Outflows of Resources</b>	<b>265,227</b>	<b>225,824</b>	<b>39,403</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	148,639	137,989	10,650
Current debt	881,600	728,000	153,600
Noncurrent liabilities (excluding debt)	1,928,440	1,957,159	(28,719)
Noncurrent debt	675,000	790,000	(115,000)
<b>Total liabilities</b>	<b>3,633,679</b>	<b>3,613,148</b>	<b>20,531</b>
<b>Deferred Inflows of Resources</b>	<b>482,189</b>	<b>385,936</b>	<b>96,253</b>
<b>Net Position:</b>			
Net investment in capital assets	3,791,985	3,473,628	318,357
Restricted	100,801	76,003	24,798
Unrestricted	(424,249)	108,528	(532,777)
<b>Total net position</b>	<b>\$ 3,468,537</b>	<b>\$ 3,658,159</b>	<b>\$ (189,622)</b>



## Financial Highlights

### Statement of Activities Highlights

	Governmental Activities		
	2020	2019	Change
<b>Program Revenues:</b>			
Charges for services	\$ 1,689,690	\$ 1,791,137	\$ (101,447)
Operating grants and contributions	18,203,773	16,354,273	1,849,500
Capital grants and contributions	1,735,011	514,259	1,220,752
<b>General Revenues:</b>			
Property taxes	15,486,546	15,087,051	399,495
Motor vehicle excise and other taxes	1,212,922	1,235,164	(22,242)
Penalties and interest on taxes	140,806	126,016	14,790
Nonrestricted grants	2,320,118	2,216,436	103,682
Unrestricted investment income	54,334	65,509	(11,175)
Gain on Sale of Town Property	-	6,720	(6,720)
Miscellaneous	66,650	18,995	47,655
<b>Total revenues</b>	<b>40,909,850</b>	<b>37,415,560</b>	<b>3,494,290</b>
<b>Expenses:</b>			
General Government	1,752,142	1,421,200	330,942
Public Safety	4,227,057	4,141,650	85,407
Public Works	1,581,988	1,921,354	(339,366)
Education	17,376,731	18,053,017	(676,286)
Health and Human Services	1,382,303	1,990,986	(608,683)
Culture and Recreation	499,199	488,876	10,323
Employee Benefits and Insurance	8,575,029	8,617,385	(42,356)
State Assessments	1,258,168	1,184,447	73,721
Interest	93,312	123,430	(30,118)
<b>Total expenses</b>	<b>36,745,929</b>	<b>37,942,345</b>	<b>(1,196,416)</b>
<b>Net (expenses) revenues</b>	<b>4,163,921</b>	<b>(526,785)</b>	<b>4,690,706</b>
<b>Contributions to permanent funds</b>	<b>-</b>	<b>200</b>	<b>(200)</b>
<b>Transfers</b>	<b>181,134</b>	<b>182,933</b>	<b>(1,799)</b>
<b>Change in net position</b>	<b>4,345,055</b>	<b>(343,652)</b>	<b>4,688,707</b>
<b>Net position - beginning of year</b>	<b>(10,959,813)</b>	<b>(10,616,161)</b>	<b>(343,652)</b>
<b>Net position - end of year</b>	<b>\$ (6,614,758)</b>	<b>\$ (10,959,813)</b>	<b>\$ 4,345,055</b>

	Business-Type Activities		
	2020	2019	Change
<b>Program Revenues:</b>			
Charges for services	\$ 1,966,533	\$ 1,966,458	\$ 75
Operating grants and contributions	12,546	17,040	(4,494)
<b>Total revenues</b>	<b>1,979,079</b>	<b>1,983,498</b>	<b>(4,419)</b>
<b>Expenses:</b>			
Sewer	1,131,993	744,083	387,910
Water	855,574	805,297	50,277
<b>Total expenses</b>	<b>1,987,567</b>	<b>1,549,380</b>	<b>438,187</b>
<b>Net (expenses) revenues</b>	<b>(8,488)</b>	<b>434,118</b>	<b>(442,606)</b>
<b>Transfers</b>	<b>(181,134)</b>	<b>(182,933)</b>	<b>1,799</b>
<b>Change in net position</b>	<b>(189,622)</b>	<b>251,185</b>	<b>(440,807)</b>
<b>Net position - beginning of year</b>	<b>3,658,159</b>	<b>3,406,974</b>	<b>251,185</b>
<b>Net position - end of year</b>	<b>\$ 3,468,537</b>	<b>\$ 3,658,159</b>	<b>\$ (189,622)</b>

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$3,146,221 at the close of fiscal year 2020.

Net position of \$25,842,919 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position \$3,182,367, represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$32,171,507).

At the end of the current fiscal year, the Town is able to report positive balances in two categories of net position and a negative balance in the unrestricted category in the governmental activities and for the government as a whole. The unrestricted governmental activities and government as a whole resulted in a negative balance mainly due to the accrual of the OPEB and pension liabilities that are required under GASB to be recognized in the Town's financial statements. These liabilities are presented on the statement of net position.

The Town is able to report positive balances in all three categories of net position for the business-type activities.

The governmental activities net position increased by \$4,345,055 (40%) during the current fiscal year. The key elements of the decrease in net position for fiscal year 2020 are attributed to increases as a result of the acquisition of \$4,128,406 in new capital assets exceeding the depreciation expense (normally spread out over the useful life of the asset) for the year of \$1,943,767, the net changes in the governmental funds of \$1,669,818, in the pension liability of \$1,860,765 and in the deferred outflow/(inflow) of resources related to OPEB of \$1,675,908; and decreases as a result of recognizing this year's change in the OPEB liability of \$1,094,221 and in the deferred outflow/(inflow) of resources related to pensions of \$1,737,567.

There was a decrease of \$189,622 (5%) in net position reported in the business-type activities. Of this, there was a decrease of \$355,132 attributed to the sewer department and an increase of \$165,510 attributed to the water department.

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

As noted earlier, the Town uses fund accounting 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, the general fund *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$6,398,789, an increase of \$1,669,818 (35%) in comparison with the prior year.

The breakdown of the governmental funds is as follows:

- Nonspendable fund balance – \$151,237 (2%).
- Restricted fund balance – \$2,219,282 (35%).
- Committed fund balance – \$207,087 (3%).
- Assigned fund balance – \$1,430,137 (22%).
- Unassigned fund balance – \$2,391,046 (38%).

#### Major Governmental Funds

The *General Fund* is the Town's primary operating fund and the largest source of day-to-day operations. At the end of the fiscal year, the General Fund reported a total fund balance of \$5,117,271 increasing \$1,850,645 (57%) from the prior year. Of the \$5,117,271, the unassigned amount is \$3,687,134 (72%) and the assigned amount is \$1,430,137 (28%). General fund revenues were \$1,764,815 (5%) more than the prior fiscal year while expenditures decreased by \$6,351. Other activity in the General Fund consisted of net transfers from other funds of \$891,454.

The main components of the increases in general fund revenues were related to an increase in property taxes of \$668,399 (4%), in intergovernmental receipts of \$299,841 (2%) and in intergovernmental "on-behalf payments of \$682,430 (27%) from the prior year.

The major changes in general fund expenditures from the prior fiscal year were as follows:

- Increase in General government expenditures of \$195,827 (16%).
- Increase in Public safety expenditures of \$258,867 (8%).
- Decrease in Education expenditures of \$273,600 (2%).
- Increase in Employee benefits and insurance expenditures of \$604,835 (7%).
- Increase in Debt Service (principal & interest) expenditures of \$1,017,080 (66%).

**Proprietary funds.** The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

The *Sewer Fund* has accumulated a fund balance of \$100,180 used in the financing and operations of the Town's sewer system. The fund shows a decrease of \$355,132 (78%) in total operations. This change was mainly attributed to operating costs exceeding operating revenues by \$240,512, interest income of \$1,449, interest expense of \$18,633 and net transfers to the general fund of \$97,436. Operating revenues decreased by \$20,984 (2%) while operating expenses increased by \$377,507 (51%) from the prior year.

The *Water Fund* has accumulated a fund balance of \$3,368,387 used in the financing and operations of the Town's water system. The fund shows an increase of \$165,510 (5%) in total operations. This change was mainly attributed to operating revenues exceeding operating costs by \$267,439, interest income of \$11,097, interest expense of \$29,328 and net transfers to the general fund of \$83,698. Operating revenues increased by \$21,059 (2%) and operating expenses also increased by \$47,465 (6%) from the prior year.

### **General Fund Budgetary Highlights**

A budget to actual statement is provided for the General Fund. Columns for both the original budget adopted for fiscal year 2020 as well as the final budget are presented. The final general fund budget for fiscal year 2020 was \$31,848,137. This was an increase of \$696,390 (2%) over the previous year's budget.

There was an increase of \$810,341 between the original budget and the final amended budget. The change is attributed to votes at the Special Town Meeting in December 2019 and the Annual Town Meeting in June 2020 for various budget operating line items.

General fund expenditures were less than budgeted by \$1,756,692. Of the \$1,756,692 in under budget expenditures, \$935,137 has been carried over to fiscal year 2021.

There was a negative variance in state assessments of \$39,324 due to lower assessments in special education (SPED) of \$30, in registry of motor vehicles non-renewal surcharge of \$2,240 and in the school choice sending tuitions of \$38,496; and a higher assessment in the charter school sending tuitions of \$1,442 than the actual payments.

Overall, the variance with the final budget was a positive \$1,809,909 consisting of a revenue surplus of \$988,354 and an appropriation surplus of \$821,555.

### **Capital Asset and Debt Administration**

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$26,212,279 and \$5,348,585, respectively.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year in the governmental type funds included the following:

- Foreclosure properties for \$8,797.
- Vehicle purchases for \$83,121.
- Police vehicle purchases for \$97,863.
- Fire Department vehicle and equipment purchases for \$327,922.
- Highway vehicle and equipment purchases for \$447,853.
- Roads, parking and sidewalks infrastructure improvements for \$1,395,846.
- Schools' improvements for \$1,538,875.
- Park's vehicle purchase for \$45,730.
- Dog park improvements for \$182,400.

Major capital events during the current fiscal year in the business-type funds included the following:

In the sewer fund:

- Infrastructure improvements for \$187,142.

In the water fund:

- Vehicle purchase for \$33,110.
- Water Treatment Plant improvements for \$8,485.
- Infrastructure improvements for \$22,753.

**Debt Administration.** The Town's outstanding governmental debt, as of June 30, 2020, totaled \$2,220,000, of which \$50,000 is for the school projects, \$1,075,000 is for the various construction and building improvements, \$820,000 for departmental vehicles and equipment, \$215,000 is for landfill projects, \$20,000 for veteran's park and \$40,000 for road improvements.

The governmental activities also have bond and state anticipation notes outstanding for \$1,574,000 for various vehicles and projects.

The Town also has capital leases for Emergency Medical Services vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The last lease is due in 2026. Town currently owes \$411,546 on the leases consisting of \$367,345 in principal and \$44,201 in interest.

The Town's outstanding business-type debt totaled \$790,000 consisting of \$233,600 in sewer debt and \$556,400 in water debt.

The business-type activities also have a bond anticipation note outstanding of \$766,600, of which \$231,600 is for the inflow and infiltration study at the Wastewater Treatment Plant, \$200,000 for a sewer main and \$335,000 is for the Water Treatment Plant project.

Please refer to notes 3D, 3F, 3G and 3H for further discussion of the major capital and debt activity.

**Next Year's Annual Town Meeting**

The Town of Ware operates under the "Open Meeting" concept where each voter has an equal vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2020 do not reflect the fiscal year 2021 Town Meeting action with the exception of the fund balance (free cash) amount used to fund the 2021 budget. The Annual Town Meeting on June 22, 2020 authorized a fiscal year 2021 operating and capital budget as follows:

From raise and appropriate		\$ 29,971,537
From sewer revenues	\$ 623,306	
From sewer reserve fund	<u>30,000</u>	653,306
From water revenues	823,877	
From water reserve fund	<u>60,000</u>	883,877
From Other Available Funds:		
<b>General Fund:</b>		
Unassigned fund balance:		
Free cash		495,000
<b>Non-major Governmental Funds:</b>		
Reserve for Ambulance	20,000	
Sale of cemetery lots	<u>5,000</u>	25,000
		<u>\$ 32,028,720</u>

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Ware's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, Town Hall, 126 Main Street, Ware, Massachusetts 01082.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF WARE, MASSACHUSETTS  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and Cash Equivalents	\$ 8,216,765	\$ 1,685,251	\$ 9,902,016
Investments	1,078,548	-	1,078,548
Cash in Custody of Others	46,732	-	46,732
Receivables, net of allowance for uncollectibles:			
Property Taxes	591,624	-	591,624
Tax Liens	559,160	-	559,160
Excise Taxes	206,533	-	206,533
User Charges	-	285,342	285,342
Departmental	249,236	-	249,236
Due from Other Governments	1,876,364	-	1,876,364
Total current assets	<u>12,824,962</u>	<u>1,970,593</u>	<u>14,795,555</u>
<b>NONCURRENT:</b>			
Capital Assets, net of accumulated Depreciation:			
Non-depreciable	4,727,931	993,137	5,721,068
Depreciable	21,484,348	4,355,448	25,839,796
Total noncurrent assets	<u>26,212,279</u>	<u>5,348,585</u>	<u>31,560,864</u>
<b>Total Assets</b>	<u>39,037,241</u>	<u>7,319,178</u>	<u>46,356,419</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	3,203,806	242,680	3,446,486
Deferred Outflows Related to OPEB	528,464	22,547	551,011
<b>Total Deferred Outflows of Resources</b>	<u>3,732,270</u>	<u>265,227</u>	<u>3,997,497</u>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants and Accounts Payable	1,470,873	123,481	1,594,354
Accrued Payroll	1,183,007	14,218	1,197,225
Payroll Withholdings	114,418	-	114,418
Tax Refund Payable	21,400	-	21,400
Other	174,746	-	174,746
Accrued Interest	15,433	7,031	22,464
Compensated Absences	126,418	3,909	130,327
Notes Payable	1,574,000	766,600	2,340,600
Bonds and Leases Payable	386,981	115,000	501,981
Total current liabilities	<u>5,067,276</u>	<u>1,030,239</u>	<u>6,097,515</u>
<b>NONCURRENT:</b>			
Compensated Absences	416,312	6,071	422,383
Net OPEB Liability	18,329,059	781,998	19,111,057
Net Pension Liability	15,054,889	1,140,371	16,195,260
Bonds and Leases Payable	2,200,364	675,000	2,875,364
Total noncurrent liabilities	<u>36,000,624</u>	<u>2,603,440</u>	<u>38,604,064</u>
<b>Total Liabilities</b>	<u>41,067,900</u>	<u>3,633,679</u>	<u>44,701,579</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	3,850,162	291,641	4,141,803
Deferred Inflows Related to OPEB	4,466,207	190,548	4,656,755
<b>Total Deferred Inflows of Resources</b>	<u>8,316,369</u>	<u>482,189</u>	<u>8,798,558</u>
<b>NET POSITION</b>			
Net Investments in Capital Assets	22,050,934	3,791,985	25,842,919
Restricted for:			
Capital Projects	412,051	100,801	512,852
Federal & State Grants	894,041	-	894,041
Permanent Funds:			
Expendable	166,954	-	166,954
Nonexpendable	151,237	-	151,237
Other Purposes	1,457,283	-	1,457,283
Unrestricted	(31,747,258)	(424,249)	(32,171,507)
<b>Total Net Position</b>	<u>\$ (6,614,758)</u>	<u>\$ 3,468,537</u>	<u>\$ (3,146,221)</u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF WARE, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>							
General Government	\$ 1,752,142	\$ 305,411	\$ 588,497	\$ -	\$ (858,234)	\$ -	\$ (858,234)
Public Safety	4,227,057	1,192,441	320,119	-	(2,714,497)	-	(2,714,497)
Public Works	1,581,988	3,576	535,828	508,300	(534,284)	-	(534,284)
Education	17,376,731	122,097	12,641,682	1,226,711	(3,386,241)	-	(3,386,241)
Health and Human Services	1,382,303	37,447	879,810	-	(465,046)	-	(465,046)
Culture and Recreation	499,199	28,718	43,156	-	(427,325)	-	(427,325)
Employee Benefits and Insurance	8,575,029	-	3,194,681	-	(5,380,348)	-	(5,380,348)
State Assessments	1,258,168	-	-	-	(1,258,168)	-	(1,258,168)
Interest	93,312	-	-	-	(93,312)	-	(93,312)
<b>Total Governmental Activities</b>	<b>36,745,929</b>	<b>1,689,690</b>	<b>18,203,773</b>	<b>1,735,011</b>	<b>(15,117,455)</b>	<b>-</b>	<b>(15,117,455)</b>
<b>Business-Type Activities:</b>							
Water	855,574	1,093,685	11,097	-	-	249,208	249,208
Sewer	1,131,993	872,848	1,449	-	-	(257,696)	(257,696)
<b>Total Primary Government</b>	<b>\$ 38,733,496</b>	<b>\$ 3,656,223</b>	<b>\$ 18,216,319</b>	<b>\$ 1,735,011</b>	<b>(15,117,455)</b>	<b>(8,488)</b>	<b>(15,125,943)</b>
<b>General Revenues:</b>							
Property taxes					15,486,546	-	15,486,546
Motor vehicle excise and other taxes					1,212,922	-	1,212,922
Penalties & Interest on taxes					140,806	-	140,806
Grants & Contributions not restricted to specific programs					2,320,118	-	2,320,118
Unrestricted investment income					54,334	-	54,334
Miscellaneous					66,650	-	66,650
<b>Transfers, net</b>					<b>181,134</b>	<b>(181,134)</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>19,462,510</b>	<b>(181,134)</b>	<b>19,281,376</b>
<b>Change in Net Position</b>					<b>4,345,055</b>	<b>(189,622)</b>	<b>4,155,433</b>
<b>Net Position:</b>							
Beginning of year					(10,959,813)	3,658,159	(7,301,654)
End of year					<b>\$ (6,614,758)</b>	<b>\$ 3,468,537</b>	<b>\$ (3,146,221)</b>

The Notes to the Financial Statements are an integral part of this Statement.



**TOWN OF WARE MASSACHUSETTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 6,386,017	\$ 1,830,748	\$ 8,216,765
Investments	657,301	421,247	1,078,548
Cash in Custody of Others	-	46,732	46,732
Receivables, net of allowance for uncollectibles:			
Property Taxes	591,624	-	591,624
Tax Liens	559,160	-	559,160
Excise Taxes	206,533	-	206,533
Departmental	250	248,986	249,236
Due from Other Governments	319,472	1,556,892	1,876,364
<b>Total Assets</b>	<b>\$ 8,720,357</b>	<b>\$ 4,104,605</b>	<b>\$ 12,824,962</b>
<b>Liabilities:</b>			
Warrants and Accounts Payable	\$ 808,849	\$ 662,024	\$ 1,470,873
Accrued Payroll	1,136,647	46,360	1,183,007
Payroll Withholdings	114,418	-	114,418
Tax Refund Payable	21,400	-	21,400
Other	174,746	-	174,746
Bond Anticipation Notes Payable	-	1,574,000	1,574,000
<b>Total Liabilities</b>	<b>2,256,060</b>	<b>2,282,384</b>	<b>4,538,444</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Revenue	1,347,026	540,703	1,887,729
<b>Fund Balance:</b>			
Nonspendable	-	151,237	151,237
Restricted	-	2,219,282	2,219,282
Committed	-	207,087	207,087
Assigned	1,430,137	-	1,430,137
Unassigned	3,687,134	(1,296,088)	2,391,046
<b>Total Fund Balance</b>	<b>5,117,271</b>	<b>1,281,518</b>	<b>6,398,789</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,720,357</b>	<b>\$ 4,104,605</b>	<b>\$ 12,824,962</b>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF WARE, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property Taxes	\$ 15,621,441	\$ -	\$ 15,621,441
Intergovernmental	13,252,277	5,943,745	19,196,022
Excise and Other Taxes	1,204,506	-	1,204,506
Licenses, Permits, Fees	777,272	-	777,272
Charges for Services	-	1,175,211	1,175,211
Interest on Taxes	140,806	-	140,806
Investment Income	54,334	9,007	63,341
Gifts and Donations	-	96,973	96,973
Other	-	29,125	29,125
Intergovernmental - "On-behalf" Payments	3,194,681	-	3,194,681
<b>Total Revenues</b>	<b>34,245,317</b>	<b>7,254,061</b>	<b>41,499,378</b>
<b>Expenditures:</b>			
Current:			
General Government	1,413,337	510,132	1,923,469
Public Safety	3,694,831	580,540	4,275,371
Public Works	1,326,739	1,688,158	3,014,897
Education	14,713,684	3,355,928	18,069,612
Health and Human Services	677,528	605,522	1,283,050
Culture and Recreation	408,793	57,288	466,081
Employee Benefits and Insurance	9,279,914	-	9,279,914
State Assessments	1,258,168	-	1,258,168
Debt Service:			
Principal	417,000	-	417,000
Interest	96,132	-	96,132
<b>Total Expenditures</b>	<b>33,286,126</b>	<b>6,797,568</b>	<b>40,083,694</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>959,191</b>	<b>456,493</b>	<b>1,415,684</b>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	991,571	33,000	1,024,571
Operating Transfers Out	(100,117)	(743,320)	(843,437)
Proceeds from Issuance of Bonds and Notes	-	73,000	73,000
<b>Total Other Financing Sources (Uses)</b>	<b>891,454</b>	<b>(637,320)</b>	<b>254,134</b>
<b>Net Change in Fund Balances</b>	<b>1,850,645</b>	<b>(180,827)</b>	<b>1,669,818</b>
<b>Fund Balances, Beginning of Year</b>	<b>3,266,626</b>	<b>1,462,345</b>	<b>4,728,971</b>
<b>Fund Balances, End of Year</b>	<b>\$ 5,117,271</b>	<b>\$ 1,281,518</b>	<b>\$ 6,398,789</b>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF WARE MASSACHUSETTS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**Total Fund Balances to the Statement of Net Position**  
**For the Year Ended June 30, 2020**

<b>Total Governmental Fund Balances</b>	\$	6,398,789
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.		26,212,279
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		1,887,729
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.		(4,584,099)
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Bonds and Leases Payable	\$	(2,587,345)
Net Other Post Employment Benefits Liability		(18,329,059)
Net Pension Liability		(15,054,889)
Compensated Absences		(542,730)
		(36,514,023)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds, interest is not reported until due.		(15,433)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>(6,614,758)</b>

The Notes to the Financial Statements are an integral part of this Statement.

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

**Net Change in Fund Balances - Total Governmental Funds** \$ 1,669,818

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 are reported as depreciation expense:

Capital Outlay Purchases	\$ 4,128,406	
Depreciation	<u>(1,943,767)</u>	2,184,639

Revenue in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue. (589,528)

The issuance of long-term debt (e.g., bonds and leases) 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:

Repayment of Debt and Lease Principal	481,249	
Proceeds from Bonds and Notes	<u>(73,000)</u>	408,249

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 governmental funds:

Net Change in Compensated Absences	(35,828)	
Net Change in Net Other Post Employment Benefits Liability	(1,094,221)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	1,675,908	
Net Change in Net Pension Liability	1,860,765	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	(1,737,567)	
Net Change in Accrued Interest on Long-Term Debt	<u>2,820</u>	<u>671,877</u>

**Change in Net Position of Governmental Activities** \$ 4,345,055

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF WARE MASSACHUSETTS  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -  
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts				Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried		Actual			
	Forward from Prior Year	Original Budget	Final Budget	Budgetary Basis		
<b>Revenues:</b>						
Property Taxes	\$ -	\$ 14,957,910	\$ 15,326,518	\$ 15,579,441	\$ -	\$ 252,923
Intergovernmental	-	13,014,955	13,014,955	13,252,277	-	237,322
Excise and Other Taxes	-	1,067,202	1,067,202	1,204,506	-	137,304
Licenses, Permits, Fees	-	489,200	489,200	777,272	-	288,072
Interest on Taxes	-	80,000	80,000	140,806	-	60,806
Interest on Investments	-	25,000	25,000	36,927	-	11,927
<b>Total Revenues</b>	-	29,634,267	30,002,875	30,991,229	-	988,354
<b>Expenditures:</b>						
Current:						
General Government	63,546	1,359,077	1,570,303	1,413,337	31,900	125,066
Public Safety	36,763	3,698,586	4,143,180	3,694,831	166,140	282,209
Public Works	47,609	1,406,624	1,497,723	1,326,739	58,465	112,519
Education	32,602	15,426,105	15,505,130	14,713,684	617,102	174,344
Health and Human Services	6,274	745,218	715,293	677,528	6,264	31,501
Culture and Recreation	22,796	423,081	445,877	408,793	15,698	21,386
Employee Benefits and Insurance	-	5,954,540	6,217,200	6,085,233	39,568	92,399
State Assessments	-	1,218,844	1,218,844	1,258,168	-	(39,324)
Debt Service:						
Principal	-	418,600	418,600	417,000	-	1,600
Interest	-	165,987	115,987	96,132	-	19,855
<b>Total Expenditures</b>	209,590	30,816,662	31,848,137	30,091,445	935,137	821,555
<b>Excess of Revenues Over (Under) Expenditures</b>	(209,590)	(1,182,395)	(1,845,262)	899,784	(935,137)	1,809,909
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	-	959,774	1,043,091	991,571	-	(51,520)
Operating Transfers Out	-	(94,400)	(192,840)	(198,557)	-	(5,717)
<b>Total Other Financing Sources (Uses)</b>	-	865,374	850,251	793,014	-	(57,237)
<b>Net Change in Budgetary Fund Balance</b>	(209,590)	(317,021)	(995,011)	\$ 1,692,798	\$ (935,137)	\$ 1,752,672
<b>Other Budgetary Items:</b>						
Free Cash and Other Reserves	-	405,300	873,700			
Prior Year Deficits	-	(88,279)	(88,279)			
Prior Year Encumbrances	209,590	-	209,590			
<b>Total Other Budgetary Items</b>	209,590	317,021	995,011			
<b>NET BUDGET</b>	\$ -	\$ -	\$ -			

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF WARE MASSACHUSETTS**  
**Reconciliation of Revenues and Expenditures**  
**from Budgetary Basis to GAAP Basis**  
**For the Year Ended June 30, 2020**

	<b>Revenues</b>	<b>Expenditures</b>
<b>Reported on a Budgetary Basis</b>	\$ 30,991,229	\$ 30,091,445
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	17,407	-
Net Increase in Revenue from recording Refund Taxes Payable	16,000	-
Recognition of Intergovernmental Revenue - "on behalf payments"	3,194,681	-
Recognition of Expenditures - "on behalf payments"	-	3,194,681
Net Increase in Revenue from Recording 60-Day Receipts	26,000	-
<b>Reported on a GAAP Basis</b>	<b>\$ 34,245,317</b>	<b>\$ 33,286,126</b>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF WARE MASSACHUSETTS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and Cash Equivalents	\$ 1,568,784	\$ 116,467	\$ 1,685,251
User Charges, net of allowance for uncollectibles	153,068	132,274	285,342
Total current assets	<u>1,721,852</u>	<u>248,741</u>	<u>1,970,593</u>
<b>NONCURRENT:</b>			
Capital Assets, net of accumulated Depreciation			
Non-depreciable	645,463	347,674	993,137
Depreciable	3,355,247	1,000,201	4,355,448
Total noncurrent assets	<u>4,000,710</u>	<u>1,347,875</u>	<u>5,348,585</u>
<b>Total Assets</b>	<u>5,722,562</u>	<u>1,596,616</u>	<u>7,319,178</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	116,728	125,952	242,680
Deferred Outflows Related to OPEB	18,992	3,555	22,547
<b>Total Deferred Outflows of Resources</b>	<u>135,720</u>	<u>129,507</u>	<u>265,227</u>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Accounts Payable	73,497	49,984	123,481
Accrued Payroll	7,501	6,717	14,218
Accrued Interest	6,001	1,030	7,031
Compensated Absences	492	3,417	3,909
Bond Anticipation Notes Payable	335,000	431,600	766,600
Bonds Payable	78,300	36,700	115,000
Total current liabilities	<u>500,791</u>	<u>529,448</u>	<u>1,030,239</u>
<b>NONCURRENT:</b>			
Compensated Absences	2,993	3,078	6,071
Net OPEB Liability	658,712	123,286	781,998
Net Pension Liability	548,514	591,857	1,140,371
Bonds Payable	478,100	196,900	675,000
Total noncurrent liabilities	<u>1,688,319</u>	<u>915,121</u>	<u>2,603,440</u>
<b>Total Liabilities</b>	<u>2,189,110</u>	<u>1,444,569</u>	<u>3,633,679</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	140,278	151,363	291,641
Deferred Inflows Related to OPEB	160,507	30,041	190,548
<b>Total Deferred Inflows of Resources</b>	<u>300,785</u>	<u>181,404</u>	<u>482,189</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,109,310	682,675	3,791,985
Restricted for Capital	64,052	36,749	100,801
Unrestricted	195,025	(619,274)	(424,249)
<b>Total Net Position</b>	<u>\$ 3,368,387</u>	<u>\$ 100,150</u>	<u>\$ 3,468,537</u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF WARE MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 1,069,985	\$ 856,890	\$ 1,926,875
Other	23,700	15,958	39,658
<b>Total Operating Revenues</b>	<b>1,093,685</b>	<b>872,848</b>	<b>1,966,533</b>
<b>Operating Expenses:</b>			
Salaries & Wages	287,598	268,927	556,525
Operating Expenses	410,738	785,298	1,196,036
Depreciation	127,910	59,135	187,045
<b>Total Operating Expenses</b>	<b>826,246</b>	<b>1,113,360</b>	<b>1,939,606</b>
<b>Operating Income (Loss)</b>	<b>267,439</b>	<b>(240,512)</b>	<b>26,927</b>
<b>Non-Operating Revenues (Expenses):</b>			
Investment Income	11,097	1,449	12,546
Interest Expense	(29,328)	(18,633)	(47,961)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(18,231)</b>	<b>(17,184)</b>	<b>(35,415)</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>249,208</b>	<b>(257,696)</b>	<b>(8,488)</b>
<b>Operating Transfers:</b>			
Transfer In	23,325	43,792	67,117
Transfer(Out)	(107,023)	(141,228)	(248,251)
<b>Total Operating Transfers</b>	<b>(83,698)</b>	<b>(97,436)</b>	<b>(181,134)</b>
<b>Change in Net Position</b>	<b>165,510</b>	<b>(355,132)</b>	<b>(189,622)</b>
<b>Net Position at Beginning of Year</b>	<b>3,202,877</b>	<b>455,282</b>	<b>3,658,159</b>
<b>Net Position at End of Year</b>	<b>\$ 3,368,387</b>	<b>\$ 100,150</b>	<b>\$ 3,468,537</b>

The Notes to the Financial Statements are an integral part of this Statement.



**TOWN OF WARE MASSACHUSETTS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers and Users	\$ 1,055,699	\$ 843,875	\$ 1,899,574
Receipts from Other Revenues	23,700	15,958	39,658
Payments to Vendors	(401,043)	(751,179)	(1,152,222)
Payments to Employees	(286,390)	(274,116)	(560,506)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>391,966</b>	<b>(165,462)</b>	<b>226,504</b>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers from (to) Other Funds	(83,698)	(97,436)	(181,134)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(83,698)</b>	<b>(97,436)</b>	<b>(181,134)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from the Issuance of Bonds and Notes	24,000	200,000	224,000
Acquisition and Construction of Capital Assets	(356,860)	(187,142)	(544,002)
Principal Payments on Bonds and Notes	(78,300)	(107,100)	(185,400)
Interest Expense	(30,235)	(18,778)	(49,013)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(441,395)</b>	<b>(113,020)</b>	<b>(554,415)</b>
<b>Cash Flows from Investing Activities:</b>			
Investment Income	11,097	1,449	12,546
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>11,097</b>	<b>1,449</b>	<b>12,546</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(122,030)</b>	<b>(374,469)</b>	<b>(496,499)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>1,690,814</b>	<b>490,936</b>	<b>2,181,750</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,568,784</b>	<b>\$ 116,467</b>	<b>\$ 1,685,251</b>

**Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:**

<b>Operating Income (Loss)</b>	\$ 267,439	\$ (240,512)	\$ 26,927
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>			
Depreciation	127,910	59,135	187,045
Deferred (Outflows)/Inflows of Resources Related to Pensions	64,799	62,864	127,663
Deferred (Outflows)/Inflows of Resources Related to OPEB	(59,509)	(11,304)	(70,813)
Change in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	53,791	(35,977)	17,814
Increase (Decrease) in Accrued Payroll	(354)	(4,383)	(4,737)
Increase (Decrease) in Compensated Absences	1,562	(806)	756
Increase (Decrease) in Net OPEB Liability	41,536	7,263	48,799
Increase (Decrease) in Net Pension Liability	(90,922)	11,273	(79,649)
Decrease (Increase) in User Charges	(14,286)	(13,015)	(27,301)
<b>Total Adjustments</b>	<b>124,527</b>	<b>75,050</b>	<b>199,577</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 391,966</b>	<b>\$ (165,462)</b>	<b>\$ 226,504</b>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF WARE MASSACHUSETTS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2020**

	<b>Other Post Employment Benefits Trust Fund</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 63,117	\$ 322,139
Investments	909,018	193,389	-
<b>Total Assets</b>	<b>909,018</b>	<b>256,506</b>	<b>322,139</b>
<b>LIABILITIES</b>			
Warrants Payable	-	-	-
Due to Students Groups	-	-	102,004
Escrows and Deposits	-	-	220,135
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>322,139</b>
<b>NET POSITION</b>			
Held in Trust for Scholarships and Other Purposes	\$ 909,018	\$ 256,506	\$ -

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF WARE MASSACHUSETTS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Other Post Employment Benefits Trust Fund</b>	<b>Private Purpose Trust Funds</b>
<b>Additions:</b>		
Employer Contributions	\$ 960,544	\$ -
Investment Income	29,698	4,337
<b>Total Additions</b>	<b>990,242</b>	<b>4,337</b>
<b>Deductions:</b>		
Educational Scholarships	-	1,750
Employee Benefits and Insurance	812,884	-
<b>Total Deductions</b>	<b>812,884</b>	<b>1,750</b>
<b>Change in Net Position</b>	<b>177,358</b>	<b>2,587</b>
<b>Net Position at Beginning of Year</b>	<b>731,660</b>	<b>253,919</b>
<b>Net Position at End of Year</b>	<b>\$ 909,018</b>	<b>\$ 256,506</b>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Town was incorporated in 1775 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected five-member Board of Selectmen.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In fiscal year 2020, it was determined that no entities met the required GASB-39 and GASB-61 criteria for component units.

The Town is responsible for electing the governing board and/or committee members of the Ware Housing Authority, Pathfinder Regional Vocational Technical High School District and Quabbin Health District. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing members of the board. Audited financial statements are available from the respective organizations. A description of the related organizations follows:

**Ware Housing Authority** - A public housing agency that provides housing assistance to eligible and qualified low and moderate-income families, the elderly and handicapped. The housing authority is an autonomous and self-sufficient agency under the State Executive Office of Communities and Development. The Town has no significant influence over management, budget or policies of the authority.

**Pathfinder Regional Vocational Technical High School District** - A regional school district made up of eight communities to serve and provide a learning environment in specific career areas. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects one district committee member for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

**Quabbin Health District** - A regional health department made up of three communities to provide the communities with full time professional staff and public health services. The health district is a separate entity. The district is responsible for the operating costs related to the district and operates independently from the Town.

**B. Government-Wide and Fund Financial Statements**

**Government-wide financial statements**

The government-wide financial statements (e.g., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

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. Non-major funds are aggregated and displayed in a single column.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and change in net position.

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

- If the total assets, liabilities, revenues or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds),

*and*

- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds are at least 5 percent of the corresponding element for all governmental funds combined.

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

Proprietary and fiduciary funds are reported by fund type.

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

**Government-wide financial statements**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise funds and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported.

**Fund financial statements**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under the modified accrual basis concept, 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 thereafter to be used to pay current 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 year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excises and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

The Town reports the following major governmental fund:

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

The Town reports the following major proprietary funds:

The *sewer fund* is used to account for the sewer activities.

The *water fund* is used to account for the water activities.

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

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Trust Funds).

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

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

Additionally, the Town reports the following fund types:

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

The *Other Post Employment Benefit (OPEB) Trust Fund* is used to account for assets held by the Town in trust for the payment of future retiree health insurance benefits. The assets of the OPEB Trust Fund cannot be used to support the Town's operations.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

The *agency fund* is used to account for assets held in a purely custodial capacity.

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

#### **D. Cash and Cash Equivalents**

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

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

Investment income from proprietary funds is maintained in those funds.

#### **E. Investments**

The Town maintains investments according to Massachusetts General Laws and adopted policies. Investments are reported according to the fair value hierarchy established by generally accepted accounting principles. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

Level 3 inputs are unobservable for the asset or liability.

Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended and should be measured at the net asset value per share provided by the pool.

Additional investment disclosures are presented in these Notes.

**F. Receivables**

The recognition of revenues related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

**Property Taxes and Tax Liens**

Property taxes are based on assessments as of January 1, 2019 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed preliminary tax bills for the fiscal year 2020 on June 19, 2019 that were due on August 1, 2019 and November 1, 2019 and actual bills on December 27, 2019 that were due on February 3, 2020 and May 1, 2020, respectively.

The Commonwealth of Massachusetts electorate in November 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2020 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2020	\$ 15,473,335
Add: Debt Exclusion	<u>30,400</u>
Maximum Allowable Levy	<u><u>\$ 15,503,735</u></u>

The total amount raised by taxation was \$15,501,517.



**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The allowance for uncollectible accounts is based on historical trends and specific account analysis.

**Excise Taxes**

Excise taxes consist of motor vehicle excise and boat excise taxes.

Motor vehicle and boat excise taxes are assessed annually for each vehicle and vessel registered in the Town and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles. The Board of Assessors of the Town is responsible for determining the value of each vessel.

The tax calculation is the fair market value of the vehicle or vessel multiplied by the \$25 per \$1,000 of value and \$10 per \$1,000 of valuation, respectively.

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

**User Charges**

User charges and fees consist of water and sewer services and are subject to penalties and interest if they are not paid by the respective due date. Water and sewer liens are processed each year and are included as a lien on the property owner's tax bill. Water and sewer charges are recorded as receivables in the fiscal year of the levy.

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

**Departmental**

Under governmental activities, the departmental receivables consist of ambulance, Community Development office commercial loans to businesses and police-off duty details. Under business-type activities, the departmental receivables consist of reimbursements due to overpayment to Town vendors.

The allowance for uncollectibles for ambulance is estimated and based on historical trends and specific account analysis. The other receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

**Due from Other Governments**

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

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

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**G. Capital Assets**

Capital assets, which include land, construction in progress, buildings and renovations, machinery, equipment and other, and infrastructure assets (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value.

All purchase and construction costs in excess of \$15,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of fixed assets are as follows:

<b>Capital Asset Type</b>	<b>Years</b>
Buildings and renovations	20-40
Machinery, equipment and other	3-10
Infrastructure	20-50

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

**H. Interfund Transfers**

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

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers net".

In the fund financial statements, operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

**I. Deferred Inflows of Resources**

**Government-wide financial statements**

The government-wide financial statements *Statement of Net Position* includes a separate section, listed below total assets, for *deferred outflows of resources*. This represents the usage of net position applicable for future period(s) and will not be recognized as expenditures until the future period to which it applies. Currently, the items in this category are *deferred outflows related to pensions and deferred outflows related to OPEB*.

In addition to liabilities, the *Statement of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the items in this category are *deferred inflows related to pensions and deferred inflows related to OPEB*.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Fund financial statements**

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the Town's property, excise and other taxes; departmental receipts and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**J. Net Position and Fund Balances**

In the Government-Wide financial statements, the difference between the Town's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources represents net position. Net position displays three components – net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

"Federal and state grants" represents amounts restricted by the federal and state government for various programs.

"Permanent funds – expendable" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Permanent funds – nonexpendable" represents amounts held in trust for which only investment earnings may be expended.

"Other purposes" represents restrictions placed on assets from outside parties.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of those resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, which is the Town meeting action and can be modified or rescinded only through these actions. Committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit.

*Assigned fund balance.* This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. Department heads and Town board/committees have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When the restricted and other fund balance resources are available for use, it is the Town's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts respectively.

**K. Long-term Debt**

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position.

The face amount of governmental funds long-term debt is reported as other financing sources.

**L. Compensated Absences**

The Town grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused sick and vacation leave which is (subject to certain limitations) at their current rates of pay.

**M. Pension Benefits**

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 Hampshire County Retirement System (the System) and the Massachusetts Teachers Retirement System (MTRS) are provided. Additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable according with the benefit terms. Investments are reported at their fair value.

**N. Post Retirement Benefits**

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's share of insurance premiums at various percentages for retirees, spouses and surviving spouses in the general fund in the fiscal year paid. The cost of providing health insurance is recognized in the general fund in the fiscal year paid.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**O. 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 disclosure 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.

**P. Total Column**

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

An annual budget is adopted for the Town's General Fund. Although legislative approval is required for the acceptance of grants, capital projects, and borrowing authorizations, annual budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

The Town must establish its property tax rate each year so that the property tax rate levy will comply with the limits established by Proposition 2 1/2, as amended, and also equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for prior year deficits, if any, less (c) the aggregate of all non-property tax revenues estimated to be received, including available funds.

The Town follows these procedures in establishing the General Fund budgetary data as reflected in the financial statements:

- Estimates are submitted by departments in accordance with Massachusetts general Laws.
- The budget is legally enacted by vote at the annual Town meeting.
- Supplemental appropriations may be made from available funds after setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.

Massachusetts law requires cities and towns to provide a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

"The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns (cities) since the preceding annual assessment and not provided for therein . . . "

For fiscal year 2020, the Town incurred a final budget deficit of \$995,011 for the General Fund.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The Town voted from the following sources to fund the deficit budget during the fiscal year:

Unassigned fund balance:	
Free cash votes	\$ 873,700
Reserved for deficits	(88,279)
Prior year's encumbrances	209,590
	\$ 995,011
	\$ 995,011

**B. Deficit Fund Balances**

The following funds have deficits at June 30, 2020 as measured by the balance of unreserved fund balance.

- The *Department of Public Works vehicle and equipment funds*, capital projects, have deficits totaling \$401,289. The Town has a bond anticipation notes outstanding of \$402,200 for the vehicles and equipment. The deficit will be eliminated upon the issuance of permanent debt.
- The *Elementary School boiler replacement fund*, a capital project, has a deficit of \$245,541. The Town has a bond anticipation note outstanding of \$280,000 for the project. The deficit will be eliminated upon the issuance of permanent debt.
- The *Old Poor Farm Road culvert fund*, a capital project, has a deficit of \$277,569. The Town has a bond anticipation note outstanding of \$278,400 for the project. The deficit will be eliminated upon the issuance of permanent debt.
- The *Purchase of land fund*, a capital project, has a deficit of \$97,937. The Town has a bond anticipation note outstanding of \$98,400 for the project. The deficit will be eliminated upon the issuance of permanent debt.
- The *Ware Middle School construction fund*, a capital project, has a deficit of \$223,553. The Town has a bond anticipation note outstanding of \$515,000 for the project. The deficit will be eliminated upon the issuance of permanent debt.
- The *Federal emergency management covid-19 grant* special revenue funds have deficit totaling \$8,169. The deficit will be eliminated upon the future receipt of grant funds or upon appropriation.
- The *Job access and commute grant fund*, a special revenue account, has a deficit of \$18,305. The deficit will be eliminated upon additional receipts or upon appropriation.
- The *Strategic demolition grant fund*, a special revenue account, has a deficit of \$23,725. The deficit will be eliminated upon additional receipts or upon appropriation.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**3. DETAILED NOTES**

**A. Deposits and Investments**

**Custodial Credit Risks – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned. The Town does not have a deposit policy for custodial credit risk. Deposits at June 30, 2020 were \$10,831,609. Of these, \$24,160 are exposed to custodial credit risk as uninsured and uncollateralized.

**Investment Policies**

Investments of funds, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust (“MMDT”), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer’s office. According to the State Treasurer, the Trust’s investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost. MMDT’s fair value is measured at amortized cost.

As of June 30, 2020, the Town had the following investments and maturities:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>	
		<b>Less Than 1</b>	<b>1 to 5</b>
<b>Debt Securities:</b>			
U. S. treasury obligations	\$ 179,357	\$ 63,099	\$ 116,258
U. S. government agencies	161,789	-	161,789
Corporate bonds	513,212	91,803	421,409
Money market mutual fund	42,032	42,032	-
	<u>896,390</u>	<u>\$ 196,934</u>	<u>\$ 699,456</u>
<b>Other Investments:</b>			
Certificates of deposits	94,254		
Equity mutual funds	903,946		
Equity securities - domestic	150,948		
MMDT	135,417		
	<u>\$ 2,180,955</u>		

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Custodial Credit Risks - Investments**

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Town's \$2,180,955 investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Town's name. The Town has no policy on custodial credit risk.

**Interest Rate Risk - Investments**

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk - Investments**

The Town's exposure to credit risk as of June 30, 2020 is as follows:

Related Debt Instruments	Fair Value
<b>Moody's Quality Ratings</b>	
<b>U. S. Treasury Obligations:</b>	
Aaa	\$ 179,357
<b>U. S. Government Agencies:</b>	
Aaa	161,789
<b>Corporate Bonds:</b>	
Aaa	25,191
A1	87,852
A2	103,380
A3	36,465
Aa2	45,834
Aa3	22,210
Baa1	106,853
Baa2	85,427
<b>Money Market Mutual Funds:</b>	
Not rated	42,032
	\$ 896,390

**Concentration of Credit Risk - Investments**

The Town places no limit on the amount the Town may invest in one issuer. The Town does not have more than 5 percent of the District's investments in one issuer.

**Fair Value of Investments**

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



**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The Town has the following recurring fair value measurements as of June 30, 2020:

Investment Type	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
U. S. treasury obligations	\$ 179,357	\$ 179,357	\$ -	\$ -
U. S. government agencies	161,789	161,789	-	-
Certificates of deposit	94,254	94,254	-	-
Equity mutual funds	903,946	903,946	-	-
Equity securities - domestic	150,948	150,948	-	-
Money market mutual fund	42,032	42,032	-	-
Bond mutual funds	-	-	-	-
Corporate bonds	513,212	-	513,212	-
<b>Total Investments</b>	<b>2,045,538</b>	<b>\$ 1,532,326</b>	<b>\$ 513,212</b>	<b>\$ -</b>
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	135,417			
<b>Total Investments</b>	<b>\$ 2,180,955</b>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**Cash in Custody of Others**

Cash in custody of others are Small Cities grant funds that are in the custody of the Pioneer Valley Planning Commission.

**B. Receivables**

At June 30, 2020, receivables for the individual major governmental funds and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<b>Major and nonmajor governmental funds:</b>			
Property taxes	\$ 594,589	\$ (2,965)	\$ 591,624
Tax liens	559,160	-	559,160
Excise taxes	258,992	(52,459)	206,533
Departmental	271,285	(22,049)	249,236
Due from other governments	1,876,364	-	1,876,364
	<b>\$ 3,560,390</b>	<b>\$ (77,473)</b>	<b>\$ 3,482,917</b>

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

At June 30, 2020, receivables for the business-type activities consist of the following:

	<b>Gross Amount</b>	<b>Allowance for Uncollectibles</b>	<b>Net Amount</b>
<b>Sewer Fund:</b>			
User charges	\$ 116,601	\$ (500)	\$ 116,101
Tax liens	16,173	-	16,173
<b>Water Fund:</b>			
User charges	125,849	(500)	125,349
Tax liens	27,719	-	27,719
	\$ 286,342	\$ (1,000)	\$ 285,342

The composition of amounts due from other governments as of June 30, 2020 for governmental funds is as follows:

<b>General Fund:</b>		
<b>Commonwealth of Massachusetts:</b>		
Department of Revenue:		
Veterans, blind and surviving spouse	\$ 102,013	
Department of Veterans Services:		
Veterans benefits	217,459	\$ 319,472
<b>Nonmajor Governmental Funds:</b>		
<b>U. S. Department of Education:</b>		
School title grants	38,653	
<b>Commonwealth of Massachusetts:</b>		
Department of Conservation and Recreation	4,750	
Department of Elder Affairs	7,246	
Department of Elementary & Secondary Education:		
School title grants	15,187	
Department of Revenue	35,775	
Executive Office of Public Safety and Homeland Security		
Public Safety Grants	5,596	
Massachusetts Department of Transportation:		
Highway Department - Chapter 90 funded projects	584,815	
Complete Streets	37,960	
Massachusetts Marketing Partnership	25,000	
Massachusetts School Building Authority	624,919	
Secretary of State	20,000	
<b>Other</b>	156,991	1,556,892
	\$	1,876,364

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**C. Deferred Inflows of Resources – Unavailable Revenue**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

<b>General Fund:</b>			
Property taxes	\$	363,624	
Tax liens		559,160	
Excise taxes		206,533	
Departmental		250	
Due from other governments		217,459	\$ 1,347,026
<b>Nonmajor governmental funds:</b>			
Departmental		218,272	
Due from other governments		322,431	540,703
		\$ 1,887,729	

**D. Capital Assets**

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2020, are as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 2,840,929	\$ 8,797	\$ -	\$ 2,849,726
Construction in progress	226,432	1,651,773	-	1,878,205
Total capital assets not being depreciated	3,067,361	1,660,570	-	4,727,931
Capital assets being depreciated:				
Buildings and Renovations	31,665,449	16,368	-	31,681,817
Machinery, equipment and other	6,675,584	1,002,488	(272,850)	7,405,222
Infrastructure	8,653,514	1,448,981	-	10,102,495
Total capital assets being depreciated	46,994,547	2,467,837	(272,850)	49,189,534
Less accumulated depreciation for:				
Buildings and Renovations	18,708,028	1,178,902	-	19,886,930
Machinery, equipment and other	4,278,654	504,929	(272,850)	4,510,733
Infrastructure	3,047,586	259,937	-	3,307,523
Total accumulated depreciation	26,034,268	1,943,768	(272,850)	27,705,186
Total capital assets being depreciated, net	20,960,279	524,069	-	21,484,348
Total governmental activities capital assets, net	\$ 24,027,640	\$ 2,184,639	\$ -	\$ 26,212,279

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 393,400	\$ -	\$ -	\$ 393,400
Construction in Progress	608,266	161,130	(169,659)	599,737
Total capital assets not being depreciated	<u>1,001,666</u>	<u>161,130</u>	<u>(169,659)</u>	<u>993,137</u>
Capital assets being depreciated:				
Buildings and renovations	277,520	-	-	277,520
Machinery, equipment and other	141,774	33,109	-	174,883
Infrastructure	5,562,999	519,421	-	6,082,420
Total capital assets being depreciated	<u>5,982,293</u>	<u>552,530</u>	<u>-</u>	<u>6,534,823</u>
Less accumulated depreciation for:				
Buildings and renovations	63,714	21,757	-	85,471
Machinery, equipment and other	114,683	22,955	-	137,638
Infrastructure	1,813,934	142,332	-	1,956,266
Total accumulated depreciation	<u>1,992,331</u>	<u>187,044</u>	<u>-</u>	<u>2,179,375</u>
Total capital assets being depreciated, net	<u>3,989,962</u>	<u>365,486</u>	<u>-</u>	<u>4,355,448</u>
Total business-type activities capital assets, net	<u>\$ 4,991,628</u>	<u>\$ 526,616</u>	<u>\$ (169,659)</u>	<u>\$ 5,348,585</u>

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

**Governmental Activities:**

General government	\$ 96,403
Public safety	446,130
Public works	394,423
Education	830,600
Health and human services	98,793
Culture and recreation	77,419
Total depreciation expense - governmental activities	<u>\$ 1,943,768</u>

**Business-Type Activities:**

Sewer fund	\$ 59,134
Water fund	127,910
Total depreciation expense - business-type activities	<u>\$ 187,044</u>

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**E. Interfund Receivables, Payables and Transfers**

Interfund transfers for the fiscal year ended June 30, 2020, are summarized below:

Transfers Out:	Transfers In:			Total
	General fund	Nonmajor Governmental fund	Business-type fund	
General fund	\$ -	\$ 33,000	\$ 67,117	\$ 100,117
Nonmajor governmental funds	743,320	-	-	743,320
Business-type fund	248,251	-	-	248,251
<b>Total transfers out</b>	<b>\$ 991,571</b>	<b>\$ 33,000</b>	<b>\$ 67,117</b>	<b>\$ 1,091,688</b>

**F. Leases**

The Town has entered into lease agreements as lessee for financing an Emergency Medical Services vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through the capital leases are as follows:

Asset:	<b>Governmental Activities</b>
Machinery, Equipment and Other	\$ 562,761
Less: Accumulated Depreciation	(291,057)
<b>Total</b>	<b>\$ 271,704</b>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, are as follows:

Year Ending June 30,	<b>Governmental Activities</b>
2021	\$ 80,466
2022	80,466
2023	80,466
2024	80,466
2025	44,841
2026	44,841
Total minimum lease payments	411,546
Less: amount representing interest	(44,201)
<b>Present value of minimum lease payments</b>	<b>\$ 367,345</b>

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**G. Short-Term Financing**

Under the general laws of the Commonwealth and with the appropriate local authorization the Town is authorized to borrow funds on a temporary basis to (1) fund current operations prior to the collection of revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

Details related to the short-term debt activity of the governmental type and business-type funds are as follows:

<b>Governmental Activities</b>						
Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2019	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2020
<b>Bond Anticipation Notes:</b>						
Old Farm Road culvert	2.04%	6/19/2020	\$ 290,000	\$ -	\$ 290,000	\$ -
Elementary School construction	2.04%	6/19/2020	155,000	-	155,000	-
Highway truck	2.04%	6/19/2020	184,000	-	184,000	-
Purchase of Land	2.04%	6/19/2020	123,000	-	123,000	-
Ware M.S. construction	2.04%	6/19/2020	47,000	-	47,000	-
Elementary School construction	1.00%	6/18/2021	-	280,000	-	280,000
Highway truck	1.00%	6/18/2021	-	117,200	-	117,200
Old Farm Road culvert	1.00%	6/18/2021	-	278,400	-	278,400
Purchase of Land	1.00%	6/18/2021	-	98,400	-	98,400
Ware M.S. construction	1.00%	6/18/2021	-	515,000	-	515,000
Highway truck	1.00%	6/18/2021	-	255,000	-	255,000
Highway truck	0.85%	6/18/2021	-	30,000	-	30,000
Total Governmental Activities			<u>\$ 799,000</u>	<u>\$ 1,574,000</u>	<u>\$ 799,000</u>	<u>\$ 1,574,000</u>

<b>Business-Type Activities:</b>						
Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2019	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2020
<b>Bond Anticipation Notes:</b>						
<b>Sewer Fund:</b>						
Inflow and Infiltration Study	2.04%	6/19/2020	\$ 302,000	\$ -	\$ 302,000	\$ -
Inflow and Infiltration Study	1.00%	6/18/2021	-	129,600	-	129,600
Inflow and Infiltration Study, Ph.II	1.00%	6/18/2021	-	102,000	-	102,000
Sewer mains	1.00%	6/18/2021	-	200,000	-	200,000
<b>Water Fund:</b>						
<b>Bond Anticipation Notes:</b>						
Water Treatment Plant	2.04%	6/19/2020	311,000	-	311,000	-
Water Treatment Plant	1.00%	6/18/2021	-	335,000	-	335,000
Total Business-Type Activities			<u>\$ 613,000</u>	<u>\$ 766,600</u>	<u>\$ 613,000</u>	<u>\$ 766,600</u>

**H. Long Term Debt**

**General Obligation Bonds**

The Town issues general obligation bonds 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.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

General obligation bonds currently outstanding of the governmental type fund are as follows:

	<b>Interest Rate</b>	<b>Date Issued</b>	<b>Final Maturity Date</b>	<b>Original Amount Issued</b>	<b>Outstanding June 30, 2020</b>
<b>Inside Debt:</b>					
Municipal Purpose Loan of 2008:					
Departmental Equipment	3.66%	3/15/2008	3/15/2022	\$ 980,000	\$ 85,000
Veteran's Park	3.68%	3/15/2008	3/15/2022	185,000	20,000
Town Hall Boiler Replacement	3.74%	3/15/2008	3/15/2025	87,000	25,000
Senior Center	3.78%	3/15/2008	3/15/2027	852,000	310,000
Municipal Purpose Loan of 2014:					
Fire Station	2.0-3.0%	5/15/2014	5/15/2034	987,000	740,000
Parking Lot	2.0-3.0%	5/15/2014	5/15/2024	100,000	40,000
Street Sweeper	2.0-3.0%	5/15/2014	5/15/2024	100,000	40,000
Municipal Purpose Loan of 2017:					
Fire Truck	2.60%	4/13/2017	4/1/2035	480,000	390,000
Highway Mowers	2.60%	4/13/2017	4/1/2030	192,000	130,000
Highway Vehicles	2.60%	4/13/2017	4/1/2030	243,000	175,000
School Carpets	2.60%	4/13/2017	4/1/2022	128,000	50,000
Total Inside Debt					<u>2,005,000</u>
<b>Outside Debt:</b>					
Municipal Purpose Loan of 2014:					
Landfill Capping	2.0-3.0%	5/15/2014	5/15/2034	270,000	180,000
Municipal Purpose Loan of 2017:					
Landfill Capping	2.60%	4/13/2017	4/1/2027	50,000	35,000
Total Outside Debt					<u>215,000</u>
Total governmental type debt					<u>\$ 2,220,000</u>

**Future Debt Service**

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

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 320,000	\$ 71,261	\$ 391,261
2022	260,000	59,688	319,688
2023	210,000	51,238	261,238
2024	205,000	45,213	250,213
2025	185,000	39,012	224,012
2026-2030	675,000	115,163	790,163
2031-2035	365,000	31,688	396,688
	<u>\$ 2,220,000</u>	<u>\$ 413,263</u>	<u>\$ 2,633,263</u>

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

General obligation bonds currently outstanding of the business-type fund are as follows:

	<b>Interest Rate</b>	<b>Date Issued</b>	<b>Final Maturity Date</b>	<b>Original Amount Issued</b>	<b>Outstanding June 30, 2020</b>
<b>Inside Debt:</b>					
<b>Sewer Fund:</b>					
Municipal Purpose Loan of 2008: Sewer lines repairs	3.80%	3/15/2008	3/15/2028	\$ 33,600	\$ 13,600
Municipal Purpose Loan of 2014: Wastewater Treatment Plant	2.0-3.0%	5/15/2014	5/15/2034	293,000	<u>180,000</u>
Total Inside Debt					<u>193,600</u>
<b>Outside Debt:</b>					
<b>Sewer Fund:</b>					
Municipal Purpose Loan of 2014: Wastewater Treatment Plant	2.0-3.0%	5/15/2014	5/15/2026	100,000	40,000
<b>Water Fund:</b>					
Municipal Purpose Loan of 2008: Water control facility	3.80%	3/15/2008	3/15/2028	831,000	345,000
Water line repairs	3.80%	3/15/2008	3/15/2028	167,000	66,400
Municipal Purpose Loan of 2017: Water mains	2.60%	4/13/2017	4/1/2027	220,000	<u>145,000</u>
Total Outside Debt					<u>596,400</u>
Total business-type debt					<u>\$ 790,000</u>

**Future Debt Service**

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

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 115,000	\$ 27,380	\$ 142,380
2022	110,000	23,267	133,267
2023	100,000	19,678	119,678
2024	100,000	16,425	116,425
2025	100,000	13,000	113,000
2026-2029	265,000	18,900	283,900
	<u>\$ 790,000</u>	<u>\$ 118,650</u>	<u>\$ 908,650</u>



**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

A summary of the changes in governmental activities long term debt during the year is as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due within One Year
<b>Governmental activities:</b>					
<b>Bonds Payable:</b>					
General obligation bonds	\$ 2,564,000	\$ -	\$ 344,000	\$ 2,220,000	\$ 320,000
<b>Capital lease</b>	431,594	-	64,249	367,345	66,981
<b>Compensated absences</b>	506,902	40,238	4,410	542,730	126,418
<b>Net OPEB liability</b>	17,234,838	1,094,221	-	18,329,059	-
<b>Net pension liability</b>	16,915,654	-	1,860,765	15,054,889	-
Governmental activity Long-term liabilities	<u>\$ 37,652,988</u>	<u>\$ 1,134,459</u>	<u>\$ 2,273,424</u>	<u>\$ 36,514,023</u>	<u>\$ 513,399</u>
<b>Business type activities:</b>					
<b>Bonds Payable:</b>					
General obligation bonds	\$ 905,000	\$ -	\$ 115,000	\$ 790,000	\$ 115,000
<b>Compensated absences</b>	9,224	1,562	806	9,980	3,909
<b>Net OPEB liability</b>	733,199	48,799	-	781,998	-
<b>Net pension liability</b>	1,220,020	-	79,649	1,140,371	-
Business-type activity Long-term liabilities	<u>\$ 2,867,443</u>	<u>\$ 50,361</u>	<u>\$ 195,455</u>	<u>\$ 2,722,349</u>	<u>\$ 118,909</u>

**Legal Debt Limit**

Under Section 10 of Chapter 44 of the Massachusetts General Laws a Town may authorize indebtedness up to a limit of five percent of its equalized valuation of the Town. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The Town's inside debt at June 30, 2020 totaled \$2,198,600.

In addition, the Town is authorized to incur debt outside of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

The following is a computation of the legal debt limit as of June 30, 2020:

Equalized Valuation-Real Estate and Personal Property (2020)	\$ 812,035,400
Debt Limit: 5 % of Equalized value	<u>40,601,770</u>
Total Debt Outstanding	\$ 3,010,000
Less: Debt Outside Debt Limit	<u>(811,400)</u>
	<u>2,198,600</u>
 Inside Debt Excess Borrowing Capacity at June 30, 2020	 <u>\$ 38,403,170</u>

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Loans Authorized and Unissued - Memorandum Only**

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt. Loan authorizations that have not been issued as of June 30, 2020 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
5/9/2016	Road repairs in anticipation of Chapter 90 receipts	\$ 434,839
5/8/2017	Road repairs in anticipation of Chapter 90 receipts	174,035
11/14/2016	Replace Old Poor Farm Road culvert	84,000
11/14/2016	Purchase Highway vehicle	2,000
5/8/2017	Design and construct an Iron and Manganese Removal plant	5,665,000
5/8/2017	Land acquisition for water supply protection	7,000
11/13/2017	WWTP inflow and infiltration study, Phase II	18,000
5/14/2018	Road repairs in anticipation of Chapter 90 receipts	428,549
3/11/2019	Ware Middle School windows/doors	2,768,122
3/11/2019	Replacement of Elementary School boilers	637,041
5/13/2019	Road repairs in anticipation of Chapter 90 receipts	427,583
6/22/2020	Road repairs in anticipation of Chapter 90 receipts	424,054
		<u>\$ 11,070,223</u>

**Overlapping Debt**

The Town pays assessments which include debt service payments to other local governmental units providing services within the Town's boundaries (commonly referred to as overlapping debt). The following summary sets forth the long-term debt of the governmental unit, the estimated share of such debt being serviced by the Town and the total of its share of estimated indirect debt.

	Current Year's Long Term Debt	Town's Estimated Share	Town's Estimated Indirect Debt
Pathfinder Vocational Technical Regional School District: School Roof	\$ 128,200	15.11%	<u>\$ 19,371</u>

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**I. Fund Balances**

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2020:

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Nonspendable:</b>			
Permanent funds	\$ -	\$ 151,237	\$ 151,237
<b>Restricted:</b>			
Federal, state and local grants	-	511,105	511,105
School Revolving funds	-	1,124,716	1,124,716
Town Revolving funds	-	63,055	63,055
Donations and gifts	-	104,292	104,292
Insurance reimbursements	-	4,585	4,585
Capital projects	-	83,940	83,940
Permanent funds	-	166,954	166,954
Other	-	160,635	160,635
	-	2,219,282	2,219,282
<b>Committed:</b>			
Ambulance fund	-	112,116	112,116
Compensated absences reserve	-	94,971	94,971
	-	207,087	207,087
<b>Assigned:</b>			
General government	31,900	-	31,900
Public safety	166,140	-	166,140
Public works	58,465	-	58,465
Education	617,102	-	617,102
Health and human services	6,264	-	6,264
Culture and recreation	15,698	-	15,698
Employee benefits and insurance	39,568	-	39,568
Subsequent year's budget	495,000	-	495,000
	1,430,137	-	1,430,137
<b>Unassigned:</b>			
General Fund	3,687,134	-	3,687,134
Deficit special revenue fund	-	(50,199)	(50,199)
Deficit capital projects	-	(1,245,889)	(1,245,889)
	3,687,134	(1,296,088)	2,391,046
<b>Total Governmental fund balances</b>	<b>\$ 5,117,271</b>	<b>\$ 1,281,518</b>	<b>\$ 6,398,789</b>

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**J. Special Trust Funds**

**Stabilization Fund**

Massachusetts General Laws, Chapter 40, Section 5B, allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a 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. Any interest shall be added to and become a part of the fund.

At June 30, 2020, the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$ 559,369
Capital stabilization fund	521,884
	<u>\$ 1,081,253</u>

**4. OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**B. Contingent Liabilities**

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2020.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, Town management believes such disallowances, if any, will not be material.

**C. COVID-19**

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

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**D. Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued.

**E. Tax Abatements**

The Town enters into property tax abatement agreements with local businesses under the Commonwealth of Massachusetts Economic Development Incentive Program Act of 1993 and as amended in 2009. Under this Act, state municipalities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining these businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Town of Ware. The Town of Ware, as of June 30, 2020, abated property taxes amounting to \$5,515 under one tax abatement agreement. The Town has not made any commitments as part of the agreements other than to reduce taxes.

**F. Pension Plan**

**Plan Description**

The Town is a member of the Hampshire County Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Hampshire County Retirement Board (the Board). Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers except for current and retired teachers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 99 Industrial Drive, Northampton, Massachusetts 01060.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan, to which the Town does not contribute. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for the contributions and future benefit requirements of the MTRS.

**Special Funding Situation**

The Commonwealth is a nonemployer contributor and is responsible by statute to make all actuarially determined contributions and future benefit requirements on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in the MTRS. Since the Town does not contribute directly to MTRS, there is no pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based upon each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2019. The Town's portion of the collective pension expense contributed by the Commonwealth of \$3,194,681 on-behalf payments for the fiscal year ending June 30, 2020 is reported as intergovernmental on-behalf payments in the revenue and employee benefits and insurance expenditures in the General Fund as of the measurement date.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Benefits Provided**

Both the System and MTRS provide retirement, disability, and death benefits to plan members and beneficiaries. Members become vested after 10 years of creditable service and are eligible for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her group classification. The authority for amending these provisions rests with the Massachusetts Legislature.

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

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

**Contributions**

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2019 was \$1,969,540, representing 28.44% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

**Pension Liability**

As of June 30, 2020, the Town reported a liability of \$16,195,260 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the Town's proportional percentage was 8.107%, which was a slight decrease from the last measurement.

**Pension Expense**

For the year ended June 30, 2020, the Town recognized a pension expense of \$1,904,785 and reported deferred outflows of resources related to pensions of \$3,446,486 from the difference between expected and actual investment earnings on pension plan investment, changes in assumption and from the changes in proportion and differences between employer contributions and proportionate share of contributions; and deferred inflows of resources related to pensions of \$4,141,803 from the from the difference between projected and actual experience, the difference between projected and actual investment earnings on pension plan investment, changes in assumption and from the changes in proportion and differences between employer contributions and proportionate share of contributions.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

The Town's net deferred outflows/(inflows) of resources related to pensions will be recognized in the pension expense as follows:

<b>For years ended June 30,</b>	
<b>2021</b>	\$ (143,616)
<b>2022</b>	(1,004,171)
<b>2023</b>	659,434
<b>2024</b>	(1,814,820)
<b>2025</b>	758,423
<b>Thereafter:</b>	849,433
	<u>\$ (695,317)</u>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement that was rolled back to December 31, 2019:

Valuation date	January 1, 2020
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Increasing dollar amount at 4.0%
Remaining amortization period	14 years
Asset valuation method	Is the market value of assets as of the valuation date reduced by the sum of: 80% of gains and losses of the prior year. 60% of gains and losses of the second prior year. 40% of gains and losses of the third prior year. 20% of gains and losses of the fourth prior year.  Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial value of assets is further constrained to be not less than 90% or more than 110% of the market value.
Inflation	2.40% per year
Investment rate of return	7.15% per year
Projected salary increases	Group 1: 6.00% -- 4.25%; based on service Group 4: 7.00% -- 4.75%; based on service
Mortality rates	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2018. For disabled retirees, the mortality rates were based on the RP-2014 Blue Collar Mortality Table set forward one year with full generational improvement using Scale MP-2018. Mortality assumptions reflect the PERAC local system retiree mortality study completed in 2019.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Long-term Expected Real Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2019, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Large Cap Equities	15.5%	5.00%
Small/Mid Cap Equities	4.5%	5.20%
International Equities (Unhedged)	16.5%	5.20%
Emerging International Equities	6.0%	7.10%
Private Equity	10.0%	8.80%
Core Fixed Income	20.0%	0.20%
High-Yield Bonds	3.0%	3.40%
Bank Loans	3.0%	2.70%
EMD (Local Currency)	6.0%	3.20%
Private Debt	1.5%	5.40%
Real Estate	12.0%	3.30%
Cash	2.0%	-0.60%
Total	<u>100.0%</u>	

**Rate of Return**

For the year ended December 31, 2019, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 16.30%.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made in accordance with Section 22D and Section 22F of Chapter 32 of Massachusetts General Laws. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The municipal bond rate used was 2.74%, based on the December 2019 Bond Buyer Index as published by the Federal Reserve.



**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Sensitivity 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 7.15%. 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 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	<b>1% Decrease (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>1% Increase (8.15%)</b>
Town's net pension liability	\$ 21,435,959	\$ 16,195,260	\$ 11,766,570

**G. Other Post Employment Benefits Payable**

**GASB Statement No. 74 and GASB Statement No. 75**

The cost of post employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Town recognizes the cost of post employment benefits in the year when the employee services are received, reports the accumulated liability from prior years and provides information useful in assessing potential demands on the Town's future cash flows.

**Plan Description**

In addition to providing pension benefits as described on the following footnote, the Town provided post employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. As of the actuarial valuation date there are approximately 468 active and retired employees that meet the eligibility requirements. The plan does not issue a separate financial report.

**Investment Policy**

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Board of Selectmen by majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy. As of June 30, 2020, investments, concentration and rate of return information consisted of pooled funds in the Town's Bartholomew Commonwealth Financial investments described earlier under Investment Policies (refer to note 3A).

**Funding Policy**

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2020 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$812,884. The Town also made a contribution to an OPEB Trust of \$147,660 for a total contribution during the measurement period of \$960,544 to be reported on the financial statement for the fiscal year ending June 30, 2020. The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. As of June 30, 2020, the trust balance is \$909,018.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Measurement Date**

GASB Statement No. 74 and GASB Statement No. 75 require the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018.

**Plan Membership:**

Current active members	269
Current retirees, beneficiaries and dependents	199
Total	468

**Net OPEB Liability**

The components of the net OPEB liability are as follows:

	<b>6/30/2020</b>
Total OPEB liability	\$ 20,020,075
Less: Plan fiduciary net position	(909,018)
Town's Net OPEB liability	\$ 19,111,057
Plan fiduciary net position as a percentage of the total OPEB liability	4.5%

**Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2020:

Valuation date	July 1, 2018
Actuarial cost method	Individual Entry Age Normal
Asset valuation method	market value of assets as of the measurement date, June 30, 2020.
Single Equivalent Discount rate	4.50%, net of OPEB plan investment expense, including inflation.
Investment rate of return	6.55%, net of OPEB plan investment expense, including inflation.
Inflation	2.50% as of June 30, 2020 and for future periods.
Healthcare trend	4.50% annually
Projected salary increases	3.00% annually as of June 30, 2020 and for future periods.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

Mortality rates	
Pre-retirement mortality:	
(General)	RP-2000 Employees Mortality Table projected generationally with Scale BB and a base year 2009 for males and females.
(Teachers)	RP-2000 Employees Mortality Table projected generationally with Scale BB and a base year 2009 for males and females.
Post-retirement mortality:	
(General)	RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB and a base year 2009 for males and females.
(Teachers)	RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB and a base year 2009 for males and females.
Disabled mortality:	
(General)	RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB and a base year 2012 for males and females.
(Teachers)	RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB and a base year 2012 for males and females.

The actuarial assumptions used the July 1, 2018 actuarial valuation and market value of assets as of the measurement date of June 30, 2020 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Index is 2.66%.

**Long-term Expected Rate of Return**

The long-term expected rate of return on OPEB plan investments is developed based on the Town's investment policy is summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity - Large Capital	17.00%	4.80%
Domestic Equity - Small/Mid Capital	9.00%	5.29%
International Equity - Developed Market	9.00%	5.45%
International Equity - Emerging Market	5.00%	6.42%
Domestic Fixed Income	32.00%	2.05%
International Fixed Income	8.00%	3.00%
Alternatives	20.00%	6.50%
Real Estate	0.00%	6.25%
Cash	0.00%	0.00%
Total	100.00%	
I. Real Rate of Return		4.30%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		6.80%
IV. Less: Investment Expense		0.25%
V. Net investment Return (III.-IV.)		6.55%

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 3.99%.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2019	\$ 18,699,697	\$ 731,660	\$ 17,968,037
Service cost	646,923	-	646,923
Interest on Total OPEB Liability	899,882	-	899,882
Changes in benefit terms *	-	-	-
Changes in assumptions **	629,722	-	629,722
Difference between actual and expected experience **	(43,265)	-	(43,265)
Net investment income	-	29,698	(29,698)
Employer contributions to Trust	-	960,544	(960,544)
Total benefit payments including implicit cost	(812,884)	(812,884)	-
Net change in total OPEB liability	1,320,378	177,358	1,143,020
Balances at June 30, 2020	\$ 20,020,075	\$ 909,018	\$ 19,111,057

\* = Recognized immediately

\*\* = Amortized over 5.85 years

**Discount Rate**

The discount rate used to measure the total OPEB liability was 4.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on those assumptions, the OPEB Plan's Fiduciary Net Position is projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover and the Municipal Bond Rate is applied thereafter. The Municipal Bond Rate is based on the S&P Municipal Bond 20-year High Grade Index, which was 2.66% as of June 30, 2020.

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current rate:

	Current		
	1% Decrease (3.50%)	Discount Rate (4.50%)	1% Increase (5.50%)
Town's net OPEB liability	\$ 21,932,460	\$ 19,111,057	\$ 16,803,672

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current healthcare cost trend rate:

	<b>1% Decrease (3.50%)</b>	<b>Healthcare Cost Trend Rates (4.50%)</b>	<b>1% Increase (5.50%)</b>
Town's net OPEB liability	\$ 16,536,859	\$ 19,111,057	\$ 22,311,423

**Summary of Significant Accounting Policies**

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

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

For the year ended June 30, 2020, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized a net OPEB expense of \$603,701 and reported deferred outflows of resources related to OPEB of \$551,011 from the changes in assumption and the difference between projected and actual investment earnings on OPEB plan investments; and deferred inflows of resources related to OPEB of \$4,656,755 from the from the difference between projected and actual experience and changes in assumption.

The Town's net deferred outflows/(inflows) of resources related to OPEB will be recognized in the OPEB expense as follows:

<b>For years ended June 30,</b>	
<b>2021</b>	\$ (1,137,279)
<b>2022</b>	(1,137,277)
<b>2023</b>	(1,093,252)
<b>2024</b>	(823,148)
<b>2025</b>	85,212
	\$ (4,105,744)

**H. Implementation of New GASB Pronouncements**

The GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement postponed the effective dates of certain provisions in GASB statements and Implementation Guides that first became effective or are scheduled to be effective for periods beginning after June 15, 2018 or later.

**TOWN OF WARE, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2020**

**I. Future GASB Pronouncements**

Management is currently assessing the impact the implementation of the following pronouncements will have on the basic financial statements.

The GASB issued Statement No. 84, *Fiduciary Activities*, for implementation in fiscal year 2021.

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2022.

The GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, for implementation in fiscal year 2021.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, for implementation in fiscal 2022.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, for implementation in fiscal year 2021 and 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF WARE, MASSACHUSETTS  
Required Supplementary Information  
Pension Plan Schedules  
Hampshire County Retirement System  
For the Year Ended June 30, 2020**

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the Town's proportion of the net pension liability and related ratios.

**Schedule of the Town's Proportionate Share of the Net pension Liability:**

<b>Measurement Date</b>	<b>Town's proportion of the net pension liability (asset)</b>	<b>Town's proportionate share of the net pension liability (asset)</b>	<b>Town's covered employee payroll</b>	<b>Net pension liability percentage of covered employee payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
12/31/2019	8.107%	\$ 16,195,260	\$ 6,925,481	233.85%	64.20%
12/31/2018	8.410%	\$ 18,135,674	\$ 7,083,554	256.03%	58.91%
12/31/2017	8.478%	\$ 15,746,105	\$ 6,508,174	241.94%	63.15%
12/31/2016	8.431%	\$ 18,532,222	\$ 6,679,940	277.43%	55.61%
12/31/2015	8.303%	\$ 17,242,205	\$ 7,058,713	244.27%	55.29%
12/31/2014	8.582%	\$ 16,009,733	\$ 6,620,284	241.83%	58.07%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.



**TOWN OF WARE, MASSACHUSETTS  
Required Supplementary Information  
Pension Plan Schedules  
Hampshire County Retirement System  
For the Year Ended June 30, 2020**

The Schedule of the Employer Contributions presents multiyear trend information on the Town's required and actual payments to the pension plan and related ratios.

**Schedule of the Town's Contributions:**

<b>Date</b>	<b>Actuarially determined contribution</b>	<b>Less: Contributions in relation to the actuarially determined contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Town's covered employee payroll</b>	<b>Contributions percentage of covered employee payroll</b>
12/31/2019	\$ 1,969,540	\$ (1,969,540)	\$ -	\$ 6,925,481	28.44%
12/31/2018	\$ 1,900,394	\$ (1,900,394)	\$ -	\$ 7,083,554	26.83%
12/31/2017	\$ 1,808,411	\$ (1,808,411)	\$ -	\$ 6,508,174	27.79%
12/31/2016	\$ 1,660,342	\$ (1,660,342)	\$ -	\$ 6,679,940	24.86%
12/31/2015	\$ 1,546,510	\$ (1,546,510)	\$ -	\$ 7,058,713	21.91%
12/31/2014	\$ 1,498,054	\$ (1,498,054)	\$ -	\$ 6,620,284	22.63%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**TOWN OF WARE, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2020**

**Schedule of Changes in the Net OPEB Liability:**

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Total OPEB liability</b>				
Service cost	\$ 646,923	\$ 569,962	\$ 743,021	\$ 744,842
Interest on Total OPEB liability	899,882	1,155,397	1,095,173	994,420
Changes in Benefit terms	-	-	-	-
Changes in Assumptions	629,722	(1,780,489)	-	-
Difference between actual and expected experience	(43,265)	(4,606,275)	(881,657)	-
Benefit payments, including implicit cost	(812,884)	(777,151)	(815,878)	(781,746)
Net change in total OPEB liability	<u>1,320,378</u>	<u>(5,438,556)</u>	<u>140,659</u>	<u>957,516</u>
Total OPEB liability-beginning	<u>18,699,697</u>	<u>24,138,253</u>	<u>23,997,594</u>	<u>23,040,078</u>
<b>Total OPEB liability-ending (a)</b>	<b><u>\$ 20,020,075</u></b>	<b><u>\$ 18,699,697</u></b>	<b><u>\$ 24,138,253</u></b>	<b><u>\$ 23,997,594</u></b>
<b>Plan fiduciary net position</b>				
Net investment income	\$ 29,698	\$ 31,618	\$ 17,224	\$ 16,115
Employer contributions to Trust	960,544	935,093	989,238	895,996
Benefit payments, including refunds of member contributions	(812,884)	(777,151)	(815,878)	(781,746)
Net change in plan fiduciary net position	<u>177,358</u>	<u>189,560</u>	<u>190,584</u>	<u>130,365</u>
Total fiduciary net position-beginning	<u>731,660</u>	<u>542,100</u>	<u>351,516</u>	<u>221,151</u>
<b>Total fiduciary net position-ending (b)</b>	<b><u>\$ 909,018</u></b>	<b><u>\$ 731,660</u></b>	<b><u>\$ 542,100</u></b>	<b><u>\$ 351,516</u></b>
<b>Town's net OPEB liability (a-b)</b>	<b><u>\$ 19,111,057</u></b>	<b><u>\$ 17,968,037</u></b>	<b><u>\$ 23,596,153</u></b>	<b><u>\$ 23,646,078</u></b>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**TOWN OF WARE, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2020**

**Schedule of Net OPEB Liability:**

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability	\$ 20,020,075	\$ 18,699,697	\$ 24,138,253	\$ 23,997,594
Less: Plan fiduciary net position	<u>(909,018)</u>	<u>(731,660)</u>	<u>(542,100)</u>	<u>(351,516)</u>
Town's Net OPEB liability	<u>\$ 19,111,057</u>	<u>\$ 17,968,037</u>	<u>\$ 23,596,153</u>	<u>\$ 23,646,078</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.54%	3.91%	2.25%	1.46%
Town's share of covered employee payroll	\$ 14,561,636	\$ 14,137,511	\$ 14,162,328	\$ 13,391,060
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	131.24%	127.09%	166.61%	176.58%

**Schedule of Contributions:**

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarially determined contribution	\$ 1,769,657	\$ 1,654,210	\$ 2,129,245	\$ 2,049,403
Less: Contributions in relation to the actuarially determined contribution	<u>(960,544)</u>	<u>(935,093)</u>	<u>(989,238)</u>	<u>(895,996)</u>
Contribution deficiency (excess)	<u>\$ 809,113</u>	<u>\$ 719,117</u>	<u>\$ 1,140,007</u>	<u>\$ 1,153,407</u>
Town's share of covered employee payroll	\$ 14,561,636	\$ 14,137,511	\$ 14,162,328	\$ 13,391,060
Contributions percentage of covered-employee payroll	6.60%	6.61%	6.98%	6.69%
Annual money-weighted rate of return net of investment expense	3.99%	5.57%	4.71%	7.00%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**TOWN OF WARE, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2020**

**Schedule of Funding Progress:**

<b>Other Post Employment Benefits</b>						
<b>Measurement Date</b>	<b>Actuarial Fiduciary Net Position (A)</b>	<b>Actuarial Total OPEB Liability (B)</b>	<b>Actuarial Net OPEB Liability (B-A)</b>	<b>Actuarial Funded Ratio (A/B)</b>	<b>Actuarial Covered Payroll (C)</b>	<b>Actuarial Percentage of Covered Payroll ((B-A)/C)</b>
6/30/2020	\$ 909,018	\$ 20,020,075	\$ 19,111,057	4.5%	\$ 14,561,636	131.2%
6/30/2019	\$ 731,660	\$ 18,699,697	\$ 17,968,037	3.9%	\$ 14,137,511	127.1%
6/30/2018	\$ 542,100	\$ 24,138,253	\$ 23,596,153	2.2%	\$ 14,162,328	166.6%
6/30/2017	\$ 351,516	\$ 23,997,594	\$ 23,646,078	1.5%	\$ 13,391,060	176.6%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

## **SUPPLEMENTARY SCHEDULES**

**TOWN OF WARE, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances				Other Financing	Fund Balances
	July 1, 2019	Revenues	Expenditures	Sources (Uses)	June 30, 2020	
<b>Special Revenue:</b>						
<b>Federal and State Grants:</b>						
School Grants	\$ 4,953	\$ 806,972	\$ 791,301	\$ -	\$ 20,624	
Arts Lottery Council Grant	3,595	8,119	3,480	-	8,234	
Community Development Block Grants	265,954	784,221	823,190	-	226,985	
Council on Aging Grants	740	39,067	33,712	-	6,095	
Green Communities Grant	(58,642)	49,648	-	23,057	14,063	
Highway Grants	-	898,050	898,050	-	-	
Job Access And Commute Grant	(39,957)	182,034	160,382	-	(18,305)	
Library Grants	7,893	16,685	24,578	-	-	
Massachusetts Preservation Grant	-	20,000	20,000	-	-	
Other Grants and Programs	60,330	489,429	437,032	(10,057)	102,670	
Public Safety Grants	28,188	317,641	291,407	-	54,422	
Strategic Demolition Grant	-	-	23,725	-	(23,725)	
Emergency Management Grants	-	23,836	32,005	-	(8,169)	
<b>Schools:</b>						
School Lunch Revolving	154,203	531,006	541,630	-	143,579	
School Lunch Commodities	-	38,191	38,191	-	-	
School Choice	630,572	222,557	13,010	-	840,119	
School Revolving Accounts	143,143	47,272	49,397	-	141,018	
State Special Education Reimbursement Fund	53,909	398,815	374,712	-	78,012	
<b>Other:</b>						
Ambulance	143,786	709,917	-	(741,587)	112,116	
Bulky Waste Revolving	9,650	-	350	-	9,300	
Cemetery Revolving	8,460	6,350	6,079	-	8,731	
Council on Aging Center Rental Revolving	5,277	273	115	-	5,435	
Drug Forfeiture	3,012	1,190	90	-	4,112	
Gifts and Donations	94,319	96,983	87,010	-	104,292	
Insurance Reimbursements	4,585	-	-	-	4,585	
Other Grants and Programs	15,010	-	-	-	15,010	
Police Outside Duty	-	281,937	281,937	-	-	
<b>Total Special Revenue Funds Page 70</b>	<b>\$ 1,538,980</b>	<b>\$ 5,970,193</b>	<b>\$ 4,931,383</b>	<b>\$ (728,587)</b>	<b>\$ 1,849,203</b>	

**TOWN OF WARE, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
<b>Continued From Page 70</b>	\$ 1,538,980	\$ 5,970,193	\$ 4,931,383	\$ (728,587)	\$ 1,849,203
<b>Special Revenue (continued):</b>					
<b>Other (continued):</b>					
Premium on Bonds	13,542	2,351	-	-	15,893
Recreation Revolving	10,000	18,180	16,447	(1,733)	10,000
Sale of Cemetery Lots	10,985	767	-	-	11,752
Sale of Property	99,192	-	-	-	99,192
School Rail Fund	2,798	-	-	-	2,798
Septic Repair Loan Repayments	28,034	1,455	-	-	29,489
Water/Sewer Development	5,729	8	-	-	5,737
Compensated Absences Reserve	95,023	1,581	21,633	20,000	94,971
Gilbert Grenville Park Fund	96,022	12,958	5,550	-	103,430
Reed Swimming Pool Fund	11,228	8,229	5,687	-	13,770
Municipal Insurance Fund	6,127	114	-	-	6,241
<b>Total Special Revenue Funds</b>	<b>1,917,660</b>	<b>6,015,836</b>	<b>4,980,700</b>	<b>(710,320)</b>	<b>2,242,476</b>
<b>Capital Projects:</b>					
Department of Public Works equipment	(183,089)	-	255,000	36,800	(401,289)
Elementary School boiler replacement	(110,078)	475,283	610,746	-	(245,541)
Fire Station construction	39,585	-	6,600	-	32,985
Landfill capping	33,053	-	-	-	33,053
Old Poor Farm Road culvert	(289,169)	-	-	11,600	(277,569)
Parks equipment	317	-	-	-	317
Purchase of Land	(122,537)	-	-	24,600	(97,937)
Road improvements	380	-	-	-	380
School flooring	5,084	-	-	-	5,084
School underground storage tank removal	5,806	-	-	-	5,806
Town Hall roof repairs	11,790	-	5,475	-	6,315
Ware Middle School construction	(46,853)	751,428	928,128	-	(223,553)
<b>Total Capital Projects</b>	<b>\$ (655,711)</b>	<b>\$ 1,226,711</b>	<b>\$ 1,805,949</b>	<b>\$ 73,000</b>	<b>\$ (1,161,949)</b>

**TOWN OF WARE, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Fund Balances July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2020
<b>Perpetual Permanent Funds:</b>					
Cemetery Perpetual Care Funds:					
Aspen Grove Fund	\$ 133,087	\$ 650	\$ -	\$ -	\$ 133,737
Susan Connell Fund	4,000	-	-	-	4,000
George L. Draper Fund	10,000	-	-	-	10,000
Mary Packard Fund	2,000	-	-	-	2,000
Donald Sherman Fund	500	-	-	-	500
Josephine Wood Fund	4,101	-	-	(3,101)	1,000
<b>Total Perpetual Permanent Funds</b>	<b>153,688</b>	<b>650</b>	<b>-</b>	<b>(3,101)</b>	<b>151,237</b>
<b>Permanent Funds:</b>					
Cemetery Perpetual Care Funds:					
Aspen Grove Fund	20,881	4,216	4,999	-	20,098
Susan Connell Fund	396	18	-	-	414
George L. Draper Fund	291	38	-	-	329
Helen Handanian Fund	2,151	349	115	-	2,385
Mary Packard Fund	1,005	56	85	-	976
Reed Memorial Fund	19,396	6,070	5,214	-	20,252
Donald Sherman Fund	845	25	-	-	870
Josephine Wood Fund	1,743	92	506	3,101	4,430
<b>Total Permanent Funds</b>	<b>46,708</b>	<b>10,864</b>	<b>10,919</b>	<b>3,101</b>	<b>49,754</b>
<b>Total - Non-Major Governmental Funds</b>	<b>\$ 1,462,345</b>	<b>\$ 7,254,061</b>	<b>\$ 6,797,568</b>	<b>\$ (637,320)</b>	<b>\$ 1,281,518</b>



**TOWN OF WARE, MASSACHUSETTS  
SCHEDULE OF REAL ESTATE, PERSONAL PROPERTY, SUPPLEMENTAL AND ROLLBACK TAXES  
JULY 1, 2019 TO JUNE 30, 2020**

	Uncollected Taxes July 1, 2019	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2020	Uncollected Taxes Per Detail June 30, 2020
<b>Real Estate Taxes:</b>						
Levy of 2020	\$ -	\$ 15,015,331	\$ 88,865	\$ 14,407,178	\$ 519,288	\$ 519,288
Levy of 2019	619,487	-	166,396	415,794	37,297	37,297
Levy of 2018	94,393	-	20,199	72,498	1,696	1,696
Levy of 2017	1,911	-	-	1,911	-	-
Levy of 2016	546	-	-	546	-	-
	<u>716,337</u>	<u>15,015,331</u>	<u>275,460</u>	<u>14,897,927</u>	<u>558,281</u>	<u>558,281</u>
<b>Personal Property Taxes:</b>						
Levy of 2020	-	486,165	421	470,177	15,567	15,567
Levy of 2019	10,323	-	-	9,409	914	914
Levy of 2018	1,142	-	-	56	1,086	1,086
Levy of 2017	2,756	-	-	983	1,773	1,773
Levy of 2016	1,003	-	-	81	922	922
Prior Years	1,192	-	-	127	1,065	1,065
	<u>16,416</u>	<u>486,165</u>	<u>421</u>	<u>480,833</u>	<u>21,327</u>	<u>21,327</u>
<b>Supplemental Taxes</b>						
Levy of 2020	-	14,693	-	13,290	1,403	1,403
Levy of 2019	932	-	-	932	-	-
Levy of 2018	3,182	-	-	2,601	581	581
Levy of 2017	2,011	-	-	2,011	-	-
	<u>6,125</u>	<u>14,693</u>	<u>-</u>	<u>18,834</u>	<u>1,984</u>	<u>1,984</u>
<b>Rollback Taxes</b>	<u>13,012</u>	<u>3,410</u>	<u>-</u>	<u>3,425</u>	<u>12,997</u>	<u>12,997</u>
<b>Total Real Estate, Personal Property, Supplemental and Rollback Taxes</b>	<u>\$ 751,890</u>	<u>\$ 15,519,599</u>	<u>\$ 275,881</u>	<u>\$ 15,401,019</u>	<u>\$ 594,589</u>	<u>\$ 594,589</u>

**TOWN OF WARE, MASSACHUSETTS  
SCHEDULE OF MOTOR VEHICLE AND BOAT EXCISE TAXES  
JULY 1, 2019 TO JUNE 30, 2020**

	<b>Uncollected Taxes July 1, 2019</b>	<b>Commitments</b>	<b>Abatements and Adjustments</b>	<b>Collections Net of Refunds and Overpayments</b>	<b>Uncollected Taxes June 30, 2020</b>	<b>Uncollected Taxes Per Detail June 30, 2020</b>
<b>Motor Vehicle Excise Taxes:</b>						
Levy of 2020	\$ -	\$ 1,008,330	\$ 9,981	\$ 839,221	\$ 159,128	\$ 159,128
Levy of 2019	146,337	111,130	13,588	204,503	39,376	39,376
Levy of 2018	29,914	-	-	17,586	12,328	12,328
Levy of 2017	14,404	-	-	4,928	9,476	9,476
Levy of 2016	8,770	-	-	2,077	6,693	6,693
Prior Years	33,863	474	-	2,577	31,760	31,760
	<u>233,288</u>	<u>1,119,934</u>	<u>23,569</u>	<u>1,070,892</u>	<u>258,761</u>	<u>258,761</u>
<b>Boat Excise Taxes</b>	<u>514</u>	<u>1,938</u>	<u>10</u>	<u>2,211</u>	<u>231</u>	<u>231</u>
<b>Total Motor Vehicle and Boat Excise Taxes</b>	<u>\$ 233,802</u>	<u>\$ 1,121,872</u>	<u>\$ 23,579</u>	<u>\$ 1,073,103</u>	<u>\$ 258,992</u>	<u>\$ 258,992</u>

**TOWN OF WARE, MASSACHUSETTS  
SCHEDULE OF TAX LIENS  
JULY 1, 2019 TO JUNE 30, 2020**

	<b>Uncollected Accounts July 1, 2019</b>	<b>Commitments</b>	<b>Abatements and Adjustments</b>	<b>Collections Net of Refunds and Overpayments</b>	<b>Uncollected Accounts June 30, 2020</b>	<b>Uncollected Accounts Per Detail June 30, 2020</b>
<b>Tax Liens</b>	\$ 509,984	\$ 257,635	\$ 8,797	\$ 199,662	\$ 559,160	\$ 556,782