

MARTHA'S VINEYARD LAND BANK

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

JUNE 30, 2022

MARTHA'S VINEYARD LAND BANK

Financial Statements, Required Supplementary Information, and Supplemental Information

June 30, 2022

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Martha's Vineyard Land Bank (the "Land Bank"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Martha's Vineyard Land Bank's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Land Bank, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

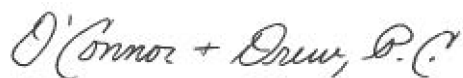
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, 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 November 3, 2022 on our consideration of the Martha's Vineyard 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 Martha's Vineyard 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**

November 3, 2022

MARTHA'S VINEYARD LAND BANK

Management's Discussion and Analysis (Unaudited)

Fiscal Year Ended June 30, 2022

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, 2022

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, 2022 and 2021, was as follows:

	<u>2022</u>	<u>2021</u>
Current assets	\$ 8,409,471	\$ 25,852,208
Capital assets	279,037,713	234,714,215
Non-current assets	36,737	-
Deferred outflows of resources	<u>1,329,277</u>	<u>1,213,069</u>
Total	<u>288,813,198</u>	<u>261,779,490</u>
Current and other liabilities	5,521,078	4,209,961
Long-term debt	68,971,652	60,901,461
Deferred inflows of resources	<u>1,528,247</u>	<u>1,505,765</u>
Total	<u>76,020,977</u>	<u>66,617,187</u>
Net position:		
Investment in capital assets, net	205,397,601	171,411,597
Restricted	847,604	839,311
Unrestricted	<u>6,547,016</u>	<u>22,911,395</u>
Total Net Position	\$ <u>212,792,221</u>	\$ <u>195,162,303</u>

Changes in net position for the fiscal years ended June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Operating revenues	\$ 22,431,832	\$ 27,065,168
Operating expenses	<u>2,558,964</u>	<u>2,058,981</u>
Net Operating Income	19,872,868	25,006,187
Non-Operating Revenue (Expense)	<u>(2,242,950)</u>	<u>(1,988,220)</u>
Changes in Net Position	\$ <u>17,629,918</u>	\$ <u>23,017,967</u>

MARTHA'S VINEYARD LAND BANK

Management's Discussion and Analysis (Unaudited) - Continued

Fiscal Year Ended June 30, 2022

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

Total net position increased 8.23% from 2021 to 2022 and 13.4% from 2020 to 2021. 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 decreased by 257.37% from 2021 to 2022 and increased by 51.55% from 2020 to 2021.

Fiscal year 2022 had an decrease in fee revenues of approximately \$4,576,000 from 2021 levels. Fee revenues represent 99% to 100% of all operating revenues of the Land Bank for fiscal years ended June 30, 2022 and 2021.

The Land Bank increased its investment in land, development rights and land improvements during fiscal year 2022 by approximately \$44.5 million. Part of this increase is related to the principal payments on bonds and notes payable of approximately \$3.9 million during the year ended June 30, 2022. This increase is also related to the \$14.5 million increase in notes payable.

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, 2022

MARTHA'S VINEYARD LAND BANK

Statement of Net Position

June 30, 2022

Assets and Deferred Outflows of Resources

Current Assets:

Cash and equivalents	\$ 6,400,297
Investments:	
Unrestricted	1,161,570
Restricted	<u>847,604</u>
Total Current Assets	<u>8,409,471</u>

Capital Assets:

Property and equipment, net of accumulated depreciation of \$1,025,134	299,316
Land, development rights and land improvements, net of accumulated depreciation of \$226,296	<u>278,738,397</u>
Total Capital Assets	<u>279,037,713</u>

Non-Current Asset:

Net OPEB asset	<u>36,737</u>
Total Assets	<u>287,483,921</u>

Deferred Outflows of Resources:

Deferred loss on bond refunding	445,384
Pension related, net	252,869
OPEB related, net	<u>631,024</u>
Total Deferred Outflows of Resources	<u>1,329,277</u>

Total Assets and Deferred Outflows of Resources \$ 288,813,198

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	\$ 2,735,739
Bonds payable, current portion	2,390,000
Accounts payable and accrued expenses	<u>395,339</u>

Total Current Liabilities 5,521,078

Long-Term Liabilities:

Notes payable, net of current portion	24,803,679
Bonds payable, net of current portion	44,023,575
Net pension liability	<u>144,398</u>

Total Long-Term Liabilities 68,971,652

Total Liabilities 74,492,730

Deferred Inflows of Resources:

Deferred gain on bond refunding	132,503
Pension related, net	544,522
OPEB related, net	<u>851,222</u>

Total Deferred Inflows of Resources 1,528,247

Net Position:

Net investment in capital assets	205,397,601
Restricted	847,604
Unrestricted	<u>6,547,016</u>

Total Net Position 212,792,221

Total Liabilities, Deferred Inflows of Resources and Net Position \$ 288,813,198

MARTHA'S VINEYARD LAND BANK

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2022

Operating Revenues:	
Fee revenues	\$ 22,349,675
Other income	<u>82,157</u>
Total Operating Revenues	<u>22,431,832</u>
Operating Expenses:	
Administrative	2,280,962
Unrealized Loss on Investments	<u>278,002</u>
Total Operating Expenses	<u>2,558,964</u>
Operating Income	<u>19,872,868</u>
Non-operating Revenues and Expenses:	
Investment return, net	8,760
Interest expense	<u>(2,251,710)</u>
Total Non-operating Revenues and Expenses	<u>(2,242,950)</u>
Increase in Net Position	17,629,918
Net Position, Beginning of Year	<u>195,162,303</u>
Net Position, End of Year	<u>\$ 212,792,221</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, 2022

Cash Flows from Operating Activities:

Cash received from fee and other revenue	\$ 22,431,832
Cash payments to suppliers	(2,301,568)
Cash paid to employees for services	<u>(1,149,763)</u>

Net Cash Provided by Operating Activities 18,980,501

Cash Flows from Capital and Related Financing Activities:

Principal payments on notes payable	(1,662,899)
Principal payments on bonds payable	(2,290,000)
Interest paid on notes and bonds	<u>(2,579,451)</u>

Net Cash Applied to Capital and Related Financing Activities (6,532,350)

Cash Flows from Investing Activities:

Acquisition of land, development rights and land improvements	(29,899,646)
Proceeds from sale of investments	7,989,455
Return of restricted investments	8,293
Interest income	<u>286,762</u>

Net Cash Applied to Investing Activities (21,615,136)

Net Change in Cash and Equivalents (9,166,985)

Cash and Equivalents, Beginning of Year 15,567,282

Cash and Equivalents, End of Year \$ 6,400,297

MARTHA'S VINEYARD LAND BANK

Statement of Cash Flows - Continued

For the Year Ended June 30, 2022

Reconciliation of Increase in Net Position to Net Cash

Provided by Operating Activities:

Operating Income	<u>\$ 19,872,868</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	176,148
Changes in assets and liabilities:	
Accounts payable and accrued expenses	67,384
Net pension activity	(104,743)
Net OPEB activity	<u>(1,031,156)</u>
Net Adjustments	<u>(892,367)</u>
Net Cash Provided by Operating Activities	<u>\$ 18,980,501</u>

Non-Cash Transaction:

Acquisition of land through issuance of note payable	<u>\$ 14,600,000</u>
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The accompanying notes are an integral part of the financial statements.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements

June 30, 2022

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.

The Governor of Massachusetts declared a state of emergency due to the COVID-19 outbreak from March 2020 to June 2021. The COVID-19 crisis has created disruptions in the financial markets and the overall economy. The Land Bank performs essential services and, as such, was not subject to temporary closure.

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.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

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.

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, 2022

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.

Post-employment Benefits Other Than Pensions ("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 asset, 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.

New Governmental Accounting Pronouncements

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.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

GASB Statement 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (PPP)* 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.

GASB Statement 96 – *Subscription-Based Information Technology Arrangements (SBITA)* is effective for reporting periods beginning after June 15, 2022. The objective of this statement is to provide accounting and financial reporting guidance for transactions in which a governmental entity contracts with another party for the right to use their software. A right-to-use asset and a corresponding liability would be recognized for SBITAs.

GASB Statement 99 – *Omnibus 2022* has multiple effective dates. The objective of this statement is to clarify differences among leases, PPP and SBITA (which is effective for reporting periods after June 15, 2022) and reporting requirements for financial guarantees and derivative investments (which is effective for reporting periods after June 15, 2023).

GASB Statement 100 – *Accounting Changes and Error Corrections – an amendment of GASB 62* is effective for reporting periods beginning after June 15, 2023. The objective of this statement is to provide consistency for changes in accounting principles, accounting estimates, and the reporting entity and corrections of errors.

GASB Statement 101 – *Compensated Absences* is effective for reporting periods beginning after December 15, 2023. The objective of this statement is to update the recognition and measurement for compensated absences.

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

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 Land Bank ("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, 2022 were approximately \$6.1 million.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

Note 3 - **Investments**

The Land Bank categorizes short-term investments according to the level of risk assumed. At June 30, 2022, 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, 2022, the Land Bank had invested \$2,009,174 with a single issuer representing 100% of the Land Bank's investment.

<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	\$ 869,863	\$ 869,863	\$ -	\$ -	\$ -
Total	<u>\$ 869,863</u>	<u>\$ 869,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>Other Investments</u>					
Exchange-traded funds	<u>1,139,311</u>				
Total	<u>\$ 2,009,174</u>				

The following table summarizes the quality ratings of the Land Bank's debt investments at June 30, 2022:

<u>Investment Type</u>	<u>Quality Ratings</u>				
	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Money market	\$ 869,863	\$ -	\$ -	\$ -	\$ 869,863
Total	<u>\$ 869,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 869,863</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

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.

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, 2022, 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, 2022.

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, 2022

Note 4 - Capital Assets

Capital Assets consist of the following at June 30, 2022 :

	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>228,610,933</u>	<u>44,222,123</u>	<u>-</u>	<u>-</u>	<u>272,833,056</u>
Total not depreciated		<u>233,707,393</u>	<u>44,222,123</u>	<u>-</u>	<u>-</u>	<u>277,929,516</u>
Capital assets depreciated:						
Buildings and improvements	11-40	240,739	-	-	-	240,739
Furnishings and equipment	3-10	978,361	-	-	-	978,361
Land improvements	15-40	<u>863,004</u>	<u>277,523</u>	<u>-</u>	<u>-</u>	<u>1,140,527</u>
Total depreciated		<u>2,082,104</u>	<u>277,523</u>	<u>-</u>	<u>-</u>	<u>2,359,627</u>
Less accumulated depreciation:						
Buildings and improvements		164,253	7,447	-	-	171,700
Furnishings and equipment		789,348	64,085	-	-	853,433
Land improvements		<u>121,681</u>	<u>104,616</u>	<u>-</u>	<u>-</u>	<u>226,297</u>
Total accumulated depreciation		<u>1,075,282</u>	<u>176,148</u>	<u>-</u>	<u>-</u>	<u>1,251,430</u>
Net depreciable assets		<u>1,006,822</u>	<u>101,375</u>	<u>-</u>	<u>-</u>	<u>1,108,197</u>
Capital Assets, net		<u>\$ 234,714,215</u>	<u>\$ 44,323,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,037,713</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

Note 5 - **Long-Term Liabilities**

Long-term liabilities at June 30, 2022 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	\$ 14,602,317	\$ 14,600,000	\$ 1,662,899	\$ 27,539,418	\$ 2,735,739
Bonds payable	<u>49,034,515</u>	<u>-</u>	<u>2,620,940</u>	<u>46,413,575</u>	<u>2,390,000</u>
Total notes and bonds payable	<u>63,636,832</u>	<u>14,600,000</u>	<u>4,283,839</u>	<u>73,952,993</u>	<u>5,125,739</u>
Other long-term liabilities:					
Net pension liability	373,896	-	229,498	144,398	-
Net OPEB liability	<u>754,605</u>	<u>-</u>	<u>754,605</u>	<u>-</u>	<u>-</u>
Total other long-term liabilities	<u>1,128,501</u>	<u>-</u>	<u>984,103</u>	<u>144,398</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$ 64,765,333</u>	<u>\$ 14,600,000</u>	<u>\$ 5,267,942</u>	<u>\$ 74,097,391</u>	<u>\$ 5,125,739</u>

Notes Payable

Notes payable at June 30, 2022, are as follows:

Private party; monthly payments of \$145,060, including interest at 2.99%, due December 2030, secured by land.	\$ 13,028,445
Private party; annual principal payments of \$1,000,000, plus interest at 0.65%, due September 2028, secured by land.	7,000,000
Private party; varying monthly principal payments, plus interest at 4.50%, due April 2037, secured by land.	<u>7,510,973</u>
Total notes payable	27,539,418
Less: current portion	<u>(2,735,739)</u>
Notes payable, net of current portion	<u>\$ 24,803,679</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

Future principal maturities of long-term debt subsequent to June 30, 2022 are as follows:

Years Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,735,739	\$ 752,023	\$ 3,487,762
2024	2,793,736	686,569	3,480,305
2025	2,854,761	619,044	3,473,805
2026	2,917,932	549,642	3,467,574
2027	2,983,329	477,477	3,460,806
2028-2031	<u>13,253,921</u>	<u>1,158,127</u>	<u>14,412,048</u>
	<u>\$ 27,539,418</u>	<u>\$ 4,242,882</u>	<u>\$ 31,782,300</u>

Bonds Payable

Bonds payable at June 30, 2022, 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.	\$ 13,815,000
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>28,435,000</u> 42,250,000
Plus: bond premiums net of accumulated amortization of \$2,008,929.	<u>4,163,575</u>
Total bonds payable	46,413,575
Less: current portion	<u>2,390,000</u>
Bonds payable, net of current portion	<u>\$ 44,023,575</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

Aggregate payments of principal and interest on bonds payable subsequent to June 30, 2022 are as follows:

Years Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,910,000	1,463,888	4,373,888
2028-2032	16,555,000	5,320,214	21,875,214
2033-2036	<u>12,480,000</u>	<u>1,323,200</u>	<u>13,803,200</u>
	<u>\$ 42,250,000</u>	<u>\$ 15,282,854</u>	<u>\$ 57,532,854</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 Laws 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 laws 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.

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.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

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.

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 10.28% of annual covered payroll for the fiscal year ended June 30, 2022.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

The Land Bank contributed \$89,113 for the fiscal year ended June 30, 2022, 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, 2022, the Land Bank reported a liability of \$144,398 for its proportionate - share of the net pension liability related to its participation in DCCRS. The net pension liability as of June 30, 2022, the reporting date, was measured as of December 31, 2021, 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, 2022, the Land Bank's proportion of the net pension liability was 1.566%. For the year ended June 30, 2022, the Land Bank recognized pension expense of \$(15,630).

The Land Bank reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2022:

Deferred Outflows of Resources Related to Pension

Differences between expected and actual experience	\$ 64,597
Changes of assumptions	179,155
Changes in proportion and difference between employer contributions and proportionate share of contributions	<u>9,117</u>
Total	<u>\$ 252,869</u>

Deferred Inflows of Resources Related to Pension

Differences between expected and actual experience	\$ 2,060
Net difference between projected and actual investment earnings on pension plan investments	461,883
Changes in proportion and difference between employer contributions and proportionate share of contributions	<u>80,579</u>
Total	<u>\$ 544,522</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

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>	
2022	\$ (75,982)
2023	(122,764)
2024	(63,871)
2025	(40,107)
2026	<u>11,071</u>
	<u><u>\$ (291,653)</u></u>

Actuarial Assumptions

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

Inflation	2.4% per year
Salary increases	4.25% to 6.00% for general employees 4.75% to 7.00% for public safety
Investment rate of return	7.00%

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.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
PRIT Core	50.00%	6.80%
Domestic equity	30.00%	9.10%
Fixed income	10.00%	2.20%
International equity	5.00%	6.60%
Real estate	<u>5.00%</u>	6.80%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% at June 30, 2022. 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 (asset) calculated using the discount rate of 7.00%, 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.

1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
\$ 610,644	\$ 144,398	\$ (249,766)

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

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 Laws 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, 2022:

Inactive employees/retirees	2
Active employees	<u>11</u>
Total	<u><u>13</u></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, 2022

Net OPEB Asset

The Land Bank's net OPEB asset of \$36,737 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021 and rolled forward to June 30, 2022.

The net OPEB asset 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	2.4%
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, 2022 are summarized in the following table:

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Equity	35.00%	5.08%
Mid Cap Equity	10.00%	5.06%
Small Cap Equity	10.00%	4.89%
International Equity	15.00%	6.09%
Real Estate	10.00%	2.65%
Fixed Income	<u>20.00%</u>	1.36%
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.

Changes in the Net OPEB Liability (Asset)

The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2022:

	Total <u>OPEB Liability</u>	Plan Fiduciary <u>Net Position</u>	Net OPEB <u>Liability (Asset)</u>
Balance at June 30, 2021	\$ 1,032,149	\$ 277,544	\$ 754,605
Changes for the year:			
Service cost	19,164	-	19,164
Interest	68,179	-	68,179
Differences between expected and actual experience	-	-	-
Contributions - employer	-	1,036,610	(1,036,610)
Net investment income	-	(160,339)	160,339
Changes of assumptions	(2,414)	-	(2,414)
Benefit payments	<u>(36,610)</u>	<u>(36,610)</u>	<u>-</u>
Net changes	<u>48,319</u>	<u>839,661</u>	<u>(791,342)</u>
Balance at June 30, 2022	<u>\$ 1,080,468</u>	<u>\$ 1,117,205</u>	<u>\$ (36,737)</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

The changes in assumptions related to the discount rate used to measure the total OPEB liability was 6.6% as of June 30, 2021 and 2022. 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 (asset) as well as what the Land Bank's net OPEB liability (asset) 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		
1% Decrease (5.6%)	Current Rate (6.6%)	1% Increase (7.6%)
\$ 117,425	\$ (36,737)	\$ (160,121)

Sensitivity Analyses

The following presents the net OPEB liability (asset) of the Land Bank, as well as what the Land Bank's net OPEB asset 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:

Health Care Rate		
1% Decrease	Trend Rate	1% Increase
\$ (184,923)	\$ (36,737)	\$ 150,403

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, 2022, the Land Bank recognized OPEB expense of \$5,454. The Land Bank reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2022:

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2022

Deferred Outflows of Resources Related to OPEB

Differences between expected and actual experience	\$ 53,694
Differences between projected and actual earnings	179,402
Changes in OPEB plan actuarial assumptions	<u>397,928</u>
Total deferred outflows related to OPEB	<u>\$ 631,024</u>

Deferred Inflows of Resources Related to OPEB

Differences between expected and actual experience	\$ 176,035
Changes in OPEB plan actuarial assumptions	<u>675,187</u>
Total deferred inflows related to OPEB	<u>\$ 851,222</u>

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>		
2023	\$	8,866
2024		8,866
2025		8,866
2026		32,241
2027		129,426
Thereafter		<u>31,933</u>
	\$	<u>220,198</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, 2022 December 31, 2021 January 1, 2020	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%	1.566%	1.605%	1.605%	1.520%	1.520%	1.405%	1.405%
Proportionate share of the collective net pension liability	\$ 144,398	\$ 373,896	\$ 457,949	\$ 801,701	\$ 504,219	\$ 698,054	\$ 552,157	\$ 506,430
Land Bank's covered payroll	\$ 866,986	\$ 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	16.66%	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	96.41%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 89,113	\$ 89,906	\$ 84,737	\$ 72,947	\$ 69,474	\$ 77,093	\$ 88,825	\$ 105,995
Contributions in relation to the statutorily required contribution	<u>89,113</u>	<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	\$ 866,986	\$ 730,979	\$ 788,004	\$ 721,306	\$ 574,908	\$ 683,842	\$ 662,624	\$ 637,138
Contribution as a percentage of covered payroll	10.28%	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 (Asset) Liability and Related Ratios (Unaudited)

Year ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Valuation date	July 1, 2021	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016
Total OPEB liability:						
Service cost	\$ 19,164	\$ 80,522	\$ 54,295	\$ 36,714	\$ 38,635	\$ 46,746
Interest	68,179	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	(2,414)	(891,380)	428,459	298,997	(64,009)	(177,087)
Benefit payments	<u>(36,610)</u>	<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	48,319	(1,036,246)	457,527	476,865	10,035	(98,139)
Total OPEB liability, beginning 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>	<u>1,222,107</u>
Total OPEB liability, end of year	<u>\$ 1,080,468</u>	<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	\$ 1,036,610	\$ 291,242	\$ 24,478	\$ 18,332	\$ 5,358	\$ 3,905
Net investment income	(160,339)	15,122	-	-	-	-
Benefit payments	<u>(36,610)</u>	<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	839,661	277,544	-	-	-	-
Plan fiduciary net position, beginning of year	<u>277,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, end of year	<u>\$ 1,117,205</u>	<u>\$ 277,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability (asset), end of year	<u>\$ (36,737)</u>	<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	103.40%	26.89%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 934,357	\$ 763,338	\$ 807,171	\$ 797,509	\$ 710,570	\$ 677,661
Net OPEB liability (asset) as a percentage of covered payroll	-3.93%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 60,251	\$ 140,702	\$ 111,771	\$ 79,465	\$ 76,594	\$ 65,208
Contributions in relation to the actuarially determined contribution	<u>1,036,610</u>	<u>291,242</u>	<u>24,478</u>	<u>18,332</u>	<u>5,358</u>	<u>3,905</u>
Contribution deficiency (excess)	<u>\$ (976,359)</u>	<u>\$ (150,540)</u>	<u>\$ 87,293</u>	<u>\$ 61,133</u>	<u>\$ 71,236</u>	<u>\$ 61,303</u>
Covered payroll	\$ 934,357	\$ 763,338	\$ 807,171	\$ 797,509	\$ 710,570	\$ 677,661
Contribution as a percentage of covered payroll	110.94%	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, 2022

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

Fiscal year June 30, 2022

The long-term rate of return was reduced from 7.5% to 7.0%.

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, 2022

The inflation rate was updated in this valuation. The Total OPEB Liability of each assumption was decreased \$2,000.

MARTHA'S VINEYARD LAND BANK

Notes to the Required Supplementary Information (Unaudited)- Continued

June 30, 2022

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%.

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, 2022

	<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, 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
Additions during year:								
Blacksmith Valley Preserve	-	-	-	-	-	-	6,565	6,565
Bliss Pond Farm	877,200	-	-	-	-	-	584,800	1,462,000
Elder Jeffers' Pond Preserve	-	-	132,487	-	-	-	89,615	222,102
James Pond Preserve	-	3,000,000	-	-	-	3,210,000	2,164,875	8,374,875
Wompesket Preserve	-	-	-	-	-	1,500,000	1,000,000	2,500,000
Tisbury Great Pond Beach	-	-	-	-	-	-	3,182	3,182
Music Street Fields	-	-	-	-	-	-	3,100	3,100
Priester's Pond Preserve	-	-	-	-	-	870,000	1,311,125	2,181,125
Quenonica Point Preserve	-	17,500,000	-	-	-	-	48,315	17,548,315
Wilfrid's Pond Beach	-	-	-	-	3,844	-	2,562	6,406
Squibnocket Pond Reservation	-	1,200,000	2,800,000	-	-	-	6,017,500	10,017,500
Tashmoo Preserve	-	-	-	-	1,889,000	-	6,448	1,895,448
Gay Head Moraine	-	-	-	-	-	-	785	785
Eachpoquassit Hill Preserve	-	-	-	-	-	-	1,720	1,720
Land Improvements	-	-	-	-	-	-	277,522	277,522
Less: Depreciation of land improvements	-	-	-	-	-	-	(105,615)	(105,615)
Total Land, Development Rights and Land Improvements, June 30, 2022	<u>\$ 23,801,266</u>	<u>\$ 67,604,334</u>	<u>\$ 9,170,503</u>	<u>\$ 15,448,677</u>	<u>\$ 22,333,727</u>	<u>\$ 28,730,335</u>	<u>\$ 111,649,555</u>	<u>\$ 278,738,397</u>