

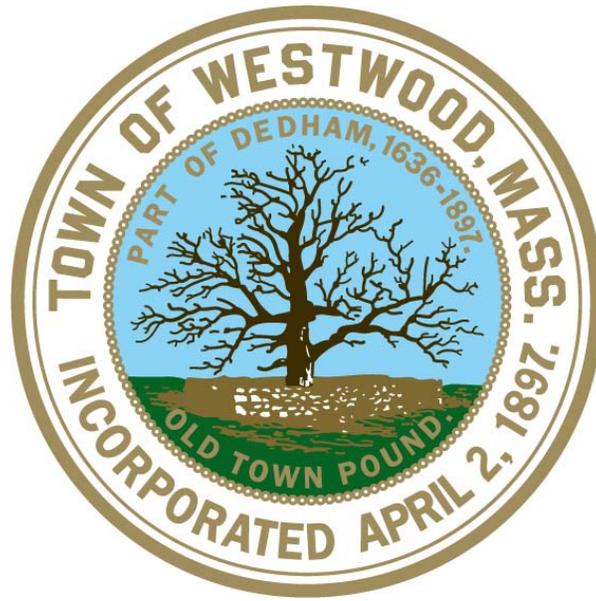
Comprehensive Annual Financial Report

Year Ended June 30, 2016



The Town of
Westwood, Massachusetts

The Town of Westwood, Massachusetts



Comprehensive Annual Financial Report

**For the Year
July 1, 2015 through June 30, 2016**

Board of Selectmen

Michael F. Walsh, Chairman

Nancy C. Hyde

Patrick J. Ahearn

Prepared by:

Pamela Dukeman, Finance Director

Town of Westwood, Massachusetts
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

Table of Contents

INTRODUCTORY SECTION	i
Letter of Transmittal	i
A Few Words about Westwood.....	vi
Principal Officials.....	ix
Salaries of Principal Officials.....	x
Organizational Chart	xi
Certificate of Achievement for Excellence in Financial Reporting	xii
FINANCIAL SECTION	1
Independent Auditors' Report	1
Management's Discussion and Analysis.....	3
Basic Financial Statements.....	16
Government-Wide Financial Statements.....	17
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements.....	20
Governmental Funds – Balance Sheet	20
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position	21
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Proprietary Funds – Statement of Net Position	24
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position.....	25
Proprietary Funds – Statement of Cash Flows	26
Fiduciary Funds – Statement of Fiduciary Net Position.....	27
Fiduciary Funds – Statement of Changes in Fiduciary Net Position	28
Notes to Basic Financial Statements.....	29
Required Supplementary Information	62
General Fund Budgetary Comparison Schedule	63

General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	64
Retirement System Schedules.....	69
Schedule of the Town's Proportionate Share of the Net Pension Liability.....	70
Schedule of Contributions	71
Schedule of Special Funding Amounts of the Pension Liability	72
Other Postemployment Benefits Plan Schedules	73
Other Postemployment Benefits Plan Schedule of Funding Progress and Employer Contributions ...	74
Other Postemployment Benefits Plan Actuarial Methods and Assumptions.....	75
Notes to Required Supplementary Information.....	76
Other Supplementary Information.....	79
Combining and Individual Fund Statements and Schedules.....	80
Nonmajor Governmental Funds.....	81
Nonmajor Governmental Funds - Combining Balance Sheet	84
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	86
Agency Fund.....	88
Agency Fund – Statement of Changes in Assets and Liabilities.....	89
STATISTICAL SECTION	91
Net Position by Component – Last Ten Years.....	92
Changes in Net Position – Last Ten Years	93
Fund Balances – Governmental Funds – Last Ten Years.....	94
Changes in Fund Balances – Governmental Funds – Last Ten Years	95
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates – Last Ten Years	96
Principal Taxpayers – Current Year and Nine Years Ago	97
Property Tax Levies and Collections – Last Ten Years.....	98
Ratios of Outstanding Debt and General Bonded Debt – Last Ten Years	99
Direct and Overlapping Governmental Activities Debt – As of June 30, 2016	100
Computation of Legal Debt Margin – Last Ten Years.....	101
Demographic and Economic Statistics – Last Ten Years.....	102
Principal Employers – Current Year and Nine Years Ago	103
Full-Time Equivalent Town Employees by Function – Last Ten Years	104
Operating Indicators by Function/Program – Last Ten Years.....	105
Capital Asset Statistics by Function/Program – Last Ten Years	106
How Does Westwood Compare With Other Communities?	107
Some Facts About Westwood.....	108
Fiscal Year Median Home Sale Price	109

Introductory Section

Transmittal Letter

A Few Words About Westwood

Directory of Officials

Organization Chart

Certificate of Achievement



*Finance Director Pamela Dukeman and Finance Team Receiving
CAFR Award from Board of Selectmen.*

Pictured from left to right, Town Administrator Michael Jaillet, Selectman Patrick Ahearn, Town Accountant Marie O'Leary, Finance Director Pam Dukeman, Selectman Chairman Michael Walsh, Selectman Nancy Hyde, Assistant Treasurer Kathryn Foley, Budget Analyst Sheila Nee



Town of Westwood Commonwealth of Massachusetts

Office of the Finance Director

580 High Street, Westwood, MA 02090

(781) 320-1010

Email:

PDukeman@Townhall.Westwood.MA.US

Letter of Transmittal

December 12, 2016

To the Honorable Board of Selectmen and Citizens of the Town of Westwood:

State law requires the Town of Westwood to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Westwood, Massachusetts, for the year ending June 30, 2016 for your review.

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and credit raters as well as residents and taxpayers of Westwood.

This report consists of management's representations concerning the finances of the Town of Westwood. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected 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 generally accepted accounting principles. The Finance Director is responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements.

Because the cost of internal controls should not outweigh their benefits, the Town of Westwood's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Town of Westwood's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Westwood for the year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Westwood's financial statements for the year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Westwood was part of a broader, federally mandated "Single Audit" designed to meet the special needs of 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 involving the administration of federal awards. These reports are available in the Town of Westwood's separately issued Single Audit Report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A where the financial analysis is presented. The Town's MD&A can be found immediately following the independent auditor's report from Powers & Sullivan, LLC.

Profile of the Town

Westwood was incorporated as a Town in 1897. With a population of approximately 15,000, Westwood is located in eastern Massachusetts, 13 miles south of Boston, with a land area of 11 square miles. Situated at the junction of Routes 95/128 and 93, Westwood provides an excellent location for its residents and its businesses. The Town offers the further convenience of two commuter rail lines, full MBTA bus service on some major routes, and Amtrak high speed rail access to Boston and New York.

Westwood is known throughout the state for its high quality school system and beautiful open space. Westwood students consistently score in the top percentiles on national tests, and the overwhelming majority of students graduating from the High School go on to higher education. Westwood High School was named a 2012 National Blue Ribbon School with a designation of Extremely High Performance by the U. S. Department of Education.

Westwood is recognized throughout the state for its attractive open space and rambling New England stone walls.

The Town offers a full range of services including police and fire protection, education, maintenance of streets and infrastructure, solid waste collection and disposal, health and human services, cultural and recreational, administrative and financial services.

The Town operates under a Board of Selectmen/Open Town Meeting/Town Administrator form of government. The elected, three-member Board of Selectmen makes policy decisions. The Town Administrator is responsible for carrying out the policies and direction of the Board of Selectmen and for managing the day-to-day operations of the Town.

An elected, five-member School Committee appoints a School Superintendent who administers the public school system of the Town. School Committee members, like the Board of Selectmen, are elected at-large to three-year staggered terms.

The Finance Director is responsible for preparing and presenting the General Fund budget to the Board of Selectmen. The Selectmen review all requests and Town wide issues and present a budget to Town Meeting for approval. A fifteen member Finance and Warrant Commission reviews the budget and makes recommendations to Town Meeting.

The level of budgetary control is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department salary and expense level. The Town Accountant is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. The Finance and Warrant Commission, upon request by the Board of Selectmen, may approve during

the year a transfer from a reserve fund established at Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

Information Useful in Assessing the Town's Economic Condition

The Town of Westwood continues to reflect a strengthening local economy. The per capita income of \$101,520 continues to rise and outpace the state average. Westwood also has an extremely low comparable unemployment rate of 2.9% (May, 2016) compared with the state rate of 3.8% (May, 2016).

Westwood is a very desirable community and this is reflected in the strong residential sales market, which has risen above the pre-fiscal crisis levels. The Town offers a unique mix of proximity to Boston and major highways and transportation, while maintaining a desirable residential community. The Town offers a broad range of high quality services, outstanding public education and an attractive quality of life.

Westwood has experienced a major, positive change in commercial property value. In order to improve commercial development, the Town took steps over the last several years to enhance the desirability of its major commercial areas, including creating specific overlay districts for each commercial area encouraging flexible redevelopment. The University Park commercial area is situated in a far corner of the Town's geographical area, bordering major highways and a commuter rail system with connections to Boston as well as Amtrak and Acela speed rail service to Providence, Rhode Island, New York City and Washington DC.

University Station, the Town's high profile commercial development project, significantly advanced in 2016. The project includes over two million square feet of new mixed use development including residential, commercial, hotel, office, and retail components. The developer demolished all the existing structures and completed the installation of all utilities and layouts of new road systems and intersection improvements. All local and state approvals were given for the first phase of the project which began construction in 2014 and construction has been completed. All of the stores and many restaurants opened in 2015 and 2016 and construction of a hotel and additional restaurant have or are about to begin. Advancement of this project has significantly enhanced the Town's tax base.

The Town expects that the resulting economic benefits in creating employment opportunities for the Commonwealth and the region and significant new growth revenue will outweigh the additional service costs. For example, the developer has since obtained an \$85 million commitment from the Commonwealth to complete these infrastructure improvements. The overall goal is to achieve a redevelopment project that mitigates any transportation and environmental concerns, provides for an enhanced and stable commercial tax base, creates new employment opportunities and maintains and enhances the quality of the community.

The overlay district zoning for University Park encourages residential units strategically located within walking distance of the train station. The Route 128/University Park train station, which includes a 2,700 vehicle parking center, provides MBTA commuter service to the Back Bay and South Station in Downtown Boston as well as to Providence, Rhode Island. The station also serves as the suburban stop for the Acela high speed rail train between Boston, New York and Washington, D.C. With current and forecasted trends in the price of gasoline, these units with access to commuter service, employment opportunities and shopping and leisure activities, are expected to be extremely desirable.

The Everett/Providence Highway commercial area has recently been redeveloped with three new car dealerships (Jaguar, Acura, and Audi) being approved and under construction for occupancy expected before the end of 2016.

The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden by a majority vote at a Town election. While tax revenue increases have been limited in recent years,

other revenue sources, such as State aid and local receipts have stabilized. In addition, the Town has made significant efforts with fixed costs budgets, resulting in much improved budgets in health insurance and benefit accounts. On the Town's operating side, the 2017 budgets and service level were maintained through a modest 3.5 – 4.5% increase in the operating budget. This allowed the Town to continue to provide high quality services while minimizing the impact on the property tax burden. The Town continues to work on the health insurance costs resulting in continued savings. The changes included plan restructuring and transition to the state GIC program. Savings from the changes has allowed the Town to build into the budget an annual OPEB appropriation of \$1,350,000, which will be increased incrementally by \$38,000 per year. The Town has made significant progress in addressing the OPEB liability and with continued work may soon reach full compliance with the annual requirement.

The Town continues to manage its financial affairs in a prudent manner, primarily through considerable long-term planning and strong financial policies. In 2016 the Town's AAA credit rating was reaffirmed by Standard & Poor's. It has been able to do so by incorporating long range planning tools such as a five-year Capital Improvement Program; maintaining reserve balances and addressing long term liabilities despite tight budgets; investing in technology to ensure efficient operations; and maintaining an aggressive pay as you go financing strategy for capital improvements. The Town's long-term policies will preserve its strong financial position for the foreseeable future.

In 2016, the Town continued to demonstrate its commitment to the Financial Policy of maintaining and building its reserve accounts. The Town continued its commitment to build the Stabilization account to the policy goal level, which is 4% of general fund net operating revenues. The 2017 budget appropriated \$100,000 to the Stabilization Fund and \$1,350,000 to the OPEB Liability Account. The Town plans to continue to fund the reserves more in future years.

The Town has remained dedicated to an aggressive retirement of debt policy. Whenever possible, debt is issued for shorter time periods than allowed, typically ten years, with the exception of major new buildings. The Town has aggressively pursued and received state funding for all school construction projects. The state is committed to stabilized annual payments of approximately \$1.4 million which are directly applied to the High School debt service thereby limiting the burden on the taxpayers. Other municipal ten year bonds were completed in 2015. This roll over of debt will enable the Town to issue new debt for infrastructure improvements and remain within the same debt levels. The Town monitors and schedules retirement and issuance of debt to ensure that debt service does not exceed 10% of the operating budget to ensure availability of resources for ongoing operations.

The Town has also enhanced its revenue flexibility by establishing an enterprise fund for sewer operations. This has allowed the Town to shift one hundred percent of the operating cost and capital improvements to the users of sewer services so that no tax support goes towards providing these services. All sewer related debt is related to the sewer infrastructure and is funded through sewer user fees. By doing so the Town is able to provide the maximum tax dollars available to all other services.

Major initiatives for 2017 will include continuing inspecting and facilitating the construction of additional pieces of the University Station project, ensuring that this exciting new development proceeds appropriately and impacts the community in a positive manner. Particular focus will be given to ensuring that new revenue from this project strengthens the reserve and capital accounts according to the Town's Financial Policies as well as enhancing delivery of services.

The Town is implementing plans for significant improvements to its public safety facilities. The Public Safety Task Force has studied the issues over the last several years and is now implementing new police and fire facilities. This will not only enhance current services but will allow the Town to provide additional services to meet the needs of the University Station development. The first phase of the public facility plan, to construct a new Islington fire station at the site of the current station, is currently underway. Funding approval of \$8.7 million was

voted at the May 2015 Annual Town Meeting and the project is currently underway. The second phase of the public facility pan, a new police headquarters, is currently under construction and for which funding approval of \$13.2 million was voted at May 2016 Annual Town Meeting. Both buildings are expected to be completed in calendar year 2017.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Westwood for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. Westwood has received this award annually since 1997.



In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

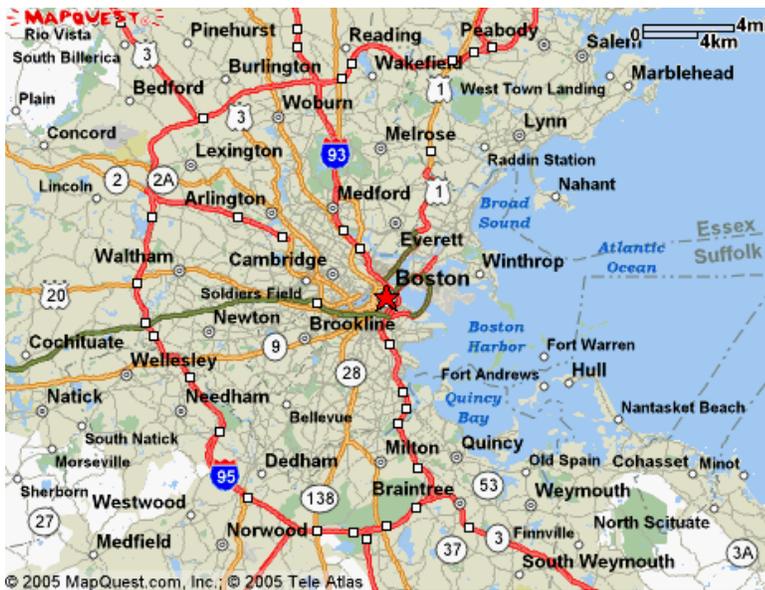
This report represents significant effort by the entire financial team of the Town, whose dedicated efforts have significantly improved the financial operations of the Town. I particularly would like to acknowledge the efforts of Sheila Nee, whose assistance was invaluable in the preparation of this Comprehensive Annual Financial Report. I would also like to thank the Town’s management team for their recognition of the importance of the CAFR and the encouragement given to the financial departments.

Respectfully submitted,

A handwritten signature in cursive script that reads "Pamela Dukeman".

Pamela Dukeman
Finance Director

A Few Words About Westwood....



Westwood was incorporated as a town in 1897 and has a current population of approximately 14,809. The town is located in eastern Massachusetts, 13 miles south of its capital city of Boston. One major attraction of Westwood is its location in relation to Boston and major roadways. The commuter rail has four convenient stops within five minutes of Town, one of which doubles as an Amtrak station. The Amtrak station provides connections originating in Boston and continuing to Providence, Rhode Island and New York City.

Westwood is recognized for the quality of its schools. Students consistently score in the top percentile on national tests, and the overwhelming majority of students graduating from the High School go on to higher education.

Westwood operates under a Board of Selectmen/Open Town Meeting/Town Administrator form of government. The elected, three-member Board of Selectmen makes policy decisions. The Town Administrator is responsible for carrying out the policies and direction of the Board of Selectmen and for managing the day-to-day operations of the Town. An elected, five-member School Committee appoints a School Superintendent who administers the Town's public school system. School Committee members, like the Board of Selectmen, are elected at-large to three-year staggered terms.

The Town maintains many recreational areas and facilities, including numerous conservation areas, playgrounds, ball fields and an indoor pool facility. The Town has two libraries, a senior center and numerous community-sponsored events for residents.

From a natural perspective, the Town works very hard to conserve land. It is the hope of preservation workers that Westwood can create its own emerald necklace with its conservation land and walking paths. Hale Reservation is one of the Town's hidden gems. With 1,100 acres of wooded area and a large pond, Hale is an active part of the community. During the summer, Hale's membership beach attracts over 500 families.



The formation of Westwood has been influenced by a number of factors. Character, community, and location are just three of its most admirable traits.

In [March 2012, Boston Magazine](#) selected Westwood as one of the best places to live in Massachusetts.



2012 National Blue Ribbon
School of Excellence

WESTWOOD HIGH SCHOOL NAMED 2012 NATIONAL BLUE RIBBON HIGH SCHOOL

Westwood High School was named a 2012 National Blue Ribbon High School by U.S. Secretary of Education Arne Duncan on Friday, September 7, 2012.

The school is one of just 38 high schools nationwide to be identified as "Exemplary High Performing," a designation reserved for schools that are among their state's highest performing schools, as measured by state assessments or nationally-normed tests. As the name suggests, earning Blue Ribbon status is the highest honor a United States school can receive from the U.S. Department of Education.

"The entire Westwood High School community is thrilled about earning Blue Ribbon status," said Sean Bevan, Principal of Westwood High School. "It's an extraordinary achievement that speaks to our students' dedication, our faculty and staff's expertise and commitment to their work, and our families' support of education. Our students, along with their teachers, are committed to preparing for future success in college and careers; this award is a powerful reminder of the importance of that hard work."

Westwood Superintendent John J. Antonucci commented that while the Blue Ribbon designation is a reflection of a high-quality school system, it is also a reflection of a high-quality community. "The residents of Westwood share our commitment to excellence and have a long tradition of supporting their public schools. We value and appreciate that support and work hard to ensure that all Westwood students receive a first-class educational experience."

Principal Sean Bevan, along with a teacher from the WHS faculty, represented the students and staff at a recognition ceremony on November 12-13 in Washington, D.C. He said, "The event will be a proud moment to celebrate a school culture and climate that strives to nurture and support the success of all of its students. I am honored to accept the award on behalf of our students and staff."

According to the Department of Education, "A total of 417 schools nationwide may be nominated [each year], with allocations determined by the numbers of K-12 students and schools in each jurisdiction." This year, 219 public and 50 private schools from all grade levels will be awarded National Blue Ribbon status. Westwood High School is one of 47 public and private high schools earning the designation: WHS and 38 others are designated as "Exemplary High Performing", while nine others are recognized as "Exemplary Improving".



The mission of Hale is to offer educational and recreational opportunities that develop self-confidence, inspire a passion for learning, and encourage an appreciation for the natural environment.

Hale Reservation is a private, non-profit educational organization that manages over 1,100 acres of woodlands, including four ponds and over twenty miles of trails in Westwood and Dover, Massachusetts. Hale is most widely recognized for its summer day camp programs which annually serve over 4,400 children from 70 communities in the Greater Boston area. Hale Reservation also offers a family program, outdoor and environmental education experiences for children and adults, and open space for casual recreational use.

The essence of Hale Reservation can be found in Robert Sever Hale’s original desires for the organization he began in 1918. The current programs and land management practices are the legacy of his desire “to provide education which will develop intelligent, capable and responsible citizens” and to use the land “so long as it is charitable and benevolent in nature.” The goal of today’s programs is to develop intelligent leaders and environmentally educated citizens. We believe that the diversity of the natural environment must be reflected back in the diversity of the people who experience our programs and opportunities for people of any race, background, religion or economic status.



Hale operates five core programs

[Hale Day Camp](#)

[Family Membership](#)

[Agency Camps](#)

[Education, Adventure](#) and [Outings](#)

[Stewardship](#) and [Public Access](#)



Town of Westwood, Massachusetts

Principal Officials

Board of Selectmen

Michael F. Walsh, Chairman
Patrick J. Ahearn
Nancy C. Hyde

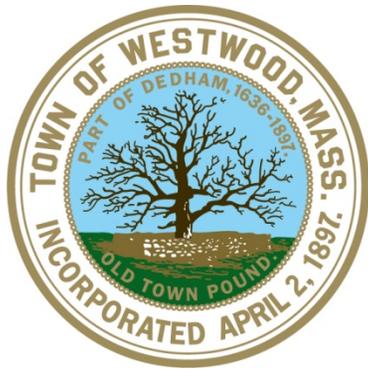
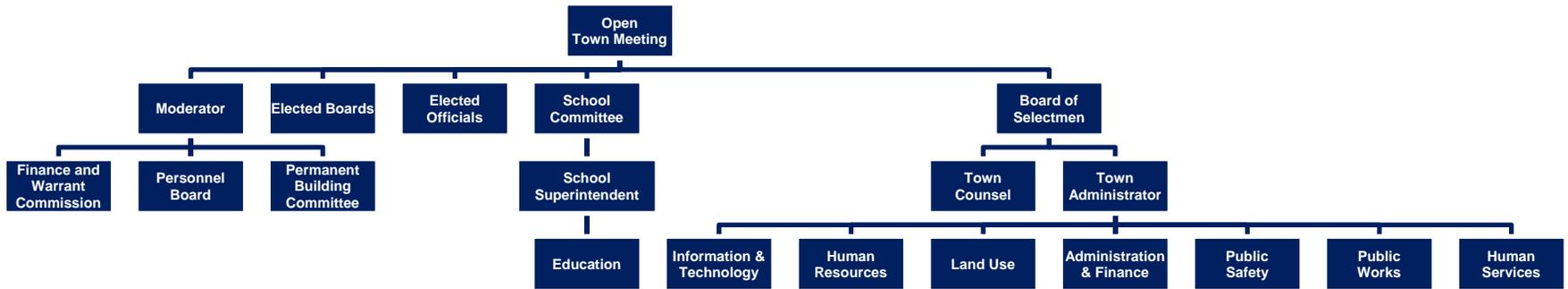
Town Administrator – Michael Jaillet
Finance Director – Pamela Dukeman
School Superintendent – John Antonucci
Town Treasurer – James Gavin
Police Chief – Jeffrey Silva
Fire Chief – William Scoble

Town of Westwood, Massachusetts

Total Budget Salaries of Principal Officials
June 30, 2016

Position	Salary
School Superintendent	\$199,216
School Director of Business and Finance	\$135,061
Town Administrator	\$181,195
Police Chief	\$159,292
Fire Chief	\$159,121
Finance Director	\$130,823
Department of Public Works Director	\$109,869
Director of Information Technology	\$105,808
Town Counsel	\$ 96,104
Health Director	\$ 93,205
Town Accountant	\$ 93,166
Building Commissioner	\$ 93,115
Library Director	\$ 91,631
Youth Director	\$ 82,179
Recreation Director	\$ 81,849
Council on Aging Director	\$ 76,967
Town Clerk (Elected)	\$ 75,404
Assistant Treasurer	\$ 73,468
Tax Collector (Elected)	\$ 4,000
Treasurer (Elected)	\$ 4,000
Board of Selectmen (Elected)	\$ 2,000
Board of Assessors (Elected)	\$ 1,800

The Town of Westwood



Elected Boards

- Board of Selectmen
- Regional Vocational School Representative
- Housing Authority
- Library Trustees
- Planning Board
- Board of Assessors
- Sewer Commissioners
- School Committee

Elected Officials

- Moderator
- Town Clerk
- Town Collector
- Town Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Westwood
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Financial Section

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

General Fund Budgetary Comparison Schedule, Retirement System Schedules, and other Postemployment Benefit Schedules

Combining and Individual Fund Financial Statements and Schedules

The Town has recently built or is in the process of constructing several new buildings.

Library



The Town's new library opened in 2013. It offers patrons an entire children's wing, a reading room just for teens, an art gallery and plenty of space for conferences and meetings.

Fire Station – Estimated Completion Spring 2017



Police Headquarters – Estimated Completion
Late 2017





100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Westwood, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westwood, Massachusetts as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westwood, Massachusetts, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westwood, Massachusetts' basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2016, on our consideration of the Town of Westwood, Massachusetts' 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 the 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 of Westwood, Massachusetts' internal control over financial reporting and compliance.

Powers & Sullivan LLC

December 12, 2016

Management's Discussion and Analysis

This page intentionally left blank.

Management's Discussion and Analysis

As management of the Town of Westwood, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2016. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditors' opinion. If the Town of Westwood's financial statements have significant departures from GAAP the independent auditors may issue a qualified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and our ability to borrow money at favorable interest rates. The Town of Westwood has enjoyed an unmodified opinion on its financial statements since the year ended June 30, 1984.

Financial Highlights

- The governmental assets and deferred outflows of resources of the Town of Westwood exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$65.1 million (net position).
- As required by GASB Statement #68, in 2016 the Town recognized a net pension liability of \$40.1 million along with a deferred outflow related to pension of \$8.2 million and a deferred inflow related to pension of \$3.4 million on the statement of net position. Additional disclosures and schedules can be found in the notes to the basic financial statements and required supplementary information.
- At the close of the current year, the Town of Westwood's general fund reported an ending fund balance of \$19 million, an increase of \$2.2 million in comparison with the prior year. Total fund balance represents 22% of total general fund expenditures. Approximately \$10.3 million of this total amount is available for appropriation at the government's discretion, \$4.6 million is committed for capital articles approved by Town Meeting, \$1.3 million is assigned for encumbrances carried forward to the subsequent year and \$2.8 million represents available funds appropriated to fund the fiscal year 2017 budget.
- The Town of Westwood's total governmental debt increased by \$10 million during the current year. The Town issued \$8.7 million for the construction of Islington fire station, \$2 million for the Deerfield road parking lot, \$1 million for the police station design, \$1.8 million on various town projects and made \$3.5 million in principal payments.
- The Town received \$441,000 and \$486,000 in permit and mitigation revenue from the University Station project. Approximately \$1.8 million was expended and \$3.3 million has been carried over to be expended in future years.
- The Town expended \$3.9 million on the construction of the Islington fire station with proceeds from an \$8.7 million bond issuance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Westwood's basic financial statements. The Town of Westwood's basic financial statements are comprised of three components: 1)

government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the 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 the Town of Westwood's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the Town of Westwood's assets and liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Westwood is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future 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, university station, human services, culture and recreation and interest. The business-type activities include the activities of the sewer enterprise fund.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Westwood, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Westwood 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, and balances of spendable resources. Such information is useful in assessing the Town of Westwood's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Because the focus of governmental funds is narrower than that of 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.

In accordance with accounting standards, the Town reports fund balance components as nonspendable, restricted, committed, assigned and unassigned. Additionally, the Town's stabilization fund is reported within the general fund as unassigned. The Town of Westwood adopts an annual appropriated budget for its general fund. A budgetary comparison schedule is included as required supplementary information for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its sewer operations.

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 statement because the resources of those funds are not available to support the Town of Westwood'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.

Government-wide Financial Analysis

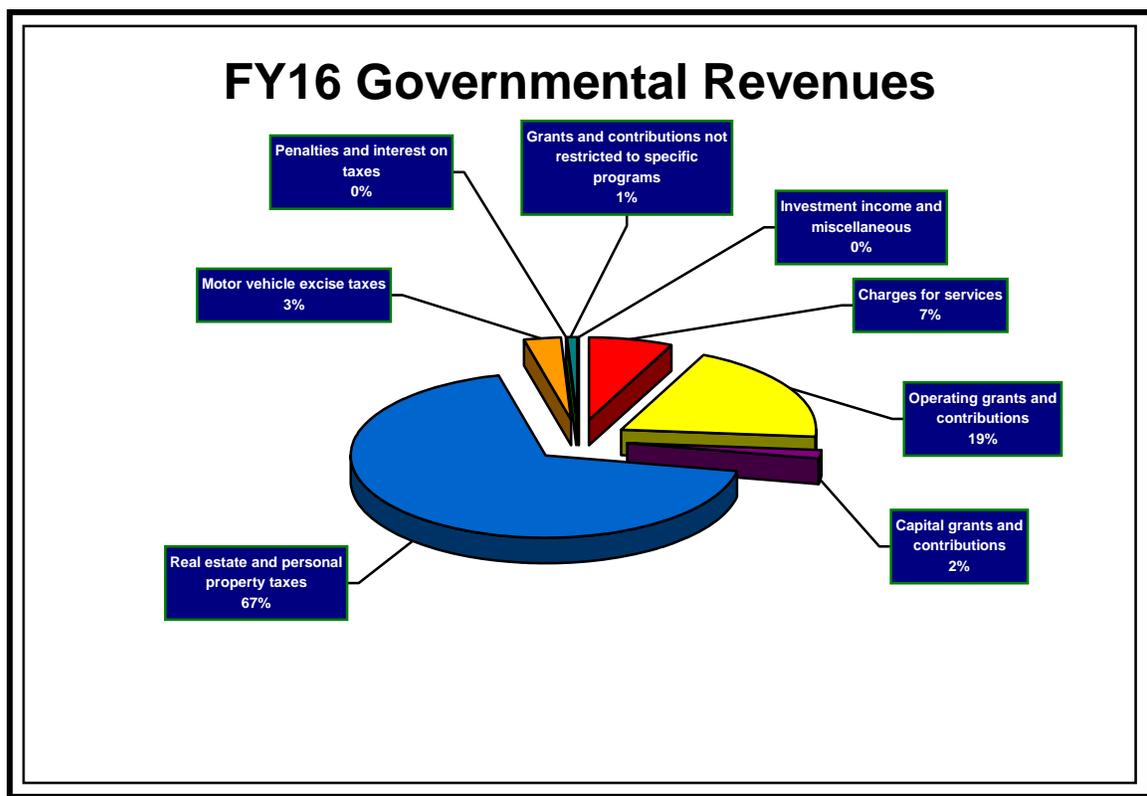
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Westwood, government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$81.7 million at the close of 2016.

Net position of \$105.8 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its 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 the Town of Westwood's net position \$2.1 million represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of unrestricted net position \$26.2 million is primarily due to the recognition of the \$40.1 million net pension liability in connection with the implementation of GASB Statement #68, *Accounting and Financial Reporting for Pensions*.

Governmental activities. The governmental activities net position decreased by approximately \$1.5 million during the current year. The underlying reason for the decrease was the increase in the OPEB and pension liabilities offset by better than expected budgetary performance.

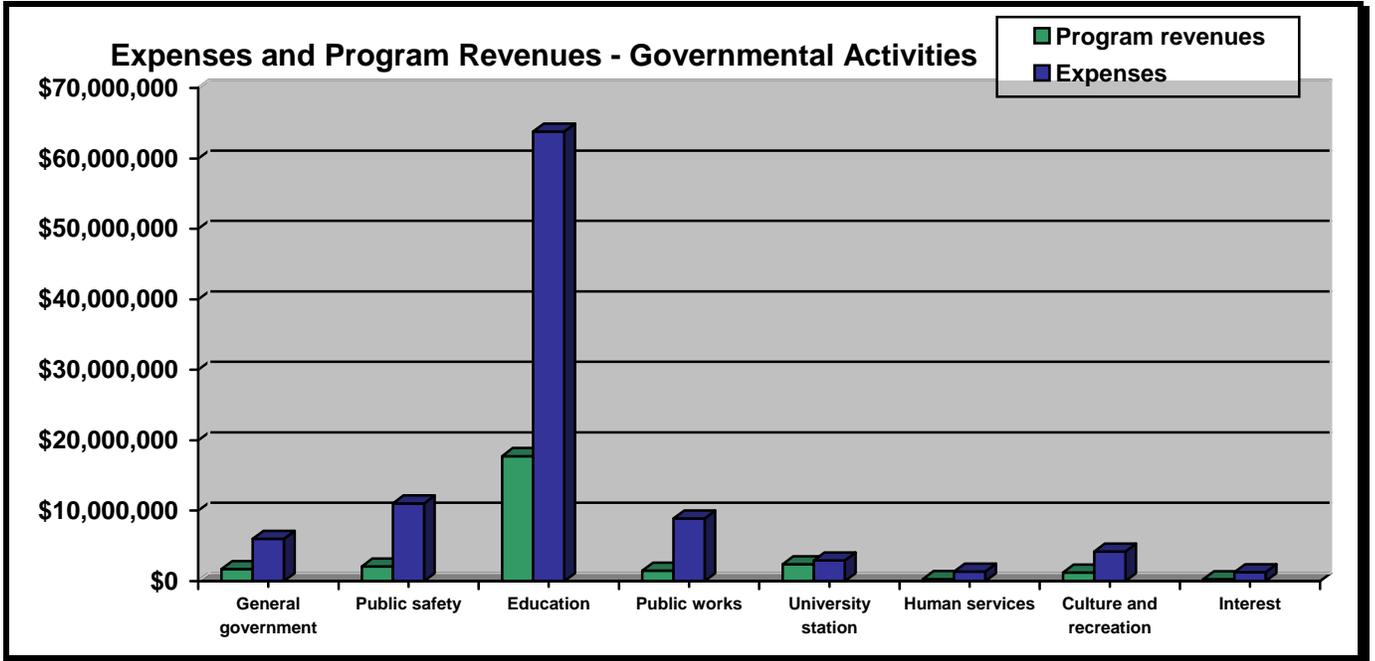
Governmental Activities:	Balance at June 30, 2016	Balance at June 30, 2015
Assets:		
Current assets.....	\$ 41,797,097	\$ 34,425,866
Noncurrent assets (excluding capital).....	7,769,000	8,947,000
Capital assets, not being depreciated.....	14,927,992	7,200,154
Capital assets, net of accumulated depreciation.....	<u>107,750,241</u>	<u>112,205,723</u>
Total assets.....	<u>172,244,330</u>	<u>162,778,743</u>
Deferred outflows of resources.....	7,952,342	1,425,955
Liabilities:		
Current liabilities (excluding debt).....	5,934,613	6,469,228
Noncurrent liabilities (excluding debt).....	63,103,500	58,062,224
Current debt.....	4,552,628	4,547,917
Noncurrent debt.....	<u>38,171,159</u>	<u>28,470,415</u>
Total liabilities.....	<u>111,761,900</u>	<u>97,549,784</u>
Deferred inflows of resources.....	3,299,169	-
Net Position:		
Net investment in capital assets.....	94,483,050	97,303,917
Restricted.....	2,061,713	1,533,978
Unrestricted.....	<u>(31,409,160)</u>	<u>(32,182,981)</u>
Total net position.....	<u>\$ 65,135,603</u>	<u>\$ 66,654,914</u>
Program revenues:		
Charges for services.....	\$ 6,957,929	\$ 5,840,996
Operating grants and contributions.....	19,171,437	14,500,929
Capital grants and contributions.....	1,584,581	4,045,233
General revenues:		
Real estate and personal property taxes.....	67,327,061	61,772,952
Motor vehicle excise taxes.....	3,042,773	3,035,505
Penalties and interest on taxes.....	187,078	172,557
Nonrestricted grants and contributions.....	697,791	776,342
Unrestricted investment income.....	<u>56,770</u>	<u>28,388</u>
Total revenues.....	<u>99,025,420</u>	<u>90,172,902</u>
Expenses:		
General government.....	6,212,821	4,953,798
Public safety.....	11,661,076	10,470,500
Education.....	64,002,507	59,970,747
Public works.....	9,033,773	9,028,119
University Station.....	2,932,353	1,651,889
Human services.....	1,426,588	1,228,151
Culture and recreation.....	4,307,074	3,308,166
Interest.....	<u>1,259,517</u>	<u>1,060,200</u>
Total expenses.....	<u>100,835,709</u>	<u>91,671,570</u>
Excess (Deficiency) before transfers.....	(1,810,289)	(1,498,668)
Transfers.....	<u>290,978</u>	<u>290,978</u>
Change in net position.....	(1,519,311)	(1,207,690)
Net position beginning of the year.....	<u>66,654,914</u>	<u>67,862,604</u>
Net position - ending.....	<u>\$ 65,135,603</u>	<u>\$ 66,654,914</u>

- Charges for services represent about 7% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Board of Selectmen are included in this category. Most of these resources apply to general government, public safety, and education operations, such as traffic mitigation revenue, building permits, ambulance revenue, athletic receipts, kindergarten revenue and bus fees.
- Operating grants and contributions account for 19% of the governmental activities resources. Most of these resources apply to university station and education operations.
- Capital grants and contributions account for 2% of the governmental activities resources. The decrease from the prior year can be attributable to the Town receiving \$2.5 million in a MassWorks grant for reconstruction of University Ave during the prior year.



- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 67% of all resources. Real estate and personal property tax collections increased 9% from the prior year. In Massachusetts, proposition 2 ½ allows municipalities to increase tax rates up to 2 ½ percent of the prior levy limit adjusted for new construction and certain approved debt service. Other taxes and other revenues comprised a total of 4% of the governmental activities resources. These primarily include excise taxes, nonrestricted grants, and investment earnings.
- Education is by far the largest governmental activity of the Town with 63% of total governmental expenses. Program revenues of \$17.8 million provided direct support to education and \$46.2 million in taxes and other general revenue were needed to cover the remaining 2016 operating expenses.
- General government, public safety, public works and university station are significant activities of the Town. Program revenues for general government of \$1.7 million, public safety of \$2.1 million, public

works of \$1.5 million and \$2.4 million in university station directly supported \$6.2 million, \$11.7 million, \$9 million and \$2.9 million of operating expenses, respectively. Taxes and other general revenue of \$22.2 million were needed to cover the remaining 2016 operating expenses for these activities. Combined, they represent 29.6% of governmental activity expenses.



Business-type activities. For sewer business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16.5 million at the close of 2016. Net investment in capital assets totaled \$11.3 million while unrestricted net position totaled \$5.2 million. There was a net increase of \$872,000 in net position reported in connection with the sewer enterprise. Capital grants and contributions increased by \$431,000 from the prior year due to the receipt of an MWRA grant. Charges for services and operating grants experienced a slight decrease from the prior year. The sewer fund also reported a slight increase in its operating costs.

Business-Type Activities:

	Balance at June 30, 2016	Balance at June 30, 2015
	<u> </u>	<u> </u>
Assets:		
Current assets.....	\$ 7,071,837	\$ 5,610,004
Noncurrent assets (excluding capital).....	105,859	154,250
Capital assets, not being depreciated.....	350,850	350,850
Capital assets, net of accumulated depreciation.....	<u>12,343,050</u>	<u>12,996,318</u>
Total assets.....	<u>19,871,596</u>	<u>19,111,422</u>
Deferred outflows of resources.....	200,039	36,247
Liabilities:		
Current liabilities (excluding debt).....	58,151	93,883
Noncurrent liabilities (excluding debt).....	1,275,743	1,115,866
Current debt.....	442,060	389,560
Noncurrent debt.....	<u>1,680,000</u>	<u>1,888,060</u>
Total liabilities.....	<u>3,455,954</u>	<u>3,487,369</u>
Deferred inflows of resources.....	82,990	-
Net Position:		
Net investment in capital assets.....	11,327,932	11,209,128
Unrestricted.....	<u>5,204,759</u>	<u>4,451,172</u>
Total net position.....	<u>\$ 16,532,691</u>	<u>\$ 15,660,300</u>
Program revenues:		
Charges for services.....	\$ 4,978,724	\$ 5,175,034
Operating grants and contributions.....	25,910	30,832
Capital grants and contributions.....	<u>458,315</u>	<u>27,300</u>
Total revenues.....	<u>5,462,949</u>	<u>5,233,166</u>
Expenses:		
Sewer.....	<u>4,299,580</u>	<u>4,205,003</u>
Excess (Deficiency) before transfers.....	1,163,369	1,028,163
Transfers.....	<u>(290,978)</u>	<u>(290,978)</u>
Change in net position.....	872,391	737,185
Net position beginning of the year.....	<u>15,660,300</u>	<u>14,923,115</u>
Net position - ending.....	<u>\$ 16,532,691</u>	<u>\$ 15,660,300</u>

Financial Analysis of the Government's Funds

As noted earlier, The Town of Westwood uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current year, governmental funds reported combined ending fund balances of \$33.9 million, an increase of \$9.1 million from the prior year. The majority of this increase \$4.8 million is reported in the fire station project due to the Town receiving \$8.7 million in proceeds which were offset by the timing of expenditures. The general fund reported an increase of \$2.2 million, the university station special revenue fund reported a decrease of \$319,000 and the nonmajor governmental funds reported an increase of \$2.5 million. The nonmajor increase related mainly to capital projects for road improvements and facility renovations. Most of the construction costs were financed with bond proceeds received in the current year and prior year. For fund based reporting bond proceeds and premiums are reported as other financing sources.

The general fund is the Town's chief operating fund. The ending fund balance increased by \$2.2 million in comparison with prior year. This increase is due to stronger than expected collections in nearly all revenue categories. Another contributing factor was, with the exception of snow and ice, budgetary turn backs of appropriations by departments.

Real estate tax revenue increased from 2015 by \$5.8 million. This is due to the fact that in Massachusetts, Proposition 2 ½ allows municipalities to increase tax rates up to 2 ½ percent of the prior levy limit adjusted for new construction and certain approved debt service. Another contributing factor is the University Station project being operational while still expanding.

At the end of the current year, unassigned fund balance of the general fund totaled \$10.3 million, while total fund balance totaled \$19 million. The \$4.6 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$4.1 million of assigned fund balance represents amounts that have been encumbered at year end to meet contractual obligations at year end. 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 fund expenditures. Unassigned fund balance represents 12% of total general fund expenditures, while total fund balance represents 22% of that same amount.

The Town also maintains a stabilization fund, which has been classified within the unassigned general fund balance in the governmental funds financial statements to remain compliant with GASB 54. The stabilization fund has a year-end balance of \$4.5 million which represents 5.3% of general fund expenditures. These funds can be used for general or capital purposes upon Town Meeting approval. Please refer to Note 11 for additional information on the Town's stabilization fund.

The university station project fund is used to account for funds received in connection with the university station project. At June 30, 2016, the university station project fund had a year-end balance of \$409,000. This balance decreased by \$319,000 from prior year as the Town recognized \$1.5 million in revenue related to mitigation and building permit fees and recorded \$1.8 million in project expenditures.

The fire station project is used to account for financial resources to be used for the construction of the new fire station. During the year the Town issued \$8.7 million in long term bonds to fund the project and expensed \$3.9 million. The fund balance increased \$4.8 million from the prior year.

General Fund Budgetary Highlights

The final general fund appropriation budget totaled \$88.9 million, which included \$7.3 million in encumbrances and articles carried over from the prior year. The final budget also included the planned use of \$1.9 million in available funds. Due to positive budgetary results this reserve was not needed.

General fund revenues came in over budget by \$2.3 million. The majority of this surplus \$793,000 (34%) was generated from motor vehicle excise taxes and \$653,000 (28%) was generated through licenses and permits.

General fund expenditures and encumbrances were lower than final budget by \$1.5 million (2%), with the majority of the variance occurring in the employee benefits and the reserve fund which turned back \$687,000 and \$300,000, respectively.

The \$2.6 million increase between the original budget and the final amended budget was primarily from supplementary appropriations the reserve fund to fund the Town's snow and ice budget and appropriations from free cash, the ambulance fund, the reserve fund and from a release of overlay surplus to fund the capital outlay budget, the public works budget, and various salary increases. Additionally the Town voted several transfers within budgetary line items during the year.

Capital Assets and Debt Management

In conjunction with the operating budget, the Town annually prepares a capital budget which includes detailed information concerning those capital requests for the upcoming year as well as summary information for the following four years to identify current projections of what level of capital outlay will be required in future years. As part of the capital plan the Town has historically financed the acquisition of some capital assets from current revenue. This policy will continue to improve the financial position as net position will increase by the amount of acquisitions less the current depreciation.

Major capital assets are funded by the issuance of long and short-term debt and capital grants. The effect on net position during the construction phase of the project is neutral for assets acquired with debt since the Town increases its assets and associated liability by the same amount. In subsequent years the net position will be reduced through depreciation and will be increased by the revenues raised to support the debt principal payments. Net position is increased for assets acquired with grant funds since there is no corresponding liability incurred.

Outstanding long-term debt of the general government, as of June 30, 2016, totaled \$41.4 million of which, \$7 million is related to library projects, \$16.6 million is related to school projects, \$10.5 is related to public safety projects, \$4.4 million is related to roadway improvements, \$1.6 million for department equipment and \$1.3 million for land development.

The enterprise fund has \$2.1 million in sewer enterprise debt outstanding that is fully supported by the rates and does not rely on a general fund subsidy.

The most significant capital asset additions during the year included various school building improvements, public safety and public works vehicles, school computers and equipment, and roadway improvements.

Please refer to notes 5, 6, 7, and 8 to the financial statements for further discussion of the Town's major capital and debt activity.

Capital Assets

Governmental activities:	Cost of Capital Assets	Accumulated Depreciation at end of year	Capital Assets, net
Land.....	\$ 6,748,382	\$ -	\$ 6,748,382
Construction in progress.....	8,179,610	-	8,179,610
Buildings and improvements.....	108,876,818	(39,601,552)	69,275,266
Vehicles.....	8,498,266	(6,008,549)	2,489,717
Machinery and equipment.....	13,622,589	(11,641,238)	1,981,351
Infrastructure.....	67,208,998	(33,205,091)	34,003,907
Total governmental activities.....	213,134,663	(90,456,430)	122,678,233
Business-type activities:			
Land.....	350,850	-	350,850
Plant and infrastructure.....	19,077,918	(9,313,504)	9,764,414
Other buildings and improvements..	6,339,070	(3,848,824)	2,490,246
Vehicles.....	448,343	(438,147)	10,196
Machinery and equipment.....	510,212	(432,018)	78,194
Total business-type activities.....	26,726,393	(14,032,493)	12,693,900
Total capital assets.....	\$ 239,861,056	\$ (104,488,923)	\$ 135,372,133

Governmental Bonds Payable

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2015	Issued	Redeemed	Outstanding at June 30, 2016
Municipal Purpose Bonds of 2008.....	2023	\$ 3,830,000	3.50 - 4.00	\$ 1,435,000	\$ -	\$ (305,000)	\$ 1,130,000
Municipal Purpose Bonds of 2009.....	2029	3,500,000	2.13 - 5.00	2,450,000	-	(175,000)	2,275,000
Municipal Purpose Bonds of 2010.....	2031	9,300,000	3.25 - 4.00	7,440,000	-	(465,000)	6,975,000
Municipal Purpose Refunding Bonds of 2012...	2023	61,198,000	2.00 - 4.00	14,720,000	-	(1,920,000)	12,800,000
Municipal Purpose Bonds of 2013.....	2022	4,635,000	2.00 - 3.00	3,240,000	-	(465,000)	2,775,000
Municipal Purpose Bonds of 2014.....	2024	1,400,000	2.00 - 2.50	1,260,000	-	(140,000)	1,120,000
Municipal Purpose Bonds of 2015.....	2036	850,000	2.5 - 5.00	850,000	-	-	850,000
Municipal Purpose Bonds of 2016.....	2036	850,000	2.50 - 5.00	-	13,490,000	-	13,490,000
Total Governmental Activities.....				\$ 31,395,000	\$ 13,490,000	\$ (3,470,000)	\$ 41,415,000

Enterprise Bonds Payable

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2015	Issued	Redeemed	Outstanding at June 30, 2016
Municipal Purpose Bonds of 1998 (MCWT).....	2019	\$ 3,220,700	3.88	\$ 782,700	\$ -	\$ (187,100)	\$ 595,600
MWRA Notes of 2013.....	2017	212,300	0.00	84,920	-	(42,460)	42,460
Municipal Purpose Bonds of 2014.....	2024	1,570,000	2.00 - 2.50	1,410,000	-	(160,000)	1,250,000
MWRA Notes of 2016.....	2021	234,000	0.00	-	234,000	-	234,000
Total Enterprise Bonds Payable.....				\$ 867,620	\$ 234,000	\$ (389,560)	\$ 2,122,060

The Town of Westwood has an “AAA” rating from Standard & Poor’s and an “Aa1” from Moody’s for general obligation debt.

Other Postemployment Benefits

In accordance with GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension (OPEB)*, the government-wide activities have accumulated a liability for other postemployment benefits totaling \$23.4 million as of June 30, 2016 and have pre-funded future obligations totaling approximately \$1.3 million during 2016. The total assets set aside in trust for future benefits amounted to approximately \$3.1 million at year-end.

Economic Factors and Next Year's Budget and Rates

For the 2017 budget, the Town has utilized new tax revenue from the new University Station project to supplement operating budgets, build reserve accounts, fund capital projects, and stabilize tax bills.

The revenue increases and improvements have allowed the Town to make the following structurally balanced budget decisions:

- The Town provided for an approximate 4.9% increase for the school and 3.7% increase for municipal 2017 operating budgets.
- The 2017 budget has increased capital budgets through additional use of free cash.
- The 2017 budget provides for a \$100,000 appropriation to the stabilization reserve account. This is an ongoing appropriation funded within the budget.
- The 2017 budget provides for a \$1,350,000 appropriation to the OPEB Trust account. This is an ongoing appropriation funded with the budget.
- The 2017 commercial and residential tax rates are not yet finalized, but are expected to increase approximately 1%.

Requests for Information

This financial report is designed to provide a general overview of the Town of Westwood's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Town Hall, 580 High Street, Westwood, Massachusetts 02090.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2016

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 35,705,364	\$ 4,855,553	\$ 40,560,917
Investments.....	2,096,759	-	2,096,759
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	614,347	-	614,347
Tax liens.....	989,202	-	989,202
Motor vehicle excise taxes.....	259,532	-	259,532
User charges.....	-	2,167,893	2,167,893
Departmental and other.....	231,674	-	231,674
Intergovernmental.....	1,900,219	48,391	1,948,610
Total Current Assets.....	<u>41,797,097</u>	<u>7,071,837</u>	<u>48,868,934</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	7,769,000	105,859	7,874,859
Capital assets, not being depreciated.....	14,927,992	350,850	15,278,842
Capital assets, net of accumulated depreciation.....	<u>107,750,241</u>	<u>12,343,050</u>	<u>120,093,291</u>
Total Noncurrent Assets.....	<u>130,447,233</u>	<u>12,799,759</u>	<u>143,246,992</u>
TOTAL ASSETS.....	<u>172,244,330</u>	<u>19,871,596</u>	<u>192,115,926</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions.....	<u>7,952,342</u>	<u>200,039</u>	<u>8,152,381</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	2,472,502	10,886	2,483,388
Accrued payroll.....	1,437,510	5,920	1,443,430
Accrued interest.....	339,586	18,345	357,931
Other liabilities.....	257,093	-	257,093
Capital lease obligations.....	144,922	-	144,922
Compensated absences.....	1,283,000	23,000	1,306,000
Bonds payable.....	<u>4,552,628</u>	<u>442,060</u>	<u>4,994,688</u>
Total Current Liabilities.....	<u>10,487,241</u>	<u>500,211</u>	<u>10,987,452</u>
NONCURRENT:			
Capital lease obligations.....	147,950	-	147,950
Compensated absences.....	734,000	-	734,000
Other postemployment benefits.....	23,074,779	291,015	23,365,794
Net pension liability.....	39,146,771	984,728	40,131,499
Bonds payable.....	<u>38,171,159</u>	<u>1,680,000</u>	<u>39,851,159</u>
Total Noncurrent Liabilities.....	<u>101,274,659</u>	<u>2,955,743</u>	<u>104,230,402</u>
TOTAL LIABILITIES.....	<u>111,761,900</u>	<u>3,455,954</u>	<u>115,217,854</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions.....	<u>3,299,169</u>	<u>82,990</u>	<u>3,382,159</u>
NET POSITION			
Net investment in capital assets.....	94,483,050	11,327,932	105,810,982
Restricted for:			
Permanent funds:			
Expendable.....	60,045	-	60,045
Nonexpendable.....	409,600	-	409,600
Gifts.....	390,451	-	390,451
Grants.....	1,201,617	-	1,201,617
Unrestricted.....	<u>(31,409,160)</u>	<u>5,204,759</u>	<u>(26,204,401)</u>
TOTAL NET POSITION.....	<u>\$ 65,135,603</u>	<u>\$ 16,532,691</u>	<u>\$ 81,668,294</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 6,212,821	\$ 1,279,601	\$ 411,689	\$ 18,749	\$ (4,502,782)
Public safety.....	11,661,076	1,953,758	105,652	-	(9,601,666)
Education.....	64,002,507	2,568,453	15,190,918	-	(46,243,136)
Public works.....	9,033,773	58,600	549,196	880,105	(7,545,872)
University Station.....	2,932,353	-	2,388,222	-	(544,131)
Human services.....	1,426,588	120,810	167,751	-	(1,138,027)
Culture and recreation.....	4,307,074	976,707	103,733	685,727	(2,540,907)
Interest.....	1,259,517	-	254,276	-	(1,005,241)
Total Governmental Activities.....	<u>100,835,709</u>	<u>6,957,929</u>	<u>19,171,437</u>	<u>1,584,581</u>	(73,121,762)
<i>Business-Type Activities:</i>					
Sewer.....	<u>4,299,580</u>	<u>4,978,724</u>	<u>25,910</u>	<u>458,315</u>	1,163,369
Total Primary Government.....	<u>\$ 105,135,289</u>	<u>\$ 11,936,653</u>	<u>\$ 19,197,347</u>	<u>\$ 2,042,896</u>	(71,958,393)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (73,121,762)	\$ 1,163,369	\$ (71,958,393)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	67,327,061	-	67,327,061
Motor vehicle excise taxes.....	3,042,773	-	3,042,773
Penalties and interest on taxes.....	187,078	-	187,078
Grants and contributions not restricted to specific programs.....	697,791	-	697,791
Unrestricted investment income.....	56,770	-	56,770
<i>Transfers, net</i>	290,978	(290,978)	-
Total general revenues and transfers.....	71,602,451	(290,978)	71,311,473
Change in net position.....	(1,519,311)	872,391	(646,920)
<i>Net Position:</i>			
Beginning of year (as revised).....	66,654,914	15,660,300	82,315,214
End of year.....	\$ <u>65,135,603</u>	\$ <u>16,532,691</u>	\$ <u>81,668,294</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2016

	General	University Station Project	Fire Station Project	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents.....	\$ 19,586,790	\$ 409,035	\$ 5,452,981	\$ 10,256,558	\$ 35,705,364
Investments.....	2,075,213	-	-	21,546	2,096,759
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	614,347	-	-	-	614,347
Tax liens.....	989,202	-	-	-	989,202
Motor vehicle excise taxes.....	259,532	-	-	-	259,532
Departmental and other.....	30,734	-	-	200,940	231,674
Intergovernmental.....	8,947,000	-	-	722,219	9,669,219
TOTAL ASSETS.....	\$ 32,502,818	\$ 409,035	\$ 5,452,981	\$ 11,201,263	\$ 49,566,097
LIABILITIES					
Warrants payable.....	\$ 1,252,268	\$ -	\$ 735,155	\$ 485,079	\$ 2,472,502
Accrued payroll.....	1,437,510	-	-	-	1,437,510
Other liabilities.....	257,093	-	-	-	257,093
TOTAL LIABILITIES.....	2,946,871	-	735,155	485,079	4,167,105
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues.....	10,572,976	-	-	923,159	11,496,135
FUND BALANCES					
Nonspendable.....	-	-	-	409,600	409,600
Restricted.....	-	409,035	4,717,826	9,383,425	14,510,286
Committed.....	4,617,755	-	-	-	4,617,755
Assigned.....	4,048,666	-	-	-	4,048,666
Unassigned.....	10,316,550	-	-	-	10,316,550
TOTAL FUND BALANCES.....	18,982,971	409,035	4,717,826	9,793,025	33,902,857
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 32,502,818	\$ 409,035	\$ 5,452,981	\$ 11,201,263	\$ 49,566,097

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2016

Total governmental fund balances.....		\$ 33,902,857
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		122,678,233
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		11,496,135
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions.....		4,653,173
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(339,586)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(42,723,787)	
Capital lease obligations.....	(292,872)	
Other postemployment benefits.....	(23,074,779)	
Net pension liability.....	(39,146,771)	
Compensated absences.....	<u>(2,017,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(107,255,209)</u>
Net position of governmental activities.....		<u>\$ 65,135,603</u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2016

	General	University Station Project	Fire Station Project	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 67,189,068	\$ -	\$ -	\$ -	\$ 67,189,068
Motor vehicle excise taxes.....	3,077,485	-	-	-	3,077,485
Charges for services.....	-	-	-	4,896,303	4,896,303
University Station building permits.....	440,650	-	-	-	440,650
Penalties and interest on taxes.....	187,078	-	-	-	187,078
Fees and rentals.....	541,579	-	-	-	541,579
Licenses and permits.....	1,053,310	-	-	-	1,053,310
Fines and forfeitures.....	26,246	-	-	-	26,246
Intergovernmental.....	13,737,377	-	-	5,204,452	18,941,829
Departmental and other.....	331,284	1,461,119	-	1,089,812	2,882,215
Contributions.....	-	-	-	364,845	364,845
Investment income.....	103,640	-	-	819	104,459
TOTAL REVENUES.....	87,174,170	1,461,119	-	11,556,231	100,191,520
EXPENDITURES:					
Current:					
General government.....	3,130,034	-	-	1,916,366	5,046,400
Public safety.....	7,777,236	-	3,853,048	966,879	12,597,163
Education.....	40,052,137	-	-	6,079,084	46,131,221
Public works.....	4,952,586	-	-	2,781,579	7,734,165
University Station.....	1,818,476	1,779,786	-	-	3,598,262
Human services.....	974,894	-	-	101,627	1,076,521
Culture and recreation.....	1,463,226	-	-	1,678,366	3,141,592
Pension benefits.....	10,369,777	-	-	-	10,369,777
Property and liability insurance.....	351,987	-	-	-	351,987
Employee benefits.....	7,363,094	-	-	-	7,363,094
State and county charges.....	581,921	-	-	-	581,921
Capital outlay.....	2,952,420	-	-	-	2,952,420
Debt service:					
Principal.....	3,470,000	-	-	-	3,470,000
Interest.....	1,276,338	-	-	-	1,276,338
TOTAL EXPENDITURES.....	86,534,126	1,779,786	3,853,048	13,523,901	105,690,861
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	640,044	(318,667)	(3,853,048)	(1,967,670)	(5,499,341)
OTHER FINANCING SOURCES (USES):					
Issuance of long-term debt.....	-	-	8,650,000	4,840,000	13,490,000
Premium from issuance of bonds.....	725,000	-	-	84,915	809,915
Transfers in.....	848,253	-	-	-	848,253
Transfers out.....	-	-	-	(557,275)	(557,275)
TOTAL OTHER FINANCING SOURCES (USES).....	1,573,253	-	8,650,000	4,367,640	14,590,893
NET CHANGE IN FUND BALANCES.....	2,213,297	(318,667)	4,796,952	2,399,970	9,091,552
FUND BALANCES AT BEGINNING OF YEAR.....	16,769,674	727,702	(79,126)	7,393,055	24,811,305
FUND BALANCES AT END OF YEAR.....	\$ 18,982,971	\$ 409,035	\$ 4,717,826	\$ 9,793,025	\$ 33,902,857

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds.....		\$ 9,091,552
<p>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.</p>		
Capital outlay.....	10,582,910	
Depreciation expense.....	<u>(7,310,554)</u>	
Net effect of reporting capital assets.....		3,272,356
<p>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 unavailable revenue.....</p>		
		(1,166,100)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Capital lease principal payments.....	141,955	
Proceeds from bonds and notes.....	(13,490,000)	
Debt service principal payments.....	<u>3,470,000</u>	
Net effect of reporting long-term debt.....		(9,878,045)
<p>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.</p>		
Net change in compensated absences accrual.....	(114,000)	
Net change in accrued interest on long-term debt.....	(107,639)	
Net change in other postemployment benefits.....	(543,377)	
Amortization of bond premiums.....	(685,455)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	3,227,218	
Net change in net pension liability.....	<u>(4,615,821)</u>	
Net effect of recording long-term liabilities.....		<u>(2,839,074)</u>
Change in net position of governmental activities.....		<u>\$ (1,519,311)</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2016

	Business-type Sewer Enterprise
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 4,855,553
Receivables, net of allowance for uncollectibles:	
User fees.....	2,167,893
Intergovernmental.....	48,391
Total current assets.....	7,071,837
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Intergovernmental.....	105,859
Capital assets, not being depreciated.....	350,850
Capital assets, net of accumulated depreciation.....	12,343,050
Total noncurrent assets.....	12,799,759
TOTAL ASSETS.....	19,871,596
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions.....	200,039
LIABILITIES	
CURRENT:	
Warrants payable.....	10,886
Accrued payroll.....	5,920
Accrued interest.....	18,345
Compensated absences.....	23,000
Bonds payable.....	442,060
Total current liabilities.....	500,211
NONCURRENT:	
Other postemployment benefits.....	291,015
Net pension liability.....	984,728
Bonds payable.....	1,680,000
Total noncurrent liabilities.....	2,955,743
TOTAL LIABILITIES.....	3,455,954
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions.....	82,990
TOTAL DEFERRED INFLOWS OF RESOURCES.....	82,990
NET POSITION	
Net invested in capital assets.....	11,327,932
Unrestricted.....	5,204,759
TOTAL NET POSITION.....	\$ 16,532,691

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2016

	Business-type Sewer Enterprise
<u>OPERATING REVENUES:</u>	
Charges for services	\$ 4,978,724
<u>OPERATING EXPENSES:</u>	
Cost of services and administration	1,049,601
MWRA assessment.....	2,473,296
Depreciation.....	713,958
 TOTAL OPERATING EXPENSES	 4,236,855
 OPERATING INCOME (LOSS).....	 741,869
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Interest expense.....	(62,725)
Intergovernmental.....	25,910
 TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	 (36,815)
 INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS..	 705,054
<u>CAPITAL CONTRIBUTIONS:</u>	
Intergovernmental.....	432,000
Sewer betterments.....	26,315
 TOTAL CONTRIBUTIONS.....	 458,315
<u>TRANSFERS:</u>	
Transfers out.....	(290,978)
 CHANGE IN NET POSITION.....	 872,391
NET POSITION AT BEGINNING OF YEAR.....	15,660,300
NET POSITION AT END OF YEAR.....	\$ 16,532,691

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2016

	Business-type Sewer Enterprise
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 4,829,825
Payments to vendors.....	(3,145,809)
Payments to employees.....	(341,714)
NET CASH FROM OPERATING ACTIVITIES.....	1,342,302
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>	
Transfers out.....	(290,978)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Proceeds from the issuance of bonds and notes.....	234,000
Intergovernmental subsidy.....	25,910
Acquisition and construction of capital assets.....	(60,690)
Capital receipts from other governments.....	432,000
Capital contributions.....	26,315
Principal payments on bonds and notes.....	(342,199)
Interest expense.....	(54,756)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	260,580
NET CHANGE IN CASH EQUIVALENTS.....	1,311,904
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	3,543,649
(includes \$OPEN reported as restricted cash in the enterprise fund).....	
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 4,855,553
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>	
<u>FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ 741,869
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation.....	713,958
Deferred (outflows)/inflows related to pensions.....	(80,802)
Changes in assets and liabilities:	
User fees.....	(148,899)
Warrants payable.....	(37,722)
Accrued payroll.....	(9,979)
Accrued compensated absences.....	4,000
Other postemployment benefits.....	52,919
Net pension liability.....	106,958
Total adjustments.....	600,433
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,342,302
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
Intergovernmental debt service subsidy.....	\$ 47,361

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2016

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Fund
ASSETS			
Cash and cash equivalents.....	\$ -	\$ 313,963	\$ 266,021
Investments:			
PRIT.....	3,144,886	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	122,289
TOTAL ASSETS.....	3,144,886	313,963	388,310
LIABILITIES			
Liabilities due depositors.....	-	-	388,310
NET POSITION			
Held in trust for OPEB and other purposes.....	\$ <u>3,144,886</u>	\$ <u>313,963</u>	\$ <u>-</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2016

	<u>Other Postemployment Benefit Trust Fund</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS:		
Contributions:		
Employer.....	\$ 1,350,000	\$ -
Private donations.....	-	96,935
Total contributions.....	<u>1,350,000</u>	<u>96,935</u>
Net investment income:		
Net change in fair value of investments.....	70,598	-
Interest.....	148	3,188
Total investment income (loss).....	<u>70,746</u>	<u>3,188</u>
TOTAL ADDITIONS.....	<u>1,420,746</u>	<u>100,123</u>
DEDUCTIONS:		
Educational scholarships.....	-	88,698
TOTAL DEDUCTIONS.....	<u>-</u>	<u>88,698</u>
CHANGE IN NET POSITION.....	1,420,746	11,425
NET POSITION AT BEGINNING OF YEAR.....	<u>1,724,140</u>	<u>302,538</u>
NET POSITION AT END OF YEAR.....	<u>\$ 3,144,886</u>	<u>\$ 313,963</u>

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Westwood, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

A. Reporting Entity

An elected three-member Board of Selectmen governs the Town.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town’s basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the Primary Government) and its component units. The Town did not identify any component units requiring inclusion in the basic financial statements.

Joint Ventures

The Town has entered into a joint venture with the Towns of Avon, Canton, Dedham, Braintree, Holbrook, Milton, Norwood, and Randolph to pool resources and share the costs, risks and rewards of providing vocational education through the Blue Hills Regional Technical School District (District). As of June 30, 2016, the District has no significant unassigned fund balance and has no outstanding long-term bonds. The following is the address where the District’s financial statements are available, its purpose, and the assessment paid by the Town during 2016.

<u>Joint Venture and Address</u>	<u>Purpose</u>	<u>2016 Assessment</u>
Blue Hills Regional Technical School District 800 Randolph Street, Canton, MA 02021	To provide vocational education	<u>\$ 158,075</u>

The Town has no equity interest in the District.

Jointly Governed Organizations

The Board of Selectmen is responsible for appointing three of the six-member Board of Water Commissioners of the Dedham-Westwood Water District. The Town’s accountability for this organization does not extend beyond making these appointments.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units.

Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds 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. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets and deferred outflows of resources, liabilities and deferred inflows of resources, etc.) for all fund of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal 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.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, and claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *university station project fund* is used to account for the funds received in connection with the development and renovation of the new train station as well as residential, commercial, and retail units.

The *fire station project fund* is used to account for the funds received and expended in connection with the construction of the new fire station.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary fund is reported:

The *sewer enterprise fund* is used to account for the Town's sewer activities.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting except for the agency fund, which has no measurement focus. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *other postemployment benefit trust fund* is used to account for and accumulate resources to provide funding for future OPEB (other postemployment benefit) liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

The *agency fund* is used to account for assets held in a purely custodial capacity. The Town's agency fund consists primarily of student activities and planning deposits.

D. Cash and Investments

Government-Wide and Fund Financial Statements

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value.

E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Cash Equivalents.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

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 Assessors for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate tax liens are processed annually on delinquent properties. Real estate and personal property taxes levied are recorded as receivables in the year of the levy and are recorded under the modified accrual basis of accounting.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

User Fees

Sewer fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Sewer liens are processed in October of every year and included as a lien on the property owner's tax bill. Sewer charges are recorded as receivables in the year of the levy and are recorded under the full accrual basis of accounting.

Departmental and Other

Departmental and other receivables consist primarily of police details, ambulance fees and school rentals and are recorded as receivables in the year accrued. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met. These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Inventories

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the basic financial statements and therefore are not reported.

H. Capital Assets

Capital assets, which include land, buildings and improvements, vehicles, machinery and equipment, furniture and fixtures, and infrastructure (e.g., roads, street lights, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$50,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

The Town has included all general infrastructure assets regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through backtracking.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of fixed assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings and improvements.....	7-40
Plant and infrastructure.....	7-40
Other buildings and improvements.....	7-40
Vehicles.....	5-10
Machinery and equipment.....	5-50
Infrastructure.....	5-50

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town reported deferred outflows of resources related to pensions in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town did not have any items that qualify for reporting in this category.

Governmental Fund Financial Statements

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as “internal balances”.

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as “Due from other funds” or “Due to other funds” on the balance sheet.

K. Interfund Transfers

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transfers between and within governmental funds and are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as “Transfers, net”.

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

L. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state’s school building program is not considered to be capital related debt.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted for” the following:

“Permanent funds – expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

“Permanent funds – nonexpendable” represents the endowment portion of donor restricted trusts that support governmental programs.

“Gifts and Grants” – represents restrictions placed on assets from outside parties.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments’ or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision making authority that can, by adoption of a Town Meeting warrant article, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a Town Meeting vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Town’s by-laws authorize the Town Accountant to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

M. Long-term debt*Government-Wide and Proprietary Fund Financial Statements*

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

N. Pensions

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 Norfolk County Contributory Retirement System and Massachusetts Teachers Retirement System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Investment income from proprietary funds is voluntarily assigned and transferred to the general fund.

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities.

Compensated absences are reported in the governmental funds only if they have matured.

Q. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 year. Actual results could vary from estimates that were used.

R. Total Column

Government-Wide Financial Statements

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

S. Appropriation Deficit

The Town reported appropriation deficits in the police department salary budget and the snow and ice budget. These deficits will be raised on the Town's future year tax recapitulation sheet.

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents". The deposits and investments of the trust funds are held separately from those of other Town funds.

The Town follows internal investment policies as well as investment policies established under Massachusetts General Laws. The Commonwealth's statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). Additionally, they allow the Town to invest trust funds in trust companies incorporated under the laws of the Commonwealth, banking companies incorporated under the laws of the Commonwealth which are members of the Federal Deposit Insurance Corporation (FDIC), national banks, in participation units in combined investment funds, in paid-up shares and accounts of and in cooperative banks, in shares of savings and loan associations, in shares or savings deposits of federal savings and loan associations doing business in the Commonwealth to an amount not exceeding one hundred thousand dollars, and in bonds or notes which are legal investments for savings banks. Municipalities having trust funds in the custody of the Treasurer in an aggregate amount in excess of two hundred and fifty thousand dollars may also invest trust funds in securities, other than mortgages and collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth provided that not more than fifteen percent of any such trust funds shall be invested in bank stocks and insurance company stocks, nor shall more than one and one-half percent of such funds be invested in the stock of any one bank or insurance company.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's deposit and investment policy allows for unlimited investments in MMDT, U.S. Treasuries and Agencies that will be held to maturity with maturities up to one year from the date of purchase, and bank accounts and Certificates of Deposit with maturities up to one year which are fully collateralized or fully insured.

Additionally, the Town's policy allows for investments in unsecured bank deposits such as checking, savings, money market or Certificates of Deposit with maturities up to three months. Unsecured deposits in each institution are limited to no more than 5% of an institution's assets and no more than 20% of the Town's total cash. At year-end, the carrying amount of deposits totaled \$38,526,245 and the bank balance totaled \$39,199,353. Of the bank balance, \$2,000,000 was covered by Federal Depository Insurance, \$16,880,557 was covered by the Depositors Insurance Fund, \$63,663 was covered by the Share Insurance Fund, \$492,090 was

covered by Securities Investor Protector Corporation, \$8,567,037 was collateralized and \$11,196,006 was subject to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2016, the Town had the following investments:

Investment Type	<u>Fair Value</u>	<u>Maturity 1-5 Years</u>
<u>Debt Securities</u>		
Government Sponsored Enterprises...	\$ 1,395,936	\$ 1,395,936
Corporate Bonds.....	<u>407,522</u>	<u>407,522</u>
Total Debt Securities.....	1,803,458	<u>\$ 1,803,458</u>
<u>Other Investments</u>		
Equity Mutual Funds.....	\$ 293,301	
MMDT.....	<u>2,614,656</u>	
Total Investments.....	<u>\$ 4,711,415</u>	

In addition to the Town’s investments reported above, the OPEB Trust held \$3,144,886 at June 30, 2016, all of which was invested in PRIT. The effective weighted duration rate for PRIT investments ranged from .14 to 24.23 years.

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of the outside party. At June 30, 2016, the Town does not have any custodial credit risk exposure for its investments since open-end mutual funds and MMDT deposits are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. In addition to the deposit and investment restrictions listed above, the Town’s investment policies allow for trust funds to be invested in any instruments allowed by the Legal List issued by the Banking Commissioner each July. Stabilization funds may be invested in National Banks, Savings Banks, Cooperative banks or trust companies organized under Massachusetts laws, Securities legal for savings banks (i.e. those included in the Legal List issued annually by the Banking Commissioner), Federal Savings and Loan Associations situated in the Commonwealth and the MMDT.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect the fair value of the Town’s investments. The Town manages its exposure to fair value losses arising from increasing interest rates by limiting the allowable maturities of investments. The Town’s investment policy limits the maturities of investments in U.S. Treasuries, U.S. Agencies and secured Certificates of Deposit to a maximum of

one year from the date of purchase. Negotiable Certificates of Deposit are limited to a maximum of three months. The Town had no debt securities as of June 30, 2016.

Credit Risk

The Town’s policy for Credit Risk requires all brokerage houses and broker/dealers wishing to do business with the Town to supply the Treasurer with audited financial statements, proof of National Association of Security Dealers certification, a statement that the dealer has read the Town’s investment policy and will comply with it and proof of credit worthiness with minimum standards of at least five years in operation and a minimum capital of \$10 million. All of the Town’s investments are unrated.

The Town’s investments at June 30, 2016, are rated as follows:

Investment Type	Fair Value	Quality Ratings	
		AA+	A
<u>Debt Securities:</u>			
Government Sponsored Enterprises...	\$ 1,395,936	\$ 1,395,936	\$ -
Corporate Bonds.....	<u>407,522</u>	<u>-</u>	<u>407,522</u>
Total Debt Securities.....	<u>\$ 1,803,458</u>	<u>\$ 1,395,936</u>	<u>\$ 407,522</u>

Concentration of Credit Risk

The Town limits the amount that may be invested in any one issuer, except for MMDT, to no more than 5% of an institution’s assets and no more than 30% of the Town’s total investments. At June 30, 2016, the Town did not have more than 5% of the Town’s investments in with any one issuer.

Fair Market Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town’s mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

Investment Type	6/30/16	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
Corporate bonds.....	\$ 407,522	\$ -	\$ 407,522	\$ -
Government sponsored enterprises.....	1,395,936	1,395,936	-	-
Total debt securities.....	1,803,458	1,395,936	407,522	-
Other investments:				
Equity mutual funds.....	293,301	293,301	-	-
Total investments measured at fair value.....	2,096,759	\$ 1,689,237	\$ 407,522	\$ -
Investment measured at net asset value (NAV):				
PRIT investments.....	3,144,886			
Investment measured at amortized costs:				
MMDT.....	2,614,656			
Total investments.....	\$ 7,856,301			

U.S. government sponsored enterprise and equity mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

PRIT investments are valued using the net asset value method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserve Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The Town does not have the ability to control any of the investment decisions relative to its funds in PRIT.

MMDT investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

NOTE 3 – RECEIVABLES

At June 30, 2016, receivables for the individual major governmental funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 614,347	\$ -	\$ 614,347
Tax liens.....	989,202	-	989,202
Motor vehicle excise taxes.....	366,532	(107,000)	259,532
Departmental and other.....	313,674	(82,000)	231,674
Intergovernmental.....	9,669,219	-	9,669,219
 Total.....	 <u>\$ 11,952,974</u>	 <u>\$ (189,000)</u>	 <u>\$ 11,763,974</u>

At June 30, 2016, receivables for the fiduciary funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other.....	\$ 122,289	\$ -	\$ 122,289

At June 30, 2016, receivables for the enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Sewer fees.....	\$ 2,167,893	\$ -	\$ 2,167,893
Intergovernmental.....	154,250	-	154,250
 Total.....	 <u>\$ 2,322,143</u>	 <u>\$ -</u>	 <u>\$ 2,322,143</u>

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. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

<u>Receivable type:</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Real estate and personal property taxes.....	\$ 346,508	\$ -	\$ 346,508
Tax liens.....	989,202	-	989,202
Motor vehicle excise taxes.....	259,532	-	259,532
Departmental and other.....	30,734	200,940	231,674
Intergovernmental.....	8,947,000	722,219	9,669,219
 Total.....	 <u>\$ 10,572,976</u>	 <u>\$ 923,159</u>	 <u>\$ 11,496,135</u>

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016, are summarized as follows:

<u>Transfers Out:</u>	<u>Transfers In:</u>
	<u>General Fund</u>
Nonmajor Governmental Fund.....	\$ 35,775 (A)
Nonmajor Governmental Fund.....	37,000 (B)
Nonmajor Governmental Fund.....	484,500 (C)
Sewer Enterprise Fund.....	<u>290,978 (D)</u>
 Total.....	 <u>\$ 848,253</u>

- (A) - Transfer from Special Revenue Bond Premiums Fund to support debt service expenditures.
- (B) - Transfer from Special Revenue Revolving Funds to support conservation expenditures.
- (C) - Transfer from Special Revenue Ambulance Receipts for ambulance operations.
- (D) - Transfer from Sewer Fund to the General Fund.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 5,858,382	\$ 890,000	\$ -	\$ 6,748,382
Construction in progress.....	1,341,772	6,837,838	-	8,179,610
Total capital assets not being depreciated.....	7,200,154	7,727,838	-	14,927,992
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	108,733,085	143,733	-	108,876,818
Vehicles.....	8,305,981	604,875	(412,590)	8,498,266
Machinery and equipment.....	13,038,369	584,220	-	13,622,589
Infrastructure.....	67,645,965	1,522,244	(1,959,211)	67,208,998
Total capital assets being depreciated.....	197,723,400	2,855,072	(2,371,801)	198,206,671
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(36,609,261)	(2,992,291)	-	(39,601,552)
Vehicles.....	(5,502,300)	(918,839)	412,590	(6,008,549)
Machinery and equipment.....	(10,819,732)	(821,506)	-	(11,641,238)
Infrastructure.....	(32,586,384)	(2,577,918)	1,959,211	(33,205,091)
Total accumulated depreciation.....	(85,517,677)	(7,310,554)	2,371,801	(90,456,430)
Total capital assets being depreciated, net.....	112,205,723	(4,455,482)	-	107,750,241
Total governmental activities capital assets, net.....	\$ 119,405,877	\$ 3,272,356	\$ -	\$ 122,678,233

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 350,850	\$ -	\$ -	\$ 350,850
<u>Capital assets being depreciated:</u>				
Plant and infrastructure.....	19,379,754	60,690	(362,526)	19,077,918
Other buildings and improvements.....	6,339,070	-	-	6,339,070
Vehicles.....	448,343	-	-	448,343
Machinery and equipment.....	510,212	-	-	510,212
Total capital assets being depreciated.....	<u>26,677,379</u>	<u>60,690</u>	<u>(362,526)</u>	<u>26,375,543</u>
<u>Less accumulated depreciation for:</u>				
Plant and infrastructure.....	(9,121,066)	(554,964)	362,526	(9,313,504)
Other buildings and improvements.....	(3,728,803)	(120,021)	-	(3,848,824)
Vehicles.....	(425,759)	(12,388)	-	(438,147)
Machinery and equipment.....	(405,433)	(26,585)	-	(432,018)
Total accumulated depreciation.....	<u>(13,681,061)</u>	<u>(713,958)</u>	<u>362,526</u>	<u>(14,032,493)</u>
Total capital assets being depreciated, net.....	<u>12,996,318</u>	<u>(653,268)</u>	<u>-</u>	<u>12,343,050</u>
Total business-type activities capital assets, net.....	<u>\$ 13,347,168</u>	<u>\$ (653,268)</u>	<u>\$ -</u>	<u>\$ 12,693,900</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government.....	\$ 237,373
Public safety.....	427,999
Education.....	2,807,168
Public works.....	3,141,120
Human services.....	21,404
Culture and recreation.....	<u>675,490</u>

Total depreciation expense - governmental activities..... \$ 7,310,554

Business-Type Activities:

Sewer.....	<u>\$ 713,958</u>
------------	-------------------

NOTE 6 – CAPITAL LEASES

The Town has entered into a lease agreement for financing the acquisition of a fire truck. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The asset acquired through a capital lease is as follows:

<u>Asset:</u>		<u>Governmental Activities</u>
Vehicles.....	\$	748,083
Accumulated depreciation.....		<u>(374,042)</u>
Total.....	\$	<u><u>374,041</u></u>

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2016, are as follows:

<u>Years Ending June 30</u>		<u>Governmental Activities</u>
2017.....	\$	151,043
2018.....		<u>151,042</u>
Total minimum lease payments.....		302,085
Less: amounts representing interest.....		<u>(9,213)</u>
Present value of minimum lease payments.....	\$	<u><u>292,872</u></u>

NOTE 7 – SHORT-TERM FINANCING

The Town is authorized to borrow on a temporary basis to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).
- Federal and state aided capital projects and other program expenditures prior to receiving reimbursement through issuance of federal and state aid anticipation notes (FANS and SANS).

Short-term loans are general obligations of the Town and carry maturity dates that are limited by statute. Interest expenditures for short-term borrowings are accounted for in the General Fund and Sewer Enterprise Fund.

Details related to the short-term debt activity for the year ended June 30, 2016, is as follows:

Type	Purpose	Issue Date	Maturity Date	Interest Rate (%)	Outstanding at June 30, 2015	Issued	Retired	Outstanding at June 30, 2016
BAN	Police Station Planning.....	6/18/15	9/2/15	1.50	\$ 1,000,000	\$ -	\$ (1,000,000)	\$ -
BAN	Police Station Planning.....	9/2/15	9/2/16	0.45	-	1,000,000	(1,000,000)	-
BAN	Roadway and Parking Area...	06/23/16	09/02/16	0.70	-	2,000,000	(2,000,000)	-
BAN	Land Acquisition.....	06/23/16	09/02/16	0.70	-	890,000	(890,000)	-
Total Governmental.....					\$ 1,000,000	\$ 3,890,000	\$ (4,890,000)	\$ -

On September 2, 2016, the Town rolled \$3,890,000 of BANS outstanding into a \$16,645,000 long-term bond. The \$3,890,000 has been recorded as long-term debt as of year-end.

NOTE 8 – LONG-TERM DEBT

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5% of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, however, a Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

Details related to the Town's outstanding general obligation indebtedness at June 30, 2016, and the debt service requirements follow.

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2015	Issued	Redeemed	Outstanding at June 30, 2016
Municipal Purpose Bonds of 2008.....	2023	\$ 3,830,000	3.50 - 4.00	\$ 1,435,000	\$ -	\$ (305,000)	\$ 1,130,000
Municipal Purpose Bonds of 2009.....	2029	3,500,000	2.13 - 5.00	2,450,000	-	(175,000)	2,275,000
Municipal Purpose Bonds of 2010.....	2031	9,300,000	3.25 - 4.00	7,440,000	-	(465,000)	6,975,000
Municipal Purpose Refunding Bonds of 2012...	2023	19,095,000	2.00 - 4.00	14,720,000	-	(1,920,000)	12,800,000
Municipal Purpose Bonds of 2013.....	2022	4,635,000	2.00 - 3.00	3,240,000	-	(465,000)	2,775,000
Municipal Purpose Bonds of 2014.....	2024	1,400,000	2.00 - 2.50	1,260,000	-	(140,000)	1,120,000
Municipal Purpose Bonds of 2015.....	2036	850,000	2.5 - 5.00	850,000	-	-	850,000
Municipal Purpose Bonds of 2016.....	2045	13,490,000	2.5 - 5.00	-	13,490,000	-	13,490,000
Total Future Debt Service Requirements.....				31,395,000	13,490,000	(3,470,000)	41,415,000
Unamortized Premium on Bonds.....				623,332	809,915	(124,460)	1,308,787
Total Governmental Bonds Payable.....				32,018,332	14,299,915	(3,594,460)	42,723,787
Municipal Purpose Bonds of 1998 (MCWT).....	2019	3,220,700	3.88	782,700	-	(187,100)	595,600
MWRA Notes 2013.....	2017	212,300	0.00	84,920	-	(42,460)	42,460
Municipal Purpose Bonds of 2014.....	2024	1,570,000	2.00 - 2.50	1,410,000	-	(160,000)	1,250,000
MWRA Notes 2016.....	2021	234,000	0.00	-	234,000	-	234,000
Total Enterprise Bonds Payable.....				2,277,620	234,000	(389,560)	2,122,060
Total General Obligation Bonds Payable.....				\$ 34,295,952	\$ 14,533,915	\$ (3,984,020)	\$ 44,845,847

Debt service requirements for principal and interest for bonds payable in the general fund in future years are as follows:

Year	Principal	Interest	Total
2017.....	\$ 4,385,000	\$ 1,434,825	\$ 5,819,825
2018.....	4,220,000	1,342,359	5,562,359
2019.....	4,165,000	1,186,198	5,351,198
2020.....	4,150,000	1,014,498	5,164,498
2021.....	4,130,000	852,698	4,982,698
2022-2026.....	12,115,000	2,441,953	14,556,953
2027-2031.....	5,400,000	935,690	6,335,690
2032-2036.....	2,550,000	239,559	2,789,559
2037-2041.....	175,000	33,966	208,966
2042-2045.....	125,000	9,150	134,150
Total.....	\$ <u>41,415,000</u>	\$ <u>9,490,894</u>	\$ <u>50,905,894</u>

Debt service requirements for principal and interest for bonds payable in the sewer enterprise fund in future years are as follows:

Year	Principal	Interest	Total
2017.....	\$ 442,060	\$ 48,904	\$ 490,964
2018.....	405,300	32,639	437,939
2019.....	406,100	24,096	430,196
2020.....	201,800	15,888	217,688
2021.....	201,800	12,788	214,588
2022.....	155,000	9,688	164,688
2023.....	155,000	6,588	161,588
2024.....	155,000	3,488	158,488
Total.....	\$ <u>2,122,060</u>	\$ <u>154,075</u>	\$ <u>2,276,135</u>

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and debt interest and borrowing costs. During 2016, approximately \$1,401,000 of such assistance was received. Approximately \$9,809,000 will be received in future years. Of this amount, approximately \$862,000 represents reimbursement of long-term interest costs, and approximately \$8,947,000 represents reimbursement of approved construction costs. Accordingly, a \$8,947,000 intergovernmental receivable and corresponding unavailable revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements.

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$154,250 and interest costs for \$36,441. The principal subsidies are guaranteed and therefore a \$154,250 intergovernmental receivable has been recorded in the sewer enterprise fund at June 30, 2016. Net MCWT loan repayments, including interest, are scheduled to be \$443,984. Since the Town is legally obligated for the total amount of the debt, such amounts have been recorded in the accompanying basic financial statements. During 2016 the principal subsidy totaled \$47,361 and the interest subsidy totaled \$25,910.

The Town is a member of the Massachusetts Water Resources Authority (MWRA) which offers its members interest free loans for various purposes. The Town has \$276,460 in loans outstanding at June 30, 2016. The imputed interest on this loan is immaterial and has not been recognized by the Town.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2016, the Town had the following authorized and unissued debt:

Purpose	Date Voted	Article	Amount Authorized and Unissued
Police Construction.....	5/2/2016	15	\$ <u>13,205,000</u>

Changes in Long-Term Liabilities

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

	Balance at June 30, 2015	Additions	Retirements and Other	Balance at June 30, 2016	Current Portion
Governmental Activities:					
Long-Term Bonds.....	\$ 31,395,000	\$ 13,490,000	\$ (3,470,000)	\$ 41,415,000	\$ 4,385,000
Unamortized Premium on Bonds.....	623,332	809,915	(124,460)	1,308,787	167,628
Other Postemployment Benefits.....	22,531,402	3,692,110	(3,148,733)	23,074,779	-
Capital Lease Obligations.....	434,827	-	(141,955)	292,872	144,922
Compensated Absences.....	1,903,000	1,310,000	(1,196,000)	2,017,000	1,283,000
Net Pension Liability.....	<u>34,530,950</u>	<u>4,615,821</u>	<u>-</u>	<u>39,146,771</u>	<u>-</u>
Total Governmental Activities.....	<u>91,418,511</u>	<u>23,917,846</u>	<u>(8,081,148)</u>	<u>107,255,209</u>	<u>5,980,550</u>
Business-Type Activities:					
Long-Term Bonds.....	2,277,620	234,000	(389,560)	2,122,060	442,060
Other Postemployment Benefits.....	238,096	114,189	(61,270)	291,015	-
Compensated Absences.....	19,000	23,000	(19,000)	23,000	23,000
Net Pension Liability.....	<u>877,770</u>	<u>106,958</u>	<u>-</u>	<u>984,728</u>	<u>-</u>
Total Business-Type Activities.....	<u>3,412,486</u>	<u>478,147</u>	<u>(469,830)</u>	<u>3,420,803</u>	<u>465,060</u>
Total.....	<u>\$ 94,830,997</u>	<u>\$ 24,395,993</u>	<u>\$ (8,550,978)</u>	<u>\$ 110,676,012</u>	<u>\$ 6,445,610</u>

Compensated absence liabilities and other postemployment benefit liabilities related to both governmental and business-type activities are normally paid from the general fund and sewer enterprise funds, respectively.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town classifies fund balances according to the constraints imposed on the use of those resources. There are two major types of fund balances, which are nonspendable and spendable.

GASB 54 provides for two major types of fund balance, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balances, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Town's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to or appropriations from the fund required a two-thirds vote of the legislative body. At year end the balance of the General Stabilization fund is \$4.5 million and is reported as unassigned fund balance within the General Fund.

As of June 30, 2016, the governmental fund balance consisted of the following:

	GOVERNMENTAL FUNDS				
	General	University Station	Fire Station Project	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES					
Nonspendable:					
Permanent fund principal..... \$	- \$	- \$	- \$	371,122 \$	371,122 \$
Restricted for:					
University station.....	-	409,035	-	-	409,035
Fire station project.....	-	-	4,717,826	-	4,717,826
Town grants and revolving funds.....	-	-	-	3,841,376	3,841,376
School lunch.....	-	-	-	58,280	58,280
Ambulance fund.....	-	-	-	643,760	643,760
School grants and revolving funds.....	-	-	-	3,300,882	3,300,882
Expendable governmental trusts.....	-	-	-	80,589	80,589
Roadway improvements.....	-	-	-	1,028,762	1,028,762
Facility renovations.....	-	-	-	369,731	369,731
Cemetery.....	-	-	-	22,484	22,484
Other nonexpendable trust funds.....	-	-	-	37,561	37,561
Committed to:					
Selectmen.....	25,458	-	-	-	25,458
Assessors department.....	11,386	-	-	-	11,386
Information systems.....	290,345	-	-	-	290,345
Conservation.....	20,000	-	-	-	20,000
University Station.....	3,344,609	-	-	-	3,344,609
Police department.....	31,358	-	-	-	31,358
Fire department.....	235,852	-	-	-	235,852
Education.....	522,755	-	-	-	522,755
Public works equipment.....	6,745	-	-	-	6,745
Municipal building repairs.....	51,455	-	-	-	51,455
Cemetery.....	2,335	-	-	-	2,335
Waste/collection/disposal.....	1,432	-	-	-	1,432
Human services.....	74,025	-	-	-	74,025
Assigned to:					
Personnel board.....	4,000	-	-	-	4,000
Information systems.....	9,776	-	-	-	9,776
Police department.....	51	-	-	-	51
Education salaries.....	1,145,611	-	-	-	1,145,611
Education expenses.....	43,781	-	-	-	43,781
Public works.....	4,063	-	-	-	4,063
School and field maintenance.....	4,936	-	-	-	4,936
Street lighting.....	5,635	-	-	-	5,635
Waste/collection/disposal.....	20,858	-	-	-	20,858
Human services.....	2,303	-	-	-	2,303
Library expenses.....	3,138	-	-	-	3,138
Employee benefits.....	6,464	-	-	-	6,464
Reserve for subsequent year expenditure.....	2,798,050	-	-	-	2,798,050
Unassigned.....	10,316,550	-	-	-	10,316,550
TOTAL FUND BALANCES..... \$	18,982,971 \$	409,035 \$	4,717,826 \$	9,754,547 \$	33,864,379 \$

NOTE 10 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

On July 1, 2015, the Town joined the Commonwealth of Massachusetts' Group Insurance Commission (GIC) which offers premium based insurance plans to GIC members. The GIC sets the rates for participating municipalities annually. Municipalities participating in the GIC plans are assessed a .05% administrative fee on their premium over what the State employees pay.

The Town is a member of the Massachusetts Interlocal Insurance Association (MIIA), a public entity risk pool currently operating as a common risk management and insurance program for workers' compensation benefits for employees other than uniformed police and fire personnel. MIIA is self-sustaining through member premiums and reinsures through commercial companies for stop loss insurance. The total premiums assessed by MIIA to the Town during 2016 totaled \$233,000 and are recorded in the general fund.

The Town is self-insured for the workers' compensation claims of police officers and firefighters and are paid on a pay-as-you-go basis from the General Fund. The estimated liability for workers' compensation claims is based on history and injury type. The Town's liability is not material at June 30, 2016, and therefore is not reported.

The Town is self-insured for unemployment compensation. During 2016, the Town appropriated \$112,000 to provide for anticipated costs of unemployment benefits. During 2016, claims related to unemployment compensation totaled \$36,000. The liability for unemployment compensation was not material at June 30, 2016, and therefore is not reported.

NOTE 11 – STABILIZATION FUND

The Town has \$4.5 million in a stabilization fund classified as part of the general fund in the governmental funds financial statements. The stabilization fund may be used for general and/or capital purposes upon Town Meeting approval.

NOTE 12 – PENSION PLAN*Plan Description*

The Town is a member of the Norfolk County Retirement System (NCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 41 member units. The system is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. A copy of their audited financial report may be obtained by visiting <http://www.norfolkcountyretirement.org>.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the 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 the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2015. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$6,785,909 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$83,664,175 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. 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 persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

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. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

There were no changes of benefit terms that affected measurement of the total pension liability since the prior measurement date.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the NCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2015 was \$3,583,777, 18.18% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2016, the Town reported a liability of \$40,131,499 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. 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 members, actuarially determined. At December 31, 2015, the Town's proportion was 7.38%, which increased from 6.83% measured at December 31, 2014.

Pension Expense

For the year ended June 30, 2016, the Town recognized a pension expense of \$4,998,536. At June 30, 2016, the Town reported net deferred outflows of resources and inflows of resources related to pensions of \$4,770,222.

The balances of deferred outflows and inflows at June 30, 2016 consist of the following:

Deferred category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 813,147	\$ -	\$ 813,147
Changes of assumptions.....	-	(3,382,159)	(3,382,159)
Difference between projected and actual earnings.....	5,321,037	-	5,321,037
Changes in proportionate share of contributions.....	<u>2,018,197</u>	<u>-</u>	<u>2,018,197</u>
Total Deferred Outflows/(Inflows) or Resources.....	<u>\$ 8,152,381</u>	<u>\$ (3,382,159)</u>	<u>\$ 4,770,222</u>

The deferred outflows/Inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017.....	\$ 1,262,135
2018.....	1,262,135
2019.....	1,262,135
2020.....	<u>983,817</u>
Total.....	<u>\$ 4,770,222</u>

Actuarial Assumptions - The total pension liability in the January 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2015:

Valuation date.....	January 1, 2016
Actuarial cost method.....	Entry Age Normal Actuarial Cost Method.
Amortization method.....	Open - Level percent of payroll. Payroll assumed to grow 3.5% - 5.5% per year.
Asset valuation method.....	Market value as reported by the Public Employees' Retirement Administration (PERAC)
Inflation rate.....	4.0% as of January 1, 2016
Projected salary increases.....	3.5% - 5.5% as of January 1, 2016
Cost of living adjustments.....	3.0% of the first \$15,000 of retirement income.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.
Rates of disability.....	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).
Mortality Rates:	
Pre-Retirement and Post-Retirement....	The RP-2014 Blue Collar Mortality Table for males and females,
Disabled Retiree.....	The RP-2000 Mortality Table set forward six years for Groups 1 and 2 and two years for Group 4.
Investment rate of return/Discount rate.....	8.00%

Investment policy

The pension plan's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

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 real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2016, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	32.00%	9.40%
International equities.....	17.50%	9.70%
Fixed income.....	19.00%	3.40%
Real estate.....	9.00%	7.70%
Private equity.....	8.50%	13.60%
Hedge funds.....	9.00%	7.90%
Real assets.....	5.00%	7.90%

Rate of return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (.75%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net position liability to changes in the discount rate

The following presents the net position liability, calculated using the discount rate of 8.00%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount (8.00%)	1% Increase (9.00%)
	<u> </u>	<u> </u>	<u> </u>
The Town's proportionate share of the net pension liability.....	\$ 50,330,062	\$ 40,131,499	\$ 31,426,738

Pension plan fiduciary net position

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

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town of Westwood administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy – Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 60 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 40 percent of their premium costs. For 2016, the Town contributed approximately \$3.2 million to the plan.

Annual OPEB Cost and Net OPEB Obligation – The Town’s annual other postemployment benefit (OPEB) cost (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 45. The ARC represents a level of funding

that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town’s net OPEB obligation are summarized in the following table:

Annual required contribution.....	\$	3,298,515
Interest on net OPEB obligation.....		1,764,636
Amortization of net OPEB obligation.....		<u>(1,256,852)</u>
Annual OPEB cost (expense).....		3,806,299
Contributions made.....		<u>(3,210,003)</u>
Increase/(Decrease) in net OPEB obligation.....		596,296
Net OPEB obligation-beginning of year.....		<u>22,769,498</u>
Net OPEB obligation-end of year.....	\$	<u><u>23,365,794</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for years 2014, 2015 and 2016 were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2016	\$ 3,806,299	84%	\$ 23,365,794
6/30/2015	5,222,092	53%	22,769,498
6/30/2014	4,952,164	51%	20,296,312

Funded Status and Funding Progress – As of June 30, 2015, the most recent actuarial valuation date, the actuarial value of assets totaled \$1,724,140, the actuarial accrued liability for benefits totaled \$37,327,478 and \$35,603,338 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$44,922,136, and the ratio of the UAAL to the covered payroll was 79.26%.

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

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer 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 employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. Plan membership includes 385 active members and 399 retirees, beneficiaries and dependents. The actuarial assumptions included a discount rate of 7.75%; a 7.75% asset rate of return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date; and a non-Medicare cost trend rate of 6.0% for 8 year, 5.5% for 1 years, and an ultimate level of 5.0% per year thereafter; a Medicare cost trend rate of 8.0% for 4 years, then decreasing by 0.5% for 6 years to an ultimate level of 5.0% per year; and a 5.0% increase per year in the part B premium trend rate. The UAAL is being amortized over a 30 year closed period using a level percentage of projected payroll with amortization payments increasing at 4.0% per year. The asset valuation method used is market value. The remaining amortization period at June 30, 2016 is 29 years.

NOTE 13 – COMMITMENTS

University Station Project

University Station, the Town's high profile commercial development project, significantly advanced in 2016. The project includes over two million square feet of new mixed use development including residential, commercial, hotel, office, and retail components. The developer demolished all the existing structures and completed the installation of all utilities and layouts of the new road systems and intersection improvements. All local and state approvals were given for the first phase of the project which began construction in 2014 and construction has been completed. All of the stores and two restaurants opened in 2015 and 2016 and construction of a hotel and third restaurant have or are about to begin. Advancement of this project has significantly enhanced the town's tax base.

The Town expects that the resulting economic benefits in creating employment opportunities for the Commonwealth and the region and significant new growth revenue will outweigh the additional service costs. For example, the developer has since obtained an \$85 million commitment from the Commonwealth to complete these infrastructure improvements. The overall goal is to achieve a redevelopment project that mitigates any transportation and environmental concerns, provides for an enhanced and stable commercial tax base, creates new employment opportunities and maintains and enhances the quality of the community.

NOTE 14 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards through June 30, 2016, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2016, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2016.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 12, 2016, which is the date the financial statements were available to be issued. On September 2, 2016, the Town rolled \$3,890,000 of BANS outstanding into a \$16,645,000 long-term bond. The \$3,890,000 has been recorded as long-term debt as of year-end.

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2016, the following GASB pronouncements were implemented:

- GASB Statement #72, *Fair Value Measurement and Application*. Notes to the basic financial statements were changed to provide additional disclosure on fair value measurement.
- GASB Statement #73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This pronouncement did not impact the basic financial statements.
- GASB Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This pronouncement did not impact the basic financial statements.
- GASB Statement #79, *Certain External Investment Pools and Pool Participant*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued Statement #77, *Tax Abatement Disclosures*, which is required to be implemented in 2017.
- The GASB issued Statement #78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement #14*, which is required to be implemented in 2017.
- The GASB issued Statement #81, *Irrevocable Split-Interest Agreements*, which is required to be implemented in 2018.
- The GASB issued Statement #82, *Pension Issues – an amendment of GASB Statements #67, #68, and #73*, which is required to be implemented in 2018.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

This page left intentionally blank.

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for all the financial resources, except those required to be accounted for in another fund.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 65,661,137	\$ 66,986,137	\$ 67,407,310	\$ -	\$ 421,173
Motor vehicle excise taxes.....	2,285,000	2,285,000	3,077,485	-	792,485
University Station mitigation funds.....	500,000	500,000	486,453	-	(13,547)
University Station permits.....	441,000	441,000	440,650	-	(350)
Penalties and interest on taxes.....	80,000	80,000	187,078	-	107,078
Fees and rentals.....	262,000	262,000	541,579	-	279,579
Licenses and permits.....	400,000	400,000	1,053,310	-	653,310
Fines and forfeitures.....	10,000	10,000	26,246	-	16,246
Intergovernmental.....	6,887,436	6,988,307	6,951,377	-	(36,930)
Departmental and other.....	250,000	250,000	331,284	-	81,284
Investment income.....	25,000	25,000	56,770	-	31,770
TOTAL REVENUES.....	76,801,573	78,227,444	80,559,542	-	2,332,098
EXPENDITURES:					
SELECTMEN					
Salaries.....	530,527	554,318	554,293	-	25
Expenditures.....	50,365	50,365	45,635	-	4,730
TOTAL.....	580,892	604,683	599,928	-	4,755
FINANCE COMMISSION					
Salaries.....	14,679	14,679	13,088	-	1,591
Expenditures.....	21,950	36,950	36,419	-	531
TOTAL.....	36,629	51,629	49,507	-	2,122
ACCOUNTING					
Salaries.....	214,776	232,156	231,054	-	1,102
Expenditures.....	5,300	5,300	4,418	-	882
TOTAL.....	220,076	237,456	235,472	-	1,984
AUDIT-SCHOOL & MUNICIPAL FINANCIALS					
Professional Services.....	57,750	57,750	51,505	-	6,245
ASSESSORS					
Salaries.....	202,924	202,924	202,872	-	52
Expenditures.....	17,400	17,400	12,957	-	4,443
TOTAL.....	220,324	220,324	215,829	-	4,495
TREASURER					
Salaries.....	96,139	96,139	96,023	-	116
Expenditures.....	12,750	12,750	11,213	-	1,537
TOTAL.....	108,889	108,889	107,236	-	1,653
COLLECTOR					
Salaries.....	116,386	116,386	116,249	-	137
Expenditures.....	74,825	74,825	72,358	-	2,467
TOTAL.....	191,211	191,211	188,607	-	2,604
LEGAL					
Salaries.....	96,104	96,104	96,013	-	91
Expenditures.....	104,500	104,500	88,585	-	15,915
TOTAL.....	200,604	200,604	184,598	-	16,006

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
PERSONNEL BOARD					
Salaries.....	206,386	206,386	205,019	-	1,367
Expenditures.....	7,500	7,500	3,435	4,000	65
TOTAL.....	213,886	213,886	208,454	4,000	1,432
INFORMATION SYSTEMS					
Salaries.....	276,917	276,917	259,547	-	17,370
Expenditures.....	71,045	71,045	61,264	9,776	5
TOTAL.....	347,962	347,962	320,811	9,776	17,375
TOWN CLERK					
Salaries.....	154,405	154,405	148,244	-	6,161
Expenditures.....	56,046	56,046	53,232	-	2,814
TOTAL.....	210,451	210,451	201,476	-	8,975
CONSERVATION COMMISSION					
Salaries.....	48,917	48,917	48,900	-	17
Expenditures.....	5,600	5,600	3,240	-	2,360
TOTAL.....	54,517	54,517	52,140	-	2,377
PLANNING BOARD					
Salaries.....	114,910	120,610	120,518	-	92
Expenditures.....	3,100	3,100	3,081	-	19
TOTAL.....	118,010	123,710	123,599	-	111
ZONING BOARD OF APPEALS					
Salaries.....	29,483	29,483	29,482	-	1
Expenditures.....	1,867	1,867	934	-	933
TOTAL.....	31,350	31,350	30,416	-	934
ECONOMIC DEVELOPMENT TASK FORCE					
Salaries.....	111,321	111,321	109,353	-	1,968
Expenditures.....	4,161	4,161	2,367	-	1,794
TOTAL.....	115,482	115,482	111,720	-	3,762
OUTSIDE PROFESSIONAL SERVICES					
Expenditures.....	41,000	41,000	40,962	-	38
MASS HOUSING PARTNERSHIP/ HOUSING AUTHORITY					
Salaries.....	25,726	25,726	17,490	-	8,236
Expenditures.....	3,200	3,200	-	-	3,200
	28,926	28,926	17,490	-	11,436
OFFICE COMMUNICATIONS					
Expenditures.....	145,000	145,000	139,746	-	5,254
TRAINING					
Expenditures.....	15,000	15,000	6,245	-	8,755
CHARTER COMMISSION					
Expenditures.....	25,000	25,000	16,814	-	8,186
Total General Government.....	2,962,959	3,024,830	2,902,555	13,776	108,499

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
PUBLIC SAFETY					
POLICE DEPARTMENT					
Salaries.....	3,354,444	3,354,444	3,437,642	-	(83,198)
Expenditures.....	263,962	263,962	191,432	51	72,479
TOTAL.....	3,618,406	3,618,406	3,629,074	51	(10,719)
ANIMAL CONTROL					
Salaries.....	52,796	52,796	52,758	-	38
Expenditures.....	9,600	9,600	4,795	-	4,805
TOTAL.....	62,396	62,396	57,553	-	4,843
CROSSING GUARDS					
Salaries.....	102,741	102,741	97,561	-	5,180
Expenditures.....	3,500	3,500	1,829	-	1,671
TOTAL.....	106,241	106,241	99,390	-	6,851
FIRE DEPARTMENT					
Salaries.....	3,617,809	3,606,409	3,504,537	-	101,872
Expenditures.....	218,045	229,445	229,356	-	89
TOTAL.....	3,835,854	3,835,854	3,733,893	-	101,961
BUILDING INSPECTION					
Salaries.....	308,378	308,378	230,847	-	77,531
Expenditures.....	36,975	36,975	25,150	-	11,825
TOTAL.....	345,353	345,353	255,997	-	89,356
CIVIL DEFENSE.....	3,000	3,000	1,329	-	1,671
Total Public Safety.....	7,971,250	7,971,250	7,777,236	51	193,963
EDUCATION					
PUBLIC SCHOOLS					
Salaries and expenditures.....	41,006,468	41,083,968	39,884,050	1,189,392	10,526
BLUE HILLS REGIONAL.....	158,431	158,431	158,075	-	356
Total Education.....	41,164,899	41,242,399	40,042,125	1,189,392	10,882

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
PUBLIC WORKS					
DEPARTMENT OF PUBLIC WORKS					
Salaries.....	1,513,115	1,520,615	1,516,676	3,364	575
Expenditures.....	482,861	482,861	481,634	699	528
TOTAL.....	1,995,976	2,003,476	1,998,310	4,063	1,103
BUILDING MAINTENANCE					
Salaries.....	113,476	147,476	147,379	-	97
Expenditures.....	736,199	736,199	722,586	4,936	8,677
	849,675	883,675	869,965	4,936	8,774
MUNICIPAL & SCHOOL FIELD MAINTENANCE					
Expenditures.....	132,625	132,625	128,153	-	4,472
SNOW & ICE					
Expenditures.....	250,000	475,000	596,492	-	(121,492)
STREET LIGHTING					
Expenditures.....	158,105	158,105	116,986	5,635	35,484
WASTE/COLLECTION/DISPOSAL					
Expenditures.....	1,264,239	1,264,239	1,242,680	20,858	701
Total Public Works.....	4,650,620	4,917,120	4,952,586	35,492	(70,958)
HEALTH AND HUMAN SERVICES					
HEALTH DIVISION					
Salaries.....	261,925	261,925	261,818	-	107
Expenditures.....	9,827	9,827	7,213	-	2,614
TOTAL.....	271,752	271,752	269,031	-	2,721
OUTSIDE HEALTH AGENCIES.....	13,416	13,416	11,026	-	2,390
DISABILITY COMMISSION					
Expenditures.....	500	500	-	-	500
COUNCIL ON AGING					
Salaries.....	278,190	278,190	270,133	-	8,057
Expenditures.....	27,185	27,185	24,638	2,303	244
TOTAL.....	305,375	305,375	294,771	2,303	8,301
YOUTH COMMISSION					
Salaries.....	228,779	273,779	273,708	-	71
Expenditures.....	15,335	15,335	15,284	-	51
TOTAL.....	244,114	289,114	288,992	-	122
VETERANS SERVICES					
Salaries.....	50,043	50,043	49,795	-	248
Expenditures.....	72,300	72,300	61,614	-	10,686
TOTAL.....	122,343	122,343	111,409	-	10,934
Total Health and Human Services.....	957,500	1,002,500	975,229	2,303	24,968

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
CULTURE AND RECREATION					
RECREATION					
Salaries.....	285,314	285,314	284,671	-	643
Expenditures.....	13,284	13,284	13,162	-	122
TOTAL.....	298,598	298,598	297,833	-	765
PUBLIC LIBRARY					
Salaries.....	930,990	930,990	921,298	-	9,692
Expenditures.....	241,310	241,310	238,115	3,138	57
Lost Books.....	1,500	1,500	626	-	874
TOTAL.....	1,173,800	1,173,800	1,160,039	3,138	10,623
MEMORIAL DAY					
Expenditures.....	12,050	12,050	5,019	-	7,031
Total Culture and Recreation.....	1,484,448	1,484,448	1,462,891	3,138	18,419
PENSION BENEFITS					
Contributory Pension.....	3,583,777	3,583,777	3,583,777	-	-
Non-Contributory Pension.....	35,000	-	-	-	-
Total Pension Benefits.....	3,618,777	3,583,777	3,583,777	-	-
INSURANCE					
General Liability.....	422,000	422,000	351,987	-	70,013
UNIVERSITY STATION.....	5,163,086	5,163,086	1,818,477	3,344,609	-
CAPITAL OUTLAY.....	3,740,281	4,471,281	3,179,900	1,273,146	18,235
EMPLOYEE BENEFITS.....	7,406,327	8,056,327	7,363,094	6,464	686,769
RESERVE FUND.....	625,000	300,000	-	-	300,000
STATE AND COUNTY ASSESSMENTS.....	581,920	581,920	581,920	-	-
DEBT SERVICE PRINCIPAL.....	3,618,160	3,618,160	3,470,000	-	148,160
DEBT SERVICE INTEREST.....	1,276,338	1,276,338	1,276,338	-	-
TOTAL EXPENDITURES.....	85,643,565	87,115,436	79,738,115	5,868,371	1,508,950
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(8,841,992)	(8,887,992)	821,427	(5,868,371)	3,841,048
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	-	725,000	725,000	-	-
Transfers in.....	720,253	848,253	848,253	-	-
Transfers out.....	(650,000)	(1,750,000)	(1,750,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	70,253	(176,747)	(176,747)	-	-
NET CHANGE IN FUND BALANCE.....	(8,771,739)	(9,064,739)	644,680	(5,868,371)	3,841,048
BUDGETARY FUND BALANCE, Beginning of year.....	14,672,523	14,672,523	14,672,523	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 5,900,784	\$ 5,607,784	\$ 15,317,203	\$ (5,868,371)	\$ 3,841,048

See notes to required supplementary information.

(Concluded)

Retirement System Schedules

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the City along with related ratios.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015
Town's proportion of the net pension liability (asset).....	6.827%	7.388%
Town's proportionate share of the net pension liability (asset)..... \$	35,408,720	40,131,499
Town's covered employee payroll..... \$	16,856,918	19,710,504
Net pension liability as a percentage of covered-employee payroll.....	210.05%	203.60%
Plan fiduciary net position as a percentage of the total pension liability.....	60.10%	58.60%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015
Actuarially determined contribution.....	\$ 3,303,348	\$ 3,583,777
Contributions in relation to the actuarially determined contribution.....	<u>(3,303,348)</u>	<u>(3,583,777)</u>
Contribution deficiency (excess).....	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll.....	\$ 16,856,918	\$ 19,710,504
Contributions as a percentage of covered- employee payroll.....	19.60%	18.18%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those
years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both a revenue and pension expense

Fiscal Year	Commonwealth's 100% Share of the Net Pension Liability Associated with the Town	Town's Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2015.....	\$ 63,201,321	\$ 4,390,899	61.64%
2016.....	83,664,175	6,785,909	55.38%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

The Schedule of Funding progress compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions compares, overtime, the Annual Required Contributions to the Actual Contributions made.

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2015	\$ 1,724,140	\$ 37,327,478	\$ 35,603,338	5%	\$ 44,922,136	79.26%
6/30/2013	612,433	56,528,705	55,916,272	1%	40,499,858	138.1%
6/30/2011	-	59,054,291	59,054,291	0%	37,620,046	157.0%
6/30/2009	-	49,334,499	49,334,499	0%	39,100,816	126.2%
7/1/2006	-	53,091,156	53,091,156	0%	29,437,171	180.4%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
2016	\$ 3,298,515	\$ 3,210,003	97%
2015	4,977,500	2,748,906	55%
2014	4,737,069	2,504,494	53%
2013	5,143,808	1,884,014	37%
2012	4,891,733	1,751,826	36%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFITS PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

Valuation date.....	June 30, 2015
Actuarial cost method.....	Projected credit unit
Amortization method.....	Payments increasing at 4.0%
Remaining amortization period.....	29 years as of June 30, 2016
Asset valuation method	Market Value

Actuarial Assumptions:

Investment rate of return.....	7.75%
Discount rate.....	7.75%
Inflation rate.....	4.00%
Healthcare cost trend rate.....	6.0% for 8 years, 5.5% for 1 year, and an ultimate level of 5.0% per year thereafter for non-Medicare; 8.0% for 4 years, then decreasing by 0.5% for 6 years to an ultimate level of 5.0% per year for Medicare.
Part B premium trend rate.....	5.00%

Plan Membership:

Current retirees, beneficiaries, and dependents.....	399
Current active members.....	<u>385</u>
Total.....	<u><u>784</u></u>

See notes to required supplementary information.

NOTE A – BUDGETARY BASIS OF ACCOUNTING**1. Budgetary Information**

Municipal Law requires the Town to adopt a balanced budget that is approved by Town Meeting. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires majority Special Town Meeting approval via a special article.

The majority of the Town's appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of Town Meeting.

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original 2016 approved budget for the General Fund authorized approximately \$79 million in appropriations and other amounts to be raised and \$7.3 million in encumbrances and appropriations carried over from previous years. During 2016, the Town increased the original budget by \$2.6 million, which was primarily due to the supplementary appropriations from free cash and appropriations from the ambulance fund, state aid, the reserve fund and from a release of overlay surplus to fund the capital outlay budget, the public works budget, the employee benefit budget, and various salary increases.

The Town Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the Town's accounting system.

2. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts (Commonwealth)) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the General Fund for the year ended June 30, 2016, is presented below:

Net change in fund balance - budgetary basis.....	\$ 644,680
<u>Perspective difference:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	1,796,870
<u>Basis of accounting differences:</u>	
Net change in recording 60-day receipts accrual.....	(218,242)
Net change in expenditure accruals.....	(10,011)
Recognition of revenue for on-behalf payments.....	6,786,000
Recognition of expenditures for on-behalf payments.....	<u>(6,786,000)</u>
Net change in fund balance - GAAP basis.....	<u>\$ 2,213,297</u>

3. Appropriation Deficit

The Town reported appropriation deficits in the police department salary budget and the snow and ice budget. These deficits will be raised on the Towns future year tax recapitulation sheet.

NOTE B – PENSION PLAN

Pension Plan Schedules

Schedule of the Town’s Proportionate Share of the Net Pension Liability

The Schedule of the Town’s Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

Schedule of Town’s Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member’s retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system’s funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the “total appropriation”. The pension fund appropriation is allocated to the Town based on covered payroll.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

Changes in Assumptions

The January 1, 2016 actuarial valuation included a 8.00% assumed rate of return on Plan investments; this is a decrease from the 8.25% assumed rate included in the prior valuation. Additionally, the salary scale was changed to a tiered schedule ranging from 3.5% to 5.5% based on years of service, as compared to a level 4% assumption in the prior valuation.

Changes in Plan Provisions

There were no changes in plan provisions as part of the updated actuarial valuation through the measurement date of December 31, 2015.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare for eligible retirees and their spouses through the Town’s health insurance plan, which covers both active and retired members, including teachers.

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio (actual value of assets expressed as a percentage of the actuarial accrued liability) is 0%. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

The Schedule of Funding Progress presents multiyear trend information which compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions presents multi-year trend information for required and actual contributions relating to the plan.

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

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

Other Supplementary Information

Combining and Individual Fund Statements and Schedules

The combining financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type.

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than permanent funds or major capital project funds) that are restricted by law or administrative action to expenditures for specific purposes. The Town's special revenue funds are grouped into the following categories:

- ***School Lunch Fund*** – accounts for the operations of the public school lunch program.
- ***Ambulance Fund*** – accounts for the fees collected for ambulance services which can legally only be appropriated for costs to provide the service, such as Emergency Medical Technician firefighter stipend and ambulance supplies.
- ***Departmental Grants/Other Revolving Funds*** – accounts for various grants and legally restricted revenues for special programs administered by Town departments.
- ***Educational Grants Funds*** – accounts for all educational programs specially financed by grants and other restricted revenues.
- ***Educational Revolving Funds*** – accounts for educational programs financed by non-grant revenues and gifts.
- ***Expendable Governmental Trusts*** – accounts for contributions where both principal and investment earnings may be spent to support the government.
- ***Highway Improvement Fund*** – accounts for funds received from the State Highway Department which is used for construction, reconstruction and improvements of roadways.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or improvement of major capital assets (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The Town's grouping for non-major capital project funds is as described as follows:

- ***Roadway Improvements*** – accounts for construction, reconstruction and improvements of roadways, streets and sidewalks. Funding is provided primarily by bond proceeds, various grants and legally restricted revenues for special programs administered by Town departments.
- ***School Building Renovations*** – accounts for renovation, improvements and capital equipment associated with public school buildings.
- ***Facilities Renovations*** – accounts for all renovation, improvements and capital equipment associated with various town buildings and facilities.

Permanent Funds

Permanent Funds are used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

- ***Cemetery Fund*** – accounts for contributions associated with cemetery care and maintenance.
- ***Other Nonexpendable Trust Funds*** – accounts for various contributions associated with the public library, schools and veterans services.

This page intentionally left blank.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2016

	Special Revenue Funds							Sub-total
	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trusts	Highway Improvement	
ASSETS								
Cash and cash equivalents.....	\$ 58,286	\$ 643,760	\$ 3,871,282	\$ 956,965	\$ 2,407,455	\$ 80,589	\$ 183,261	\$ 8,201,598
Investments.....	-	-	-	-	-	-	-	-
Receivables, net of uncollectibles:								
Departmental and other.....	-	200,940	-	-	-	-	-	200,940
Intergovernmental.....	-	-	-	-	-	-	722,219	722,219
TOTAL ASSETS.....	\$ 58,286	\$ 844,700	\$ 3,871,282	\$ 956,965	\$ 2,407,455	\$ 80,589	\$ 905,480	\$ 9,124,757
LIABILITIES								
Warrants payable.....	\$ 6	\$ -	\$ 29,906	\$ 185	\$ 63,353	\$ -	\$ -	\$ 93,450
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues.....	-	200,940	-	-	-	-	722,219	923,159
FUND BALANCES								
Nonspendable.....	-	-	-	-	-	-	-	-
Restricted.....	58,280	643,760	3,841,376	956,780	2,344,102	80,589	183,261	8,108,148
TOTAL FUND BALANCES.....	58,280	643,760	3,841,376	956,780	2,344,102	80,589	183,261	8,108,148
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES...	\$ 58,286	\$ 844,700	\$ 3,871,282	\$ 956,965	\$ 2,407,455	\$ 80,589	\$ 905,480	\$ 9,124,757

(Continued)

Capital Projects Funds				Permanent Funds			Total Nonmajor Governmental Funds
Roadway Improvements	School Building Renovations	Facilities Renovations	Sub-total	Cemetery	Other Nonexpendable Trust Funds	Sub-total	
\$ 982,397	\$ -	\$ 624,464	\$ 1,606,861	\$ 393,606	\$ 54,493	\$ 448,099	\$ 10,256,558
-	-	-	-	-	21,546	21,546	21,546
-	-	-	-	-	-	-	200,940
-	-	-	-	-	-	-	722,219
<u>\$ 982,397</u>	<u>\$ -</u>	<u>\$ 624,464</u>	<u>\$ 1,606,861</u>	<u>\$ 393,606</u>	<u>\$ 76,039</u>	<u>\$ 469,645</u>	<u>\$ 11,201,263</u>
\$ 136,896	\$ -	\$ 254,733	\$ 391,629	\$ -	\$ -	\$ -	\$ 485,079
-	-	-	-	-	-	-	923,159
-	-	-	-	371,122	38,478	409,600	409,600
845,501	-	369,731	1,215,232	22,484	37,561	60,045	9,383,425
845,501	-	369,731	1,215,232	393,606	76,039	469,645	9,793,025
<u>\$ 982,397</u>	<u>\$ -</u>	<u>\$ 624,464</u>	<u>\$ 1,606,861</u>	<u>\$ 393,606</u>	<u>\$ 76,039</u>	<u>\$ 469,645</u>	<u>\$ 11,201,263</u>

(Concluded)

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2016

	Special Revenue Funds							Sub-total
	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trusts	Highway Improvement	
REVENUES:								
Charges for services.....	\$ 973,861	\$ 650,638	\$ 834,666	\$ -	\$ 2,437,138	\$ -	\$ -	\$ 4,896,303
Intergovernmental.....	138,072	-	951,819	2,352,784	-	-	1,076,050	4,518,725
Departmental and other.....	-	-	1,089,812	-	-	-	-	1,089,812
Contributions.....	-	-	230,967	-	121,878	-	-	352,845
Investment income.....	-	-	-	-	-	324	-	324
TOTAL REVENUES.....	1,111,933	650,638	3,107,264	2,352,784	2,559,016	324	1,076,050	10,858,009
EXPENDITURES:								
Current:								
General government.....	-	-	525,898	-	-	-	-	525,898
Public safety.....	-	-	175,259	-	-	-	-	175,259
Education.....	1,191,739	-	-	2,053,779	2,810,217	-	-	6,055,735
Public works.....	-	-	176,041	-	-	-	892,789	1,068,830
Human services.....	-	-	101,627	-	-	-	-	101,627
Culture and recreation.....	-	-	828,911	-	-	-	-	828,911
TOTAL EXPENDITURES.....	1,191,739	-	1,807,736	2,053,779	2,810,217	-	892,789	8,756,260
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(79,806)	650,638	1,299,528	299,005	(251,201)	324	183,261	2,101,749
OTHER FINANCING SOURCES (USES):								
Proceeds from bonds and notes.....	-	-	-	-	-	-	-	-
Premium from issuance of bonds.....	-	-	84,915	-	-	-	-	84,915
Transfers out.....	-	(484,500)	(72,775)	-	-	-	-	(557,275)
TOTAL OTHER FINANCING SOURCES (USES)...	-	(484,500)	12,140	-	-	-	-	(472,360)
NET CHANGE IN FUND BALANCES.....	(79,806)	166,138	1,311,668	299,005	(251,201)	324	183,261	1,629,389
FUND BALANCES AT BEGINNING OF YEAR.....	138,086	477,622	2,529,708	657,775	2,595,303	80,265	-	6,478,759
FUND BALANCES AT END OF YEAR.....	\$ 58,280	\$ 643,760	\$ 3,841,376	\$ 956,780	\$ 2,344,102	\$ 80,589	\$ 183,261	\$ 8,108,148

(Continued)

Capital Projects Funds				Permanent Funds			Total Nonmajor Governmental Funds
Roadway Improvements	School Building Renovations	Facilities Renovations	Sub-total	Cemetery	Other Nonexpendable Trust Funds	Sub-total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,896,303
-	-	685,727	685,727	-	-	-	5,204,452
-	-	-	-	-	-	-	1,089,812
-	-	-	-	12,000	-	12,000	364,845
-	-	-	-	37	458	495	819
-	-	685,727	685,727	12,037	458	12,495	11,556,231
476,718	-	913,750	1,390,468	-	-	-	1,916,366
-	-	791,620	791,620	-	-	-	966,879
-	23,349	-	23,349	-	-	-	6,079,084
1,712,749	-	-	1,712,749	-	-	-	2,781,579
-	-	-	-	-	-	-	101,627
-	-	848,591	848,591	-	864	864	1,678,366
2,189,467	23,349	2,553,961	4,766,777	-	864	864	13,523,901
(2,189,467)	(23,349)	(1,868,234)	(4,081,050)	12,037	(406)	11,631	(1,967,670)
2,950,000	-	1,890,000	4,840,000	-	-	-	4,840,000
-	-	-	-	-	-	-	84,915
-	-	-	-	-	-	-	(557,275)
2,950,000	-	1,890,000	4,840,000	-	-	-	4,367,640
760,533	(23,349)	21,766	758,950	12,037	(406)	11,631	2,399,970
84,968	23,349	347,965	456,282	381,569	76,445	458,014	7,393,055
\$ 845,501	\$ -	\$ 369,731	\$ 1,215,232	\$ 393,606	\$ 76,039	\$ 469,645	\$ 9,793,025

(Concluded)

Agency Fund

The Agency Fund is used to account for assets held in a purely custodial capacity. The Town's agency fund consists primarily of student activities and planning deposits.

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2016

	July 1, 2015	Additions	Deletions	June 30, 2016
ASSETS				
Cash and cash equivalents.....	\$ 394,801	\$ 1,426,100	(1,554,880)	\$ 266,021
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	158,887	1,010,659	(1,047,257)	122,289
TOTAL ASSETS.....	\$ 553,688	\$ 2,436,759	\$ (2,602,137)	\$ 388,310
LIABILITIES				
Liabilities due depositors - Student Activities.....	\$ 171,157	\$ 278,785	\$ (284,742)	\$ 165,200
Liabilities due depositors - Planning Deposits.....	382,531	2,157,974	(2,317,395)	223,110
TOTAL LIABILITIES.....	\$ 553,688	\$ 2,436,759	\$ (2,602,137)	\$ 388,310

This page left intentionally blank.

Statistical Section

*Ten Year History of the Following
Major Categories:*

Expenditures

Revenues

Property Tax Collections

Debt

Town Demographics and Economic Information

General Information



Westwood welcomes its new
commercial development....University Station!

University Station is a vibrant mixed-use development of retail, residential, office and hotel uses in Westwood, Massachusetts, located adjacent to the Route 128 Amtrak and MBTA Station.

Statistical Section

This part of the Town of Westwood 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.

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

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.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Town of Westwood, Massachusetts

Net Position By Component

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Invested in capital assets.....	\$ 98,291,275	\$ 98,219,632	\$ 97,986,113	\$ 97,375,492	\$ 99,380,376	\$ 99,367,799	\$ 96,462,678	\$ 95,611,881	\$ 97,303,917	\$ 94,483,050
Restricted.....	2,460,440	2,422,271	2,591,376	2,172,033	1,735,851	1,878,233	1,806,455	1,655,112	1,533,978	2,061,713
Unrestricted.....	<u>6,676,163</u>	<u>8,255,277</u>	<u>4,689,882</u>	<u>2,354,269</u>	<u>1,827,050</u>	<u>60,536</u>	<u>(125,175)</u>	<u>(29,404,389)</u>	<u>(32,182,981)</u>	<u>(31,409,160)</u>
Total governmental activities net position.....	\$ <u>107,427,878</u>	\$ <u>108,897,180</u>	\$ <u>105,267,371</u>	\$ <u>101,901,794</u>	\$ <u>102,943,277</u>	\$ <u>101,306,568</u>	\$ <u>98,143,958</u>	\$ <u>67,862,604</u>	\$ <u>66,654,914</u>	\$ <u>65,135,603</u>
Business-type activities:										
Invested in capital assets, net of related debt.....	13,471,826	13,521,282	13,678,560	13,318,644	12,998,106	12,371,623	12,309,207	11,776,682	11,209,128	11,327,932
Unrestricted.....	<u>3,067,928</u>	<u>3,813,896</u>	<u>3,620,615</u>	<u>3,871,320</u>	<u>4,228,836</u>	<u>4,558,778</u>	<u>4,072,081</u>	<u>3,146,433</u>	<u>4,451,172</u>	<u>5,204,759</u>
Total business-type activities net position.....	\$ <u>16,539,754</u>	\$ <u>17,335,178</u>	\$ <u>17,299,175</u>	\$ <u>17,189,964</u>	\$ <u>17,226,942</u>	\$ <u>16,930,401</u>	\$ <u>16,381,288</u>	\$ <u>14,923,115</u>	\$ <u>15,660,300</u>	\$ <u>16,532,691</u>
Primary government:										
Invested in capital assets.....	111,763,101	111,740,914	111,664,673	110,694,136	112,378,482	111,739,422	108,771,885	107,388,563	108,513,045	105,810,982
Restricted.....	2,460,440	2,422,271	2,591,376	2,172,033	1,735,851	1,878,233	1,806,455	1,655,112	1,533,978	2,061,713
Unrestricted.....	<u>9,744,091</u>	<u>12,069,173</u>	<u>8,310,497</u>	<u>6,225,589</u>	<u>6,055,886</u>	<u>4,619,314</u>	<u>3,946,906</u>	<u>(26,257,956)</u>	<u>(27,731,809)</u>	<u>(26,204,401)</u>
Total primary government net position.....	\$ <u>123,967,632</u>	\$ <u>126,232,358</u>	\$ <u>122,566,546</u>	\$ <u>119,091,758</u>	\$ <u>120,170,219</u>	\$ <u>118,236,969</u>	\$ <u>114,525,246</u>	\$ <u>82,785,719</u>	\$ <u>82,315,214</u>	\$ <u>81,668,294</u>

The Town implemented GASB 68 and recorded their Net Pension Liability for the first time in 2015 and the 2014 balances were revised to reflect the associated changes.

Town of Westwood, Massachusetts

Changes in Net Position

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government.....	\$ 6,876,348	\$ 8,392,072	\$ 7,984,596	\$ 4,745,598	\$ 4,670,650	\$ 5,135,899	\$ 6,151,299	\$ 4,921,812	\$ 4,953,798	\$ 6,212,821
Public safety.....	7,571,002	7,851,039	8,778,769	8,490,129	8,969,089	9,391,010	9,735,929	10,215,841	10,470,500	11,661,076
Education.....	41,522,952	45,462,795	52,088,397	52,200,467	52,489,520	54,472,071	57,774,167	58,068,384	59,970,747	64,002,507
Public works.....	6,025,150	7,193,036	7,037,271	7,425,668	7,472,604	7,204,025	8,351,807	8,697,469	9,028,119	9,033,773
University Station.....	-	-	-	-	-	-	-	1,947,259	1,651,889	2,932,353
Human services.....	844,529	833,985	942,357	1,052,991	1,047,144	1,157,238	1,218,894	1,138,997	1,228,151	1,426,588
Culture and recreation.....	1,880,631	2,376,794	2,468,819	2,378,042	2,371,894	2,386,859	2,801,155	3,394,657	3,308,166	4,307,074
Interest.....	1,966,558	1,983,060	1,692,305	1,750,493	1,475,733	1,542,158	1,216,381	1,137,383	1,060,200	1,259,517
Total government activities expenses.....	66,687,170	74,092,781	80,992,514	78,043,388	78,496,634	81,289,260	87,249,632	89,521,802	91,671,570	100,835,709
Business-type activities:										
Sewer.....	3,944,791	3,734,283	3,761,813	3,670,498	3,653,546	4,149,346	3,913,703	4,135,251	4,205,003	4,299,580
Total primary government expenses.....	\$ 70,631,961	\$ 77,827,064	\$ 84,754,327	\$ 81,713,886	\$ 82,150,180	\$ 85,438,606	\$ 91,163,335	\$ 93,657,053	\$ 95,876,573	\$ 105,135,289
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 2,281,378	\$ 2,448,952	\$ 2,187,026	\$ 2,360,978	\$ 2,364,662	\$ 2,455,709	\$ 2,444,072	\$ 2,463,005	\$ 2,453,507	\$ 2,568,453
Public Safety charges for services.....	1,032,522	1,208,295	1,282,996	1,064,513	1,217,831	1,177,994	1,414,033	1,370,625	1,641,691	1,953,758
Other charges for services.....	4,098,574	5,601,007	4,866,297	1,810,492	1,705,581	1,901,613	3,358,796	1,584,341	1,745,798	2,435,718
Operating grants and contributions.....	11,341,858	13,597,090	15,435,834	14,179,816	14,570,871	14,155,121	14,617,337	22,271,886	14,500,929	19,171,437
Capital grant and contributions.....	255,834	405,154	404,240	416,865	2,752,205	1,110,679	682,003	1,474,068	4,045,233	1,584,581
Total government activities program revenues.....	19,010,166	23,260,498	24,176,393	19,832,664	22,611,150	20,801,116	22,516,241	29,163,925	24,387,158	27,713,947
Business-type activities:										
Charges for services.....	3,788,725	4,276,856	3,623,588	3,756,083	3,895,027	3,677,221	3,525,289	3,731,776	5,175,034	4,978,724
Operating grants and contributions.....	72,022	200,163	54,547	-	45,563	31,638	85,164	32,115	30,832	25,910
Capital grant and contributions.....	-	52,688	47,675	96,182	40,912	222,624	45,115	41,516	27,300	458,315
Total business-type activities program revenues.....	3,860,747	4,529,707	3,725,810	3,852,265	3,981,502	3,931,483	3,655,568	3,805,407	5,233,166	5,462,949
Total primary government program revenues.....	\$ 22,870,913	\$ 27,790,205	\$ 27,902,203	\$ 23,684,929	\$ 26,592,652	\$ 24,732,599	\$ 26,171,809	\$ 32,969,332	\$ 29,620,324	\$ 33,176,896
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (47,677,004)	\$ (50,832,283)	\$ (56,816,121)	\$ (58,210,724)	\$ (55,884,484)	\$ (60,488,144)	\$ (64,733,391)	\$ (60,357,877)	\$ (67,284,412)	\$ (73,121,762)
Business-type activities.....	96,396	795,424	(36,003)	181,767	327,956	(5,563)	(258,135)	(329,844)	1,028,163	1,163,369
Total primary government net (expense)/program revenue.....	\$ (47,580,608)	\$ (50,036,859)	\$ (56,852,124)	\$ (58,028,957)	\$ (55,556,528)	\$ (60,493,707)	\$ (64,991,526)	\$ (60,687,721)	\$ (66,256,249)	\$ (71,958,393)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 43,748,150	\$ 48,295,949	\$ 49,761,536	\$ 51,462,011	\$ 53,365,772	\$ 55,088,302	\$ 57,531,776	\$ 59,098,869	\$ 61,772,952	\$ 67,327,061
Motor vehicle excise taxes.....	2,138,434	2,245,316	2,164,294	2,152,241	2,408,095	2,335,495	2,591,759	2,770,941	3,035,505	3,042,773
Penalties and interest on taxes.....	67,239	96,970	96,949	105,602	122,486	264,092	180,465	118,681	172,557	187,078
Grants and contributions not restricted to specific programs.....	945,762	962,617	882,855	723,159	647,232	748,294	639,972	712,014	776,342	697,791
Unrestricted investment income.....	707,268	615,900	280,678	111,156	91,404	74,274	45,831	25,929	28,388	56,770
Gain of sale of capital assets.....	-	-	-	-	-	50,000	290,000	-	-	-
Miscellaneous.....	69,531	84,833	-	-	-	-	-	-	-	-
Transfers.....	-	-	-	290,978	290,978	290,978	290,978	290,978	290,978	290,978
Total governmental activities.....	47,676,384	52,301,585	53,186,312	54,845,147	56,925,967	58,851,435	61,570,781	63,017,412	66,076,722	71,602,451
Business-type activities:										
Transfers.....	-	-	-	(290,978)	(290,978)	(290,978)	(290,978)	(290,978)	(290,978)	(290,978)
Total primary government general revenues and other changes in net position.....	\$ 47,676,384	\$ 52,301,585	\$ 53,186,312	\$ 54,554,169	\$ 56,634,989	\$ 58,560,457	\$ 61,279,803	\$ 62,726,434	\$ 65,785,744	\$ 71,311,473
Changes in Net Position										
Governmental activities.....	\$ (620)	\$ 1,469,302	\$ (3,629,809)	\$ (3,365,577)	\$ 1,041,483	\$ (1,636,709)	\$ (3,162,610)	\$ 2,659,535	\$ (1,207,690)	\$ (1,519,311)
Business-type activities.....	96,396	795,424	(36,003)	(109,211)	36,978	(296,541)	(549,113)	(620,822)	737,185	872,391
Total primary government changes in net position.....	\$ 95,776	\$ 2,264,726	\$ (3,665,812)	\$ (3,474,788)	\$ 1,078,461	\$ (1,933,250)	\$ (3,711,723)	\$ 2,038,713	\$ (470,505)	\$ (646,920)

The Town implemented GASB 68 and recorded their Net Pension Liability for the first time in 2015.

Town of Westwood, Massachusetts
Fund Balances, Governmental Funds
Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Committed.....	\$ -	\$ -	\$ -	\$ -	\$ 850,479	\$ 1,518,171	\$ 1,237,464	\$ 5,431,729	\$ 6,069,333	\$ 4,617,755
Assigned.....	795,859	1,041,648	1,450,831	1,855,781	1,350,412	1,172,866	1,085,504	1,385,604	1,253,232	4,048,666
Unassigned.....	<u>2,383,588</u>	<u>3,148,155</u>	<u>2,939,926</u>	<u>2,347,670</u>	<u>4,568,530</u>	<u>5,550,222</u>	<u>7,248,711</u>	<u>8,799,948</u>	<u>9,447,109</u>	<u>10,316,550</u>
Total general fund.....	\$ <u>3,179,447</u>	\$ <u>4,189,803</u>	\$ <u>4,390,757</u>	\$ <u>4,203,451</u>	\$ <u>6,769,421</u>	\$ <u>8,241,259</u>	\$ <u>9,571,679</u>	\$ <u>15,617,281</u>	\$ <u>16,769,674</u>	\$ <u>18,982,971</u>
All Other Governmental Funds										
Reserved.....	\$ 292,110	\$ 300,298	\$ 314,274	\$ 325,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	5,402,561	6,408,669	6,945,755	6,867,072	-	-	-	-	-	-
Capital projects funds.....	(686,881)	1,661,627	4,536,063	1,356,217	-	-	-	-	-	-
Permanent funds.....	205,104	214,874	210,544	200,920	-	-	-	-	-	-
Nonspendable.....	-	-	-	-	346,050	346,034	356,034	349,547	361,891	409,600
Restricted.....	-	-	-	-	17,769,174	11,829,474	9,886,170	9,006,419	7,679,740	14,510,286
Total all other governmental funds....	\$ <u>5,212,894</u>	\$ <u>8,585,468</u>	\$ <u>12,006,636</u>	\$ <u>8,750,158</u>	\$ <u>18,115,224</u>	\$ <u>12,175,508</u>	\$ <u>10,242,204</u>	\$ <u>9,355,966</u>	\$ <u>8,041,631</u>	\$ <u>14,919,886</u>

The Town implemented GASB 54 in fiscal 2011, fund balances prior to fiscal year 2011 have been reported in the pre-GASB 54 format.

Town of Westwood, Massachusetts

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

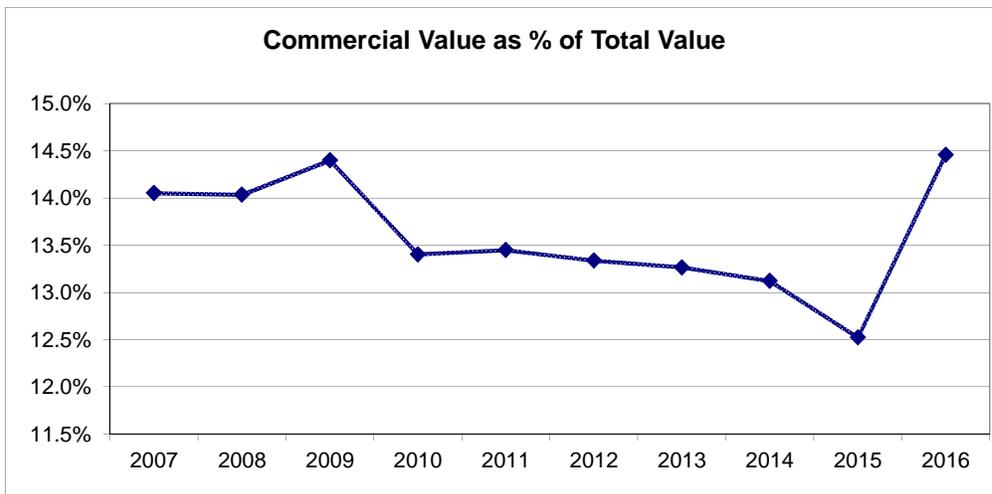
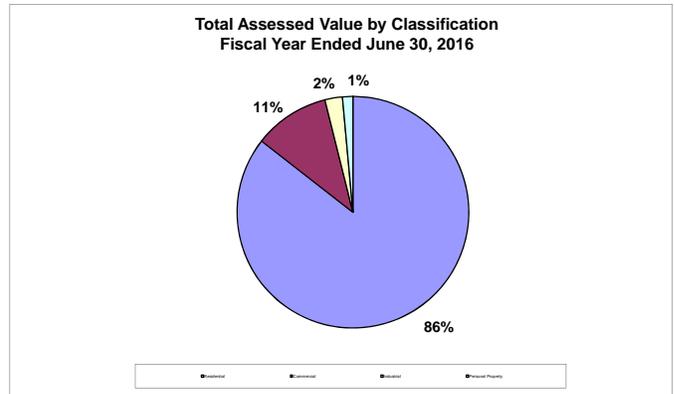
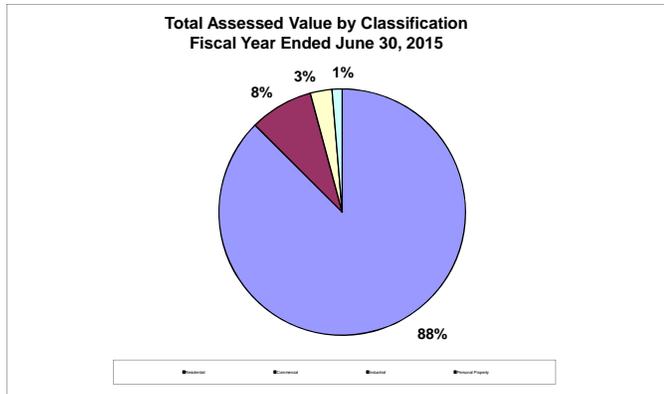
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 43,390,323	\$ 48,329,364	\$ 49,655,987	\$ 50,545,249	\$ 53,892,828	\$ 54,944,965	\$ 57,528,131	\$ 58,918,129	\$ 61,838,371	\$ 67,189,068
Motor vehicle excise taxes.....	2,135,754	2,213,371	2,242,922	2,131,252	2,382,329	2,274,492	2,396,286	2,844,489	3,057,593	3,077,485
Charges for Service.....	4,126,579	4,391,067	4,366,363	4,671,063	4,588,668	4,798,942	4,572,213	4,774,815	4,951,197	4,896,303
University Station guaranteed tax payment.....	-	-	1,750,000	615,000	-	-	-	-	-	-
University Station mitigation funds.....	-	-	-	-	-	-	-	4,400,000	-	486,453
University Station permits.....	-	-	811,079	-	-	-	-	925,000	905,000	440,650
Penalties and interest on taxes.....	67,239	96,970	96,949	105,602	122,486	264,092	180,465	118,681	172,557	187,078
Fees and rentals.....	310,687	279,096	251,898	233,430	277,895	521,268	308,533	341,562	379,437	541,579
Licenses and permits.....	438,345	479,822	378,525	403,405	473,966	456,436	658,179	643,568	771,232	1,053,310
Fines and forfeitures.....	20,030	16,825	16,982	17,521	15,120	12,937	10,940	18,587	32,464	26,246
Intergovernmental.....	14,204,828	15,026,293	15,663,177	15,877,013	18,448,749	17,766,084	15,300,737	16,395,623	18,010,694	18,941,829
Departmental and other.....	989,379	1,130,800	962,503	522,101	630,779	898,592	972,687	681,348	838,806	1,421,096
Departmental and other - University Station.....	2,214,230	3,853,037	2,508,971	424,882	168,734	-	1,601,661	1,437,838	532,664	1,461,119
Contributions.....	209,027	1,232,407	257,657	293,161	256,741	224,819	217,283	782,122	266,436	364,845
Payment in lieu of taxes.....	-	-	-	-	-	-	-	-	25,379	-
Investment income.....	875,775	788,518	318,376	121,794	99,361	78,741	53,292	34,965	104,459	104,459
Total Revenue.....	68,982,196	77,837,570	79,281,389	75,961,473	81,357,656	82,241,368	83,800,407	92,316,727	91,886,289	100,191,520
Expenditures:										
General government.....	2,733,190	2,650,320	3,496,046	2,670,152	2,786,584	3,344,297	2,946,533	3,164,539	3,089,254	4,253,587
Public safety.....	5,864,064	6,028,392	6,152,929	5,920,912	6,263,893	6,416,397	6,569,032	7,184,612	7,813,058	8,644,179
Education.....	32,129,154	34,626,723	36,684,935	37,717,356	37,617,989	38,925,806	41,347,249	41,863,435	43,665,556	46,408,907
Public works.....	3,259,828	4,365,544	3,672,775	4,178,898	4,130,176	3,807,414	4,577,562	4,816,935	5,534,486	4,570,811
University Station.....	2,758,642	4,438,354	2,328,458	458,553	190,298	59,244	1,310,832	1,947,259	1,651,889	3,598,262
Human services.....	679,913	677,563	685,177	788,912	754,398	811,561	840,202	812,061	934,962	1,077,496
Culture and recreation.....	1,607,006	2,097,742	2,079,125	1,969,701	1,931,934	1,930,615	1,982,066	2,220,899	2,222,748	3,141,592
Pension benefits.....	6,521,911	6,705,488	7,294,027	7,557,081	8,065,476	8,708,603	9,164,381	9,356,600	7,647,979	10,369,777
Property and liability insurance.....	335,255	371,053	317,418	278,318	271,221	291,839	325,755	290,897	401,257	351,987
Employee benefits.....	4,349,031	4,788,339	5,323,520	5,453,428	5,616,358	5,624,542	6,455,097	6,574,999	7,230,271	7,363,094
State and MWRA assessments.....	508,634	514,316	521,780	536,238	539,989	531,795	570,404	574,743	591,182	581,921
Capital outlay.....	4,163,245	3,920,736	4,367,254	6,093,652	5,167,049	10,196,200	8,462,813	5,813,248	7,600,649	10,582,910
Debt service:										
Principal.....	4,165,000	4,165,000	4,515,000	4,295,000	4,290,000	4,810,000	3,740,000	3,740,000	3,555,000	3,470,000
Interest.....	1,988,350	1,959,070	1,810,846	1,778,034	1,609,598	1,696,931	1,327,341	1,236,197	1,146,459	1,276,338
Total Expenditures.....	71,063,223	77,308,640	79,249,290	79,696,235	79,234,963	87,155,244	89,619,267	89,596,424	93,084,750	105,690,861
Excess of revenues over (under) expenditures.....	(2,081,027)	528,930	32,099	(3,734,762)	2,122,693	(4,913,876)	(5,818,860)	2,720,303	(1,198,461)	(5,499,341)
Other Financing Sources (Uses)										
Issuance of debt.....	-	3,830,000	3,500,000	-	9,300,000	-	4,635,000	1,400,000	850,000	13,490,000
Issuance of debt refunding.....	-	-	-	-	-	19,095,000	-	-	-	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	2,274,135	-	-	-	-
Payments to refunded bond escrow agents.....	-	-	-	-	-	(21,375,114)	-	-	-	-
Premium from issuance of bonds.....	-	-	90,023	-	217,365	110,997	809,915	809,915	-	809,915
Sale of capital assets.....	-	-	-	-	-	50,000	290,000	-	-	-
Capital lease financing.....	185,622	24,000	-	-	-	-	-	748,083	-	-
Transfers in.....	433,671	535,221	676,859	1,598,609	790,140	814,165	1,254,221	1,087,606	1,469,929	848,253
Transfers out.....	(433,671)	(535,221)	(676,859)	(1,307,631)	(499,162)	(523,187)	(963,243)	(796,628)	(1,178,951)	(557,275)
Total other financing sources (uses).....	185,622	3,854,000	3,590,023	290,978	9,808,343	445,996	6,025,893	3,248,976	1,140,978	14,590,893
Net change in fund balance.....	\$ (1,895,405)	\$ 4,382,930	\$ 3,622,122	\$ (3,443,784)	\$ 11,931,036	\$ (4,467,880)	\$ 207,033	\$ 5,969,279	\$ (57,483)	\$ 9,091,552
Debt service as a percentage of noncapital expenditures....	9.20%	8.34%	8.45%	8.25%	7.97%	8.46%	6.24%	5.94%	5.50%	4.99%

Town of Westwood, Massachusetts

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Years

Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Direct Tax Rate	Total Town Value
2007	\$3,147,514,446	\$10.73	\$271,807,104	\$190,849,800	\$51,962,800	\$514,619,704	\$19.81	14.1%	\$12.01	\$3,662,134,150
2008	\$3,175,772,814	\$11.74	\$272,818,535	\$193,747,600	\$51,955,500	\$518,521,635	\$21.67	14.0%	\$13.13	\$3,694,294,449
2009 (1)	\$3,197,768,457	\$12.01	\$325,730,795	\$164,387,500	\$47,764,400	\$537,882,695	\$22.25	14.4%	\$13.48	\$3,735,651,152
2010	\$3,088,616,907	\$13.07	\$313,502,764	\$116,181,450	\$48,381,800	\$478,066,014	\$23.98	13.4%	\$14.53	\$3,566,682,921
2011	\$3,014,069,261	\$13.83	\$303,956,394	\$111,888,000	\$52,502,700	\$468,347,094	\$25.38	13.4%	\$15.38	\$3,482,416,355
2012 (1)	\$3,019,444,695	\$14.48	\$298,952,742	\$116,563,050	\$49,223,000	\$464,738,792	\$26.55	13.3%	\$16.09	\$3,484,183,487
2013	\$3,025,447,435	\$14.89	\$305,246,315	\$110,035,850	\$47,438,500	\$462,720,665	\$27.28	13.3%	\$16.53	\$3,488,168,100
2014	\$3,024,619,084	\$15.40	\$301,008,803	\$108,446,500	\$47,416,300	\$456,871,603	\$28.18	13.1%	\$17.08	\$3,481,490,687
2015 (1)	\$3,201,759,309	\$15.24	\$305,143,078	\$104,513,800	\$48,705,500	\$458,361,878	\$28.79	12.5%	\$16.94	\$3,660,121,187
2016	\$3,479,561,719	\$14.66	\$429,192,713	\$100,498,400	\$58,369,200	\$588,060,313	\$28.27	14.5%	\$16.63	\$4,067,622,032



(1) Revaluation year.

Source: Assessor's Department, Town of Westwood

All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Town of Westwood, Massachusetts

Principal Taxpayers

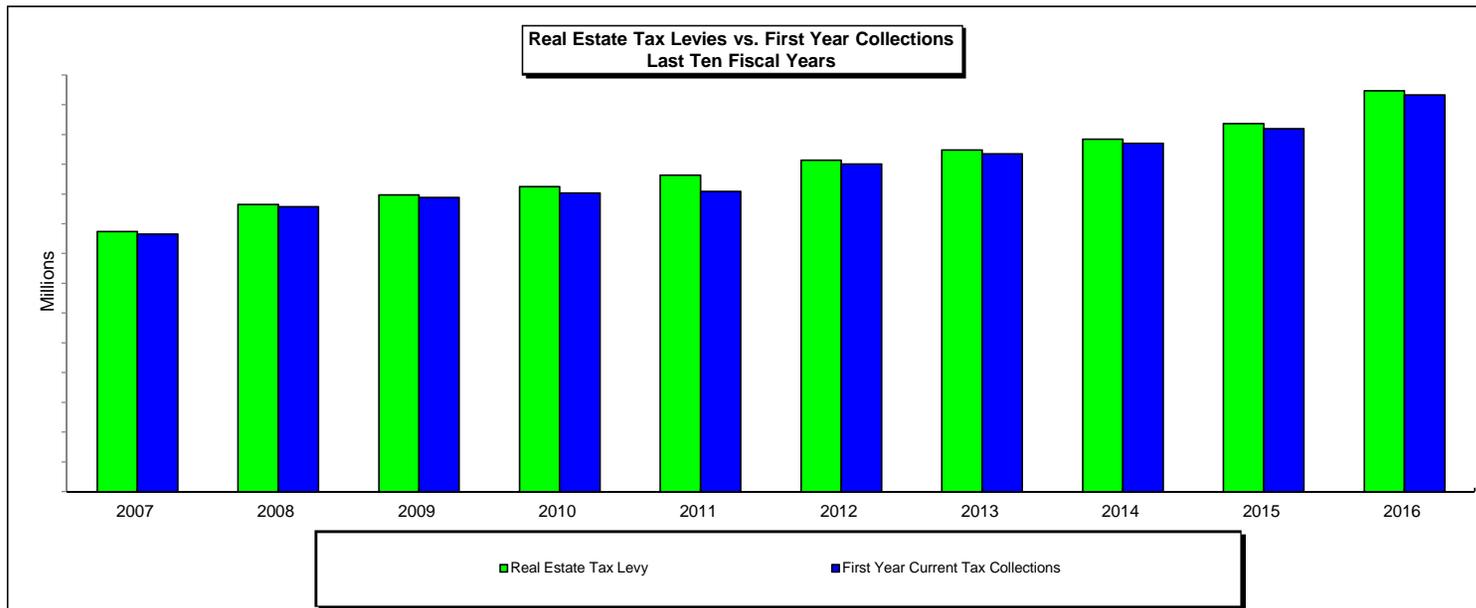
Current Year and Nine Years Ago

Name	Nature of Business	2016			2007		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Westwood Marketplace/University Station Phase 2 LLC	Retail	\$ 114,436,300	1	4.8%	-		-
Foxhill Village Homeowner Corp	Residential Community	\$ 76,059,750	2	1.6%	\$ 80,748,000	2	2.2%
Westwood Gables II LLC	Residential Community	\$ 60,690,950	3	1.3%	-		-
Eversource Utility Company	Office Building	\$ 50,241,850	4	2.1%	-		-
Medical Information Tech Inc.	Office Building/Medical Info	\$ 47,751,600	5	2.0%	\$ 52,617,450	4	1.4%
GR-Highland/Westwood Glen LP	Residential Community	\$ 45,159,850	6	1.0%	\$ 36,545,450	5	1.0%
AGNL Exercise LLC	Fitness Center	\$ 39,179,100	7	1.6%	-		-
Target Corporation	Retail	\$ 20,289,600	8	0.8%	-		-
L&B CIP 690 Canton St LLC	Office/Research & Development	\$ 19,350,800	9	0.8%	-		-
Westwood Developer LLC	Office Building	\$ 15,619,300	10	0.7%	-		-
CFRI/Doherty	Office Building/Warehouse	-		-	\$ 108,837,750	1	3.0%
Boston Edison Company	Office Building	-		-	\$ 53,118,250	3	1.5%
Westwood Investors LLC	Office Building/Administration	-		-	\$ 17,679,300	6	0.5%
Clair Limited Partnership	Car Dealership	-		-	\$ 11,028,450	7	0.3%
Osborn Corporate Trust	Office Building	-		-	\$ 9,772,050	8	0.3%
Westwood Nominee Trust	Office Building	-		-	\$ 9,528,600	9	0.3%
Glacier Limited Partnership	Office Building	-		-	\$ 9,127,500	10	0.3%
	Totals	<u>\$488,779,100</u>		<u>16.7%</u>	<u>\$389,002,800</u>		<u>10.8%</u>

Source: Town of Westwood, Assessor Department

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

Year	(2) Total Tax Levy	Less Abatements & Exemptions	(2) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2007	\$43,967,446	\$265,101	\$43,702,345	\$43,236,824	98.93%	\$353,812	\$43,590,636	99.74%
2008	\$48,519,937	\$269,741	\$48,250,196	\$47,864,756	99.20%	\$211,765	\$48,076,521	99.64%
2009 (1)	\$50,373,089	\$554,555	\$49,818,534	\$49,418,485	99.20%	\$219,456	\$49,637,941	99.64%
2010	\$51,832,246	\$580,906	\$51,251,340	\$50,187,397	97.92%	\$365,302	\$50,552,699	98.64%
2011	\$53,571,227	\$417,348	\$53,153,879	\$50,453,631	94.92%	\$2,610,683	\$53,064,314	99.83%
2012 (1)	\$56,060,374	\$366,520	\$55,693,854	\$55,028,113	98.80%	\$137,394	\$55,165,507	99.05%
2013	\$57,671,932	\$308,035	\$57,363,897	\$56,720,328	98.88%	\$370,257	\$57,090,585	99.52%
2014	\$59,453,776	\$232,373	\$59,221,403	\$58,534,283	98.84%	\$419,104	\$58,953,387	99.55%
2015 (1)	\$61,991,050	\$182,597	\$61,808,453	\$60,957,134	98.62%	\$582,937	\$61,540,071	99.57%
2016	\$67,634,840	\$289,357	\$67,345,483	\$66,662,570	98.99%	\$0	\$66,662,570	98.99%



(1) Revaluation year.
(2) Includes tax liens.
(3) Source: Town of Westwood Collectors Department and Town Records

Town of Westwood, Massachusetts

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	Population Estimates	Personal Income	Assessed Value	Governmental Activities Debt				
				General Obligation Bonds (2)	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2007	15,485	\$813,383,500	\$3,662,134,150	\$41,925,000	\$ 185,622	\$2,719	5.18%	1.15%
2008	15,648	\$871,262,158	\$3,694,294,449	\$41,590,000	\$ 146,004	\$2,667	4.79%	1.13%
2009	15,680	\$925,426,513	\$3,735,651,152	\$40,575,000	\$ 74,737	\$2,592	4.39%	1.09%
2010	15,715	\$983,141,729	\$3,566,682,921	\$36,280,000	\$ -	\$2,309	3.69%	1.02%
2011	14,618	\$969,383,375	\$3,482,416,355	\$41,290,000	\$ -	\$2,825	4.26%	1.19%
2012	14,618	\$1,027,546,378	\$3,484,183,487	\$36,042,083	\$ -	\$2,466	3.51%	1.03%
2013	14,618	\$1,059,322,606	\$3,488,168,100	\$37,219,166	\$ -	\$2,546	3.51%	1.07%
2014	14,618	\$1,403,985,810	\$3,481,490,687	\$34,801,249	\$ 579,212	\$2,420	2.52%	1.02%
2015	14,876	\$1,330,018,532	\$3,660,121,187	\$32,018,332	\$ 434,827	\$2,182	2.44%	0.89%
2016	14,809	\$1,503,409,680	\$4,067,622,032	\$42,723,787	\$ 292,872	\$2,905	2.86%	1.06%

Year	Business-type Activities (1)		Total Primary Government			
	General Obligation Bonds (2)	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2007	\$3,022,828	\$ -	\$45,133,450	\$2,915	5.55%	1.23%
2008	\$2,600,875	\$ -	\$44,336,879	\$2,833	5.09%	1.20%
2009	\$2,175,125	\$ -	\$42,824,862	\$2,731	4.63%	1.15%
2010	\$1,865,287	\$ -	\$38,145,287	\$2,427	3.88%	1.07%
2011	\$1,550,600	\$ -	\$42,840,600	\$2,931	4.42%	1.23%
2012	\$1,443,200	\$ -	\$37,485,283	\$2,564	3.65%	1.08%
2013	\$1,310,440	\$ -	\$38,529,606	\$2,636	3.64%	1.10%
2014	\$2,661,680	\$ -	\$38,042,141	\$2,602	2.71%	1.09%
2015	\$2,277,620	\$ -	\$34,730,779	\$2,335	2.61%	0.95%
2016	\$2,122,060	\$ -	\$45,138,719	\$3,048	3.00%	1.11%

(1) Sewer Fund

(2) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

Source: Audited Financial Statements, U. S. Census

Town of Westwood, Massachusetts

Direct and Overlapping Governmental Activities Debt

As of June 30, 2016

<u>Town of Westwood, Massachusetts</u>	Debt Outstanding (1)	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Norfolk County.....	\$ 11,830,000	3.12%	\$ 368,505
Direct debt:			
Capital Lease Obligations.....			292,872
General Governmental Debt.....			42,723,787
Town total direct debt.....			43,016,659
Total direct and overlapping debt.....			\$ 43,385,164

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

Source: Town of Westwood, Finance Department and related organizations.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of Town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Westwood, Massachusetts

Computation of Legal Debt Margin

Last Ten Years

	Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Equalized Valuation.....	\$ 3,834,008,100	\$ 3,906,162,100	\$ 3,906,162,100	\$ 3,845,002,400	\$ 3,845,002,400	\$ 3,702,302,900	\$ 3,702,302,900	\$ 3,698,071,400	\$ 3,698,071,400	\$ 4,342,334,700
Debt Limit -5% of Equalized Valuation.....	\$ 191,700,405	\$ 195,308,105	\$ 195,308,105	\$ 192,250,120	\$ 192,250,120	\$ 185,115,145	\$ 185,115,145	\$ 184,903,570	\$ 184,903,570	\$ 217,116,735
Less:										
Outstanding debt applicable to limit.....	\$ 44,947,828	\$ 44,190,875	\$ 42,750,125	\$ 38,145,287	\$ 42,840,600	\$ 36,988,200	\$ 37,750,440	\$ 36,761,680	\$ 33,672,620	\$ 43,537,060
Authorized and unissued debt.....	\$ 3,865,000	\$ 4,535,000	\$ 1,150,000	\$ 9,450,000	\$ 910,000	\$ 6,245,000	\$ 2,970,000	\$ -	\$ 9,600,000	\$ 13,205,000
Legal debt margin.....	<u>\$ 142,887,577</u>	<u>\$ 146,582,230</u>	<u>\$ 151,407,980</u>	<u>\$ 144,654,833</u>	<u>\$ 148,499,520</u>	<u>\$ 141,881,945</u>	<u>\$ 144,394,705</u>	<u>\$ 148,141,890</u>	<u>\$ 141,630,950</u>	<u>\$ 160,374,675</u>
Total debt applicable to the limit as a percentage of debt limit.....	25.46%	24.95%	22.48%	24.76%	22.76%	23.35%	22.00%	19.88%	23.40%	26.13%

Source: Town of Westwood, Finance Department

Town of Westwood, Massachusetts

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2007	15,485	\$ 813,383,500	\$ 52,527	41.0	3,023	3.0%
2008	15,648	\$ 871,262,158	\$ 55,679	41.0	3,008	2.7%
2009	15,680	\$ 925,426,513	\$ 59,020	41.0	3,012	5.7%
2010	15,715	\$ 983,141,729	\$ 62,561	41.0	3,184	6.1%
2011	14,618	\$ 969,383,375	\$ 66,314	41.0	3,180	4.5%
2012	14,618	\$ 1,027,546,378	\$ 70,293	41.0	3,019	4.3%
2013	14,618	\$ 1,059,322,606	\$ 72,467	41.0	3,206	4.1%
2014	14,618	\$ 1,403,985,810	\$ 96,045	41.0	3,213	3.9%
2015	14,876	\$ 1,330,018,532	\$ 89,407	41.0	3,521	3.7%
2016	14,809	\$ 1,503,409,680	\$ 101,520	41.0	3,163	2.9%

Source: U. S. Census, Division of Local Services
 Median age is based on most recent census data
 MA Department of Elementary and Secondary Education
 School and Town Clerk Departments, Town of Westwood
 MA Office of Workforce Development

Town of Westwood, Massachusetts

Principal Employers (excluding Town)

Current Year and Nine Years Ago

Employer	Nature of Business	2016			2007		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Eversource Energy	Utility - Gas & Electric	870	1	9.1%	-	-	-
Wegmans	Supermarket	550	2	5.7%	-	-	-
John Hancock retirement Plan Services	Financial Services	450	3	4.7%	-	-	-
Roche Brothers	Supermarkets	356	4	3.7%	280	5	4%
Life Time Fitness	Health & fitness	315	5	3.3%	-	-	-
Prime Motor Group	Automobile Sales	256	6	2.7%	-	-	-
Meditech, Inc	Healthcare Technology	250	7	2.6%	435	3	7%
Target	Department Store	185	8	1.9%	-	-	-
KLA - Tenor Corp	Measurement Technology	175	9	1.8%	-	-	-
Fox Hill Village Retirement Community	Senior Housing	162	10	1.7%	-	-	-
Nstar	Power Company	-	-	-	1,115	1	17%
State Street Bank	Financial Services	-	-	-	700	2	11%
New York Life Insurance	Life Insurance	-	-	-	325	4	5%
Turnbine, Inc	Measurement Technology	-	-	-	250	6	4%
ADE Corporation	Measurement Technology	-	-	-	200	7	3%
MIB	Medical Information	-	-	-	176	8	3%
Northrop Grumman	Electronics	-	-	-	150	9	2%
Clair Motors	Car Dealer	-	-	-	111	10	2%
Total		<u>3,569</u>		<u>37%</u>	<u>3,742</u>		<u>58%</u>

Source: Massachusetts Workplace Development

Town of Westwood, Massachusetts
Full-time Equivalent Town Employees by Function

Last Ten Years

Function	Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government.....	21	21	22	22	22	22	22	21	22	23
Public Safety.....	69	69	70	70	70	72	72	76	88	83
Education.....	488	493	513	512	476	479	496	501	515	536
Public works.....	28	29	29	29	29	29	30	29	29	26
Human services.....	6	6	6	6	6	9	9	9	10	9
Culture and recreation.....	9	9	10	10	10	13	13	13	13	13
Total	621	627	650	649	613	624	642	649	677	690

Source: Town Records

Town of Westwood, Massachusetts
Operating Indicators by Function/Program
Last Ten Years

Function/Program	Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Population.....	15,485	15,648	15,680	15,584	14,618	14,618	14,618	14,618	14,618	14,618
Registered Voters, Annual Town Election.....	9,353	9,584	10,040	10,182	9,450	9,926	10,553	10,639	10,511	107,777
Town Clerk										
Births.....	158	143	117	113	94	111	105	110	114	117
Marriages.....	44	36	42	36	47	73	56	66	73	63
Deaths.....	145	145	156	163	154	142	162	167	151	167
Dogs licensed.....	1,138	1,098	1,239	1,213	1,331	1,382	1,387	1,439	1,477	1,455
Police										
Documented calls for police services.....	15,993	16,234	12,819	14,464	12,913	12,800	14,089	15,819	17,669	28,404
Uniform crimes reported.....	238	263	237	254	259	191	235	195	169	221
Arrests.....	155	153	90	76	89	86	127	139	134	553
Traffic citations issued.....	2,042	2,583	1,816	2,191	988	1,130	1,666	1,729	1,694	3,259
Parking tickets issued.....	129	74	4	46	14	54	42	172	99	207
False burglary alarms.....	1,091	846	829	788	843	912	769	949	817	975
Total number of animal complaints.....	572	458	467	938	372	415	478	546	615	591
Fire										
Inspections.....	939	840	716	701	736	779	839	839	779	1,021
Plan reviews.....	105	106	75	69	81	77	106	106	142	156
Permits/certificates issued.....	418	242	362	330	405	524	566	566	609	654
Emergency responses.....	2,680	2,767	3,015	2,841	3,039	3,064	2,837	2,862	2,820	3,065
Building Department										
Permits issued.....	1,992	1,899	1,897	1,601	1,821	1,823	1,935	2,185	2,275	2,883
Education										
Public school enrollment.....	3,023	3,008	3,024	3,079	3,178	3,213	3,209	3,213	3,253	3,209
Public Works										
Cemetery										
Lots sold.....	36	51	32	54	32	43	70	31	35	35
interments.....	62	66	72	76	69	72	51	74	71	71
Recycling/tons.....	1,656	1,595	1,501	1,329	1,324	1,297	1,439	1,764	1,841	1,841
Hazardous Waste Day Participants.....	336	344	276	292	343	250	187	140	195	266
Human Services										
Board of Health										
Permits issued.....	354	375	324	317	356	326	376	240	351	307
Inspections.....	505	422	431	321	300	288	284	210	298	183
Council on Aging										
Home delivered meals served.....	19,603	19,576	19,878	19,988	19,638	19,404	19,528	16,505	13,014	7,017
Medical-van trips.....	4,182	7,561	6,088	8,422	6,876	7,025	7,132	7,098	4,424	4,424
Libraries										
Volumes in collection.....	111,646	120,148	115,214	111,114	115,131	115,131	128,680	143,913	156,574	160,967
Circulation.....	235,964	242,464	265,772	288,241	280,422	277,941	192,958	267,582	262,598	228,204
Program attendance.....	11,217	11,136	11,522	10,824	10,058	8,791	5,776	9,783	9,762	10,671
Youth & Family Services										
Misc resident clinical consultation hours.....	683	822	726	677	889	987	1,003	1,052	1,052	1,239
Recreation										
Participants.....	7,967	7,327	7,877	8,327	8,013	7,264	8,248	9,564	8,526	6,149
Special Events Participants.....	-	-	-	-	-	4,850	5,750	13,700	14,000	12,225
Pool Admittance.....	-	-	-	-	-	-	-	-	15,426	16,577

NA: Information not available
Note: 2016 information not available
Source: Various Town Departments

Town of Westwood, Massachusetts
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
Number of Buildings.....	3	3	3	3	3	3	3	3	3	3
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Education										
Number of elementary schools.....	5	5	5	5	5	5	5	5	5	5
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Human Services										
Senior Center Facility.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Libraries.....	2	2	2	2	2	2	2	2	2	2
Conservation land (acreage).....	700	700	700	700	700	700	700	700	700	700

Source: Various Town Departments

How Does Westwood Compare with Other Communities?

In determining the list of communities with which to compare Westwood, three factors were considered: location, population, and per capita equalized valuation (EQV).

Location - Communities within a 30 mile radius of Westwood were considered.

Population - Towns with a population significantly smaller than Westwood probably do not have similar service demands; one larger in population will have increased service delivery demands.

Source: MA Department of Revenue

Per Capita Equalized Valuation (EQV) - This factor measures the relative "wealth" of a community by dividing property valuations by population. Per capita valuation is directly related to the amount of revenue that a community can raise via the property tax. It offers some comparison of a community's "ability to pay."

Municipality	Miles from Westwood	2013 Population	2014 EQV Per Capita	2011 Income Per Capita
Canton	8	22,221	\$183,775	\$48,593
Concord	24	19,285	\$287,301	\$100,013
Holliston	14	14,162	\$148,110	\$47,765
Medfield	6	12,313	\$194,877	\$77,499
Sharon	9	18,027	\$160,641	\$56,677
Sudbury	21	18,367	\$226,192	\$93,407
Wayland	17	13,444	\$236,137	\$133,867
Weston	15	11,853	\$471,984	\$267,636
Westwood		14,876	\$248,593	\$89,407

2016				
Municipality	Residential Tax Rate	Commercial Tax Rate	Tax Levy	Taxes As % of Total Revenue
Canton	12.79	26.36	\$68,196,330	68.08
Concord	13.92	13.92	\$81,319,099	79.76
Holliston	18.79	18.79	\$42,754,672	63.29
Medfield	16.75	16.75	\$41,627,344	65.95
Sharon	20.11	20.11	\$62,977,906	72.35
Sudbury	17.80	17.80	\$76,997,530	76.40
Wayland	17.34	17.34	\$58,374,879	68.02
Weston	12.16	12.16	\$71,275,670	75.58
Westwood	14.66	28.27	\$67,634,840	77.68

Municipality	2016			2014	2015	
	Average Single Family Tax Bill	2016 State Hi-Lo Rank	7-1-15 Free Cash	Stabilization Fund	Moody's Bond Rating	S&P
Canton	\$6,285	75	\$3,801,359	\$5,074,180		AAA
Concord	\$13,490	7	\$11,040,933	\$5,324,810	Aaa	
Holliston	\$7,819	45	\$2,083,684	\$5,884,487		Aa+
Medfield	\$10,309	18	\$2,620,615	\$2,922,469	Aa1	
Sharon	\$10,148	20	\$2,502,888	\$400,522	Aa3	Aa
Sudbury	\$12,082	9	\$1,190,989	\$4,128,451		AAA
Wayland	\$11,730	11	\$6,479,195	\$1,585,335	Aaa	
Weston	\$18,762	1	\$2,581,323	\$0	Aaa	AAA
Westwood	\$10,312	17	\$4,961,737	\$2,651,292	Aa1	AAA

Some Facts About Westwood

Form of Government	Board of Selectmen, Executive Secretary, Open Town Meeting			
Population Trends	2000		2014	
	14,117		14,809	
Registered Voters (2015)	Total	Democrats	Republicans	Unenrolled/Other
	10,777	2,757	1,630	6,390

Westwood Schools

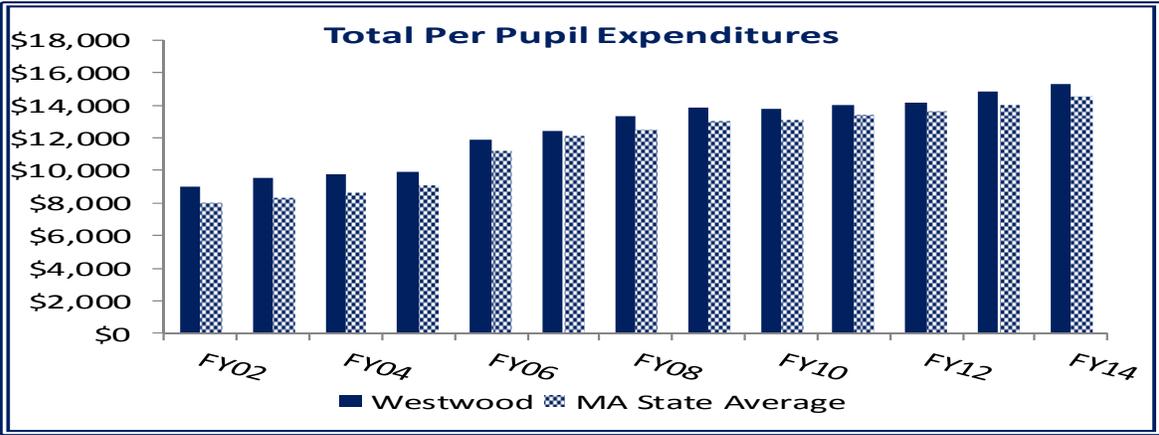
In April, 2005 the new high school and recreational sports fields were opened for students. The new school features beautiful classroom facilities, a state of the art media center, and a new performing arts facility.

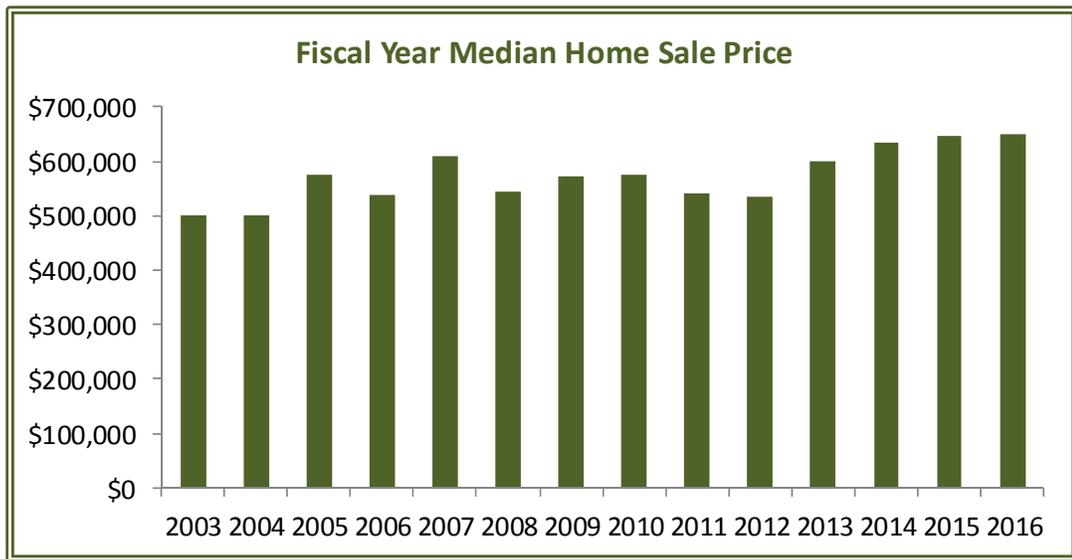


2012 National Blue Ribbon School of Excellence



Westwood High School was named a 2012 National blue Ribbon High School by U. S. Secretary of Education Arne Duncan on September 7, 2012. The school is one of just 38 high schools nationwide to be identified as “Exemplary High Performing,” a designation reserved for schools that are among their state’s highest performing schools.





Visit Westwood's Web Site!
<http://www.townhall.westwood.ma.us/>

Important Links...

- About Westwood
- Address & Phone Directory
- Community Resources Links
- Employment Opportunities
- Forms, Documents, Minutes
- How Do I?
- New Residents
- News and Announcements
- Photo Gallery
- Traffic Updates
- Upcoming Events

Sources: MA Department of Revenue
 MA Department of Education
 U. S. Census
 Town Clerk – Town of Westwood
 Board of Assessors – Town of Westwood