

PACKET

DEC 14

2015

FY15 AUDIT



NAN BALMER
TOWN ADMINISTRATOR
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TOWN OF WAYLAND

41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

BOARD OF SELECTMEN

LEA T. ANDERSON
MARY M. ANTES
CHERRY C. KARLSON
JOSEPH F. NOLAN

December 9, 2015

Melanson Heath & Company, PC
10 New England Business Center Drive
Suite 107
Andover MA 01810

RE: Town of Wayland, MA Management Letter for the Year Ended June 30, 2015

The following comments reflect the responses by the Town of Wayland Senior Management Team concerning the above-referenced Management Letter from the Town's auditors for the year ending on June 30, 2015. The Town Administration and the School Department consider all the comments listed by the auditors to be helpful to the overall accountability of our financial management and have provided a proactive approach to implementing reasonable and practical business practices to address the matters raised by the Audit.

PRIOR YEAR RECOMMENDATIONS:

1. Improve Automation in Tax Collector's Office

Audit Recommendation:

Prior Year Issue:

In the past year, we recommended the town consider automation improvements in the Treasurer / Collector Office. Specifically, the software should contain some of the following features:

- Integration with the Town Accountant's records.
- Automated cash register and receipt validator.
- Automated daily cash-out function.
- Optical scanning of tax bills for posting receipts to customer accounts.

Current Year Status:

In the fall of 2015, the town had an IT Assessment performed.

Further Action Needed:

We continue to recommend the Town consider automation improvements in the Treasurer / Collector Office. The above noted features should result in improved efficiency, eliminating the need for many manual and time consuming procedures as well as provide additional mitigating controls given the limited number of employees in the office.

Management Response:

The Town continues to use both MUNIS and VADAR Financial Management Systems. As mentioned under Current Year Status, in the fall of 2015 the Town had an IT Assessment performed. The IT Assessment recommended the hiring of an IT Director that would guide the Town in the decision making process of how best to accomplish a more automated process and improved integration of the two systems currently used. It is anticipated that this will take place in 2016.

CURRENT YEAR RECOMMENDATIONS:

2. Re-establish Timely Cash Reconciliations

Audit Recommendation:

During fiscal year 2015, complete reconciliations were not performed on a regular and timely basis. This breakdown in controls appears to result from turnover in the Treasurer's office and the attempted breaches to the Town bank accounts. As a result, the year-end closing process included the certification of free cash was delayed. The Town engaged an outside service provider to assist the new Treasurer in reconciling all bank accounts, cash book and MUNIS through June 30, 2015. This process concluded in early November 2015.

We recommend that the Town establish a goal of have up-to-date cash reconciliations by January 31, 2016. Implementation of this recommendation will improve the reliability of interim financial reports and accelerate the year-end closing process.

Management Response:

Cash is being formally reconciled on a monthly basis. As of December 1st we are reconciled through October 2015. Receipts are being posted on a daily basis in both the cashbook and MUNIS. Additionally, we have installed a cash register system whereas all receipts that run through the Collector / Treasurer's office are properly recorded and balanced at the end of the day. These three processes should eliminate any cash balancing issues at year end.

3. Prepare for New Single Audit Requirements

Audit Recommendation:

In fiscal year 2016, there will be significant new requirements related to single audits. In addition to raising the threshold for requiring a single audit from \$500,000 to \$750,000, there are new requirements of OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (UG) for single audits. The following summarizes the major changes:

- Financial and program management –
 - Establish written policies and procedures for the following:

- Cash management
 - Determination of allowable costs
 - Employee travel
 - Implement internal controls that comply with COSO’s “Internal Control Integrated Framework”
- Property standards – equipment –
 - Maintain property records that include description, serial/identification number, source of funding, acquisition date, cost, location, and ultimate disposition data
 - Conduct a physical inventory every 2 years and reconcile to property/fixed asset records
 - Implement a control system to safeguard property from loss, damage, theft
- Procurement –
 - Establish written policies and procedures for the following:
 - Procurement in compliance with the new procurement standards
 - Standards of conduct covering conflicts of interest
 - Process for conducting proposal evaluations
 - Maintain certain records to detail the history of procurement
 - Implement oversight procedures to ensure contractors perform in accordance with terms
- Sub-recipient monitoring and management –
 - Establish written policies and procedures for the following:
 - Communication of award requirements
 - Responsibilities for monitoring sub-recipients
 - Process for monitoring
 - Methodology for resolving findings
 - Requirements for audits

We recommend that the Town prepare for the single audit changes by training staff and establishing the aforementioned documented policies and procedures. This will help the Town to minimize the risk of new single audit compliance findings in fiscal year 2016.

Management Response:

The town is aware of the new requirements, has attended training, and is refining, developing, implementing and publishing new procedures to comply with the new requirements.

On May 12, 2015, the Wayland Public Schools Director of Special Education, School Business Manager and School Accountant participated in a full day training session about the *Uniform Administrative Requirements, Costs Principles, & Audit Requirements for Federal Awards*, published by the Office of Management and Business (OMB), released in December of 2014. The day-long training was presented

by the Department of Elementary and Secondary Education (DESE). The training's agenda included grants administrative changes, IDEA fiscal requirements, policies and procedures, and maintaining fiscal control and oversight.

In addition, the School Accountant and Accounting Office Clerk are participating in a total of four days of training, one day per quarter, during the 2015-2016 fiscal year presented by the Massachusetts Association for School Business Officials (MASBO) with the required outcome of expanding the district's procedural manual to include the new OMB requirements. The manual will be used as a tool and resource for training district staff.

The district has also has received, reviewed, signed and submitted to DESE the FY2016 Grant Assurances Document. A copy of the document is on file and available upon request.

Lastly, the Director of Special Education, with support from the School Accountant, is completing the necessary and required forms such as Maintenance of Effort Calculation and Excess Cost Calculation for submittal to DESE by the end of December, 2015.

Thank you for your comprehensive and informative presentations to the Audit Committee, Board of Selectmen and citizens. We appreciate your comments and recommendations to assist us in reaching our goal of continuously improving financial reporting and municipal operations.

Respectfully submitted,

FOR THE BOARD OF SELECTMEN



Nan Balmer
Town Administrator

cc: Nancy Funkhouser - Chairman, and Members of the Finance Committee
Chris Cullen, Chairman, and Members of the Audit Committee

TOWN OF WAYLAND, MASSACHUSETTS

Management Letter

For the Year Ended June 30, 2015

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To the Board of Selectmen
Town of Wayland, Massachusetts

In planning and performing our audit of the financial statements of the Town of Wayland, Massachusetts as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Wayland's internal accounting control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. In addition, because of the inherent limitation in internal control, including the possibility of management's override of controls, misstatements due to error or fraud may occur and not be detected by such controls. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestions concerning those matters.

The Town's written responses to our comments and suggestions have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, Board of Selectmen, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

After you have had an opportunity to consider our comments and recommendations, we would be pleased to discuss them with you.

_____, 2015

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Town's Response:



TOWN OF WAYLAND, MASSACHUSETTS

Comprehensive Annual Financial Report

For the Fiscal Year Ending

June 30, 2015

TOWN OF WAYLAND, MASSACHUSETTS

**Comprehensive Annual Financial Report
Annual Financial Statements**

For the Year Ended June 30, 2015

**Prepared by:
The Finance Department**

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TOWN OF WAYLAND, MASSACHUSETTS
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2015

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**INTRODUCTORY
SECTION**

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41 COCHITUATE ROAD
WAYLAND, MASSACHUSETTS 01778

BOARD OF SELECTMEN

LEA T. ANDERSON
MARY M. ANTES
CHERRY C. KARLSON
JOSEPH F. NOLAN

December 3, 2015

To Members of the Board of Selectmen and Citizens of the Town of Wayland:

At the close of each fiscal year, State Law requires the Town of Wayland to publish a complete set of financial statements presented in conformance with Generally Accepted Accounting Principles, (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to the requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Wayland, Massachusetts, for the fiscal year ending June 30, 2015 for your review.

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

Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements for the fiscal year ending June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Town's financial statements have been audited by Melanson Heath, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Wayland for the fiscal year ending June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting

principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, Wayland's financial statements for the fiscal year ending June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements of federal awards. These reports are available on the Town's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement that analysis and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town of Wayland

Wayland was incorporated as a town in 1780. Wayland is located in Middlesex County in the eastern part of Massachusetts, approximately 20 miles west of Boston. Located on the historic Sudbury River, Wayland is bordered by the Towns of Sudbury, Weston and Natick. Wayland is approximately 15.8 square miles of land area with 93.6 lane miles of roadways and has a population of approximately 14,000. Within the borders of Wayland are Route 20, Route 27 and Route 126. Wayland provides an excellent location and services to its residents and businesses.

Local legislative decisions are made by an open town meeting consisting of all registered voters in the Town. Town Meetings are held in the spring of each year to approve annual budgets, capital projects and special articles. Town Meetings can also be held in the fall with the approval of the Wayland Board of Selectmen. The Town is administered by a five member Board of Selectmen. Each member serves a staggered three year term. The Wayland Town Administrator serves under the direction of the Board of Selectmen. Board of Selectmen make policy decisions, and the Town Administrator is responsible for carrying out the policies of the Selectmen. The local taxes are assessed by a five member elected Wayland Board of Assessors.

The Town provides a range of traditional municipal services including public education in grades K-12, Police and Fire departments, Advanced Life Support ambulance and rescue services, Department of Public Works, Transfer Station, Public Library, Council on Aging and Health and Human services. The Wayland Housing Authority, a separate legal entity, provides public housing for eligible low income families, elderly and handicapped residents.

Many of the Town's open space areas, ponds and wetlands have been protected and preserved for present and future residents. Among the protected are the Great Meadows National Wildlife Refuge, Sudbury River, Lincoln Road, Sledge Meadow and Heard Field Conservation. There is approximately 2,709 acres of land that is protected open space in Wayland.

The School Committee is comprised of a five member elected board. Each member serves a staggered three year term. The School Committee has the authority to appoint the Superintendent and establish educational goals. The Town is a member of the Minuteman Regional Vocational School System which provides vocational education to residents. The Town continuously maintains the school facilities with capital improvements. The Wayland High School has completed a major renovation and rebuilding.

An annual operating budget is approved by the Town Meeting at the annual spring town meeting each year. The annual budget serves as the foundation for the Town's and School Department financial planning and control. The Town's general fund budget is prepared by fund and function and managed by each respective department manager. Capital projects and special articles are also approved at Town Meeting. Transfers between appropriations need special approval by Town Meeting. The Wayland Finance Committee has the authority to transfer funding from the Reserve Fund account by majority vote.

Factors Affecting Economic Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Wayland operates.

Local Economy

Wayland is home to diverse businesses of all sizes. Most notably is the Town Center which was developed in 2010. The Town Center continues to grow and attract new businesses and patrons. During the past twelve months new businesses such as The Local, Boston Sports Club and Panera Bread have opened. Currently under construction is the new home of Ace Hardware. Wayland Center and Cochituate Village offer small to medium retail and office space as well as providing a mix of fast food and full service restaurants.

The Town continues to reflect a strong economic condition; per capita income is significantly higher than the state averages and the unemployment rate is low. The Town continues to be a highly desirable community given its close proximity to Boston and access to Route 95 and Route 90. The residential sales market in Wayland is very strong. The Town's proximity to Boston and major highways, its quality of life, and dedication to public education and public safety maintains the community's reputation. The new Wayland High School completed construction in 2010. Annually the Town appropriates capital project funds to maintain and upgrade all town and school buildings.

The new Department of Public Works Facility located at 66 River Road opened in June 2015. The new facility provides enhanced services for Town residents and significantly improves the work environment of Town employees. The new facility is a 36,500 square foot building and which offers safer working conditions for employees and offers indoor storage for vehicles and equipment. Additionally the facility has a state-of-the-art vehicle maintenance garage so mechanics can now work on equipment safely and with modern equipment. Wash bays to properly clean trucks have also been installed.

Long-term Financial Planning

The Town continues to manage its financial affairs in a prudent manner as is demonstrated by its Moody's AAA bond rating. The Town's financial actions are generally guided by long range planning for long-term liabilities such as Other Post-Employment Benefits. The Town strives to prioritize spending, use of Free Cash to balance annual budgets and follow municipal best practices. The Town has established Enterprise Funds for the Water Department and Wastewater Department.

The Town currently manages \$77M in long term and short term debt. As a benchmark, the Town strives to limit the total annual debt payments to an amount that is no more than ten percent of the total General Fund Budget. Both the Water Enterprise Fund and Wastewater Enterprise Fund appropriate annual debt in their respective budgets.

The Town's main source of revenue is property taxes which is capped by Proposition 2½ and can only be overridden by a majority vote at a Town election. The tax rate has fluctuated between \$17 and \$19 per \$1,000 of assessed value over the past three years. State aid continues to increase at a minimal rate and accounts for approximately 7% of the Town's budgeted revenue. Local Receipts continues to grow and in particular strong revenue increases have been seen in Motor Vehicle Excise and Building Permits. Free Cash is used to balance the annual budget as well as transfers from other funds and special articles.

Tax bills are generated quarterly by the Town Assessing and Town Treasurers office. The Town Treasurer collects and deposits all revenue for the Town. The Commissioners of Trust Funds advise the Town Treasurer on investments related to Trust Funds. The Town Treasurer invests the Other Post Employment Benefit funds. The Town Treasurer borrows all capital projects funding in February of each year for projects which have been approved by Town Meeting.

The School Finance Sub Committee was formed in Fiscal 2015 to review the school budget and provide recommendations to the Wayland School Committee. The School Finance Sub Committee meets to develop short and long term budget plans.

Annual Budget Process

The Wayland Finance Committee is a seven member Committee appointed by the Wayland Board of Selectmen. The Finance Committee is responsible for preparing

and presenting the annual Town budget to Town Meeting. Various boards and committees review their respective budgets with the Finance Committee. Additionally the Finance Committee presents the annual Capital Project Budget to Town Meeting.

Town Meeting approves the annual budget in which each department has a defined appropriation. The level of budgetary control is established by Town Meeting. Department Managers are responsible for the spending and oversight of the department budgets. Additional appropriations may be approved at Town Meeting or by vote from the Finance Committee Reserve Fund. The Town Finance Department is responsible for payment of all payroll wages to employees and payments to vendors.

Risk Management

The Town complies with the laws of the Commonwealth of Massachusetts regarding the investment of public funds. The Town Treasurer balances cash available for investments with the cash flow needs of the Town. As of June 30, 2015 the General Fund cash and cash equivalents totaled \$16,654,938, while the balance of unrestricted cash and cash equivalents for all other government funds totaled \$25,227,203.

The Town manages risk with the purchase of commercial insurance. The insurance coverages include general liability, property and casualty, unemployment and workers compensation. The Town is a member of the West Suburban Heath Insurance Collaborative which allows the Town to purchase employee health insurance at a group rate.

Cash Management Practices

Town Management is responsible for establishing and maintaining an internal control structure designed to protect the assets of the Town from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The Town Finance Director / Town Accountant is responsible for evaluating the adequacy and effectiveness of the internal controls structure and implementing improvements.

The Town Treasurer is responsible for transferring funds into various depository accounts at bank institutions. Short-term funds are transferred to various banks and financial institutions to obtain the highest competitive return. The Treasurer maintains adequate cash on hand to pay invoices and fund payroll on a bi-weekly basis.

Cash flow requirements are continuously evaluated to determine the amount of money that can be invested for a longer term and thus, yield a higher return on investments. Maturities on various investments vary based on cash flow projections.

Major Initiatives and Accomplishments

The Town of Wayland continued working on a number of major financial, economic and community development initiatives as well as planning for infrastructure upgrades and improvements funded through a variety of sources.

Wayland Town Center Project

After years of debate and review, the Wayland Town Center Project is nearly complete. The Town Center Project has transformed a large vacant commercial office complex with acres of asphalt into a cohesive, vibrant village-like environment. The layout and scale of the Wayland Town Center Project, which was strongly supported by the community during the rezoning process, has been driven by the desire to have "Main Street" scaled development, bordered by wide sidewalks and accessible store fronts, a Public Green, commercial offices and residences, all within walking distance to one another. It continues to be strongly supported and leveraged by the community. The \$140 million project includes 165,000 sf of retail, restaurant and office space, 40,000 sf of municipal space, 42 high- end residential units and 12 affordable housing apartments above the store fronts, and a two acre Public Green. The Public Green will be completed in the fall 2015.

Mass Central Rail Trail

In 2015, Wayland Town Meeting appropriated \$445,000 of Community Preservation Funds for the design and construction of a rail-trail that will run through the Town along the Massachusetts Central Railroad line in Wayland. Wayland residents have been working on this project to create outdoor recreation (walking, biking, and jogging) and to improve the community with a vital link between the center of Wayland and residential neighborhoods as well as neighboring towns. This project will result in the conversion of an industrial use property (electric lines) into a three-mile long recreational path that will cross Wayland from Weston to Sudbury, in a line that runs somewhat parallel to Route 20 (Boston Post Road). The Massachusetts Department of Conservation and Recreation ("DCR") has leased from the Metropolitan Boston Transit Authority ("MBTA") a twenty-three mile rail corridor to be developed as a hard-surface multi-use-trail referred to as the "Wayside Trail" and Wayland is the first town to design and build its section of this trail.

While the Town has supported and funded this project, it is also seeking private funds to offset or replace public financing. The Town of Wayland is negotiating with DCR and Eversource (electricity provider) to construct the rail-trail in Wayland. Eversource has stated it has funds for the construction available in 2015 and is committed to seeking the necessary permits for the project including removing the rails and constructing the base/foundation of the trail.

This long awaited trail which passes through our New Town Center Development, when finally completed will be over 100 miles long through 24 communities, making it the longest single rail trail in New England. The Planning Board has already

committed \$250,000 dollars for this trail that runs through Wayland by the Town Center Developer.

The Planning Board looks forward to the development of more miles of useable trails and look forward to someday joining our trail to other trails in adjacent communities and to transform this abandoned rail corridor into a linear park.

Route 27 Sidewalk Project

The Route 27/Old Sudbury Road sidewalk project was completed this year after years of planning. The project included approximately 1,800 linear feet of granite curbing, concrete sidewalk and brick band along Route 27 through the Historic District. The project now connects the New Town Center with the Old Town Center which now makes the area pedestrian-friendly, connecting the Library, Public Safety Building, local businesses, adjacent neighborhoods and the Rail Trail.

River's Edge

The Town of Wayland released the Request for Proposals (RFP) to sell River's Edge Wayland, a Town-owned 8.24-acre parcel on Route 20 (484-490 Boston Post Road). The site represents an extraordinary opportunity in Wayland, with zoning in place to build 150-190 residential units in primarily 3-4 story buildings.

Wayland has supported River's Edge as a unique opportunity to allow significant new rental and affordable housing. Preparation for sale of the land has included extensive due diligence, planning, creation of Design Guidelines, and zoning changes secured by 2/3 majority vote at Town Meeting in 2014. This groundwork enables developers to bid with underlying Town approvals in place; only site plan approval will be needed from the Planning Board, and no zoning relief will be required.

Wayland is specifically encouraging density at this unique site in order to create rental housing and affordable housing. Since Wayland owns the land, the Town took the time and energy to research the land, and to proactively secure the zoning ahead of time with 2/3 majority vote at Town Meeting in 2014, a considerable undertaking. All of this work now complete will allow potential developers to bid with the underlying approvals in place, with only site plan approval required for the successful bidder.

Wayland will be looking for the best combination of up front land value, design, quality of community, fit with Wayland, and long-term tax revenues.

Open Space

The major project for FY 14 was the successful purchase of a Conservation Restriction on the Lincoln Road Fields- a 22.6 acre property that will forever remain in its natural state so that all can enjoy this rural pastoral landscape.

Wayland Real Asset Planning Committee (WRAP)

In June 2015, the Board of Selectmen asked the Planning Board, Finance Committee and the Public Buildings Director to work collaboratively to create a process to develop a comprehensive long-range facilities plan, siting strategy and capital funding plan to assist the Town with making informed decisions regarding major capital projects (defined as \$500,000 and above) related to future uses of municipal (Town and School) land and buildings. The plan will consider how best to use land and buildings to best serve the varied interests of the Town. This planning effort was envisioned in the original Master Plan in 2004 and in the 2011 update. It is anticipated that this effort will support the annual Capital Improvement Process (CIP) conducted in preparing the capital budget.

A committee has been created whose goal is to develop a long-range plan recommending the most appropriate uses for municipal-owned land and buildings to meet future needs, as well as to connect identified projects with suitable locations and parcels and produce a report recommending the sequencing of projects and making specific recommendations for future uses of municipal land and buildings. This plan will then advise the Finance Committee for annual budgeting purposes beginning with the FY2017 budget, as well as Town Meeting when it considers capital requests related to town owned property and buildings.

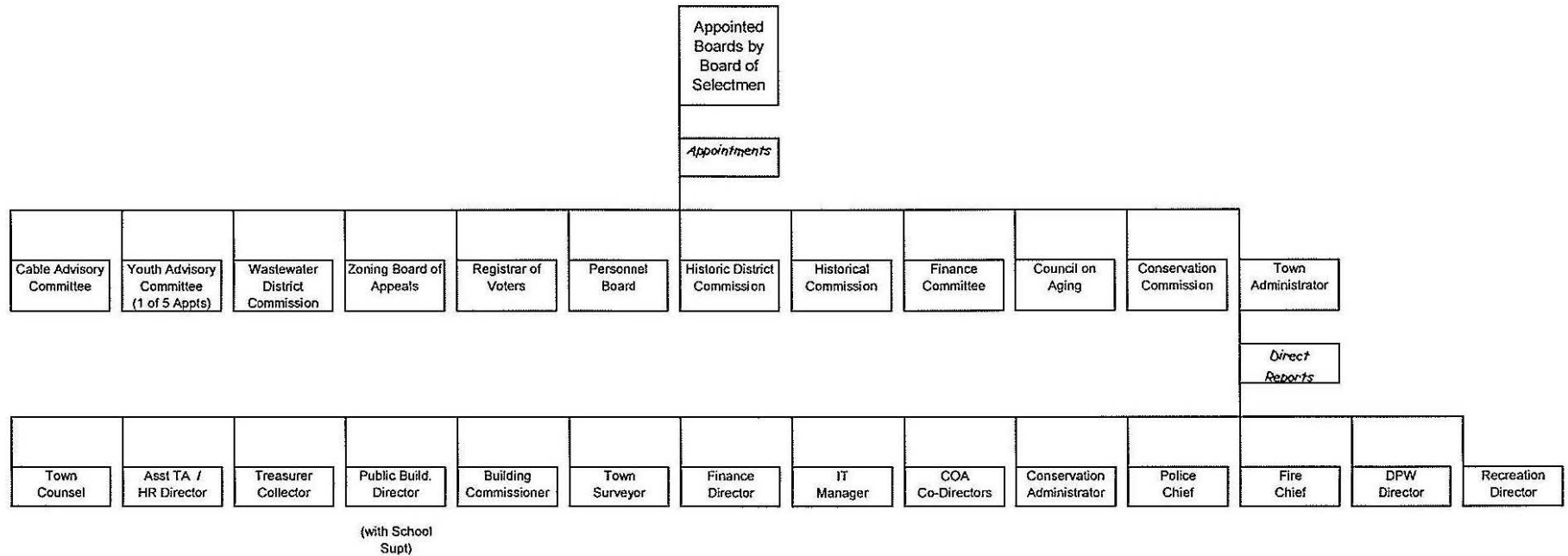
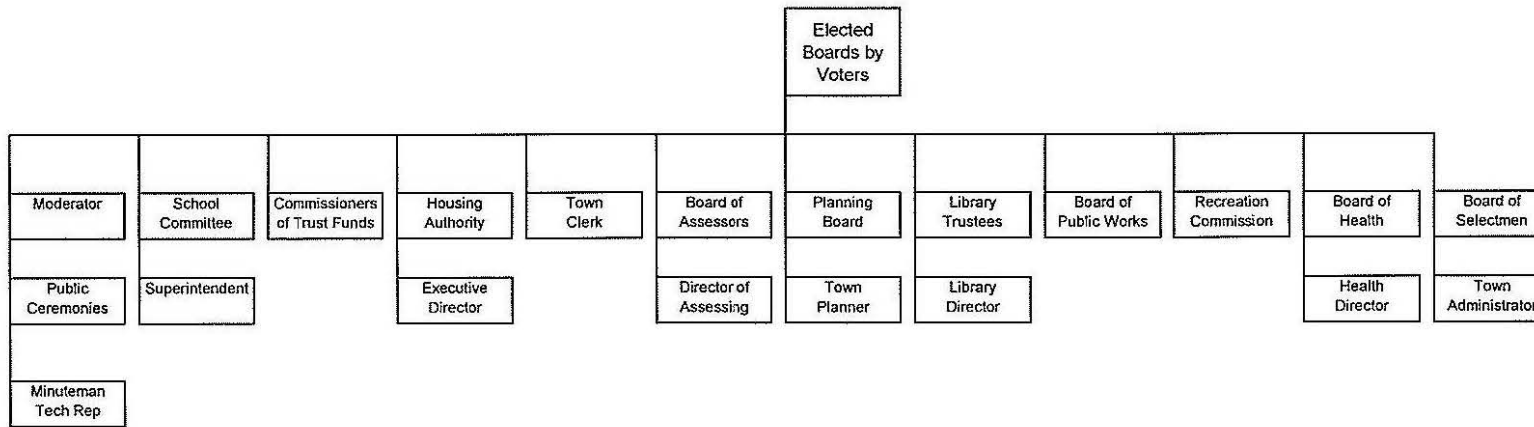
Acknowledgements

This report represents the collective efforts of Town management, Wayland Board of Selectmen, Wayland Audit Committee, Wayland Planning Board and the citizens of Wayland. The publication of the Comprehensive Annual Financial Report represents an important achievement for the Town of Wayland. The report contains enhanced financial information for citizens, elected and appointed officials and investors. Special thanks also go to the public accounting firm of Melanson Heath for the guidance and support in compiling and presenting the information.

Respectfully submitted,



Brian Keveny
Finance Director
Town of Wayland, Massachusetts



Principle Town Officials			
Title	Name	Selection / Term	Term Expires
Selectwoman	Cherry Karlson	Elected / 3 Years	2017
Selectwoman	Mary Antes	Elected / 3 Years	2018
Selectman	Joseph Nolan	Elected / 3 Years	2017
Selectwoman	Lea Anderson	Elected / 3 Years	2018
Selectman	Tony Boschetto	Elected / 3 Years	2016
Town Administrator	Nan Balmer	Appointed / 3 Years	2018
Town Counsel	Mark Lanza	Appointed / 3 Years	2018
School Committee	Ellen Grieco	Elected / 3 Years	2018
School Committee	Barbara Fletcher	Elected / 3 Years	2018
School Committee	Donna Bouchard	Elected / 3 Years	2018
School Committee	Jeanne Downs	Elected / 3 Years	2018
School Committee	Kathi Steinberg	Elected / 3 Years	2018
School Superintendent	Paul Stein	Appointed / 3 Years	2018

**FINANCIAL
SECTION**

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INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen
Town of Wayland, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wayland, Massachusetts (the Town), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wayland, Massachusetts as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements are presented for

purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Similarly, the Schedule of Funding Progress, Net OPEB Asset, and OPEB Trust Balance appearing on page 81 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

December 3, 2015

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BASIC FINANCIAL STATEMENTS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Wayland, Massachusetts, we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015. **Unless otherwise noted, all amounts are expressed in thousands.**

A. OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include water and wastewater activities.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water and wastewater operations.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater operations, both of which are considered to be major funds.

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

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

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

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$77,166 (i.e., net position), a change of \$7,926 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$37,931, a change of \$(4,741) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,925 a change of \$1,090 in comparison to the prior year.
- Total bonds and loans payable, including the unamortized premiums, was \$80,709 at the close of the current fiscal year, a change of \$1,042 in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 47,860	\$ 51,249	\$ 9,044	\$ 5,992	\$ 56,904	\$ 57,241
Capital assets	<u>136,589</u>	<u>127,584</u>	<u>21,230</u>	<u>19,369</u>	<u>157,819</u>	<u>146,953</u>
Total assets	184,449	178,833	30,274	25,361	214,723	204,194
Deferred outflows of resources	<u>160</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>166</u>	<u>-</u>
Total assets and deferred outflows of resources	184,609	178,833	30,280	25,361	214,889	204,194
Long-term liabilities outstanding	115,698	67,127	15,687	13,762	131,385	80,889
Other liabilities	<u>5,660</u>	<u>5,300</u>	<u>678</u>	<u>312</u>	<u>6,338</u>	<u>5,612</u>
Total liabilities	121,358	72,427	16,365	14,074	137,723	86,501
Net position:						
Net investment in capital assets	76,295	75,377	7,905	5,951	84,200	81,328
Restricted	15,687	17,004	-	-	15,687	17,004
Unrestricted	<u>(28,731)</u>	<u>14,025</u>	<u>6,010</u>	<u>5,336</u>	<u>(22,721)</u>	<u>19,361</u>
Total net position	\$ <u>63,251</u>	\$ <u>106,406</u>	* \$ <u>13,915</u>	\$ <u>11,287</u>	* \$ <u>77,166</u>	\$ <u>117,693</u>

*Due to fiscal year 2015 being the first year of implementation of GASB 68, prior periods have not been restated in accordance with standards. Refer to Note 21.

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues						
Charges for services	\$ 8,918	\$ 8,364	\$ 8,085	\$ 4,469	\$ 17,003	\$ 12,833
Operating grants and contributions	6,513	10,037	-	-	6,513	10,037
Capital grants and contributions	1,254	500	-	-	1,254	500
General revenues:						
Property taxes	60,095	55,052	-	-	60,095	55,052
Excises	2,307	2,285	-	-	2,307	2,285
Grants and contributions not restricted to specific programs	5,280	5,807	10	5	5,290	5,812
Investment income	302	540	9	9	311	549
Other	177	177	-	-	177	177
Total revenues	<u>84,846</u>	<u>82,762</u>	<u>8,104</u>	<u>4,483</u>	<u>92,950</u>	<u>87,245</u>
Expenses:						
General government	4,913	4,585	-	-	4,913	4,585
Public safety	6,637	6,320	-	-	6,637	6,320
Education	48,825	50,193	-	-	48,825	50,193
Public works	3,466	4,353	-	-	3,466	4,353
Health and human services	1,300	1,219	-	-	1,300	1,219
Culture and recreation	2,496	2,579	-	-	2,496	2,579
Intergovernmental	109	132	-	-	109	132
Employee benefits	11,222	11,336	-	-	11,222	11,336
Interest on long-term debt	2,608	2,255	-	-	2,608	2,255
Water	-	-	2,836	2,679	2,836	2,679
Sewer	-	-	613	652	613	652
Total expenses	<u>81,576</u>	<u>82,972</u>	<u>3,449</u>	<u>3,331</u>	<u>85,025</u>	<u>86,303</u>
Change in net position before transfers	3,270	(210)	4,655	1,152	7,925	942
Transfers in (out)	<u>164</u>	<u>403</u>	<u>(164)</u>	<u>(403)</u>	<u>-</u>	<u>-</u>
Change in net position	3,434	193	4,491	749	7,925	942
Net position - beginning of year, as restated	<u>59,817</u>	<u>106,213</u>	<u>9,424</u>	<u>10,538</u>	<u>69,241</u>	<u>116,751</u>
Net position - end of year	<u>\$ 63,251</u>	<u>\$ 106,406</u>	<u>* \$ 13,915</u>	<u>\$ 11,287</u>	<u>* \$ 77,166</u>	<u>\$ 117,693</u>

* July 1, 2014 net position was restated for GASB 68, while prior periods were not restated.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The largest portion of net position \$84,200 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are

not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position of \$15,687 represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position has a negative balance of \$(22,721) for fiscal year 2015. This resulted from the adoption of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. This statement established standards for the measurement, recognition, and presentation of net pension liability in the Town's financial statements. Net pension liabilities recorded on the statement of net position in accordance with GASB Statement No. 68 totaled \$49,341 for the year ended June 30, 2015.

Governmental activities. Governmental activities for the year resulted in a change in net position of \$3,434. Key elements of this change are as follows:

Excess of revenue over expenditures in revolving funds	\$ 1,821
Reversal of 20 Wayland judgment	1,227
Other	<u>386</u>
Total	<u>\$ 3,434</u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$4,491. Key elements of this change are as follows:

Water operations	\$ 410
Wastewater operations	<u>4,081</u>
Total	<u>\$ 4,491</u>

The positive results of wastewater operations are due to new revenue source in fiscal year 2015 for betterments.

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$37,931, a change of \$(4,741) in comparison to the prior year. Key elements of this change are as follows:

General fund revenues over expenditures	\$ (232)
Premium on issuance of bonds	462
CPA fund revenues over expenditures	374
Timing difference between current year bond proceeds and current year capital expenditures for DPW building project	(7,584)
Revolving funds revenues over expenditures	1,821
Timing difference between current year bond proceeds/intergovernmental revenues and current year capital expenditures for non-major projects	141
Other	<u>277</u>
Total	<u>\$ (4,741)</u>

The significant revolving funds with an excess of revenues over expenditures (excluding transfers out) include:

BASE	\$ 250
PEGASUS	79
TCW	169
School Lunch	271
Transportation	68
Town Center	380
Ambulance	540
Other	<u>64</u>
Total	<u>\$ 1,821</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,925, while total fund balance was \$16,078. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>	Balance % of Total General Fund Expenditures <u>6/30/15</u>
Restricted	\$ 1,091	\$ 1,198	\$ (107)	2%
Committed	78	111	(33)	0%
Assigned	4,984	4,080	904	7%
Unassigned	<u>9,925</u>	<u>8,835</u>	<u>1,090</u>	<u>14%</u>
Total fund balance	<u>\$ 16,078</u>	<u>\$ 14,224</u>	<u>\$ 1,854</u>	23%
				7/1/15 CFC % of General Fund FY15 Budget
<u>General Fund</u>	<u>7/1/15</u>	<u>7/1/14</u>	<u>Change</u>	<u>Budget</u>
Certified free cash (CFC)	\$ 6,479	\$ 6,384	\$ 95	9.3%

In the unassigned fund balance amounts above, stabilization balance of \$1,651 is included at June 30, 2015 and \$1,585 at June 30, 2014.

The total fund balance of the general fund changed by \$1,853 during the current fiscal year. Key factors in this change are as follows:

Use of reserve:	
Use of free cash	\$ (2,187)
Use of overlay	<u>(665)</u>
Subtotal	(2,852)
Revenues in excess of budget	336
Expenditures less than budget	2,054
Bond premium	361
Transfers in excess of budget	823
Unused overlay	708
Other	<u>423</u>
Total Change in General Fund Balance	\$ <u><u>1,853</u></u>

The Town's unassigned fund balance of the general fund, increased by \$1,090 during the current fiscal year. Key factors in this change are as follows:

Unassigned fund balance June 30, 2014	\$ 8,835
Positive results of operations in fiscal year 2015:	
Revenues	336
Expenditures	2,054
Bond premium	361
Transfers in	823
Use of free cash for fiscal year 2016	(3,159)
Unused overlay	708
Other	<u>(33)</u>
Unassigned fund balance June 30, 2015	\$ <u><u>9,925</u></u>

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

Unrestricted net position of the enterprise funds at the end of the year amounted to \$6,010, a change of \$673 in comparison with the prior year. Unrestricted net position for water decreased as a result of funding water related capital projects with the certified retained earnings (unrestricted net position), while unrestricted net position for wastewater increased due to betterment revenue received in fiscal year 2015.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's actual revenues as compared to budget show a \$336 favorable variance. Town also received \$361 of unbudgeted premium. The favorable results in transfers into the general fund are outlined below:

	Final <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Ambulance	\$ 360	\$ 360	\$ -
Water	349	349	-
Food service	225	436	211
Before and After School Enrichment	191	191	-
The Children's Way	201	201	-
Recreation	88	88	-
OPEB transfer - Article 4	-	595	595
Other	<u>125</u>	<u>143</u>	<u>18</u>
Total	<u>\$ 1,539</u>	<u>\$ 2,363</u>	<u>\$ 824</u>

Unspent appropriations at year-end totaled \$2,054 with approximately half from the Town's "unclassified" function. Significant components of the unspent appropriation in the "unclassified" function are outlined below:

	Final <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Insurance 32B	\$ 6,340	\$ 6,058	\$ 282
Medicare	567	562	5
Insurance general	600	574	26
Reserve for salary adjustments	260	-	260
Reserve fund	271	-	271
Other	<u>364</u>	<u>264</u>	<u>100</u>
Total unclassified	<u>\$ 8,402</u>	<u>\$ 7,458</u>	<u>\$ 944</u>

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$157,819 (net of accumulated depreciation), a change of \$10,865 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

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

- New DPW building and grounds \$9,293
- Esco energy upgrades of \$1,687
- Highway Chapter 90 costs of \$522
- Pump station upgrades of \$806
- Water main replacement of \$1,367

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

Credit rating. During the fiscal year, the Moody Investor Services affirmed the Town's Aaa rating.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$77,512, all of which was backed by the full faith and credit of the government. Including loans payable and unamortized bond premiums, the total bonds and loans payable at June 30, 2015 was \$80,709.

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

REQUESTS FOR INFORMATION

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

Finance Director
Town of Wayland
41 Cochituate Road
Wayland, Massachusetts 01778

TOWN OF WAYLAND, MASSACHUSETTS

STATEMENT OF NET POSITION

JUNE 30, 2015

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Current:			
Cash and short-term investments	\$ 36,477,100	\$ 5,033,860	\$ 41,510,960
Investments	5,481,292	-	5,481,292
Receivables, net of allowance for uncollectibles:			
Property taxes	480,057	-	480,057
Excises	23,010	-	23,010
User fees	-	499,759	499,759
Betterments	-	3,510,152	3,510,152
Assessments	60,150	-	60,150
Departmental and other	339,333	-	339,333
Total current assets	<u>42,860,942</u>	<u>9,043,771</u>	<u>51,904,713</u>
Noncurrent:			
Property taxes	1,283,293	-	1,283,293
Net OPEB asset	3,715,732	-	3,715,732
Capital assets:			
Nondepreciable capital assets	37,969,427	1,107,485	39,076,912
Other capital assets, net of accumulated depreciation	<u>98,619,185</u>	<u>20,122,410</u>	<u>118,741,595</u>
Total noncurrent assets	<u>141,587,637</u>	<u>21,229,895</u>	<u>162,817,532</u>
TOTAL ASSETS	184,448,579	30,273,666	214,722,245
Deferred Outflows of Resources	<u>160,220</u>	<u>6,409</u>	<u>166,629</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 184,608,799</u>	<u>\$ 30,280,075</u>	<u>\$ 214,888,874</u>
LIABILITIES AND NET POSITION			
LIABILITIES			
Current:			
Accounts payable	2,161,219	451,679	2,612,898
Accrued liabilities	1,092,458	219,369	1,311,827
Accrued payroll and withholdings	914,303	6,998	921,301
Guaranteed deposits payable	1,013,467	-	1,013,467
Other liabilities	478,127	-	478,127
Current portion of long-term liabilities:			
Bonds and loans payable	5,399,569	1,071,942	6,471,511
Other liabilities	<u>263,069</u>	<u>32,400</u>	<u>295,469</u>
Total current liabilities	11,322,212	1,782,388	13,104,600
Noncurrent:			
Bonds and loans payable, net of current portion	61,552,578	12,684,785	74,237,363
Net pension liability	47,443,607	1,897,702	49,341,309
Other liabilities, net of current portion	<u>1,039,209</u>	<u>-</u>	<u>1,039,209</u>
Total noncurrent liabilities	<u>110,035,394</u>	<u>14,582,487</u>	<u>124,617,881</u>
TOTAL LIABILITIES	121,357,606	16,364,875	137,722,481
NET POSITION			
Net investment in capital assets	76,294,684	7,905,424	84,200,108
Restricted for:			
Grants and by enabling legislation	13,775,565	-	13,775,565
Permanent fund:			
Nonspendable	1,248,929	-	1,248,929
Spendable	662,672	-	662,672
Unrestricted	<u>(28,730,657)</u>	<u>6,009,776</u>	<u>(22,720,881)</u>
TOTAL NET POSITION	<u>63,251,193</u>	<u>13,915,200</u>	<u>77,166,393</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 184,608,799</u>	<u>\$ 30,280,075</u>	<u>\$ 214,888,874</u>

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

TOWN OF WAYLAND, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Governmental Activities:					
General government	\$ 4,913,356	\$ 655,766	\$ 423,899	\$ 1,061,749	\$ (2,771,942)
Public safety	6,637,288	1,970,449	-	-	(4,666,839)
Education	48,825,024	4,922,063	6,038,336	-	(37,864,625)
Public works	3,466,324	428,409	-	-	(3,037,915)
Health and human services	1,300,343	212,744	24,408	191,971	(871,220)
Culture and recreation	2,495,849	728,996	26,584	-	(1,740,269)
Intergovernmental	109,179	-	-	-	(109,179)
Employee benefits	11,221,601	-	-	-	(11,221,601)
Interest	2,607,547	-	-	-	(2,607,547)
Total Governmental Activities	81,576,511	8,918,427	6,513,227	1,253,720	(64,891,137)
Business-Type Activities:					
Water services	2,836,461	3,737,953	-	-	901,492
Wastewater services	612,552	4,346,580	-	-	3,734,028
Total Business-Type Activities	3,449,013	8,084,533	-	-	4,635,520
Total	\$ 85,025,524	\$ 17,002,960	\$ 6,513,227	\$ 1,253,720	(60,255,617)

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

(continued)	Governmental Activities	Business- Type Activities	Total
Change in Net Position:			
Net (Expenses) revenue from previous page	\$ (64,891,137)	\$ 4,635,520	\$ (60,255,617)
General Revenue:			
Property taxes	60,094,824	-	60,094,824
Excise taxes	2,306,959	-	2,306,959
Grants and contributions not restricted to specific programs	5,280,405	10,395	5,290,800
Investment income	302,319	9,732	312,051
Other	176,700	-	176,700
Transfers, net	<u>164,095</u>	<u>(164,095)</u>	<u>-</u>
Total general revenues and transfers	<u>68,325,302</u>	<u>(143,968)</u>	<u>68,181,334</u>
Change in Net Position	3,434,165	4,491,552	7,925,717
Net Position:			
Beginning of year, as restated	<u>59,817,028</u>	<u>9,423,648</u>	<u>69,240,676</u>
End of year	<u>\$ 63,251,193</u>	<u>\$ 13,915,200</u>	<u>\$ 77,166,393</u>

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

TOWN OF WAYLAND, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2015

	General Fund	Community Preservation Fund	DPW Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and short-term investments	\$ 16,654,938	\$ 7,176,203	\$ 1,881,226	\$ 10,764,732	\$ 36,477,099
Investments	2,220,338	-	-	3,260,954	5,481,292
Due from other funds	33,534	-	-	-	33,534
Receivables:					
Property taxes	2,407,025	7,019	-	-	2,414,044
Excises	225,612	-	-	-	225,612
Assessments	34,589	-	-	25,562	60,151
Departmental and other	375	-	-	440,965	441,340
TOTAL ASSETS	\$ 21,576,411	\$ 7,183,222	\$ 1,881,226	\$ 14,492,213	\$ 45,133,072
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Warrants and accounts payable	\$ 941,846	\$ 7,376	\$ 508,690	\$ 703,307	\$ 2,161,219
Accrued payroll and withholdings	886,100	-	-	28,203	914,303
Due to other funds	-	-	-	33,534	33,534
Guaranteed deposits payable	1,013,467	-	-	-	1,013,467
Other liabilities	227,412	-	-	-	227,412
TOTAL LIABILITIES	3,068,825	7,376	508,690	765,044	4,349,935
Deferred Inflows of Resources	2,429,797	7,019	-	415,361	2,852,177
Fund Balances:					
Nonspendable	-	-	-	1,248,929	1,248,929
Restricted	1,091,466	7,168,827	1,372,536	11,407,157	21,039,986
Committed	77,495	-	-	894,747	972,242
Assigned	4,983,687	-	-	-	4,983,687
Unassigned	9,925,141	-	-	(239,025)	9,686,116
TOTAL FUND BALANCES	16,077,789	7,168,827	1,372,536	13,311,808	37,930,960
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 21,576,411	\$ 7,183,222	\$ 1,881,226	\$ 14,492,213	\$ 45,133,072

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

TOWN OF WAYLAND, MASSACHUSETTS

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2015

Total governmental fund balances	\$ 37,930,960
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	136,588,612
• Net Other Post Employment Benefits asset is reported on the statement of net position, and not reported in the funds.	3,715,732
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,896,874
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(1,092,458)
• Other liabilities, that are not considered liabilities in the funds.	(250,715)
• Long-term liabilities, net of related deferred outflow of resources, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(64,130,081)
Unamortized debt premium	(2,822,066)
Landfill liability	(290,000)
Net pension liability, net of deferred outflow of resources	(47,283,387)
Compensated absences liability	<u>(1,012,278)</u>
Net position of governmental activities	<u>\$ 63,251,193</u>

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

TOWN OF WAYLAND, MASSACHUSETTS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Community Preservation Fund	DPW Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 59,854,402	\$ 738,523	\$ -	\$ -	\$ 60,592,925
Excise taxes	2,390,377	-	-	-	2,390,377
Licenses and permits	999,262	-	-	-	999,262
Intergovernmental	4,787,738	210,765	-	2,783,577	7,782,080
Charges for services	429,499	-	-	7,275,044	7,704,543
Investment income	193,589	14,553	-	94,177	302,319
Fines and forfeitures	53,005	-	-	-	53,005
Contributions	76,749	-	-	1,189,756	1,266,505
Total Revenues	68,784,621	963,841	-	11,342,554	81,091,016
Expenditures:					
Current:					
General government	3,736,449	589,914	-	1,324,523	5,650,886
Public safety	5,656,329	-	-	344,012	6,000,341
Education	35,398,529	-	-	6,190,596	41,589,125
Public works	2,122,324	-	-	397,746	2,520,070
Health and human services	1,178,278	-	-	77,884	1,256,162
Culture and recreation	1,689,109	-	-	565,125	2,254,234
Employee benefits	11,433,116	-	-	-	11,433,116
Intergovernmental	109,179	-	-	-	109,179
Debt service:					
Principal	5,138,500	-	-	16,448	5,154,948
Interest	2,554,411	-	-	-	2,554,411
Capital outlay	-	-	9,584,366	4,268,763	13,853,129
Total Expenditures	69,016,224	589,914	9,584,366	13,185,097	92,375,601
Excess (deficiency) of revenues over expenditures	(231,603)	373,927	(9,584,366)	(1,842,543)	(11,284,585)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	2,000,000	3,917,000	5,917,000
Premium	462,210	-	-	-	462,210
Transfers in	2,352,931	-	-	1,311,639	3,664,570
Transfers out	(730,853)	(419,202)	-	(2,350,420)	(3,500,475)
Total Other Financing Sources (Uses)	2,084,288	(419,202)	2,000,000	2,878,219	6,543,305
Net change in fund balances	1,852,685	(45,275)	(7,584,366)	1,035,676	(4,741,280)
Fund Balances, at Beginning of Year	14,225,104	7,214,102	8,956,902	12,276,132	42,672,240
Fund Balances, at End of Year	\$ 16,077,789	\$ 7,168,827	\$ 1,372,536	\$ 13,311,808	\$ 37,930,960

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

TOWN OF WAYLAND, MASSACHUSETTS
 RECONCILIATION OF THE STATEMENT OF REVENUES
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2015

Net Changes in fund Balances - total Governmental Funds	\$ (4,741,280)																
<ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table style="margin-left: 40px; width: 80%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Capital outlay purchases, net of disposals</td> <td style="text-align: right;">13,803,890</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(4,799,552)</td> </tr> </table> • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources. (419,904) • Increase in net OPEB asset 211,515 • The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table style="margin-left: 40px; width: 80%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Repayments of debt</td> <td style="text-align: right;">5,154,948</td> </tr> <tr> <td>Issuance of bonds</td> <td style="text-align: right;">(5,917,000)</td> </tr> <tr> <td>Deferred premium</td> <td style="text-align: right;">(462,210)</td> </tr> <tr> <td>Bond premium amortization</td> <td style="text-align: right;">176,699</td> </tr> </table> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. (53,132) • Change in net pension liability, net of deferrals (693,634) • Change in other liabilities 1,253,302 • Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. <table style="margin-left: 40px; width: 80%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Compensated absences</td> <td style="text-align: right;">(89,477)</td> </tr> <tr> <td>Landfill</td> <td style="text-align: right;">10,000</td> </tr> </table> 		Capital outlay purchases, net of disposals	13,803,890	Depreciation	(4,799,552)	Repayments of debt	5,154,948	Issuance of bonds	(5,917,000)	Deferred premium	(462,210)	Bond premium amortization	176,699	Compensated absences	(89,477)	Landfill	10,000
Capital outlay purchases, net of disposals	13,803,890																
Depreciation	(4,799,552)																
Repayments of debt	5,154,948																
Issuance of bonds	(5,917,000)																
Deferred premium	(462,210)																
Bond premium amortization	176,699																
Compensated absences	(89,477)																
Landfill	10,000																
Change in net position of governmental activities	\$ <u>3,434,165</u>																

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

TOWN OF WAYLAND, MASSACHUSETTS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND OTHER
FINANCING SOURCES AND USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Property taxes, net	\$ 58,636,762	\$ 58,636,762	\$ 58,636,762	\$ -
Intergovernmental	4,550,673	4,550,673	4,547,482	(3,191)
Motor vehicle & other excise tax	2,215,000	2,215,000	2,597,904	382,904
Penalties & interest	215,000	215,000	223,338	8,338
In-lieu payments	25,000	25,000	26,092	1,092
Departmental fees & charges	535,000	535,000	471,561	(63,439)
Licenses & permits	1,000,000	1,000,000	999,261	(739)
Special assessments	10,000	10,000	6,604	(3,396)
Fines & forfeits	80,000	80,000	61,781	(18,219)
Investment income	95,000	95,000	127,262	32,262
Other	5,404	5,404	5,404	-
Total Revenues	<u>67,367,839</u>	<u>67,367,839</u>	<u>67,703,451</u>	<u>335,612</u>
Expenditures				
Current:				
General government	3,815,263	3,981,412	3,739,228	242,184
Public safety	5,905,553	5,905,553	5,641,917	263,636
Education	35,433,047	35,433,047	35,277,651	155,396
Vocational education	199,833	203,026	203,026	-
Public works	2,334,286	2,870,236	2,717,022	153,214
Health and human services	1,202,275	1,216,915	1,174,288	42,627
Culture & recreation	1,303,664	1,284,314	1,223,012	61,302
State & county assessments	122,112	122,112	109,179	12,933
Debt service	7,789,058	7,789,058	7,692,910	96,148
Pension	3,740,468	3,740,468	3,740,468	-
Unclassified	8,579,710	8,402,321	7,458,419	943,902
Other expenditures - Wayland Cares	88,400	88,400	6,183	82,217
Total Expenditures	<u>70,513,669</u>	<u>71,036,862</u>	<u>68,983,303</u>	<u>2,053,559</u>
Excess (deficiency) of revenues over expenditures	(3,145,830)	(3,669,023)	(1,279,852)	2,389,171
Other Financing Sources (Uses)				
Use of free cash	1,664,094	2,187,287	-	(2,187,287)
Use of overlay reserve	665,000	665,000	-	(665,000)
Bond premium	101,583	101,583	462,210	360,627
Transfers from other funds	1,539,247	1,539,247	2,362,711	823,464
Transfers to other funds	(824,094)	(824,094)	(950,225)	(126,131)
Total Other Financing Sources(Uses)	<u>3,145,830</u>	<u>3,669,023</u>	<u>1,874,696</u>	<u>(1,794,327)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>594,844</u>	\$ <u>594,844</u>

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

TOWN OF WAYLAND, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2015

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Current:			
Cash and short-term investments	\$ 3,726,699	\$ 1,307,161	\$ 5,033,860
User fees receivable	471,368	28,391	499,759
Betterments receivable	-	3,510,152	3,510,152
Total current assets	4,198,067	4,845,704	9,043,771
Noncurrent:			
Capital assets:			
Nondepreciable capital assets	1,107,485	-	1,107,485
Other capital assets, net of accumulated depreciation	14,916,253	5,206,157	20,122,410
Total noncurrent assets	16,023,738	5,206,157	21,229,895
TOTAL ASSETS	20,221,805	10,051,861	30,273,666
Deferred Outflows of Resources	6,251	158	6,409
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	20,228,056	10,052,019	30,280,075
LIABILITIES AND NET POSITION			
LIABILITIES			
Current:			
Accounts payable	440,652	11,027	451,679
Accrued liabilities	132,115	87,254	219,369
Accrued payroll	6,737	261	6,998
Current portion of long-term liabilities:			
Bonds and loans payable	799,048	272,894	1,071,942
Compensated absences	32,400	-	32,400
Total current liabilities	1,410,952	371,436	1,782,388
Noncurrent:			
Bonds and loans payable, net of current portion	7,911,952	4,772,833	12,684,785
Net pension liability	1,850,984	46,718	1,897,702
Total noncurrent liabilities	9,762,936	4,819,551	14,582,487
TOTAL LIABILITIES	11,173,888	5,190,987	16,364,875
NET POSITION			
Net investment in capital assets	7,505,252	400,172	7,905,424
Unrestricted	1,548,916	4,460,860	6,009,776
TOTAL NET POSITION	9,054,168	4,861,032	13,915,200
TOTAL LIABILITIES AND NET POSITION	\$ 20,228,056	\$ 10,052,019	\$ 30,280,075

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

TOWN OF WAYLAND, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Operating Revenues:			
Charges for services	\$ 3,737,953	\$ 202,779	\$ 3,940,732
Betterments	-	4,143,801	4,143,801
Total Operating Revenues	3,737,953	4,346,580	8,084,533
Operating Expenses:			
Personal services	694,170	17,217	711,387
Nonpersonnel	1,271,815	234,435	1,506,250
Depreciation	555,471	151,535	707,006
Total Operating Expenses	2,521,456	403,187	2,924,643
Operating Income	1,216,497	3,943,393	5,159,890
Nonoperating Revenues (Expenses):			
Investment income	6,925	2,807	9,732
Intergovernmental revenue	-	10,395	10,395
Interest expense	(315,005)	(209,365)	(524,370)
Total Nonoperating Revenues (Expenses), Net	(308,080)	(196,163)	(504,243)
Income (loss) before transfers	908,417	3,747,230	4,655,647
Transfers	(498,460)	334,365	(164,095)
Change in Net Position	409,957	4,081,595	4,491,552
Net Position at Beginning of Year	8,644,211	779,437	9,423,648
Net Position at End of Year	\$ 9,054,168	\$ 4,861,032	\$ 13,915,200

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

TOWN OF WAYLAND, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<u>Cash Flows From Operating Activities:</u>			
Receipts from customers and users	\$ 3,855,124	\$ 1,098,181	\$ 4,953,305
Payments of employee salaries, benefits, and related expenses	(659,239)	(16,526)	(675,765)
Payments to vendors	(891,946)	(231,560)	(1,123,506)
Net Cash Provided By Operating Activities	2,303,939	850,095	3,154,034
<u>Cash Flows From Noncapital Financing Activities:</u>			
Transfers from other funds	-	334,365	334,365
Transfers to other funds	(498,460)	-	(498,460)
Net Cash (Used For) Noncapital Financing Activities	(498,460)	334,365	(164,095)
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	(2,568,208)	-	(2,568,208)
Proceeds from bonds	1,000,000	-	1,000,000
Principal payments on bonds	(741,500)	(263,636)	(1,005,136)
Intergovernmental revenue	-	10,395	10,395
Interest expense	(304,951)	(211,146)	(516,097)
Net Cash (Used For) Capital and Related Financing Activities	(2,614,659)	(464,387)	(3,079,046)
<u>Cash Flows From Investing Activities:</u>			
Investment income	6,925	2,807	9,732
Net Cash Provided By Investing Activities	6,925	2,807	9,732
Net Change in Cash and Short-Term Investments	(802,255)	722,880	(79,375)
Cash and Short-Term Investments, Beginning of Year	4,528,954	584,281	5,113,235
Cash and Short-Term Investments, End of Year	\$ 3,726,699	\$ 1,307,161	\$ 5,033,860
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating income	\$ 1,216,497	\$ 3,943,393	\$ 5,159,890
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	555,471	151,535	707,006
Changes in assets and liabilities:			
User fees receivables	117,173	(3,248,398)	(3,131,225)
Accounts payable	379,868	2,875	382,743
Accrued payroll	382	7	389
Compensated absences	7,486	-	7,486
Net pension liability	27,062	683	27,745
Net Cash Provided By Operating Activities	\$ 2,303,939	\$ 850,095	\$ 3,154,034

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

TOWN OF WAYLAND, MASSACHUSETTS
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2015

	Other Post- Employment Benefits <u>Trust Fund</u>	Agency <u>Fund</u>
<u>ASSETS</u>		
Cash and short-term investments	\$ 90,409	\$ 280,772
Investments	<u>12,396,308</u>	<u>-</u>
Total Assets	12,486,717	280,772
<u>LIABILITIES AND NET POSITION</u>		
Other liabilities	<u>-</u>	<u>280,772</u>
Total Liabilities	<u>-</u>	<u>280,772</u>
<u>NET POSITION</u>		
Total net position held in trust for other post employment benefits and other purposes	<u><u>\$ 12,486,717</u></u>	<u><u>\$ -</u></u>

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

TOWN OF WAYLAND, MASSACHUSETTS
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Other Post- Employment Benefits Trust Fund</u>
Additions:	
Contributions	\$ 1,979,936
Investment income	<u>122,982</u>
Total additions	2,102,918
 Deductions:	
Benefits	<u>1,694,514</u>
Total deductions	<u>1,694,514</u>
Change in net position	408,404
 Net position:	
Beginning of year	<u>12,078,313</u>
End of year	<u><u>\$ 12,486,717</u></u>

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

TOWN OF WAYLAND, MASSACHUSETTS

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Government is a municipal corporation governed by an elected Board of Selectmen. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2015, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from

the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

The Government reports the following major governmental funds:

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

- The *Community Preservation Fund* was adopted by the Town on April 24, 2001 by a state-wide act enabling legislation to allow Cities and Towns to choose to create a new funding source that can be used to address the following core community concerns:
 - Acquisition and preservation of open space
 - Creation and support of affordable housing
 - Acquisition and preservation of historic buildings and landscapes
 - Recreation
- The *DPW Building Fund* is used to account for the architectural, engineering, construction and site work of the new Department of Public Works Facility authorized by the November 20, 2013 Special Town Meeting vote. This project is funded primarily through issuance of long-term general obligation bond and a small contribution from the receipts reserved from sale of real estate.

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

The government reports the following major proprietary funds:

- The *Water Fund* is used to report the Town's water enterprise fund operations.
- The *Wastewater Fund* is used to report the Town's wastewater enterprise fund operations.

The *Other Post-Employment Benefits Trust Fund* is used to accumulate resources for health and life insurance benefits for retired employees. It is used to account for funds to offset the anticipated cost of premium payments for retirees or direct payments to retired employees of the Town, and to any eligible surviving spouse or dependents.

The *Agency Funds* include Student Activity Funds. The agency funds account for fiduciary assets held by the Town in custodial capacity as an agent on behalf of others. Agency funds report only assets and liabilities, therefore, have no measurement focus.

D. Cash and Short-Term Investments

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

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

E. Investments

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

Investments for the Trust Funds consist of marketable securities, bonds and short-term money market investments. Investments are carried at market value.

F. Property Tax Limitations

Legislation known as "Proposition 2½" has limited the amount of revenue that can be derived from property taxes. The prior fiscal year's tax levy limit is used as a base and cannot increase by more than 2.5 percent (excluding new growth), unless an override is voted. The actual fiscal year 2015 tax levy reflected an excess capacity of \$6,850,124.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (for enterprise funds only), are reported in the applicable governmental or business-type activities columns in the government-wide

financial statements. Capital assets are defined by the Government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Infrastructure	40
Vehicles	7
Equipment	7

H. Compensated Absences

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

I. Long-Term Obligations

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

J. Fund Equity

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

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

The Town's fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds represent the perpetual care trust principal, which can never be spent.
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended. In the case of capital project funds, these funds are restricted for projects financed by bonds.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision making authority in the government, (the Town Meeting).
- 4) Assigned funds are used for specific purposes as established by management. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance (free cash) voted to be used in the subsequent fiscal year.
- 5) Unassigned funds are available to be spent in future periods.

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

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Permanent fund restricted net position is segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions. The remaining net position is reported as unrestricted.

K. Interfund Transactions

Transfers of resources from a fund receiving revenues to a fund through which revenues are to be expended are separately reported as transfers in the respective funds.

L. Use of Estimates

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

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

A. Budgetary Information

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

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

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

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

B. Budgetary Basis

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

C. Budget/GAAP Reconciliation

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

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

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP Basis)	\$ 68,784,621	\$ 69,016,224
Other financing sources/uses (GAAP Basis)	<u>2,815,141</u>	<u>730,853</u>
Subtotal (GAAP Basis)	71,599,762	69,747,077
Adjust tax revenue to accrual basis	(943,501)	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(310,984)
Add end of year appropriation carryforwards to expenditures	-	602,565
Reverse non-budgeted funds	<u>(127,889)</u>	<u>(105,130)</u>
Budgetary Basis	<u>\$ 70,528,372</u>	<u>\$ 69,933,528</u>

D. Deficit Fund Equity

The Town reflects several special revenue and capital project fund deficits, primarily caused by grant expenses occurring in advance of grant reimbursements and expenditures in advance of issuance of debt.

The following funds had deficits as of June 30, 2015:

Nonmajor Governmental Funds:	
Special Revenue Funds:	
Owner Tech Grant	\$ 4,471
FY15 METCO	11,676
FY15-19 Substance Abuse Prevention	50,939
Capital Project Funds:	
Highway chapter 90	117,287
Middle School Roof	<u>54,652</u>
Total	<u>\$ 239,025</u>

The deficits in these funds will be eliminated through future inter-governmental revenues and issuance of debt.

3. Cash and Short-Term Investments

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the Town's deposits "in a bank or trust company or banking company to an amount not exceeding sixty percent of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The Town's investment policy requires the due diligence necessary to affirm the financial strength, capital adequacy, and reputation for any financial institution in which the Town places investments. Due diligence includes reviewing the institution's financial statements and the background of the sales representatives. The Town minimizes the concentration of credit risk by diversifying the investment portfolio among financial institutions. The policy prohibits the investment of more than ten percent (10%) of cash in any single financial institution that is not fully collateralized.

As of June 30, 2015, \$7,126,192 of the Town's bank balance of \$43,599,748 was exposed to custodial credit risk as uninsured or uncollateralized; \$681,018 of the uncollateralized amount was invested in the state pool and \$68,534 was mitigated by Securities Investor Protection Corporation (SIPC).

4. Investments

A. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Law, Chapter 44, Section 55, limits the Town's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

Presented below is the actual rating as of year-end for each investment of the Town. (All federal agency securities have an implied credit rating of AAA.):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year-end</u>	
			<u>Aaa</u>	<u>A2</u>
Federal agency securities	\$ 1,314,027	\$ -	\$ 1,314,027	\$ -
US Treasury notes	481,593	-	481,593	-
Certificates of deposits	620,228	620,228	-	-
Mutual funds	11,797,024	11,797,024	-	-
Corporate bonds	641,941	-	-	641,941
Corporate equities	3,022,787	3,022,787	-	-
Total investments	<u>\$ 17,877,600</u>	<u>\$ 15,440,039</u>	<u>\$ 1,795,620</u>	<u>\$ 641,941</u>

B. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town's custodial credit risk policy for investments mirrors the custodial credit risk policy for deposits. Further all securities not held directly by the Town, will be held in the Town's name and tax identification number by a third party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

C. Concentration of Credit Risk

The Town minimized Concentration of Credit Risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. There are no investments in any one issuer (other than U.S. Treasury securities and mutual funds) that represents 5% or more of total investments.

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town will manage interest rate risk by managing duration in the account. The investment policy requires investment of operating funds to have maturity of one year or less from the date of purchase.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
Debt-related Securities:				
Federal agency securities	\$ 1,314,027	\$ 50,970	\$ 1,061,469	\$ 201,588
US Treasury notes	481,593	112,304	213,559	155,730
Corporate bonds	<u>641,941</u>	<u>76,253</u>	<u>565,688</u>	<u>-</u>
Total	<u>\$ 2,437,561</u>	<u>\$ 239,527</u>	<u>\$ 1,840,716</u>	<u>\$ 357,318</u>

E. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town's policy prohibits exposure to foreign currency.

5. Taxes Receivable

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on a quarterly basis and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the fiscal year they relate to.

Fourteen days after the due date for the final tax bill for real estate taxes, a demand notice may be sent to the delinquent taxpayer. Fourteen days after the demand notice has been sent, the tax collector may proceed to file a lien against the delinquent taxpayers' property. The Town has an ultimate right to foreclose on property for unpaid taxes. Personal property taxes cannot be secured through the lien process.

Taxes receivable at June 30, 2015 consist of the following:

Real Estate			
2015	\$	400,735	
2014		95,564	
2013		42,830	
2012		<u>10,553</u>	
			549,682
Personal Property			
2015		5,417	
2014		2,111	
2013		4,367	
2012		4,467	
2011		3,555	
Prior		<u>4,150</u>	
			24,067
Community Preservation Act			7,019
Tax Title			1,389,929
Deferred Taxes			<u>443,347</u>
Total		\$	<u><u>2,414,044</u></u>

6. Allowance for Doubtful Accounts

The receivables reported in the accompanying entity-wide financial statements reflect the following estimated allowances for doubtful accounts:

	<u>Governmental</u>	<u>Business-Type</u>
Property taxes	\$ 650,694	\$ -
Excises	\$ 202,602	\$ -
Ambulance	\$ 102,007	\$ -
Utilities	\$ -	\$ 4,214
Betterments	\$ -	\$ 390,149

7. Interfund Receivables, Payables and Transfers

Amount owed to the general fund from nonmajor governmental funds is to cover the fund deficit.

The following is an analysis of interfund transfers made in fiscal year 2015:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General fund	\$ 2,352,931	\$ 730,853
Community preservation fund	-	419,202
Nonmajor funds:		
Special revenue funds:		
Town revolving	-	1,093,585
School revolving	-	1,256,835
Affordable housing trust	470,542	-
Capital project funds:		
Town	435,878	-
School	405,219	-
Subtotal	<u>3,664,570</u>	<u>3,500,475</u>
<u>Enterprise funds:</u>		
Water fund	-	498,460
Wastewater fund	<u>334,365</u>	<u>-</u>
Subtotal	<u>334,365</u>	<u>498,460</u>
Grand Total	<u>\$ 3,998,935</u>	<u>\$ 3,998,935</u>

The \$575,000 transfer from the General fund and \$150,000 from the Ambulance revolving fund to the various Capital Project funds represent the Town's practice of funding certain capital activity from the operating funds approved by town meetings.

Transfers are also used to move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them.. Transfers are also done per indirect cost allocations for OPEB and other fringe benefit payments. Most of the water transfer out represents the indirect cost allocation and OPEB payment reimbursement to General Fund. Most of wastewater transfer in represents the transfer out of the revolving fund from the unrestricted gifts for payments in lieu of betterments per agreement between the Town and the Waste Water Management District Commission in connection with settlement with Twenty Wayland, LLC. The outstanding transfers will be made within 24 months of the settlement date, see the Commitments and Contingencies footnote.

8. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 139,475	\$ 509	\$ -	\$ 139,984
Machinery, equipment, and furnishings	11,627	315	-	11,942
Vehicles	6,357	560	(745)	6,172
Infrastructure	<u>8,160</u>	<u>853</u>	<u>-</u>	<u>9,013</u>
Total capital assets, being depreciated	165,619	2,237	(745)	167,111
Less accumulated depreciation for:				
Buildings and improvements	(43,899)	(3,234)	-	(47,133)
Machinery, equipment, and furnishings	(9,670)	(709)	-	(10,379)
Vehicles	(5,351)	(342)	733	(4,960)
Infrastructure	<u>(5,505)</u>	<u>(515)</u>	<u>-</u>	<u>(6,020)</u>
Total accumulated depreciation	<u>(64,425)</u>	<u>(4,800)</u>	<u>733</u>	<u>(68,492)</u>
Total capital assets, being depreciated, net	101,194	(2,563)	(12)	98,619
Capital assets, not being depreciated:				
Land	21,580	-	-	21,580
Collections	1,747	-	-	1,747
Intangible asset for permanent conservation easement	2,400	-	-	2,400
Construction in progress	<u>663</u>	<u>11,580</u>	<u>-</u>	<u>12,243</u>
Total capital assets, not being depreciated	<u>26,390</u>	<u>11,580</u>	<u>-</u>	<u>37,970</u>
Governmental activities capital assets, net	<u>\$ 127,584</u>	<u>\$ 9,017</u>	<u>\$ (12)</u>	<u>\$ 136,589</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 904	\$ -	\$ -	\$ 904
Machinery, equipment, and furnishings	305	-	-	305
Vehicles	686	63	-	749
Infrastructure	<u>22,189</u>	<u>1,399</u>	<u>-</u>	<u>23,588</u>
Total capital assets, being depreciated	24,084	1,462	-	25,546
Less accumulated depreciation for:				
Buildings and improvements	(166)	(24)	-	(190)
Machinery, equipment, and furnishings	(165)	(57)	-	(222)
Vehicles	(501)	(56)	-	(557)
Infrastructure	<u>(3,883)</u>	<u>(571)</u>	<u>-</u>	<u>(4,454)</u>
Total accumulated depreciation	<u>(4,715)</u>	<u>(708)</u>	<u>-</u>	<u>(5,423)</u>
Total capital assets, being depreciated, net	19,369	754	-	20,123
Capital assets, not being depreciated:				
Construction in progress	<u>-</u>	<u>1,107</u>	<u>-</u>	<u>1,107</u>
Business-type activities capital assets, net	<u>\$ 19,369</u>	<u>\$ 1,861</u>	<u>\$ -</u>	<u>\$ 21,230</u>

Depreciation expense was charged to functions of the Town as follows:

Governmental Activities:	
General government	\$ 358,485
Public safety	422,639
Education	2,967,309
Public works	885,417
Culture and recreation	<u>165,702</u>
Total depreciation expense - governmental activities	<u>\$ 4,799,552</u>
Business-Type Activities:	
Water	\$ 555,471
Wastewater	<u>151,535</u>
Total depreciation expense - business-type activities	<u>\$ 707,006</u>

9. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets.

The following is a summary of deferred outflow of resources balances as of June 30, 2015:

	<u>Entity-wide Basis</u>		<u>Fund Basis</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Proprietary Funds Water</u>	<u>Sewer</u>
Net difference between projected and actual pension investment earnings	\$ 160,220	\$ 6,409	\$ 6,251	\$ 158

10. Warrants and Accounts Payable

Warrants payable represent 2015 expenditures paid by July 15, 2015. Accounts payable represent additional 2015 expenditures paid after July 15, 2015.

11. Long-Term Debt

A. General Obligation Bonds and Loans Payable

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

	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/15
Municipal Purposes 2003	11/01/22	3.70%	\$ 330,000
Municipal Purposes 2005	09/15/25	3.78%	3,085,000
Municipal Purposes 2006	07/15/25	4.08%	455,000
Municipal Purposes 2007	01/15/27	4.01%	1,715,000
Municipal Purposes 2008	02/01/28	3.42%	4,270,000
Municipal Purposes 2009	12/15/28	2.79%	2,570,000
Municipal Purposes 2010	02/01/35	3.48%	8,755,000
Municipal Purposes 2011	02/01/36	4.12%	33,715,000
Municipal Purposes 2012	02/01/31	1.37%	775,000
Municipal Purposes 2013	02/01/22	1.10%	2,925,000
Municipal Purposes 2014	02/01/34	3.07%	12,000,000
Municipal Purposes 2015	02/01/35	3.00%	<u>6,917,000</u>
Total bonded debt:			77,512,000
Title V	07/01/25	-	99,081
Wastewater	07/01/22	-	<u>275,727</u>
Total loans:			<u>374,808</u>
Grand Total:			<u>\$ 77,886,808</u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2015 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 5,199,759	\$ 3,425,375	\$ 8,625,134
2017	4,862,759	2,330,361	7,193,120
2018	4,742,759	3,733,033	8,475,792
2019	4,224,759	1,988,363	6,213,122
2020	3,666,259	1,822,701	5,488,960
2021-2025	15,337,786	7,100,274	22,438,060
2026-2030	12,915,000	4,435,043	17,350,043
2031-2035	11,900,000	1,876,806	13,776,806
2036	1,281,000	66,000	1,347,000
Total	<u>\$ 64,130,081</u>	<u>\$ 26,777,956</u>	<u>\$ 90,908,037</u>

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,071,942	\$ 522,608	\$ 1,594,550
2017	1,071,942	489,196	1,561,138
2018	1,066,942	452,316	1,519,258
2019	1,044,747	413,575	1,458,322
2020	1,043,247	372,502	1,415,749
2021-2025	4,513,907	1,289,804	5,803,711
2026-2030	3,290,000	472,270	3,762,270
2031-2035	654,000	43,648	697,648
Total	<u>\$ 13,756,727</u>	<u>\$ 4,055,919</u>	<u>\$ 17,812,646</u>

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2015, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/14	Additions	Reductions	Total Balance 6/30/15	Less Current Portion	Equals Long-Term Portion 6/30/15
<u>Governmental Activities</u>						
Bonds payable	\$ 63,368	\$ 5,917	\$ (5,155)	\$ 64,130	\$ (5,200)	\$ 58,930
Unamortized debt premiums	2,537	462	(177)	2,822	(200)	2,622
Subtotal	65,905	6,379	(5,332)	66,952	(5,400)	61,552
Net pension liability	51,467	-	(4,023)	47,444	-	47,444
Other:						
Landfill closure	300	-	(10)	290	(10)	280
Accrued employee benefits	923	89	-	1,012	(253)	759
Totals	<u>\$ 118,595</u>	<u>\$ 6,468</u>	<u>\$ (9,365)</u>	<u>\$ 115,698</u>	<u>\$ (5,663)</u>	<u>\$ 110,035</u>
<u>Business-Type Activities</u>						
Bonds payable	\$ 13,762	\$ 1,000	\$ (1,005)	\$ 13,757	\$ (1,072)	\$ 12,685
Accrued employee benefits	25	7	-	32	(32)	-
Net pension liability	2,059	-	(161)	1,898	-	1,898
Totals	<u>\$ 15,846</u>	<u>\$ 1,007</u>	<u>\$ (1,166)</u>	<u>\$ 15,687</u>	<u>\$ (1,104)</u>	<u>\$ 14,583</u>

Compensated absences are repaid from the funds that the costs relate to, mostly the general fund and water fund.

12. Landfill Monitoring and Postclosure Care Costs

The Town's municipal solid waste landfill is closed. The Town worked with the State Regulatory Agency (DEP) to cap the landfill. State and Federal laws and regulations require the Town to place a final cover on its landfill site after it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. On February 1, 2011, the Town borrowed \$850,000 and most of the proceeds were used in fiscal year 2012 for capping costs, with the balance substantially used up by fiscal year 2014, when the Town completed the capping of the landfill.

The \$290,000 reported as liability at June 30, 2015 is based on estimated costs to be incurred after fiscal year 2015 for annual landfill postclosure monitoring and care costs. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

13. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net assets by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities.

The balance of the General Fund *unavailable revenues* account is equal to the total of all June 30, 2015 receivable balances, except real and personal property taxes that are accrued for subsequent 60-day collections.

Other governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

14. Governmental Fund Balances

The following is a breakdown of the Town's governmental fund balances at June 30, 2015:

	General Fund	Community Preservation Fund	DPW Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Nonexpendable permanent funds	\$ -	\$ -	\$ -	\$ 1,248,929	\$ 1,248,929
Total Nonexpendable	-	-	-	1,248,929	1,248,929
Restricted:					
Debt service	1,091,466	-	-	-	1,091,466
Community preservation	-	7,168,827	-	-	7,168,827
Town special revenue accounts:					
Ambulance	-	-	-	1,187,928	1,187,928
Recreation revolving	-	-	-	658,756	658,756
Transfer station	-	-	-	305,269	305,269
Bike trail	-	-	-	250,000	250,000
Green communities grant II	-	-	-	187,500	187,500
Turf field	-	-	-	172,061	172,061
Cafeteria plan	-	-	-	170,792	170,792
Receipts reserved for sale of cemetery lots	-	-	-	160,084	160,084
Parking lot	-	-	-	120,000	120,000
Receipts reserved for concom receipts	-	-	-	118,007	118,007
Other town grants and revolving accounts	-	-	-	903,089	903,089
School special revenue accounts:					
Before and after school enrichment	-	-	-	359,411	359,411
SPED Circuit Breaker	-	-	-	351,238	351,238
PEGASUS	-	-	-	349,751	349,751
Transportation fees	-	-	-	281,460	281,460
The Children's Way	-	-	-	104,875	104,875
Other school grants and revolving accounts	-	-	-	571,222	571,222
Affordable Housing trust	-	-	-	662,672	662,672
Town capital project accounts:					
New DPW building 2013	-	-	1,372,536	-	1,372,536
Energy upgrades 2014	-	-	-	312,686	312,686
Public safety building repairs	-	-	-	197,253	197,253
Road construction 2014	-	-	-	166,630	166,630
Culvert repairs 2014	-	-	-	100,000	100,000
Other capital project funds	-	-	-	611,821	611,821
School capital project accounts:					
Middle school roof 2013	-	-	-	572,263	572,263
Locker kitchen 2014	-	-	-	211,000	211,000
Other capital project funds	-	-	-	291,963	291,963
Expendable permanent funds	-	-	-	2,029,426	2,029,426
Total Restricted	1,091,466	7,168,827	1,372,536	11,407,157	21,039,986

(continued)

(continued)

	General Fund	Community Preservation Fund	DPW Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Committed:					
Septage	77,495	-	-	-	77,495
Town capital project accounts:					
Other capital project funds	-	-	-	566,740	566,740
School capital project accounts:					
Other capital project funds	-	-	-	328,007	328,007
Total Committed	77,495	-	-	894,747	972,242
Assigned:					
Encumbered for:					
General government	251,312	-	-	-	251,312
Public safety	591	-	-	-	591
Education	251,432	-	-	-	251,432
Public works	39,333	-	-	-	39,333
Recreation	33,340	-	-	-	33,340
Employee benefits	26,496	-	-	-	26,496
Use of fund balance for fiscal 16	3,159,215	-	-	-	3,159,215
Non-insurance	1,187,601	-	-	-	1,187,601
Septage	34,368	-	-	-	34,368
Total Assigned	4,983,687	-	-	-	4,983,687
Unassigned:					
General fund	8,273,870	-	-	-	8,273,870
Stabilization	1,651,271	-	-	-	1,651,271
Other nonmajor	-	-	-	(239,025)	(239,025)
Total Unassigned	9,925,141	-	-	(239,025)	9,686,116
Total Fund Balance	\$ 16,077,789	\$ 7,168,827	\$ 1,372,536	\$ 13,311,808	\$ 37,930,960

15. Unassigned Fund Balance and Unrestricted Net Position

The following are reconciliations of unassigned fund balance/unrestricted net position as reported under generally accepted accounting principles with available statutory amounts.

	General Fund
Unassigned fund balance, June 30, 2015	\$ 9,925,141
Less stabilization	(1,651,271)
Allowance for abatements (reserved statutorily)	(1,618,510)
"60-day rule"	(237,804)
ATB liability	226,400
Other adjustments	(164,761)
Certified free cash, July 1, 2015	\$ 6,479,195

	Water Fund	Wastewater Fund	Total
Unrestricted net assets, GAAP	\$ 1,548,916	\$ 4,460,860	\$ 6,009,776
Recognize deferred revenue	(471,368)	(3,932,906)	(4,404,274)
Allowance for doubtful accounts	-	394,363	394,363
Remove accrued interest	132,115	87,254	219,369
Remove compensated absences	32,400	-	32,400
Remove net pension liability, net of DO	1,844,733	46,560	1,891,293
Funds assigned for FY16 & encumbrances	(736,874)	(24,288)	(761,162)
Payments in lieu of betterments	-	(325,671)	(325,671)
Unspent cash appropriations for capital	<u>(97,409)</u>	<u>-</u>	<u>(97,409)</u>
Available funds	<u>\$ 2,252,513</u>	<u>\$ 706,172</u>	<u>\$ 2,958,685</u>

16. Commitments and Contingencies

Outstanding Legal Issues – Prior to fiscal year 2015, a judgment has been entered against the Town in the amount of \$1,227,485, and has been recognized as a liability in the Town’s governmental activities as of June 30, 2014. The judgment resulted from a breach of contract case where a developer alleged that the Town and its Wastewater Management District Commission breached their obligations to provide sewer capacity at the Town’s wastewater treatment plant and included system costs attributable to other users in the developer’s sewer usage charges. The Town parties have appealed the judgment to the Massachusetts Appeals Court. The developer has been making payments to the Town towards a gift in the original amount of approximately \$3,000,000, pursuant to a memorandum of agreement between the Town and the developer under which the Town, among other things, rezoned the developer’s land to allow a mixed-use development to be built. The parties settled in February 2015. The settlement modified the monetary part of judgment from \$1,227,485 to \$895,000. Further, the post-judgement interest of 12% was waived. Payment of the settlement is being funded solely from gifts received, and was mostly paid off in fiscal year 2015.

There are several other pending legal issues in which the Town is involved. The Town’s management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Abatements - There are several cases pending before the Appellate Tax Board in regard to alleged discrepancies in property assessments. According to the Town’s Counsel, the probable outcome of these cases at the present time is indeterminable, although the Town expects such amounts, if any, to be immaterial.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government.

Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

17. **Post-Employment Healthcare and Life Insurance Benefits**

Other Post-Employment Benefits

GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the statement of activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Position over time.

A. Plan Description

In addition to providing the pension benefits described, the Town provides post-employment health care and life insurance benefits for retired employees through the Town's single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by Chapter 32 of the Massachusetts General Laws. As of December 31, 2014, the actuarial valuation date, approximately 439 retirees and 643 active employees meet the eligibility requirements. The plan issues a stand-alone separate financial report. The report can be requested from Finance Director, Town of Wayland, 41 Cochituate Rd, Wayland, MA 01778.

B. Benefits Provided

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

C. Funding Policy

Retirees contribute various amounts of the cost of the health plan, as determined by the Town. The Town contributed the remainder of the health plan costs on a pre-funded basis prior to fiscal year 2013. In fiscal year 2015, the Town contributed 112% of the annual OPEB cost.

The Town has established an OPEB trust in accordance with State legislature, through which assets are accumulated and benefits are paid as they come due. Employer contributions to the plan are irrevocable. Plan assets are dedicated to providing benefits to retirees and their spouses in accordance with the terms of the plan, and plan assets are legally protected from creditors of the employer.

D. Annual OPEB Costs and Net OPEB Asset

The Town's fiscal 2015 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the Town's annual OPEB cost for the year ending June 30, 2015, the amount actually contributed to the plan, and the change in the Town's net OPEB asset based on an actuarial valuation as of December 31, 2014:

	Actuarially Determined Amounts	Other Town Amounts	Total
Annual Required Contribution (ARC)	\$ 3,499,357	\$ -	\$ 3,499,357
Interest on net OPEB obligation	(245,295)	-	(245,295)
Adjustment to ARC	263,918	-	263,918
Amortization of actuarial (gain)/loss	<u>(1,749,559)</u>	<u>-</u>	<u>(1,749,559)</u>
Annual OPEB cost	1,768,421	-	1,768,421
Contributions made	<u>1,943,608</u>	<u>36,328</u>	<u>1,979,936</u>
Increase in net OPEB asset	\$ <u>175,187</u>	\$ <u>36,328</u>	211,515
Net OPEB asset - beginning of year			<u>3,504,217</u>
Net OPEB asset - end of year			<u>\$ 3,715,732</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Asset
2015	\$ 1,768,421	147.7%	\$ 3,715,732
2014	\$ 2,813,283	78.5%	\$ 3,504,217
2013	\$ 2,643,910	74.8%	\$ 4,108,519
2012	\$ 3,614,689	140.9%	\$ 4,774,123
2011	\$ 3,560,074	147.1%	\$ 3,294,846
2010	\$ 3,138,586	127.3%	\$ 1,618,922

Also see Town's Supplementary Information on pages 75 and 81.

E. Funded Status and Funding Progress

The funded status of the plan as of December 31, 2014, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 30,087,993
Actuarial value of plan assets	<u>(12,305,046)</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 17,782,947</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>40.90%</u>
Estimated Covered payroll (active plan members)	<u>\$ 43,376,567</u>
UAAL as a percentage of covered payroll	<u>41.00%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the Town and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Town and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014 actuarial valuation the projected unit credit cost method was used. The actuarial assumptions included a 7.0% investment rate of return and a long-term healthcare cost trend rate of 5.0% all healthcare benefits. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis. This has been calculated assuming the amortization payment increases at a rate of 3.5%.

18. Retirement System

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

A. Plan Description

Substantially all employees of the Town (except teachers and administrators under contract employed by the School Department) are members of the Middlesex County Contributory Retirement System (the System), a cost sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of the Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports publically available from the System located at 25 Linnell Circle, Billerica, Massachusetts 01865.

B. Benefits Provided

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification. Members become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 65 or upon attaining 20 years of service. The plan also provides for early retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was on the Town payroll on January 1, 1978, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

Per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100 percent, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, depending upon the number of years of creditable service, such employees are entitled to receive zero, fifty, or one hundred percent of the regular interest which has accrued upon those deductions. However, effective July 1, 2010, members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3% and do not forfeit any interest previously earned on contributions.

C. Contributions

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

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

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

The Town's contribution to the System for the year ended June 30, 2015 was \$3,740,468, which was equal to its annual required contribution.

D. Summary of Significant Accounting Policies

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

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

At June 30, 2015, the Town reported a liability of \$49,341,309 for its proportionate share of the net pension liability. The net pension liability

was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2014, the Town's proportion was 4.107272 percent.

For the year ended June 30, 2015, the Town recognized a pension expense of \$4,461,846. In addition, the Town reported deferred outflows of resources for the net difference between projected and actual earnings on pension plan investments of \$166,629.

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

Year ended June 30:	Deferred Outflows of <u>Resources</u>
2016	\$ 41,657
2017	41,657
2018	41,657
2019	<u>41,658</u>
Total	<u>\$ 166,629</u>

Actuarial assumptions: The total pension liability in the Middlesex County Retirement System actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.00%
Salary increases	Varies by length of service with ultimate rates of 4.25% for Group 1, 4.50% for Group 2, and 5.25% for Group 4
Investment rate of return	7.875%, net of pension plan investment expense, including inflation
Cost of living adjustments	3.00% of first \$14,000 of retirement income

Mortality rates were based on the following:

- Pre-Retirement – The RP-2000 Employee Mortality Table projected 22 years with Scale AA.
- Post-Retirement – The RP-2000 Employee Mortality Table projected 17 years with Scale AA.

- Disabled Retiree – The RP-2000 Healthy Annuitant Mortality Table set forward three years projected 17 years with Scale AA.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of the most recent actuarial experience study, which was for the year ended December 31, 2013.

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	19.60%	6.60%
International developed markets equity	15.60%	7.10%
International emerging markets equity	6.50%	9.40%
Core fixed income	15.30%	2.20%
High yield fixed income	8.30%	4.70%
Real estate	9.90%	4.40%
Commodities	3.90%	4.40%
Short-term government money market	0.00%	1.80%
Hedge fund, GTAA, Risk parity	9.80%	3.90%
Private equity	<u>11.10%</u>	11.70%
Total	<u>100.0%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 7.875%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the Town’s proportionate share of the net pension liability calculated using the current discount rate, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

<u>For the Year Ended</u>	<u>1% Decrease (6.875%)</u>	<u>Current Discount Rate (7.875%)</u>	<u>1% Increase (8.875%)</u>
December 31, 2014	\$ 59,664,092	\$ 49,341,309	\$ 40,552,633

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

19. Massachusetts Teachers’ Retirement System (MTRS)

A. Plan Description

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

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

B. Benefits Provided

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contrib-

utory 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 on the basis of 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, and group creditable service, and group classification. The authority for amending these provisions rests with 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 creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

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

C. Contributions

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

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

D. Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of January 1, 2014 rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of January 1, 2014, rolled back to June 30, 2013. This valuation used the following assumptions:

- (a) 8.0% investment rate of return, (b) 3.5% interest rate credited to the annuity savings fund and (c) 3.0% cost of living increase per year.
- Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service.
- Mortality rates were as follows:
 - Pre-retirement - reflects RP-2000 Employees table adjusted for “white-collar” employment projected 22 years with Scale AA (gender distinct)
 - Post-retirement - reflects RP-2000 Healthy Annuitant table adjusted for large annuity amounts and projected 17 years with Scale AA (gender distinct)
 - Disability – reflects RP-2000 Healthy Annuitant table adjusted for large annuity amounts and projected 17 years with Scale AA (gender distinct) set forward 3 years for males.

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2014 and 2013 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	
		<u>2014</u>	<u>2013</u>
Global equity	43.0%	7.2%	7.70%
Core fixed income	13.0%	2.5%	2.00%
Hedge funds	10.0%	5.5%	4.75%
Private equity	10.0%	8.8%	9.00%
Real estate	10.0%	6.3%	6.00%
Value added fixed income	10.0%	6.3%	6.30%
Timeber/natural resources	4.0%	5.0%	5.00%
Total	<u>100.0%</u>		

E. Discount Rate

The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal

to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

F. Sensitivity Analysis

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

<u>Fiscal Year Ended</u>	<u>1% Decrease to 7%</u>	<u>Current Discount Rate 8%</u>	<u>1% Increase to 9%</u>
June 30, 2013	\$ 21,426,000	\$ 17,234,000	\$ 13,672,000
June 30, 2014	\$ 20,247,000	\$ 15,896,000	\$ 12,200,000

G. Special Funding Situation

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

H. Town Proportions

In fiscal year 2014 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability and pension expense was \$57,557,092 and \$3,998,767 respectively, based on a proportionate share of 0.36%. As required by GASB 68, the Town has recognized its portion of the collective pension expense as both a revenue and expense in the government-wide Statement of Activities.

20. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

21. Beginning Net Position Restatement for Change in Accounting Principle

In fiscal year 2015, the Town's beginning net position as of July 1, 2014 was restated for the implementation of the new standard – Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Accordingly, the following reconciliation is provided:

Government-Wide Financial Statements:

	Governmental Activities	Business-Type Activities		
		Water Funds	Wastewater Fund	Business- Type Total
As previously reported for June 30, 2014	\$ 106,406,781	\$ 10,461,882	\$ 825,314	\$ 11,287,196
GASB 68 implementation for net pension liability	<u>(46,589,753)</u>	<u>(1,817,671)</u>	<u>(45,877)</u>	<u>(1,863,548)</u>
As restated for July 1, 2014	<u>\$ 59,817,028</u>	<u>\$ 8,644,211</u>	<u>\$ 779,437</u>	<u>\$ 9,423,648</u>

Fiscal year 2014 and prior periods have not been restated due to impractical nature of allocating annual activity and lack of information for measurement dates June 30, 2012 and prior; as this is a new standard and beginning net position restatement for July 1, 2014 does not recognize beginning balances for deferred outflows of resources and deferred inflows of resources related to pensions in accordance with GASB 71.

REQUIRED SUPPLEMENTARY INFORMATION

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**TOWN OF WAYLAND, MASSACHUSETTS
SCHEDULE OF FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2015

(Unaudited)

(Amounts Expressed in Thousands)

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
12/31/14	\$ 12,305	\$ 30,088	\$ 17,783	40.9%	\$ 43,377	41.0%
12/31/12	\$ 10,229	\$ 38,538	\$ 28,309	26.5%	\$ 39,339	72.0%
12/31/10	\$ 3,763	\$ 49,476	\$ 45,713	7.6%	\$ 38,000	120.3%
12/31/08	\$ 764	\$ 40,852	\$ 40,088	1.9%	\$ 35,600	112.6%

See Independent Auditors' Report.

TOWN OF WAYLAND, MASSACHUSETTS
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2015
(Unaudited)

<u>Middlesex County Retirement System:</u>	<u>2015</u>
Proportion of the net pension liability for the most recent measurement date	4.107272%
Proportionate share of the net pension liability for the most recent measurement date	\$ 49,341,309
Covered-employee payroll for the most recent measurement date	\$ 17,400,877
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	284%
Plan fiduciary net position as a percentage of the total pension liability	47.65%
 <u>Massachusetts Teachers' Retirement System:</u>	 <u>2015</u>
Proportion of the net pension liability for the most recent measurement date	0.362077%
The Town's proportionate share of the net pension liability for the most recent measurement date	\$ -
Commonwealth of Massachusetts' total proportionate share of the net pension liability that is associated with the Town	<u>57,557,092</u>
 Total net pension liability associated with the Town	 \$ <u><u>57,557,092</u></u>
Covered-employee payroll for the most recent measurement date	\$ 16,686,640
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0%
Plan fiduciary net position as a percentage of the total pension liability	61.64%

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

See Independent Auditors' Report.

TOWN OF WAYLAND, MASSACHUSETTS

**SCHEDULE OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2015
(Unaudited)**

<u>Middlesex County Retirement System:</u>	<u>2015</u>
Contractually required contribution for the current fiscal year	\$ 3,740,468
Contributions in relation to the contractually required contribution	<u>(3,740,468)</u>
Contribution deficiency (excess)	\$ -
Covered-employee payroll for the current fiscal year	17,400,877
Contributions as a percentage of covered-employee payroll	21.5%

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

See Independent Auditors' Report.

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SUPPLEMENTARY INFORMATION

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TOWN OF WAYLAND, MASSACHUSETTS
SCHEDULE OF FUNDING PROGRESS, NET OPEB ASSET, AND OPEB TRUST BALANCE
Supplementary Information

June 30, 2015
(Unaudited)

Other Post-Employment Benefits

Fiscal Year Ended June 30,	Annual Required Contribution (a)	Interest on Existing NOO/(NOA) (b)	ARC Adjustment (c)	Gain/Loss Amortization (d)	Annual OPEB Cost (a) + (b) + (c) + (d) = (e)	Actual Contribution Amount (f)	Net Increase in NOO/(NOA) (e) - (f) = (g)	NOO/(NOA) as of Following Date (h)	Benefit Payments (i)	Net Contributions (f) - (i) = (j)	Estimated Earnings or Other (k)	Net Increase in Trust (j) + (k) = (l)	Trust Fund Balance as of Year-end (m)
2015	\$ 3,499,357	\$ (245,295)	\$ 263,918	\$ (1,749,559)	\$ 1,768,421	\$ 1,979,936	\$ (211,515)	\$ (3,715,732)	\$1,694,514	\$ 285,422	\$ 122,982	\$ 408,404	\$12,486,717
2014	2,854,649	(287,596)	246,230	N/A	2,813,283	2,208,981	604,302	(3,504,217)	2,110,447	98,534	1,372,868	1,471,402	12,078,313
2013	2,699,019	(334,189)	279,080	N/A	2,643,910	1,978,306	665,604	(4,108,519)	1,978,306	-	747,371	747,371	10,606,911
2012	3,657,200	(230,639)	188,128	N/A	3,614,689	5,093,966	(1,479,277)	(4,774,123)	2,293,966	2,800,000	138,380	2,938,380	9,859,540
2011	3,582,995	(113,325)	90,404	N/A	3,560,074	5,235,998	(1,675,924)	(3,294,846)	2,085,998	3,150,000	17,530	3,167,530	6,921,160
2010	3,151,684	(57,243)	44,145	N/A	3,138,586	3,994,270	(855,684)	(1,618,922)	2,133,951	1,860,319	12,520	1,872,839	3,753,630
2009	3,033,020	(56,250)	44,156	N/A	3,020,926	3,034,164	(13,238)	(763,238)	1,923,845	1,110,319	20,472	1,130,791	1,880,791
2008	N/A	N/A	N/A	N/A	N/A	750,000	N/A	(750,000)	-	750,000	-	750,000	750,000

See Independent Auditors Report.

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**SUPPLEMENTARY STATEMENTS
AND SCHEDULES**

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Combining Financial Statements

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- Town Revolving: To account for the revenues and expenditures thereof of certain departmental activities segregated in revolving funds established in accordance with MGL Chapter 44, Sections 53, 53C, 53E and E1/2 and available for expenditure without further appropriation. It's also used to account for ambulance and other activities as well as various donations and related expenditures.
- School Revolving: To account for the revenues and expenditures thereof of certain departmental activities segregated in revolving funds established in accordance with MGL Chapter 71:71E, Sections 26A, 26B, 26C, and 47.
- School Grants: To account for grant funds received from the United States government, either directly or through the Commonwealth of Massachusetts, and designated for specific purposes.
- Affordable Housing Trust: To account for the activity of Wayland Municipal Affordable Housing Trust fund established in accordance with MGL Chapter 491 of the Accts of 2004, as amended by Sections 1 through 6 of Chapter 109, i.e., Chapter 44 §55C, and authorized by the vote of the 2014 Annual Town Meeting under Article 12 of the Warrant therefor. The purpose of the Trust is to provide for the creation and preservation of affordable housing in the Town for the benefit of low- and moderate-income households. The Trust issues a stand-alone separate financial report.

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment.

The current funds were established for the following purposes:

- Town: To account for the energy updates, highway costs in accordance with MGL Chapter 90, road construction, purchases of heavy vehicles and various other capital costs or equipment.
- School: To account for the renovations of Wayland Public Schools.

PERMANENT FUND

Permanent Fund is established to account for certain assets held by the Town in a fiduciary capacity as trustee. Permanent Fund is used to report principal balances legally restricted to the extent that only earnings, not principal, may be used for the support of certain government programs.

- Permanent Fund: To account for the principal received for perpetual care and related interest. The interest income is used to maintain the community cemetery. The fund is also used to account for nonspendable gifts received by the library with income restricted for maintenance of the library grounds. It's also used to account for various other bequests to the Town designated for particular purposes.

TOWN OF WAYLAND, MASSACHUSETTS

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2015

	Special Revenue Funds				Subtotals
	Town Revolving	School Revolving	School Grants	Affordable Housing Trust	
<u>ASSETS</u>					
Cash and short-term investments	\$ 4,331,000	\$ 2,109,696	\$ -	\$ 611,506	\$ 7,052,202
Investments	-	-	-	-	-
Assessments receivable	25,562	-	-	-	25,562
Departmental and other receivables	389,799	-	-	51,166	440,965
Total Assets	<u>\$ 4,746,361</u>	<u>\$ 2,109,696</u>	<u>\$ -</u>	<u>\$ 662,672</u>	<u>\$ 7,518,729</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Warrants and accounts payable	\$ 90,293	\$ 93,731	\$ 10,578	\$ -	\$ 194,602
Accrued payroll	11,692	16,511	-	-	28,203
Due to other funds	-	-	33,534	-	33,534
Total Liabilities	101,985	110,242	44,112	-	256,339
Deferred Inflows of Resources	415,361	-	-	-	415,361
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	4,233,486	2,017,957	-	662,672	6,914,115
Committed	-	-	-	-	-
Unassigned	(4,471)	(18,503)	(44,112)	-	(67,086)
Total Fund Balances	<u>4,229,015</u>	<u>1,999,454</u>	<u>(44,112)</u>	<u>662,672</u>	<u>6,847,029</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,746,361</u>	<u>\$ 2,109,696</u>	<u>\$ -</u>	<u>\$ 662,672</u>	<u>\$ 7,518,729</u>

(continued)

<u>Capital Project Funds</u>			<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Town</u>	<u>School</u>	<u>Subtotal</u>		
\$ 2,345,773	\$ 1,349,356	\$ 3,695,129	\$ 17,401	\$ 10,764,732
-	-	-	3,260,954	3,260,954
-	-	-	-	25,562
-	-	-	-	440,965
<u>\$ 2,345,773</u>	<u>\$ 1,349,356</u>	<u>\$ 3,695,129</u>	<u>\$ 3,278,355</u>	<u>\$ 14,492,213</u>
\$ 507,929	\$ 776	\$ 508,705	\$ -	\$ 703,307
-	-	-	-	28,203
-	-	-	-	33,534
<u>507,929</u>	<u>776</u>	<u>508,705</u>	<u>-</u>	<u>765,044</u>
-	-	-	-	415,361
-	-	-	1,248,929	1,248,929
1,388,390	1,075,226	2,463,616	2,029,426	11,407,157
566,741	328,006	894,747	-	894,747
(117,287)	(54,652)	(171,939)	-	(239,025)
<u>1,837,844</u>	<u>1,348,580</u>	<u>3,186,424</u>	<u>3,278,355</u>	<u>13,311,808</u>
<u>\$ 2,345,773</u>	<u>\$ 1,349,356</u>	<u>\$ 3,695,129</u>	<u>\$ 3,278,355</u>	<u>\$ 14,492,213</u>

TOWN OF WAYLAND, MASSACHUSETTS

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2015

	Special Revenue Funds				Subtotal
	Town Revolving	School Revolving	School Grants	Affordable Housing Trust	
Revenues:					
Intergovernmental	\$ 263,976	\$ 723,262	\$ 1,303,674	\$ -	\$ 2,290,912
Charges for services	2,334,156	4,922,063	-	-	7,256,219
Investment income	415	-	-	159	574
Contributions	985,000	12,634	-	191,971	1,189,605
Total Revenues	3,583,547	5,657,959	1,303,674	192,130	10,737,310
Expenditures:					
Current:					
General government	1,209,676	-	-	-	1,209,676
Public safety	344,012	-	-	-	344,012
Education	-	4,809,403	1,381,193	-	6,190,596
Public works	397,746	-	-	-	397,746
Health and human services	77,884	-	-	-	77,884
Culture and recreation	565,125	-	-	-	565,125
Debt service:					
Principal	16,448	-	-	-	16,448
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	2,610,891	4,809,403	1,381,193	-	8,801,487
Excess (deficiency) of revenues over (under) expenditures	972,656	848,556	(77,519)	192,130	1,935,823
Other Financing Sources (Uses):					
Issuance of bonds	-	-	-	-	-
Transfers in	-	-	-	470,542	470,542
Transfers out	(1,093,585)	(1,256,835)	-	-	(2,350,420)
Total Other Financing Sources (Uses)	(1,093,585)	(1,256,835)	-	470,542	(1,879,878)
Net change in fund balances	(120,929)	(408,279)	(77,519)	662,672	55,945
Fund Balances (deficit), beginning of year	4,349,944	2,407,733	33,407	-	6,791,084
Fund Balances(deficit), end of year	\$ 4,229,015	\$ 1,999,454	\$ (44,112)	\$ 662,672	\$ 6,847,029

(continued)

Capital Project Funds			Permanent Fund	Total Nonmajor Governmental Funds
Town	School	Subtotal		
\$ 438,014	\$ 54,651	\$ 492,665	\$ -	\$ 2,783,577
-	-	-	18,825	7,275,044
-	-	-	93,603	94,177
-	-	-	151	1,189,756
<u>438,014</u>	<u>54,651</u>	<u>492,665</u>	<u>112,579</u>	<u>11,342,554</u>
-	-	-	114,847	1,324,523
-	-	-	-	344,012
-	-	-	-	6,190,596
-	-	-	-	397,746
-	-	-	-	77,884
-	-	-	-	565,125
-	-	-	-	16,448
-	-	-	-	-
<u>3,756,008</u>	<u>512,755</u>	<u>4,268,763</u>	<u>-</u>	<u>4,268,763</u>
<u>3,756,008</u>	<u>512,755</u>	<u>4,268,763</u>	<u>114,847</u>	<u>13,185,097</u>
(3,317,994)	(458,104)	(3,776,098)	(2,268)	(1,842,543)
3,275,000	642,000	3,917,000	-	3,917,000
435,878	405,219	841,097	-	1,311,639
-	-	-	-	(2,350,420)
<u>3,710,878</u>	<u>1,047,219</u>	<u>4,758,097</u>	<u>-</u>	<u>2,878,219</u>
392,884	589,115	981,999	(2,268)	1,035,676
<u>1,444,960</u>	<u>759,465</u>	<u>2,204,425</u>	<u>3,280,623</u>	<u>12,276,132</u>
<u>\$ 1,837,844</u>	<u>\$ 1,348,580</u>	<u>\$ 3,186,424</u>	<u>\$ 3,278,355</u>	<u>\$ 13,311,808</u>

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**STATISTICAL
SECTION**

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TOWN OF WAYLAND, MASSACHUSETTS

STATISTICAL SECTION

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

	<u>Page</u>
<p><i>Financial Trends</i> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</p>	97 - 101
<p><i>Revenue Capacity</i> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</p>	102 – 104
<p><i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</p>	105 - 107
<p><i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</p>	108 - 109
<p><i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.</p>	110 - 112

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Town of Wayland, Massachusetts Net Position by Component Last Ten Fiscal Years										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Government Activity										
Net Investment in Capital Assets	\$ 37,766,280	\$ 37,637,631	\$ 37,841,693	\$ 39,004,924	\$ 31,838,658	\$ 43,980,171	\$ 66,933,642	\$ 69,804,121	\$ 75,377,570	\$ 76,294,684
Restricted	12,247,752	15,974,599	17,743,386	29,615,665	34,726,105	1,289,376	17,454,892	18,244,483	17,003,761	15,687,166
Unrestricted	2,817,752	5,059,246	7,157,899	66,607	9,232,195	46,502,963	22,463,942	18,164,777	14,025,450	(28,730,657)
Total governmental activities net position	\$ 52,831,784	\$ 58,671,476	\$ 62,742,978	\$ 68,687,196	\$ 75,796,958	\$ 91,772,510	\$ 106,852,476	\$ 106,213,381	\$ 106,406,781	\$ 63,251,193
Business type activities										
Net Investment in Capital Assets	\$ 1,827,518	\$ 954,008	\$ 965,560	\$ 674,693	\$ 3,155,966	\$ 3,464,405	\$ 4,287,180	\$ 5,536,815	\$ 5,950,689	\$ 7,905,424
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,840,737	1,893,974	3,531,527	4,637,839	2,743,678	5,441,662	6,097,586	5,001,561	5,336,507	6,009,776
Total business-type activities net position	\$ 3,668,255	\$ 2,847,982	\$ 4,497,087	\$ 5,312,532	\$ 5,899,644	\$ 8,906,067	\$ 10,384,766	\$ 10,538,376	\$ 11,287,196	\$ 13,915,200
Primary Government										
Net Investment in Capital Assets	\$ 39,593,798	\$ 38,591,639	\$ 38,807,253	\$ 39,679,617	\$ 34,994,624	\$ 47,444,576	\$ 71,220,822	\$ 75,340,936	\$ 81,328,259	\$ 84,200,108
Restricted	12,247,752	15,974,599	17,743,386	29,615,665	34,726,105	1,289,376	17,454,892	18,244,483	17,003,761	15,687,166
Unrestricted	4,658,489	6,953,220	10,689,426	4,704,446	11,975,873	51,944,625	28,561,528	23,166,338	19,361,957	(22,720,881)
Total primary government net position	\$ 56,500,039	\$ 61,519,458	\$ 67,240,065	\$ 73,999,728	\$ 81,696,602	\$ 100,678,577	\$ 117,237,242	\$ 116,751,757	\$ 117,693,977	\$ 77,166,393

* Negative unrestricted net position results from implementing GASB 68 in fiscal year 2015; prior periods have not been restated

Data source: Audited financial statements

Town of Wayland, Massachusetts Changes in Net Position Last Ten Fiscal Years										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
General government	\$ 2,570,443	\$ 2,987,283	\$ 4,436,127	\$ 3,568,513	\$ 4,112,358	\$ 4,300,088	\$ 4,275,223	\$ 4,341,501	\$ 4,585,198	\$ 4,913,356
Public safety	5,135,260	5,570,009	5,722,961	5,696,892	5,659,699	6,060,874	6,246,651	6,215,782	6,320,091	6,637,288
Education	33,558,623	35,101,280	36,178,897	38,017,351	37,716,245	45,904,253	48,546,684	49,781,333	50,193,078	48,825,024
Public works	1,523,483	2,572,634	2,794,366	3,090,200	2,701,479	3,366,716	2,796,606	3,116,184	4,352,718	3,466,324
Health and Human services	1,576,504	1,223,477	1,068,782	1,087,053	1,125,473	1,089,675	1,145,762	1,180,480	1,219,182	1,300,343
Cultural and recreation	2,392,461	2,452,777	3,251,207	2,780,296	2,498,133	2,584,997	2,651,804	2,578,815	2,579,339	2,495,849
Intergovernmental	141,798	147,643	161,873	171,517	191,682	186,244	191,501	185,367	131,848	109,179
Employee Benefits	7,914,579	8,691,767	10,201,729	9,809,349	11,390,905	10,044,785	10,491,313	10,032,828	11,335,432	11,221,601
Interest	1,456,599	1,095,875	706,978	1,109,600	962,306	1,788,480	2,260,818	2,335,510	2,254,871	2,607,547
Total governmental activities expenses	56,269,750	59,842,745	64,522,920	65,330,771	66,358,280	75,326,112	78,606,362	79,767,800	82,971,757	81,576,511
Business type activities										
Water operations	1,581,976	1,653,392	1,759,220	2,354,126	2,586,362	3,054,167	2,970,650	3,167,051	2,679,521	2,836,461
Wastewater operations	187,517	161,410	190,132	226,658	269,074	257,876	498,707	510,222	652,493	612,552
Total business-type activities expenses	1,769,493	1,814,802	1,949,352	2,580,784	2,855,436	3,312,043	3,469,357	3,677,273	3,332,014	3,449,013
Total primary government expenses	\$ 58,039,243	\$ 61,657,547	\$ 66,472,272	\$ 67,911,555	\$ 69,213,716	\$ 78,638,155	\$ 82,075,719	\$ 83,445,073	\$ 86,303,771	\$ 85,025,524
Program revenues										
Governmental activities										
General government	\$ 319,607	\$ 298,174	\$ 361,739	\$ 243,615	\$ 225,148	\$ 613,085	\$ 1,229,604	\$ 789,359	\$ 842,337	\$ 655,766
Public safety	830,516	492,680	489,354	612,551	498,375	1,324,244	1,612,365	1,816,507	1,320,015	1,970,449
Education	6,934	22,209	11,112	131,897	59,295	4,181,028	4,354,230	4,758,868	4,553,210	4,922,063
Public works		443,253	552,932	506,314	492,338	21,414	536,424	484,407	433,662	428,409
Health and Human services	614,036	110,502	91,481	96,302	119,984	681,924	231,989	159,445	193,217	212,744
Cultural and recreation	850,187	100,926	110,246	119,007	105,970	906,393	849,872	834,332	1,022,109	728,996
Operating grants and contributions	6,557,590	7,958,464	10,688,625	9,982,832	10,722,292	9,951,789	9,808,480	9,627,705	10,036,715	6,513,227
Capital grants and contributions	-	-	-	540,849	1,269,057	-	-	-	500,000	1,253,720
Total government activities program revenues	9,178,870	9,426,208	12,305,489	12,233,367	13,492,459	17,679,877	18,622,964	18,470,623	18,901,265	16,685,374
Business type activities										
Charges for services										
Water operations	1,849,454	1,614,849	2,936,602	3,165,873	4,092,612	4,047,849	4,096,357	3,450,959	3,847,237	3,737,953
Wastewater operations	75,437	60,949	414,326	330,358	236,997	212,140	324,512	359,829	621,988	4,346,580
Total business-type activities revenues	1,924,891	1,675,798	3,350,928	3,496,231	4,329,609	4,259,989	4,420,869	3,810,788	4,469,225	8,084,533
Total primary government revenues	\$ 11,103,761	\$ 11,102,006	\$ 15,656,417	\$ 15,729,598	\$ 17,822,068	\$ 21,939,866	\$ 23,043,833	\$ 22,281,411	\$ 23,370,490	\$ 24,769,907
Net (Expense) / Revenue										
Governmental activities	(\$47,090,880)	(\$50,416,537)	(\$52,217,431)	(\$53,097,404)	(\$52,865,821)	(\$57,646,235)	(\$59,983,398)	(\$61,297,177)	(\$64,070,492)	(\$64,891,137)
Business-type activities	155,398	(139,004)	1,401,576	915,447	1,474,173	947,946	951,512	133,515	1,137,211	4,635,520
Total primary government net (expense)	(\$46,935,482)	(\$50,555,541)	(\$50,815,855)	(\$52,181,957)	(\$51,391,648)	(\$56,698,289)	(\$59,031,886)	(\$61,163,662)	(\$62,933,281)	(\$60,255,617)

Data source: Audited financial statements

Town of Wayland, Massachusetts Change in Net Position Last Ten Fiscal Years										
continued:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property-net										
of refunds payable	\$ 42,212,854	\$ 46,086,976	\$ 47,788,409	\$ 52,236,588	\$ 53,801,131	\$ 56,878,601	\$ 56,210,914	\$ 52,668,419	\$ 55,052,067	\$ 60,094,824
Excise tax	2,160,976	1,999,809	2,066,609	1,956,282	1,928,276	1,988,841	1,992,464	2,139,197	2,285,174	2,306,959
Grants, contributions - not restricted										
to specific programs	4,449,992	4,883,523	4,996,538	4,086,744	4,657,530	13,070,980	16,866,244	5,344,129	5,807,424	5,280,405
Investment income	456,132	1,008,637	1,082,438	495,024	399,852	830,822	362,492	412,826	539,875	302,319
Other	274,299	64,996	274,939	394,150	432,811	76,518	141,249	96,511	176,699	176,700
Transfers	347,365	681,267	80,000	(127,166)	-	-	(510,000)	-	402,653	164,095
Total government activities	49,901,618	54,725,208	56,288,933	59,041,622	61,219,600	72,845,762	75,063,363	60,661,082	64,263,892	68,325,302
Business-type activities										
Investment income	-	-	-	-	-	25,390	16,887	4,992	5,457	10,395
Miscellaneous	-	-	-	-	-	-	-	15,103	8,805	9,732
Transfers	(347,365)	(681,267)	(80,000)	(100,000)	-	-	510,000	-	(402,653)	(164,095)
Total business type activities	(347,365)	(681,267)	(80,000)	(100,000)	-	25,390	526,887	20,095	(388,391)	(143,968)
Total primary government	\$ 49,554,253	\$ 54,043,941	\$ 56,208,933	\$ 58,941,622	\$ 61,219,600	\$ 72,871,152	\$ 75,590,250	\$ 60,681,177	\$ 63,875,501	\$ 68,181,334
Changes in Net Position										
Governmental activities	\$ 2,810,738	\$ 4,308,671	\$ 4,071,502	\$ 5,944,218	\$ 8,353,779	\$ 15,199,527	\$ 15,079,965	\$ (636,095)	\$ 193,400	\$ 3,434,165
Business-type activities	(191,967)	(820,271)	1,321,576	815,447	1,474,173	973,336	1,478,399	153,610	748,820	4,491,552
Total primary government changes in net position	\$ 2,618,771	\$ 3,488,400	\$ 5,393,078	\$ 6,759,665	\$ 9,827,952	\$ 16,172,863	\$ 16,558,364	\$ (482,485)	\$ 942,220	\$ 7,925,717

Data source: Audited financial statements

Town of Wayland, Massachusetts Fund Balance, Governmental Funds Last Ten Fiscal Years										
	2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,602,033	\$ 1,816,333	\$ 2,056,749	\$ 3,918,963	\$ 3,782,793	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,659,238	5,168,501	6,559,318	7,106,601	10,548,522	-	-	-	-	-
Non spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	1,505,377	1,380,195	1,260,811	1,198,453	1,091,466
Committed	-	-	-	-	-	843,739	575,502	228,610	111,471	77,495
Assigned	-	-	-	-	-	4,976,110	8,923,173	5,751,198	4,080,165	4,983,687
Unassigned	-	-	-	-	-	15,623,780	9,533,692	9,417,282	8,835,015	9,925,141
Total general fund	\$ 4,261,271	\$ 6,984,834	\$ 8,616,067	\$11,025,564	\$14,331,315	\$22,949,006	\$20,412,562	\$16,657,901	\$14,225,104	\$ 16,077,789
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	7,504,485	9,837,849	10,490,144	11,598,910	12,873,187	-	-	-	-	-
Capital projects funds	(3,375,376)	2,471,366	8,546,609	3,251,999	12,263,295	-	-	-	-	-
Other Funds	2,280,659	2,879,105	4,104,686	5,645,781	8,102,583	-	-	-	-	-
Permanent funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	895,610	1,144,272	1,151,922	1,175,522	1,248,929
Restricted	-	-	-	-	-	32,499,949	20,148,285	20,371,116	27,323,950	19,948,520
Committed	-	-	-	-	-	-	-	-	-	894,747
Unassigned	-	-	-	-	-	-	-	(1,535,016)	(52,336)	(239,025)
Total all other governmental funds:	\$ 6,409,768	\$15,188,320	\$23,141,439	\$20,496,690	\$33,239,065	\$33,395,559	\$21,292,557	\$19,988,022	\$28,447,136	\$ 21,853,171

Data source: Audited financial statements

(1)- Beginning with FY 11, the presentation of Fund Balance conforms with Government Accounting Standards Board Statement No. 54.

Town of Wayland, Massachusetts Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Real Estate and personal property taxes net of tax refunds.	\$ 41,946,866	\$ 46,120,763	\$ 47,690,052	\$ 51,937,332	\$ 53,900,436	\$ 56,705,784	\$ 55,976,599	\$ 52,767,554	\$ 54,670,917	\$ 60,592,925
Motor vehicle and other excise taxes	2,160,976	1,993,537	2,060,439	1,994,271	2,122,400	2,011,717	2,011,745	2,054,572	2,340,067	2,390,377
License and permits	779,694	536,723	548,530	507,450	561,360	782,626	769,814	1,006,114	687,589	999,262
Intergovernmental	10,811,465	9,933,039	7,445,404	8,678,296	8,288,494	24,054,416	26,599,509	14,901,159	15,843,489	7,782,080
Charges for services	7,086,752	8,485,902	8,718,082	7,738,524	9,315,296	6,940,837	7,660,416	7,829,062	7,647,548	7,704,543
Investment income	589,306	1,367,533	1,034,485	734,871	677,423	830,822	362,492	412,826	539,874	302,319
Fines and forfeitures	69,132	-	-	77,232	58,928	62,604	80,303	72,662	78,748	53,005
Contributions	-	-	-	-	-	2,473	75,215	8,516	500,650	1,266,505
Miscellaneous	-	259,838	835,404	-	38,304	-	-	-	-	-
Total Revenues	63,444,191	68,697,335	68,332,396	71,667,976	74,962,641	91,391,279	93,536,093	79,052,465	82,308,882	81,091,016
Expenditures:										
General government	2,485,200	2,881,263	4,333,763	3,430,344	3,980,582	4,324,768	4,114,856	4,090,131	6,697,293	5,650,886
Public safety	4,752,861	5,216,005	5,318,924	5,251,989	5,195,615	5,612,301	5,835,686	5,917,340	5,878,600	6,000,341
Education	32,309,270	34,007,551	35,037,086	36,878,457	36,452,025	43,637,353	45,656,756	47,012,800	47,209,574	41,589,125
Public works	1,327,203	1,984,592	2,152,352	2,407,411	1,929,876	2,513,463	2,027,682	2,538,552	2,302,763	2,520,070
Health and human services	1,558,776	1,205,517	1,049,976	1,045,953	1,125,473	1,089,675	1,145,761	1,171,994	1,219,183	1,256,162
Cultural and recreation	2,282,452	2,327,756	3,091,484	2,590,672	2,303,143	2,386,880	2,434,376	2,345,589	2,392,713	2,254,234
Employee benefits	7,905,836	8,605,541	9,950,619	9,743,405	11,310,010	11,720,709	11,970,590	9,367,224	10,731,130	11,433,116
Intergovernmental	141,798	147,643	161,873	171,517	191,682	186,244	191,501	185,367	131,848	109,179
Debt service										
Principle	2,430,300	2,640,800	2,836,000	3,110,000	3,382,250	3,928,726	5,346,226	5,309,965	5,103,948	5,154,948
Interest	1,246,878	1,036,209	969,966	835,432	862,614	1,099,081	2,400,720	2,344,275	2,221,013	2,554,411
Capital outlay	1,959,289	3,370,612	2,472,239	9,753,730	4,423,750	39,759,722	28,618,588	6,562,083	6,264,218	13,853,129
Total Expenditures	58,399,863	63,423,489	67,374,282	75,218,910	71,157,020	116,258,922	109,742,742	86,845,320	90,152,283	92,375,601
Excess of revenues over / (under) expenditures	5,044,328	5,273,846	958,114	(3,550,934)	3,805,621	(24,867,643)	(16,206,649)	(7,792,855)	(7,843,401)	(11,284,585)
Other Financing Sources (use)										
Issuance of bonds and notes	5,493,500	6,338,000	8,525,000	3,710,000	12,180,000	36,000,000	2,010,000	2,555,000	12,585,000	5,917,000
Bond premiums	-	-	-	-	-	1,851,132	67,203	224,659	882,064	462,210
Issuance of refunding bonds	-	-	-	-	-	-	-	1,314,000	-	-
Payments to refund bond escrow	-	-	-	-	-	-	-	(1,360,000)	-	-
Transfer in	1,122,955	1,558,785	1,214,851	2,561,936	893,270	516,130	2,050,000	1,768,967	3,244,552	3,664,570
Transfer out	(622,955)	(1,558,785)	(1,134,851)	(2,689,102)	(893,270)	(516,130)	(2,560,000)	(1,768,967)	(2,841,898)	(3,500,475)
Total other financing sources (uses)	5,993,500	6,338,000	8,605,000	3,582,834	12,180,000	37,851,132	1,567,203	2,733,659	13,869,718	6,543,305
Net change in fund balance	\$ 11,037,828	\$ 11,611,846	\$ 9,563,114	\$ 31,900	\$ 15,985,621	\$ 12,983,489	\$ (14,639,446)	\$ (5,059,196)	\$ 6,026,317	\$ (4,741,280)

Data source: Audited financial statements

Town of Wayland, Massachusetts
 Assessed Value fo Taxable Property by Classification
 Last Ten Fiscal Years

Fiscal Year	Assessed Value							
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Town Value
2006	\$3,220,739,432	\$12.54	\$91,412,574	\$27,330,900	\$20,582,400	\$139,325,874	\$12.54	\$3,360,065,306
2007	3,191,052,000	13.82	93,938,900	28,358,400	21,025,500	143,322,800	13.82	3,334,374,800
2008	3,040,965,458	14.98	97,731,120	29,055,000	21,877,920	148,664,040	14.98	3,189,629,498
2009	3,001,442,241	16.37	96,907,059	29,505,700	33,509,820	159,922,579	16.37	3,161,364,820
2010	2,871,312,611	17.78	89,028,689	28,549,000	31,827,990	149,405,679	17.78	3,020,718,290
2011	2,752,145,687	19.35	86,812,113	27,757,500	33,957,200	148,526,813	19.35	2,900,672,500
2012	2,769,863,897	19.01	87,641,103	27,914,000	34,844,000	150,399,103	19.01	2,920,263,000
2013	2,754,982,761	17.89	110,626,139	4,476,700	37,471,110	152,573,949	17.89	2,907,556,710
2014	2,813,813,898	18.33	120,110,205	4,521,200	39,669,200	164,300,605	18.33	2,978,114,503
2015	3,074,997,622	18.39	120,350,478	4,518,700	40,279,600	165,148,778	18.39	3,240,146,400

Data Source: Town of Wayland Tax Recapitulation Sheets

Town of Wayland, Massachusetts
 Principle Taxpayers
 Current and Nine Years Ago

Name of Business	Nature of Business	2015			2006		
		Assessed Valuation	Rank	% of Total Taxable Assessed Value	Assessed Valuation	Rank	% of Total Taxable Assessed Value
Wayland Town Center, LLC	Town Center Developer	\$29,066,500	1	0.90%	\$22,483,700	1	0.67%
Brendon Properties River Trail LLC	Developer	\$13,537,348	2	0.42%	-	-	-
Waltham RD, LLC	Residential	\$8,481,000	3	0.26%	\$6,420,200	5	0.19%
Atria Living Group , LLC	Assisted Living	\$8,210,600	4	0.25%	-	-	0.00%
Bell Michael A Sperling Jen	Residential	\$8,004,400	5	0.25%	-	-	0.00%
Northbridge Wayland Assisted	Assisted Living / Nursing Home	\$8,121,600	6	0.25%	-	-	0.00%
Burkin J Michael Trustee	Residential	\$6,960,000	7	0.21%	-	-	0.00%
Sunrise Assisted Living, Inc.	Assisted Living	\$6,496,300	8	0.20%	\$9,549,400	2	0.28%
Wayland Woods, LLC	Office Building	\$6,397,300	9	0.20%	\$5,090,800	7	0.15%
Bekenstein Joshua	Residential	\$6,212,600	10	0.19%	-	-	0.00%
Totals		<u>\$101,487,648</u>		<u>3.12%</u>	<u>\$21,060,400</u>		<u>0.63%</u>

Town of Wayland, Massachusetts
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Less Actual Abatements & Exemptions	Net Tax Levy	First Year Current Tax Collections	% of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	% of Total Tax Collections to Net Tax Levy	Outstanding Delinquent Taxes	% of Delinquent Tax to Tax Levy
2006	\$ 42,135,218	\$ -	\$ 42,135,218	\$ 41,292,514	98.00%	\$ 168,541	\$ 41,292,514	98.00%	\$ 842,704	2.00%
2007	46,081,059	447,433	45,633,626	45,096,237	98.82%	192,648	45,288,885	99.24%	344,741	0.75%
2008	47,780,649	393,824	47,386,825	46,583,004	98.30%	319,187	46,902,191	98.98%	484,634	1.01%
2009	51,751,542	173,640	51,577,902	50,661,929	98.22%	390,198	51,052,127	98.98%	525,775	1.02%
2010	53,708,371	309,300	53,399,071	52,479,107	98.28%	356,514	52,835,621	98.94%	563,450	1.05%
2011	56,128,012	238,079	55,889,933	55,077,240	98.55%	526,268	55,603,508	99.49%	286,425	0.51%
2012	55,514,199	281,678	55,232,521	54,388,803	98.47%	510,918	54,899,721	99.40%	332,800	0.60%
2013	52,016,189	196,916	51,819,273	50,943,450	98.31%	446,524	51,389,974	99.17%	429,299	0.83%
2014	54,588,838	135,853	54,452,985	53,599,061	98.43%	543,403	54,142,464	99.43%	310,521	0.57%
2015	59,926,362	340,070	59,586,292	59,063,986	99.12%	390,423	59,454,409	99.78%	131,883	0.22%

Data source: Audited financial statements
Wayland Assessors Office

Town of Wayland, Massachusetts
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities Debt							
Fiscal Year	Population	Total Personal Income	Assessed Valuation	General Obligation Bonds	Per Capita Income	Percentage of Personal Income	Percentage of Assessed Value
2006	12,970	\$ 1,062,148,000	\$ 3,360,065,306	\$ 20,540,800	\$ 81,893	0.3987%	0.0024%
2007	13,017	1,825,464,000	3,334,374,800	22,337,999	140,237	0.6278%	0.0042%
2008	12,996	1,873,353,000	3,189,629,498	21,887,000	144,148	0.6586%	0.0045%
2009	13,503	1,165,698,000	3,161,364,820	20,972,001	86,329	0.4116%	0.0027%
2010	12,994	1,778,882,000	3,020,718,290	29,769,751	136,900	0.4599%	0.0045%
2011	12,994	1,759,152,000	2,900,672,500	62,022,256	135,382	0.2183%	0.0047%
2012	13,285	1,937,745,000	2,920,263,000	58,686,028	145,860	0.2485%	0.0050%
2013	13,444	1,957,122,450	2,907,556,710	55,886,977	145,576	0.2605%	0.0050%
2014	13,444	1,976,693,675	2,978,114,503	63,368,029	147,032	0.2320%	0.0049%
2015	13,444	1,996,460,611	3,240,146,400	64,130,081	148,502	0.2316%	0.0046%

Business - Type Activities Debt				Total Primary Government			
Fiscal Year	Water Fund	Wastewater Fund		Total Debt Outstanding	Per Capita Income	Percentage of Personal Income	Percentage of Assessed Value
2006	\$ 2,183,200	\$ 676,571		\$ 23,400,571	\$ 81,893	2.20%	0.70%
2007	3,760,000	743,055		26,841,054	140,237	1.47%	0.80%
2008	9,448,000	697,278		32,032,278	144,148	1.71%	1.00%
2009	10,253,000	650,797		31,875,798	86,329	2.73%	1.01%
2010	10,300,250	603,499		40,673,500	136,900	2.29%	1.35%
2011	10,867,500	5,400,154		78,289,910	135,382	4.45%	2.70%
2012	10,142,250	5,601,636		74,429,914	145,860	3.84%	2.55%
2013	9,287,000	5,358,000		70,531,977	145,576	3.60%	2.43%
2014	8,452,500	5,309,363		77,129,892	147,032	3.90%	2.59%
2015	7,686,000	5,045,726		80,708,874	148,502	4.04%	2.49%

Data Source: Massachusetts Department of Revenue, Local Services Division
Data Source: Town of Wayland Treasury Department

Town of Wayland, Massachusetts
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2015

	Debt Outstanding	Authorized Unissued June 30, 2014	Fiscal 2015 Assessment
Debt repaid with property taxes:			
<u>Minuteman Regional School</u>	-	\$724,000	\$203,026
<u>MBTA</u>	-	-	66,507
Total Assesment			<u>\$269,533</u>

Data Source: February 2015 Official Statement

Town of Wayland, Massachusetts
 Legal Debt Margin Information
 Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equilized Valuation	\$3,403,746,100	\$3,403,746,100	\$3,485,259,700	\$3,485,259,700	\$2,900,672,500	\$2,900,672,500	\$2,920,263,000	\$2,907,556,710	\$2,978,114,500	\$3,240,146,400
Debt Limit - 5% of equilized valuation	170,187,305	170,187,305	174,262,985	174,262,985	145,033,625	145,033,625	146,013,150	145,377,836	148,905,725	162,007,320
Less:										
Total debt applicable to limitation	19,642,999	17,260,800	19,767,000	19,202,001	18,304,251	16,437,270	16,548,283	16,476,281	16,876,111	18,360,970
Legal debt margin	\$150,544,306	\$152,926,505	\$154,495,985	\$155,060,984	\$126,729,374	\$128,596,355	\$129,464,867	\$128,901,555	\$132,029,614	\$143,646,350
Total debt applicable to the limit as a percentage of debt limit	11.54%	10.14%	11.34%	11.02%	12.62%	11.33%	11.33%	11.33%	11.33%	11.33%

Data Source: Official Statements

Town of Wayland, Massachusetts
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population Estimates	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2006	12,970	\$81,893	41	2,925	3.00%
2007	13,017	\$140,237	41	2,874	2.90%
2008	12,996	\$144,148	41	2,820	4.40%
2009	13,503	\$86,329	41	2,766	6.30%
2010	12,994	\$136,900	41	2,738	5.70%
2011	12,994	\$135,382	41	2,686	5.40%
2012	13,285	\$145,860	41	2,684	4.50%
2013	13,444	\$145,576	45	2,714	4.30%
2014	13,444	\$147,032	46	2,690	3.80%
2015	13,444	\$148,502	46	2,659	3.70%

Data Source: Official Statements

Town of Wayland, Massachusetts
 Principle Employers
 Current Year and Nine Years Ago

Employer	Type of Business	2015			2006		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Longfellow Club	Health / Tennis	200	1	2.85%	250	1	3.81%
Whole Foods Supermarket	Supermarket	133	2	1.89%	-	-	-
Stop and Shop Supermarket	Supermarket	104	3	1.48%	-	-	-
Parmenter Health	Home Health / Hospice	88	4	1.25%	132	4	2.01%
Russells Garden Center	Garden / Flowers / Gifts	76	5	1.08%	120	5	1.83%
Villa Restaurant	Restaurant	53	6	0.75%	62	6	0.94%
Prime Bar	Restaurant	47	7	0.67%	-	-	-
The Local	Restaurant	41	8	0.58%	-	-	-
Bertuccis	Restaurant	30	9	0.43%	-	-	-
Panera Bread	Restaurant	26	10	0.37%	-	-	-
Mel's Café	Restaurant	20	11	0.28%	30	8	0.46%
Mahoney's	Garden / Flowers / Gifts	15	12	0.21%	30	9	0.46%
		<u>833</u>			<u>624</u>		

Data Source: Official Statements

Town of Wayland, Massachusetts
 Government Employees by Function - Full Time Equivalents
 Last Ten Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	30	31	31	32	37	40	43	42	42	42
Public Safety										
Police	31	31	31	31	31	31	32	32	33	34
Fire	26	26	26	26	26	28	29	29	29	28
Education	366	371	369	360	355	338	367	374	375	392
Public Works										
Highway	16	16	16	16	16	16	28	28	28	29
Parks	12	12	12	12	12	12				
Transfer Station	2	2	2	2	2	2				
Total	30	30	30	30	30	30	27.57	28.37	28.37	29.41
Planning and Human Services										
Planning	2	2	2	2	2	2	1	1	1	1
Board of Health	9	9	9	9	9	9	9	9	9	9
Recreation	2	2	2	2	2	2	2	2	2	2
Council on Aging	3	3	3	3	3	3	3	3	3	3
Total	15	15	15	15	15	15	16	16	15	16
Library	15	15	15	15	15	15	15	15	15	15
TOTALS:	512	519	517	508	509	497	529	537	537	556

Town of Wayland, Massachusetts
Operating Indicators by Function
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Finance										
Registered Voters	9,757	9,893	10,029	10,058	10,086	9,974	9,861	9,861	9,870	9,722
Taxable property parcels assessed	5,014	5,030	5,018	5,019	5,041	5,054	5,098	5,093	5,128	5,131
Motor vehicle registered	14,177	14,151	14,504	14,633	14,604	14,359	13,823	14,091	13,957	13,957
Police										
Physical arrests	157	173	108	90	66	97	118	108	116	83
Traffic violations	2,610	2,939	2,476	2,312	2,000	3,593	3,251	3,179	2,984	2,917
Fire										
Calls answered	3,319	3,196	3,009	3,105	3,549	3,518	3,660	3,784	4,006	3,280
Emergency responses	2,039	1,852	1,946	2,032	2,225	2,150	1,506	1,151	2,301	1,913
Fires extinguished	32	36	40	35	37	40	36	37	36	23
Number of inspections conducted	807	758	704	579	921	989	703	796	702	639
Emergency medical responses	1,065	940	958	1,050	1,227	1,304	1,242	1,212	1,153	884
Building										
Building permits issued	599	500	579	483	626	696	765	844	808	808
Estimated construction value	\$34,628,600	\$27,321,071	\$30,199,498	\$22,209,240	\$59,299,916	\$36,960,000	\$46,725,666	\$42,400,000	\$42,149,266	\$42,149,266
Pubic works										
Miles snow plowed	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6
Public Library										
Volumes of collections	98,616	96,768	96,612	95,584	89,386	91,469	99,871	97,490	106,967	106,967
Total volumes borrowed	225,815	213,064	238,573	259,905	194,902	197,670	207,157	213,678	222,184	222,184
Total circulation	255,968	246,904	274,119	300,382	229,752	232,666	246,429	246,429	252,405	252,405
Registered borrowers	8,522	7,729	7,893	7,872	7,410	7,120	6,972	6,972	6,880	6,880
Water										
Water main breaks	18	18	19	22	16	14	28	6	31	31
Daily average consumption - MGD	1.49	1.49	1.49	1.45	1.41	1.32	1.21	1.47	1.35	1.35
Peak daily consumption - MGD	1.97	1.98	1.98	1.86	1.97	1.91	1.75	1.87	1.74	1.74

Town of Wayland, Massachusetts
Capital Assets Statistics by Function
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks	1	1	1	1	1	1	1	1	1	1
Number of pumpers	4	4	4	4	4	3	3	3	3	3
Number of support vehicles	5	5	5	5	5	5	5	5	5	5
Public Works										
Miles of street	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3
Miles of storm drains	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200
Recreation										
Number of parks	7	7	7	7	7	7	7	7	7	7
Park aceage										
Public beaches	1	1	1	1	1	1	1	1	1	1
Ball fields	14	14	14	14	14	14	14	14	14	14
Tennis courts	19	19	19	19	19	19	19	19	19	19
Water system										
Miles of water mains	101	101	101	101	101	101	101	102	102	102
Number of service connections	4993	4993	4993	4993	4993	4993	4993	4993	4993	4993
Storage capacity in gallons (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2	2	2
Maximum daily capacity of plant (millions of gallons)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Number of fire hydrants	488	488	488	488	488	488	490	490	491	491
Sewer Systems										
Miles of sanitary sewers	0.9	0.9	0.9	0.9	0.9	0.9	0.95	0.95	0.95	0.95
Number of treatment plants	40	40	40	40	40	40	70	90	100	120
Number of service connections	40	40	40	40	40	40	70	90	100	120