



TOWN OF WAYLAND, MASSACHUSETTS

Comprehensive Annual Financial Report

For the Fiscal Year Ending

June 30, 2016

TOWN OF WAYLAND, MASSACHUSETTS

**Comprehensive Annual Financial Report
Annual Financial Statements**

For the Year Ended June 30, 2016

**Prepared by:
The Finance Department**

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TOWN OF WAYLAND, MASSACHUSETTS
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For the Fiscal Year Ended June 30, 2016

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**INTRODUCTORY
SECTION**

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NAN BALMER
TOWN ADMINISTRATOR
TEL. (508) 358-7755
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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

October 28, 2016

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 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, 2016 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 of Wayland 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 of Wayland's financial statements in conformity with GAAP.

Because the cost of internal controls should not outweigh their benefits, the Town of Wayland'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, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Town of Wayland'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, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Wayland 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 of Wayland'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 of Wayland'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. The Board of Selectmen makes 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 are protected open space in Wayland.

The School Committee comprises 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's 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 Fiscal 2016, Ace Hardware opened for business. Wayland Center and Cochetuate Village offer small to medium retail and office space as well as providing a mix of fast food and full-service restaurants. The Wayland Town Center currently has a 90% occupancy rate.

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 maintain 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. Minor construction continues to take place as the facility is close to completion. The new facility has provided enhanced services for Town residents and significantly improves the work environment of Town employees. The new facility is a 36,500 square foot building, which offers safer working conditions for employees and 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 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 prioritizing spending, use of Free Cash to balance annual budgets, and follows municipal best practices. The Finance Committee recommended using \$1.5M in Free Cash to balance the Fiscal 2017. The Town has established Enterprise Funds for the Water Department and Wastewater Department. The Town authorizes three funds: Recreation Revolving, Council on Aging Revolving, and the Transfer Station as 53E½ funds.

The Town currently manages \$74.4M 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 the ten percent of the total General Fund Budget. The ratio in Fiscal 2017 is approximately 10.06 %. 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 be overridden only 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. The tax rate for Fiscal 2017 is expected to be within this range. State aid continues to increase at a minimal rate and accounts for approximately 7% of the Town's budgeted revenue. It is expected that state aid will increase by approximately \$300,000 in Fiscal 2017. Local receipts continue to grow and in particular strong revenue increases have been seen in Motor Vehicle Excise and Building Permits. In Fiscal 2016 the Town received Motor Vehicle Excise receipts of \$2.5M compared to \$2.3M in Fiscal 2015. Free Cash and surplus overlay are 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 Treasurer's 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. In Fiscal 2016 the OPEB funds were transferred from two investment firms to the State-run investment agency PRIT. 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 Subcommittee was formed in Fiscal 2015 to review the school budget and provide recommendations to the Wayland School Committee. The School Finance Subcommittee meets to develop short- and long-term budget plans. In Fiscal 2017 numerous school revolving funds will change to individual funds within the Town's accounting system.

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, 2016, the balance of unrestricted cash, cash equivalents, and investments for all funds totaled \$61,056,540 compared to \$60,022,249 in Fiscal 2015.

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 Health Insurance Collaborative which allows the Town to purchase employee health insurance at a group rate. Town management meets on a regular basis with other communities and West Suburban Health Insurance Collaborative.

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 internal control structures 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. In Fiscal 2016 the Town changed from housing the Town's information system, MUNIS, to a cloud-based solution provided by Tyler Technologies. Additional funding has been appropriated in the Fiscal 2017 general fund budget to support and improve information technology initiatives.

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, and 42 high- end residential units are now 100% complete along with the cash payment of over \$500,000 towards affordable housing. The development also includes 12 affordable housing apartments above the store fronts which are occupied, and a 2-acre Public Green.

Mass Central Rail Trail

The Rail Trail Project will be under construction in the fall of 2016. Wayland Town Meeting appropriated \$445,000 of Community Preservation Act (CPA) 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 2016 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 looks forward to someday joining our trail to other trails in adjacent communities and to transform this abandoned rail corridor into a linear park.

River's Edge

Wayland is about to increase its affordable housing stock by 188 units with a proposed new development at River's Edge, 489-490 Boston Post Road on Route 20 where it crosses the Sudbury River. This will bring the Town of Wayland's Subsidized Affordable Housing Inventory to over 9%. The recent success of the River's Edge development initiative can be traced back to 2010 when the Wayland Master Plan Review Advisory Committee came up with two suggestions that proved to be interconnected. One was to identify more Town-owned land that would be suitable for potential affordable housing. The other suggestion was to create an Economic Development Advisory Committee. This latter committee, consisting of volunteer residents with careers in real estate development, seized on the task and quickly identified 8.24 acres of underutilized land, an abandoned septic treatment plant adjacent to the Sudbury River.

The Town of Wayland at the Annual 2014 Town Meeting approved a zoning overlay district on the River's Edge parcel. This has been a long process, from securing \$360,000 in Community Preservation Funds to reviewing and planning for River's Edge at Town Meeting 2012, to completing the thorough review, to just barely failing to pass the zoning overlay district at Town Meeting 2013 by 7 votes. Finally, after reducing the number of units and lowering building height limitations the zoning article passed in 2014. Its density equates to 23 units per acre. With the zoning in place, River's Edge is now a by-right development and the expedited permitting process is a unique model for municipal redevelopment.

The River's Edge development represents a giant leap forward in achieving Wayland's goal of 10% affordable housing. At the same time, Wayland will realize significant financial benefits from the disposition and redevelopment of the property and facilitate

rental, affordable housing, and senior housing opportunities in the Town through the construction of a first-class rental housing development, the design of which is well integrated into and compatible with the Town's design goals. Based on estimated taxes the Town will be receiving an additional \$800,000 of new growth per year at the completion of this project as well as a one-time lump sum payment.

New Development

Conservation Cluster Development for 52-60 Rice Road

The site consists of approximately 6 acres and over 560' linear feet of frontage along Rice Road that also includes three existing dwellings, #52, #54, and #60 Rice Road. The topography slopes from the road to a wetland in the rear of the property. The zoning in this area is Single Residential, requiring 180' of frontage and 40,000 square feet of lot area. The proposal is to construct 4 new houses and preserve the dwelling at 60 Rice Road.

Open Space

Preservation of Mainstone Farm 208 Acres

At Town Meeting in early April 2016, Wayland residents overwhelmingly voted to secure a permanent protection of Mainstone Farm by approving the appropriation of funds to acquire a Conservation Restriction on over 200 acres of the property. Mainstone Farm is the largest remaining piece of undeveloped, unprotected open space in Wayland and one of just a few such properties in the region.

When the Town began setting aside funds for the CPA, one of the primary interests was planning for the preservation of Mainstone Farm. Mainstone Farm is in the heart of Wayland. Many know the property for its scenic vistas of ponds, pasture, woods, and cows. The Hamlen Family has owned the property since 1872 and continues to farm the land and manage the woodland. Mainstone Farm is located at 87 Old Connecticut Path and is approximately 208 acres of rolling pastures, wooded hill-sides, and rich wetlands, and is one of the largest remaining pieces of undeveloped and unprotected open space in Wayland and the Boston region. The proposed preservation is in the form of a conservation restriction (CR) and will happen only as a result of the Town partnering with the Sudbury Valley Trustees (SVT) for financial considerations and with the owners of the property.

In 2011, Town Meeting commissioned a \$40,000 land-use study and appraisal to evaluate potential residential development alternatives at Mainstone. At that time, the highest value use was for 128 housing units of which 18 would be conventional lots and 110 would be cluster development lots. Most of the property, except the wetlands in the southwest corner, would be covered with neighborhood roads and house lots. When the study was conducted in 2011, the residential real estate market had not recovered and the CR was assessed to be worth \$10.6 million. As a result, the owners did not move forward with the sale of the CR interest in the property and continued their discussions with the Town.

In July 2015, using CPA administrative funds, the Community Preservation Committee (CPC) commissioned a \$5,000 study to provide an updated appraisal for a CR. The new appraisal was for \$17 million and was based on the same configuration less 3 conventional lots (125 lots of which 110 could be cluster development and 15 could be conventional lots). As a result, the owners agreed to sell for \$15 million. The agreement specifies that the farmland would remain in private ownership and the CR would provide for allowed and prohibited uses in perpetuity. The CR allows for farming to continue and calls for the preservation of open space. The CR on the farm land would be held jointly by the Town and SVT and would be managed through an agreement between the Conservation Commission and SVT. Annual meetings would be used to guide the process, including the enforcement of maintenance standards and a trail system open to the general public.

The CPC has advanced a plan: raising \$12 million from the Town and \$3 Million from SVT. Upon approval by the Town to purchase the CR, no current CPA funds will be spent and no borrowing against future CPA revenue streams will occur unless all fundraising efforts for the \$15 Million are accounted for. The Town of Wayland this past summer has applied for a State Self Help grant in the amount of \$400,000 and if awarded, would reduce the amount of borrowing.

To accommodate the Town's historical February borrowing cycle, the earliest the Town would be in a position to close on the CR is spring 2017. The complex arrangement will have many conditions that must be met in order to close and delays will potentially jeopardize the agreement. The conditions are specified in the Purchase & Sale Agreement (P&S). No funds can be spent until closing, no borrowing can occur unless all conditions are met, and closing is imminent, \$15 Million in funding is available, and all documents have been signed.

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. During Fiscal 2016 the WRAP Committee presented public forums in which they detailed their findings and preliminary recommendations. The committee continues to operate on this endeavor in Fiscal 2017.

A committee was 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 FY 2017 budget, as well as Town Meeting when it considers capital requests related to Town-owned property and buildings.

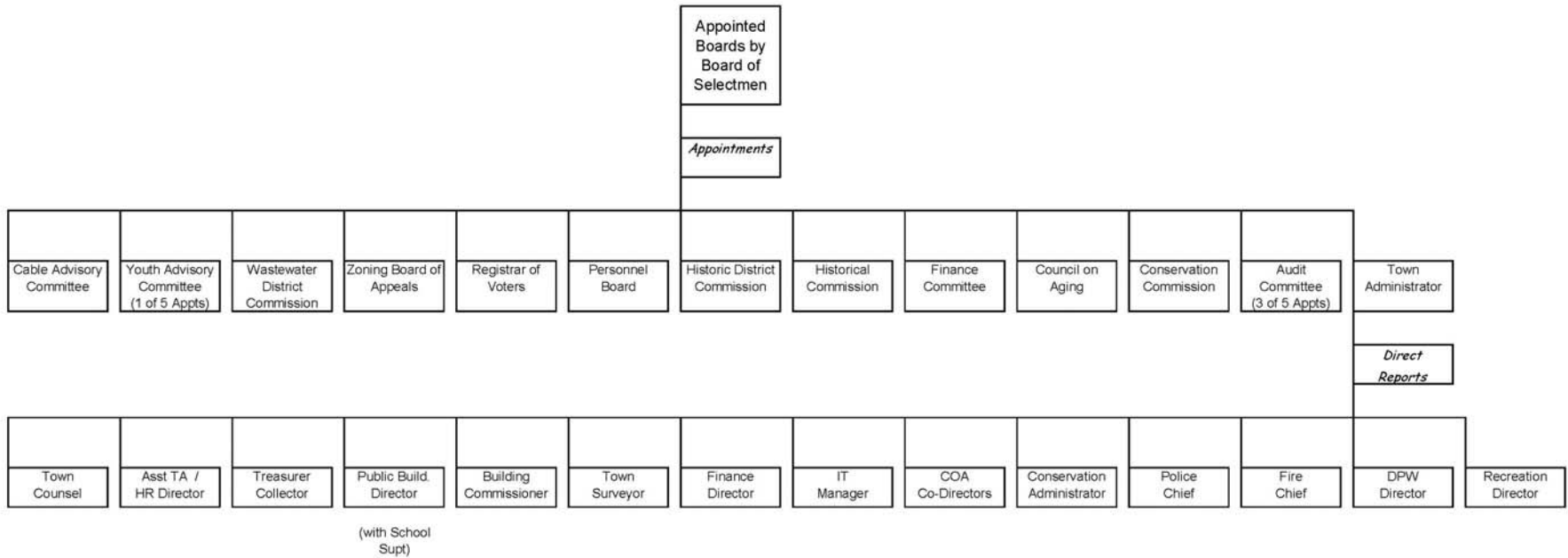
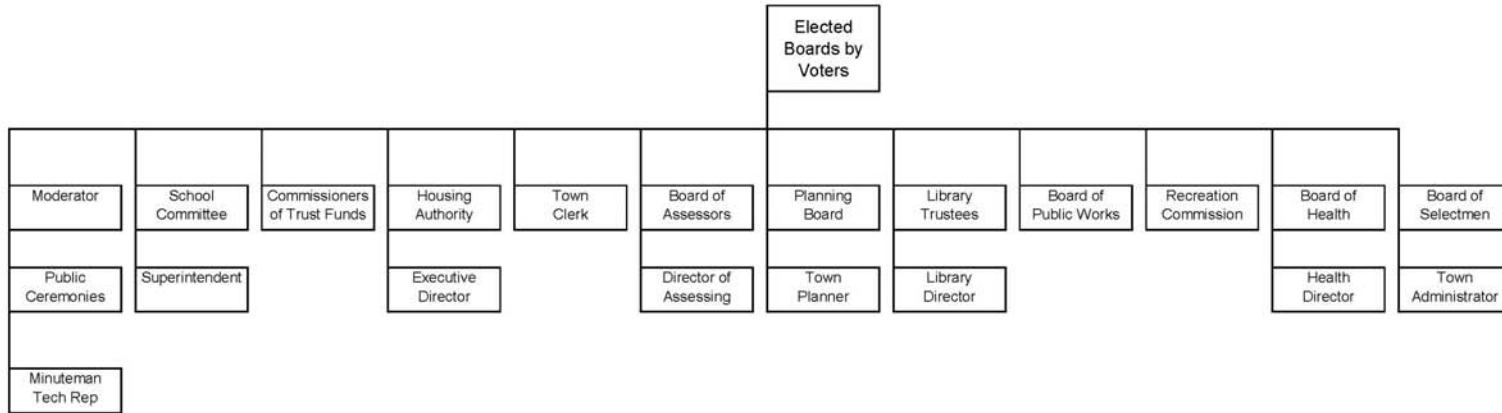
Acknowledgements

This report represents the collective efforts of Town management, Wayland Board of Selectmen, Wayland Town Administrator and Assistant Town Administrator, Wayland Audit Committee, Wayland Finance Committee, Wayland Town Planner, 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,

A handwritten signature in black ink that reads "Brian Keveny". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Brian Keveny
Finance Director
Town of Wayland, Massachusetts



Principle Town Officials

Title	Name	Selection / Team	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	Louis Jurist	Elected / 3 Years	2019
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 Flecher	Elected / 3 Years	2018
School Committee	Jeanne Downs	Elected / 3 Years	2018
School Committee	Kathie Steinberg	Elected / 3 Years	2018
School Committee	Kim Reichelt	Elected / 3 Years	2019
School Superintendent	Paul Stein	Appointed / 3 Years	2018



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Wayland
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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**FINANCIAL
SECTION**

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INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen
Town of Wayland, Massachusetts

Additional Offices:
Nashua, NH
Manchester, NH
Greenfield, MA
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2016, 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.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Wayland, Massachusetts as of June 30, 2016, 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 OPEB Funding Progress, the Schedule of Proportionate Share of Net Pension Liability, and the Schedule of Pension 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 supplementary statements and schedules 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 Town'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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2016 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.

Melanson Heath

October 28, 2016

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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, 2016. **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 Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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, education, public works, health and human services, culture and recreation, intergovernmental, and employee benefits. 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 \$77,691 (i.e., net position), a change of \$1,187 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$37,021, a change of \$(247) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,905 a change of \$(2,020) in comparison to the prior year.
- Total bonds and loans payable, including the unamortized premiums, was \$77,565 at the close of the current fiscal year, a change of \$(3,144) 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.

SUMMARY OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 47,035	\$ 47,198	\$ 9,415	\$ 9,044	\$ 56,450	\$ 56,242
Capital assets	<u>135,576</u>	<u>136,589</u>	<u>20,759</u>	<u>21,230</u>	<u>156,335</u>	<u>157,819</u>
Total assets	182,611	183,787	30,174	30,274	212,785	214,061
Deferred outflows of resources	<u>2,732</u>	<u>160</u>	<u>105</u>	<u>6</u>	<u>2,837</u>	<u>166</u>
Total assets and deferred outflows of resources	<u>\$ 185,343</u>	<u>\$ 183,947</u>	<u>\$ 30,279</u>	<u>\$ 30,280</u>	<u>\$ 215,622</u>	<u>\$ 214,227</u>
Long-term liabilities outstanding	\$ 116,946	\$ 115,949	\$ 15,314	\$ 15,687	\$ 132,260	\$ 131,636
Other liabilities	<u>5,241</u>	<u>5,409</u>	<u>327</u>	<u>678</u>	<u>5,568</u>	<u>6,087</u>
Total liabilities	122,187	121,358	15,641	16,365	137,828	137,723
Deferred inflows of resources	99	-	4	-	103	-
Net position:						
Net investment in capital assets	74,874	76,295	8,370	7,905	83,244	84,200
Restricted	20,418	15,025	-	-	20,418	15,025
Unrestricted	<u>(32,235)</u>	<u>(28,731)</u>	<u>6,264</u>	<u>6,010</u>	<u>(25,971)</u>	<u>(22,721)</u>
Total net position	<u>63,057</u>	<u>62,589</u>	<u>14,634</u>	<u>13,915</u>	<u>77,691</u>	<u>76,504</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 185,343</u>	<u>\$ 183,947</u>	<u>\$ 30,279</u>	<u>\$ 30,280</u>	<u>\$ 215,622</u>	<u>\$ 214,227</u>

CHANGES IN NET POSITION

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues						
Charges for services	\$ 8,963	\$ 8,919	\$ 4,205	\$ 8,085	\$ 13,168	\$ 17,004
Operating grants and contributions	13,032	10,158	-	-	13,032	10,158
Capital grants and contributions	1,197	1,064	-	-	1,197	1,064
General revenues:						
Property taxes	59,395	60,095	-	-	59,395	60,095
Excises	2,649	2,307	-	-	2,649	2,307
Grants and contributions not restricted to specific programs	1,522	1,634	8	10	1,530	1,644
Investment income	428	302	11	9	439	311
Other	200	177	69	-	269	177
<u>Total revenues</u>	<u>87,386</u>	<u>84,656</u>	<u>4,293</u>	<u>8,104</u>	<u>91,679</u>	<u>92,760</u>
Expenses:						
General government	5,040	4,913	-	-	5,040	4,913
Public safety	6,941	6,637	-	-	6,941	6,637
Education	52,440	48,825	-	-	52,440	48,825
Public works	3,244	3,466	-	-	3,244	3,466
Health and human services	1,638	1,772	-	-	1,638	1,772
Culture and recreation	2,680	2,496	-	-	2,680	2,496
Intergovernmental	204	109	-	-	204	109
Employee benefits	12,055	10,732	-	-	12,055	10,732
Interest on long-term debt	2,501	2,608	-	-	2,501	2,608
Water	-	-	3,176	3,326	3,176	3,326
Sewer	-	-	573	613	573	613
<u>Total expenses</u>	<u>86,743</u>	<u>81,558</u>	<u>3,749</u>	<u>3,939</u>	<u>90,492</u>	<u>85,497</u>
Change in net position before transfers	643	3,098	544	4,165	1,187	7,263
Transfers in (out)	<u>(175)</u>	<u>(326)</u>	<u>175</u>	<u>326</u>	<u>-</u>	<u>-</u>
Change in net position	468	2,772	719	4,491	1,187	7,263
Net position - beginning of year	<u>62,589</u>	<u>59,817</u>	<u>13,915</u>	<u>9,424</u>	<u>76,504</u>	<u>69,241</u>
Net position - end of year	<u>\$ 63,057</u>	<u>\$ 62,589</u>	<u>\$ 14,634</u>	<u>\$ 13,915</u>	<u>\$ 77,691</u>	<u>\$ 76,504</u>

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

The largest portion of net position \$83,244 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 \$20,418 represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position has a negative balance of \$(25,971) for fiscal year 2016. This resulted from the prior year's 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 \$53,155 for the year ended June 30, 2016.

Governmental activities. Governmental activities for the year resulted in a change in net position of \$468. Key elements of this change are as follows:

Excess of revenue over expenditures in revolving funds	\$ 3,200
Expenditures over revenues in general fund	(3,181)
Increase in net pension liability, net of deferrals	(1,279)
Depreciation less than debt principal payments	508
Capital asset additions from current revenues	1,294
Other	<u>(74)</u>
Total	<u>\$ 468</u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$719. Key elements of this change are as follows:

Water operations	\$ 430
Wastewater operations	<u>289</u>
Total	<u>\$ 719</u>

The positive results of water operations are mainly attributable to savings in operating costs as well as debt interest due to refinancing debt.

The positive results of wastewater operations are mainly attributable to the \$175 payment in lieu of betterment assessments received.

D. FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a Town'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 \$37,021, a change of \$(247) in comparison to the prior year. Key elements of this change are as follows:

General fund expenditures over revenues	\$ (3,181)
Premium on issuance of bonds	521
Community preservation fund revenues over expenditures	688
Revolving funds revenues over expenditures	3,200
Timing difference between current year bond proceeds and current year capital expenditures	(1,165)
Other	<u>(310)</u>
Total	<u>\$ (247)</u>

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

School revolving:	
BASE	\$ 295
PEGASUS	75
The Children's Way	253
School lunch	404
Town revolving:	
Town Center	880
Ambulance	540
Recreation revolving	373
Other	<u>380</u>
Total	<u>\$ 3,200</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 \$7,905, while total fund balance was \$13,645. 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>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>	Balance % of Total General Fund Expenditures <u>6/30/16</u>
Restricted	\$ 992	\$ 1,091	\$ (99)	1%
Committed	1,224	78	1,146	2%
Assigned	3,524	4,984	(1,460)	5%
Unassigned	<u>7,905</u>	<u>9,925</u>	<u>(2,020)</u>	<u>11%</u>
Total fund balance	<u>\$ 13,645</u>	<u>\$ 16,078</u>	<u>\$ (2,433)</u>	19%
				7/1/15 CFC % of General Fund FY15 Budget
<u>General Fund</u>	<u>7/1/16</u>	<u>7/1/15</u>	<u>Change</u>	<u>Budget</u>
Certified free cash (CFC)	\$ 4,642	\$ 6,479	\$ (1,837)	6.4%

In the unassigned fund balance amounts above, stabilization balance of \$1,827 is included at June 30, 2016 and \$1,651 at June 30, 2015.

The total fund balance of the general fund changed by \$(2,433) during the current fiscal year. Key factors in this change are as follows:

Use of reserve:	
Use of free cash	\$ (5,379)
Use of overlay reserve	(150)
Subtotal	<u>(5,529)</u>
Revenues in excess of budget	596
Expenditures less than budget	1,848
Transfers in, less than budget	133
Unused overlay	316
Other	<u>203</u>
Total Change in General Fund Balance	<u><u>\$ (2,433)</u></u>

The Town's unassigned fund balance of the general fund, decreased by \$(2,020) during the current fiscal year. Key factors in this change are as follows:

Unassigned fund balance June 30, 2015	\$ 9,925
Use of free cash after June 30, 2015:	
To reduce tax rate	(2,000)
Other purposes	(220)
Positive results of operations in fiscal year 2016:	
Revenues	596
Expenditures	1,848
Premium	19
Transfers in	133
Use of free cash for fiscal year 2017	(2,964)
Decrease in other fund balance reserves	360
Unused overlay	316
Other	<u>(108)</u>
Unassigned fund balance June 30, 2016	<u><u>\$ 7,905</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 \$6,264, a change of \$254 in comparison with the prior year. Unrestricted net position for water increased slightly as a result of positive operating results, while unrestricted net position for wastewater increased due to betterment revenue received.

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 \$596 favorable variance. The Town also received \$19 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	332	332	-
Wastewater	24	24	-
Transfer station	47	47	-
Food service	240	240	-
Before and After School Enrichment	214	214	-
The Children’s Way	218	218	-
Recreation	91	91	-
Full day kindergarten	38	38	-
OPEB retro payments	-	115	115
Other	35	52	17
Total	<u>\$ 1,599</u>	<u>\$ 1,731</u>	<u>\$ 132</u>

Unspent appropriations at year-end totaled \$1,848 with approximately a third from the Town’s “unclassified” function. See the Detail Schedule of Expenditures, Budget and Actual, on page 91 for further detail.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$156,336 (net of accumulated depreciation), a change of \$(1,483) 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 \$459
- Energy upgrades of \$795
- Road construction of \$260
- Claypit doors and windows \$847
- Water department truck \$47

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 \$74,085, 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, 2016 was \$77,565.

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, 2016

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Current:				
Cash and short-term investments	\$ 32,589,557	\$ 5,651,116	\$ 38,240,673	\$ 676,915
Investments	8,342,346	-	8,342,346	402,816
Receivables, net of allowance for uncollectibles:				
Property taxes	429,169	-	429,169	-
Excises	136,606	-	136,606	-
User fees	-	343,806	343,806	-
Betterments	-	335,479	335,479	-
Assessments	50,323	-	50,323	-
Departmental and other	307,222	-	307,222	25,583
Total current assets	41,855,223	6,330,401	48,185,624	1,105,314
Noncurrent:				
Property taxes	1,605,928	-	1,605,928	-
Net OPEB asset	3,572,956	-	3,572,956	-
Betterments	-	3,084,623	3,084,623	-
Capital assets:				
Nondepreciable capital assets	40,624,984	1,308,095	41,933,079	-
Other capital assets, net of accumulated depreciation	94,951,368	19,451,248	114,402,616	-
Total noncurrent assets	140,755,236	23,843,966	164,599,202	-
TOTAL ASSETS	182,610,459	30,174,367	212,784,826	1,105,314
Deferred Outflows of Resources	2,732,161	104,549	2,836,710	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 185,342,620	\$ 30,278,916	\$ 215,621,536	\$ 1,105,314

(continued)

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
LIABILITIES				
Current:				
Accounts payable	\$ 1,931,830	\$ 127,980	\$ 2,059,810	\$ -
Accrued interest	957,153	185,844	1,142,997	-
Accrued payroll and withholdings	1,071,262	13,066	1,084,328	-
Guaranteed deposits payable	947,231	-	947,231	-
Other liabilities	333,600	-	333,600	-
Current portion of long-term liabilities:				
Bonds and loans payable	5,348,095	1,098,880	6,446,975	-
Other liabilities	<u>263,391</u>	<u>24,144</u>	<u>287,535</u>	-
Total current liabilities	10,852,562	1,449,914	12,302,476	-
Noncurrent:				
Other liabilities	223,110	-	223,110	-
Current portion of long-term liabilities:				
Bonds and loans payable, net of current portion	58,885,691	12,231,845	71,117,536	-
Net pension liability	51,195,548	1,959,057	53,154,605	-
Other liabilities, net of current portion	<u>1,030,171</u>	<u>-</u>	<u>1,030,171</u>	-
Total noncurrent liabilities	<u>111,334,520</u>	<u>14,190,902</u>	<u>125,525,422</u>	-
TOTAL LIABILITIES	122,187,082	15,640,816	137,827,898	-
Deferred Inflows of Resources	98,796	3,781	102,577	-
NET POSITION				
Net investment in capital assets	74,873,915	8,370,063	83,243,978	-
Restricted for:				
Grants and by enabling legislation	17,088,903	-	17,088,903	1,105,314
Permanent fund:				
Nonspendable	1,252,564	-	1,252,564	-
Spendable	2,076,070	-	2,076,070	-
Unrestricted	<u>(32,234,710)</u>	<u>6,264,256</u>	<u>(25,970,454)</u>	-
TOTAL NET POSITION	<u>63,056,742</u>	<u>14,634,319</u>	<u>77,691,061</u>	<u>1,105,314</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 185,342,620</u>	<u>\$ 30,278,916</u>	<u>\$ 215,621,536</u>	<u>\$ 1,105,314</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, 2016

	<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	\$ 5,040,458	\$ 618,342	\$ 324,099	\$ 1,198,161	\$ (2,899,856)
Public safety	6,940,548	1,862,117	16,167	-	(5,062,264)
Education	52,440,003	4,879,436	12,634,049	-	(34,926,518)
Public works	3,243,638	421,579	-	-	(2,822,059)
Health and human services	1,637,689	246,132	27,459	-	(1,364,098)
Culture and recreation	2,679,967	935,041	29,948	-	(1,714,978)
Intergovernmental	203,615	-	-	-	(203,615)
Employee benefits	12,055,183	-	-	-	(12,055,183)
Interest	2,501,542	-	-	-	(2,501,542)
Total Governmental Activities	86,742,643	8,962,647	13,031,722	1,198,161	(63,550,113)
Business-Type Activities:					
Water services	3,176,216	3,530,632	-	-	354,416
Wastewater services	572,602	674,376	-	-	101,774
Total Business-Type Activities	3,748,818	4,205,008	-	-	456,190
Total primary government	\$ 90,491,461	\$ 13,167,655	\$ 13,031,722	\$ 1,198,161	\$ (63,093,923)
Total component unit	\$ 2,520	\$ -	\$ -	\$ 441,063	\$ 438,543

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

(continued)	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>	Discretely Presented Component <u>Unit</u>
Change in Net Position:				
Net (Expenses) revenue from previous page	\$ (63,550,113)	\$ 456,190	\$ (63,093,923)	\$ 438,543
General Revenue:				
Property taxes	59,394,566	-	59,394,566	-
Excise taxes	2,648,630	-	2,648,630	-
Grants and contributions not restricted to specific programs	1,521,878	7,516	1,529,394	-
Investment income	428,446	11,413	439,859	4,099
Other	199,814	69,000	268,814	-
Transfers, net	<u>(175,000)</u>	<u>175,000</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>64,018,334</u>	<u>262,929</u>	<u>64,281,263</u>	<u>4,099</u>
Change in Net Position	468,221	719,119	1,187,340	442,642
Net Position:				
Beginning of year, as reclassified	<u>62,588,521</u>	<u>13,915,200</u>	<u>76,503,721</u>	<u>662,672</u>
End of year	<u>\$ 63,056,742</u>	<u>\$ 14,634,319</u>	<u>\$ 77,691,061</u>	<u>\$ 1,105,314</u>

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

TOWN OF WAYLAND, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2016

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and short-term investments	\$ 11,449,761	\$ 7,857,915	\$ 13,281,881	\$ 32,589,557
Investments	5,062,253	-	3,280,093	8,342,346
Receivables:				
Property taxes	2,513,353	4,844	-	2,518,197
Excises	219,306	-	-	219,306
Assessments	28,494	-	21,829	50,323
Departmental and other	-	-	359,622	359,622
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 19,273,167</u>	<u>\$ 7,862,759</u>	<u>\$ 16,943,425</u>	<u>\$ 44,079,351</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Warrants and accounts payable	\$ 894,217	\$ 1,031	\$ 1,036,578	\$ 1,931,826
Accrued payroll and withholdings	1,065,441	-	5,822	1,071,263
Guaranteed deposits payable	947,231	-	-	947,231
Other liabilities	333,600	-	-	333,600
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	3,240,489	1,031	1,042,400	4,283,920
Deferred Inflows of Resources	2,387,868	4,844	381,451	2,774,163
Fund Balances:				
Nonspendable	-	-	1,252,564	1,252,564
Restricted	992,021	7,856,884	13,413,862	22,262,767
Committed	1,224,521	-	962,953	2,187,474
Assigned	3,523,701	-	-	3,523,701
Unassigned	7,904,567	-	(109,805)	7,794,762
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>13,644,810</u>	<u>7,856,884</u>	<u>15,519,574</u>	<u>37,021,268</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 19,273,167</u>	<u>\$ 7,862,759</u>	<u>\$ 16,943,425</u>	<u>\$ 44,079,351</u>

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, 2016

Total governmental fund balances	\$ 37,021,268
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	135,576,352
• Net Other Post Employment Benefits asset is reported on the statement of net position, and not reported in the funds.	3,572,956
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	2,155,963
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(957,153)
• Other liabilities, that are not considered liabilities in the funds.	(223,113)
• 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	(61,090,382)
Unamortized debt premium	(3,143,404)
Landfill liability	(280,000)
Net pension liability, net of deferred inflows and outflow of resources	(48,562,183)
Compensated absences liability	<u>(1,013,562)</u>
Net position of governmental activities	<u>\$ 63,056,742</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, 2016

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 58,526,915	\$ 731,384	\$ -	\$ 59,258,299
Excise taxes	2,535,034	-	-	2,535,034
Licenses and permits	945,108	-	-	945,108
Intergovernmental	4,972,925	220,085	2,977,077	8,170,087
Charges for services	409,174	-	7,544,061	7,953,235
Investment income	264,904	12,634	150,912	428,450
Fines and forfeitures	55,078	-	-	55,078
Contributions	-	-	1,537,961	1,537,961
	<u>67,709,138</u>	<u>964,103</u>	<u>12,210,011</u>	<u>80,883,252</u>
Total Revenues				
Expenditures:				
Current:				
General government	3,844,033	180,352	514,928	4,539,313
Public safety	5,867,022	-	405,535	6,272,557
Education	36,488,042	-	6,477,780	42,965,822
Public works	1,648,615	-	506,956	2,155,571
Health and human services	1,313,534	95,694	107,671	1,516,899
Culture and recreation	1,898,391	-	495,425	2,393,816
Employee benefits	11,912,407	-	-	11,912,407
Intergovernmental	203,615	-	-	203,615
Debt service:				
Principal	5,198,400	-	16,299	5,214,699
Interest	2,516,073	-	-	2,516,073
Capital outlay	-	-	3,839,874	3,839,874
	<u>70,890,132</u>	<u>276,046</u>	<u>12,364,468</u>	<u>83,530,646</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	(3,180,994)	688,057	(154,457)	(2,647,394)
Other Financing Sources (Uses):				
Issuance of bonds	-	-	2,401,000	2,401,000
Issuance of refunding bonds	3,339,000	-	-	3,339,000
Premium	521,147	-	-	521,147
Payment to refunded bonds escrow agent	(3,685,773)	-	-	(3,685,773)
Transfers in	1,323,584	-	749,943	2,073,527
Transfers out	(749,943)	-	(1,498,584)	(2,248,527)
	<u>748,015</u>	<u>-</u>	<u>1,652,359</u>	<u>2,400,374</u>
Total Other Financing Sources (Uses)				
Net change in fund balances	(2,432,979)	688,057	1,497,902	(247,020)
Fund Balances, at Beginning of Year	<u>16,077,789</u>	<u>7,168,827</u>	<u>14,021,672</u>	<u>37,268,288</u>
Fund Balances, at End of Year	<u>\$ 13,644,810</u>	<u>\$ 7,856,884</u>	<u>\$ 15,519,574</u>	<u>\$ 37,021,268</u>

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, 2016

Net changes in fund balances - total governmental funds	\$ (247,020)																		
<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;">3,694,827</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(4,707,087)</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. 259,089 • Decrease in net OPEB asset (142,776) • 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;">5,214,699</td> </tr> <tr> <td>Defeasance of debt refunding</td> <td style="text-align: right;">3,565,000</td> </tr> <tr> <td>Issuance of long-term debt</td> <td style="text-align: right;">(5,740,000)</td> </tr> <tr> <td>Unamortized premium</td> <td style="text-align: right;">(521,147)</td> </tr> <tr> <td>Bond premium amortization</td> <td style="text-align: right;">199,810</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. 135,305 • Change in net pension liability, net of deferrals (1,278,796) • Change in other liabilities 27,601 • 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;">(1,284)</td> </tr> <tr> <td>Landfill</td> <td style="text-align: right;">10,000</td> </tr> </table> 		Capital outlay purchases, net of disposals	3,694,827	Depreciation	(4,707,087)	Repayments of debt	5,214,699	Defeasance of debt refunding	3,565,000	Issuance of long-term debt	(5,740,000)	Unamortized premium	(521,147)	Bond premium amortization	199,810	Compensated absences	(1,284)	Landfill	10,000
Capital outlay purchases, net of disposals	3,694,827																		
Depreciation	(4,707,087)																		
Repayments of debt	5,214,699																		
Defeasance of debt refunding	3,565,000																		
Issuance of long-term debt	(5,740,000)																		
Unamortized premium	(521,147)																		
Bond premium amortization	199,810																		
Compensated absences	(1,284)																		
Landfill	10,000																		
Change in net position of governmental activities	\$ <u>468,221</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Revenues				
Property taxes, net	\$ 57,850,595	\$ 57,850,595	\$ 57,850,595	\$ -
Intergovernmental	4,649,334	4,649,334	4,674,652	25,318
Motor vehicle & other excise tax	2,215,000	2,215,000	2,739,824	524,824
Penalties & interest	215,000	215,000	254,304	39,304
In-lieu payments	25,000	25,000	63,049	38,049
Departmental fees & charges	535,000	535,000	590,166	55,166
Licenses & permits	1,000,000	1,000,000	945,107	(54,893)
Special assessments	10,000	10,000	7,780	(2,220)
Fines & forfeits	80,000	80,000	62,452	(17,548)
Investment income	95,000	95,000	88,782	(6,218)
Other	5,404	5,404	-	(5,404)
Total Revenues	66,680,333	66,680,333	67,276,711	596,378
Expenditures				
Current:				
General government	4,069,964	4,156,962	3,840,368	316,594
Public safety	5,965,360	6,153,157	5,875,003	278,154
Education	36,719,239	36,719,239	36,462,311	256,928
Vocational education	110,045	110,045	109,056	989
Public works	2,575,979	2,593,280	2,378,224	215,056
Health & human services	1,316,871	1,358,777	1,316,394	42,383
Culture & recreation	1,191,500	1,206,975	1,197,310	9,665
State & county assessments	110,098	140,098	203,615	(63,517)
Debt service	7,751,620	7,751,620	7,653,109	98,511
Pension	3,971,988	3,971,988	3,971,988	-
Unclassified	9,160,218	8,780,741	8,087,757	692,984
Total Expenditures	72,942,882	72,942,882	71,095,135	1,847,747
Excess (deficiency) of revenues over expenditures	(6,262,549)	(6,262,549)	(3,818,424)	2,444,125
Other Financing Sources (Uses)				
Use of free cash	5,378,618	5,378,618	-	(5,378,618)
Use of overlay reserve	150,000	150,000	-	(150,000)
Bond premium	94,041	94,041	113,009	18,968
Transfers from other funds	1,598,947	1,598,947	1,731,482	132,535
Transfers to other funds	(959,057)	(959,057)	(959,057)	-
Total Other Financing Sources(Uses)	6,262,549	6,262,549	885,434	(5,377,115)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ (2,932,990)	\$ (2,932,990)

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

TOWN OF WAYLAND, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2016

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Current:			
Cash and short-term investments	\$ 4,073,778	\$ 1,577,338	\$ 5,651,116
User fees receivable	317,403	26,403	343,806
Betterments receivable	-	335,479	335,479
Total current assets	<u>4,391,181</u>	<u>1,939,220</u>	<u>6,330,401</u>
Noncurrent:			
Betterments receivable	-	3,084,623	3,084,623
Capital assets:			
Nondepreciable capital assets	1,308,095	-	1,308,095
Other capital assets, net of accumulated depreciation	<u>14,396,625</u>	<u>5,054,623</u>	<u>19,451,248</u>
Total noncurrent assets	<u>15,704,720</u>	<u>8,139,246</u>	<u>23,843,966</u>
TOTAL ASSETS	20,095,901	10,078,466	30,174,367
Deferred Outflows of Resources	<u>100,349</u>	<u>4,200</u>	<u>104,549</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ <u>20,196,250</u>	\$ <u>10,082,666</u>	\$ <u>30,278,916</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
LIABILITIES			
Current:			
Accounts payable	\$ 118,661	\$ 9,319	\$ 127,980
Accrued interest	109,053	76,791	185,844
Accrued payroll	12,689	377	13,066
Current portion of long-term liabilities:			
Bonds and loans payable	813,422	285,458	1,098,880
Compensated absences	<u>24,144</u>	<u>-</u>	<u>24,144</u>
Total current liabilities	1,077,969	371,945	1,449,914
Noncurrent:			
Bonds and loans payable, net of current portion	7,749,978	4,481,867	12,231,845
Net pension liability	<u>1,880,360</u>	<u>78,697</u>	<u>1,959,057</u>
Total noncurrent liabilities	<u>9,630,338</u>	<u>4,560,564</u>	<u>14,190,902</u>
TOTAL LIABILITIES	10,708,307	4,932,509	15,640,816
Deferred Inflows of Resources	3,629	152	3,781
NET POSITION			
Net investment in capital assets	7,843,023	527,040	8,370,063
Unrestricted	<u>1,641,291</u>	<u>4,622,965</u>	<u>6,264,256</u>
TOTAL NET POSITION	<u>9,484,314</u>	<u>5,150,005</u>	<u>14,634,319</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ <u>20,196,250</u>	\$ <u>10,082,666</u>	\$ <u>30,278,916</u>

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, 2016

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Operating Revenues:			
Charges for services	\$ 3,530,632	\$ 260,159	\$ 3,790,791
Betterments	-	414,217	414,217
Total Operating Revenues	3,530,632	674,376	4,205,008
Operating Expenses:			
Personal services	941,748	80,661	1,022,409
Nonpersonnel	1,404,809	154,155	1,558,964
Depreciation	566,694	151,534	718,228
Total Operating Expenses	2,913,251	386,350	3,299,601
Operating Income	617,381	288,026	905,407
Nonoperating Revenues (Expenses):			
Investment income	6,730	4,683	11,413
Intergovernmental revenue	-	7,516	7,516
Interest expense	(262,965)	(186,252)	(449,217)
Miscellaneous revenue	69,000	-	69,000
Total Nonoperating Revenues (Expenses), Net	(187,235)	(174,053)	(361,288)
Income (loss) before transfers	430,146	113,973	544,119
Transfers in (out)	-	175,000	175,000
Change in Net Position	430,146	288,973	719,119
Net Position at Beginning of Year	9,054,168	4,861,032	13,915,200
Net Position at End of Year	\$ 9,484,314	\$ 5,150,005	\$ 14,634,319

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, 2016

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<u>Cash Flows From Operating Activities:</u>			
Receipts from customers and users	\$ 3,684,597	\$ 766,414	\$ 4,451,011
Payments of employee salaries, benefits, and related expenses	(1,005,145)	(52,456)	(1,057,601)
Payments to vendors	<u>(1,726,797)</u>	<u>(155,863)</u>	<u>(1,882,660)</u>
Net Cash Provided By Operating Activities	952,655	558,095	1,510,750
<u>Cash Flows From Noncapital Financing Activities:</u>			
Transfers from other funds	-	<u>175,000</u>	<u>175,000</u>
Net Cash Noncapital Financing Activities	-	175,000	175,000
<u>Cash Flows From Capital and Related Financing Activities:</u>			
Acquisition and construction of capital assets	(247,676)	-	(247,676)
Proceeds from issuance of bonds	700,000	-	700,000
Proceeds from issuance of refunding bonds	1,186,000	-	1,186,000
Principal payments on bonds	(778,600)	(278,402)	(1,057,002)
Payment to defease general obligation bonds	(1,255,000)	-	(1,255,000)
Intergovernmental revenue	-	7,516	7,516
Other miscellaneous revenue	69,000	-	69,000
Interest expense	<u>(286,027)</u>	<u>(196,715)</u>	<u>(482,742)</u>
Net Cash (Used For) Capital and Related Financing Activities	(612,303)	(467,601)	(1,079,904)
<u>Cash Flows From Investing Activities:</u>			
Investment income	<u>6,727</u>	<u>4,683</u>	<u>11,410</u>
Net Cash Provided By Investing Activities	<u>6,727</u>	<u>4,683</u>	<u>11,410</u>
Net Change in Cash and Short-Term Investments	347,079	270,177	617,256
Cash and Short-Term Investments, Beginning of Year	<u>3,726,699</u>	<u>1,307,161</u>	<u>5,033,860</u>
Cash and Short-Term Investments, End of Year	<u>\$ 4,073,778</u>	<u>\$ 1,577,338</u>	<u>\$ 5,651,116</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating income	\$ 617,381	\$ 288,026	\$ 905,407
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	566,694	151,534	718,228
Changes in assets and liabilities:			
User fees receivables	153,965	92,038	246,003
Accounts payable	(321,988)	(1,708)	(323,696)
Accrued payroll	5,952	116	6,068
Compensated absences	(8,256)	-	(8,256)
Net pension liability	<u>(61,093)</u>	<u>28,089</u>	<u>(33,004)</u>
Net Cash Provided By Operating Activities	<u>\$ 952,655</u>	<u>\$ 558,095</u>	<u>\$ 1,510,750</u>

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

TOWN OF WAYLAND, MASSACHUSETTS
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2016

	<u>Other Post- Employment Benefits Trust Fund</u>	<u>Agency Fund</u>
<u>ASSETS</u>		
Cash and short-term investments	\$ 3,728	\$ 331,367
Investments:		
External investment pool	<u>13,058,695</u>	<u>-</u>
Total Assets	13,062,423	331,367
 <u>LIABILITIES AND NET POSITION</u>		
Other liabilities	<u>-</u>	<u>331,367</u>
Total Liabilities	<u>-</u>	<u>331,367</u>
 <u>NET POSITION</u>		
Total net position held in trust for other post employment benefits and other purposes	<u>\$ 13,062,423</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, 2016

	<u>Other Post- Employment Benefits Trust Fund</u>
Additions:	
Contributions	\$ 2,020,869
Investment income	<u>337,823</u>
Total additions	2,358,692
 Deductions:	
Benefits	<u>1,782,986</u>
Total deductions	<u>1,782,986</u>
Change in net position	575,706
 Net position:	
Beginning of year	<u>12,486,717</u>
End of year	<u><u>\$ 13,062,423</u></u>

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

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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 2016, the following entity met the required GASB 14 (as amended) criteria of component units and is presented as a discretely presented component unit to emphasize that it's legally separate from the Town:

Wayland Municipal Affordable Housing Trust (Housing Trust) provides for the creation and preservation of affordable housing in the Town for the benefit of low and moderate income households, 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. The Trust is governed by a Board of Trustees consisting of seven members appointed by the Board of Selectmen. The Trust issues a stand-alone separate financial report. The report can be requested from Finance Director, Town of Wayland, 41 Cochituate Road, Wayland, Massachusetts 01778.

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

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* (OPEB) 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, Cash Equivalents and Investments

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

Deposits with financial institutions consist primarily of demand deposits, money market 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.

The Town considers investments with original maturities of three months or less to be short-term investments. 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.

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. The Town's investments consist of mutual funds reported at market value and nonnegotiable certificates of deposit which are reported at cost.

Investments for the Trust Funds consist of marketable securities, short-term money market investments, and nonnegotiable certificates of deposits. Investments are carried at fair value except certificates of deposit which are reported at cost.

E. 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 2016 tax levy reflected an excess capacity of \$6,850,124.

F. 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 acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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

G. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, 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.

H. 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.

I. 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 represent the residual classification for the general fund and include all amounts not contained in the other classifications. Unassigned amounts are available for any purpose. Temporary fund balance deficits are reported as negative amounts in the unassigned classification in other governmental funds. Positive unassigned amounts are reported only in the general fund.

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.

J. 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.

K. 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)	\$ 67,709,138	\$ 70,890,132
Other financing sources/uses (GAAP Basis)	<u>5,183,731</u>	<u>4,435,716</u>
Subtotal (GAAP Basis)	72,892,869	75,325,848
Adjust tax revenue to accrual basis	(296,695)	-
Reverse gross up related to refunding debt	(3,747,138)	(3,747,138)
Gross up enterprise reimbursements related to indirect costs	356,014	356,014
Reverse beginning of year appropriation carryforwards from expenditures	-	(361,467)
Add end of year appropriation carryforwards to expenditures	-	535,926
Reverse non-budgeted funds	<u>(83,848)</u>	<u>(54,991)</u>
Budgetary Basis	<u>\$ 69,121,202</u>	<u>\$ 72,054,192</u>

D. Excess of Expenditures Over Appropriations

The only expenditure line exceeding appropriations during the current fiscal year was State and County Assessments, this was due to the State subsequently revising the appropriation.

E. 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, 2016:

Nonmajor Governmental Funds:	
Special Revenue Funds:	
School Grants:	
FY16 94-142 (IDEA)	\$ 45,104
FY15 METCO	11,695
FY15-19 Substance Abuse Prevention	4,761
Town Revolving:	
Owner Tech Grant	4,471
Capital Project Funds:	
Town:	
Highway chapter 90	<u>43,774</u>
Total	<u>\$ 109,805</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, 2016, \$9,254,432 of the Town's bank balance of \$38,976,451 was exposed to custodial credit risk as uninsured or uncollateralized; \$643,025 of the uncollateralized amount was invested in the state pool and \$446,702 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, which includes the primary government and the OPEB fiduciary fund. (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 Aaa</u>
Federal agency securities	\$ 386,088	\$ -	\$ 386,088
US Treasury notes	351,533	-	351,533
Certificates of deposits	3,146,259	3,146,259	-
Mutual funds	3,280,093	3,280,093	-
External investment pool*	13,173,713	13,173,713	-
Corporate equities	1,063,355	1,063,355	-
Total investments	<u>\$ 21,401,041</u>	<u>\$ 20,663,420</u>	<u>\$ 737,621</u>

**Fair value is the same as the value of the pool share. The Pension Reserves Investment Trust (PRIT) was created under Massachusetts general law, chapter 32, section 22, in December 1983. PRIT is operated under contract with a private investment advisor, approved by the Pension Reserves Investment Management (PRIM) Board. The PRIM Board chooses an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted under Massachusetts general law, chapter 30B.*

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	\$ 386,088	\$ 200,645	\$ 185,443	\$ -
US Treasury notes	<u>351,533</u>	<u>50,828</u>	<u>185,416</u>	<u>115,289</u>
Total	<u>\$ 737,621</u>	<u>\$ 251,473</u>	<u>\$ 370,859</u>	<u>\$ 115,289</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.

F. Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Town's and OPEB Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

The Town has the following fair value measurements as of June 30, 2016:

Description	Fair Value Measurements Using:			
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments by fair value level:				
Debt securities				
Federal agency securities	\$ 386,088	\$ -	\$ 386,088	
US Treasury notes	351,533	-	351,533	
Non-government fixed income	3,280,093	-	3,280,093	
Equity securities:				
Healthcare	325,366	325,366	-	
Consumer staples	319,119	319,119	-	
Other sectors	418,870	418,870	-	
Subtotal	5,081,069	\$ 1,063,355	\$ 4,017,714	
Investments measured at the net asset value (NAV):				
External investment pool-PRIT	13,173,713			
Total	\$ 18,254,782			
Description	Value	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
External investment pool-PRIT	\$ 13,173,713	\$ -	Monthly	30 days

The OPEB Plan values its investments in good faith at the Plan's pro-rata interest in PRIT based upon audited financial statements or other information provided to the Plan by the underlying investment manager (PRIM). The estimated fair value of these investments may differ significantly from values that would have been used had a ready market existed.

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, 2016 consist of the following:

Real Estate		
2016	\$	383,370
2015		48,825
2014		26,838
2013		6,830
2012		<u>8,342</u>
Subtotal real estate		474,205
Personal property		
2016		12,306
2015		2,261
2014		2,111
2013		3,676
2012		4,152
Prior		<u>7,213</u>
Subtotal personal property		31,719
Community preservation act		4,844
Tax title		1,629,070
Deferred taxes		<u>378,359</u>
Total property taxes	\$	<u><u>2,518,197</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	\$ 483,100	\$ -
Excises	\$ 82,700	\$ -
Ambulance	\$ 52,400	\$ -
Betterments	\$ -	\$ 190,500

7. Interfund Transfers

Although self-balancing funds are maintained, transactions flow through the general fund. In order to obtain accountability for each fund, interfund transfers must be utilized.

The following is an analysis of interfund transfers made in fiscal year 2016:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General fund	\$ 1,323,584	\$ 749,943
Nonmajor funds:		
Special revenue funds:		
Town revolving fund	-	980,441
School revolving fund	-	824,643
Capital project funds:		
Town fund	887,443	-
School fund	366,251	197,251
Subtotal	<u>2,577,278</u>	<u>2,752,278</u>
<u>Enterprise funds:</u>		
Wastewater fund	175,000	-
Subtotal	<u>175,000</u>	-
Grand Total	<u>\$ 2,752,278</u>	<u>\$ 2,752,278</u>

The \$749,943 transfer from the General fund and \$119,000 from the Ambulance revolving fund, included in Town revolving, 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. The Town revolving fund, and remainder of the School revolving fund transfers are also done per indirect cost allocations for OPEB and other fringe benefit payments.

The Wastewater fund transfer in represents the transfer out of the School 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.

8. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 139,984	\$ 35	\$ -	\$ 140,019
Machinery, equipment, and furnishings	11,942	301	-	12,243
Vehicles	6,172	291	-	6,463
Infrastructure	9,013	412	-	9,425
Total capital assets, being depreciated	167,111	1,039	-	168,150
Less accumulated depreciation for:				
Buildings and improvements	(47,133)	(3,237)	-	(50,370)
Machinery, equipment, and furnishings	(10,379)	(567)	-	(10,946)
Vehicles	(4,960)	(372)	-	(5,332)
Infrastructure	(6,020)	(531)	-	(6,551)
Total accumulated depreciation	(68,492)	(4,707)	-	(73,199)
Total capital assets, being depreciated, net	98,619	(3,668)	-	94,951
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	12,243	2,655	-	14,898
Total capital assets, not being depreciated	37,970	2,655	-	40,625
Governmental activities capital assets, net	\$ 136,589	\$ (1,013)	\$ -	\$ 135,576

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 904	\$ -	\$ -	\$ 904
Machinery, equipment, and furnishings	305	-	-	305
Vehicles	749	47	-	796
Infrastructure	<u>23,588</u>	<u>-</u>	<u>-</u>	<u>23,588</u>
Total capital assets, being depreciated	25,546	47	-	25,593
Less accumulated depreciation for:				
Buildings and improvements	(190)	(23)	-	(213)
Machinery, equipment, and furnishings	(222)	(50)	-	(272)
Vehicles	(557)	(56)	-	(613)
Infrastructure	<u>(4,454)</u>	<u>(589)</u>	<u>-</u>	<u>(5,043)</u>
Total accumulated depreciation	<u>(5,423)</u>	<u>(718)</u>	<u>-</u>	<u>(6,141)</u>
Total capital assets, being depreciated, net	20,123	(671)	-	19,452
Capital assets, not being depreciated:				
Construction in progress	<u>1,107</u>	<u>200</u>	<u>-</u>	<u>1,307</u>
Business-type activities capital assets, net	<u>\$ 21,230</u>	<u>\$ (471)</u>	<u>\$ -</u>	<u>\$ 20,759</u>

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

Governmental Activities:	
General government	\$ 334
Public safety	427
Education	2,873
Public works	943
Culture and recreation	<u>130</u>
Total depreciation expense - governmental activities	<u>\$ 4,707</u>
Business-Type Activities:	
Water	\$ 567
Wastewater	<u>151</u>
Total depreciation expense - business-type activities	<u>\$ 718</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, 2016:

	Entity-wide Basis		Fund Basis	
	Governmental	Business-type	Proprietary Funds	
	<u>Activities</u>	<u>Activities</u>	<u>Water</u>	<u>Sewer</u>
Pension related:				
Net difference between projected and actual pension investment earnings	\$ 2,610,579	\$ 99,897	\$ 95,884	\$ 4,013
Change in proportion	<u>121,582</u>	<u>4,652</u>	<u>4,465</u>	<u>187</u>
Total	<u>\$ 2,732,161</u>	<u>\$ 104,549</u>	<u>\$ 100,349</u>	<u>\$ 4,200</u>

10. Warrants and Accounts Payable

Warrants payable represent 2016 expenditures paid by July 15, 2016. Accounts payable represent additional 2016 expenditures paid after July 15, 2016.

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	Interest	Amount
	Maturities	Rate(s) %	Outstanding
	Through		as of
			<u>6/30/16</u>
Municipal Purposes 2006	07/15/25	4.0 - 4.5%	\$ 35,000
Municipal Purposes 2007	01/15/27	4.0 - 5.0%	145,000
Municipal Purposes 2008	02/01/28	3.0 - 4.0%	3,845,000
Municipal Purposes 2009	12/15/28	2.0 - 4.5%	2,070,000
Municipal Purposes 2010	02/01/35	2.0 - 4.125%	8,195,000
Municipal Purposes 2011	02/01/36	2.0 - 5.0%	31,835,000
Municipal Purposes 2012	02/01/31	2.0 - 2.8%	405,000
Municipal Purposes 2013	02/01/22	2.0 - 3.0%	2,365,000
Municipal Purposes 2014	02/01/34	3.0 - 5.0%	11,235,000
Municipal Purposes 2015	02/01/35	3.00%	6,345,000
Municipal Purposes 2016	10/01/35	2.0 - 3.0%	3,101,000
G.O. Refunding 2016	07/15/26	2.0 - 5.0%	<u>4,508,552</u>
Total bonded debt:			74,084,552
Title V	07/01/25	-	99,270
Wastewater	07/01/22	-	<u>237,285</u>
Total loans:			<u>336,555</u>
Grand Total:			<u>\$ 74,421,107</u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2016 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 5,101,821	\$ 2,362,268	\$ 7,464,089
2018	4,916,821	2,202,312	7,119,133
2019	4,429,821	2,025,313	6,455,134
2020	3,881,321	1,851,590	5,732,911
2021	3,530,900	1,691,595	5,222,495
2022-2026	15,220,000	6,553,175	21,773,175
2027-2031	13,025,000	4,012,369	17,037,369
2032-2036	10,984,698	1,374,125	12,358,823
Total	\$ <u>61,090,382</u>	\$ <u>22,072,745</u>	\$ <u>83,163,127</u>

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,098,880	\$ 484,692	\$ 1,583,572
2018	1,082,880	453,016	1,535,896
2019	1,069,685	416,952	1,486,637
2020	1,068,185	376,150	1,444,335
2021	1,008,185	334,595	1,342,780
2022-2026	4,551,948	1,133,838	5,685,786
2027-2031	3,000,000	377,853	3,377,853
2032-2036	450,962	31,400	482,362
Total	\$ <u>13,330,725</u>	\$ <u>3,608,496</u>	\$ <u>16,939,221</u>

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2016, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/15	Additions	Refunding	Reductions	Total Balance 6/30/16	Less Current Portion	Equals Long-Term Portion 6/30/16
<u>Governmental Activities</u>							
Bonds payable	\$ 64,130	\$ 5,740	\$ (3,565)	\$ (5,214)	\$ 61,091	\$ (5,102)	\$ 55,989
Unamortized debt premiums	2,822	521	-	(200)	3,143	(246)	2,897
Subtotal	66,952	6,261	(3,565)	(5,414)	64,234	(5,348)	58,886
Net pension liability	47,444	3,752	-	-	51,196	-	51,196
Other:							
Landfill closure	290	-	-	(10)	280	(10)	270
Accrued employee benefits	1,012	254	-	(253)	1,013	(253)	760
Totals	\$ <u>115,698</u>	\$ <u>10,267</u>	\$ <u>(3,565)</u>	\$ <u>(5,677)</u>	\$ <u>116,723</u>	\$ <u>(5,611)</u>	\$ <u>111,112</u>
<u>Business-Type Activities</u>							
Bonds payable	\$ 13,757	\$ 1,886	\$ (1,255)	\$ (1,057)	\$ 13,331	\$ (1,099)	\$ 12,232
Net pension liability	1,898	61	-	-	1,959	-	1,959
Other:							
Accrued employee benefits	32	85	-	(93)	24	(24)	-
Totals	\$ <u>15,687</u>	\$ <u>2,032</u>	\$ <u>(1,255)</u>	\$ <u>(1,150)</u>	\$ <u>15,314</u>	\$ <u>(1,123)</u>	\$ <u>14,191</u>

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

D. Advance and Current Refundings

On March 3, 2016, the Town issued general obligation refunding bonds in the amount of \$4,525,000 with a variable interest rate ranging from 2.00% to 5.00% to current refund \$285,000 from the November 1, 2003 bonds and \$2,795,000 from the September 15, 2005 bonds, and advance refund \$315,000 from the July 1, 2006 bonds and \$1,425,000 from the January 15, 2007 bonds. The interest rates for the 2003 bonds range from 4.00% to 4.60% and were first subject to early redemption on and after November 1, 2013. The interest rates for the 2005 bonds range from 3.70% to 4.00% and were first subject to early redemption on and after September 15, 2015. The interest rates for the 2006 bonds range from 4.00% to 4.30% and are first subject to early redemption on and after July 15, 2016. The interest rates for the 2007 bonds range from 4.00% to 4.125% and are first subject to early redemption on and after January 15, 2017.

The general obligation refunding bonds were issued at interest rates of 2.00% to 5.00% and, after paying issuance costs of \$57,651, the net proceeds were \$4,944,488. Of the net proceeds from the issuance of the general obligation refunding bonds, \$4,940,773 were used to purchase U.S. government securities and those securities and \$54,047 of cash from the net proceeds were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are called on April 2, 2016, July 15, 2016, and January 15, 2017. The advance refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the Town's financial statements.

As a result of the current and advance refundings, the Town reduced its total debt service cash flow requirements by \$610,583, which resulted in an economic gain of \$564,590. Defeased debt still outstanding at June 30, 2016 is \$1,740,000.

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 \$280,000 reported as liability at June 30, 2016 is based on estimated costs to be incurred after fiscal year 2016 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, 2016 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.

Government wide financial statements report pension related deferred inflow of resources due to change in proportion.

14. Governmental Fund Balances

The following is a breakdown of the Town's governmental fund balances at June 30, 2016:

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Nonexpendable permanent funds	\$ -	\$ -	\$ 1,252,564	\$ 1,252,564
Total Nonexpendable	-	-	1,252,564	1,252,564
Restricted:				
Debt service	992,021	-	-	992,021
Community preservation	-	7,856,884	-	7,856,884
Town special revenue accounts:				
Ambulance	-	-	1,242,929	1,242,929
Recreation revolving	-	-	944,608	944,608
Residential dwelling	-	-	880,000	880,000
Bike trail	-	-	250,000	250,000
Transfer station	-	-	231,235	231,235
Turf field	-	-	219,464	219,464
Cafeteria plan	-	-	170,864	170,864
Receipts reserved for sale of cemetery lots	-	-	165,894	165,894
Parking lot	-	-	120,000	120,000
Receipts reserved for concom	-	-	118,007	118,007
Other town grants and revolving accounts	-	-	1,004,237	1,004,237

(continued)

(continued)

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
School special revenue accounts:				
Before and after school enrichment	-	-	433,894	433,894
Circuit breaker	-	-	528,176	528,176
PEGASUS	-	-	378,219	378,219
Transportation fees	-	-	284,462	284,462
The children's way	-	-	108,792	108,792
Other school grants and revolving accounts	-	-	725,661	725,661
Town capital project accounts:				
New DPW building 2013	-	-	913,543	913,543
Energy upgrades 2014	-	-	212,061	212,061
Transfer St. culvert repair 2016	-	-	100,000	100,000
Other capital project funds	-	-	880,733	880,733
School capital project accounts:				
Claypit doors and windows 2016	-	-	330,789	330,789
Middle school windows 2016	-	-	250,000	250,000
Locker kitchen 2014	-	-	206,507	206,507
Happy hollow school art and café room 2016	-	-	168,023	168,023
Loker tile replacement 2016	-	-	106,949	106,949
Other capital project funds	-	-	362,745	362,745
Expendable permanent funds	-	-	2,076,070	2,076,070
Total Restricted	992,021	7,856,884	13,413,862	22,262,767
Committed:				
FY17 capital projects	410,000	-	-	410,000
FY17 transfer to recreation stabilization fund	402,618	-	-	402,618
FY17 transfer to OPEB trust fund	251,285	-	-	251,285
Other FY17 annual town meeting articles	100,001	-	-	100,001
Septage	60,617	-	-	60,617
Town capital project accounts:				
Library design 2016	-	-	130,975	130,975
COA feasibility study 2016	-	-	125,111	125,111
Other capital project funds	-	-	517,510	517,510
School capital project accounts:				
Middle school windows 2014	-	-	148,543	148,543
Other capital project funds	-	-	40,814	40,814
Total Committed	1,224,521	-	962,953	2,187,474
Assigned:				
Encumbered for:				
General government	188,046	-	-	188,046
Public safety	8,577	-	-	8,577
Education	296,716	-	-	296,716
Public works	30,398	-	-	30,398
Health and human services	2,864	-	-	2,864
Employee benefits	9,045	-	-	9,045
Use of fund balance for fiscal 17	1,800,454	-	-	1,800,454
Non-insurance	1,187,601	-	-	1,187,601
Total Assigned	3,523,701	-	-	3,523,701
Unassigned:				
General fund	6,077,813	-	-	6,077,813
Stabilization	1,826,754	-	-	1,826,754
Other nonmajor	-	-	(109,805)	(109,805)
Total Unassigned	7,904,567	-	(109,805)	7,794,762
Total Fund Balance	\$ 13,644,810	\$ 7,856,884	\$ 15,519,574	\$ 37,021,268

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 <u>Fund</u>
Unassigned fund balance, June 30, 2016	\$			7,904,567
Less stabilization				(1,826,754)
Allowance for abatements (reserved statutorily)				(1,601,763)
"60-day rule"				(373,285)
ATB liability				333,600
Other adjustments				<u>205,608</u>
Certified free cash, July 1, 2016	\$			<u><u>4,641,973</u></u>

		Water <u>Fund</u>	Wastewater <u>Fund</u>	<u>Total</u>
Unrestricted net assets, GAAP	\$	1,641,291	\$ 4,622,965	\$ 6,264,256
Recognize deferred revenue		(317,403)	(3,636,853)	(3,954,256)
Allowance for doubtful accounts		-	190,500	190,500
Remove accrued interest		109,053	76,791	185,844
Remove compensated absences		24,144	-	24,144
Remove net pension liability, net of DO		1,780,011	74,497	1,854,508
Funds assigned for FY17 & encumbrances		(558,066)	(24,669)	(582,735)
Unspent cash appropriations for capital		<u>(339,565)</u>	<u>-</u>	<u>(339,565)</u>
Available funds	\$	<u><u>2,339,465</u></u>	\$ <u><u>1,303,231</u></u>	\$ <u><u>3,642,696</u></u>

16. Commitments and Contingencies

Outstanding Legal Issues – 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. The Town reports an estimated liability for the probable outcome of these cases.

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 2016, the Town contributed 93.4% 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 2016 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, 2016, 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 <u>Amounts</u>	Other Town <u>Amounts</u>	<u>Total</u>
Annual Required Contribution (ARC)	\$ 3,629,540	\$ -	\$ 3,629,540
Interest on net OPEB obligation	(260,102)	-	(260,102)
Adjustment to ARC	279,848	-	279,848
Amortization of actuarial (gain)/loss	<u>(1,485,641)</u>	<u>-</u>	<u>(1,485,641)</u>
Annual OPEB cost	2,163,645	-	2,163,645
Contributions made	<u>1,992,100</u>	<u>28,769</u>	<u>2,020,869</u>
Increase in net OPEB asset	\$ <u>(171,545)</u>	\$ <u>28,769</u>	(142,776)
Net OPEB asset - beginning of year			<u>3,715,732</u>
Net OPEB asset - end of year			\$ <u><u>3,572,956</u></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:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
2016	\$ 2,163,645	93.4%	\$ 3,572,956
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

Also see Town's Supplementary Information on pages 85 and 103.

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 OPEB 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.

Participant Retirement Benefits

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 for those hired prior to April 2, 2012 and the highest five-year average annual rate of regular compensation for those first becoming members of the Massachusetts System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100 percent, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left Town/City employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4, have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

Participants Refunds

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.

Participants 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 on or after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

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

Employer Contributions

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

The Town's contribution to the System for the year ended June 30, 2016 was \$3,971,988, which was equal to its annual required contribution.

B. 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.

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

At June 30, 2016, the Town reported a liability of \$53,154,605 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, 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, 2015, the Town’s proportion was 4.120452 percent.

For the year ended June 30, 2016, the Town recognized a pension expense of \$5,217,786. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings on pension plan investments	\$ 2,710,476	\$ -
Change in proportion	<u>126,234</u>	<u>102,577</u>
Total	<u>\$ 2,836,710</u>	<u>\$ 102,577</u>

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:	
2017	\$ 693,982
2018	693,982
2019	693,982
2020	<u>652,187</u>
Total	<u>\$ 2,734,133</u>

D. 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%
Projected salary increases	Varies by length of service with ultimate rates of 4.25% for Group 1, 4.50% for Group 2, and 4.75% 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%	6.49%
International developed markets equity	15.60%	7.16%
International emerging markets equity	6.50%	9.46%
Core fixed income	15.30%	1.68%
High yield fixed income	8.30%	4.76%
Real estate	9.90%	4.37%
Commodities	3.90%	4.13%
Short-term government money market	0.00%	1.11%
Hedge fund, GTAA, risk parity	9.80%	3.60%
Private equity	<u>11.10%</u>	11.04%
Total	<u>100.0%</u>	

E. 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.

F. 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>
June 30, 2016	\$ 63,828,663	\$ 53,154,605	\$ 44,064,915

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 contributory 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, 2015 measurement date was determined by an actuarial valuation as of January 1, 2015 rolled forward to June 30, 2015. This valuation used the following assumptions:

- (a) 7.5% 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-2014 Employees table projected generationally with Scale BB and a base year of 2014 (gender distinct)
 - Post-retirement - reflects RP-2014 Healthy Annuitant table projected generationally with Scale BB and a base year of 2014 (gender distinct)
 - Disability – assumed to be in accordance with the RP-2014 Healthy Annuitant table projected generationally with Scale BB and a base year 2014 set forward 4 years

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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	40.0%	6.9%
Core fixed income	13.0%	2.4%
Private equity	10.0%	8.5%
Real estate	10.0%	6.5%
Value added fixed income	10.0%	5.8%
Hedge funds	9.0%	5.8%
Portfolio completion strategies	4.0%	5.5%
Timber/natural resources	<u>4.0%</u>	6.6%
Total	<u>100.0%</u>	

E. Discount Rate

The discount rate used to measure the total pension liability was 7.5%. 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 6.5%</u>	<u>Current Discount Rate 7.5%</u>	<u>1% Increase to 8.5%</u>
June 30, 2015	\$ 25,449,000	\$ 20,489,643	\$ 16,221,000

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 2015 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability and pension expense was \$74,513,557 and \$6,043,713 respectively, based on a proportionate share of 0.363664%. 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 Fund Balance and Net Position Reclassifications

The Town's major governmental funds for fiscal year 2016, as defined by GASB Statement 34, have changed from the previous fiscal year. The Housing Trust has been reclassified from a blended component unit to a discretely presented component unit (DPCU), as defined by GASB Statement 61, due to a change in legal structure. Beginning net position of the governmental activities decreased by \$662,672 as DPCU is now reported with beginning net position of the same amount as a result of de-blending.

The following reconciliation is provided for beginning fund balances of governmental funds:

	DPW Building Fund	Nonmajor Governmental Funds
	<u> </u>	<u> </u>
As previously reported for June 30, 2016	\$ 1,372,536	\$ 13,311,808
Reclassification to nonmajor	(1,372,536)	1,372,536
De-blending a component unit	<u> -</u>	<u> (662,672)</u>
As reclassified for July 1, 2016	<u><u> -</u></u>	<u><u> 14,021,672</u></u>

22. Implementation of New GASB Standard

The Governmental Accounting Standards Board (GASB) has issued Statement 74, Financial Reporting for Postemployment Benefit Plans other than Pension Plans, replacing Statement No. 43 and 57, which is required to be implemented for fiscal year 2017. Included are requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, 43, and 50. Management's current assessment is that this pronouncement will not have a significant impact on the Plan's financial statements, though the additional note disclosures and required supplementary information will be significant.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, replacing requirements of Statements No. 45 and 57, effective for the Town beginning with its year ending June 30, 2018. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specific criteria and for employers whose employees are provided with defined contribution OPEB. Management's current assessment is that this pronouncement will have an impact by increasing net OPEB liability, and as a result, decreasing the unrestricted net position on the government-wide financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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

June 30, 2016

(Unaudited)

(Amounts Expressed in Thousands)

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, 2016
(Unaudited)

Middlesex County Retirement System

<u>Fiscal Year</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2016	4.120452%	\$53,154,605	\$ 18,096,912	294%	46.13%
June 30, 2015	4.107272%	\$49,341,309	\$ 17,400,877	284%	47.65%

Massachusetts Teachers' Retirement System

<u>Fiscal Year</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town</u>	<u>Total Net Pension Liability Associated with the Town</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2016	0.363664%	\$ -	\$ 74,513,557	\$ 74,513,557	\$ 23,883,375	0%	55.38%
June 30, 2015	0.362077%	\$ -	\$ 57,557,092	\$ 57,557,092	\$ 22,651,856	0%	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 PENSION CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2016
(Unaudited)**

Middlesex County Retirement System					
<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2016	\$ 3,971,988	\$ (3,971,988)	\$ -	\$ 18,096,912	21.9%
June 30, 2015	\$ 3,740,468	\$ (3,740,468)	\$ -	\$ 17,400,877	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 STATEMENTS
AND SCHEDULES**

GENERAL FUND

The General Fund is established to account for all resources obtained and used for those services commonly provided by the Town, which are not accounted for in any other fund. These services include among other items: general government services, public safety, education, public works, health and human services, and culture and recreation. The primary sources of revenue of the General Fund are: property taxes, excise taxes, unrestricted state revenue sharing grants, certain restricted grants and fees for services rendered.

TOWN OF WAYLAND, MASSACHUSETTS

GENERAL FUND

DETAIL SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<u>General Government</u>				
Selectmen				
Nonpersonnel	\$ 30,000	\$ 30,000	\$ 21,833	\$ 8,167
Town office				
Personnel	435,000	458,815	452,832	5,983
Nonpersonnel	81,500	81,500	70,868	10,632
Personnel Board				
Personnel	5,000	5,000	2,578	2,422
Nonpersonnel	10,000	10,000	5,557	4,443
Finance				
Personnel	318,300	323,313	322,305	1,008
Nonpersonnel	51,700	70,700	68,611	2,089
Assessor				
Personnel	244,460	255,375	252,898	2,477
Nonpersonnel	52,850	52,850	47,488	5,362
Treasurer				
Personnel	199,000	201,814	167,806	34,008
Nonpersonnel	115,900	127,900	119,849	8,051
Town Counsel				
Nonpersonnel	175,000	175,000	160,818	14,182
Information Technology				
Personnel	83,842	86,548	86,450	98
Nonpersonnel	428,190	428,190	374,321	53,869
Town Clerk				
Personnel	120,584	122,343	121,526	817
Nonpersonnel	17,043	17,043	16,705	338
Elections				
Personnel	22,608	22,608	17,858	4,750
Nonpersonnel	11,630	11,630	11,471	159
Registrar				
Personnel	275	275	275	-
Nonpersonnel	4,050	4,050	3,675	375
Conservation				
Personnel	169,457	170,903	158,188	12,715
Nonpersonnel	37,400	37,400	24,610	12,790
Planning				
Personnel	105,000	107,600	106,399	1,201
Nonpersonnel	4,500	4,500	2,910	1,590
Surveyor				
Personnel	160,778	165,708	165,319	389
Nonpersonnel	26,950	26,950	16,614	10,336
Facilities				
Personnel	279,722	279,722	265,605	14,117
Nonpersonnel	831,950	831,950	728,518	103,432
Miscellaneous Committees				
Nonpersonnel	47,275	47,275	46,481	794
Total General Government	4,069,964	4,156,962	3,840,368	316,594

(continued)

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	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
<u>Public Safety</u>				
Police				
Personnel	2,231,344	2,290,544	2,260,188	30,356
Nonpersonnel	320,290	320,290	276,334	43,956
Joint Communications				
Personnel	475,400	493,770	478,809	14,961
Nonpersonnel	27,100	27,100	26,873	227
Emergency Management				
Nonpersonnel	23,000	23,000	22,622	378
Dog Officer				
Nonpersonnel	21,501	21,701	21,652	49
Fire				
Personnel	2,305,349	2,411,896	2,251,212	160,684
Nonpersonnel	253,108	253,108	232,875	20,233
Building and Zoning				
Personnel	293,767	297,247	294,236	3,011
Nonpersonnel	14,501	14,501	10,202	4,299
Total Public Safety	<u>5,965,360</u>	<u>6,153,157</u>	<u>5,875,003</u>	<u>278,154</u>
<u>Education</u>				
Schools	<u>36,719,239</u>	<u>36,719,239</u>	<u>36,462,311</u>	<u>256,928</u>
Total Education	<u>36,719,239</u>	<u>36,719,239</u>	<u>36,462,311</u>	<u>256,928</u>
<u>Vocational Education</u>				
Regional Vocational School	<u>110,045</u>	<u>110,045</u>	<u>109,056</u>	<u>989</u>
Total Vocational Education	<u>110,045</u>	<u>110,045</u>	<u>109,056</u>	<u>989</u>
<u>Public Works</u>				
Highway				
Personnel	960,145	966,613	851,281	115,332
Nonpersonnel	302,500	302,500	302,007	493
Snow				
Personnel	125,000	125,000	96,602	28,398
Nonpersonnel	325,000	325,000	324,717	283
Landfill				
Nonpersonnel	65,000	65,000	19,281	45,719
Park and Cemetery				
Personnel	505,334	516,167	497,669	18,498
Nonpersonnel	<u>293,000</u>	<u>293,000</u>	<u>286,667</u>	<u>6,333</u>
Total Public Works	<u>2,575,979</u>	<u>2,593,280</u>	<u>2,378,224</u>	<u>215,056</u>
<u>Health and Human Services</u>				
Board of Health				
Personnel	637,877	658,842	649,489	9,353
Nonpersonnel	173,990	173,990	155,845	18,145
Veterans Services				
Nonpersonnel	44,600	44,600	42,418	2,182
Council on Aging				
Personnel	195,776	202,904	200,989	1,915
Nonpersonnel	55,500	55,500	45,775	9,725
Youth Services				
Personnel	205,053	218,866	217,977	889
Nonpersonnel	<u>4,075</u>	<u>4,075</u>	<u>3,901</u>	<u>174</u>
Total Health and Human Services	<u>1,316,871</u>	<u>1,358,777</u>	<u>1,316,394</u>	<u>42,383</u>

(continued)

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<u>Culture and Recreation</u>				
Library				
Personnel	802,800	814,796	806,012	8,784
Nonpersonnel	228,200	228,200	228,114	86
Recreation				
Personnel	<u>160,500</u>	<u>163,979</u>	<u>163,184</u>	<u>795</u>
Total Culture and Recreation	1,191,500	1,206,975	1,197,310	9,665
<u>State Assessments and Charges</u>				
Assessments	<u>110,098</u>	<u>140,098</u>	<u>203,615</u>	<u>(63,517)</u>
Total State Assessments and Charges	110,098	140,098	203,615	(63,517)
<u>Debt Service</u>				
Debt and Interest	<u>7,751,620</u>	<u>7,751,620</u>	<u>7,653,109</u>	<u>98,511</u>
Total Debt Service	7,751,620	7,751,620	7,653,109	98,511
<u>Pension</u>				
Pension Assessment	<u>3,971,988</u>	<u>3,971,988</u>	<u>3,971,988</u>	<u>-</u>
Total Pension	3,971,988	3,971,988	3,971,988	-
<u>Unclassified</u>				
Insurance General	615,000	615,000	576,157	38,843
Insurance 32B	6,925,218	6,925,218	6,587,478	337,740
Medicare	570,000	599,000	595,336	3,664
Unemployment	75,000	75,000	61,326	13,674
Non-contributory Retirement	18,000	18,000	226	17,774
Reserve Salary Adjustment	374,000	62,823	-	62,823
Police and Fire Disability	15,000	15,000	10,172	4,828
Occupational Health	8,000	8,000	6,047	1,953
Retirement and Buyback	40,000	40,000	23,740	16,260
Town Meeting	90,000	105,854	105,854	-
Street lighting	130,000	130,000	121,421	8,579
Reserve Fund	<u>300,000</u>	<u>186,846</u>	<u>-</u>	<u>186,846</u>
Total Unclassified	<u>9,160,218</u>	<u>8,780,741</u>	<u>8,087,757</u>	<u>692,984</u>
Total Expenditures	<u>\$ 72,942,882</u>	<u>\$ 72,942,882</u>	<u>\$ 71,095,135</u>	<u>\$ 1,847,747</u>

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

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**Combining Financial Statements
and
Other Supplementary Schedules**

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 Massachusetts General Law (MGL) Chapter 44, Sections 53, 53C, 53E and E1/2 and available for expenditure without further appropriation. It is 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.

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, building repairs, purchases of heavy vehicles and various other capital costs or equipment.
- School: To account for the renovations of Wayland Public Schools, furniture purchases and various other capital costs.

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, 2016

	<u>Special Revenue Funds</u>			
	<u>Town Revolving</u>	<u>School Revolving</u>	<u>School Grants</u>	<u>Subtotals</u>
<u>ASSETS</u>				
Cash and short-term investments	\$ 5,444,798	\$ 1,985,716	\$ 468,714	\$ 7,899,228
Investments	-	-	-	-
Assessments receivable	21,829	-	-	21,829
Departmental and other receivables	<u>359,622</u>	<u>-</u>	<u>-</u>	<u>359,622</u>
Total Assets	<u>\$ 5,826,249</u>	<u>\$ 1,985,716</u>	<u>\$ 468,714</u>	<u>\$ 8,280,679</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Warrants and accounts payable	\$ 96,209	\$ 56,786	\$ -	\$ 152,995
Accrued payroll	<u>5,822</u>	<u>-</u>	<u>-</u>	<u>5,822</u>
Total Liabilities	102,031	56,786	-	158,817
Deferred Inflows of Resources	381,451	-	-	381,451
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	5,347,238	1,928,930	530,274	7,806,442
Committed	-	-	-	-
Unassigned	<u>(4,471)</u>	<u>-</u>	<u>(61,560)</u>	<u>(66,031)</u>
Total Fund Balances	<u>5,342,767</u>	<u>1,928,930</u>	<u>468,714</u>	<u>7,740,411</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,826,249</u>	<u>\$ 1,985,716</u>	<u>\$ 468,714</u>	<u>\$ 8,280,679</u>

(continued)

<u>Capital Project Funds</u>				Total Nonmajor Governmental Funds
<u>Town</u>	<u>School</u>	<u>Subtotal</u>	<u>Permanent Fund</u>	
\$ 2,894,590	\$ 2,435,434	\$ 5,330,024	\$ 52,629	\$ 13,281,881
-	-	-	3,280,093	3,280,093
-	-	-	-	21,829
-	-	-	-	359,622
<u>\$ 2,894,590</u>	<u>\$ 2,435,434</u>	<u>\$ 5,330,024</u>	<u>\$ 3,332,722</u>	<u>\$ 16,943,425</u>
\$ 58,431	\$ 821,064	\$ 879,495	\$ 4,088	\$ 1,036,578
-	-	-	-	5,822
<u>58,431</u>	<u>821,064</u>	<u>879,495</u>	<u>4,088</u>	<u>1,042,400</u>
-	-	-	-	381,451
-	-	-	1,252,564	1,252,564
2,106,337	1,425,013	3,531,350	2,076,070	13,413,862
773,596	189,357	962,953	-	962,953
<u>(43,774)</u>	<u>-</u>	<u>(43,774)</u>	<u>-</u>	<u>(109,805)</u>
<u>2,836,159</u>	<u>1,614,370</u>	<u>4,450,529</u>	<u>3,328,634</u>	<u>15,519,574</u>
<u>\$ 2,894,590</u>	<u>\$ 2,435,434</u>	<u>\$ 5,330,024</u>	<u>\$ 3,332,722</u>	<u>\$ 16,943,425</u>

TOWN OF WAYLAND, MASSACHUSETTS

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2016

Special Revenue Funds

	Town <u>Revolving</u>	School <u>Revolving</u>	School <u>Grants</u>	<u>Subtotal</u>
Revenues:				
Intergovernmental	\$ 174,043	\$ 199,065	\$ 2,329,969	\$ 2,703,077
Charges for services	2,642,985	4,879,436	-	7,522,421
Investment income	235	-	-	235
Contributions	<u>1,198,161</u>	<u>336,255</u>	-	<u>1,534,416</u>
Total Revenues	4,015,424	5,414,756	2,329,969	11,760,149
Expenditures:				
Current:				
General government	389,345	-	-	389,345
Public safety	405,535	-	-	405,535
Education	-	4,309,400	2,168,380	6,477,780
Public works	506,956	-	-	506,956
Health and human services	107,671	-	-	107,671
Culture and recreation	495,425	-	-	495,425
Debt service:				
Principal	16,299	-	-	16,299
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,921,231</u>	<u>4,309,400</u>	<u>2,168,380</u>	<u>8,399,011</u>
Excess (deficiency) of revenues over (under) expenditures	2,094,193	1,105,356	161,589	3,361,138
Other Financing Sources (Uses):				
Issuance of bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>(980,441)</u>	<u>(824,643)</u>	<u>-</u>	<u>(1,805,084)</u>
Total Other Financing Sources (Uses)	<u>(980,441)</u>	<u>(824,643)</u>	<u>-</u>	<u>(1,805,084)</u>
Net change in fund balances	1,113,752	280,713	161,589	1,556,054
Fund Balances (deficit), beginning of year	<u>4,229,015</u>	<u>1,648,217</u>	<u>307,125</u>	<u>6,184,357</u>
Fund Balances(deficit), end of year	<u>\$ 5,342,767</u>	<u>\$ 1,928,930</u>	<u>\$ 468,714</u>	<u>\$ 7,740,411</u>

(continued)

(continued)

<u>Capital Project Funds</u>				Total Nonmajor Governmental Funds
<u>Town</u>	<u>School</u>	<u>Subtotal</u>	<u>Permanent Fund</u>	
\$ 232,936	\$ 41,064	\$ 274,000	\$ -	\$ 2,977,077
-	-	-	21,640	7,544,061
-	-	-	150,677	150,912
-	-	-	3,545	1,537,961
<u>232,936</u>	<u>41,064</u>	<u>274,000</u>	<u>175,862</u>	<u>12,210,011</u>
-	-	-	125,583	514,928
-	-	-	-	405,535
-	-	-	-	6,477,780
-	-	-	-	506,956
-	-	-	-	107,671
-	-	-	-	495,425
-	-	-	-	16,299
<u>2,574,431</u>	<u>1,265,443</u>	<u>3,839,874</u>	<u>-</u>	<u>3,839,874</u>
<u>2,574,431</u>	<u>1,265,443</u>	<u>3,839,874</u>	<u>125,583</u>	<u>12,364,468</u>
(2,341,495)	(1,224,379)	(3,565,874)	50,279	(154,457)
1,277,082	1,123,918	2,401,000	-	2,401,000
887,443	366,251	1,253,694	-	1,253,694
<u>(197,251)</u>	<u>-</u>	<u>(197,251)</u>	<u>-</u>	<u>(2,002,335)</u>
<u>1,967,274</u>	<u>1,490,169</u>	<u>3,457,443</u>	<u>-</u>	<u>1,652,359</u>
(374,221)	265,790	(108,431)	50,279	1,497,902
<u>3,210,380</u>	<u>1,348,580</u>	<u>4,558,960</u>	<u>3,278,355</u>	<u>14,021,672</u>
<u>\$ 2,836,159</u>	<u>\$ 1,614,370</u>	<u>\$ 4,450,529</u>	<u>\$ 3,328,634</u>	<u>\$ 15,519,574</u>

FIDUCIARY FUNDS

TRUST FUND

Trust funds are used to account for assets held by the Town in a trustee capacity.

- OPEB Fund was established under Chapter 372 of the Commonwealth of Massachusetts. The Fund is credited with all amounts appropriated or otherwise made available by the town, including any earnings or interest accruing from the investment of these funds, to offset the anticipated cost of health and life insurance contributions or other benefits for retired employees, their spouses and eligible dependents and the surviving spouses and eligible dependents of deceased retirees. Amounts in the OPEB Trust are expended only for the payment of the costs payable by the Town for other postemployment benefits. Contributions and benefit payments are grossed up to GASB 45 report. The Plan is reported in accordance with MGL Chapter 32B Section 20. The following Schedule of OPEB Funding Progress, Net OPEB Asset, and OPEB Trust Balance is for supplementary information only and is not required to be presented as part of supplemental statements and schedules. The Trust issues a stand-alone separate financial report. The report can be requested from Finance Director, Town of Wayland, 41 Cochituate Rd, Wayland, MA 01778.

AGENCY FUND

Agency Funds are established to account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others.

- Agency Fund represents student activity funds, which are contributions from students and fundraising receipts used to pay for student-related activities. The Fund was established in accordance with MGL Chapter 71, Section 47.

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

June 30, 2016
(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)
2016	\$ 3,629,540	\$ (260,102)	\$ 279,848	\$ (1,485,641)	\$ 2,163,645	\$ 2,020,869	\$ 142,776	\$ (3,572,956)	\$ 1,782,986	\$ 237,883	\$ 337,823	\$ 575,706	\$ 13,062,423
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.

TOWN OF WAYLAND, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities

Agency Fund

For the Year Ended June 30, 2016

	Balance July 1, <u>2015</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2016</u>
<u>Student Activity Funds:</u>				
Assets - cash and short-term investments	\$ <u>280,772</u>	\$ <u>526,235</u>	\$ <u>(475,640)</u>	\$ <u>331,367</u>
Liabilities - other liabilities	\$ <u>280,772</u>	\$ <u>526,235</u>	\$ <u>(475,640)</u>	\$ <u>331,367</u>

**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 Town's overall financial health.

	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	108 - 112
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.	113 – 115
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	116 - 118
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	119 - 120
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the service the government provides and the activities it performs.	121 - 123

Town of Wayland, Massachusetts
Net Position by Component
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015 *	2016
Government Activity										
Net Investment in Capital Assets	\$ 37,637,631	\$ 37,841,693	\$ 39,004,924	\$ 31,838,658	\$ 43,980,000	\$ 66,934,000	\$ 69,804,000	\$ 75,337,000	\$ 76,294,684	\$ 74,873,915
Restricted	15,974,599	17,743,386	29,615,665	34,726,105	1,290,000	17,455,000	18,244,000	17,004,000	15,024,494	20,417,537
Unrestricted	5,059,246	7,157,899	66,607	9,232,195	46,503,000	22,463,000	18,165,000	14,025,000	(28,730,657)	(32,234,710)
Total governmental activities net position	<u>\$ 58,671,476</u>	<u>\$ 62,742,978</u>	<u>\$ 68,687,196</u>	<u>\$ 75,796,958</u>	<u>\$ 91,773,000</u>	<u>\$ 106,852,000</u>	<u>\$ 106,213,000</u>	<u>\$ 106,366,000</u>	<u>\$ 62,588,521</u>	<u>\$ 63,056,742</u>
Business type activities										
Net Investment in Capital Assets	\$ 954,008	\$ 965,560	\$ 674,693	\$ 3,155,966	\$ 3,464,000	\$ 4,287,000	\$ 5,537,000	\$ 5,951,000	\$ 7,905,424	\$ 8,370,063
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,893,974	3,531,527	4,637,839	2,743,678	5,442,000	6,098,000	5,001,000	5,336,000	6,009,776	6,264,256
Total business-type activities net position	<u>\$ 2,847,982</u>	<u>\$ 4,497,087</u>	<u>\$ 5,312,532</u>	<u>\$ 5,899,644</u>	<u>\$ 8,906,000</u>	<u>\$ 10,385,000</u>	<u>\$ 10,538,000</u>	<u>\$ 11,287,000</u>	<u>\$ 13,915,200</u>	<u>\$ 14,634,319</u>
Primary Government										
Net Investment in Capital Assets	\$ 38,591,639	\$ 38,807,253	\$ 39,679,617	\$ 34,994,624	\$ 47,444,000	\$ 71,221,000	\$ 75,341,000	\$ 81,288,000	\$ 84,200,108	\$ 83,243,978
Restricted	15,974,599	17,743,386	29,615,665	34,726,105	1,290,000	17,455,000	18,244,000	17,004,000	15,687,166	20,417,537
Unrestricted	6,953,220	10,689,426	4,704,446	11,975,873	51,945,000	28,561,000	23,166,000	19,361,000	(22,720,881)	(25,970,454)
Total primary government net position	<u>\$ 61,519,458</u>	<u>\$ 67,240,065</u>	<u>\$ 73,999,728</u>	<u>\$ 81,696,602</u>	<u>\$ 100,679,000</u>	<u>\$ 117,237,000</u>	<u>\$ 116,751,000</u>	<u>\$ 117,653,000</u>	<u>\$ 77,166,393</u>	<u>\$ 77,691,061</u>

* 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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
General government	\$ 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	\$ 5,040,458
Public safety	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	6,940,548
Education	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	52,440,003
Public works	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	3,243,638
Health and Human services	1,223,477	1,068,782	1,087,053	1,125,473	1,089,675	1,145,762	1,180,480	1,219,182	1,770,885	1,637,689
Cultural and recreation	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	2,679,967
Intergovernmental	147,643	161,873	171,517	191,682	186,244	191,501	185,367	131,848	109,179	203,615
Employee Benefits	8,691,767	10,201,729	9,809,349	11,390,905	10,044,785	10,491,313	10,032,828	11,335,432	10,731,835	12,055,183
Interest	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	2,501,542
Total governmental activities expenses	59,842,745	64,522,920	65,330,771	66,358,280	75,326,112	78,606,362	79,767,800	82,971,757	81,557,287	86,742,643
Business type activities										
Water operations	1,653,392	1,759,220	2,354,126	2,586,362	3,054,167	2,970,650	3,167,051	2,679,521	3,326,227	3,176,216
Wastewater operations	161,410	190,132	226,658	269,074	257,876	498,707	510,222	652,493	612,552	572,602
Total business-type activities expenses	1,814,802	1,949,352	2,580,784	2,855,436	3,312,043	3,469,357	3,677,273	3,332,014	3,938,779	3,748,818
Total primary government expenses	\$ 61,657,547	\$ 66,472,272	\$ 67,911,555	\$ 69,213,716	\$ 78,638,155	\$ 82,075,719	\$ 83,445,073	\$ 86,303,771	\$ 85,496,066	\$ 90,491,461
Program revenues										
Governmental activities										
General government	\$ 298,174	\$ 361,739	\$ 243,615	\$ 225,148	\$ 613,085	\$ 1,229,604	\$ 789,359	\$ 842,337	\$ 655,766	\$ 618,342
Public safety	492,680	489,354	612,551	498,375	1,324,244	1,612,365	1,816,507	1,320,015	1,970,449	1,862,117
Education	22,209	11,112	131,897	59,295	4,181,028	4,354,230	4,758,868	4,553,210	4,922,063	4,879,436
Public works	443,253	552,932	506,314	492,338	21,414	536,424	484,407	433,662	428,409	421,579
Health and Human services	110,502	91,481	96,302	119,984	681,924	231,989	159,445	193,217	212,744	246,132
Cultural and recreation	100,926	110,246	119,007	105,970	906,393	849,872	834,332	1,022,109	728,996	935,041
Operating grants and contributions	7,958,464	10,688,625	9,982,832	10,722,292	9,951,789	9,808,480	9,627,705	10,036,715	10,158,040	13,031,722
Capital grants and contributions	-	-	540,849	1,269,057	-	-	-	500,000	1,061,749	1,198,161
Total government activities program revenues	9,426,208	12,305,489	12,233,367	13,492,459	17,679,877	18,622,964	18,470,623	18,901,265	20,138,216	23,192,530
Business type activities										
Charges for services										
Water operations	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	3,530,632
Wastewater operations	60,949	414,326	330,358	236,997	212,140	324,512	359,829	621,988	4,346,580	674,376
Total business-type activities revenues	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	4,205,008
Total primary government revenues	\$ 11,102,006	\$ 15,656,417	\$ 15,729,598	\$ 17,822,068	\$ 21,939,866	\$ 23,043,833	\$ 22,281,411	\$ 23,370,490	\$ 28,222,749	\$ 27,397,538
Net (Expense) / Revenue										
Governmental activities	\$ (50,416,537)	\$ (52,217,431)	\$ (53,097,404)	\$ (52,865,821)	\$ (57,646,235)	\$ (59,983,398)	\$ (61,297,177)	\$ (64,070,492)	\$ (61,419,071)	\$ (63,550,113)
Business-type activities	(139,004)	1,401,576	915,447	1,474,173	947,946	951,512	133,515	1,137,211	4,145,754	456,190
Total primary government net (expense)	\$ (50,555,541)	\$ (50,815,855)	\$ (52,181,957)	\$ (51,391,648)	\$ (56,698,289)	\$ (59,031,886)	\$ (61,163,662)	\$ (62,933,281)	\$ (57,273,317)	\$ (63,093,923)

Data source: Audited financial statements

Town of Wayland, Massachusetts
Changes in Net Position
Last Ten Fiscal Years

continued:

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and other Changes in Net Position										
Governmental activities;										
Real estate and personal property-net of refunds payable	\$ 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	\$ 59,394,566
Excise Tax	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	2,648,630
Grants, Contributions- not restricted to specific programs	4,883,523	4,996,538	4,086,744	4,657,530	13,070,980	16,866,244	5,344,129	5,807,424	1,635,592	1,521,878
Investment income	1,008,637	1,082,438	495,024	399,852	830,822	362,492	412,826	539,875	302,160	428,446
Other	174,724	218,005	366,024	273,678	76,518	141,249	96,511	176,699	176,700	199,814
Transfers	681,267	80,000	(127,166)	-	-	(510,000)	-	402,653	(325,671)	(175,000)
Total government activities	54,834,936	56,231,999	59,013,496	61,060,467	72,845,762	75,063,363	60,661,082	64,263,892	64,190,564	64,018,334
Business-type activities										
Grants, Contributions- not restricted to specific programs	-	-	-	-	-	-	-	-	-	7,516
Investment income	-	-	-	-	25,390	16,887	4,992	5,457	10,395	11,413
Miscellaneous	-	-	-	-	-	-	15,103	8,805	9,732	69,000
Transfers	(681,267)	(80,000)	(100,000)	-	-	510,000	-	(402,653)	325,671	175,000
Total business type activities	(681,267)	(80,000)	(100,000)	-	25,390	526,887	20,095	(388,391)	345,798	262,929
Total primary government	\$ 54,153,669	\$ 56,151,999	\$ 58,913,496	\$ 61,060,467	\$ 72,871,152	\$ 75,590,250	\$ 60,681,177	\$ 63,875,501	\$ 64,536,362	\$ 64,281,263
Changes in Net Position										
Governmental activities	\$ 4,418,399	\$ 4,014,568	\$ 5,916,092	\$ 8,194,646	\$ 15,199,527	\$ 15,079,965	\$ (636,095)	\$ 193,400	\$ 2,771,493	\$ 468,221
Business type activities	(820,271)	1,321,576	815,447	1,474,173	973,336	1,478,399	153,610	748,820	4,491,552	719,119
Total primary government changes in net position	\$ 3,598,128	\$ 5,336,144	\$ 6,731,539	\$ 9,668,819	\$ 16,172,863	\$ 16,558,364	\$ (482,485)	\$ 942,220	\$ 7,263,045	\$ 1,187,340

Data source: Audited financial statements

Town of Wayland, Massachusetts
Fund Balance, Governmental Funds
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
					(1)					
General Fund										
Reserved	\$ 1,816,333	\$ 2,056,749	\$ 3,918,963	\$ 3,782,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	992,021
Committed	-	-	-	-	2,375,309	2,111,293	1,767,731	1,696,808	77,495	1,224,521
Assigned	-	-	-	-	4,976,110	8,923,173	5,751,198	4,080,165	4,983,687	3,523,701
Unassigned	-	-	-	-	14,092,210	7,997,901	7,878,161	7,249,678	9,925,141	7,904,567
Total general fund	\$ 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	\$ 13,644,810
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	9,837,849	10,490,144	11,598,910	12,873,187	-	-	-	-	-	-
Capital projects funds	2,471,366	8,546,609	3,251,999	12,263,295	-	-	-	-	-	-
Other Funds	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	1,252,564
Restricted	-	-	-	-	32,499,949	20,148,285	20,371,116	27,323,950	19,285,848	21,270,746
Committed	-	-	-	-	-	-	-	-	894,747	962,953
Unassigned	-	-	-	-	-	-	(1,535,016)	(52,336)	(239,025)	(109,805)
Total all other governmental funds:	\$ 15,188,320	\$ 23,141,439	\$ 20,496,690	\$ 33,239,065	\$ 33,395,559	\$ 21,292,557	\$ 19,988,022	\$ 28,447,136	\$ 21,190,499	\$ 23,376,458

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Real Estate and personal property taxes net of tax refunds.	\$ 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	\$ 59,258,299
Motor Vehicle and other excise taxes	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	2,535,034
License and permits	536,723	548,530	507,450	561,360	782,626	769,814	1,006,114	687,589	999,262	945,108
Intergovernmental	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	8,170,087
Charges for services	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	7,953,235
Investment income	1,367,533	1,034,485	734,871	677,423	830,822	362,492	412,826	539,874	302,160	428,450
Fines and forfeitures	-	-	77,232	58,928	62,604	80,303	72,662	78,748	53,005	55,078
Contributions	-	-	-	-	2,473	75,215	8,516	500,650	1,074,534	1,537,961
Miscellaneous	259,838	835,404	-	38,304	-	-	-	-	-	-
Total Revenues	68,697,335	68,332,396	71,667,976	74,962,641	91,391,279	93,536,093	79,052,465	82,308,882	80,898,886	80,883,252
Expenditures:										
General Government	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	4,539,313
Public Safety	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	6,272,557
Education	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	42,965,822
Public Works	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	2,155,571
Health and Human Services	1,205,517	1,049,976	1,045,953	1,125,473	1,089,675	1,145,761	1,171,994	1,219,183	1,726,704	1,516,899
Cultural and Recreation	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	2,393,816
Employee Benefits	8,605,541	9,950,619	9,743,405	11,310,010	11,720,709	11,970,590	9,367,224	10,731,130	10,943,350	11,912,407
Intergovernmental	147,643	161,873	171,517	191,682	186,244	191,501	185,367	131,848	109,179	203,615
Debt Service										
Principle	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	5,214,699
Interest	1,036,209	969,966	835,432	862,614	1,099,081	2,400,720	2,344,275	2,221,013	2,554,411	2,516,073
Capital outlay	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	3,839,874
Total Expenditures	63,423,489	67,374,282	75,218,910	71,157,020	116,258,922	109,742,742	86,845,320	90,152,283	92,356,377	83,530,646
Excess of revenues over / (under) expenditures	5,273,846	958,114	(3,550,934)	3,805,621	(24,867,643)	(16,206,649)	(7,792,855)	(7,843,401)	(11,457,491)	(2,647,394)
Other Financing Sources (use)										
Issuance of bonds and notes	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	2,401,000
Issuance of refunding bonds	-	-	-	-	-	-	1,314,000	-	-	3,339,000
Bond premiums	-	-	-	-	1,851,132	67,203	224,659	882,064	462,210	521,147
Payments to refund bond escrow	-	-	-	-	-	-	(1,360,000)	-	-	(3,685,773)
Transfer in	1,558,785	1,214,851	2,561,936	893,270	516,130	2,050,000	1,768,967	3,244,552	2,704,262	2,073,527
Transfer out	(1,558,785)	(1,134,851)	(2,689,102)	(893,270)	(516,130)	(2,560,000)	(1,768,967)	(2,841,898)	(3,029,933)	(2,248,527)
Total other financing sources (uses)	6,338,000	8,605,000	3,582,834	12,180,000	37,851,132	1,567,203	2,733,659	13,869,718	6,053,539	2,400,374
Fund balance restatement										
Net change in fund balance	\$ 11,611,846	\$ 9,563,114	\$ 31,900	\$ 15,985,621	\$ 12,983,489	\$ (14,639,446)	\$ (5,059,196)	\$ 6,026,317	\$ (5,403,952)	\$ (247,020)

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
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
2016	3,195,245,423	17.34	123,391,777	4,573,000	43,276,500	171,241,277	17.34	3,366,486,700

Data Source: Town of Wayland Tax Recapitulation Sheets

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

Name of Business	Nature of Business	2016			2007		
		Assessed Valuation	Rank	% of Total Taxable Assessed Value	Assessed Valuation	Rank	% of Total Taxable Assessed Value
Wayland Town Center, LLC	Town Center Developer	\$ 30,905,400	1	0.92%	\$ 22,483,700	1	0.67%
Brendon Properties River Trail LLC	Developer	15,824,100	2	0.47%	-	-	-
Covered Bridge, Inc.	Development	9,912,200	3	0.29%			
Waltham RD, LLC	Residential	8,697,300	5	0.26%	6,420,200	5	0.19%
Bell Michael A Sperling Jen	Residential	8,578,400	4	0.25%	-	-	0.00%
Atria Living Group , LLC	Assisted Living	8,304,800	6	0.25%	-	-	0.00%
Northbridge Wayland Assisted	Assisted Living / Nursing Home	8,173,400	7	0.24%	-	-	0.00%
Burkin J Michael Trustee	Residential	7,064,000	8	0.21%	-	-	0.00%
Sunrise Assisted Living, Inc.	Assisted Living	6,496,300	9	0.19%	9,549,400	2	0.29%
Wayland Woods, LLC	Office Building	6,397,300	10	0.19%	5,090,800	7	0.15%
Totals		<u>\$ 110,353,200</u>		<u>3.28%</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
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%
2016	\$58,374,879	\$208,265	\$58,166,614	\$57,282,182	98.48%	\$225,210	\$57,507,392	98.87%	\$659,222	1.13%

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
2007	13,017	\$ 1,825,464,000	\$ 3,334,374,800	\$ 22,337,999	\$ 140,237	1.2237%	0.6699%
2008	12,996	\$ 1,873,353,000	\$ 3,189,629,498	\$ 21,887,000	\$ 144,148	1.1683%	0.6862%
2009	13,503	\$ 1,165,698,000	\$ 3,161,364,820	\$ 20,972,001	\$ 86,329	1.7991%	0.6634%
2010	12,994	\$ 1,778,882,000	\$ 3,020,718,290	\$ 29,769,751	\$ 136,900	1.6735%	0.9855%
2011	12,994	\$ 1,759,152,000	\$ 2,900,672,500	\$ 62,022,256	\$ 135,382	3.5257%	2.1382%
2012	13,285	\$ 1,937,745,000	\$ 2,920,263,000	\$ 58,686,028	\$ 145,860	3.0286%	2.0096%
2013	13,444	\$ 1,957,122,450	\$ 2,907,556,710	\$ 55,886,977	\$ 145,576	2.8556%	1.9221%
2014	13,444	\$ 1,976,693,675	\$ 2,978,114,503	\$ 63,368,029	\$ 147,032	3.2058%	2.1278%
2015	13,444	\$ 1,996,460,611	\$ 3,240,146,400	\$ 66,952,000	\$ 148,502	3.3535%	2.0663%
2016	13,294	\$ 2,016,425,217	\$ 3,366,486,700	\$ 83,244,527	\$ 151,679	4.1283%	2.4727%
Business - Type Activities Debt				Total Primary Government			
Fiscal Year	Outstanding Debt			Total Debt Outstanding	Per Capita Income	Percentage of Personal Income	Percentage of Assessed Value
	Water Fund	Wastewater Fund					
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%
2016	\$ 10,658,770	\$ 6,168,390	-	\$ 100,071,687	\$ 151,679	4.96%	2.97%

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

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

	Debt Outstanding	Authorized Unissued June 30, 2016	Fiscal 2016 Assessment
Debt repaid with property taxes:			
Minuteman Regional School	\$ -	\$ 724,000	\$ 110,045
MBTA	-	(3)	<u>66,507</u>
Total Assesement			<u><u>\$ 176,552</u></u>

Data Source: February 2016 Official Statement

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Equilized Valuation	\$ 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	\$ 3,366,486,700
Debt Limit - 5% of equilized valuation	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	168,324,335
Less:										
Total debt applicable to limitation	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	19,076,904
Legal debt margin	\$ 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	\$ 149,247,431
Total debt applicable to the limit as a percentage of debt limit	10.14%	11.34%	11.02%	12.62%	11.33%	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		School Enrollment	Unemployment Rate
		Personal Income	Median Age		
2007	13,017	\$ 140,237	41	2874	2.90%
2008	12,996	\$ 144,148	41	2820	4.40%
2009	13,503	\$ 86,329	41	2766	6.30%
2010	12,994	\$ 136,900	41	2738	5.70%
2011	12,994	\$ 135,382	41	2686	5.40%
2012	13,285	\$ 145,860	41	2684	4.50%
2013	13,444	\$ 145,576	45	2714	4.30%
2014	13,444	\$ 147,032	46	2690	3.80%
2015	13,444	\$ 148,502	46	2659	3.70%
2016	13,294	\$ 151,679	47	2648	3.30%

Data Source: Official Statements

Town of Wayland, Massachusetts
Principle Employees
Current Year and Ten Years Ago

Employer	Type of Business	2016			2007		
		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%
		833			624		

Data Source: Official Statements
2/25/2016

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

Function	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government	31.00	31.00	32.00	37.00	40.00	42.85	42.28	42.30	38.65	39.71
Public Safety										
Police	31.00	31.00	31.00	31.00	31.00	32.33	32.33	33.33	33.59	33.59
Fire	25.54	25.54	25.54	25.54	28.21	28.87	28.87	28.87	28.87	29.87
Education	371.22	369.27	360.00	355.42	337.90	367.26	374.44	374.64	391.86	393.50
Public Works										
Highway	15.70	15.70	15.70	15.70	15.70	27.57	28.37	28.37	29.41	29.41
Parks	12.00	12.00	12.00	12.00	12.00	-	-	-	-	-
Transfer Station	2.30	2.30	2.30	2.30	2.30	-	-	-	-	-
Total	30.00	30.00	30.00	30.00	30.00	27.57	28.37	28.37	29.41	29.41
Planning and Human Services										
Planning	1.50	1.50	1.50	1.50	1.50	1.40	1.40	1.40	1.40	1.40
Board of Health	8.80	8.80	8.80	8.80	8.80	9.15	9.15	9.15	9.29	9.29
Recreation	1.90	1.90	1.90	1.90	1.90	2.33	2.33	1.83	2.11	2.54
Council on Aging	2.80	2.80	2.80	2.80	2.80	2.83	2.83	2.83	-	-
Total	15.00	15.00	15.00	15.00	15.00	15.71	15.71	15.21	12.80	13.23
Library	14.74	14.74	14.74	14.74	14.74	14.74	14.74	14.74	13.74	13.74
TOTALS:	518.50	516.55	508.28	508.70	496.85	529.33	536.74	537.46	548.92	553.05

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Finance										
Registered voters	9,893	10,029	10,058	10,086	9,974	9,861	9,861	9,870	9,965	9,971
Taxable property parcels assessed	5,030	5,018	5,019	5,041	5,054	5,098	5,093	5,128	5,131	5,172
Motor vehicle registered	14,151	14,504	14,633	14,604	14,359	13,823	14,091	13,957	13,957	14,285
Police										
Physical arrests	173	108	90	66	97	118	108	116	83	85
Traffic violations	2,939	2,476	2,312	2,000	3,593	3,251	3,179	2,984	2,917	2,691
Fire										
Calls answered	3,196	3,009	3,105	3,549	3,518	3,660	3,784	4,006	3,280	4,258
Emergency response	1,852	1,946	2,032	2,225	2,150	1,506	1,151	2,301	1,913	2,361
Fires extinguished	36	40	35	37	40	36	37	36	23	37
Number of inspections conducted	758	704	579	921	989	703	796	702	639	841
Emergency medical responses	940	958	1,050	1,227	1,304	1,242	1,212	1,153	884	1,019
Building										
Building permits issued	500	579	483	626	696	765	844	808	808	1,061
Estimated construction value	\$ 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	\$ 42,150,000
Public works										
Trash hauled	-	-	-	-	-	-	-	-	-	-
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	96,768	96,612	95,584	89,386	91,469	99,871	97,490	106,967	106,967	136,567
Total volumes borrowed	213,064	238,573	259,905	194,902	197,670	207,157	213,678	222,184	222,184	226,731
Total circulation	246,904	274,119	300,382	229,752	232,666	246,429	246,429	252,405	252,405	264,848
Registered borrowers	7,729	7,893	7,872	7,410	7,120	6,972	6,972	6,880	6,880	6,837
Water										
Water main breaks	18	19	22	16	14	28	6	31	31	11
Daily average consumption - MGD	1.49	1.49	1.45	1.41	1.32	1.21	1.47	1.35	1.35	1.45
Peak daily consumption - MGD	1.98	1.98	1.86	1.97	1.91	1.75	1.87	1.74	1.74	2.00

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	3	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
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
	12	12	12	12	12	12	12	12	12	12
Water system										
Miles of water mains	101	101	101	101	101	101	102	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	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	490	490	491	491	491
Sewer Systems										
Miles of sanitary sewers	0.9	0.9	0.9	0.9	0.9	0.95	0.95	0.95	0.95	0.95
Number of treatment plants	40	40	40	40	40	70	90	100	120	120
Number of service connections	40	40	40	40	40	70	90	100	120	120