



# ***TOWN OF WAYLAND, MASSACHUSETTS***

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ending**

**June 30, 2017**



**TOWN OF WAYLAND, MASSACHUSETTS**

**Comprehensive Annual Financial Report  
Annual Financial Statements**

**For the Year Ended June 30, 2017**

**Prepared by:  
The Finance Department**

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**TOWN OF WAYLAND, MASSACHUSETTS**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2017

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b><u>INTRODUCTORY SECTION:</u></b>	
Transmittal Letter	1
Organizational Chart	12
Principal Officials	13
Certificate of Achievement	14
 <b><u>FINANCIAL SECTION:</u></b>	
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>17</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>23</b>
 <b>BASIC FINANCIAL STATEMENTS:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Position	32
Statement of Activities	34
 <b>Fund Financial Statements:</b>	
<b>Governmental Funds:</b>	
Balance Sheet	36
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	37
Statement of Revenues, Expenditures, and Changes in Fund Balances	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	39
Statement of Revenues, Expenditures and Other Financing Sources and Uses - Budget and Actual - General Fund	40

<b>Proprietary Funds:</b>	
Statement of Net Position	41
Statement of Revenues, Expenses, and Changes in Fund Net Position	42
Statement of Cash Flows	43
<b>Fiduciary Funds:</b>	
Statement of Fiduciary Net Position	44
Statement of Changes in Fiduciary Net Position	45
<b>Notes to Financial Statements</b>	47
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
<b>Pension:</b>	
Schedule of Proportionate Share of the Net Pension Liability (GASB 68)	85
Schedule of Pension Contributions (GASB 68)	86
<b>OPEB:</b>	
Schedule of OPEB Plan's Funding Progress (GASB 45)	87
<b>SUPPLEMENTARY STATEMENTS AND SCHEDULES:</b>	
<b>Governmental Funds:</b>	
General Fund Detailed Schedule of Expenditures	91
<b>Combining Financial Statements:</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Equity - Nonmajor Governmental Funds	100
<b>Fiduciary Funds:</b>	
Combining Statement of Changes in Assets and Liabilities Agency Fund	103

## **STATISTICAL SECTION:**

### ***Financial Trends***

Net Position by Component - Last Ten Fiscal Years	108
Changes in Net Position - Last Ten Fiscal Years	109
Fund Balances, Governmental Funds - Last Ten Fiscal Years	111
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	112

### ***Revenue Capacity***

Assessed Value of Taxable Property by Classification - Last Ten Fiscal Years	113
Principal Taxpayers - Current Year and Nine Years Ago	114
Property Tax Levies and Collections - Last Ten Fiscal Years	115

### ***Debt Capacity***

Ratios of Outstanding Debt by Debt Type - Last Ten Fiscal Years	116
Direct and Overlapping Governmental Activities Debt	117
Legal Debt Margin Information - Last Ten Fiscal Years	118

### ***Demographic and Economic Information***

Demographic Statistics - Last Ten Fiscal Years	119
Principal Employers - Current Year and Nine Years Ago	120

### ***Operating Information***

Government Employees by Function - Full Time Equivalents - Last Ten Fiscal Years	121
Operating Indicators by Function - Last Ten Fiscal Years	122
Capital Asset Statistics by Function - Last Ten Fiscal Years	123

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**INTRODUCTORY  
SECTION**

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NAN BALMER  
TOWN ADMINISTRATOR  
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# TOWN OF WAYLAND

41 COCHITUATE ROAD  
WAYLAND, MASSACHUSETTS 01778

BOARD OF SELECTMEN  
LEA T. ANDERSON  
MARY M. ANTES  
CHERRY C. KARLSON  
DOUGLAS A. LEVINE  
LOUIS JURIST

November 2, 2017

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 (the Town) 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, 2017 for your review.

This report consists of management's representations concerning the finances of the Town. 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 established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient information for the preparation of the Town's financial statements in conformity with GAAP.

Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements for the fiscal year ending June 30, 2017, 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'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 for the fiscal year ending June 30, 2017, 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, the Town's financial statements for the fiscal year ending June 30, 2017, 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 was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements of federal awards. These reports are available on the Town's separately issued Single Audit Report.

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

### **Profile of the Town of Wayland**

The Town was incorporated as a town in 1780. The Town is located in Middlesex County in the eastern part of Massachusetts, approximately 20 miles west of Boston. Located on the historic Sudbury River, The Town is bordered by the Towns of Sudbury, Weston and Natick. The Town 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 The Town are Route 20, Route 27 and Route 126. The Town 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 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 the Town.

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 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 operates.

### **Local Economy**

The Town 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. Wayland Center and Cochituate Village offer small to medium retail and office space as well as providing a mix of fast food and full-service restaurants. The Wayland Town Center currently has a 90% occupancy rate. Directly across the street from Town Center, Wayland Village is in the process of a \$4M renovation.

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 the Town 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. During Fiscal 2018 additional work will be done at the facility.

### **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. In February 2017, the Town was given a Negative Outlook opinion by Moody's due to the continued decline in the Town's General Fund total fund balance accounts. The next time the Town will borrow funds for capital projects is expected to be February 2018. At that time Moody's will review the Town's financial position and issue their opinion. 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 \$500,000 in Free Cash to balance the Fiscal 2018 budget. 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 \$81M in long-term debt. As a benchmark, the Town strives to limit the total annual debt payments to an amount that is no more the 10 percent of the total General Fund Budget. The ratio in Fiscal 2018 is approximately 9.78%. 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 four years. The tax rate for Fiscal 2018 is expected to be approximately \$18.47. 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 \$255,000 in Fiscal 2018. Local Receipts continues to grow. Total Local Receipts in Fiscal 2017 was \$5.6M compared to \$4.6M in Fiscal 2016. Cash and surplus overlay were used to balance the annual Fiscal 2017 and Fiscal 2018 budgets.

Tax bills are generated quarterly by the Town Assessor's 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 (OPEB) 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 School Committee. The School Finance

Subcommittee meets to develop short- and long-term budget plans. In Fiscal 2017 numerous school revolving funds changed to individual funds within the Town's accounting system.

### **Annual Budget Process**

The Finance Committee is a seven-member Committee appointed by the 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, 2017, the balance of unrestricted cash, cash equivalents, and investments for all funds totaled \$61,666,571 compared to \$61,056,540 in Fiscal 2016.

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 2018 general fund budget to support and improve Information Technology initiatives.

### **Wayland Town Center Project**

After years of debate and review, the 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 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. The Town is in negotiations with the previous owner of Town Center to acquire the municipal parcel and additional land.

### **Mass Central Rail Trail**

A half mile of the Massachusetts Central Rail Trail Project was completed in spring of 2017. 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 Town. 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 Town 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 The Town 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 is negotiating with DCR and Eversource (electricity provider) to construct the rail-trail. Eversource plans to construct the graveled base during fall 2017 and DCR will place the final paving in the spring of 2018. This stretch, when completed will create over five miles of rail trail from Weston to Wayland Town Center.

This long-awaited Mass Central 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 The Town 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**

The Town, on July 31, 2017, signed a Land Disposition Agreement with Wood Partners for the sale and redevelopment of land for the River's Edge Affordable Housing Project. River's Edge will increase the Town's affordable housing stock by 188 units with the 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'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.

At the Annual 2014 Town Meeting, the Town 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 the Town's goal of 10% affordable housing. At the same time, the Town 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. The Town plans on applying for a MassWorks State grant to assist in unlocking \$50M of private investment to rehab a currently vacant lot, and to provide much-needed affordable and market housing for the Town and for the Commonwealth.

## **New Development**

### **15-17 Training Field Road – Conservation Cluster Development**

The property consists of approximately 8.7 acres with 50 linear feet of frontage along Training Field Road and 50 linear feet of frontage on Concord Road. The topography slopes down from Training Field Road to a wetland in the rear of the property to Concord Road. The zoning in this area is Single Residential, requiring a minimum 180 feet of frontage and 40,000 square feet of lot area. The proposal is to construct 2 new houses served by a common driveway (the "Project"). Conservation Cluster Development Special Permit at 15, 17, and 19 Training Field Road "Parmenter Farm" in order to develop and divide 8.7+ acres into two (2) lots under the Zoning Bylaws, Conservation Cluster Bylaw (Article 18) and Chapter 301 of the Town Code, Conservation Cluster Development Regulations.

### **Whittemore Place**

The property is a residential subdivision that includes the existing house at 209 Old Connecticut Path and three new house lots that will be served by new public roadway 470 feet in length from Old Connecticut Path. The property consists of 4.3 acres. The subdivision was originally approved by the Planning Board in 1989. The decision was subsequently modified in January 1998. The 1998 Amended Decision required that, prior to construction, the owner must re-apply to the Planning Board to allow for a reexamination hearing, which would allow other Boards and departments to consider whether there had been any material changes to the Subdivision Rules and Regulations and other applicable regulations and requirements that would affect the subdivision. The construction of the subdivision has not yet gone forward and is expected to begin the fall of 2017.

**The Town of Wayland has received two Comprehensive Permit applications pursuant to G.L. c.40B, §§ 20-23 (the "Act") in July 2017.**

### **Windsor Place**

The subject property is located at 24 School Street and consists of approximately 37,865 square feet of land bordering a stream on the adjacent property to the west. The site is zoned single family R-20, 20,000 square feet, 20% minimum lot coverage. The applicant proposes the construction of two buildings with six units in each totaling 12 units, of which 3 will be affordable. The applicant proposes a single

access way from School Street with an emergency gated access drive to East Plain Street (Route 30).

According to the application, twenty-five percent, or three of the rental units, will be made available to households earning less than eighty-percent area median income. Setbacks to adjoining residential properties range from 10 feet – 20 feet. One of the proposed buildings and portions of the parking lot will be located within 75 feet of offsite, bordering vegetated wetlands and a tributary to Snake Brook. A wastewater collection system will convey flows to a shared wastewater septic system located under the parking lot. A stormwater infiltration system is also being proposed under the driveway between the two buildings.

### **Cascade**

The property is located at 113,115,117, and 119 Boston Post Road and consists of approximately 6.49 acres. The site is zoned Single Residential Zone 40,000 – 180 feet of frontage. The upland areas are located toward the front and rear portions of the site, while the wetlands diagonally traverse the center. The wetlands are associated with Pine Brook and traverse from east to west before gathering into the river channel. The applicant proposes a series of three-story elements in a single structure. The single structure will constitute 60 dwelling units. Of the 60 rental units, 15 will be affordable to households under the 80% of the area median income (AMI) and 45 will be available to households at market rates. A total of 89 bedrooms are proposed for the Cascade development. Cascade will be required to design and build a new wastewater system.

### **Open Space**

**In April of 2017, the Town and the Sudbury Valley Trustees completed the conservation restriction of 208 acres of land for Mainstone Farm.**

At Town Meeting in early April 2016, 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 the Town 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 preservation is in the form of a conservation restriction (CR) and which could 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 \$10.6M. 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 \$17M 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 \$15M. 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 public.

In July 2015, using CPA administrative funds, the 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.

In April 2017, the Town and the Sudbury Valley Trustees completed the conservation of Mainstone Farm. Mainstone Farm is now protected through a conservation restriction that permanently protects 208 acres. The CPC advanced a plan, raising \$12 million from the Town and \$3 Million from SVT. Since the adoption of the CPA and as reported in the 1995 Open Space Plan, Mainstone Farm was always identified as a major parcel that must be protected. The town through the years preserved funds for this purchase. Mainstone Farm is notable for its rolling hills and fields currently used for agriculture and pasturing of livestock. Public trails through the woods on the 208-acre property connect to other public trails on nearby conservation land.

## **Wayland Real Asset Planning Committee (WRAP) completes report June 2017**

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 was anticipated that this effort would 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 finished and finalized the report in June 2017.

The committee held regular bi-weekly meetings, five (5) community forums in which residents and other boards, Committees and Commissions participated and one site-visit day to view four sites that were the topic of multiple proposed municipal building projects. WRAP Committee members met separately and together with Town department heads and employees to seek additional input on identified and foreseeable need of capital facilities. The report provides a process by which to assess the need for and ability to prioritize and fund future capital projects involving Town-owned land and buildings.

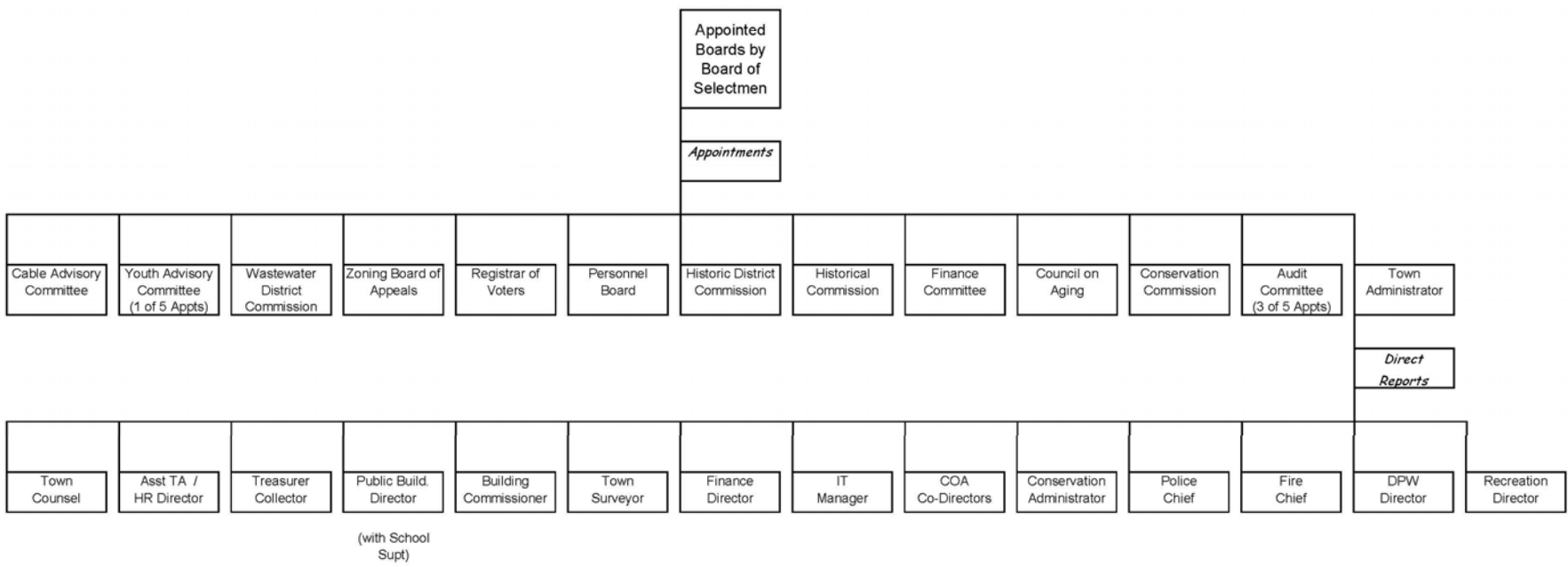
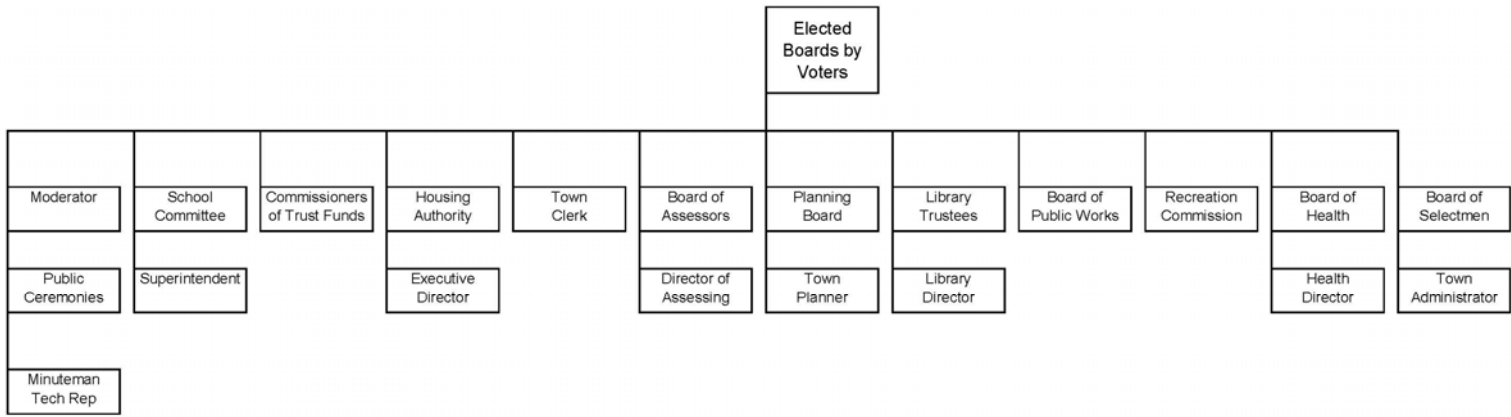
### **Acknowledgements**

This report represents the collective efforts of Town management, Wayland Board of Selectmen, Wayland Planning Board, Wayland Audit 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,



Brian Keveny  
Finance Director  
Town of Wayland, Massachusetts



Principle Town Officials

Title	Name	Selection/Team	Term Expires
Selectwoman	Cherry Karlson	Elected/3 Years	2020
Selectwoman	Mary Antes	Elected/3 Years	2018
Selectman	Douglas A Levine	Elected/3 Years	2020
Selectwoman	Lea Anderson	Elected/3 Years	2018
Selectman	Louis Jurist	Elected/3 Years	2019
Town Administrator	Nan Balmer	Appointed/3 Years	2018
School Committee	Ellen Grieco	Elected/3 Years	2018
School Committee	Nate Buffum	Elected/3 Years	2020
School Committee	Jeanne Downs	Elected/3 Years	2019
School Committee	Kathie Steinberg	Elected/3 Years	2020
School Committee	Kim Reichelt	Elected/3 Years	2019
School Superintendent	Arthur Unobskey	Appointed/3 Years	2020



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, 2016**

Executive Director/CEO



**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, 2017, 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, 2017, 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, and the Pension and OPEB schedules appearing on pages 85 to 87 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 November 2, 2017 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*

November 2, 2017

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## **BASIC FINANCIAL STATEMENTS**

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

As management of the Town of Wayland, Massachusetts (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2017.

### **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, liabilities, and deferred outflows/inflows of resources with the difference 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.

The discretely presented component unit represents the Wayland Municipal Affordable Housing Trust which was established to provide for the creation and preservation of affordable housing in the Town. It is funded by inclusionary housing payments and community preservation funds. 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.

**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 reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The proprietary fund category includes enterprise funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on the fees charged to external users. Enterprise funds are used to report the same functions presented as the business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account 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 and deferred outflows exceeded liabilities and deferred inflows by \$80,624,952 (i.e., net position), a change of \$2,933,891 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$34,596,014, a change of \$(2,425,254) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,889,879 a change of \$2,985,312 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 (in thousands):

	<b>SUMMARY OF NET POSITION</b>					
	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 42,893	\$ 47,035	\$ 11,202	\$ 9,415	\$ 54,095	\$ 56,450
Capital assets	<u>147,872</u>	<u>135,576</u>	<u>21,365</u>	<u>20,759</u>	<u>169,237</u>	<u>156,335</u>
Total assets	190,765	182,611	32,567	30,174	223,332	212,785
Deferred outflows of resources	<u>5,396</u>	<u>2,732</u>	<u>181</u>	<u>105</u>	<u>5,577</u>	<u>2,837</u>
Total assets and deferred outflows of resources	<u>\$ 196,161</u>	<u>\$ 185,343</u>	<u>\$ 32,748</u>	<u>\$ 30,279</u>	<u>\$ 228,909</u>	<u>\$ 215,622</u>
Long-term liabilities outstanding	\$ 124,911	\$ 116,946	\$ 16,693	\$ 15,314	\$ 141,604	\$ 132,260
Other liabilities	<u>4,386</u>	<u>5,241</u>	<u>359</u>	<u>327</u>	<u>4,745</u>	<u>5,568</u>
Total liabilities	129,297	122,187	17,052	15,641	146,349	137,828
Deferred inflows of resources	1,872	99	63	4	1,935	103
Net position:						
Net investment in capital assets	81,888	74,874	8,898	8,370	90,786	83,244
Restricted	14,073	20,418	-	-	14,073	20,418
Unrestricted	<u>(30,969)</u>	<u>(32,235)</u>	<u>6,735</u>	<u>6,264</u>	<u>(24,234)</u>	<u>(25,971)</u>
Total net position	<u>64,992</u>	<u>63,057</u>	<u>15,633</u>	<u>14,634</u>	<u>80,625</u>	<u>77,691</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 196,161</u>	<u>\$ 185,343</u>	<u>\$ 32,748</u>	<u>\$ 30,279</u>	<u>\$ 228,909</u>	<u>\$ 215,622</u>

**CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 8,885	\$ 8,963	\$ 4,540	\$ 4,205	\$ 13,425	\$ 13,168
Operating grants and contributions	15,434	13,032	-	-	15,434	13,032
Capital grants and contributions	640	1,197	-	-	640	1,197
<b>General revenues:</b>						
Property taxes	64,548	59,395	-	-	64,548	59,395
Excises	2,636	2,649	-	-	2,636	2,649
Grants and contributions not restricted to specific programs	1,780	1,522	42	8	1,822	1,530
Investment income	604	428	11	11	615	439
Other	605	200	69	69	674	269
<b>Total revenues</b>	<b>95,132</b>	<b>87,386</b>	<b>4,662</b>	<b>4,293</b>	<b>99,794</b>	<b>91,679</b>
<b>Expenses:</b>						
General government	5,841	5,040	-	-	5,841	5,040
Public safety	7,460	6,941	-	-	7,460	6,941
Education	55,900	52,440	-	-	55,900	52,440
Public works	3,969	3,244	-	-	3,969	3,244
Health and human services	1,730	1,638	-	-	1,730	1,638
Culture and recreation	2,970	2,680	-	-	2,970	2,680
Intergovernmental	147	204	-	-	147	204
Employee benefits	12,690	12,055	-	-	12,690	12,055
Interest on long-term debt	2,490	2,501	-	-	2,490	2,501
Water	-	-	3,079	3,176	3,079	3,176
Sewer	-	-	584	573	584	573
<b>Total expenses</b>	<b>93,197</b>	<b>86,743</b>	<b>3,663</b>	<b>3,749</b>	<b>96,860</b>	<b>90,492</b>
Change in net position before transfers	1,935	643	999	544	2,934	1,187
Transfers in (out)	-	(175)	-	175	-	-
Change in net position	1,935	468	999	719	2,934	1,187
Net position - beginning of year	63,057	62,589	14,634	13,915	77,691	76,504
<b>Net position - end of year</b>	<b>\$ 64,992</b>	<b>\$ 63,057</b>	<b>\$ 15,633</b>	<b>\$ 14,634</b>	<b>\$ 80,625</b>	<b>\$ 77,691</b>

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 \$90,785,855 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 \$14,073,519 represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position has a negative balance of \$(24,234,422) for fiscal year 2017. The deficit balance is primarily the result of the adoption of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* in fiscal year 2015. 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 \$55,492,666 for the year ended June 30, 2017.

**Governmental activities.** Governmental activities for the year resulted in a change in net position of \$1,935,626. Key elements of this change are as follows:

Excess of revenues over expenditures in general fund	\$ 1,352,580
Excess of revenue over expenditures in revolving funds	1,287,167
Increase in net pension liability, net of deferrals	(1,604,822)
Depreciation less than debt principal payments	345,826
Decrease in net OPEB asset	(377,967)
Capital asset additions from grant revenues	1,024,208
Other	<u>(91,366)</u>
Total	<u>\$ 1,935,626</u>

**Business-type activities.** Business-type activities for the year resulted in a change in net position of \$998,265. Key elements of this change are as follows:

Water operations	\$ 1,057,531
Wastewater operations	<u>(59,266)</u>
Total	<u>\$ 998,265</u>

The positive results of water operations are mainly attributable to favorable operating results compared with budgets, and debt service principal (amount raised in the rates) exceeding depreciation expense (not raised in the rates).

The results of wastewater operations are mainly attributable to non-personnel costs which were slightly higher than budgeted.

**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 \$34,596,014, a change of \$(2,425,254) in comparison to the prior year. Key elements of this change are as follows:

General fund revenues over expenditures	\$ 1,352,580
General fund premium received on issuance of bonds	546,129
Mainstone farm, use of prior year community preservation revenues for purchase of conservation easement	(5,000,000)
Revolving funds revenues over expenditures	1,287,167
Timing difference between current year bond proceeds and current year capital expenditures	(1,031,809)
Permanent trust fund revenues over expenditures	288,920
Other	131,759
Total	<u>\$ (2,425,254)</u>

The revolving funds with significant activity (excluding transfers in and out) include:

School revolving:	
Before/After School Extension (BASE)	\$ 355,280
The Children's Way (TCW) <sup>(1)</sup>	197,727
School Lunch	374,030
Pegasus Summer Program <sup>(1)</sup>	(332,656)
Transportation <sup>(1)</sup>	(246,538)
Town revolving:	
Ambulance <sup>(2)</sup>	657,966
Recreation revolving	253,805
Other	27,553
Total	<u>\$ 1,287,167</u>

<sup>(1)</sup> In fiscal year 2017 prepaid fees were deferred.

<sup>(2)</sup> Annual amount is appropriated and transferred out to the General Fund to cover costs of ambulances

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,889,879, while total fund balance was \$16,121,589. 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>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>	Balance % of Total General Fund Revenue <sup>(1)</sup> <u>June 30, 2017</u>
Restricted	\$ 1,341,434	\$ 992,021	\$ 349,413	1.8%
Committed	457,113	1,224,521	(767,408)	0.6%
Assigned	3,433,163	3,523,701	(90,538)	4.6%
Unassigned	<u>10,889,879</u>	<u>7,904,567</u>	<u>2,985,312</u>	<u>14.7%</u>
Total fund balance	\$ <u><u>16,121,589</u></u>	\$ <u><u>13,644,810</u></u>	\$ <u><u>2,476,779</u></u>	21.8%

<u>General Fund</u>	<u>July 1, 2017</u>	<u>July 1, 2016</u>	<u>Change</u>	7/1/17 CFC % of General Fund FY17 Budget
Certified free cash (CFC)	\$ 7,299,693	\$ 4,641,973	\$ 2,657,720	9.5%

(1) Revenues exclude the on-behalf payment of Teachers Retirement provided by the Commonwealth.

In the unassigned fund balance amounts above, stabilization balance of \$1,936,232 is included at June 30, 2017 and \$1,826,754 at June 30, 2016.

The total fund balance of the general fund changed by \$2,476,779 during the current fiscal year. Key factors in this change are as follows:

Use of reserve:	
Use of free cash	\$ (2,998,904)
Use of overlay reserve	<u>(300,454)</u>
Subtotal	(3,299,358)
Revenues in excess of budget	756,162
Expenditures less than budget	1,216,724
Premium in excess of budget	354,817
Transfers in, in excess of budget	592,022
Unused overlay	448,031
Collections of prior year property taxes, including tax title	1,293,794
Release of overlay in June, 2017	500,000
Other	<u>614,587</u>
Total Change in General Fund Balance	\$ <u><u>2,476,779</u></u>

The Town's unassigned fund balance of the general fund, increased by \$2,985,312 during the current fiscal year. Key factors in this change are as follows:

Unassigned fund balance June 30, 2016	\$ 7,904,567
Use of free cash after June 30, 2016:	
For current year snow and ice deficit	(335,000)
Positive results of operations in fiscal year 2017:	
Revenues	756,162
Expenditures	1,216,724
Premium	354,817
Transfers in	592,022
Use of free cash for fiscal year 2018	(940,203)
Use of overlay released for fiscal year 2018	(500,000)
Collections of prior year property taxes, including tax title	1,293,794
Other	<u>546,996</u>
Unassigned fund balance June 30, 2017	\$ <u><u>10,889,879</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 \$6,734,632, a change of \$470,376 in comparison with the prior year. Unrestricted net position for water increased as a result of positive operating results, while unrestricted net position for wastewater has a decrease of \$(59,266). 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 \$756,162 favorable variance. The Town also received \$354,817 of unbudgeted premium. The favorable results in transfers into the general fund are outlined below:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Ambulance	\$ 360,000	\$ 360,000	\$ -
Water	338,601	338,601	-
Wastewater	24,669	24,669	-
Transfer station	71,961	71,961	-
Food service	270,401	270,401	-
Before and After School Enrichment	220,101	220,101	-
The Children's Way	233,506	233,506	-
Recreation	15,687	498,305	482,618
Full day kindergarten	34,118	34,118	-
OPEB retro payments	-	50,000	50,000
375th celebration close out	-	22,230	22,230
Recreation beach 53D	-	37,174	37,174
Other	<u>54,081</u>	<u>54,081</u>	<u>-</u>
Total	<u>\$ 1,623,125</u>	<u>\$ 2,215,147</u>	<u>\$ 592,022</u>

Unspent appropriations at year-end totaled \$1,216,724 with approximately a third from the Town’s general government 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 \$169,236,469 (net of accumulated depreciation), a change of \$12,900,774 from the prior year. This investment in capital assets includes land, conservation easements, buildings and system, improvements, and machinery and equipment.



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

- Mainstone Farm conservation easement \$12,000,000
- Road construction \$1,394,312
- Fire truck pump \$474,237
- School equipment and furniture \$132,856
- 107 Sudbury Road for water resource protection \$500,000
- Water main \$722,373

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, however the outlook was changed from stable to negative to reflect a weakening in the Town's financial position for reserve levels. Moody's noted the decline in reserves was due to increased reliance on free cash appropriations for operations and capital. Future rating reviews will consider the Town's commitment to reduce free cash appropriations and improve financial positions.

**Long-term debt.** At the end of the current fiscal year, total bonded debt outstanding was \$80,965,000, 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, 2017 was \$84,603,995.

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, 2017

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS</b>				
Current:				
Cash and short-term investments	\$ 28,351,058	\$ 7,465,541	\$ 35,816,599	\$ 590,084
Investments	9,283,806	-	9,283,806	610,318
Receivables, net of allowance for uncollectibles:				
Property taxes	462,020	-	462,020	-
Excises	245,704	-	245,704	-
User fees	-	574,372	574,372	-
Betterments	-	223,735	223,735	-
Assessments	40,034	-	40,034	-
Departmental and other	318,582	-	318,582	-
Total current assets	38,701,204	8,263,648	46,964,852	1,200,402
Noncurrent:				
Property taxes	996,820	-	996,820	-
Net OPEB asset	3,194,989	-	3,194,989	-
Betterments	-	2,938,325	2,938,325	-
Capital assets:				
Nondepreciable capital assets	40,236,047	2,118,772	42,354,819	-
Intangible capital assets	14,400,000	-	14,400,000	-
Other capital assets, net of accumulated depreciation	93,235,852	19,245,798	112,481,650	-
Total noncurrent assets	152,063,708	24,302,895	176,366,603	-
TOTAL ASSETS	190,764,912	32,566,543	223,331,455	1,200,402
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	5,396,375	181,083	5,577,458	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 196,161,287	\$ 32,747,626	\$ 228,908,913	\$ 1,200,402

(continued)

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TOWN OF WAYLAND, MASSACHUSETTS

STATEMENT OF NET POSITION

JUNE 30, 2017

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>				
LIABILITIES				
Current:				
Accounts payable	\$ 1,055,369	\$ 157,159	\$ 1,212,528	\$ -
Accrued interest	966,659	190,283	1,156,942	-
Accrued payroll and withholdings	833,259	11,777	845,036	-
Guaranteed deposits payable	825,832	-	825,832	-
Unearned revenue	698,537	-	698,537	-
Other liabilities	6,026	-	6,026	-
Current portion of long-term liabilities:				
Bonds and loans payable	5,627,942	1,217,042	6,844,984	-
Other liabilities	261,792	30,738	292,530	-
Total current liabilities	10,275,416	1,606,999	11,882,415	-
Noncurrent:				
Other liabilities	199,275	-	199,275	-
Long-term liabilities:				
Bonds and loans payable, net of current portion	64,115,471	13,643,540	77,759,011	-
Net pension liability	53,690,993	1,801,673	55,492,666	-
Other liabilities, net of current portion	1,015,377	-	1,015,377	-
Total noncurrent liabilities	119,021,116	15,445,213	134,466,329	-
TOTAL LIABILITIES	129,296,532	17,052,212	146,348,744	-
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	1,872,387	62,830	1,935,217	-
NET POSITION				
Net investment in capital assets	81,887,903	8,897,952	90,785,855	-
Restricted for:				
Grants and by enabling legislation	10,455,965	-	10,455,965	1,200,402
Permanent fund:				
Nonspendable	1,269,728	-	1,269,728	-
Expendable	2,347,826	-	2,347,826	-
Unrestricted	(30,969,054)	6,734,632	(24,234,422)	-
TOTAL NET POSITION	64,992,368	15,632,584	80,624,952	1,200,402
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 196,161,287	\$ 32,747,626	\$ 228,908,913	\$ 1,200,402

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

TOWN OF WAYLAND, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

	<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>
<b>Governmental Activities:</b>					
General government	\$ 5,841,164	\$ 739,331	\$ 146,238	\$ 81,901	\$ (4,873,694)
Public safety	7,460,289	1,841,293	-	-	(5,618,996)
Education	55,900,259	4,822,143	14,952,472	557,787	(35,567,857)
Public works	3,968,596	399,116	268,594	-	(3,300,886)
Health and human services	1,730,441	237,713	30,510	-	(1,462,218)
Culture and recreation	2,970,266	845,061	36,463	-	(2,088,742)
Intergovernmental	147,287	-	-	-	(147,287)
Employee benefits	12,690,387	-	-	-	(12,690,387)
Interest	2,489,416	-	-	-	(2,489,416)
Total Governmental Activities	93,198,105	8,884,657	15,434,277	639,688	(68,239,483)
<b>Business-Type Activities:</b>					
Water services	3,079,589	4,073,904	-	-	994,315
Wastewater services	584,118	466,302	-	-	(117,816)
Total Business-Type Activities	3,663,707	4,540,206	-	-	876,499
Total primary government	\$ 96,861,812	\$ 13,424,863	\$ 15,434,277	\$ 639,688	\$ (67,362,984)
Total component unit	\$ 2,625	\$ -	\$ -	\$ 89,019	\$ 86,394

(continued)

TOWN OF WAYLAND, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

(continued)	Governmental Activities	Business- Type Activities	Total	Discretely Presented Component Unit
Change in Net Position:				
Net (Expenses) revenue from previous page	\$ (68,239,483)	\$ 876,499	\$ (67,362,984)	\$ 86,394
<b>General Revenue:</b>				
Property taxes	64,548,329	-	64,548,329	-
Excise taxes	2,636,399	-	2,636,399	-
Grants and contributions not restricted to specific programs	1,780,162	41,492	1,821,654	-
Investment income	603,720	11,168	614,888	8,694
Other	<u>606,499</u>	<u>69,106</u>	<u>675,605</u>	<u>-</u>
Total General Revenues	<u>70,175,109</u>	<u>121,766</u>	<u>70,296,875</u>	<u>8,694</u>
Change in Net Position	1,935,626	998,265	2,933,891	95,088
Net Position:				
Beginning of year	<u>63,056,742</u>	<u>14,634,319</u>	<u>77,691,061</u>	<u>1,105,314</u>
End of year	<u>\$ 64,992,368</u>	<u>\$ 15,632,584</u>	<u>\$ 80,624,952</u>	<u>\$ 1,200,402</u>

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

TOWN OF WAYLAND, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2017

	General Fund	Community Preservation Fund	Mainstone Farm	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and short-term investments	\$ 12,499,560	\$ 2,882,572	\$ -	\$ 12,968,925	\$ 28,351,057
Investments	5,702,867	-	-	3,580,939	9,283,806
Receivables:					
Property taxes	1,777,023	5,717	-	-	1,782,740
Excises	343,904	-	-	-	343,904
Assessments	23,534	-	-	16,500	40,034
Departmental and other	-	-	-	412,682	412,682
<b>TOTAL ASSETS</b>	<b>\$ 20,346,888</b>	<b>\$ 2,888,289</b>	<b>\$ -</b>	<b>\$ 16,979,046</b>	<b>\$ 40,214,223</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Warrants and accounts payable	\$ 835,532	\$ 978	\$ -	\$ 218,862	\$ 1,055,372
Accrued payroll and withholdings	793,626	-	-	39,634	833,260
Guaranteed deposits payable	825,832	-	-	-	825,832
Unearned revenue	-	-	-	698,537	698,537
Other liabilities	6,026	-	-	-	6,026
<b>TOTAL LIABILITIES</b>	<b>2,461,016</b>	<b>978</b>	<b>-</b>	<b>957,033</b>	<b>3,419,027</b>
Deferred Inflows of Resources:					
Unavailable revenues	1,764,283	5,717	-	429,182	2,199,182
Fund Balances:					
Nonspendable	-	-	-	1,269,728	1,269,728
Restricted	1,341,434	2,881,594	-	13,099,020	17,322,048
Committed	457,113	-	-	1,474,921	1,932,034
Assigned	3,433,163	-	-	-	3,433,163
Unassigned	10,889,879	-	-	(250,838)	10,639,041
<b>TOTAL FUND BALANCES</b>	<b>16,121,589</b>	<b>2,881,594</b>	<b>-</b>	<b>15,592,831</b>	<b>34,596,014</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 20,346,888</b>	<b>\$ 2,888,289</b>	<b>\$ -</b>	<b>\$ 16,979,046</b>	<b>\$ 40,214,223</b>

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, 2017

<b>Total governmental fund balances</b>	\$ 34,596,014
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	147,871,899
• Net other post employment benefits (OPEB) asset is reported on the statement of net position, and not reported in the funds.	3,194,989
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,682,982
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(966,659)
• Long-term liabilities, and related deferred outflows/inflows of resources, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds and loans payable	(66,339,163)
Unamortized debt premium	(3,404,250)
Landfill liability	(270,000)
Net pension liability	(53,690,993)
Pension related deferred outflows of resources	5,396,375
Pension related deferred inflows of resources	(1,872,387)
Compensated absences liability	(1,007,169)
Other long-term liabilities	<u>(199,270)</u>
<b>Net position of governmental activities</b>	<u><u>\$ 64,992,368</u></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, 2017

	General Fund	Community Preservation Fund	Mainstone Farm	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 64,339,845	\$ 791,633	\$ -	\$ -	\$ 65,131,478
Excise taxes	2,527,301	-	-	-	2,527,301
Licenses and permits	793,794	-	-	-	793,794
Intergovernmental	13,648,215	150,787	-	3,939,388	17,738,390
Charges for services	362,974	-	-	7,689,293	8,052,267
Investment income	264,145	11,608	-	327,965	603,718
Fines and forfeitures	37,524	-	-	-	37,524
Contributions	-	-	-	115,737	115,737
Other	321,214	-	-	-	321,214
	<u>82,295,012</u>	<u>954,028</u>	<u>-</u>	<u>12,072,383</u>	<u>95,321,423</u>
Total Revenues*					
<b>Expenditures:</b>					
Current:					
General government	4,105,608	840,299	-	360,173	5,306,080
Public safety	6,091,956	-	-	451,126	6,543,082
Education	45,418,082	-	-	7,034,721	52,452,803
Public works	2,041,727	-	-	657,610	2,699,337
Health and human services	1,342,034	89,019	-	108,428	1,539,481
Culture and recreation	1,912,008	-	-	736,722	2,648,730
Employee benefits	12,312,420	-	-	-	12,312,420
Intergovernmental	147,287	-	-	-	147,287
Debt service:					
Principal	5,091,400	-	-	16,259	5,107,659
Interest	2,479,910	-	-	-	2,479,910
Capital outlay	-	-	12,000,000	5,356,017	17,356,017
	<u>80,942,432</u>	<u>929,318</u>	<u>12,000,000</u>	<u>14,721,056</u>	<u>108,592,806</u>
Total Expenditures*					
Excess (deficiency) of revenues over expenditures	1,352,580	24,710	(12,000,000)	(2,648,673)	(13,271,383)
<b>Other Financing Sources (Uses):</b>					
Issuance of bonds	-	-	7,000,000	3,300,000	10,300,000
Bond premium	546,129	-	-	-	546,129
Transfers in	1,396,552	-	-	818,482	2,215,034
Transfers out	(818,482)	-	-	(1,396,552)	(2,215,034)
	<u>1,124,199</u>	<u>-</u>	<u>7,000,000</u>	<u>2,721,930</u>	<u>10,846,129</u>
Total Other Financing Sources (Uses)					
Net change in fund balances	2,476,779	24,710	(5,000,000)	73,257	(2,425,254)
Fund Balances, at Beginning of Year, as reclassified	<u>13,644,810</u>	<u>2,856,884</u>	<u>5,000,000</u>	<u>15,519,574</u>	<u>37,021,268</u>
Fund Balances, at End of Year	<u>\$ 16,121,589</u>	<u>\$ 2,881,594</u>	<u>\$ -</u>	<u>\$ 15,592,831</u>	<u>\$ 34,596,014</u>

\*Intergovernmental revenues and education expenditures include \$8.3 million in on behalf payment from the Commonwealth to the Massachusetts Teachers Retirement System that were excluded in fiscal year 2016.

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, 2017

<b>Net changes in fund balances - total governmental funds</b>	<b>\$ (2,425,254)</b>																								
<ul style="list-style-type: none"> <li>• 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="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Capital outlay purchases, net of disposals</td> <td style="text-align: right;">17,057,380</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(4,761,833)</td> </tr> </table> </li> <li>• 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. <span style="float: right;">(472,981)</span></li> <li>• Decrease in net OPEB asset <span style="float: right;">(377,967)</span></li> <li>• The issuance of long-term debt (e.g., bonds and loans) 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="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Repayments of debt</td> <td style="text-align: right;">5,107,659</td> </tr> <tr> <td>Issuance of long-term debt</td> <td style="text-align: right;">(10,300,000)</td> </tr> <tr> <td>Unamortized premium</td> <td style="text-align: right;">(546,129)</td> </tr> <tr> <td>Bond premium amortization</td> <td style="text-align: right;">285,283</td> </tr> </table> </li> <li>• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <span style="float: right;">(9,498)</span></li> <li>• 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="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Change in net pension liability</td> <td style="text-align: right;">(2,495,445)</td> </tr> <tr> <td>Change in pension related deferred outflows</td> <td style="text-align: right;">2,664,214</td> </tr> <tr> <td>Change in pension related deferred inflows</td> <td style="text-align: right;">(1,773,591)</td> </tr> <tr> <td>Change in compensated absences</td> <td style="text-align: right;">6,393</td> </tr> <tr> <td>Change in landfill liability</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Change in other liabilities</td> <td style="text-align: right;"><u>(32,605)</u></td> </tr> </table> </li> </ul>		Capital outlay purchases, net of disposals	17,057,380	Depreciation	(4,761,833)	Repayments of debt	5,107,659	Issuance of long-term debt	(10,300,000)	Unamortized premium	(546,129)	Bond premium amortization	285,283	Change in net pension liability	(2,495,445)	Change in pension related deferred outflows	2,664,214	Change in pension related deferred inflows	(1,773,591)	Change in compensated absences	6,393	Change in landfill liability	10,000	Change in other liabilities	<u>(32,605)</u>
Capital outlay purchases, net of disposals	17,057,380																								
Depreciation	(4,761,833)																								
Repayments of debt	5,107,659																								
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Change in other liabilities	<u>(32,605)</u>																								
<b>Change in net position of governmental activities</b>	<b>\$ <u>1,935,626</u></b>																								

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Property taxes, net	\$ 62,092,177	\$ 62,092,177	\$ 62,092,177	\$ -
Intergovernmental	5,011,949	5,011,949	5,011,145	(804)
Motor vehicle & other excise tax	2,409,596	2,409,596	2,755,040	345,444
Penalties & interest	250,000	250,000	575,528	325,528
In-lieu payments	50,000	50,000	46,251	(3,749)
Departmental fees & charges	590,000	590,000	781,907	191,907
Licenses & permits	940,000	940,000	793,793	(146,207)
Special assessments	5,000	5,000	6,392	1,392
Fines & forfeitures	62,000	62,000	44,773	(17,227)
Investment income	88,000	88,000	153,282	65,282
Other	5,404	5,404	-	(5,404)
<b>Total Revenues</b>	<b>71,504,126</b>	<b>71,504,126</b>	<b>72,260,288</b>	<b>756,162</b>
<b>Expenditures</b>				
Current:				
General government	4,457,212	4,529,625	4,173,253	356,372
Public safety	6,312,397	6,350,397	6,112,228	238,169
Education	37,722,833	37,722,833	37,653,150	69,683
Vocational education	68,618	93,215	93,215	-
Public works	2,697,348	3,032,348	2,876,798	155,550
Health & human services	1,394,201	1,396,701	1,345,158	51,543
Culture & recreation	1,228,200	1,228,200	1,179,986	48,214
State & county assessments	181,522	181,522	147,287	34,235
Debt service	7,507,251	7,507,251	7,470,289	36,962
Pension	4,235,414	4,235,414	4,235,414	-
Unclassified	9,028,000	8,803,009	8,577,013	225,996
<b>Total Expenditures</b>	<b>74,832,996</b>	<b>75,080,515</b>	<b>73,863,791</b>	<b>1,216,724</b>
Excess (deficiency) of revenues over expenditures	(3,328,870)	(3,576,389)	(1,603,503)	1,972,886
<b>Other Financing Sources (Uses)</b>				
Use of free cash:				
Operating	1,500,000	1,500,000	-	(1,500,000)
Increase to snow and ice	-	335,000	-	(335,000)
Transfers to capital funds	410,000	410,000	-	(410,000)
Transfer to OPEB	215,285	215,285	-	(215,285)
Transfers to recreation	482,618	482,618	-	(482,618)
Other transfers	56,001	56,001	-	(56,001)
Use of overlay reserve	300,454	300,454	-	(300,454)
Bond premium	90,291	90,291	445,108	354,817
Transfers from other funds	1,623,125	1,623,125	2,215,147	592,022
Transfers to other funds	(1,348,904)	(1,436,385)	(1,444,000)	(7,615)
<b>Total Other Financing Sources(Uses)</b>	<b>3,328,870</b>	<b>3,576,389</b>	<b>1,216,255</b>	<b>(2,360,134)</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ (387,248)	\$ (387,248)

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

## TOWN OF WAYLAND, MASSACHUSETTS

## PROPRIETARY FUNDS

## STATEMENT OF NET POSITION

JUNE 30, 2017

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
ASSETS			
Current:			
Cash and short-term investments	\$ 5,836,201	\$ 1,629,340	\$ 7,465,541
User fees receivable	565,479	8,893	574,372
Betterments receivable	-	223,735	223,735
Total current assets	6,401,680	1,861,968	8,263,648
Noncurrent:			
Betterments receivable, net of allowance	-	2,938,325	2,938,325
Capital assets:			
Nondepreciable capital assets	2,118,772	-	2,118,772
Other capital assets, net of accumulated depreciation	14,342,710	4,903,088	19,245,798
Total noncurrent assets	16,461,482	7,841,413	24,302,895
TOTAL ASSETS	22,863,162	9,703,381	32,566,543
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	173,842	7,241	181,083
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 23,037,004	\$ 9,710,622	\$ 32,747,626
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>			
LIABILITIES			
Current:			
Accounts payable	\$ 144,103	\$ 13,056	\$ 157,159
Accrued interest	116,714	73,569	190,283
Accrued payroll	11,256	521	11,777
Current portion of long-term liabilities:			
Bonds and loans payable	933,600	283,442	1,217,042
Compensated absences	30,738	-	30,738
Total current liabilities	1,236,411	370,588	1,606,999
Noncurrent:			
Bonds and loans payable, net of current portion	9,468,800	4,174,740	13,643,540
Net pension liability	1,729,630	72,043	1,801,673
Total noncurrent liabilities	11,198,430	4,246,783	15,445,213
TOTAL LIABILITIES	12,434,841	4,617,371	17,052,212
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	60,318	2,512	62,830
NET POSITION			
Net investment in capital assets	8,213,304	684,648	8,897,952
Unrestricted	2,328,541	4,406,091	6,734,632
TOTAL NET POSITION	10,541,845	5,090,739	15,632,584
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 23,037,004	\$ 9,710,622	\$ 32,747,626

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, 2017

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<b>Operating Revenues:</b>			
Charges for services	\$ 4,073,904	\$ 294,216	\$ 4,368,120
Betterments	-	172,086	172,086
Total Operating Revenues	4,073,904	466,302	4,540,206
<b>Operating Expenses:</b>			
Personnel services	805,386	43,328	848,714
Nonpersonnel	1,434,121	200,776	1,634,897
Depreciation	553,915	151,535	705,450
Total Operating Expenses	2,793,422	395,639	3,189,061
Operating Income	1,280,482	70,663	1,351,145
<b>Nonoperating Revenues (Expenses):</b>			
Investment income	6,816	4,352	11,168
Intergovernmental revenue	-	41,492	41,492
Interest expense	(286,167)	(188,479)	(474,646)
Miscellaneous revenue	56,400	12,706	69,106
Total Nonoperating Expenses, Net	(222,951)	(129,929)	(352,880)
Change in Net Position	1,057,531	(59,266)	998,265
Net Position at Beginning of Year	9,484,314	5,150,005	14,634,319
Net Position at End of Year	\$ 10,541,845	\$ 5,090,739	\$ 15,632,584

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, 2017

	Business-Type Activities Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<b><u>Cash Flows From Operating Activities:</u></b>			
Receipts from customers and users	\$ 3,825,828	\$ 741,854	\$ 4,567,682
Payments of employee salaries, benefits, and related expenses	(967,759)	(50,519)	(1,018,278)
Payments to vendors	(1,408,679)	(197,039)	(1,605,718)
Net Cash Provided By Operating Activities	1,449,390	494,296	1,943,686
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>			
Acquisition and construction of capital assets	(1,310,677)	-	(1,310,677)
Proceeds from issuance of bonds	2,710,000	-	2,710,000
Principal payments on bonds	(814,600)	(278,442)	(1,093,042)
Intergovernmental revenue	-	10,791	10,791
Interest expense	(278,506)	(191,701)	(470,207)
Other miscellaneous revenue	-	12,706	12,706
Net Cash (Used For) Capital and Related Financing Activities	306,217	(446,646)	(140,429)
<b><u>Cash Flows From Investing Activities:</u></b>			
Investment income	6,816	4,352	11,168
Net Cash Provided By Investing Activities	6,816	4,352	11,168
Net Change in Cash and Short-Term Investments	1,762,423	52,002	1,814,425
Cash and Short-Term Investments, Beginning of Year	4,073,778	1,577,338	5,651,116
Cash and Short-Term Investments, End of Year	\$ 5,836,201	\$ 1,629,340	\$ 7,465,541
<b><u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u></b>			
Operating income	\$ 1,280,482	\$ 70,663	\$ 1,351,145
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	553,915	151,535	705,450
Changes in assets, liabilities, and deferred outflows/inflows:			
User fees receivables	(248,076)	275,553	27,477
Deferred outflows - related to pensions	(73,493)	(3,041)	(76,534)
Accounts payable	25,441	3,736	29,177
Accrued payroll	(1,433)	144	(1,289)
Compensated absences	6,595	-	6,595
Net pension liability	(150,730)	(6,654)	(157,384)
Deferred inflows - related to pensions	56,689	2,360	59,049
Net Cash Provided By Operating Activities	\$ 1,449,390	\$ 494,296	\$ 1,943,686

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

TOWN OF WAYLAND, MASSACHUSETTS  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2017

	<u>Other Post- Employment Benefits Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and short-term investments	\$ -	\$ 363,572
Investments:		
External investment pool	<u>15,002,194</u>	<u>-</u>
Total Assets	15,002,194	363,572
 <b>LIABILITIES AND NET POSITION</b>		
Other liabilities	<u>-</u>	<u>363,572</u>
Total Liabilities	<u>-</u>	<u>363,572</u>
 <b>NET POSITION</b>		
Total net position held in trust for other post employment benefits and other purposes	<u>\$ 15,002,194</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, 2017

	<u>Other Post- Employment Benefits Trust Fund</u>
<b>Additions:</b>	
Employer contributions	\$ 2,074,672
Investment income	<u>1,695,943</u>
Total additions	3,770,615
 <b>Deductions:</b>	
Benefit payments	<u>1,830,844</u>
Total deductions	<u>1,830,844</u>
Change in net position	1,939,771
 <b>Net position:</b>	
Beginning of year	<u>13,062,423</u>
End of year	<u><u>\$ 15,002,194</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 Town is a municipal corporation governed by an elected Board of Selectmen. As required by generally accepted accounting principles, these financial statements present the Town and applicable component units for which the Town is considered to be financially accountable. In fiscal year 2017, 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. 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 Town 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 Town 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 Town 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
- The *Mainstone Farm Fund* was used to account for the purchase of a conservation easement at the farm authorized by the 2016 Annual Town Meeting Warrant, article 30. The purchase was funded by bond proceeds and Community Preservation Act taxes collected in prior years.

The proprietary fund financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

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 Town 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 fiduciary fund financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The Town reports the following fiduciary funds:

- The Other Post-Employment Benefits (OPEB) Trust 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 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.
- 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.

The Town's short-term investments also include their share of Massachusetts Municipal Depository Trust (MMDT) cash portfolio in accordance with GASB 79, the MMDT pool's portfolio securities are valued at amortized cost.

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 federal securities, corporate bonds, and mutual funds reported at fair 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 2017 tax levy reflected an excess capacity of \$8,032,400.

*F. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$15,000 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.

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 and proprietary 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, net pension liability, 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/deferred outflows and current liabilities/deferred inflows. 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 Town, 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 meeting(s) 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)	\$ 82,295,012	\$ 80,942,432
Other financing sources/uses (GAAP Basis)	<u>1,942,681</u>	<u>818,482</u>
Subtotal (GAAP Basis)	84,237,693	81,760,914
Adjust tax revenue to accrual basis	(1,631,849)	-
Gross up enterprise reimbursements related to indirect costs	363,270	363,270
Reverse expenditures of prior year carryforwards	-	(426,966)
Add end of year appropriation carryforwards to expenditures	-	1,245,562
To net the transfer to stabilization included in general fund	402,618	402,618
Reverse the effect of non-budgeted state contributions for teachers retirement	(8,292,012)	(8,292,012)
Reverse non-budgeted funds	<u>(159,177)</u>	<u>254,405</u>
Budgetary Basis	<u>\$ 74,920,543</u>	<u>\$ 75,307,791</u>

**D. Deficit Fund Equity**

The Town reflects a few 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 deficits in these funds will be eliminated through future intergovernmental revenues and issuance of debt.

**3. Cash and Short-Term Investments**

**Primary Government**

*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, 2017, \$12,637,809 of the Town’s bank balance of \$36,504,799 was exposed to custodial credit risk as uninsured or uncollateralized; \$598,388 of the uncollateralized amount was invested in state pools and \$142,336 was mitigated by Securities Investor Protection Corporation (SIPC).

### **Discretely Presented Component Unit – Housing Trust**

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Housing Trust’s deposits may not be returned. MGL c. 44 §55 limits the Housing Trust’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 of Wayland’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 combined from all Town’s funds in any single financial institution that is not fully collateralized. The Housing Trust does not have a separate custodial credit risk policy.

As of June 30, 2017, deposits in excess of FDIC limits (Federal Deposit Insurance Corporation) were insured by SIF (Share Insurance Fund).

## **4. Investments**

### **Primary Government**

#### **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.):

Investment Type	Fair Value	Rating as of Year End								
		Aaa	Aa2	A1	A3	Baa1	Baa3	Ba1	B2	
Debt related:										
Federal agency securities	\$ 407,418	\$ 407,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
US Treasury notes	513,078	513,078	-	-	-	-	-	-	-	-
Corporate Bonds	160,258	-	53,287	41,051	-	65,920	-	-	-	-
Fixed income mutual funds	935,505	-	121,188	248,556	249,489	-	51,280	55,926	209,066	-
Total debt related securities	2,016,259	\$ 920,496	\$ 174,475	\$ 289,607	\$ 249,489	\$ 65,920	\$ 51,280	\$ 55,926	\$ 209,066	
Equities:										
Equity mutual funds	2,645,434									
External investment pool*	15,002,194									
Corporate equities	1,166,099									
Total equities	18,813,727									
Certificates of deposits	4,066,332									
Total investments	\$ 24,896,318									

\*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 is one investment in an issuer (other than U.S. Treasury securities and mutual funds) that represents 5% or more of total investments, a certificate of deposit with Belmont Savings Bank.

#### 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	\$ 407,418	\$ -	\$ 356,120	\$ 51,298
US Treasury notes	513,078	50,704	384,339	78,035
Corporate bonds	160,258	-	138,816	21,442
Fixed income mutual funds	935,505	-	447,275	488,230
Total	\$ <u>2,016,259</u>	\$ <u>50,704</u>	\$ <u>1,326,550</u>	\$ <u>639,005</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, 2017:

<u>Description</u>	<u>Fair Value Measurements Using:</u>			
	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>	
Investments by fair value level:				
Debt securities:				
Federal agency securities	\$ 407,418	\$ -	\$ 407,418	\$ -
US Treasury notes	513,078	-	513,078	-
Corporate bonds	160,258	-	160,258	-
Bond mutual funds	935,505	-	935,505	-
Equity securities:				
Equity mutual funds	2,645,434	2,645,434	-	-
Healthcare	371,543	371,543	-	-
Consumer staples	361,998	361,998	-	-
Industrials	163,630	163,630	-	-
Utilities	124,010	124,010	-	-
Financials	51,553	51,553	-	-
Consumer discretionary	47,480	47,480	-	-
Information technology	45,885	45,885	-	-
Subtotal	5,827,792	\$ 3,811,533	\$ 2,016,259	\$ -
Investments measured at the net asset value (NAV):				
External investment pool-PRIT	<u>15,002,194</u>			
Total	<u>\$ 20,829,986</u>			
<u>Description</u>	<u>Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If currently eligible)</u>	<u>Redemption Notice Period</u>
External investment pool-PRIT	\$ 15,002,194	\$ -	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.

### **Discretely Presented Component Unit – Housing Trust**

#### **A. General**

Upon advice received from the Town of Wayland's town counsel, the Housing Trust is considered a separate legal entity and, therefore, is not subject to the Town's investment policies. Nonetheless, the Trustees have determined that it is prudent to have the Town of Wayland's Treasurer/Collector manage the Housing Trust's liquid assets, where possible, in accordance with the Town's investment policy.

#### **B. Credit Risk**

The Housing Trust invests in nonnegotiable certificates of deposits, which are exempt from this disclosure.

#### **C. Custodial Credit Risk**

As of June 30, 2017, nonnegotiable certificates of deposits in excess of FDIC limits were insured by SIF.

#### **D. Concentration of Credit Risk**

As of June 30, 2017, the Housing Trust's investments are limited to nonnegotiable certificates of deposit.

#### **E. Interest Rate Risk**

During the year ended June 30, 2017, the Trustees determined that a portion of the Housing Trust's cash was not required for near term operations and, therefore, instructed the Town of Wayland's Treasurer/Collector to invest such excess cash in 4 nonnegotiable 18-month certificates of deposits issued by The Village Bank, 2 of which are in the amount of \$100,000, both with fixed interest rates of 1.24% and maturity dates of May 29, 2018 and 2 of which are in the amount of \$200,000, both with fixed interest rates of 1.49% and maturity dates of July 11, 2017.

## **5. Taxes and Excises 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.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth. The Registry of Motor Vehicles annually calculates the value of all registered motor vehicles for the purpose of excise assessment. The amount of motor vehicle excise tax due is calculated using a fixed rate of \$25 per \$1,000 value.

Taxes and excise receivable at June 30, 2017 consist of the following:

<u>Receivables:</u>	<u>Gross Amount (fund basis)</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount (accrual basis)</u>
Real estate taxes	\$ 491,942	\$ (74,700)	\$ 417,242
Personal property taxes	39,061	-	39,061
Community preservation act	5,717	-	5,717
Tax liens	1,128,684	(249,200)	879,484
Deferred taxes	<u>117,336</u>	<u>-</u>	<u>117,336</u>
Total property taxes	\$ <u>1,782,740</u>	\$ <u>(323,900)</u>	1,458,840
Less current portion:			<u>(462,020)</u>
Noncurrent taxes receivable			\$ <u>996,820</u>
Motor vehicle excise	\$ <u>343,904</u>	\$ <u>(98,200)</u>	\$ <u>245,704</u>

## 6. **Betterments Receivable**

The receivables reported in the accompanying entity-wide financial statements, and proprietary financial statements, reflect an estimated allowance for doubtful accounts of \$159,600.

## 7. Interfund Transfers

The Town reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The following is an analysis of interfund transfers made in fiscal year 2017:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General fund	\$ 1,396,552	\$ 818,482
Nonmajor funds:		
Special revenue funds:		
Town revolving fund	527,009	1,704,043
School revolving fund	-	818,126
Capital project funds:		
Town fund	1,086,302	42,979
School fund	<u>375,000</u>	<u>1,233</u>
Subtotal nonmajor funds	<u>1,988,311</u>	<u>2,566,381</u>
Grand Total	<u>\$ 3,384,863</u>	<u>\$ 3,384,863</u>

The transfers into the general fund include the close out of \$402,618 from the Town's Recreation Revolving Fund used to establish the Recreation Stabilization Fund, \$360,000 in annual Town Ambulance Revolving Fund revenues, and various other amounts from School and Town Revolving Funds for OPEB and other benefit amounts.

The transfers into the Town and School Capital Project Fund's represent the Town practice of funding certain capital activities from the general fund (approximately \$651,000) and the Town's Ambulance Revolving Fund (approximately \$515,000).



## 8. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 140,019	\$ 299	\$ -	\$ 140,318
Machinery, equipment, and furnishings	12,243	648	-	12,891
Vehicles	6,463	736	(535)	6,664
Infrastructure	<u>9,425</u>	<u>1,394</u>	<u>-</u>	<u>10,819</u>
Total capital assets, being depreciated	168,150	3,077	(535)	170,692
Less accumulated depreciation for:				
Buildings and improvements	(50,370)	(3,247)	-	(53,617)
Machinery, equipment, and furnishings	(10,946)	(519)	-	(11,465)
Vehicles	(5,332)	(422)	504	(5,250)
Infrastructure	<u>(6,551)</u>	<u>(573)</u>	<u>-</u>	<u>(7,124)</u>
Total accumulated depreciation	<u>(73,199)</u>	<u>(4,761)</u>	<u>504</u>	<u>(77,456)</u>
Total capital assets, being depreciated, net	94,951	(1,684)	(31)	93,236
Capital assets, not being depreciated:				
Land	21,580	-	-	21,580
Collections	1,747	-	-	1,747
Intangible asset for permanent conservation easement	2,400	12,000	-	14,400
Construction in progress	<u>14,898</u>	<u>2,011</u>	<u>-</u>	<u>16,909</u>
Total capital assets, not being depreciated	<u>40,625</u>	<u>14,011</u>	<u>-</u>	<u>54,636</u>
Governmental activities capital assets, net	<u>\$ 135,576</u>	<u>\$ 12,327</u>	<u>\$ (31)</u>	<u>\$ 147,872</u>
	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 904	\$ 500	\$ -	\$ 1,404
Machinery, equipment, and furnishings	305	-	-	305
Vehicles	796	-	-	796
Infrastructure	<u>23,588</u>	<u>-</u>	<u>-</u>	<u>23,588</u>
Total capital assets, being depreciated	25,593	500	-	26,093
Less accumulated depreciation for:				
Buildings and improvements	(213)	(28)	-	(241)
Machinery, equipment, and furnishings	(272)	(34)	-	(306)
Vehicles	(613)	(53)	-	(666)
Infrastructure	<u>(5,043)</u>	<u>(590)</u>	<u>-</u>	<u>(5,633)</u>
Total accumulated depreciation	<u>(6,141)</u>	<u>(705)</u>	<u>-</u>	<u>(6,846)</u>
Total capital assets, being depreciated, net	19,452	(205)	-	19,247
Capital assets, not being depreciated:				
Construction in progress	<u>1,307</u>	<u>811</u>	<u>-</u>	<u>2,118</u>
Business-type activities capital assets, net	<u>\$ 20,759</u>	<u>\$ 606</u>	<u>\$ -</u>	<u>\$ 21,365</u>

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

Governmental Activities:	
General government	\$ 317
Public safety	453
Education	2,830
Public works	1,037
Culture and recreation	<u>124</u>
Total depreciation expense - governmental activities	<u>\$ 4,761</u>
Business-Type Activities:	
Water	\$ 554
Wastewater	<u>151</u>
Total depreciation expense - business-type activities	<u>\$ 705</u>

**9. Deferred Outflows of Resources**

Deferred outflows of resources represent the consumption of net position by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions, in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions, are more fully discussed in Note 16.

**10. Warrants and Accounts Payable**

Warrants payable represent 2017 expenditures paid by July 15, 2017. Accounts payable represent additional 2017 expenditures paid after July 15, 2017.

**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:

<u>Governmental Activities:</u>				Amount
	Original	Serial	Interest	Outstanding
	<u>Issue</u>	<u>Maturities</u>	<u>Rate(s) %</u>	as of
		<u>Through</u>		<u>6/30/17</u>
2008 Building remodeling and repairs	1,185,000	02/01/18	3.0 - 4.0%	\$ 115,000
2009 Building remodeling and outdoor recreation	4,275,000	12/15/19	2.5 - 3.0%	822,000
2010 Surface drain, building remodel tax appraisal, school project	10,874,000	02/01/35	2.0 - 4.125%	7,441,000
2011 Surface drain, outdoor recreation and building remodel	34,899,000	02/01/36	4.0 - 5.0%	25,503,600
2013 Municipal Purposes	3,809,000	02/01/22	2.0 - 3.0%	1,683,000
2014 Municipal Purposes	12,585,000	02/01/34	3.0 - 5.0%	10,305,000
2015 Municipal Purposes	5,917,000	02/01/35	3.0 - 3.25%	4,875,000
2016 Municipal Purposes	2,401,000	10/01/36	2.0 - 4.0%	2,145,000
2016 G.O. Refunding	3,339,000	07/15/27	2.0 - 5.0%	3,083,000
2017 Municipal Purposes	3,300,000	03/27/33	2.0 - 5.0%	<u>3,300,000</u>
Total bonded debt:				59,272,600
Title V	301,043	07/01/23	-	<u>66,563</u>
Total loans:				<u>66,563</u>
Total to be paid by the General Fund				59,339,163
2017 Mainstone Farm	7,000,000	03/27/47	2.5 - 5.0%	<u>7,000,000</u>
Total to be paid by the CPA Fund				<u>7,000,000</u>
Grand Total:				<u>\$ 66,339,163</u>

<u>Business-Type Activities:</u>				Amount
	Original	Serial	Interest	Outstanding
	<u>Issue</u>	<u>Maturities</u>	<u>Rate(s) %</u>	as of
		<u>Through</u>		<u>6/30/17</u>
2008 Water treatment plant and department equipment	6,075,000	02/01/28	3.25 - 4.0%	\$ 3,305,000
2009 Water treatment plant	1,500,000	12/15/29	2.5 - 4.5%	753,000
2010 Water treatment plant and department equipment	721,000	02/01/20	2.25 - 3.0%	194,000
2011 Municipal Purposes	6,251,000	02/01/31	2.25 - 5.0%	4,456,400
2012 Wastewater treatment facility	325,000	02/01/31	4.0 - 5.0%	280,000
2013 Water mains-refunding and sewer	278,000	02/01/22	2.0 - 3.0%	127,000
2014 Wastewater	200,000	02/01/34	4.0 - 5.0%	170,000
2015 Water pumping station	1,000,000	02/01/35	3.0 - 3.25%	900,000
2016 Water mains	700,000	10/01/36	2.0 - 4.0%	665,000
2016 G.O. Refunding	1,186,000	07/15/27	2.0 - 5.0%	1,132,000
2017 Water pumping station, mains and Old Sudbury	2,710,000	03/27/37	2.0 - 5.0%	<u>2,710,000</u>
Total bonded debt:				14,692,400
Wastewater - MWPAT	612,778	07/01/22	-	<u>168,182</u>
Total loans:				<u>168,182</u>
Grand Total:				<u>\$ 14,860,582</u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2017 are as follows:

	<u>Governmental: excluding CPA</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 5,227,659	\$ 2,349,243	\$ 7,576,902
2019	4,780,659	2,146,663	6,927,322
2020	4,227,159	1,963,912	6,191,071
2021	3,876,738	1,811,094	5,687,832
2022	3,690,974	1,623,248	5,314,222
2023-2027	15,855,974	6,207,187	22,063,161
2028-2032	13,220,000	3,536,282	16,756,282
2033-2037	8,460,000	878,500	9,338,500
Total	<u>\$ 59,339,163</u>	<u>\$ 20,516,129</u>	<u>\$ 79,855,292</u>

	<u>Governmental: CPA</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 115,000	\$ 256,486	\$ 371,486
2019	140,000	234,081	374,081
2020	145,000	227,081	372,081
2021	150,000	222,731	372,731
2022	155,000	218,231	373,231
2023-2027	900,000	970,206	1,870,206
2028-2032	1,055,000	811,481	1,866,481
2033-2037	1,220,000	644,650	1,864,650
2038-2042	1,430,000	434,238	1,864,238
2043-2047	1,690,000	177,244	1,867,244
Total	<u>\$ 7,000,000</u>	<u>\$ 4,196,429</u>	<u>\$ 11,196,429</u>

	<u>Business-Type</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,217,042	\$ 565,143	\$ 1,782,185
2019	1,208,847	513,184	1,722,031
2020	1,207,347	463,143	1,670,490
2021	1,147,346	415,104	1,562,450
2022	1,060,000	368,751	1,428,751
2023-2027	5,150,000	1,241,262	6,391,262
2028-2032	2,910,000	419,038	3,329,038
2033-2037	960,000	81,625	1,041,625
Total	<u>\$ 14,860,582</u>	<u>\$ 4,067,250</u>	<u>\$ 18,927,832</u>

**C. Changes in General Long-Term Liabilities**

During the year ended June 30, 2017, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/16	Additions	Reductions	Total Balance 6/30/17	Less Current Portion	Equals Long-Term Portion 6/30/17
<u>Governmental Activities</u>						
Bonds payable	\$ 61,148	\$ 10,300	\$ (5,108)	\$ 66,340	\$ (5,343)	\$ 60,997
Unamortized debt premiums	3,143	546	(285)	3,404	(285)	3,119
Subtotal	64,291	10,846	(5,393)	69,744	(5,628)	64,116
Net pension liability	51,196	2,495	-	53,691	-	53,691
Other:						
Landfill closure	280	-	(10)	270	(10)	260
Accrued employee benefits	1,013	806	(812)	1,007	(252)	755
Totals	<u>\$ 116,780</u>	<u>\$ 14,147</u>	<u>\$ (6,215)</u>	<u>\$ 124,712</u>	<u>\$ (5,890)</u>	<u>\$ 118,822</u>
<u>Business-Type Activities</u>						
Bonds payable	\$ 13,274	\$ 2,710	\$ (1,123)	\$ 14,861	\$ (1,217)	\$ 13,644
Net pension liability	1,959	-	(157)	1,802	-	1,802
Other:						
Accrued employee benefits	24	29	(22)	31	(31)	-
Totals	<u>\$ 15,257</u>	<u>\$ 2,739</u>	<u>\$ (1,302)</u>	<u>\$ 16,694</u>	<u>\$ (1,248)</u>	<u>\$ 15,446</u>

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

**12. Landfill Monitoring and Postclosure Care Costs**

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

The \$270,000 reported as liability at June 30, 2017 is based on estimated costs to be incurred after fiscal year 2017 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 position 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 Town reports

two items as deferred inflows of resources: one which is attributable to changes in the net pension liability, and the other which arises from the current financial resources measurement focus and the modified accrual basis of accounting in governmental funds.

Deferred inflows of resources related to pension will be recognized in pension expense in future years and is more fully described in Note 16.

The balance of the General Fund *unavailable revenues* account is equal to the total of all June 30, 2017 receivable balances, except real and personal property taxes that were collected within 60 days of year end.

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

#### 14. Governmental Fund Balances

The following is a breakdown of the Town's governmental fund balances at June 30, 2017:

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Nonexpendable permanent funds:				
Perpetual care	\$ -	\$ -	\$ 953,165	\$ 953,165
Gossels academic excellence	-	-	228,034	228,034
Other nonexpendable	-	-	88,529	88,529
Total Nonexpendable	-	-	1,269,728	1,269,728
Restricted:				
Bond premium for debt service	896,326	-	-	896,326
Bond premium for capital projects	445,108	-	-	445,108
Community preservation:				
Acquisition and preservation of historic buildings and landscapes	-	914,975	-	914,975
Acquisition and preservation of open space	-	596,824	-	596,824
Recreation	-	435,158	-	435,158
Creation and support of affordable housing	-	20,829	-	20,829
Community preservation administration	-	13,688	-	13,688
Other community preservation funds	-	900,120	-	900,120
Town special revenue accounts:				
Ambulance	-	-	1,070,106	1,070,106
Residential dwelling	-	-	953,004	953,004
Recreation revolving	-	-	912,103	912,103
Bike trail	-	-	250,000	250,000
Cafeteria plan	-	-	183,164	183,164
Receipts reserved for sale of cemetery lots	-	-	124,395	124,395
Parking lot	-	-	120,000	120,000
Receipts reserved for concom	-	-	118,007	118,007
Insurance reimbursement	-	-	101,719	101,719
Other town grants and revolving accounts	-	-	1,365,665	1,365,665

(continued)

(continued)

	General Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
School special revenue accounts:				
Before/after school enrichment (BASE)	-	-	552,014	552,014
Circuit breaker	-	-	534,246	534,246
Enrichment	-	-	142,231	142,231
Other school grants and revolving accounts	-	-	789,707	789,707
Town capital project accounts:				
Ladder and fire truck 2017	-	-	950,000	950,000
Road construction 2017	-	-	573,504	573,504
New DPW building 2013	-	-	307,976	307,976
Transfer St. culvert repair 2016	-	-	100,000	100,000
Other town capital project funds	-	-	763,153	763,153
School capital project accounts:				
Locker kitchen 2014	-	-	199,982	199,982
Loker door and window 2017	-	-	138,818	138,818
Happy hollow school art and café room 2016	-	-	126,782	126,782
Other school capital project funds	-	-	374,618	374,618
Expendable permanent funds	-	-	2,347,826	2,347,826
Total Restricted	1,341,434	2,881,594	13,099,020	17,322,048
Committed:				
Fiscal 2018 capital projects	219,180	-	-	219,180
Fiscal 2018 transfer to OPEB trust fund	221,023	-	-	221,023
Septage	16,910	-	-	16,910
Town capital project accounts:				
Old DPW demo 2017	-	-	327,180	327,180
Cochituate apts fire supp. 2017	-	-	154,983	154,983
COA feasibility study 2016	-	-	111,799	111,799
Other capital project funds	-	-	649,470	649,470
School capital project accounts:				
Other capital project funds	-	-	231,489	231,489
Total Committed	457,113	-	1,474,921	1,932,034
Assigned:				
Encumbered for:				
General government	305,712	-	-	305,712
Public safety	28,888	-	-	28,888
Education	483,611	-	-	483,611
Public works	63,634	-	-	63,634
Health and human services	3,883	-	-	3,883
Employee benefits	9,834	-	-	9,834
Insurance - H.S.A cards	350,000	-	-	350,000
Use of fund balance for fiscal 2018	1,000,000	-	-	1,000,000
Non-insurance	1,187,601	-	-	1,187,601
Total Assigned	3,433,163	-	-	3,433,163
Unassigned:				
General fund	8,953,647	-	-	8,953,647
Stabilization	1,936,232	-	-	1,936,232
Other nonmajor	-	-	(250,838)	(250,838)
Total Unassigned	10,889,879	-	(250,838)	10,639,041
Total Fund Balance	\$ 16,121,589	\$ 2,881,594	\$ 15,592,831	\$ 34,596,014

**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.

		<u>General Fund</u>		
Unassigned fund balance, June 30, 2017	\$	10,889,879		
Less stabilization		(1,936,232)		
Allowance for abatements (reserved statutorily)		(995,210)		
"60-day rule" for receivables		(380,178)		
Other adjustments		<u>(278,566)</u>		
Certified free cash, July 1, 2017	\$	<u>7,299,693</u>		
		<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Unrestricted net assets, GAAP	\$	2,328,541	\$ 4,406,091	\$ 6,734,632
Recognize deferred revenue		(565,479)	(3,330,552)	(3,896,031)
Allowance for doubtful accounts		-	159,600	159,600
Remove accrued interest		116,714	73,569	190,283
Remove compensated absences		30,738	-	30,738
Remove net pension liability, net of deferrals		1,616,106	67,314	1,683,420
Funds assigned for FY18 & encumbrances		(792,981)	(36,831)	(829,812)
Unspent cash appropriations for capital		<u>(698,328)</u>	<u>-</u>	<u>(698,328)</u>
Available funds	\$	<u>2,035,311</u>	\$ <u>1,339,191</u>	\$ <u>3,374,502</u>

**16. 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 publicly 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 10 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.

If a participant was a member prior to February 2012 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 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, 2017 was \$4,235,414, 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, 2017, the Town reported a liability of \$55,492,666 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating

employers, actuarially determined. At December 31, 2016, the Town's proportion was 3.92 percent.

For the year ended June 30, 2017, the Town recognized a pension expense of \$1,429,953. 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	\$ 2,303,938	\$ -
Difference between expected and actual experience	249,921	-
Change in assumptions	3,023,599	-
Change in proportion	<u>-</u>	<u>1,935,217</u>
Total	<u>\$ 5,577,458</u>	<u>\$ 1,935,217</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:	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2018	\$ 1,085,475
2019	1,085,475
2020	1,045,749
2021	<u>425,542</u>
Total	<u>\$ 3,642,241</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	3.50%
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	7.75%, net of pension plan investment expense, including inflation
Cost of living adjustments	3.00% of first \$14,000

Mortality rates were based on the following:

- Pre-Retirement – The RP-2000 Employee Mortality Table projected generationally from 2009 with Scale BB2D.
- Post-Retirement – The RP-2000 Healthy Annuitant Mortality Table projected generationally from 2009 with Scale AA
- Disabled Retiree – The RP-2000 Healthy Annuitant Mortality Table projected generationally from 2015 with Scale BB2D.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the most recent actuarial experience study, which was as of January 1, 2016.

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	18.00%	6.44%
International developed markets equity	16.00%	7.40%
International emerging markets equity	6.00%	9.42%
Core fixed income	13.00%	2.02%
High-yield fixed income	10.00%	4.43%
Real estate	10.00%	5.00%
Commodities	4.00%	4.43%
Hedge fund, GTAA, risk parity	13.00%	3.75%
Private equity	10.00%	10.47%
Total	<u>100.0%</u>	

*E. Discount Rate*

The discount rate used to measure the total pension liability was 7.75%. 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 of 7.75%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

<u>For the Year Ended</u>	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
June 30, 2017	\$ 67,012,430	\$ 55,492,666	\$ 45,756,887

*G. Pension Plan Fiduciary Net Position*

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

**17. 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>Membership 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, 2016 measurement date was determined by an actuarial valuation as of January 1, 2016 rolled forward to June 30, 2016. 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 on the first \$13,000 per year.
- Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011.
- 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, 2016 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%	1.6%
Private equity	10.0%	8.7%
Real estate	10.0%	4.6%
Value added fixed income	10.0%	4.8%
Hedge funds	9.0%	4.0%
Portfolio completion strategies	4.0%	3.6%
Timber/natural resources	4.0%	5.4%
Total	<u>100.0%</u>	

*E. Discount Rate*

The discount rate used to measure the total pension liability was 7.50%. 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 as of June 30, 2016. 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, 2017	\$ 27,464,000	\$ 22,357,928	\$ 18,022,000

*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 2017 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability and pension expense was \$81,289,015 and \$8,292,012 respectively, based on a proportionate share of 0.363580%. 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.



## 18. Other Post-Employment Benefits – OPEB (GASB 45)

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, 2016, the actuarial valuation date, approximately 476 retirees/disabled and 610 active employees meet the eligibility requirements. The plan issues a stand-alone separate financial report including GASB 74 disclosures. 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 2017, the Town contributed 84.6% 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 2017 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, 2017, 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, 2016:

	Actuarially Determined Amounts	Other Town Amounts	Total
Annual Required Contribution (ARC)	\$ 3,615,532	\$ -	\$ 3,615,532
Interest on net OPEB obligation	(250,107)	-	(250,107)
Adjustment to ARC	269,094	-	269,094
Amortization of actuarial (gain)/loss	<u>(1,181,880)</u>	<u>-</u>	<u>(1,181,880)</u>
Annual OPEB cost	2,452,639	-	2,452,639
Contributions made	<u>2,046,129</u>	<u>28,543</u>	<u>2,074,672</u>
Decrease in net OPEB asset	\$ <u>(406,510)</u>	\$ <u>28,543</u>	(377,967)
Net OPEB asset - beginning of year			<u>3,572,956</u>
Net OPEB asset - end of year			<u>\$ 3,194,989</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>
2017	\$ 2,452,639	84.6%	\$ 3,194,989
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 87 and 103.

*E. Funded Status and Funding Progress*

The funded status of the plan as of December 31, 2016, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 40,579,285
Actuarial value of plan assets	<u>(13,810,269)</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 26,769,016</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>34.0%</u>
Estimated Covered payroll (active plan members)	<u>\$ 41,284,252</u>
UAAL as a percentage of covered payroll	<u>64.8%</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, 2016 actuarial valuation, the individual entry age normal actuarial 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%.

## **19. Commitments and Contingencies**

Outstanding Legal Issues - On an ongoing basis, there are typically pending legal issues in which the Town is involved. The Town's management is of the opinion that the potential future settlement of these issues 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.

## **20. Beginning Fund Balance Reclassification**

The Town's major governmental funds for fiscal year 2017, as defined by GASB 34, have changed from the previous fiscal year. The Mainstone Farm fund has been reclassified as of July 1, 2017 to a major fund with \$5,000,000 of beginning fund balance, while the Community Preservation fund shows the offsetting reduction of beginning fund balance from \$7,856,884 to \$2,856,884.

## **21. Implementation of New GASB Standard**

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.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**TOWN OF WAYLAND, MASSACHUSETTS**  
**SCHEDULE OF PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY (GASB 68)**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017**  
**(Unaudited)**

Middlesex County Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</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, 2017	December 31, 2016	3.916549%	\$55,492,666	\$ 18,058,289	307%	45.49%
June 30, 2016	December 31, 2015	4.120452%	\$53,154,605	\$ 18,096,912	294%	46.13%
June 30, 2015	December 31, 2014	4.107272%	\$49,341,309	\$ 17,400,877	284%	47.65%

Massachusetts Teachers' Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</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, 2017	June 30, 2016	0.363580%	\$ -	\$ 81,289,015	\$ 81,289,015	\$ 24,935,156	0%	52.73%
June 30, 2016	June 30, 2015	0.363664%	\$ -	\$ 74,513,557	\$ 74,513,557	\$ 23,883,375	0%	55.38%
June 30, 2015	June 30, 2014	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 (GASB 68)**

**REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017**

**(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, 2017	\$ 4,235,414	\$ (4,235,414)	\$ -	\$ 18,058,289	23.5%
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.



**TOWN OF WAYLAND, MASSACHUSETTS  
SCHEDULE OF OPEB FUNDING PROGRESS (GASB 45)  
REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2017**

**(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]
12/31/16	\$ 13,810	\$ 40,576	\$ 26,766	34.0%	\$ 41,284	64.8%
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.

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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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b><u>General Government</u></b>				
Selectmen				
Nonpersonnel	\$ 30,000	\$ 30,000	\$ 18,575	\$ 11,425
Town office				
Personnel	435,000	465,375	460,581	4,794
Nonpersonnel	81,500	81,500	71,821	9,679
Personnel Board				
Personnel	5,000	5,000	2,431	2,569
Nonpersonnel	10,000	10,000	4,880	5,120
Finance				
Personnel	338,618	348,794	347,969	825
Nonpersonnel	56,700	56,700	55,060	1,640
Assessor				
Personnel	259,626	259,626	250,216	9,410
Nonpersonnel	52,250	52,250	48,381	3,869
Treasurer				
Personnel	190,104	190,104	186,737	3,367
Nonpersonnel	100,100	100,100	38,097	62,003
Town Counsel				
Nonpersonnel	175,000	200,000	199,286	714
Information Technology				
Personnel	287,669	275,316	234,633	40,683
Nonpersonnel	509,604	521,957	517,581	4,376
Town Clerk				
Personnel	125,781	125,781	125,233	548
Nonpersonnel	17,330	17,330	16,814	516
Elections				
Personnel	37,908	37,908	36,738	1,170
Nonpersonnel	10,170	11,770	11,694	76
Registrar				
Personnel	275	275	275	-
Nonpersonnel	5,000	5,000	4,598	402
Conservation				
Personnel	177,902	170,402	143,561	26,841
Nonpersonnel	41,200	48,700	47,872	828
Planning				
Personnel	105,000	105,000	98,090	6,910
Nonpersonnel	4,500	4,500	3,035	1,465
Surveyor				
Personnel	168,118	169,118	169,041	77
Nonpersonnel	27,150	31,412	27,796	3,616
Facilities				
Personnel	277,932	277,932	265,945	11,987
Nonpersonnel	880,500	880,500	740,779	139,721
Miscellaneous Committees				
Nonpersonnel	47,275	47,275	45,534	1,741
Total General Government	4,457,212	4,529,625	4,173,253	356,372 (continued)

(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b><u>Public Safety</u></b>				
Police				
Personnel	2,356,693	2,356,693	2,350,058	6,635
Nonpersonnel	310,110	310,110	282,655	27,455
Joint Communications				
Personnel	496,675	496,675	482,735	13,940
Nonpersonnel	27,100	27,100	26,999	101
Emergency Management				
Nonpersonnel	23,000	23,000	22,941	59
Dog Officer				
Nonpersonnel	21,500	22,000	21,977	23
Fire				
Personnel	2,492,921	2,492,921	2,345,969	146,952
Nonpersonnel	258,400	258,400	257,751	649
Building and Zoning				
Personnel	311,497	311,497	278,234	33,263
Nonpersonnel	14,501	52,001	42,909	9,092
Total Public Safety	6,312,397	6,350,397	6,112,228	238,169
<b><u>Education</u></b>				
Schools	37,722,833	37,722,833	37,653,150	69,683
Total Education	37,722,833	37,722,833	37,653,150	69,683
<b><u>Vocational Education</u></b>				
Regional Vocational School	68,618	93,215	93,215	-
Total Vocational Education	68,618	93,215	93,215	-
<b><u>Public Works</u></b>				
Highway				
Personnel	1,030,407	1,030,407	939,666	90,741
Nonpersonnel	302,500	302,500	298,897	3,603
Snow				
Personnel	125,000	200,000	176,405	23,595
Nonpersonnel	325,000	585,000	585,000	-
Landfill				
Nonpersonnel	65,000	65,000	41,821	23,179
Park and Cemetery				
Personnel	556,441	556,441	550,556	5,885
Nonpersonnel	293,000	293,000	284,453	8,547
Total Public Works	2,697,348	3,032,348	2,876,798	155,550
<b><u>Health and Human Services</u></b>				
Board of Health				
Personnel	672,884	679,384	676,423	2,961
Nonpersonnel	183,356	179,356	149,204	30,152
Veterans Services				
Nonpersonnel	48,000	48,000	36,931	11,069
Council on Aging				
Personnel	207,486	207,486	204,743	2,743
Nonpersonnel	56,000	56,000	53,004	2,996
Youth Services				
Personnel	222,400	222,400	221,078	1,322
Nonpersonnel	4,075	4,075	3,775	300
Total Health and Human Services	1,394,201	1,396,701	1,345,158	51,543

(continued)

(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<b><u>Culture and Recreation</u></b>				
Library				
Personnel	823,000	823,000	788,488	34,512
Nonpersonnel	233,200	233,200	232,559	641
Recreation				
Personnel	<u>172,000</u>	<u>172,000</u>	<u>158,939</u>	<u>13,061</u>
Total Culture and Recreation	1,228,200	1,228,200	1,179,986	48,214
<b><u>State Assessments and Charges</u></b>				
Assessments	<u>181,522</u>	<u>181,522</u>	<u>147,287</u>	<u>34,235</u>
Total State Assessments and Charges	181,522	181,522	147,287	34,235
<b><u>Debt Service</u></b>				
Debt and Interest	<u>7,507,251</u>	<u>7,507,251</u>	<u>7,470,289</u>	<u>36,962</u>
Total Debt Service	7,507,251	7,507,251	7,470,289	36,962
<b><u>Pension</u></b>				
Pension Assessment	<u>4,235,414</u>	<u>4,235,414</u>	<u>4,235,414</u>	<u>-</u>
Total Pension	4,235,414	4,235,414	4,235,414	-
<b><u>Unclassified</u></b>				
Insurance General	615,000	628,157	621,417	6,740
Insurance 32B	7,165,000	7,165,000	7,072,145	92,855
Medicare	580,000	628,000	627,037	963
Unemployment	50,000	50,000	28,407	21,593
Police and Fire Disability	15,000	15,000	1,389	13,611
Reserve Salary Adjustment	50,000	9,449	-	9,449
Occupational Health	8,000	8,000	4,596	3,404
Retirement and Buyback	40,000	40,000	27,921	12,079
Town Meeting	100,000	100,000	63,645	36,355
Street lighting	130,000	130,000	130,456	(456)
Reserve Fund	<u>275,000</u>	<u>29,403</u>	<u>-</u>	<u>29,403</u>
Total Unclassified	<u>9,028,000</u>	<u>8,803,009</u>	<u>8,577,013</u>	<u>225,996</u>
Total Expenditures	<u>\$ 74,832,996</u>	<u>\$ 75,080,515</u>	<u>\$ 73,863,791</u>	<u>\$ 1,216,724</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, 2017

	<u>Special Revenue Funds</u>			
	<u>Town Revolving</u>	<u>School Revolving</u>	<u>School Grants</u>	<u>Subtotals</u>
<b>ASSETS</b>				
Cash and short-term investments	\$ 5,265,858	\$ 2,140,092	\$ 593,796	\$ 7,999,746
Investments	-	-	-	-
Receivables:				
Assessments	16,500	-	-	16,500
Departmental and other	<u>412,682</u>	<u>-</u>	<u>-</u>	<u>412,682</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,695,040</u></b>	<b><u>\$ 2,140,092</u></b>	<b><u>\$ 593,796</u></b>	<b><u>\$ 8,428,928</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Warrants and accounts payable	\$ 83,346	\$ 32,380	\$ 6,382	\$ 122,108
Accrued payroll	27,983	-	11,651	39,634
Unearned revenue	<u>-</u>	<u>698,537</u>	<u>-</u>	<u>698,537</u>
<b>TOTAL LIABILITIES</b>	<b>111,329</b>	<b>730,917</b>	<b>18,033</b>	<b>860,279</b>
Deferred Inflows of Resources:				
Unavailable revenues	429,182	-	-	429,182
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	5,198,163	1,409,175	609,023	7,216,361
Committed	-	-	-	-
Unassigned	<u>(43,634)</u>	<u>-</u>	<u>(33,260)</u>	<u>(76,894)</u>
<b>TOTAL FUND BALANCES</b>	<b><u>5,154,529</u></b>	<b><u>1,409,175</u></b>	<b><u>575,763</u></b>	<b><u>7,139,467</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 5,695,040</u></b>	<b><u>\$ 2,140,092</u></b>	<b><u>\$ 593,796</u></b>	<b><u>\$ 8,428,928</u></b>

(continued)

<u>Capital Project Funds</u>				Total Nonmajor Governmental Funds
<u>Town</u>	<u>School</u>	<u>Subtotal</u>	<u>Permanent Fund</u>	
\$ 3,847,234	\$ 1,083,722	\$ 4,930,956	\$ 38,223	\$ 12,968,925
-	-	-	3,580,939	3,580,939
-	-	-	-	16,500
-	-	-	-	412,682
<u>\$ 3,847,234</u>	<u>\$ 1,083,722</u>	<u>\$ 4,930,956</u>	<u>\$ 3,619,162</u>	<u>\$ 16,979,046</u>
\$ 83,113	\$ 12,033	\$ 95,146	\$ 1,608	\$ 218,862
-	-	-	-	39,634
-	-	-	-	698,537
<u>83,113</u>	<u>12,033</u>	<u>95,146</u>	<u>1,608</u>	<u>957,033</u>
-	-	-	-	429,182
-	-	-	1,269,728	1,269,728
2,694,633	840,200	3,534,833	2,347,826	13,099,020
1,243,432	231,489	1,474,921	-	1,474,921
(173,944)	-	(173,944)	-	(250,838)
<u>3,764,121</u>	<u>1,071,689</u>	<u>4,835,810</u>	<u>3,617,554</u>	<u>15,592,831</u>
<u>\$ 3,847,234</u>	<u>\$ 1,083,722</u>	<u>\$ 4,930,956</u>	<u>\$ 3,619,162</u>	<u>\$ 16,979,046</u>

TOWN OF WAYLAND, MASSACHUSETTS

Combining Statement of Revenues, Expenditures  
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2017

Special Revenue Funds

	<u>Town Revolving</u>	<u>School Revolving</u>	<u>School Grants</u>	<u>Subtotal</u>
<b>Revenues:</b>				
Intergovernmental	\$ 320,353	\$ 214,345	\$ 2,380,482	\$ 2,915,180
Charges for services	2,835,701	4,822,143	-	7,657,844
Investment income	179	-	-	179
Contributions	81,901	23,171	-	105,072
Total Revenues	<u>3,238,134</u>	<u>5,059,659</u>	<u>2,380,482</u>	<u>10,678,275</u>
<b>Expenditures:</b>				
Current:				
General government	279,193	-	-	279,193
Public safety	451,126	-	-	451,126
Education	-	4,761,288	2,273,433	7,034,721
Public works	657,610	-	-	657,610
Health and human services	108,428	-	-	108,428
Culture and recreation	736,722	-	-	736,722
Debt service:				
Principal	16,259	-	-	16,259
Capital outlay	-	-	-	-
Total Expenditures	<u>2,249,338</u>	<u>4,761,288</u>	<u>2,273,433</u>	<u>9,284,059</u>
Excess (deficiency) of revenues over (under) expenditures	988,796	298,371	107,049	1,394,216
<b>Other Financing Sources (Uses):</b>				
Issuance of bonds	-	-	-	-
Transfers in	527,009	-	-	527,009
Transfers out	(1,704,043)	(818,126)	-	(2,522,169)
Total Other Financing Sources (Uses)	<u>(1,177,034)</u>	<u>(818,126)</u>	<u>-</u>	<u>(1,995,160)</u>
Net change in fund balances	(188,238)	(519,755)	107,049	(600,944)
Fund Balances, beginning of year	<u>5,342,767</u>	<u>1,928,930</u>	<u>468,714</u>	<u>7,740,411</u>
Fund Balances, end of year	<u>\$ 5,154,529</u>	<u>\$ 1,409,175</u>	<u>\$ 575,763</u>	<u>\$ 7,139,467</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>	
\$ 557,787	\$ 466,421	\$ 1,024,208	\$ -	\$ 3,939,388
-	-	-	31,449	7,689,293
-	-	-	327,786	327,965
-	-	-	10,665	115,737
<u>557,787</u>	<u>466,421</u>	<u>1,024,208</u>	<u>369,900</u>	<u>12,072,383</u>
-	-	-	80,980	360,173
-	-	-	-	451,126
-	-	-	-	7,034,721
-	-	-	-	657,610
-	-	-	-	108,428
-	-	-	-	736,722
-	-	-	-	16,259
<u>3,788,148</u>	<u>1,567,869</u>	<u>5,356,017</u>	<u>-</u>	<u>5,356,017</u>
<u>3,788,148</u>	<u>1,567,869</u>	<u>5,356,017</u>	<u>80,980</u>	<u>14,721,056</u>
(3,230,361)	(1,101,448)	(4,331,809)	288,920	(2,648,673)
3,115,000	185,000	3,300,000	-	3,300,000
1,086,302	375,000	1,461,302	-	1,988,311
<u>(42,979)</u>	<u>(1,233)</u>	<u>(44,212)</u>	<u>-</u>	<u>(2,566,381)</u>
<u>4,158,323</u>	<u>558,767</u>	<u>4,717,090</u>	<u>-</u>	<u>2,721,930</u>
927,962	(542,681)	385,281	288,920	73,257
<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>\$ 3,764,121</u>	<u>\$ 1,071,689</u>	<u>\$ 4,835,810</u>	<u>\$ 3,617,554</u>	<u>\$ 15,592,831</u>

## FIDUCIARY FUNDS

### 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

Combining Statement of Changes in Assets and Liabilities

Agency Fund

For the Year Ended June 30, 2017

	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2017</u>
<u>Student Activity Funds:</u>				
Assets - cash and short-term investments	\$ <u>331,367</u>	\$ <u>501,581</u>	\$ <u>(469,376)</u>	\$ <u>363,572</u>
Liabilities - other liabilities	\$ <u>331,367</u>	\$ <u>501,581</u>	\$ <u>(469,376)</u>	\$ <u>363,572</u>

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**STATISTICAL  
SECTION**

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# TOWN OF WAYLAND, MASSACHUSETTS

## STATISTICAL SECTION

The Town of Wayland’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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 Town provides and the activities it performs.	121 - 123

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

	2008	2009	2010	2011	2012	2013	2014	2015 *	2016	2017
<b>Government Activity</b>										
Net Investment in Capital Assets	\$ 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	\$ 81,887,903
Restricted	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	14,073,519
Unrestricted	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)	(30,969,054)
Total governmental activities net position	\$ 62,742,978	\$ 68,687,196	\$ 75,796,958	\$ 91,773,000	\$ 106,852,000	\$ 106,213,000	\$ 106,366,000	\$ 62,588,521	\$ 63,056,742	\$ 64,992,368
<b>Business type activities</b>										
Net Investment in Capital Assets	\$ 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	\$ 8,897,952
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	6,734,632
Total business-type activities net position	\$ 4,497,087	\$ 5,312,532	\$ 5,899,644	\$ 8,906,000	\$ 10,385,000	\$ 10,538,000	\$ 11,287,000	\$ 13,915,200	\$ 14,634,319	\$ 15,632,584
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 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	\$ 90,785,855
Restricted	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	14,073,519
Unrestricted	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)	(24,234,422)
Total primary government net position	\$ 67,240,065	\$ 73,999,728	\$ 81,696,602	\$ 100,679,000	\$ 117,237,000	\$ 116,751,000	\$ 117,653,000	\$ 77,166,393	\$ 77,691,061	\$ 80,624,952

\* 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										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 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	\$ 5,841,164
Public safety	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	7,460,289
Education	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	55,900,259
Public works	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	3,968,596
Health and Human services	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	1,730,441
Cultural and recreation	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	2,970,266
Intergovernmental	161,873	171,517	191,682	186,244	191,501	185,367	131,848	109,179	203,615	147,287
Employee Benefits	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	12,690,387
Interest	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	2,489,416
<b>Total governmental activities expenses</b>	<b>64,522,920</b>	<b>65,330,771</b>	<b>66,358,280</b>	<b>75,326,112</b>	<b>78,606,362</b>	<b>79,767,800</b>	<b>82,971,757</b>	<b>81,557,287</b>	<b>86,742,643</b>	<b>93,198,105</b>
<b>Business type activities</b>										
Water operations	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	3,079,589
Wastewater operations	190,132	226,658	269,074	257,876	498,707	510,222	652,493	612,552	572,602	584,118
<b>Total business-type activities expenses</b>	<b>1,949,352</b>	<b>2,580,784</b>	<b>2,855,436</b>	<b>3,312,043</b>	<b>3,469,357</b>	<b>3,677,273</b>	<b>3,332,014</b>	<b>3,938,779</b>	<b>3,748,818</b>	<b>3,663,707</b>
<b>Total primary government expenses</b>	<b>\$ 66,472,272</b>	<b>\$ 67,911,555</b>	<b>\$ 69,213,716</b>	<b>\$ 78,638,155</b>	<b>\$ 82,075,719</b>	<b>\$ 83,445,073</b>	<b>\$ 86,303,771</b>	<b>\$ 85,496,066</b>	<b>\$ 90,491,461</b>	<b>\$ 96,861,812</b>
<b>Program revenues</b>										
<b>Governmental activities</b>										
General government	\$ 361,739	\$ 243,615	\$ 225,148	\$ 613,085	\$ 1,229,604	\$ 789,359	\$ 842,337	\$ 655,766	\$ 618,342	\$ 739,331
Public safety	489,354	612,551	498,375	1,324,244	1,612,365	1,816,507	1,320,015	1,970,449	1,862,117	1,841,293
Education	11,112	131,897	59,295	4,181,028	4,354,230	4,758,868	4,553,210	4,922,063	4,879,436	4,822,143
Public works	552,932	506,314	492,338	21,414	536,424	484,407	433,662	428,409	421,579	399,116
Health and Human services	91,481	96,302	119,984	681,924	231,989	159,445	193,217	212,744	246,132	237,713
Cultural and recreation	110,246	119,007	105,970	906,393	849,872	834,332	1,022,109	728,996	935,041	845,061
Operating grants and contributions	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	15,434,277
Capital grants and contributions	-	540,849	1,269,057	-	-	-	500,000	1,061,749	1,198,161	639,688
<b>Total government activities program revenues</b>	<b>12,305,489</b>	<b>12,233,367</b>	<b>13,492,459</b>	<b>17,679,877</b>	<b>18,622,964</b>	<b>18,470,623</b>	<b>18,901,265</b>	<b>20,138,216</b>	<b>23,192,530</b>	<b>24,958,622</b>
<b>Business type activities</b>										
<b>Charges for services</b>										
Water operations	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	4,073,904
Wastewater operations	414,326	330,358	236,997	212,140	324,512	359,829	621,988	4,346,580	674,376	466,302
<b>Total business-type activities revenues</b>	<b>3,350,928</b>	<b>3,496,231</b>	<b>4,329,609</b>	<b>4,259,989</b>	<b>4,420,869</b>	<b>3,810,788</b>	<b>4,469,225</b>	<b>8,084,533</b>	<b>4,205,008</b>	<b>4,540,206</b>
<b>Total primary government revenues</b>	<b>\$ 15,656,417</b>	<b>\$ 15,729,598</b>	<b>\$ 17,822,068</b>	<b>\$ 21,939,866</b>	<b>\$ 23,043,833</b>	<b>\$ 22,281,411</b>	<b>\$ 23,370,490</b>	<b>\$ 28,222,749</b>	<b>\$ 27,397,538</b>	<b>\$ 29,498,828</b>
<b>Net ( Expense ) / Revenue</b>										
<b>Governmental activities</b>	<b>\$ (52,217,431)</b>	<b>\$ (53,097,404)</b>	<b>\$ (52,865,821)</b>	<b>\$ (57,646,235)</b>	<b>\$ (59,983,398)</b>	<b>\$ (61,297,177)</b>	<b>\$ (64,070,492)</b>	<b>\$ (61,419,071)</b>	<b>\$ (63,550,113)</b>	<b>\$ (68,239,483)</b>
<b>Business-type activities</b>	<b>1,401,576</b>	<b>915,447</b>	<b>1,474,173</b>	<b>947,946</b>	<b>951,512</b>	<b>133,515</b>	<b>1,137,211</b>	<b>4,145,754</b>	<b>456,190</b>	<b>876,499</b>
<b>Total primary government net ( expense )</b>	<b>\$ (50,815,855)</b>	<b>\$ (52,181,957)</b>	<b>\$ (51,391,648)</b>	<b>\$ (56,698,289)</b>	<b>\$ (59,031,886)</b>	<b>\$ (61,163,662)</b>	<b>\$ (62,933,281)</b>	<b>\$ (57,273,317)</b>	<b>\$ (63,093,923)</b>	<b>\$ (67,362,984)</b>

Data source: Audited financial statements

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

continued:

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and other Changes in Net Position										
Governmental activities;										
Real estate and personal property-net of refunds payable	\$ 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	\$ 64,548,329
Excise Tax	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	2,636,399
Grants, Contributions- not restricted to specific programs	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	1,780,162
Investment income	1,082,438	495,024	399,852	830,822	362,492	412,826	539,875	302,160	428,446	603,720
Other	218,005	366,024	273,678	76,518	141,249	96,511	176,699	176,700	199,814	606,499
Transfers	80,000	(127,166)	-	-	(510,000)	-	402,653	(325,671)	(175,000)	-
Total government activities	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	70,175,109
Business-type activities										
Grants, Contributions- not restricted to specific programs	-	-	-	-	-	-	-	-	7,516	41,492
Investment income	-	-	-	25,390	16,887	4,992	5,457	10,395	11,413	11,168
Miscellaneous	-	-	-	-	-	15,103	8,805	9,732	69,000	69,106
Transfers	(80,000)	(100,000)	-	-	510,000	-	(402,653)	325,671	175,000	-
Total business type activities	(80,000)	(100,000)	-	25,390	526,887	20,095	(388,391)	345,798	262,929	121,766
Total primary government	\$ 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	\$ 70,296,875
Changes in Net Position										
Governmental activities	\$ 4,014,568	\$ 5,916,092	\$ 8,194,646	\$ 15,199,527	\$ 15,079,965	\$ (636,095)	\$ 193,400	\$ 2,771,493	\$ 468,221	\$ 1,935,626
Business type activities	1,321,576	815,447	1,474,173	973,336	1,478,399	153,610	748,820	4,491,552	719,119	998,265
Total primary government changes in net position	\$ 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	\$ 2,933,891

Data source: Audited financial statements



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

	2008	2009	2010	2011	(1) 2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 2,056,749	\$ 3,918,963	\$ 3,782,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	1,341,434
Committed	-	-	-	2,375,309	2,111,293	1,767,731	1,696,808	77,495	1,224,521	457,113
Assigned	-	-	-	4,976,110	8,923,173	5,751,198	4,080,165	4,983,687	3,523,701	3,433,163
Unassigned	-	-	-	14,092,210	7,997,901	7,878,161	7,249,678	9,925,141	7,904,567	10,889,879
<b>Total general fund</b>	<b>\$ 8,616,067</b>	<b>\$ 11,025,564</b>	<b>\$ 14,331,315</b>	<b>\$ 22,949,006</b>	<b>\$ 20,412,562</b>	<b>\$ 16,657,901</b>	<b>\$ 14,225,104</b>	<b>\$ 16,077,789</b>	<b>\$ 13,644,810</b>	<b>\$ 16,121,589</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	10,490,144	11,598,910	12,873,187	-	-	-	-	-	-	-
Capital projects funds	8,546,609	3,251,999	12,263,295	-	-	-	-	-	-	-
Other Funds	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	1,269,728
Restricted	-	-	-	32,499,949	20,148,285	20,371,116	27,323,950	19,285,848	21,270,746	15,890,614
Committed	-	-	-	-	-	-	-	894,747	962,953	1,474,921
Unassigned	-	-	-	-	-	(1,535,016)	(52,336)	(239,025)	(109,805)	(250,838)
<b>Total all other governmental funds:</b>	<b>\$ 23,141,439</b>	<b>\$ 20,496,690</b>	<b>\$ 33,239,065</b>	<b>\$ 33,395,559</b>	<b>\$ 21,292,557</b>	<b>\$ 19,988,022</b>	<b>\$ 28,447,136</b>	<b>\$ 21,190,499</b>	<b>\$ 23,376,458</b>	<b>\$ 18,384,425</b>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues:</b>										
Real Estate and personal property taxes net of tax refunds.	\$ 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	\$ 65,131,478
Motor Vehicle and other excise taxes	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	2,527,301
License and permits	548,530	507,450	561,360	782,626	769,814	1,006,114	687,589	999,262	945,108	793,794
Intergovernmental	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	17,738,390
Charges for services	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	8,052,267
Investment income	1,034,485	734,871	677,423	830,822	362,492	412,826	539,874	302,160	428,450	603,718
Fines and forfeitures	-	77,232	58,928	62,604	80,303	72,662	78,748	53,005	55,078	37,524
Contributions	-	-	-	2,473	75,215	8,516	500,650	1,074,534	1,537,961	115,737
Miscellaneous	835,404	-	38,304	-	-	-	-	-	-	321,214
<b>Total Revenues</b>	<b>68,332,396</b>	<b>71,667,976</b>	<b>74,962,641</b>	<b>91,391,279</b>	<b>93,536,093</b>	<b>79,052,465</b>	<b>82,308,882</b>	<b>80,898,886</b>	<b>80,883,252</b>	<b>95,321,423</b>
<b>Expenditures:</b>										
General Government	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	5,306,080
Public Safety	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	6,543,082
Education	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	52,452,803
Public Works	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	2,699,337
Health and Human Services	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	1,539,481
Cultural and Recreation	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	2,648,730
Employee Benefits	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	12,312,420
Intergovernmental	161,873	171,517	191,682	186,244	191,501	185,367	131,848	109,179	203,615	147,287
Debt Service										
Principle	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	5,107,659
Interest	969,966	835,432	862,614	1,099,081	2,400,720	2,344,275	2,221,013	2,554,411	2,516,073	2,479,910
Capital outlay	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	17,356,017
<b>Total Expenditures</b>	<b>67,374,282</b>	<b>75,218,910</b>	<b>71,157,020</b>	<b>116,258,922</b>	<b>109,742,742</b>	<b>86,845,320</b>	<b>90,152,283</b>	<b>92,356,377</b>	<b>83,530,646</b>	<b>108,592,806</b>
Excess of revenues over / (under ) expenditures	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)	(13,271,383)
<b>Other Financing Sources ( use )</b>										
Issuance of bonds and notes	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	10,300,000
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	546,129
Payments to refund bond escrow	-	-	-	-	-	(1,360,000)	-	-	(3,685,773)	-
Transfer in	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	3,020,270
Transfer out	(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)	(3,020,270)
<b>Total other financing sources ( uses )</b>	<b>8,605,000</b>	<b>3,582,834</b>	<b>12,180,000</b>	<b>37,851,132</b>	<b>1,567,203</b>	<b>2,733,659</b>	<b>13,869,718</b>	<b>6,053,539</b>	<b>2,400,374</b>	<b>10,846,129</b>
<b>Fund balance restatement</b>										
Net change in fund balance	\$ 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)	\$ (2,425,254)

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
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
2017	\$ 3,282,868,662	\$ 18.14	\$ 125,833,138	\$ 4,275,000	\$ 44,162,100	\$ 174,270,238	\$ 18.14	\$ 3,457,138,900

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	2017			2008		
		Assessed Valuation	Rank	% of Total Taxable Assessed Value	Assessed Valuation	Rank	% of Total Taxable Assessed Value
BOS Retail 1 , LLC	Developer	\$ 26,789,100	1	0.77%	\$ 22,483,700	1	0.67%
NSTAR Electric	Energy	15,924,500	2	0.46%	9,141,000	3	0.27%
Covered Bridge Inc.	Development	10,543,600	3	0.30%	-	-	-
Brendon Properties	Development	8,976,100	5	0.26%	-	-	-
Bell Michael A Sperling Jennifer	Residential	8,482,700	4	0.25%	-	-	-
Atria Living Group, Inc.	Assisted Living	8,452,400	6	0.24%	-	-	-
Northbridge Wayland Assisted	Assisted Living/Nursing Home	8,289,000	7	0.24%	-	-	-
Boston Gas Company	Energy	7,766,600	8	0.22%	-	-	-
Burkin J Michael Trustee	Residential	6,985,600	9	0.20%	-	-	-
Boston Retail 1 LLC	Developer	6,739,000	10	0.19%	-	-	-
Totals		<u>\$ 108,948,600</u>		<u>3.15%</u>	<u>\$ 31,624,700</u>		<u>0.94%</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
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%	\$505,924	0.87%
2017	\$62,712,499	\$167,138	\$62,545,361	\$62,089,730	99.27%	\$657,703	\$62,747,433	100.32%	\$531,003	0.85%

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
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	\$ 64,233,786	\$ 151,679	3.1855%	1.9080%
2017	13,684	\$ 2,036,589,470	\$ 3,457,138,900	\$ 69,743,413	\$ 148,830	3.4245%	2.0174%
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					
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	-	\$ 79,683,726	\$ 148,502	3.99%	2.46%
2016	\$ 8,563,400	\$ 4,767,325	-	\$ 77,564,511	\$ 151,679	3.85%	2.30%
2017	\$ 10,402,400	\$ 4,458,182	-	\$ 84,603,995	\$ 148,830	4.15%	2.45%

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, 2017

	Debt Outstanding	Authorized Unissued June 30, 2017	Fiscal 2017 Assessment
Debt repaid with property taxes:			
Minuteman Regional School	\$ -	\$ 145,211	\$ 93,215
MBTA	-	-	56,443
Metrowest Regional TA		-	<u>32,232</u>
Subtotal, Overlapping Debt			181,890
Town of Wayland Direct Debt			<u>69,743,413</u>
Total Direct Debt and Overlapping Debt			<u>\$ 69,925,303</u>

Data Source: March 2017 Official Statement

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Equilized Valuation	\$ 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	\$ 3,457,138,900
Debt Limit - 5% of equilized valuation	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	172,856,945
Less:										
Total debt applicable to limitation	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	19,076,904
Legal debt margin	<u>\$ 154,495,985</u>	<u>\$ 155,060,984</u>	<u>\$ 126,729,374</u>	<u>\$ 128,596,355</u>	<u>\$ 129,464,867</u>	<u>\$ 128,901,555</u>	<u>\$ 132,029,614</u>	<u>\$ 143,646,350</u>	<u>\$ 149,247,431</u>	<u>\$ 153,780,041</u>
Total debt applicable to the limit as a percentage of debt limit	11.34%	11.02%	12.62%	11.33%	11.33%	11.33%	11.33%	11.33%	11.33%	11.04%

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		
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%
2017	13,684	\$ 148,830	47	2659	3.30%

Data Source: Official Statements

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

Employer	Type of Business	2017			2008		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Candela Corp	Laser Treatment	200	1	2.85%	-	-	-
Whole Foods Supermarket	Supermarket	200	2	2.85%	-	-	-
Prime Bar	Restaurant	200	3	2.85%	-	-	-
Russells Garden Center	Garden/Flowers/Gifts	200	4	2.85%	120	5	1.83%
Villa Restaurant	Restaurant	75	5	1.07%	62	6	0.94%
Wayland Country Club	Recreation	75	6	1.07%	-	-	-
Parmenter VNA	Hospice/Nursing	75	7	1.07%	132	4	2.01%
Stop and Shop	Supermarket	75	8	1.07%	-	-	-
Bertucci's	Restaurant	75	9	1.07%	-	-	-
Panera Bread	Restaurant	75	10	1.07%	-	-	-
The Local	Restaurant	75	11	1.07%	-	-	-
		1325			314		

Data Source: Official Statements  
OS - 2017 and 2007

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

Function	<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>	<u>2017</u>
General Government	31.00	32.00	37.00	40.00	42.85	42.28	42.30	38.65	39.71	38.60
Public Safety										
Police	31.00	31.00	31.00	31.00	32.33	32.33	33.33	33.59	33.59	33.59
Fire	25.54	25.54	25.54	28.21	28.87	28.87	28.87	28.87	29.87	26.54
Education	369.27	360.00	355.42	337.90	367.26	374.44	374.64	391.86	393.50	405.50
Public Works										
Highway	15.70	15.70	15.70	15.70	27.57	28.37	28.37	29.41	29.41	31.24
Parks	12.00	12.00	12.00	12.00	-	-	-	-	-	-
Transfer Station	2.30	2.30	2.30	2.30	-	-	-	-	-	-
Total	30.00	30.00	30.00	30.00	27.57	28.37	28.37	29.41	29.41	31.24
Planning and Human Services										
Planning	1.50	1.50	1.50	1.50	1.40	1.40	1.40	1.40	1.40	1.40
Board of Health	8.80	8.80	8.80	8.80	9.15	9.15	9.15	9.29	9.29	9.29
Recreation	1.90	1.90	1.90	1.90	2.33	2.33	1.83	2.11	2.54	3.54
Council on Aging	2.80	2.80	2.80	2.80	2.83	2.83	2.83	-	-	3.34
Total	15.00	15.00	15.00	15.00	15.71	15.71	15.21	12.80	13.23	17.57
Library	14.74	14.74	14.74	14.74	14.74	14.74	14.74	13.74	13.74	13.69
<b>TOTALS:</b>	516.55	508.28	508.70	496.85	529.33	536.74	537.46	548.92	553.05	566.73

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Finance</b>										
Registered voters	10,029	10,058	10,086	9,974	9,861	9,861	9,870	9,965	9,971	9,971
Taxable property parcels assessed	5,018	5,019	5,041	5,054	5,098	5,093	5,128	5,131	5,172	5,183
Motor vehicle registered	14,504	14,633	14,604	14,359	13,823	14,091	13,957	13,957	14,285	14,309
<b>Police</b>										
Physical arrests	108	90	66	97	118	108	116	83	85	71
Traffic violations	2,476	2,312	2,000	3,593	3,251	3,179	2,984	2,917	2,691	2,041
<b>Fire</b>										
Calls answered	3,009	3,105	3,549	3,518	3,660	3,784	4,006	3,280	4,258	3,908
Emergency response	1,946	2,032	2,225	2,150	1,506	1,151	2,301	1,913	2,361	2,611
Fires extinguished	40	35	37	40	36	37	36	23	37	35
Number of inspections conducted	704	579	921	989	703	796	702	639	841	742
Emergency medical responses	958	1,050	1,227	1,304	1,242	1,212	1,153	884	1,019	1,289
<b>Building</b>										
Building permits issued	579	483	626	696	765	844	808	808	1,061	939
Estimated construction value	\$ 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	\$ 31,297,805
<b>Public works</b>										
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
<b>Public Library</b>										
Volumes of collections	96,612	95,584	89,386	91,469	99,871	97,490	106,967	106,967	136,567	134,777
Total volumes borrowed	238,573	259,905	194,902	197,670	207,157	213,678	222,184	222,184	226,731	228,677
Total circulation	274,119	300,382	229,752	232,666	246,429	246,429	252,405	252,405	264,848	264,532
Registered borrowers	7,893	7,872	7,410	7,120	6,972	6,972	6,880	6,880	6,837	6,753
<b>Water</b>										
Water main breaks	19	22	16	14	28	6	31	31	11	8
Daily average consumption - MGD	1.49	1.45	1.41	1.32	1.21	1.47	1.35	1.35	1.45	1.43
Peak daily consumption - MGD	1.98	1.86	1.97	1.91	1.75	1.87	1.74	1.74	2.00	1.98

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Police</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
<b>Fire and Rescue</b>										
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	3	3	3	3	3	3	3
Number of support vehicles	5	5	5	5	5	5	5	5	5	5
<b>Public Works</b>										
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
<b>Recreation</b>										
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
<b>Water system</b>										
Miles of water mains	101	101	101	101	101	102	102	102	102	102
Number of service connections	4993	4993	4993	4993	4993	4993	4993	4993	4993	5028
Storage capacity in gallons (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2	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	490	490	491	491	491	497
<b>Sewer Systems</b>										
Miles of sanitary sewers	0.9	0.9	0.9	0.9	0.95	0.95	0.95	0.95	0.95	0.95
Number of treatment plants	40	40	40	40	70	90	100	120	120	120
Number of service connections	40	40	40	40	70	90	100	120	120	120