

**DEDHAM-WESTWOOD WATER DISTRICT**  
**Financial Statements**  
**For the Year Ended December 31, 2015**  
**(With Independent Auditors' Report Thereon)**

**Dedham-Westwood Water District**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Dedham-Westwood Water District

**Additional Offices:**

Nashua, NH  
Manchester, NH  
Greenfield, MA  
Ellsworth, ME

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and aggregate remaining fund information of the Dedham-Westwood Water District (the District) as of and for the year ended December 31, 2015, which collectively comprise the District's financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 financial position of the business-type activities and the aggregate remaining fund information of the Dedham-Westwood Water District, at December 31, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the District's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 17, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of OPEB Funding Progress, the Schedule of Proportionate Share of Net Pension Liability, and the Schedule of Pension Contributions be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

*Melanson Heath*

June 13, 2016

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Dedham-Westwood Water District's (the "District") annual financial report, District management offers readers of the District's financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2015.

The District provides water supply services to approximately 13,300 service connections, and approximately 39,000 people, through metered sales in the communities of Dedham and Westwood. The District is responsible for operating and maintaining the water supply system, providing ongoing capital improvements, and for providing the highest quality water product at the lowest possible price.

### **A. OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements of the District include (1) the Comparative Statements of Net Position, (2) the Comparative Statements of Revenues, Expenses and Changes in Fund Net Position, (3) the Comparative Statements of Cash Flows, (4) the Comparative Statements of Fiduciary Net Position, (5) the Comparative Statements of Changes in Fiduciary Net Position, and (6) Notes to Financial Statements. In addition, the Schedule of OPEB Funding Progress, Schedule of Proportionate Share of the Net Pension Liability, and Schedule of Pension Contributions are included in the Financial Statement as Required Supplementary Information.

The Statement of Net Position is designed to indicate the District's financial position as of a specific point in time. This statement presents information regarding the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. At December 31, 2015, it indicates the District's net worth as \$56,639,900 which comprises \$46,651,711 invested in capital assets and \$9,988,189 unrestricted.

The Statement of Revenues, Expenses, and Changes in Fund Net Position summarizes operating and non-operating revenues and expenses for the year, reveals how much, if any, profit was earned for the year, and determines the net change in assets for the year. That change combined with the previous year-end net position total reconciles to the net position total at the end of the current year. As discussed in more detail below, District net income for December 31, 2015 was \$3,772,284.

The Statement of Cash Flows reports cash and cash equivalents activity for the year resulting from operating activities, capital and related financing activities, and investing activities. The net result of these activities added to the beginning of the year cash and cash equivalents balance reconciles to the cash and cash equivalents balance at the end of the current year. A review of the District's

Statement of Cash Flows indicates that the cash receipts from operating activities adequately covered District operating expenses in 2015.

The Statements of Fiduciary Net Position and Changes in Fiduciary Net Position represent the net position and changes in net position of the District's Other Post-Employment Benefit (OPEB) irrevocable trust fund.

The District's financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Under this method of accounting, an economic resources measurement focus and the accrual basis of accounting are used. Revenue is recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows.

## **B. FINANCIAL HIGHLIGHTS**

As of the close of the current year, the District's net position is \$56,639,900. Net position has decreased by \$294,292 in comparison to the prior year, as restated. The decrease in net position is attributable to continuing positive operating results (net income for 2015 is \$3,772,284) offset by the beginning net position restatement that reflects a GASB 68 implementation (see Note 17) yielding a reduction of \$4,066,576 in net position.

Operating revenues were \$10,258,497 for the District in 2015, a 7.19% increase from 2014. This change was primarily due to continued growth at University Station in Westwood, a 2% water rate increase that sustains the Board's financial policy whereby annual rate increases are predicated on the future operating and capital expectations, and a warm, dry summer in 2015.

Operating expenses were \$7,050,057 in 2015, an increase of 2.84% from 2014, primarily the result of additional staffing (one full-time staff) in the Distribution Department, driven by heightened departmental activity in the last several years. Pension expense also increased as a result of adjustments derived from GASB 68 (see Note 12).

The District's Statement of Cash Flows identifies the sources and uses of cash activity for the year. In 2015, District cash and cash equivalents decreased by \$63,933 from 2014, primarily due to the addition of net capital assets (\$3,215,572) while deferring proceeds from new bonds in 2015.

In 2015 the District continued to fund an irrevocable trust fund for its Other Post-Employment Benefits (OPEB), with additional funding of \$125,000.

### C. FINANCIAL ANALYSIS

The following is a summary of condensed financial data for the current and prior years (in thousands).

#### SUMMARY OF NET POSITION

	<u>2015</u>	<u>2014</u>
Current assets	\$ 15,501	\$ 15,213
Noncurrent assets	53,199	51,639
Deferred outflows	<u>404</u>	<u>25</u>
Total assets and deferred outflows	69,104	66,877
Current liabilities	2,701	2,939
Noncurrent liabilities	<u>9,763</u>	<u>7,004</u>
Total liabilities	12,464	9,943
Net position:		
Net investment in capital assets	46,652	43,414
Unrestricted	<u>9,988</u>	<u>13,520</u>
Total net position	<u>\$ 56,640</u>	<u>\$ 56,934</u>

#### SUMMARY OF CHANGES IN NET POSITION

	<u>2015</u>	<u>2014</u>
Operating revenues	\$ 10,258	\$ 9,570
Lease revenue	115	137
Contributions revenue	540	2,500
Investment income	<u>81</u>	<u>64</u>
Total revenue	10,994	12,271
Operating expense	7,050	6,855
Interest on long-term debt	<u>172</u>	<u>189</u>
Total expenses	<u>7,222</u>	<u>7,044</u>
Change in net position	3,772	5,227
Net position - beginning of year, as restated*	<u>52,868</u>	<u>51,707</u>
Net position - end of year	<u>\$ 56,640</u>	<u>\$ 56,934</u>

\* See Note 17

As noted earlier, net position may serve over time as a useful indicator of a governmental entity's financial position. At the close of 2015, total net position was \$56,639,900, an increase of \$3,772,284 from the prior year.

The largest portion of net position \$46,651,711, reflects the District's investment in capital assets (e.g., land, treatment plants, equipment, and infrastructure), less any related debt used to acquire those assets that remains outstanding. These capital assets are used to provide services to customers; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**D. CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District continues to aggressively respond to infrastructure funding needs throughout the water system. Total investment in capital assets at year-end 2015 amounted to \$53,133,012 (net of accumulated depreciation), a change of \$1,576,364 from the prior year. In 2015, the District's capital asset additions totaled \$3,232,266, including donated capital (pipe and hydrants) totaling \$539,514. Capital asset additions in 2015 included the installation of water mains, services, and hydrants, well redevelopments, and the installation of water meters. New well (C-1) design and investigation and permitting to purchase additional water from the MWRA added to capital costs in 2015.

**Debt Plan**

The District's long-term debt obligations are a reflection of long-term capital budgets designed to aggressively address the infrastructure needs of the District in priority order. In 2015, capital expenditures (net of donated capital) totaled \$2.69 million. Approximately 20% of this amount was spent on water source and supply costs (\$0.57 million) with the balance largely spent on routing capital projects ranging from treatment plant upgrades, hydrants, water mains and services to well investigations and redevelopments.

The District has substantially reduced its debt service (principal only) levels in the last ten years, from \$15.1 million in 2005 to \$6.5 million at the end of 2015. The District continues to maintain its underlying debt rating (Moody's) of Aa2 for its general obligation debt.

As of December 31, 2015, the District has five series of general obligation bonds outstanding totaling \$6,481,300. Maturities by issue are as follows:

Series D through 2021	\$ 306,300
Series F through 2016	680,000
Series G through 2020	2,010,000
Series H through 2024	2,700,000
Series I through 2019	<u>785,000</u>
Total	<u>\$ 6,481,300</u>

#### **E. GASB STATEMENT 45**

Governmental Accounting Standards Board Statement 45 (GASB 45) relates to the accounting and disclosure of any Other Postemployment Benefits (OPEB) provided by the District to its current and retired employees. GASB 45 requires the disclosure of the actuarial valuation of the District's postemployment obligation and requires a financial liability to be recorded when the actuarial cost of benefits exceeds the amount paid by the District. In 2006, the District assumed direct responsibility for all personnel costs including OPEB. In April, 2008, the District contracted with the Segal Company (actuarial consultants) to ensure the District's compliance with GASB 45. In March, 2011, the District's Board of Commissioners approved a "closed-loop" OPEB plan which will provide post-retirement benefits for a specific group of 17 (both union and non-union) staff. As mandated by GASB 45, the District is required to update its actuarial valuation for OPEB a minimum of once every three years. In January, 2015, Segal issued the updated OPEB actuarial valuation as of December 31, 2013. The financial data related to the District's 2013 OPEB valuation are incorporated in various sections of the 2015 audited financial statements. On May 13, 2014, the Board established an Irrevocable OPEB Trust. In opting to serve as trustees ex officio, the Board has authorized VALIC Financial Advisors, Inc. to serve as financial advisors to the Board in managing the OPEB irrevocable trust account. During 2015, the District continued to fund the irrevocable trust account with an additional funding of \$125,000. As of December 31, 2015, the District has no retired employees.

Additional information regarding OPEB costs can be found in Notes to Financial Statements, Note 11.

#### **F. GASB STATEMENT 68**

Governmental Accounting Standards Board Statement 68 (GASB 68) was implemented by the District in 2015 (see Note 12). GASB 68 relates to the accounting and financial reporting for pensions, an amendment of GASB Statement No. 27 with respect to the employee's retirement funds. The District joined the Norfolk County Retirement System in July 2006. The accounting and disclosure for the District's proportionate share of the Norfolk County Retirement System is actuarially derived and reported in the District's financial statements. The December 31, 2015 net pension liability is \$4,476,445.

#### **G. GASB STATEMENT 75**

Governmental Accounting Standards Board Statement 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective for the District beginning in 2018. This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57,

*OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans* for OPEB. The scope of this statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. Among other requirements, Statement No. 75 requires the recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense.

### **REQUESTS FOR INFORMATION**

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

Dedham-Westwood Water District  
50 Elm Street, P.O. Box 9137  
Dedham, MA 02027-9137

DEDHAM-WESTWOOD WATER DISTRICT  
 BUSINESS-TYPE PROPRIETARY FUND  
 COMPARATIVE STATEMENTS OF NET POSITION

DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
Current:		
Cash and cash equivalents	\$ 13,003,044	\$ 13,066,977
Accounts receivable	1,883,273	1,591,564
Other assets	615,089	554,400
Total current assets	<u>15,501,406</u>	<u>15,212,941</u>
Noncurrent:		
Bond issue costs	65,555	82,857
Capital assets:		
Land	1,799,332	1,799,332
Other capital assets, net of accumulated depreciation	51,333,680	49,757,316
Total noncurrent assets	<u>53,198,567</u>	<u>51,639,505</u>
Deferred outflows of resources	<u>404,298</u>	<u>24,769</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>69,104,271</b>	<b>66,877,215</b>
<b>LIABILITIES</b>		
Current:		
Accounts payable	289,441	505,108
Accrued expenses	671,407	675,506
Other liabilities	26,517	27,468
Current portion of long-term liabilities:		
Bonds payable	1,641,050	1,661,050
Compensated absences	44,660	33,843
Bond premium	28,140	35,917
Total current liabilities	<u>2,701,215</u>	<u>2,938,892</u>
Noncurrent:		
Bonds payable, net of current portion	4,840,250	6,481,300
Bond premium, net of current portion	130,081	158,231
Accrued other post employment benefits	316,380	364,600
Net pension liability (see footnote 12)	4,476,445	-
Total noncurrent liabilities	<u>9,763,156</u>	<u>7,004,131</u>
<b>TOTAL LIABILITIES</b>	<b>12,464,371</b>	<b>9,943,023</b>
<b>NET POSITION</b>		
Net investment in capital assets	46,651,711	43,414,300
Unrestricted	<u>9,988,189</u>	<u>13,519,892</u>
<b>TOTAL NET POSITION</b>	<b>\$ <u>56,639,900</u></b>	<b>\$ <u>56,934,192</u></b>

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

DEDHAM-WESTWOOD WATER DISTRICT  
 BUSINESS-TYPE PROPRIETARY FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>Operating Revenues:</b>		
User charges	\$ 9,454,529	\$ 8,641,577
Miscellaneous	<u>803,968</u>	<u>928,774</u>
Total Operating Revenues	10,258,497	9,570,351
<b>Operating Expenses:</b>		
Direct labor	2,428,499	2,252,573
Depreciation	1,639,209	1,616,885
Other operating costs	721,645	856,750
Fuel and power	511,760	476,742
Pension expense	484,638	388,875
Health care	357,232	340,553
Repairs and maintenance	328,513	310,373
General insurance	148,751	140,738
Chemicals	99,517	99,503
Transportation, heat, electric	78,282	94,224
Other employee benefits	131,547	149,182
Temporary help	53,590	42,902
Payroll tax	49,081	45,569
Water conservation	<u>17,793</u>	<u>40,153</u>
Total Operating Expenses	<u>7,050,057</u>	<u>6,855,022</u>
Operating Income	3,208,440	2,715,329
<b>Other Income (Expenses):</b>		
Lease revenue	115,532	137,102
Contributions revenue	539,514	2,500,405
Interest income	80,761	63,523
Interest expense	<u>(171,963)</u>	<u>(189,436)</u>
Total Other Income (Expenses)	<u>563,844</u>	<u>2,511,594</u>
Net Income	3,772,284	5,226,923
Net Position at Beginning of Year, as restated *	<u>52,867,616</u>	<u>51,707,269</u>
Net Position at End of Year	<u>\$ 56,639,900</u>	<u>\$ 56,934,192</u>

\* See Note 17

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

DEDHAM-WESTWOOD WATER DISTRICT

BUSINESS-TYPE PROPRIETARY FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Receipts from customers and users	\$ 9,905,148	\$ 9,485,217
Payments to vendors and employees	<u>(5,662,447)</u>	<u>(4,493,166)</u>
Net Cash Provided By Operating Activities	4,242,701	4,992,051
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>		
Contribution revenue	539,514	2,500,405
Acquisition and construction of capital assets, net of disposition	(3,215,572)	(5,508,164)
Bond proceeds	-	3,985,000
Principal payments on bonds payable	(1,661,050)	(2,381,050)
Amortization of debt related costs	6,144	78,567
Interest expense	<u>(171,963)</u>	<u>(189,436)</u>
Net Cash Used For Capital and Related Financing Activities	(4,502,927)	(1,514,678)
<b><u>Cash Flows From Investing Activities:</u></b>		
Lease revenue	115,532	137,102
Investment income	<u>80,761</u>	<u>63,523</u>
Net Cash Provided by Investing Activities	<u>196,293</u>	<u>200,625</u>
Net Change in Cash and Cash Equivalents	(63,933)	3,677,998
Cash and Cash Equivalents, Beginning of Year	<u>13,066,977</u>	<u>9,388,979</u>
Cash and Cash Equivalents, End of Year	<u>\$ 13,003,044</u>	<u>\$ 13,066,977</u>
<b><u>Reconciliation of Operating Income to Net Cash:</u></b>		
Operating income	\$ 3,208,440	\$ 2,715,329
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation	1,639,209	1,616,885
Accounts receivable	(291,709)	(19,463)
Other assets	(60,689)	(93,140)
Deferred outflows	(200,558)	-
Accounts payable	(215,667)	336,228
Accrued expenses	(4,100)	439,265
Other liabilities	(951)	27,468
Compensated absences	10,817	(3,961)
Accrued other post employment benefits	(48,220)	(26,560)
Net pension liability	<u>206,129</u>	<u>-</u>
Net Cash Provided By Operating Activities	<u>\$ 4,242,701</u>	<u>\$ 4,992,051</u>

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

DEDHAM-WESTWOOD WATER DISTRICT  
 FIDUCIARY FUNDS  
 COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION  
 DECEMBER 31, 2015 AND 2014

	Other Post-Employment Benefits Trust Fund	
	<u>2015</u>	<u>2014</u>
<b><u>ASSETS</u></b>		
Investments	\$ 211,756	\$ 98,516
Accounts receivable	125,000	125,000
	\$ 336,756	\$ 223,516
 <b><u>NET POSITION</u></b>		
Total net position held in trust	\$ 336,756	\$ 223,516

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

DEDHAM-WESTWOOD WATER DISTRICT

FIDUCIARY FUNDS

COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Other Post-Employment Benefits Trust Fund</u>	
	<u>2015</u>	<u>2014</u>
<b>Additions:</b>		
Contributions	\$ 125,000	\$ 125,000
Investment income (loss)	<u>(11,760)</u>	<u>(1,484)</u>
Net increase	113,240	123,516
<b>Net position:</b>		
Beginning of year	<u>223,516</u>	<u>100,000</u>
End of year	<u>\$ 336,756</u>	<u>\$ 223,516</u>

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

# DEDHAM-WESTWOOD WATER DISTRICT

## Notes to Financial Statements

### 1. Reporting Entity

The Dedham-Westwood Water District (the District) is a government instrumentality created by Chapter 193 of the Acts of 1985 of the Commonwealth of Massachusetts (the Enabling Act) for the purpose of supplying the Towns of Dedham and Westwood, Massachusetts, with water and providing water treatment works and facilities. Pursuant to the Enabling Act, the District was organized on July 24, 1985. The Enabling Act requires that a six-member Board of Water Commissioners exercise the management and control of the District. The Boards of Selectmen from the Towns of Dedham and Westwood each select three residents from their respective towns to serve as water commissioners.

### 2. Summary of Significant Accounting Policies

The accounting policies of the District conform to Generally Accepted Accounting Principles in the United States of America (GAAP) as applicable to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies followed by the District:

#### A. Basis of Presentation

The operations of the District are accounted for as an enterprise fund. The District's financial statements are reported on an accrual basis of accounting as specified by the GASB requirements for an enterprise fund. The accrual basis of accounting recognizes revenues when earned and recognizes expenses when the related liability is incurred, regardless of when the related cash flow takes place.

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2014.

#### B. Operating Revenue and Expense

Operating revenue consists of billings for metered and unmetered water supplied to residential, commercial, and industrial entities; water system access fees; sales to public authorities; water property; and other water related services. The District bills users of the system on a cycle basis and unbilled revenue is accrued for as of December 31, 2015. The District maintains an ongoing capacity to collect on its customer receivables via

the strength of its non-payment shutoff policy. Therefore, District customer accounts deemed uncollectible are typically negligible on an annual basis. All other revenue is considered nonoperating.

Operating expenses include costs to provide water services.

C. Inventories

Inventories are valued at cost using the weighted average cost method and are included in Other Assets (Note 5).

D. Capital Assets

Capital assets are stated at historical cost. Depreciation expense is calculated on the straight-line method over the estimated useful lives of the assets. Major betterments or renewals are capitalized and depreciated over their estimated useful lives. The District capitalizes interest costs as part of constructing transmission and distribution facilities; however, the District did not have any material construction in progress or capitalized interest costs in 2015.

Estimated useful lives used in computing depreciation are as follows:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and improvements	5 - 60 years
Machinery and equipment	5 - 25 years
Infrastructure	5 - 75 years

E. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation pay benefits. All vested vacation pay is accrued when incurred. A liability for these amounts is reported in the Financial Statements.

F. Net Position

Net position represents the difference between assets/ deferred outflows and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The remaining net position is reported as unrestricted.

G. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### H. Unrestricted Net Position

Included in the unrestricted net position of \$9,988,189 at December 31, 2015 is a board-designated stabilization fund of \$1,800,000.

### **3. Cash and Investments**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the District's deposits "in a bank or trust company or banking company to an amount not exceeding sixty per cent of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." As of December 31, 2015, \$22,795 of the District's bank balance of \$13,168,503 was exposed to custodial credit risk as uninsured, uncollateralized, or collateral held by pledging bank's trust department not in the District's name. The difference between the carrying amount and the bank balance represents reconciling items such as deposits in transit and outstanding checks, which have not been processed by the bank at December 31, 2015.

Investments in the amount of \$211,756 relating to the Other Post-Employment Benefits Trust Fund are maintained by Valic Financial Advisors and consist of short-term money markets, equity mutual funds, and fixed income mutual funds. Investments are carried at market value.

### **4. Accounts Receivable**

Accounts receivable consists of the following:

	<u>2015</u>	<u>2014</u>
Customer Accounts:		
Billed	\$ 1,184,209	\$ 906,200
Unbilled	<u>699,064</u>	<u>685,364</u>
Total receivables	<u>\$ 1,883,273</u>	<u>\$ 1,591,564</u>

### **5. Other Assets**

Other assets consist of the following:

	<u>2015</u>	<u>2014</u>
Prepaid pension assessment	\$ 219,444	\$ 203,741
Miscellaneous accounts receivable	186,411	128,618
Inventory	121,930	139,336
Prepaid expenses	87,104	82,505
Other	<u>200</u>	<u>200</u>
Total other assets	<u>\$ 615,089</u>	<u>\$ 554,400</u>

## 6. Capital Assets

The following is a summary of the 2015 activity in capital assets (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 20,717	\$ 479	\$ -	\$ 21,196
Machinery, equipment, and furnishings	13,628	643	(43)	14,228
Infrastructure	<u>44,214</u>	<u>2,110</u>	<u>(35)</u>	<u>46,289</u>
Total capital assets, being depreciated	78,559	3,232	(78)	81,713
Less accumulated depreciation for:				
Buildings and improvements	(6,403)	(460)	-	(6,863)
Machinery, equipment, and furnishings	(9,922)	(552)	43	(10,431)
Infrastructure	<u>(12,476)</u>	<u>(627)</u>	<u>18</u>	<u>(13,085)</u>
Total accumulated depreciation	<u>(28,801)</u>	<u>(1,639)</u>	<u>61</u>	<u>(30,379)</u>
Total capital assets, being depreciated, net	49,758	1,593	(17)	51,334
Capital assets, not being depreciated:				
Land	<u>1,799</u>	<u>-</u>	<u>-</u>	<u>1,799</u>
Total capital assets, not being depreciated	<u>1,799</u>	<u>-</u>	<u>-</u>	<u>1,799</u>
Governmental activities capital assets, net	<u>\$ 51,557</u>	<u>\$ 1,593</u>	<u>\$ (17)</u>	<u>\$ 53,133</u>

Included in the current year additions is \$539,514 of donated assets including water mains and hydrants for various capital projects.

## 7. Deferred Outflows of Resources

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

	<u>2015</u>
Net difference between projected and actual pension investment earnings	\$ 184,855
Pension contributions subsequent to the measurement date	<u>219,443</u>
	<u>\$ 404,298</u>

**8. Accounts Payable**

Accounts payable represents amounts due to vendors for goods and services provided as of December 31, 2015, which were subsequently paid in 2016.

**9. Accrued Expenses**

Accrued expenses consist of the following:

	<u>2015</u>	<u>2014</u>
Accrued purchased water - MWRA	\$ 357,406	\$ 313,282
Accrued unbilled items	166,695	96,411
Accrued payroll	67,191	87,591
Accrued interest	23,974	43,548
Contract retainage	4,559	111,477
Other	<u>51,582</u>	<u>23,197</u>
Total accrued expenses	<u>\$ 671,407</u>	<u>\$ 675,506</u>

**10. Bonds Payable**

A. General Obligation Bonds

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

<u>Business-Type Activities:</u>	Serial Maturities <u>Through</u>	Interest Rate(s) % <u>Rate(s) %</u>	Amount Outstanding as of <u>12/31/15</u>
General obligation series D	2021	0.00%	\$ 306,300
General obligation series F	2016	2.00 - 3.75%	680,000
General obligation series G	2020	2.00 - 3.25%	2,010,000
General obligation series H	2024	2.00 - 2.50%	2,700,000
General obligation series I	2019	2.00 - 3.00%	<u>785,000</u>
Total Business-Type Activities:			<u>\$ 6,481,300</u>

**B. Future Debt Service**

The annual payments, which are made semi-annually, to retire all general obligation long-term debt outstanding as of December 31, 2015 are as follows:

**Business-Type Activities:**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,641,050	\$ 146,138	\$ 1,787,188
2017	956,050	100,438	1,056,488
2018	946,050	80,413	1,026,463
2019	941,050	61,588	1,002,638
2020	746,050	45,088	791,138
2021 - 2025	<u>1,251,050</u>	<u>68,250</u>	<u>1,319,300</u>
Total	<u>\$ 6,481,300</u>	<u>\$ 501,915</u>	<u>\$ 6,983,215</u>

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

During the year ended December 31, 2015, the following changes occurred in long-term liabilities:

	<u>Total Balance 1/1/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Total Balance 12/31/15</u>	<u>Less Current Portion</u>	<u>Long-Term Portion 12/31/15</u>
<b><u>Business-Type Activities</u></b>						
General obligation bonds	\$ 8,142,350	\$ -	\$ (1,661,050)	\$ 6,481,300	\$ (1,641,050)	\$ 4,840,250
Other:						
Compensated absence	33,843	-	10,817	44,660	(44,660)	-
Bond premium	194,148	-	(35,927)	158,221	(28,140)	130,081
Accrued other post-employment benefits	364,600	-	(48,220)	316,380	-	316,380
Net pension liability	<u>4,270,316</u>	<u>206,129</u>	<u>-</u>	<u>4,476,445</u>	<u>-</u>	<u>4,476,445</u>
Totals	<u>\$ 13,005,257</u>	<u>\$ 206,129</u>	<u>\$ (1,734,380)</u>	<u>\$ 11,477,006</u>	<u>\$ (1,713,850)</u>	<u>\$ 9,763,156</u>

**D. Refundings**

On August 18, 2010 the District sold \$4,090,000 general obligation bonds. \$1,040,000 of this issue was to refund the outstanding balance of the \$2,545,000 General Obligation Bonds of the District originally dated October 15, 2000 and maturing October 15, 2011 through 2020. The refunding bonds were dated September 1, 2010 and will mature on September 1, 2020. The outstanding balance of the refunded portion of these bonds as of December 31, 2015 was \$485,000.

On December 4, 2014 the District sold \$985,000 General Obligation Refunding Bonds, Series B. This issue was to refund the outstanding balance of the \$3,000,000 General Obligation Bonds of the District originally dated June 15, 2004 and maturing June 15, 2015 through 2019. The refunding bonds were dated December 15, 2014 and will mature on June 15, 2019. The balance outstanding as of December 31, 2015 was \$785,000.

## 11. Post-Employment Healthcare and Life Insurance Benefits

### Other Post-Employment Benefits

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

#### A. Plan Description

In addition to providing the pension benefits described, the District provides post-employment healthcare and life insurance benefits for a limited number of retired employees on a “closed loop” basis through the District’s plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of the Massachusetts General Laws. As of December 31, 2013, the actuarial valuation date, 17 active employees met the eligibility requirements. The plan does not issue a separate financial report.

#### B. Benefits Provided

The District provides medical, prescription drug, vision, and dental insurance to retirees and their covered dependents. Those specific active employees who retire from the District and meet the eligibility criteria will receive these benefits.

#### C. Funding Policy

Retirees contribute 50% of the cost of the health plan, as determined by the District. The District contributes the remainder of the health plan costs primarily on a pay-as-you-go basis.

#### D. Annual OPEB Costs and Net OPEB Obligation

The District’s 2015 annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the District’s annual OPEB cost for the year ending December 31, 2015, the amount actually contributed to the plan, and the change in the District’s net OPEB obligation based on an actuarial valuation as of December 31, 2013.

Annual Required Contribution (ARC)	\$ 98,490
Interest on net OPEB obligation	25,522
Adjustment to ARC	<u>(24,843)</u>
Annual OPEB cost	99,169
Contributions made*	<u>(147,389)</u>
Increase (decrease) in net OPEB obligation	(48,220)
Net OPEB obligation - beginning of year	<u>364,600</u>
Net OPEB obligation - end of year	<u><u>\$ 316,380</u></u>

\*Includes additional 2015 contribution of \$125,000 to the District's OPEB Irrevocable Trust Fund.

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

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 99,169	125%	\$ 316,380
2014	\$ 107,174	125%	\$ 364,600
2013	\$ 157,032	75%	\$ 391,160
2012	\$ 187,335	3%	\$ 351,826

The District's net OPEB obligation as of December 31, 2015 is recorded as a component of the "accrued other post-employment benefits" liability line item.

**E. Funded Status and Funding Progress**

The funded status of the plan as of December 31, 2013, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 626,450
Less actuarial value of plan assets	<u>(100,000)</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 526,450</u></u>
Funded ratio (actuarial value of plan assets/AAL)	<u><u>15.96%</u></u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the Notes to the Financial Statements, presents multiyear trend information that shows whether the actuarial value of

plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*F. Actuarial Methods and Assumptions*

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

In the December 31, 2013 actuarial valuation the projected unit credit cost method was used. The actuarial value of assets was not determined as the District has not advance funded its obligation. The actuarial assumptions included a 7.0% investment rate of return and an initial annual healthcare cost trend rate of 8%, which decreases to a 5% long-term rate for all healthcare benefits after six years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 23 years, on a closed basis. This has been calculated assuming the amortization payment increases at a rate of 3%.

**12. Retirement System**

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

*A. Plan Description*

Substantially all employees of the District are members of the Norfolk County Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of the Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports publically available from the System located at 480 Neponset Street, Building #15, Canton, Massachusetts 02021.

*B. Benefits Provided*

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest five year

average for those first becoming members of the System on or after that date. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification. Members become vested after 10 years of creditable service. A retirement allowance may be received attaining 20 years of service. The plan also provides for retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was on the District payroll on January 1, 1978, (3) voluntarily left District employment on or after that date, and (4) left accumulated annuity deductions in the fund. A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 50 for groups 1 and 2, respectively. A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

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

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

### C. Contributions

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

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

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

The District's contribution to the System for the year ended December 31, 2015 was \$407,481, which was equal to its annual required contribution.

*D. Summary of Significant Accounting Policies*

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

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

At December 31, 2015, the District reported a liability of \$4,476,445 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. The total pension liability is equal to the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 68. The net pension liability equals the total pension liability less the Norfolk County Retirement Systems' plan net position at December 31, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2014, the District's proportion was .86314 percent.

For the year ended December 31, 2015, the District recognized pension expense of \$484,638. In addition, the District reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 184,855
Contributions subsequent to the measurement date	<u>219,443</u>
Total	<u>\$ 404,298</u>

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

Year ended December 31:

2016	\$ 265,657
2017	46,214
2018	46,214
2019	<u>46,213</u>
Total	\$ <u><u>404,298</u></u>

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

Inflation	3% of the first \$15,000
Salary increases	4% per year, including longevity
Investment rate of return	8.250%

Mortality rates were based on the RP-2000 mortality table (sex-distinct, healthy employees for actives and healthy annuitants for retirees) projected with scale BB and Generational Mortality. Disabled mortality is the healthy retiree table ages set forward 2 years.

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed income	19.00%	1.90%
Domestic equity	32.00%	7.70%
International equity	17.50%	6.40%
Real estate	9.00%	5.20%
Private equity	8.50%	11.90%
Hedge funds	9.00%	5.50%
Real assets	<u>5.00%</u>	5.50%
Total	<u><u>100.00%</u></u>	

Discount Rate: The discount rate used to measure the total pension liability was 8.25%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.25 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (7.25%) or 1 percentage-point higher (9.25%) than the current rate:

Year Ended	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
2015	\$ 5,617,762	\$ 4,476,445	\$ 3,495,580

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

**13. Risk Management**

The District 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 District carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past five years.

**14. Lease Revenue**

The District has entered into operating leases with certain cellular telecommunication companies whereby these companies use District property for cellular towers. The District currently has three active cellular leases with Sprint (\$59,917), Verizon (\$29,245), and Cingular (\$26,370), each with annual escalators of 3%. The District anticipates these revenues to continue in the future.

**15. Contributions Revenue**

During 2015, the District received contributions of \$539,514 in the form of donated assets. These donated assets included mains and hydrants, and were primarily related to the development of University Station. Donated assets are recorded at fair value at the date of donation.

**16. Parking Rental Agreement**

In July 2014, the District entered into an agreement with the trustees of HCH Investment Trust of Norwood, Massachusetts, to rent space for the purpose of storing clean fill and gravel, and to park and store vehicles or equipment, permitted by applicable laws and regulations. Monthly rental expense in 2015 to the District was \$1,150 per month. The agreement is cancellable by either party with one month of notice. In April 2016, a new rental agreement was negotiated with the same trustees for another parcel of land (smaller lot size) at the new District cost of \$850 per month, effective May 1, 2016.

**17. Beginning Net Position Restatement**

Government Accounting Standards Board Statement 68 (GASB 68) was implemented by the District in 2015 (see Note 12). Because GASB 68 became effective in calendar 2015, and is dependent on new actuarial valuations and calculations, it was not possible to restate the calendar 2014 financial information. As a result, the restated beginning of year 2015 (January 1, 2015) net position balance differs from the end of year 2014 (December 31, 2014) net position balance, as follows:

	Business-Type Proprietary <u>Funds</u>
As previously reported	\$ 56,934,192
GASB 68 implementation	<u>(4,066,576)</u>
As restated	<u>\$ 52,867,616</u>

**18. Subsequent Events**

Events and transactions from January 1, 2016 through June 13, 2016, the date the financial statements were issued, have been evaluated by management for disclosure. Management has determined that there were no material events that would require disclosure in the District's financial statements through this date.

**DEDHAM-WESTWOOD WATER DISTRICT  
SCHEDULE OF OPEB FUNDING PROGRESS  
REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2015  
(Unaudited)**

**Other Post-Employment Benefits**

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
12/31/13	\$ 100,000	\$ 626,450	\$ 526,450	16%
12/31/10	\$ -	\$ 937,400	\$ 937,400	0%

See Independent Auditors' Report.

**DEDHAM-WESTWOOD WATER DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2015**  
**(Unaudited)**

<u>Norfolk County Retirement System:</u>	<u>2015</u>
Proportion of the net pension liability for the most recent measurement date	0.86314%
Proportionate share of the net pension liability for the most recent measurement date	\$ 4,476,445
Covered-employee payroll for the most recent measurement date	\$ 2,129,557
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	210.21%
Plan fiduciary net position as a percentage of the total pension liability	60.1%

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

See Independent Auditors' Report.

**DEDHAM-WESTWOOD WATER DISTRICT**

**SCHEDULE OF PENSION CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015  
(Unaudited)**

<u>Norfolk County Retirement System:</u>	<u>2015</u>
Contractually required contribution for the current fiscal year	\$ 407,481
Contributions in relation to the contractually required contribution	<u>(407,481)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll for the current fiscal year	\$ 2,129,557
Contributions as a percentage of covered-employee payroll	19%

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

See Independent Auditors' Report.