

MARTHA'S VINEYARD LAND BANK

**FINANCIAL STATEMENTS, REQUIRED
SUPPLEMENTARY INFORMATION, AND
SUPPLEMENTAL INFORMATION**

JUNE 30, 2021

MARTHA'S VINEYARD LAND BANK

Financial Statements, Required Supplementary Information, and Supplemental Information

June 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Martha's Vineyard
Land Bank Commission
Edgartown, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the Martha's Vineyard Land Bank (the "Land Bank"), which comprise the statement of net position as of June 30, 2021, the related statement of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Martha's Vineyard Land Bank as of June 30, 2021, and the respective changes in net position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("GASB"), 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the Martha's Vineyard Land Bank's basic financial statements. The supplemental schedule of land, development rights and land improvements, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021, on our consideration of the Land Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Land Bank's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Martha's Vineyard Land Bank's internal control over financial reporting and compliance.



**Certified Public Accountants
Braintree, Massachusetts**

October 26, 2021

MARTHA'S VINEYARD LAND BANK

Management's Discussion and Analysis (Unaudited)

Fiscal Year Ended June 30, 2021

Financial Statements

The financial statements presented herein include all of the activity of the Martha's Vineyard Land Bank (the "Land Bank") using the integrated approach as prescribed by Governmental Accounting Standards Board ("GASB") Statement 34.

The financial statements are on an accrual basis of accounting and include all assets and liabilities of the Land Bank.

The Land Bank was created by Chapter 736 of the Acts of 1985 of the Commonwealth of Massachusetts. The Land Bank was established to acquire and manage land located within Martha's Vineyard.

Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report all of the activities of the Land Bank on an accrual basis of accounting. All of the current year's revenues and expenses are recorded when they occurred, regardless of when the cash is received or paid.

The two statements reflect the Land Bank's net position and the changes in net position. Net position is the difference between total assets and deferred outflows or resources and total liabilities and deferred inflows of resources. Measuring net position is one way to determine the financial stability of an organization or an organization's financial position. The statements of revenues, expenses, and changes in net position show the change in net position from one year to the next year. This statement shows the components during the year that either increased or decreased the net position. Over time, increases or decreases in the Land Bank's net position are one factor of measuring whether the financial health of the organization is improving or deteriorating.

MARTHA'S VINEYARD LAND BANK

Management's Discussion and Analysis (Unaudited) - Continued

Fiscal Year Ended June 30, 2021

Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position - Continued

Net Position of the Land Bank for the fiscal years ended June 30, 2021 and 2020, was as follows:

	<u>2021</u>	<u>2020</u>
Current assets	\$ 25,852,208	\$ 19,535,484
Capital assets	234,714,215	206,859,443
Deferred outflows of resources	<u>1,213,069</u>	<u>1,313,119</u>
Total	<u>261,779,490</u>	<u>227,708,046</u>
Current and other liabilities	4,209,961	2,952,958
Long-term debt	60,901,461	52,141,799
Deferred inflows of resources	<u>1,505,765</u>	<u>468,953</u>
Total	<u>66,617,187</u>	<u>55,563,710</u>
Net position:		
Investment in capital assets, net	171,411,597	154,688,988
Restricted	839,311	2,334,394
Unrestricted	<u>22,911,395</u>	<u>15,120,954</u>
Total Net Position	\$ <u>195,162,303</u>	\$ <u>172,144,336</u>

Changes in net position for the fiscal years ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Operating revenues	\$ 27,065,168	\$ 15,037,358
Operating expenses	<u>2,058,981</u>	<u>2,050,697</u>
Net Operating Income	25,006,187	12,986,661
Non-Operating Revenue (Expense)	<u>(1,988,220)</u>	<u>(1,757,463)</u>
Changes in Net Position	\$ <u>23,017,967</u>	\$ <u>11,229,198</u>

MARTHA'S VINEYARD LAND BANK

Management's Discussion and Analysis (Unaudited) - Continued

Fiscal Year Ended June 30, 2021

Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position - Continued

Total net position increased 13.4% from 2020 to 2021 and 6.9% from 2019 to 2020. A portion of this increase was related to capital assets and is reflected in the increase in net investment in capital assets. Unrestricted net position increased by 51.5% from 2020 to 2021 and increased by 57.6% from 2019 to 2020.

Fiscal year 2021 had an increase in fee revenues of approximately \$12,015,000 from 2020 levels. Fee revenues represent 99% to 100% of all operating revenues of the Land Bank for fiscal years ended June 30, 2021 and 2020.

The Land Bank increased its investment in land, development rights and land improvements during fiscal year 2021 by approximately \$16.7 million. Part of this increase related to the principal payments on bonds and notes payable of approximately \$3.2 million during the year ended June 30, 2021.

Contacting Land Bank Management

This financial report is designed to provide citizens with a general overview of the Land Bank's finances and to show the Land Bank's accountability for the money it receives. If there are questions about this report, please contact Martha's Vineyard Land Bank at P.O. Box 2057, Edgartown, MA 02539.

MARTHA'S VINEYARD LAND BANK

Statement of Net Position

June 30, 2021

MARTHA'S VINEYARD LAND BANK

Statement of Net Position

June 30, 2021

Assets and Deferred Outflows of Resources

Current Assets:

Cash and equivalents	\$ 15,567,282
Investments:	
Unrestricted	9,445,613
Restricted	<u>839,311</u>
Total Current Assets	<u>25,852,206</u>

Capital Assets:

Property and equipment, net of accumulated depreciation of \$953,602	370,848
Land, development rights and land improvements, net of accumulated depreciation of \$121,681	<u>234,343,367</u>
Total Capital Assets	<u>234,714,215</u>

Total Assets 260,566,421

Deferred Outflows of Resources:

Deferred loss on bond refunding	477,759
Pension related, net	171,871
OPEB related, net	<u>563,439</u>
Total Deferred Outflows of Resources	<u>1,213,069</u>

Total Assets and Deferred Outflows of Resources \$ 261,779,490

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

Liabilities, Deferred Inflows of Resources and Net Position

Current Liabilities:

Notes payable, current portion	\$ 1,573,872
Bonds payable, current portion	2,290,000
Accounts payable and accrued expenses	<u>346,089</u>

Total Current Liabilities 4,209,961

Long-Term Liabilities:

Notes payable, net of current portion	13,028,445
Bonds payable, net of current portion	46,744,515
Net pension liability	373,896
Net OPEB liability	<u>754,605</u>

Total Long-Term Liabilities 60,901,461

Total Liabilities 65,111,422

Deferred Inflows of Resources:

Deferred gain on bond refunding	143,545
Pension related, net	338,769
OPEB related, net	<u>1,023,451</u>

Total Deferred Inflows of Resources 1,505,765

Net Position:

Net investment in capital assets	171,411,597
Restricted	839,311
Unrestricted	<u>22,911,395</u>

Total Net Position 195,162,303

Total Liabilities, Deferred Inflows of Resources and Net Position \$ 261,779,490

MARTHA'S VINEYARD LAND BANK

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2021

Operating Revenues:	
Fee revenues	\$ 26,925,427
Other income	<u>139,741</u>
Total Operating Revenues	<u>27,065,168</u>
Operating Expenses:	
Administrative	<u>2,058,981</u>
Operating Income	<u>25,006,187</u>
Non-operating Revenues and Expenses:	
Interest income	88,843
Interest expense	<u>(2,077,063)</u>
Total Non-operating Revenues and Expenses	<u>(1,988,220)</u>
Increase in Net Position	23,017,967
Net Position, Beginning of Year	<u>172,144,336</u>
Net Position, End of Year	<u><u>\$ 195,162,303</u></u>

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

MARTHA'S VINEYARD LAND BANK

Statement of Cash Flows

For the Year Ended June 30, 2021

Cash Flows from Operating Activities:

Cash received from fee and other revenue	\$ 27,065,168
Cash payments to suppliers	(1,265,303)
Cash paid to employees for services	<u>(1,026,641)</u>

Net Cash Provided by Operating Activities 24,773,224

Cash Flows from Capital and Related Financing Activities:

Principal payments on notes payable	(997,683)
Principal payments on bonds payable	(2,205,000)
Interest paid on notes and bonds	<u>(2,396,670)</u>

Net Cash Applied to Capital and Related Financing Activities (5,599,353)

Cash Flows from Investing Activities:

Acquisition of land, development rights and land improvements	(12,405,626)
Acquisition of property and equipment	(457,911)
Purchase of investments	(3,737,660)
Return of restricted investments	1,495,083
Interest income	<u>42,104</u>

Net Cash Applied to Investing Activities (15,064,010)

Net Increase in Cash and Equivalents 4,109,861

Cash and Equivalents, Beginning of Year 11,457,421

Cash and Equivalents, End of Year \$ 15,567,282

MARTHA'S VINEYARD LAND BANK

Statement of Cash Flows - Continued

For the Year Ended June 30, 2021

Reconciliation of Increase in Net Position to Net Cash

Provided by Operating Activities:

Operating Income	<u>\$ 25,006,187</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	91,220
Changes in assets and liabilities:	
Accounts payable and accrued expenses	(41,669)
Net pension activity	(60,788)
Net OPEB activity	<u>(221,726)</u>
Net Adjustments	<u>(232,963)</u>
Net Cash Provided by Operating Activities	<u>\$ 24,773,224</u>

Non-Cash Transactions:

Acquisition of land through issuance of note payable	<u>\$ 15,000,000</u>
Acquisition of land through usage of deposits	<u>\$ 82,455</u>

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

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements

June 30, 2021

Note 1 - Summary of Significant Accounting Policies

Business Activity

The Martha's Vineyard Land Bank (the "Land Bank") was created by Chapter 736 of the Acts of 1985 of the Commonwealth of Massachusetts (the "Commonwealth") to acquire and manage open space and resource protection on the island of Martha's Vineyard. The Land Bank is administered by the Martha's Vineyard Land Bank Commission (the "Commission"), comprised of seven members, one elected from each of the six towns, which constitute the island of Martha's Vineyard, and one at-large member selected by the Department of Environmental Affairs of the Commonwealth. Each of the towns is required to appoint an advisory board to assist the Commission. Land purchases by the Land Bank are subject to approval by (a) a majority vote of each town's advisory board, in whose town the land is located, irrespective of whether the town's fund is used for the purchase and (b) the Commission. The law provides that the operations and acquisitions of the Land Bank will be financed principally by fees imposed upon certain transfers of real property interests in the member towns that represent the Land Bank and income earned from the investment of the Land Bank's surplus funds. The Land Bank may also issue bonds and notes to raise funds to acquire land and interests in land. The Land Bank holds title to certain properties that have been acquired and holds development rights to other properties.

Measurement Focus, Basis of Accounting and Basis of Presentation

The Land Bank uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made as facts and circumstances require. As future events and their effects cannot be determined with certainty, actual results may differ from the estimates used in preparing the accompanying financial statements. Significant estimates and assumptions are required as part of estimating depreciation, amortization, net pension and Other Postemployment Benefits "OPEB" liabilities, and the recoverability of long-lived assets.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 1 - Summary of Significant Accounting Policies - Continued

Revenue Recognition

Fee revenue is equal to two percent of the purchase price upon certain transfers of real property and is recognized on transfer. Interest income generated on investments is recognized as earned. Donations in the form of cash or property are recognized upon receipt.

Cash and Equivalents

The Land Bank considers securities purchased within three months of their date of maturity to be cash equivalents. The carrying amount approximates fair value for cash and equivalents.

Investments

Investments are originally recorded at cost if purchased or fair value if donated. Subsequent to the purchase, the investments are reflected at fair market value.

Unrestricted investments represent certificates of deposit, money market funds, and repurchase agreements. Unrestricted investments are not insured and involve risk. Restricted investments represent funds being held by the bond trustee as a reserve fund to provide principal and interest payments. These investments have been pledged as security on revenue bonds.

The Land Bank reports its investments in equity securities with readily determinable fair values at their fair value on the statement of net position, with the corresponding unrealized gains and losses included in the statement of net position. Realized gains and losses are determined on the basis of the first-in and first-out method.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using straight-line methods over the estimated useful asset lives.

Income Taxes

The Land Bank is exempt from federal and state income taxes.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 1 - Summary of Significant Accounting Policies - Continued

Pensions

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

OPEB

In addition to providing pension benefits, the Land Bank provides health insurance coverage to retired employees. For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information amount the fiduciary net position of the Dukes County Pooled OPEB Trust Fund (the "Trust") and additions to/deductions from the Trust's fiduciary net position have been determined on the basis as they are reported by the Trust. For this purpose, the Trust recognizes the benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Resources are classified, for accounting purposes, into the following three net position categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair, or improvement of those assets.

Restricted: Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the Land Bank or by the passage of time.

Unrestricted: All other categories of net position. Unrestricted net position may be designated by actions of the Land Bank.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 1 - Summary of Significant Accounting Policies - Continued

New Governmental Accounting Pronouncements

GASB Statement 87 – Leases is effective for periods beginning after June 15, 2021. Implementation of this standard will require lessees to recognize on their statement of net position the rights and obligations resulting from leases categorized as operating leases as assets, liabilities, or deferred inflows and outflows of resources. It provides for an election on leases with terms of less than twelve months to be excluded from this standard.

GASB Statement 89 – Accounting for Interest Costs Incurred before the End of a Construction Period is effective for reporting periods beginning after December 15, 2019. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement 90 – Majority Equity Interests, an amendment of GASB Statements 14 and 61 is effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to improve the consistency of reporting a government's majority equity interest in a legally separate organization. A majority equity interest should be recognized using the equity method if the government's holding of the equity interest represents an investment.

GASB Statement 91 – Conduit Debt Obligations is effective for reporting periods beginning after December 15, 2021. The objective of this Statement is to improve the consistency of reporting conduit debt. This Statement requires government entities that issue conduit debt, but are not the obligors, not to recognize the liability unless it is more likely than not that the government issuer will service the debt.

GASB Statement 92 – Omnibus 2020 is effective for reporting periods beginning after June 15, 2021. The objective of this Statement is to improve comparability in financial reporting for leases, pensions, OPEB, and asset retirement obligations.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 1 - Summary of Significant Accounting Policies - Continued

New Governmental Accounting Pronouncements - continued

GASB Statement 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements is effective for reporting periods beginning after June 15, 2022. The objective of this Statement is to provide accounting and financial reporting guidance for arrangements in which the governmental entity (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset.

Management has not completed its review of the requirements of these standards and its applicability.

Operations

In March 2020, the Governor of Massachusetts declared a state of emergency and ordered all non-essential business services to temporarily cease due to the COVID-19 outbreak. The Land Bank's main source of revenue results from sales of real estate, which was deemed essential.

Note 2 - Cash and Equivalents

Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, the financial institution has pledged assets to the Land Bank to guarantee recovery of balances in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC") and Depositors Insurance Fund ("DIF"). The DIF insures all balances in excess of the amounts insured by the FDIC. The Land Bank's informal custodial risk policy is to deposit funds at banks with DIF. The Land Bank's bank balances at June 30, 2021 were approximately \$15.6 million.

Note 3 - Investments

The Land Bank categorizes short-term investments according to the level of risk assumed. At June 30, 2021, all investments are insured, registered, or held by the Land Bank's agent in the Land Bank's name. The Land Bank currently follows investment policies largely defined by the Commonwealth of Massachusetts.

Concentration of Credit Risk

At June 30, 2021, the Land Bank had invested \$10,284,924 with a single issuer representing 100% of the Land Bank's investment.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 3 - Investments - Continued

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>Ending 6-10</u>	<u>More Than 10</u>
Money market	<u>1,028,130</u>	<u>1,028,130</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,028,130</u>	<u>\$1,028,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other Investments</u>					
Exchange-traded funds	<u>9,256,794</u>				
Total	<u>\$10,284,924</u>				

The following table summarizes the quality ratings of the Land Bank's debt investments at June 30, 2021:

<u>Investment Type</u>	<u>Value</u>	<u>Quality Ratings</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Money market	<u>1,028,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,028,130</u>
Total	<u>\$ 1,028,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,028,130</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. Through its investment policy, the Land Bank manages its exposure to fair value losses arising from increasing interest rates by limiting the average duration of an actively managed fixed income portfolio to no more than five years.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 3 - Investments - Continued

Fair Value Hierarchy

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of fiduciary net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to assess at the measurement date; Level 2 inputs are other than quoted prices that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data; Level 3 inputs are significant unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. At June 30, 2021, the Land Bank's investments are all considered Level 1 within the fair value hierarchy.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2021.

Money market funds: Valued at the current available closing price reported or based on values obtained on comparable funds.

Exchange—traded funds: Valued at the closing price reported on the active market on which the individual securities are traded. .

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 4 - Capital Assets

Capital Assets consist of the following at June 30, 2021 :

	Estimated lives (in years)	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Capital assets, not depreciated:						
Land		\$ 105,350	\$ -	\$ -	\$ -	\$ 105,350
Development rights		4,991,110	-	-	-	4,991,110
Land - acquisitions		<u>201,122,852</u>	<u>27,488,081</u>	<u>-</u>	<u>-</u>	<u>228,610,933</u>
Total not depreciated		<u>206,219,312</u>	<u>27,488,081</u>	<u>-</u>	<u>-</u>	<u>233,707,393</u>
Capital assets depreciated:						
Buildings and improvements	11-40	240,739	-	-	-	240,739
Furnishings and equipment	3-10	864,686	113,675	-	-	978,361
Land improvements	15-40	<u>518,768</u>	<u>344,236</u>	<u>-</u>	<u>-</u>	<u>863,004</u>
Total depreciated		<u>1,624,193</u>	<u>457,911</u>	<u>-</u>	<u>-</u>	<u>2,082,104</u>
Less accumulated depreciation:						
Buildings and improvements		156,804	7,449	-	-	164,253
Furnishings and equipment		730,457	58,891	-	-	789,348
Land improvements		<u>96,801</u>	<u>24,880</u>	<u>-</u>	<u>-</u>	<u>121,681</u>
Total accumulated depreciation		<u>984,062</u>	<u>91,220</u>	<u>-</u>	<u>-</u>	<u>1,075,282</u>
Net depreciable assets		<u>640,131</u>	<u>366,691</u>	<u>-</u>	<u>-</u>	<u>1,006,822</u>
Capital Assets, net		<u>\$ 206,859,443</u>	<u>\$ 27,854,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,714,215</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 5 - Long-Term Liabilities

Long-term liabilities at June 30, 2021 consist of:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Notes and bonds payable:					
Notes payable	\$ 600,000	\$ 15,000,000	\$ 997,683	\$ 14,602,317	\$ 1,573,872
Bonds payable	<u>51,570,455</u>	<u>-</u>	<u>2,535,940</u>	<u>49,034,515</u>	<u>2,290,000</u>
Total notes and bonds payable	<u>52,170,455</u>	<u>15,000,000</u>	<u>3,533,623</u>	<u>63,636,832</u>	<u>3,863,872</u>
Other long-term liabilities:					
Net pension liability	457,949	-	84,053	373,896	-
Net OPEB liability	<u>2,068,395</u>	<u>-</u>	<u>1,313,790</u>	<u>754,605</u>	<u>-</u>
Total other long-term liabilities	<u>2,526,344</u>	<u>-</u>	<u>1,397,843</u>	<u>1,128,501</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$ 54,696,799</u>	<u>\$ 15,000,000</u>	<u>\$ 4,931,466</u>	<u>\$ 64,765,333</u>	<u>\$ 3,863,872</u>

Notes Payable

Notes payable at June 30, 2021, are as follows:

Private party; annual principal payments of \$145,060, plus interest at 1.20%, due December 2030, secured by land.	\$ 14,352,317
Private party; annual principal payments of \$250,000, plus interest at 1.20%, due February 2021, secured by land.	<u>250,000</u>
Total notes payable	14,602,317
Less: current portion	<u>(1,573,872)</u>
Notes payable, net of current portion	<u>\$ 13,028,445</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 5 - Long-Term Liabilities - Continued

Notes Payable - continued

Future principal maturities of long-term debt subsequent to June 30, 2021 are as follows:

Years Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,573,872	\$ 419,842	\$ 1,993,714
2023	1,364,568	376,146	1,740,714
2024	1,406,515	334,200	1,740,715
2025	1,449,751	290,963	1,740,714
2026	1,494,316	246,668	1,740,984
2027-2031	<u>7,313,295</u>	<u>522,152</u>	<u>7,835,447</u>
	<u>\$ 14,602,317</u>	<u>\$ 2,189,971</u>	<u>\$ 16,792,288</u>

Bonds Payable

Bonds payable at June 30, 2021, secured by future transfer fees and designated investments, consist of the following:

Revenue Refunding Bonds, Series 2017, dated March 1, 2017, bearing interest at 2% to 5%, matures at various dates through May 1, 2036.	\$ 14,360,000
Land Acquisition Bonds, Series 2014 Revenue, dated November 13, 2014, bearing interest at 3% to 5%, matures at various dates through May 1, 2034.	<u>31,180,000</u> 44,540,000
Plus: bond premiums net of accumulated amortization of \$1,677,989.	<u>4,494,515</u>
Total bonds payable	49,034,515
Less: current portion	<u>2,290,000</u>
Bonds payable, net of current portion	<u>\$ 46,744,515</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 5 - **Long-Term Liabilities - Continued**

Bonds Payable - continued

Aggregate payments of principal and interest on bonds payable subsequent to June 30, 2021 are as follows:

Years Ending			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,290,000	\$ 2,076,188	\$ 4,366,188
2023	2,390,000	1,979,138	4,369,138
2024	2,505,000	1,859,638	4,364,638
2025	2,640,000	1,734,388	4,374,388
2026	2,770,000	1,602,388	4,372,388
2027-2031	15,850,000	6,024,502	21,874,502
2032-2036	<u>16,095,000</u>	<u>2,082,800</u>	<u>18,177,800</u>
	<u>\$ 44,540,000</u>	<u>\$ 17,359,042</u>	<u>\$ 61,899,042</u>

Note 6 - **Pensions**

Defined Benefit Plan Description

The Land Bank contributes to the Dukes County Contributory Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the County of Dukes County Retirement Board. All full-time employees of the Land Bank are members of the System. The System provides retirement, disability, and death benefits to plan members and beneficiaries. Chapter 32 of the Massachusetts General Law assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's law during those years are funded by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the County of Dukes County Retirement Board and funded by the System.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 6 - **Pensions - Continued**

Defined Benefit Plan Description - continued

The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission. That report may be obtained by contacting the System at 9 Airport Road, RRI Box 862, Vineyard Haven, Massachusetts 02568.

Benefit Provisions

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

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55. Most employees who joined the System after April 1, 2012, are not eligible for retirement until they have reached age 60.

Contributions

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

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 6 - **Pensions - Continued**

Contributions - continued

Member contributions for Dukes County Contributory Retirement System (DCCRS) vary depending on the most recent date of membership:

<u>Hire Date</u>	<u>Percentage of Compensation</u>
Prior to 1975	5% of regular compensation
1975-1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
1979 to present	An additional 2% of regular compensation in excess of \$30,000

The Land Bank is required to contribute at an actuarially determined rate; the rate was 12.3% of annual covered payroll for the fiscal year ended June 30, 2021. The Land Bank contributed \$89,906 for the fiscal year ended June 30, 2021, equal to 100% of the required contribution for the year.

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

At June 30, 2021, the Land Bank reported a liability of \$373,896 for its proportionate - share of the net pension liability related to its participation in DCCRS. The net pension liability as of June 30, 2021, the reporting date, was measured as of December 31, 2020, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

At June 30, 2021, the Land Bank's proportion of the net pension liability was 1.566%. For the year ended June 30, 2021, the Land Bank recognized pension expense of \$29,118.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 6 - **Pensions - Continued**

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - continued

The Lank Bank reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2021:

Deferred Outflows of Resources Related to Pension

Differences between expected and actual experience	\$ 85,445
Changes of assumptions	64,756
Changes in proportion and difference between employer contributions and proportionate share of contributions	<u>21,670</u>
Total	<u>\$ 171,871</u>

Deferred Inflows of Resources Related to Pension

Differences between expected and actual experience	\$ 3,339
Net difference between projected and actual investment earnings on pension plan investments	258,067
Changes in proportion and difference between employer contributions and proportionate share of contributions	<u>77,363</u>
Total	<u>\$ 338,769</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 6 - **Pensions - Continued**

*Pension Liabilities, Pension Expense and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions - continued*

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

Years Ending <u>June 30,</u>	
2021	\$ (46,849)
2022	(30,314)
2023	(77,095)
2024	(18,203)
2025	<u>5,563</u>
	<u><u>\$ (166,898)</u></u>

Actuarial Assumptions

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

Inflation	2.2% per year
Salary increases	4.25% to 6.00% for general employees 4.75% to 7.00% for public safety
Investment rate of return	7.50%

Mortality rates were based on the RP-2000 Mortality Table (base year 2009) with full generational mortality improvements using Scale BB. For disabled lives, the mortality rates were based on the RP-2000 mortality table (base year 2012) with full generational mortality improvement using Scale BB.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2020 are summarized in the following table:

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 6 - **Pensions - Continued**

Actuarial Assumptions - continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
PRIT Core	50.00%	5.60%
Domestic equity	30.00%	7.30%
Fixed income	10.00%	2.70%
International equity	5.00%	4.90%
Real estate	<u>5.00%</u>	6.00%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.50% at June 30, 2021. 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 the employers will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability calculated using the discount rate of 7.50% as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	(6.50%)	(7.50%)	(8.50%)
\$	794,124	\$ 373,896	\$ 18,417

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 7 - **OPEB**

Plan Description

The Land Bank is a member of the Dukes County Pooled OPEB Trust (the "Trust"), an agent multiple employer plan. The purpose of the Trust is to accumulate resources to offset its members' unfunded OPEB liability. The Trust is governed by a Board of Trustees comprised of an appointed member of each governmental unit. Member employer contributions to the trust are irrevocable and all investment income and losses are retained by the Trust. Although the assets of the Trust are commingled for investment purposes, each member's assets may only be used for the reimbursement of OPEB to the member of that plan, in accordance with the terms of the plan. The OPEB Plan provides health care benefits to current and future retirees, and their dependents in accordance with Massachusetts General Law Chapter 32B.

An employee hired before April 2, 2012 shall become eligible to retire upon attainment of age 55 as an active member and completion of 10 years of creditable service or shall be eligible if able to retire with 20 years of creditable service regardless of age. Those hired on or after April 2, 2012 shall be eligible to retire upon attainment of age 60 with 10 years of creditable service.

Benefits Provided

The Land Bank provides health care benefits for retirees and their dependents. Benefits are provided through the Cape Cod Municipal Health Group and the full cost of benefits is shared between the Land Bank and retirees.

Employees Covered by Benefit Term

The following employees were covered by the benefit terms as of June 30, 2021:

Inactive employees/retirees	2
Active employees	<u>9</u>
Total	<u>11</u>

Contributions

During the year ended June 30, 2021 the Land Bank voted to join the Dukes County Pooled OPEB Trust (the "Trust") and contributed \$262,422 in April 2021, and \$1 million in August 2021. Future contributions may be made if the Plan is not fully funded.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 7 - **OPEB - Continued**

Net OPEB Liability

The Land Bank's net OPEB liability of \$754,605 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020 and rolled forward to June 30, 2021. The net OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.2%
Investment rate of return	6.6% net of investment expenses, including inflation.
Health Care Trend Rate	7% for 2020, decreasing 0.4% per year to 5.4%, then grading down to an ultimate trend rate of 4.0%, utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.
Pre-Retirement Mortality	RP-2014 Blue Collar Mortality Table, projected with generational mortality improvement using scale MP-2018.
Post-Retirement Mortality	RP-2014 Blue Collar Mortality Table, projected with generational mortality improvement using scale MP-2018.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage provided in the investment policy statement and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table:

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 7 - **OPEB - Continued**

Net OPEB Liability – Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Equity	35.00%	5.34%
Mid Cap Equity	10.00%	5.34%
Small Cap Equity	10.00%	5.34%
International Equity	15.00%	6.10%
Real Estate	10.00%	4.40%
Fixed Income	<u>20.00%</u>	1.62%
Total	<u>100.00%</u>	

The discount rate used to measure the total OPEB liability was 6.6%. The projection of cash flows used to determine the discount rate assumed that contributions from the Land Bank will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 7 - **OPEB - Continued**

Changes in the Net OPEB Liability

The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2021:

	Total <u>OPEB Liability</u>	Plan Fiduciary <u>Net Position</u>	Net <u>OPEB Liability</u>
Balance at June 30, 2020	\$ 2,068,395	\$ -	\$ 2,068,395
Changes for the year:			
Service cost	80,522	-	80,522
Interest	47,173	-	47,173
Differences between expected and actual experience	(243,741)	-	(243,741)
Contributions - employer	-	291,242	(291,242)
Net investment income	-	15,122	(15,122)
Changes of assumptions	(891,380)	-	(891,380)
Benefit payments	<u>(28,820)</u>	<u>(28,820)</u>	<u>-</u>
Net changes	<u>(1,036,246)</u>	<u>277,544</u>	<u>(1,313,790)</u>
Balance at June 30, 2021	<u>\$ 1,032,149</u>	<u>\$ 277,544</u>	<u>\$ 754,605</u>

The changes in assumptions related to the discount rate used to measure the total OPEB liability changed from 2.2% as of June 30, 2020 to 6.6% as of June 30, 2021. There were also changes in assumptions related to inflation rate, healthcare trend rates, mortality tables and mortality improvement rates, and percent retiring with covered spouses.

The following presents the Land Bank's net OPEB liability as well as what the Land Bank's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.6%) or 1-percentage-point higher (7.6%) than the current discount rate:

	Discount Rate		
	<u>1% Decrease (5.6%)</u>	<u>Current Rate (6.6%)</u>	<u>1% Increase (7.6%)</u>
Net OPEB Liability	\$ 904,545	\$ 754,605	\$ 634,514

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 7 - **OPEB - Continued**

Sensitivity Analyses – Continued

The following present the net OPEB liability of the Land Bank, as well as what the Land Bank's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6% year 1 decreasing to 3%) or 1-percentage-point higher (8% year 1 decreasing to 5%) than the current cost trend rates:

	<u>Health Care Rate</u>		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 618,799	\$ 754,605	\$ 925,399

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Dukes County Pooled OPEB Trust Fund financial report. A copy of the report may be obtained by contacting Trustee Chair, 9 Airport Road, Suite 1, Vineyard Haven, MA 02568.

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

For the year ended June 30, 2021, the Land Bank recognized OPEB expense of \$69,516. The Land Bank reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2021:

Deferred Outflows of Resources Related to OPEB

Differences between expected and actual experience	\$ 68,904
Changes in OPEB plan actuarial assumptions	<u>494,535</u>
Total deferred outflows related to OPEB	<u>\$ 563,439</u>

Deferred Inflows of Resources Related to OPEB

Differences between expected and actual experience	\$ 209,888
Differences between projected and actual earnings	9,717
Changes in OPEB plan actuarial assumptions	<u>803,846</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2021

Note 7 - **OPEB - Continued**

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – Continued

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

Years Ending <u>June 30,</u>		
2022	\$	55,203
2023		55,203
2024		55,203
2025		55,204
2026		78,579
Thereafter		<u>160,620</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

MARTHA'S VINEYARD LAND BANK

Schedule of Proportionate Share of the Net Pension Liability (Unaudited)

Dukes County Contributory Retirement System

Year ended Measurement date Valuation date	June 30, 2021 December 31, 2020 January 1, 2020	June 30, 2020 December 31, 2019 January 1, 2018	June 30, 2019 December 31, 2018 January 1, 2018	June 30, 2018 December 31, 2017 January 1, 2016	June 30, 2017 December 31, 2016 January 1, 2016	June 30, 2016 December 31, 2015 January 1, 2014	June 30, 2015 December 31, 2014 January 1, 2014
Proportion of the total pension liability	1.566%	1.605%	1.605%	1.520%	1.520%	1.405%	1.405%
Proportionate share of the collective net pension liability	\$ 373,896	\$ 457,949	\$ 801,701	\$ 504,219	\$ 698,054	\$ 552,157	\$ 506,430
Land Bank's covered payroll	\$ 730,979	\$ 788,004	\$ 721,306	\$ 574,908	\$ 683,842	\$ 662,624	\$ 637,138
Land Bank's proportionate share of the net pension liability as a percentage of its covered payroll	51.15%	58.12%	111.15%	87.70%	102.08%	83.33%	79.49%
Plan fiduciary net position as a percentage of the plan's total pension liability	89.76%	86.73%	75.54%	82.43%	74.21%	75.61%	76.17%

Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 30, 2014 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

MARTHA'S VINEYARD LAND BANK

Schedule of Pension Contributions (Unaudited)

Dukes County Contributory Retirement System

For the Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 89,906	\$ 84,737	\$ 72,947	\$ 69,474	\$ 77,093	\$ 88,825	\$ 105,995
Contributions in relation to the statutorily required contribution	<u>89,906</u>	<u>84,737</u>	<u>72,947</u>	<u>69,474</u>	<u>77,093</u>	<u>88,825</u>	<u>105,995</u>
Contribution excess	\$ _____ =	\$ _____ =	\$ _____ =	\$ _____ =	\$ _____ =	\$ _____ =	\$ _____ =
Covered payroll	\$ 730,979	\$ 788,004	\$ 721,306	\$ 574,908	\$ 683,842	\$ 662,624	\$ 637,138
Contribution as a percentage of covered payroll	12.30%	10.75%	10.11%	12.08%	11.27%	13.41%	16.64%

Notes:

Employers participating in the Dukes County Contributory Retirement System are required by MA General Laws, Section 32, to contribute an actuarially determined contribution rate each year.

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 30, 2014 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

MARTHA'S VINEYARD LAND BANK

Schedule of the Changes in Net OPEB Liability and Related Ratios (Unaudited)

Year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Valuation date	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016
Total OPEB liability:					
Service cost	\$ 80,522	\$ 54,295	\$ 36,714	\$ 38,635	\$ 46,746
Interest	47,173	57,852	44,952	41,525	36,107
Differences between expected and actual experience	(243,741)	-	114,534	-	-
Changes of benefit terms	-	(58,601)	-	(758)	-
Changes of assumptions	(891,380)	428,459	298,997	(64,009)	(177,087)
Benefit payments	<u>(28,820)</u>	<u>(24,478)</u>	<u>(18,332)</u>	<u>(5,358)</u>	<u>(3,905)</u>
Net change in total OPEB liability	(1,036,246)	457,527	476,865	10,035	(98,139)
Total OPEB liability, beginning of year	<u>2,068,395</u>	<u>1,610,868</u>	<u>1,134,003</u>	<u>1,123,968</u>	<u>1,222,107</u>
Total OPEB liability, end of year	<u>\$ 1,032,149</u>	<u>\$ 2,068,395</u>	<u>\$ 1,610,868</u>	<u>\$ 1,134,003</u>	<u>\$ 1,123,968</u>
Plan fiduciary net position:					
Contributions	\$ 291,242	\$ 24,478	\$ 18,332	\$ 5,358	\$ 3,905
Net investment income	15,122	-	-	-	-
Benefit payments	<u>(28,820)</u>	<u>(24,478)</u>	<u>(18,332)</u>	<u>(5,358)</u>	<u>(3,905)</u>
Net change in plan fiduciary net position	277,544	-	-	-	-
Plan fiduciary net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, end of year	<u>\$ 277,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability, end of year	<u>\$ 754,605</u>	<u>\$ 2,068,395</u>	<u>\$ 1,610,868</u>	<u>\$ 1,134,003</u>	<u>\$ 1,123,968</u>
Plan fiduciary net position as a percentage of the total OPEB liability	26.89%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 763,338	\$ 807,171	\$ 797,509	\$ 710,570	\$ 677,661
Net OPEB liability as a percentage of covered payroll	98.86%	256.25%	201.99%	159.59%	165.86%

Notes:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

This schedule is presented using the optional format of combining the required schedules in paragraph 170a and 170b of GASB 75.

See accompanying notes to the required supplementary information.

MARTHA'S VINEYARD LAND BANK

Schedule of OPEB Contributions (Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 140,702	\$ 111,771	\$ 79,465	\$ 76,594	\$ 65,208
Contributions in relation to the actuarially determined contribution	<u>291,242</u>	<u>24,478</u>	<u>18,332</u>	<u>5,358</u>	<u>3,905</u>
Contribution deficiency (excess)	<u>\$ (150,540)</u>	<u>\$ 87,293</u>	<u>\$ 61,133</u>	<u>\$ 71,236</u>	<u>\$ 61,303</u>
Covered payroll	\$ 763,338	\$ 807,171	\$ 797,509	\$ 710,570	\$ 677,661
Contribution as a percentage of covered payroll	38.15%	3.03%	2.30%	0.75%	0.58%

Notes:

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

Method and Assumptions as of Current Measurement Date:

Actuarial cost method	Entry age normal
Amortization method	Increasing 3.5% over 30 years on an open amortization period for partial pre-funding.
Amortization period	30 years
Asset valuation method	Market value
Health care trend rates	7 percent for 2020, decreasing 0.4 percent per year to 5.4 percent, then grading down to an ultimate trend rate of 4 percent, utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See accompanying notes to the required supplementary information.

MARTHA'S VINEYARD LAND BANK

Notes to the Required Supplementary Information (Unaudited)

June 30, 2021

Note 1 - **Changes in Assumptions - Pension**

Fiscal year June 30, 2021

The administrative expense assumption and the net 3(8)(c) transfers assumption were increased, and the mortality tables and mortality improvement rate assumptions were updated.

Fiscal year June 30, 2020

None.

Fiscal year June 30, 2019

The long-term rate of return was reduced from 7.75% to 7.50%.

Fiscal year June 30, 2018

None.

Fiscal year June 30, 2017

The mortality rates and mortality improvement scale were updated to reflect fully generational mortality improvement.

Fiscal year June 30, 2016

None.

Fiscal year June 30, 2015

None.

Note 2 - **Changes in Assumptions - OPEB**

Fiscal year June 30, 2021

The changes in assumptions related to the discount rate used to measure the total OPEB liability changed from 2.2% as of June 30, 2020 to 6.6% as of June 30, 2021. There were also changes in assumptions related to inflation rate, healthcare trend rates, mortality tables and mortality improvement rates, and percent retiring with covered spouses.

Fiscal year June 30, 2020

The discount rate changed to 2.21%. Additionally, the inflation rate was changed from 2.6% to 2.4%.

MARTHA'S VINEYARD LAND BANK

Notes to the Required Supplementary Information (Unaudited)

June 30, 2021

Fiscal year June 30, 2019

The discount rate changed to 3.50%. Additionally, the health cost trend rate and inflation assumption have been updated since the prior measurement.

Fiscal year June 30, 2018

None.

SUPPLEMENTAL INFORMATION

MARTHA'S VINEYARD LAND BANK

Schedule of Land, Development Rights and Land Improvements (Unaudited)

For the Year Ended June 30, 2021

	<u>Chilmark</u>	<u>Edgartown</u>	<u>Aquinnah Gay Head</u>	<u>Oak Bluffs</u>	<u>Tisbury</u>	<u>West Tisbury</u>	<u>Central Fund</u>	<u>Total</u>
Total Land, Development Rights and Land Improvements, June 30, 2020	\$ 21,649,816	\$ 41,404,334	\$ 5,659,016	\$ 11,665,777	\$ 15,684,883	\$ 17,119,473	\$ 93,352,631	\$ 206,535,930
Additions during year:								
Arrowhead Farm Preserve	-	-	-	-	-	2,661,112	1,794,662	4,455,774
Bliss Pond	-	-	-	-	-	-	9,000	9,000
Doug's Cove	-	-	-	31,900	-	-	-	31,900
James Pond Preserve	116,250	-	-	-	-	2,214,750	1,565,788	3,896,788
Music Street Fields	-	-	-	-	-	465,000	310,755	775,755
Pine Hill Farm	-	-	-	1,000	-	-	-	1,000
Priester's Pond	-	-	-	-	-	-	2,000	2,000
Wilfrids Pond Beach	-	-	-	-	75,000	-	-	75,000
Squibnocket	600,000	4,500,000	450,000	3,750,000	3,000,000	450,000	2,272,448	15,022,448
Tashmoo Beach	558,000	-	-	-	1,681,000	-	5,350	1,686,350
Waskosim's Rock	-	-	-	-	-	-	376,744	934,744
Gay Head Morain	-	-	129,000	-	-	-	70,661	199,661
Child Farm	-	-	-	-	-	240,000	169,827	409,827
Trentfield	-	-	-	-	-	-	1,000	1,000
Land Improvements	-	-	-	-	-	-	331,070	331,070
Less: Depreciation of land improvements	-	-	-	-	-	-	(24,880)	(24,880)
Total Land, Development Rights and Land Improvements, June 30, 2021	\$ 22,924,066	\$ 45,904,334	\$ 6,238,016	\$ 15,448,677	\$ 20,440,883	\$ 23,150,335	\$ 100,237,056	\$ 234,343,367