

TOWN OF BRAINTREE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2012

On the Cover:

A view of Town Hall from the Veterans Memorial Mall

Photo by Christopher Griffin

**The Town of
Braintree, Massachusetts**



**Comprehensive
Annual Financial Report**

**For the Fiscal Year Ended
June 30, 2012**

**Prepared by:
Edward J. Spellman, Jr.
Director of Municipal Finance**

Town of Braintree, Massachusetts

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

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Introductory Section



**Town of Braintree, Massachusetts
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

Introductory Section

Edward J. Spellman, Jr.
Director of Finance



Joseph C. Sullivan
Mayor

TOWN OF BRAINTREE
DEPARTMENT OF MUNICIPAL FINANCE
One JFK Memorial Drive, Braintree, MA 02184
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Letter of Transmittal

December 12, 2012

To the Honorable Town Council and Citizens of the Town of Braintree:

State law requires the Town of Braintree to publish at the close of each fiscal 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 Braintree, Massachusetts, for the fiscal year ending June 30, 2012 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. Just as important, the design and format of this report is aimed at providing the residents and taxpayers of Braintree a more easily readable and, therefore, a more easily understandable financial report.

This report consists of management's representations concerning the finances of the Town of Braintree. 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. In order to provide a reasonable basis for making these financial representations, management continues to review and improve its established comprehensive internal controls. The framework for these controls is designed to protect, to the extent possible, the government's assets from loss, theft or misuse. The cost of internal controls should not outweigh their benefits. As a result, the Town of Braintree's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP.

The Town of Braintree'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 Braintree for the fiscal year ended June 30, 2012, 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 unqualified opinion that the Town of Braintree's financial statements for the fiscal year ended June 30, 2012, 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 Braintree 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 Braintree's separately issued Single Audit Report.

This CAFR is presented in three sections: **Introductory**, **Financial** and **Statistical**. This **Introductory Section** contains this transmittal letter along with the Town's organizational chart and principal officials. The **Financial Section** contains the report of our independent auditor, a Management's Discussion and Analysis (MD&A) section, and the financial statements and related notes. 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 now presented. The Town's MD&A can be found immediately following the independent auditor's report from Powers & Sullivan, LLC. The Town of Braintree is responsible for the accuracy of the financial statements as well as their completeness and fairness. We believe the statements are accurate in all material aspects and that they fairly set forth the financial position of the Town. The **Statistical Section** contains, in most cases, a ten-year history of trends of both financial and demographic data.

Profile of the Town

The Town of Braintree is a suburban community with a strong residential character located twelve miles south of Boston, with a land area of 14.52 square miles. Incorporated in 1640, Braintree has a rich history. Old Braintree was the birthplace of two presidents, John Adams and John Quincy Adams, as well as John Hancock and General Sylvanus Thayer, the founder of West Point. The Town is ideally situated at the crossroads of Route I-93 (128) and Route 3 for easy access to the Greater Boston area and Cape Cod as well as having excellent public transportation to Boston and Logan International Airport.

There is a strong business base which includes one of the largest regional shopping centers in the northeast; the South Shore Plaza. Attractive office and industrial parks are located in the Town as well, because of its ideal location.

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 Mayor and Town Council form of government. A nine-member Town Council, 3 members are elected at large and 6 district members, serves as a representative legislature.

The School Committee consisting of 6 elected members and the Mayor, appoint the School Superintendent who administers the public school system of the Town.

Factors Affecting Financial Condition

The Town of Braintree continues to reflect a strong local economic condition through the recent fiscal crisis. The per capita income continues to rise and outpace the state averages. The Town also has a low comparable unemployment rate.

The Town remains a very desirable community and this is reflected in the strong residential sales market, which have regained their 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 and an attractive quality of life.

The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2½ and can only be overridden by a majority vote at a Town election. While revenue increases have been limited in recent years, tax

base growth was enhanced by commercial construction. This helped offset the steady increases in fixed costs, including health insurance and pension costs, which have increased substantially. On the Town's operating side, the FY12 budgets and service level were maintained through a modest 2% 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 manage its financial affairs in a prudent manner, primarily through considerable long-term planning and strong financial policies. It has maintained a high bond rating even with the overall unsettled economy. It has been able to do so by incorporating long range planning tools such as a five-year Capital Improvement Program; maintaining reserve balances despite tight budgets; investing in technology to ensure efficient operations; negotiating sustainable collective bargaining agreements, 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 FY12, the Town continued to demonstrate its commitment to the Financial Policy of maintaining and building an appropriate reserve account. Despite a tight budget process, the Town did not use any funding from the reserves in its continued commitment to increase these.

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. 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 contributes to the Braintree Contributory Retirement System, a cost-sharing, multiple-employer defined benefit pension plan (Plan) administered by the Braintree Contributory Retirement Board. Every two years, an independent actuary engaged by the Board calculates the amount of the annual contribution that the Town must make to the pension plan to ensure its ability to fully meet its obligations to retired employees. As required by law, the Town fully funds each year's annual required contribution to the pension plan as determined by the actuary. As of January 1, 2010, the latest actuarial valuation date, the System had succeeded in funding 67.6% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over the remaining 20 years as part of the annual required contribution as calculated by the actuary.

The Town also provides postemployment health care benefits for certain retirees and their dependents. There are approximately 900 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP now requires the Town to conduct an actuarial valuation to determine the unfunded liability and to recognize the annual cost of reducing this liability in addition to the current year benefits. The Town's most recent actuarial valuation is dated January 1, 2012. If the Town is unable to fund the minimum annual contribution as determined by the actuarial valuation, the unpaid amount will be required to be recorded as a liability on the financial statements of the Town.

Financial and Management Systems

Internal Controls

The Mayor and Director of Municipal Finance of the Town are 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 Director of Municipal Finance 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 Braintree'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.

Budgetary Controls

The Mayor is responsible for preparing and presenting the budget to the Town Council. The Council, having the authority to amend down and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

The level of budgetary control is established by Town Council and defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department program 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 by Town Council throughout the fiscal year.

Acknowledgements

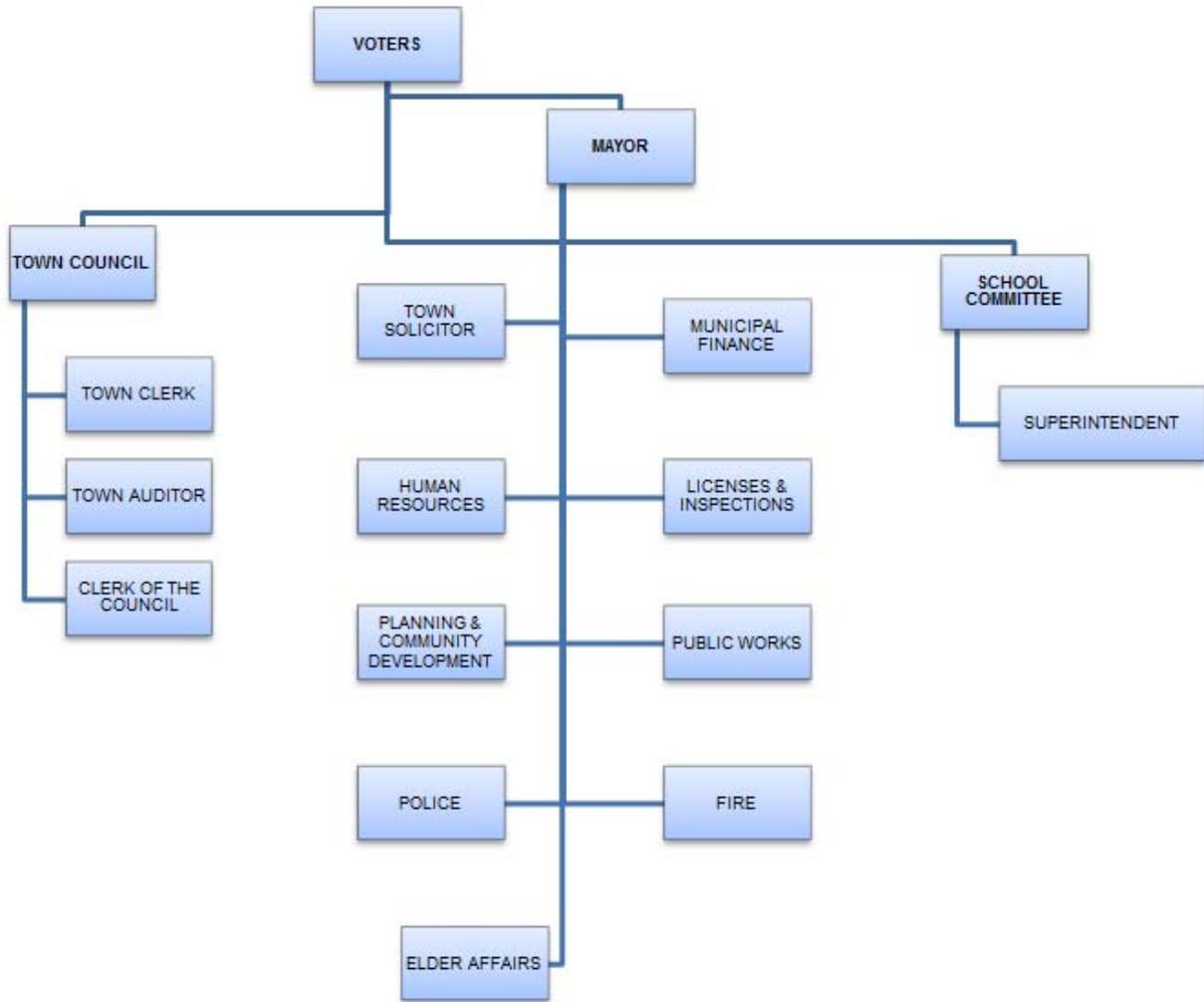
This report represents significant effort by the entire financial team of the Town, whose dedicated efforts have significantly improved the financial operations of the Town. I would like to express our appreciation to the members of all the departments who assisted and contributed to the preparation of this report. I would also like to acknowledge and give credit to the Mayor and the Town Council for their constant support to uphold the highest standards of professionalism in the management of the Town of Braintree's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Edward J. Spellman, Jr.', with a stylized flourish at the end.

Edward J. Spellman, Jr.
Director of Municipal Finance

Town of Braintree Organizational Chart



Principal Town Officials

Elected Officials	Term Expires
Mayor	Joseph C. Sullivan 2016
Town Council	<u>Councilors-at-Large</u> Charles B. Ryan 2014 Leland A. Dingee 2014 Sean E. Powers 2014 <u>District Councilors</u> Charles C. Kokoros, President 2014 Thomas M. Bowers, Vice-President 2014 John C. Mullaney 2014 Henry N. Joyce 2014 Ronald E. DeNapoli 2014 Paul Dan Clifford 2014
School Committee	Shannon Hume, Chairperson 2014 David Ringius, Jr., Vice Chairperson 2014 Pamela Kiley, Recording Secretary 2014 Thomas Devin 2016 Lisa Heger 2016 Joseph Zarella 2016 Joseph C. Sullivan, Mayor 2016

Appointed Officials

Appointed by the Mayor

Chief of Staff	Peter J. Morin
Director of Municipal Finance	Edward J. Spellman, Jr.
Town Solicitor	Carolyn Murray
Director of Human Resources	Karen Shanley
Director of Inspectional Services	Marybeth McGrath
Director of Department of Public Works	Thomas Whalen
Director of Planning & Community Development	Christine Stickney
Police Chief	Russ Jenkins
Fire Chief	Kevin Murphy
Director of Elder Affairs	Sharmila Biswas
Assessor	Robert Brinkmann
Treasurer/Collector	Alicia T. McOsker
Town Accountant	Mark Lin

Appointed by the Town Council

Town Clerk	Joseph F. Powers
Town Auditor	Eric A. Kinsherf
Clerk of the Council	James M. Casey

Appointed by the School Committee

School Superintendent	Peter A. Kurzberg, Ph.D.
Assistant School Superintendent	Maureen Murray, Ed.D
School Business Manager	Peter Kress

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Financial Section



**Town of Braintree, Massachusetts
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

Financial Section

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Independent Auditors' Report

To the Honorable Mayor and the Town Council
Town of Braintree, Massachusetts

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 Braintree, Massachusetts, as of and for the fiscal year ended June 30, 2012 (except for the Braintree Contributory Retirement System and the Braintree Electric Light Department which are as of and for the year ended December 31, 2011), which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Braintree, Massachusetts' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Braintree Electric Light Department as of December 31, 2011. The Braintree Electric Light Department is a major fund and reflects approximately 77% of the total assets, 64% of the net assets, and approximately 83% of the total revenues of the business-type activities. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities of the Braintree Electric Light Department, is based solely on the report of another auditor.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of another auditor provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of another auditor, the financial statements referred to previously 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 Braintree, Massachusetts, as of June 30, 2012 (except for the Braintree Contributory Retirement System and the Braintree Electric Light Department which are as of December 31, 2011), and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2012 on our consideration of the Town of Braintree, Massachusetts' internal control over financial reporting and 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* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Braintree's basic financial statements. The combining statements, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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.

The introductory section and statistical tables, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Powers + Johnson, LLC". The signature is written in a cursive, flowing style.

December 12, 2012

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Braintree, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented in this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Braintree's basic financial statements. These basic financial statements comprise 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. The 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 finances, in a manner similar to private-sector business.

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

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, sanitation, community preservation, human services, culture and recreation, and interest. The business-type activities include the water and sewer, golf course, and electric light activities.

The government-wide financial statements include not only the Town of Braintree itself (known as the *primary government*), but also a legally separate public employee retirement system for which the Town of Braintree is financially accountable. Financial information for this *component unit* is reported separately within the fiduciary fund statements.

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

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

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

The Town of Braintree adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

The Town's general fund is shown separately and the remaining governmental funds are aggregated and shown as nonmajor governmental funds.

Proprietary funds. The Town maintains two types of propriety funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer, golf course and electric light activities.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses internal service funds to account for health insurance activities.

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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic 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.

Financial Highlights.

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. The Town of Braintree’s governmental assets exceeded liabilities for governmental activities by \$51.6 million and the business-type activities assets exceeded liabilities by \$89.6 million at the close of the most recent fiscal year. Key components of the Town’s activities are presented below.

Governmental Activities

	2012	2011
Assets:		
Current assets.....	\$ 57,242,485	\$ 57,352,006
Capital assets, non depreciable.....	14,794,468	13,755,668
Capital assets, net of accumulated depreciation.....	56,742,522	47,915,441
Total assets.....	128,779,475	119,023,115
Liabilities:		
Current liabilities (excluding debt).....	10,635,015	10,022,691
Noncurrent liabilities (excluding debt).....	43,778,115	37,091,036
Current debt.....	2,560,568	2,285,878
Noncurrent debt.....	20,165,003	16,880,000
Total liabilities.....	77,138,701	66,279,605
Net Assets:		
Invested in capital assets, net of related debt.....	52,564,200	47,910,553
Restricted.....	19,081,454	18,984,718
Unrestricted.....	(20,004,880)	(14,151,761)
Total net assets.....	\$ 51,640,774	\$ 52,743,510

Invested in capital assets, net of related debt of \$52.6 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 net assets \$19.1 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* resulted in a \$20 million deficit mainly relating to the cumulative effect of recording \$42 million of other postemployment benefit liabilities through June 30, 2012.

	<u>2012</u>	<u>2011</u>
Program revenues:		
Charges for services.....	\$ 7,507,858	\$ 7,629,799
Operating grants and contributions.....	33,518,827	33,221,854
Capital grants and contributions.....	4,773,929	3,793,516
General Revenues:		
Real estate and personal property taxes.....	69,679,306	68,085,843
Motor vehicle and other excise taxes.....	4,039,432	4,284,625
Hotel/motel tax.....	784,781	718,452
Nonrestricted grants.....	4,989,211	4,949,885
Unrestricted investment income.....	215,677	267,612
Other revenues.....	1,118,801	1,162,109
Total revenues.....	<u>126,627,822</u>	<u>124,113,695</u>
Expenses:		
General government.....	6,120,306	6,219,480
Public safety.....	22,644,632	22,731,221
Education.....	87,632,097	85,120,589
Public works.....	6,258,439	7,075,816
Sanitation.....	1,734,699	1,421,972
Community preservation.....	168,276	76,049
Human services.....	1,108,036	1,064,014
Culture and recreation.....	3,685,605	3,733,359
Interest.....	668,246	620,316
Total expenses.....	<u>130,020,336</u>	<u>128,062,816</u>
Excess (Deficiency) before transfers.....	(3,392,514)	(3,949,121)
Transfers.....	<u>2,289,778</u>	<u>2,284,796</u>
Change in net assets.....	\$ <u>(1,102,736)</u>	\$ <u>(1,664,325)</u>

The governmental net assets decreased by \$1.1 million during the current fiscal year as compared to a decrease of \$1.7 million in the prior year. The decrease in net assets is mainly attributable to the recording of an additional \$6.7 million in other postemployment benefit expenses. Total revenues increased approximately \$2.5 million from a \$1 million land donation and from an increase in real estate and personal property taxes of \$1.5 million. Expenses increased approximately 1.5% mainly for educational expenses.

Business-type Activities. Business-type activities decreased the Town’s net assets by \$2.2 million compared to an increase of \$1.8 million in the prior year. The change relates mainly to the Electric Light Department where total revenues were \$5.3 million less than the previous year. Total expenses were also less than the previous year by approximately \$1.6 million. The lower sales amounts in the current year were attributed to weather related demand being lower.

The water and sewer fund was established in 1984 pursuant to an act establishing the water and sewer commission. Water and sewer business-type activities assets exceeded liabilities by \$31.9 million at the close of fiscal year 2012. Invested in capital assets, net of related debt was \$21.1 million (66%) while unrestricted net assets were \$10.8 million (34%). There was an increase of \$8,000 in net assets compared to an increase of \$131,000 in the prior year.

Golf Course business-type activities assets exceeded liabilities by \$698,000 at the close of fiscal year 2012. Invested in capital assets, net of related debt was \$1 million while unrestricted net assets were in a deficit in the amount of \$302,000. There was a decrease of \$147,000 in net assets compared to a decrease of \$53,000 in the prior year. This decrease was mainly from the recognition of an additional \$70,000 in other postemployment benefit expenses.

Electric business-type activities assets exceeded liabilities by \$57 million at December 31, 2011. Invested in capital assets, net of related debt were \$49.5 million (87%) and unrestricted net assets were \$7.5 million (13%). There was a decrease of \$2.1 million in net assets compared to an increase of \$1.7 in the prior year.

Business-type Activities

	2012	2011
Assets:		
Current assets.....	\$ 45,639,646	\$ 49,864,452
Noncurrent assets (excluding capital).....	858,466	842,884
Capital assets, non depreciable.....	3,171,802	4,034,479
Capital assets, net of accumulated depreciation.....	196,162,194	194,447,509
Total assets.....	245,832,108	249,189,324
Liabilities:		
Current liabilities (excluding debt).....	8,596,632	7,337,240
Non-current liabilities (excluding debt).....	15,405,823	14,418,717
Current debt.....	7,943,963	7,392,048
Noncurrent debt.....	124,273,959	128,209,297
Total liabilities.....	156,220,377	157,357,302
Net Assets:		
Invested in capital assets, net of related debt.....	71,591,338	69,022,850
Unrestricted.....	18,020,393	22,809,172
Total net assets.....	\$ 89,611,731	\$ 91,832,022

	2012	2011
Program revenues:		
Charges for services.....	\$ 84,207,284	\$ 89,035,491
Other revenues.....	891,460	1,398,980
Operating grants and contributions.....	-	215,783
Capital grants and contributions.....	281,643	-
General Revenues:		
Unrestricted investment income.....	55,743	244,779
Total revenues.....	85,436,130	90,895,033
 Expenses:		
Water and sewer.....	12,960,228	12,992,288
Golf Course.....	1,510,491	1,400,980
Electric Light.....	70,895,924	72,454,533
Total expenses.....	85,366,643	86,847,801
 Excess before transfers.....	69,487	4,047,232
 Transfers.....	(2,289,778)	(2,284,796)
 Change in net assets.....	\$ (2,220,291)	\$ 1,762,436

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$39.7 million, which represents an increase of \$517,000 from the prior year. The general fund increased by \$2.1 million and the nonmajor funds decreased by \$1.6 million.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15.8 million, while total fund balance was \$17 million. 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 14.1% of total general fund expenditures, while total fund balance represents 15.2% of that same amount.

General fund revenues increased by \$3.5 million or approximately 3.2% over the previous year. These increases came mainly from real estate taxes and intergovernmental revenues for the schools. Expenditures increased by just over \$4 million or approximately 3.7% from virtually all categories. The deficit in expenditures over revenues collected was offset by budgeted transfers from the enterprise funds for administration and for a payment in-lieu of taxes made by the Electric Light Department. The net change in fund balance for the year was an increase of \$2.1 million, compared to an increase in the prior of \$2.3 million.

Proprietary funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The Town of Braintree adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided as required supplementary information for the general fund to demonstrate compliance with this budget.

Actual revenues came in higher than budgeted by approximately \$927,000 or just less than 1%. The largest area of surplus was departmental and other of \$796,000 due to more building permits being issued than projected.

Actual expenditures came in \$1.1 million less than budgeted. All departments realized budget savings except for state and county assessments, which under state law, is allowed to deficit spend.

Capital Asset and Debt Administration

In conjunction with the operating budget, the Town annually prepares capital budgets for the upcoming fiscal year.

During fiscal year 2012 the Town expended \$11.9 million on governmental activities capital assets, in addition to accepting several parcels of land donated to the Town valued at approximately \$1,039,000. The expenditures consisted mainly of roadway improvements. The business type activities expended \$11.1 million during 2012. This consisted mainly of \$7.6 million on the new power plant at the electric light plant and \$3.5 million water mains in the water and sewer fund.

Outstanding long-term debt of the governmental activities, as of June 30, 2012, totaled \$22.2 million, of which \$12.7 million is related to public building construction, \$5.9 million relates to road construction, \$1.6 million relates to land acquisition, and \$2.0 million relates to other projects.

The enterprise fund has \$21.9 million in water and sewer enterprise debt and \$101.9 million in Electric Light debt that is fully supported by the rates and do not rely on a general fund subsidy.

During fiscal year 2012 the Town issued long-term general obligation bonds in the amounts of \$5.3 million for governmental funds, and \$3.4 million for the water and sewer enterprise fund.

Please refer to Notes 4, 6, 7, and 8 of the notes to the financial statements for further discussion of the major capital and debt activity, respectively.

Requests for Information

This financial report is designed to provide a general overview of the Town of Braintree'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 Municipal Finance, Town Hall, One JFK Memorial Drive, Braintree, Massachusetts 02184.

Basic Financial Statements

STATEMENT OF NET ASSETS

JUNE 30, 2012

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 41,402,953	\$ 30,286,959	\$ 71,689,912
Investments.....	7,091,800	-	7,091,800
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	2,094,593	-	2,094,593
Tax liens.....	647,985	50,543	698,528
Motor vehicle and other excise taxes.....	544,447	-	544,447
User fees.....	-	9,159,973	9,159,973
Departmental and other.....	428,214	485,502	913,716
Intergovernmental.....	4,154,212	-	4,154,212
Tax foreclosures.....	78,281	-	78,281
Inventory.....	-	3,829,502	3,829,502
Working capital deposit.....	800,000	-	800,000
Prepaid expenses.....	-	525,673	525,673
Purchased power advanced deposits.....	-	1,301,494	1,301,494
Total current assets.....	<u>57,242,485</u>	<u>45,639,646</u>	<u>102,882,131</u>
NONCURRENT:			
Investment in Hydro Quebec.....	-	47,950	47,950
Investment in Energy New England.....	-	675,480	675,480
Other assets.....	-	135,036	135,036
Capital assets, non depreciable.....	14,794,468	3,171,802	17,966,270
Capital assets, net of accumulated depreciation.....	<u>56,742,522</u>	<u>196,162,194</u>	<u>252,904,716</u>
Total noncurrent assets.....	71,536,990	200,192,462	271,729,452
TOTAL ASSETS.....	<u>128,779,475</u>	<u>245,832,108</u>	<u>374,611,583</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	923,597	6,752,957	7,676,554
Accrued payroll.....	4,393,080	44,134	4,437,214
Health claims payable.....	1,175,000	-	1,175,000
Tax refunds payable.....	1,285,000	-	1,285,000
Accrued interest.....	99,890	104,857	204,747
Participant advances and reserves.....	-	916,413	916,413
Other liabilities.....	6,633	-	6,633
Unearned revenue.....	716,437	337,545	1,053,982
Capital lease obligations.....	63,388	239,171	302,559
Compensated absences.....	1,742,946	440,726	2,183,672
Workers' compensation.....	292,432	-	292,432
Bonds payable.....	<u>2,497,180</u>	<u>7,704,792</u>	<u>10,201,972</u>
Total current liabilities.....	<u>13,195,583</u>	<u>16,540,595</u>	<u>29,736,178</u>
NONCURRENT:			
Capital lease obligations.....	149,204	310,458	459,662
Customer deposits payable.....	-	639,500	639,500
Compensated absences.....	1,566,826	70,306	1,637,132
Workers' compensation.....	209,583	-	209,583
Unearned revenue.....	-	9,441,668	9,441,668
Other postemployment benefits.....	42,001,706	5,254,349	47,256,055
Bonds payable.....	<u>20,015,799</u>	<u>123,963,501</u>	<u>143,979,300</u>
Total noncurrent liabilities.....	<u>63,943,118</u>	<u>139,679,782</u>	<u>203,622,900</u>
TOTAL LIABILITIES.....	<u>77,138,701</u>	<u>156,220,377</u>	<u>233,359,078</u>
NET ASSETS			
Invested in capital assets, net of related debt.....	52,564,200	71,591,338	124,155,538
Restricted for:			
Permanent funds:			
Expendable.....	8,159,027	-	8,159,027
Nonexpendable.....	2,564,886	-	2,564,886
Grants and gifts.....	3,612,831	-	3,612,831
Community preservation.....	4,744,710	-	4,744,710
Unrestricted.....	<u>(20,004,880)</u>	<u>18,020,393</u>	<u>(1,984,487)</u>
TOTAL NET ASSETS.....	<u>\$ 51,640,774</u>	<u>\$ 89,611,731</u>	<u>\$ 141,252,505</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2012

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.....	\$ 6,120,306	\$ 616,829	\$ 163,327	\$ 1,038,800	\$ (4,301,350)
Public safety.....	22,644,632	2,378,405	395,096	-	(19,871,131)
Education.....	87,632,097	2,017,758	32,289,115	1,346,266	(51,978,958)
Public works.....	6,258,439	553,002	181,143	2,240,500	(3,283,794)
Sanitation.....	1,734,699	1,548,721	-	-	(185,978)
Community preservation.....	168,276	-	-	148,363	(19,913)
Human services.....	1,108,036	31,332	419,038	-	(657,666)
Culture and recreation.....	3,685,605	361,811	71,108	-	(3,252,686)
Interest.....	668,246	-	-	-	(668,246)
Total Governmental Activities.....	130,020,336	7,507,858	33,518,827	4,773,929	(84,219,722)
<i>Business-Type Activities:</i>					
Water and Sewer.....	12,960,228	12,932,512	-	281,643	253,927
Golf.....	1,510,491	1,404,095	-	-	(106,396)
Electric.....	70,895,924	70,762,137	-	-	(133,787)
Total Business-Type Activities.....	85,366,643	85,098,744	-	281,643	13,744
Total Primary Government.....	\$ 215,386,979	\$ 92,606,602	\$ 33,518,827	\$ 5,055,572	\$ (84,205,978)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net assets:			
Net (expense) revenue from previous page.....	\$ (84,219,722)	\$ 13,744	\$ (84,205,978)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	69,679,306	-	69,679,306
Motor vehicle and other excise taxes.....	4,039,432	-	4,039,432
Hotel/motel tax.....	784,781	-	784,781
Community preservation tax.....	559,244	-	559,244
Penalties and interest on taxes.....	371,394	-	371,394
Payments in lieu of taxes.....	118,112	-	118,112
Grants and contributions not restricted to specific programs.....	4,989,211	-	4,989,211
Unrestricted investment income.....	215,677	55,743	271,420
Miscellaneous.....	70,051	-	70,051
<i>Transfers, net</i>	<u>2,289,778</u>	<u>(2,289,778)</u>	<u>-</u>
Total general revenues and transfers.....	<u>83,116,986</u>	<u>(2,234,035)</u>	<u>80,882,951</u>
Change in net assets.....	(1,102,736)	(2,220,291)	(3,323,027)
<i>Net Assets:</i>			
Beginning of year.....	<u>52,743,510</u>	<u>91,832,022</u>	<u>144,575,532</u>
End of year.....	\$ <u><u>51,640,774</u></u>	\$ <u><u>89,611,731</u></u>	\$ <u><u>141,252,505</u></u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2012

ASSETS	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents.....	\$ 21,627,516	\$ 16,015,935	\$ 37,643,451
Investments.....	414,399	6,677,401	7,091,800
Receivables, net of uncollectibles:			
Real estate and personal property taxes.....	2,094,593	-	2,094,593
Tax liens.....	646,064	1,921	647,985
Motor vehicle and other excise taxes.....	544,447	-	544,447
Departmental and other.....	161,548	10,527	172,075
Intergovernmental.....	154,376	3,999,836	4,154,212
Tax foreclosures.....	78,281	-	78,281
Due from other funds.....	<u>1,422,839</u>	<u>-</u>	<u>1,422,839</u>
TOTAL ASSETS.....	\$ <u>27,144,063</u>	\$ <u>26,705,620</u>	\$ <u>53,849,683</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Warrants payable.....	\$ 916,058	\$ -	\$ 916,058
Accrued payroll.....	4,375,586	17,494	4,393,080
Tax refunds payable.....	1,285,000	-	1,285,000
Deferred revenues.....	3,572,415	2,589,445	6,161,860
Due to other funds.....	-	1,422,839	1,422,839
Other liabilities.....	<u>6,633</u>	<u>-</u>	<u>6,633</u>
TOTAL LIABILITIES.....	<u>10,155,692</u>	<u>4,029,778</u>	<u>14,185,470</u>
 FUND BALANCES:			
Nonspendable.....	-	2,564,886	2,564,886
Restricted.....	-	20,110,956	20,110,956
Assigned.....	1,140,720	-	1,140,720
Unassigned.....	<u>15,847,651</u>	<u>-</u>	<u>15,847,651</u>
TOTAL FUND BALANCES.....	<u>16,988,371</u>	<u>22,675,842</u>	<u>39,664,213</u>
TOTAL LIABILITIES AND FUND BALANCES.....	\$ <u>27,144,063</u>	\$ <u>26,705,620</u>	\$ <u>53,849,683</u>

See notes to basic financial statements.

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

JUNE 30, 2012

Total governmental fund balances.....		\$ 39,664,213
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		71,536,990
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		5,445,423
Internal service funds are used by management to account for retirees' health insurance and workers' compensation activities.		
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.....		3,633,102
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(99,890)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(22,512,979)	
Other postemployment benefits.....	(42,001,706)	
Capital lease obligations.....	(212,592)	
Worker' compensation.....	(502,015)	
Compensated absences.....	<u>(3,309,772)</u>	
Net effect of reporting long-term liabilities.....		<u>(68,539,064)</u>
Net assets of governmental activities.....		<u>\$ 51,640,774</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2012

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Real estate and personal property taxes, net of tax refunds.....	\$ 69,729,818	\$ -	\$ 69,729,818
Tax liens.....	77,774	-	77,774
Motor vehicle and other excise taxes.....	4,081,969	-	4,081,969
Hotel/motel tax.....	784,781	-	784,781
Penalties and interest on taxes.....	371,394	-	371,394
Payments in lieu of taxes.....	118,112	-	118,112
Intergovernmental.....	30,870,356	10,657,877	41,528,233
Departmental and other.....	4,890,956	3,194,805	8,085,761
Community preservation.....	-	559,244	559,244
Contributions.....	-	453,433	453,433
Investment income.....	167,156	(14,152)	153,004
Miscellaneous.....	-	17,564	17,564
TOTAL REVENUES.....	111,092,316	14,868,771	125,961,087
EXPENDITURES:			
Current:			
General government.....	3,497,526	1,800,542	5,298,068
Public safety.....	15,549,043	1,633,314	17,182,357
Education.....	50,827,010	13,176,974	64,003,984
Public works.....	3,796,829	3,774,060	7,570,889
Sanitation.....	1,726,367	-	1,726,367
Community development.....	-	643,366	643,366
Human services.....	664,913	152,801	817,714
Culture and recreation.....	2,432,532	451,183	2,883,715
Pension benefits-Town.....	5,046,381	-	5,046,381
Pension benefits-Teachers.....	12,736,422	-	12,736,422
Property and liability insurance.....	428,125	-	428,125
Employee benefits.....	8,840,249	-	8,840,249
State and county charges.....	3,571,252	-	3,571,252
Debt service:			
Principal.....	2,200,000	-	2,200,000
Interest.....	686,619	-	686,619
TOTAL EXPENDITURES.....	112,003,268	21,632,240	133,635,508
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(910,952)	(6,763,469)	(7,674,421)
OTHER FINANCING SOURCES (USES):			
Issuance of long-term debt.....	-	5,286,000	5,286,000
Premium from issuance of bonds.....	307,702	61,502	369,204
Capital lease financing.....	246,395	-	246,395
Transfers in.....	2,432,033	263,839	2,695,872
Transfers out.....	-	(406,094)	(406,094)
TOTAL OTHER FINANCING SOURCES (USES).....	2,986,130	5,205,247	8,191,377
NET CHANGE IN FUND BALANCES.....	2,075,178	(1,558,222)	516,956
FUND BALANCES AT BEGINNING OF YEAR, AS REVISED.....	14,913,193	24,234,064	39,147,257
FUND BALANCES AT END OF YEAR.....	\$ 16,988,371	\$ 22,675,842	\$ 39,664,213

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**

FISCAL YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds.....	\$	516,956
<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.....		11,938,962
Donated assets.....		1,038,800
Depreciation expense.....		<u>(3,111,881)</u>
Net effect of reporting capital assets.....		9,865,881
<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 deferred revenue.....</p>		
		(372,065)
<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 assets. 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>		
Principal payments on capital leases.....		119,681
Proceeds from bonds and notes.....		(5,286,000)
Premium from issuance of bonds.....		(369,204)
Capital lease financing.....		(246,395)
Debt service principal payments.....		<u>2,200,000</u>
Net effect of reporting long-term debt.....		(3,581,918)
<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.....		(198,796)
Net change in accrued interest on long-term debt.....		(3,852)
Net change in other postemployment benefits accrual.....		(6,729,879)
Net change in workers' compensation accrual.....		34,554
Amortization of premium from issuance of bonds.....		<u>22,225</u>
Net effect of recording long-term liabilities.....		(6,875,748)
<p>Internal service funds are used by management to account for health insurance and workers' compensation activities.</p>		
The net activity of internal service funds is reported with Governmental Activities.....		<u>(655,842)</u>
Change in net assets of governmental activities.....	\$	<u>(1,102,736)</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

JUNE 30, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Electric Light December 31, 2011	Total		
ASSETS						
CURRENT:						
Cash and cash equivalents.....	\$ 8,858,611	\$ 135,414	\$ 21,292,934	\$ 30,286,959	\$	3,759,502
Receivables, net of allowance for uncollectibles:						
User fees.....	3,042,507	-	6,117,466	9,159,973		-
Water and sewer liens.....	50,543	-	-	50,543		-
Departmental and other.....	-	-	485,502	485,502		256,139
Inventory.....	-	25,976	3,803,526	3,829,502		-
Working capital deposit.....	-	-	-	-		800,000
Prepaid expenses.....	-	-	525,673	525,673		-
Purchased power advanced deposits.....	-	-	1,301,494	1,301,494		-
Total current assets.....	<u>11,951,661</u>	<u>161,390</u>	<u>33,526,595</u>	<u>45,639,646</u>		<u>4,815,641</u>
NONCURRENT:						
Investment in Hydro Quebec.....	-	-	47,950	47,950		-
Investment in Energy New England.....	-	-	675,480	675,480		-
Other assets.....	-	-	135,036	135,036		-
Capital assets, non depreciable.....	939,508	375,876	1,856,418	3,171,802		-
Capital assets, net of accumulated depreciation.....	<u>42,824,902</u>	<u>624,151</u>	<u>152,713,141</u>	<u>196,162,194</u>		<u>-</u>
Total noncurrent assets.....	<u>43,764,410</u>	<u>1,000,027</u>	<u>155,428,025</u>	<u>200,192,462</u>		<u>-</u>
TOTAL ASSETS.....	<u>55,716,071</u>	<u>1,161,417</u>	<u>188,954,620</u>	<u>245,832,108</u>		<u>4,815,641</u>
LIABILITIES						
CURRENT:						
Warrants payable.....	257,223	15,513	5,808,456	6,081,192		7,539
Accrued liabilities.....	-	-	671,765	671,765		-
Accrued payroll.....	24,916	19,218	-	44,134		-
Health claims payable.....	-	-	-	-		1,175,000
Accrued interest.....	104,857	-	-	104,857		-
Participant advances and reserves.....	-	-	916,413	916,413		-
Unearned revenue.....	-	145,545	192,000	337,545		-
Capital lease obligations.....	-	-	239,171	239,171		-
Compensated absences.....	94,075	62,632	284,019	440,726		-
Bonds payable.....	2,386,322	-	5,318,470	7,704,792		-
Total current liabilities.....	<u>2,867,393</u>	<u>242,908</u>	<u>13,430,294</u>	<u>16,540,595</u>		<u>1,182,539</u>
NONCURRENT:						
Capital lease obligations.....	-	-	310,458	310,458		-
Customer deposits payable.....	-	2,150	637,350	639,500		-
Compensated absences.....	40,512	29,794	-	70,306		-
Unearned revenue.....	-	-	9,441,668	9,441,668		-
Other postemployment benefits.....	597,715	188,319	4,468,315	5,254,349		-
Bonds payable.....	<u>20,306,801</u>	<u>-</u>	<u>103,656,700</u>	<u>123,963,501</u>		<u>-</u>
Total noncurrent liabilities.....	<u>20,945,028</u>	<u>220,263</u>	<u>118,514,491</u>	<u>139,679,782</u>		<u>-</u>
TOTAL LIABILITIES.....	<u>23,812,421</u>	<u>463,171</u>	<u>131,944,785</u>	<u>156,220,377</u>		<u>1,182,539</u>
NET ASSETS						
Invested in capital assets, net of related debt.....	21,071,287	1,000,027	49,520,024	71,591,338		-
Unrestricted.....	<u>10,832,363</u>	<u>(301,781)</u>	<u>7,489,811</u>	<u>18,020,393</u>		<u>3,633,102</u>
TOTAL NET ASSETS.....	<u>\$ 31,903,650</u>	<u>\$ 698,246</u>	<u>\$ 57,009,835</u>	<u>\$ 89,611,731</u>	<u>\$</u>	<u>\$ 3,633,102</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Electric Light December 31, 2011	Total	
OPERATING REVENUES:					
Employee contributions	\$ -	\$ -	\$ -	\$ -	\$ 6,045,400
Employer contributions	-	-	-	-	8,308,922
Charges for services	12,929,826	1,404,095	-	14,333,921	-
Sales to ultimate customers.....	-	-	57,155,898	57,155,898	-
Sales for resale.....	-	-	12,714,779	12,714,779	-
Other operating revenues.....	-	-	891,460	891,460	-
Utility liens.....	2,686	-	-	2,686	-
TOTAL OPERATING REVENUES	12,932,512	1,404,095	70,762,137	85,098,744	14,354,322
OPERATING EXPENSES:					
Cost of services and administration	3,100,642	1,235,303	16,782,677	21,118,622	-
MWRA Assessment.....	7,226,112	-	-	7,226,112	-
Fuel for generation.....	-	-	3,682,742	3,682,742	-
Purchased power.....	-	-	30,052,040	30,052,040	-
Repairs and maintenance.....	394,271	212,754	7,526,648	8,133,673	-
Depreciation.....	1,457,567	62,434	8,542,045	10,062,046	-
Employee benefits	-	-	-	-	15,010,164
TOTAL OPERATING EXPENSES	12,178,592	1,510,491	66,586,152	80,275,235	15,010,164
OPERATING INCOME (LOSS).....	753,920	(106,396)	4,175,985	4,823,509	(655,842)
NONOPERATING REVENUES (EXPENSES):					
Investment income.....	2,583	-	53,160	55,743	-
Interest expense.....	(781,636)	-	(4,309,772)	(5,091,408)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(779,053)	-	(4,256,612)	(5,035,665)	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	(25,133)	(106,396)	(80,627)	(212,156)	(655,842)
CAPITAL CONTRIBUTIONS.....	281,643	-	-	281,643	-
TRANSFERS:					
Transfers out.....	(248,746)	(41,032)	(2,000,000)	(2,289,778)	-
CHANGE IN NET ASSETS.....	7,764	(147,428)	(2,080,627)	(2,220,291)	(655,842)
NET ASSETS AT BEGINNING OF YEAR, AS REVISED.....	31,895,886	845,674	59,090,462	91,832,022	4,288,944
NET ASSETS AT END OF YEAR.....	\$ 31,903,650	\$ 698,246	\$ 57,009,835	\$ 89,611,731	\$ 3,633,102

See notes to basic financial statements.

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Electric Light December 31, 2011	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users.....	\$ 12,773,078	\$ 1,405,535	\$ 74,138,840	\$ 88,317,453	\$ 6,045,400
Receipts from interfund services provided.....	-	-	-	-	8,308,922
Payments to vendors.....	(9,172,653)	(813,891)	(46,685,851)	(56,672,395)	-
Payments to employees.....	(1,333,200)	(567,464)	(9,787,786)	(11,688,450)	-
Payments for interfund services used.....	-	-	-	-	(14,706,960)
NET CASH FROM OPERATING ACTIVITIES.....	2,267,225	24,180	17,665,203	19,956,608	(352,638)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out.....	(248,746)	(41,032)	(2,000,000)	(2,289,778)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from the issuance of bonds and notes.....	3,445,230	-	-	3,445,230	-
Premium from the issuance of bonds and notes.....	180,714	-	-	180,714	-
Capital contributions.....	281,643	-	-	281,643	-
Acquisition and construction of capital assets.....	(4,089,298)	(48,276)	(6,950,063)	(11,087,637)	-
Principal payments on bonds and notes.....	(1,911,000)	-	(4,550,000)	(6,461,000)	-
Principal payments on capital lease obligations.....	-	-	(178,627)	(178,627)	-
Interest expense.....	(830,455)	-	(5,096,577)	(5,927,032)	-
Participant advances and reserves.....	-	-	(916,503)	(916,503)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(2,923,166)	(48,276)	(17,691,770)	(20,663,212)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment in Hydro Quebec.....	-	-	10,336	10,336	-
Investment in Energy New England.....	-	-	(27,882)	(27,882)	-
Investment income.....	2,583	-	53,160	55,743	-
NET CASH FROM INVESTING ACTIVITIES.....	2,583	-	35,614	38,197	-
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(902,104)	(65,128)	(1,990,953)	(2,958,185)	(352,638)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	9,760,715	200,542	23,283,887	33,245,144	4,112,140
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 8,858,611	\$ 135,414	\$ 21,292,934	\$ 30,286,959	\$ 3,759,502
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:					
Operating income (loss).....	\$ 753,920	\$ (106,396)	\$ 4,175,985	\$ 4,823,509	\$ (655,842)
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation.....	1,457,567	62,434	8,542,045	10,062,046	-
Changes in assets and liabilities:					
Water and sewer liens.....	5,970	-	-	5,970	-
User fees.....	(165,404)	-	(2,832)	(168,236)	-
Departmental and other.....	-	-	1,646,675	1,646,675	67,752
Inventory.....	-	8,565	(134,149)	(125,584)	-
Working capital deposit.....	-	-	-	-	104,000
Other assets.....	-	-	1,964	1,964	-
Prepaid expenses.....	-	-	(226,423)	(226,423)	-
Purchased power advance deposits.....	-	-	(189)	(189)	-
Warrants payable.....	89,438	(22,097)	931,882	999,223	(161,645)
Accrued liabilities.....	-	-	(4,706)	(4,706)	-
Accrued payroll.....	5,297	4,572	-	9,869	-
Health claims payable.....	-	-	-	-	293,097
Customer deposits payable.....	-	-	98,074	98,074	-
Unearned revenues.....	-	(7,125)	1,634,786	1,627,661	-
Accrued compensated absences.....	16,328	14,092	99,999	130,419	-
Other postemployment benefits.....	104,109	70,135	902,092	1,076,336	-
Total adjustments.....	1,513,305	130,576	13,489,218	15,133,099	303,204
NET CASH FROM OPERATING ACTIVITIES.....	\$ 2,267,225	\$ 24,180	\$ 17,665,203	\$ 19,956,608	\$ (352,638)

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2012

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents..... \$	3,043,654	-	\$ 221,504
Investments:			
Equity mutual funds.....	-	156,241	-
Fixed income mutual funds.....	52,600,105	-	-
Domestic equity mutual funds.....	31,809,128	-	-
International equity mutual funds.....	16,590,807	-	-
Pension reserve investment trust.....	32,128,530	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	81,293	-	-
Prepaid expenses.....	7,969	-	-
TOTAL ASSETS.....	136,261,486	156,241	221,504
LIABILITIES			
Warrants payable.....	50,935	-	-
Liabilities due depositors.....	-	-	221,504
TOTAL LIABILITIES.....	50,935	-	221,504
NET ASSETS			
Held in trust for:			
Pension benefits.....	135,296,434	-	-
Other postemployment benefits.....	914,117	-	-
Other purposes.....	-	156,241	-
TOTAL NET ASSETS..... \$	136,210,551	156,241	\$ -

(1) The Pension Trust Fund is as of December 31, 2011.

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2012

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer.....	\$ 8,143,552	\$ -
Plan members.....	3,480,827	-
Private donations.....	-	71,110
Total contributions.....	11,624,379	71,110
Net investment income:		
Net change in fair value of investments.....	(2,076,151)	(12,181)
Interest.....	949,475	-
Dividends.....	2,472,656	-
Total investment income (loss).....	1,345,980	(12,181)
Less: investment expense.....	(662,624)	-
Net investment income (loss).....	683,356	(12,181)
Intergovernmental.....	319,598	-
Transfers from other systems.....	359,554	-
TOTAL ADDITIONS.....	12,986,887	58,929
DEDUCTIONS:		
Administration.....	242,237	26,500
Transfers to other systems.....	961,290	-
Retirement benefits and refunds.....	13,272,421	-
TOTAL DEDUCTIONS.....	14,475,948	26,500
CHANGE IN NET ASSETS.....	(1,489,061)	32,429
NET ASSETS AT BEGINNING OF YEAR.....	137,699,612	123,812
NET ASSETS AT END OF YEAR.....	\$ 136,210,551	\$ 156,241

(1) The Pension Trust Fund is as of December 31, 2011.

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Braintree, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). 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

The Town is a municipal corporation that is governed by an elected Mayor. A nine-member Town Council, 3 members elected at large and 6 district members, serves as a representative legislature.

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 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. One entity has been included as a component unit in the reporting entity, because of the significance of its operational and/or financial relationship.

Blended Component Units – Blended component units are entities that are legally separate from the Town, but are so related that they are, in substance, the same as the Town or entities providing services entirely or almost entirely for the benefit of the Town. The following component unit is blended within the primary government:

In the Fiduciary Funds:

- (1) The Braintree Contributory Retirement System (the System) was established to provide retirement benefits to Town employees, Braintree Housing Authority employees, and their beneficiaries. The System is governed by a five-member board comprised of two elected members, (nominees must be active or retired members), two appointed members by the Executive Authority, and the fifth member shall be an independent member appointed by the other four members.

Availability of Financial Information for Component Units, the Electric Light Department and Joint Ventures

The System did not issue a separate audited financial statement. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 74 Pond Street, Braintree, Massachusetts, 02184.

In accordance with Massachusetts General Laws, Chapter 164, the Braintree Electric Light Department (the BELD) was established to generate and distribute electricity for municipal and residential use within the Town. The BELD is governed by an elected three-member board and is operated by a manager appointed by the BELD's elected board. The manager has charge of BELD's operations and is subject to the direction and control of the Braintree Municipal Light Board. It is not a separate legal entity and therefore the condensed financial statements of the BELD are reported as an enterprise fund. A complete audited financial statement for the BELD, for the year ended December 31, 2011, can be obtained directly from their administrative office located at 150 Potter Road, Braintree, Massachusetts, 02184.

Joint Venture – The Town is a member of the Blue Hills Regional Technical School that provides educational services to nine area communities. This joint venture assesses each community its share of operating and debt service costs based on student population and other factors. In fiscal year 2012, Braintree’s share of the operating and debt expenses was \$1,759,902. There is no equity interest reported in these financial statements. Complete audited financial statements can be obtained directly from the District’s administrative office located at 800 Randolph Street, Canton, Massachusetts, 02021.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net assets and the statement of changes in net assets) 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, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets, liabilities, 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.

Internal service funds and fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 fiscal 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, 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 fiscal 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 fund is 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. Included within the general fund is a stabilization fund. The balance in the fund has decreased from \$1,751,000 in 2011 to \$1,698,000 in 2012. The stabilization fund balance can be used for general and/or capital purposes upon Town Council and the Mayor's approval.

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 and report 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 funds are reported:

The *water and sewer enterprise fund* was jointly established in 1984 pursuant to an act establishing the water and sewer commission. It is used to account for water and sewer activities.

The *golf course enterprise fund* is used to account for the operations of the municipal golf course.

The *electric light enterprise fund* is used to account for electric light activities.

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to health insurance.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. 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 *pension and other employee benefit trust funds* are used to account for the activities of the Braintree Contributory Retirement System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries, and the other postemployment benefit trust fund which accumulates resources to provide funding for future OPEB (other postemployment benefits) 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 trust funds have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. These restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings. The Town's educational scholarships 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 mainly consists of off-duty work details, performance bonds, and fees collected on behalf of other governments. Agency funds apply the accrual basis of accounting but do not have a measurement focus.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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. The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and proprietary 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 Assessor's 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 and personal property taxes levied are recorded as receivables in the fiscal year of the levy.

Tax liens are imposed three years after the original tax is considered delinquent and are processed subsequent to July 1st every year.

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 and Other Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal 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. Boat excise taxes are assessed annually for each boat registered and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of boats registered and the fair value of those boats. The tax calculation is the fair value of the boat multiplied by \$10 per \$1,000 of value.

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

Trash

Trash fees have been levied on an annual basis for each residential property that utilizes the collection service. Each per living unit is billed annually by the Public Works Department for all residents not choosing one of the several opt-out methods. The collection service includes weekly curbside collection.

Since the receivables can be secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Water and Sewer and Electric Light Department

User fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and sewer liens are processed in December of every year and included as a lien on the property owner's tax bill. Water and sewer charges and related liens are recorded as receivables in the fiscal year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Departmental and Other

Departmental and other receivables consist primarily of parking fines and other receivables of the BELD and are recorded as receivables in the fiscal year accrued. The allowance for 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 recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recognized 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.

F. Inventories

Government-Wide and Fund Financial Statements

Inventories of the governmental funds and the water and sewer enterprise fund 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.

Inventories of the golf course and BELD enterprise funds are stated at the lower of cost or market. Cost for materials and supplies inventories are determined by the first-in, first-out method.

G. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings, machinery and equipment, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activities column of the government-wide financial statements, and the proprietary fund 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 \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets being depreciated are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	10 - 30
Plant in service.....	30 - 40
Buildings.....	40
Machinery and equipment.....	5 - 15
Infrastructure.....	20 - 50

The statutory provision for depreciation of a utility plant is computed on the straight-line method at 3 percent of the cost of plant in service at the beginning of the year, exclusive of land and land rights. Massachusetts law stipulates that the Electric Department may change from the statutory depreciation rate only with the approval of the Massachusetts Department of Public Utilities. The Department has consistently used an overall depreciation rate of approximately 3.5%, which approximates GAAP.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

H. 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 and internal service funds are eliminated from the governmental activities in the statement of net assets. Any residual balances outstanding

between the governmental activities and business-type activities are reported in the statement of net assets 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.

I. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

Government-Wide Financial Statements

Transfers between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net assets. 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.

J. Deferred and Unearned Revenue

Deferred revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting. Deferred revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

Unearned revenue at the government-wide and fund financial statement level represents resources that have been received, but not yet earned.

K. Net Assets and Fund Equity

Government-Wide Financial Statements (Net Assets)

Net assets reported as "invested in capital assets, net of related debt" 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.

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

Net assets have been "restricted for" the following:

"Permanent funds - expendable" represents amounts of realized and unrealized investment earnings of donor restricted trusts. The restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts.

“Grants and gifts” represents amounts held for school and other Town grants, and for gift funds.

“Community preservation” represents amounts held for uses restricted by law for community preservation purposes.

Fund Financial Statements (Fund Balances)

Governmental fund equity is classified as fund balance. Fund balance is further classified 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. The Mayor and Town Council are the highest level of decision making authority that can 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 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.

L. 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 assets. 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.

M. 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).

N. 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

Compensated absences are reported in the governmental funds only if they have matured as a result of employee resignations or retirements. Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

O. Restatement of Beginning Fund Balances

The beginning fund balances of the general fund and the internal service fund have changed relating to the reclassification of the municipal building insurance fund from the internal service funds to the general fund.

P. 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 fiscal year. Actual results could vary from estimates that were used.

Q. 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.

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 funds.

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 (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

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 who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

The Retirement System participates, as a Participating member, in the Pension Reserves Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares.

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities. The underlying components of PRIT's fixed income portfolio had an effective weighted duration rate ranging from 0.08 to 11.60 years.

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 does not have a deposit policy for custodial risk. At fiscal year-end, the carrying amount of deposits totaled \$25,562,256, and the bank balances totaled \$28,800,744. Of the bank balance, \$1,999,616 was covered by Federal Depository Insurance, \$13,411,568 was covered by the Depositors Insurance Fund, and \$13,389,560 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Braintree Retirement System limits its custodial credit risk by utilizing an institutional custodial bank, currently State Street Bank, to custody all separately held securities which are registered under a nominee name that is specific to the System. Assets held in commingled fund accounts are also held in a similar fashion, with individual fund securities held in the fund's name at their custodian bank. A small percentage of the System's assets (typically less than 5%) may be held from time to time in commingled cash equivalent vehicles where the assets are subject to counterparty risk. At December 31, 2011, the carrying amount of deposits for the System totaled \$1,968,318 and the bank balance totaled \$2,171,117. The bank balance was fully covered by Federal Depository Insurance.

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 an outside party. The Town does not have an investment policy for custodial credit risk.

The Retirement System investments are not subjected to custodial credit risk as all of the securities are insured or registered, and held by its agents in the name of the Town of Braintree.

Investments

As of June 30, 2012, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>
<u>Other Investments:</u>	
Equity Mutual Funds.....	\$ 260,927
Money Market Mutual Funds.....	9,436,569
MMDT Short-Term Bond Funds.....	6,987,114
MMDT Cash Portfolio.....	<u>37,826,708</u>
 Total Investments.....	 \$ <u>54,511,318</u>

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with average maturities of approximately 31 to 54 days and a weighted average maturity of 3 years, respectively. The Town's investments in MMDT are unrated.

As of December 31, 2011, the System had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>6-10 Years</u>	<u>Over 10 Years</u>
<u>Debt Securities:</u>			
Fixed Income Mutual Funds.....	\$ 52,600,105	\$ <u>18,431,856</u>	\$ <u>34,168,249</u>
<u>Other Investments:</u>			
Domestic Equity Mutual Fund.....	31,809,128		
International Equity Mutual Fund.....	16,590,807		
Money Market Mutual Fund.....	161,219		
Pension Reserve Investment Trust (PRIT) ..	<u>32,128,530</u>		
 Total Investments.....	 \$ <u>133,289,789</u>		

Interest Rate Risk

The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

All of the Braintree Retirement System's fixed income assets are held in professionally managed, institutional commingled funds. The System limits its effective exposure to interest rate risk by benchmarking its commingled fixed income investment accounts to an intermediate duration benchmark (Barclays) with duration of 4-5 years.

Credit Risk

The Town has not adopted a formal policy related to Credit Risk.

The remaining System investments are rated as follows by Moody's Investor's Service:

<u>Rated Debt Investments</u>	<u>Fair Value</u>	<u>Quality Ratings</u>	
		<u>AA2</u>	<u>A1</u>
Fixed Income Mutual Funds.....	\$ <u>52,600,105</u>	\$ <u>18,431,856</u>	\$ <u>34,168,249</u>

The Retirement System controls and limits its exposure to credit risk by investing in well diversified, commingled fixed income funds that are both passively and actively managed by the Barclays Aggregate Index, which represents the overall U.S. investment-grade bond market. In the case of the actively managed fixed income fund, investments in below-investment grade securities are permitted, up to a maximum position of 10% of that individual commingled fund's assets, which would represent approximately 2% of the Braintree Retirement System's total assets.

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer. No investments with any one issuer exceeded 5% of the total investments of the Town.

NOTE 3 – RECEIVABLES

At June 30, 2012, receivables for the individual major and nonmajor governmental funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

<u>Receivables:</u>	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Real estate and personal property taxes.....	\$ 2,226,903	\$ (132,310)	\$ 2,094,593
Tax liens.....	647,985	-	647,985
Motor vehicle and other excise taxes.....	1,158,397	(613,950)	544,447
Departmental and other.....	226,515	(54,440)	172,075
Intergovernmental.....	<u>4,154,212</u>	<u>-</u>	<u>4,154,212</u>
Total.....	\$ <u>8,414,012</u>	\$ <u>(800,700)</u>	\$ <u>7,613,312</u>

At June 30, 2012, receivables for the proprietary funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
<i>Water and Sewer</i>			
Tax liens.....	\$ 50,543	\$ -	\$ 50,543
User fees.....	3,042,507	-	3,042,507
<i>Electric Light</i>			
User fees.....	6,304,872	(187,406)	6,117,466
Departmental and other.....	485,502	-	485,502
<i>Internal Service</i>			
Departmental and other.....	256,139	-	256,139
Total.....	<u>\$ 10,139,563</u>	<u>\$ (187,406)</u>	<u>\$ 9,952,157</u>

At December 31, 2011 the Pension Trust Fund had departmental and other receivables totaling \$81,293.

Governmental funds report *deferred 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 fiscal year, the various components of *deferred revenue* reported in the governmental funds were as follows:

	General Fund	Nonmajor Governmental Funds	Total
<u>Receivables and other asset types:</u>			
Real estate and personal property taxes.....	\$ 1,372,793	\$ -	\$ 1,372,793
Tax liens.....	646,064	1,921	647,985
Motor vehicle and other excise taxes.....	435,166	-	435,166
Departmental and other.....	885,735	10,527	896,262
Intergovernmental.....	154,376	2,576,997	2,731,373
Tax foreclosures.....	78,281	-	78,281
Total.....	<u>\$ 3,572,415</u>	<u>\$ 2,589,445</u>	<u>\$ 6,161,860</u>

Departmental and other deferred revenues include approximately \$716,000 of fiscal year 2013 trash fees that were collected in advance. These amounts are reported as *unearned revenue* on the Governmental Activities Statement of Net Assets.

The golf course and electric light enterprise funds defer revenue for amounts that have been received in advance of being earned. These amounts are reported as *unearned revenue* on the Proprietary Statement of Net Assets and total \$145,545 and \$9,633,668, respectively.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 13,755,668	\$ 1,038,800	\$ -	\$ 14,794,468
<u>Capital assets being depreciated:</u>				
Land improvements.....	7,497,620	3,462,934	-	10,960,554
Buildings.....	42,478,001	2,929,194	-	45,407,195
Machinery and equipment.....	13,523,954	1,503,342	-	15,027,296
Infrastructure.....	53,857,136	4,043,492	-	57,900,628
Total capital assets being depreciated.....	117,356,711	11,938,962	-	129,295,673
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(7,051,208)	(200,883)	-	(7,252,091)
Buildings.....	(27,635,921)	(1,125,703)	-	(28,761,624)
Machinery and equipment.....	(12,156,046)	(585,028)	-	(12,741,074)
Infrastructure.....	(22,598,095)	(1,200,267)	-	(23,798,362)
Total accumulated depreciation.....	(69,441,270)	(3,111,881)	-	(72,553,151)
Total capital assets being depreciated, net.....	47,915,441	8,827,081	-	56,742,522
Total governmental activities capital assets, net.....	\$ 61,671,109	\$ 9,865,881	\$ -	\$ 71,536,990

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,498,618	\$ -	\$ -	\$ 2,498,618
Construction in progress.....	2,719,095	3,564,482	(5,610,393)	673,184
Total capital assets not being depreciated.....	<u>5,217,713</u>	<u>3,564,482</u>	<u>(5,610,393)</u>	<u>3,171,802</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	1,121,475	-	-	1,121,475
Plant in service.....	227,425,328	8,271,382	(1,275,426)	234,421,284
Buildings.....	1,492,692	-	-	1,492,692
Machinery and equipment.....	2,975,362	48,276	-	3,023,638
Infrastructure.....	64,248,541	4,849,220	-	69,097,761
Total capital assets being depreciated.....	<u>297,263,398</u>	<u>13,168,878</u>	<u>(1,275,426)</u>	<u>309,156,850</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(667,123)	(24,229)	-	(691,352)
Plant in service.....	(74,232,612)	(8,542,045)	1,066,513	(81,708,144)
Buildings.....	(1,012,840)	(26,413)	-	(1,039,253)
Machinery and equipment.....	(2,691,080)	(82,263)	-	(2,773,343)
Infrastructure.....	(25,395,468)	(1,387,096)	-	(26,782,564)
Total accumulated depreciation.....	<u>(103,999,123)</u>	<u>(10,062,046)</u>	<u>1,066,513</u>	<u>(112,994,656)</u>
Total capital assets being depreciated, net.....	<u>193,264,275</u>	<u>3,106,832</u>	<u>(208,913)</u>	<u>196,162,194</u>
Total business-type activities capital assets, net.....	<u>\$ 198,481,988</u>	<u>\$ 6,671,314</u>	<u>\$ (5,819,306)</u>	<u>\$ 199,333,996</u>

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

Governmental Activities:

General government.....	\$ 220,038
Public safety.....	417,172
Education.....	864,649
Public works.....	1,293,967
Human services.....	12,451
Culture and recreation.....	276,781
Community development.....	<u>26,823</u>

Total depreciation expense - governmental activities..... \$ 3,111,881

Business-Type Activities:

Water and Sewer.....	\$ 1,457,567
Golf.....	62,434
Electric light.....	<u>8,542,045</u>

Total depreciation expense - business-type activities..... \$ 10,062,046

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2012, the Town has an interfund receivable/payable of \$1,422,839 which exists between the general fund and highway improvements fund. The purpose of this balance is to cover short-term cash needs that will be funded by future grant proceeds.

Interfund transfers for the fiscal year ended June 30, 2012, are summarized as follows:

Transfers Out:	Transfers In:		
	General Fund	Nonmajor Governmental Funds	Total
Nonmajor Governmental Funds.....	\$ 142,255	\$ 263,839	\$ 406,094 (1)
Water and Sewer Enterprise Fund.....	248,746	-	248,746 (2)
Golf Course Enterprise Fund.....	41,032	-	41,032 (2)
Electric Light Enterprise Fund.....	2,000,000	-	2,000,000 (3)
Total.....	<u>\$ 2,432,033</u>	<u>\$ 263,839</u>	<u>\$ 2,695,872</u>

- (1) Represents budgeted transfers to the general fund from various nonmajor special revenue funds.
- (2) Represents budgeted transfers from water and sewer and golf enterprise funds to the general fund for administration.
- (3) Represents the Payment in Lieu of Tax payment from the Braintree Electric Light Department.

NOTE 6 – LEASES

Capital Leases

The Town has entered into lease agreements to finance the acquisition of two fire trucks, three police vehicles and certain heavy equipment for the highway and parks departments. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The following identifies the assets acquired through capital lease agreements:

<u>Asset:</u>	<u>Governmental Activities</u>
Machinery and equipment.....	\$ 1,733,302
Less: accumulated depreciation.....	<u>(1,078,990)</u>
Total.....	<u>\$ 654,312</u>

The following schedule presents the future minimum lease payments as of June 30, 2012:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2013.....	\$ 72,644
2014.....	65,469
2015.....	31,600
2016.....	31,529
2017.....	<u>31,455</u>
Total minimum lease payments.....	232,697
Less: amounts representing interest.....	<u>(20,105)</u>
Present value of minimum lease payments.....	<u>\$ 212,592</u>

The BELD entered into a capitalized lease for cable division equipment expiring through 2015. The assets and liabilities under the capital lease are recorded at the present value of the minimum lease payments. The assets are depreciated over the life of the equipment.

The following schedule presents the future minimum lease payments as of December 31, 2011:

<u>Years Ending December 31,</u>	<u>Business-Type Activities</u>
2012.....	\$ 239,171
2013.....	196,021
2014.....	137,712
2015.....	<u>40,624</u>
Total minimum lease payments.....	613,528
Less: amounts representing interest.....	<u>(63,900)</u>
Present value of minimum lease payments.....	<u>\$ 549,628</u>

Operating Leases

The Town leases school buses under a noncancelable operating lease that is scheduled to expire June 30, 2013. The cost of the lease for the fiscal year ended June 30, 2012, totaled approximately \$322,000, and is reported as education expenditures in the general fund.

The future minimum lease payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2013.....	<u>\$ 321,743</u>

The Golf Course leases golf carts under a noncancelable operating lease that was entered into in April 2010.

The future minimum lease payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Business-Type Activities</u>
2013.....	\$ <u>45,474</u>

The BELD leases cable converter boxes and office equipment under separate operating lease agreements. The cost of the leases for the year ended December 31, 2011, totaled approximately \$50,000.

The future minimum lease payments are as follows:

<u>Years Ending December 31,</u>	<u>Business-Type Activities</u>
2012.....	\$ <u>49,682</u>

NOTE 7 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued 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).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds, respectively.

The Governmental and Enterprise Funds did not issue or redeem short-term debt during the year and did not have any amounts outstanding at year-end.

NOTE 8 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized 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 general obligation indebtedness at June 30, 2012, and the debt service requirements are as follows:

Bonds and Notes Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
Municipal Purpose Loan of 1999.....	2017	\$ 4,500,000	4.20 - 5.20	\$ 500,000	\$ -	\$ 250,000	\$ 250,000
Municipal Purpose Loan of 2002.....	2013	5,099,000	2.50 - 3.75	160,000	-	80,000	80,000
Municipal Purpose Loan of 2006.....	2026	2,250,000	4.14 - 4.34	1,575,000	-	135,000	1,440,000
Municipal Purpose Refunding Loan of 2006.....	2017	1,055,000	4.20 - 5.20	1,020,000	-	5,000	1,015,000
Municipal Purpose Loan of 2007.....	2027	2,100,000	4.30 - 4.90	840,000	-	315,000	525,000
Municipal Purpose Loan of 2009.....	2028	3,600,000	3.00 - 5.00	2,640,000	-	475,000	2,165,000
Municipal Purpose Loan of 2010.....	2030	6,782,000	1.50 - 4.50	6,245,000	-	530,000	5,715,000
Municipal Purpose Loan of 2011.....	2031	6,100,000	2.00 - 4.50	6,100,000	-	410,000	5,690,000
Municipal Purpose Loan of 2012.....	2032	5,286,000	2.00 - 4.00	-	5,286,000	-	5,286,000
Sub-Total.....				19,080,000	5,286,000	2,200,000	22,166,000
Unamortized Premiums on Bonds.....				-	369,204	22,225	346,979
Total.....				\$ 19,080,000	\$ 5,655,204	\$ 2,222,225	\$ 22,512,979

Debt service requirements for principal and interest for Governmental bonds payable in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2013.....	\$ 2,451,000	\$ 762,546	\$ 3,213,546
2014.....	2,110,000	682,118	2,792,118
2015.....	2,080,000	612,550	2,692,550
2016.....	1,880,000	544,917	2,424,917
2017.....	1,825,000	478,849	2,303,849
2018.....	1,360,000	418,280	1,778,280
2019.....	1,200,000	370,949	1,570,949
2020.....	1,195,000	330,570	1,525,570
2021.....	1,100,000	286,707	1,386,707
2022.....	1,080,000	243,289	1,323,289
2023.....	985,000	205,816	1,190,816
2024.....	975,000	170,659	1,145,659
2025.....	975,000	135,418	1,110,418
2026.....	930,000	98,840	1,028,840
2027.....	600,000	68,541	668,541
2028.....	440,000	51,782	491,782
2029.....	375,000	34,625	409,625
2030.....	375,000	19,963	394,963
2031.....	165,000	5,175	170,175
2032.....	65,000	975	65,975
Total.....	\$ 22,166,000	\$ 5,522,569	\$ 27,688,569

Bonds and Notes Payable Schedule – Water and Sewer Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
Municipal Purpose Loan of 2001.....	2012	\$ 5,720,000	3.30 - 5.25	\$ 285,000	\$ -	\$ 285,000	\$ -
Municipal Purpose Loan of 2002.....	2018	2,130,000	2.50 - 4.25	980,000	-	140,000	840,000
Municipal Purpose Loan of 2006.....	2026	4,480,000	4.14	3,325,000	-	215,000	3,110,000
Municipal Purpose Refunding Loan of 2006.....	2017	2,355,000	4.20 - 5.20	1,300,000	-	250,000	1,050,000
Municipal Purpose Loan of 2007.....	2027	1,430,000	4.14 - 4.90	1,105,000	-	80,000	1,025,000
Municipal Purpose Loan of 2009.....	2029	8,842,000	3.00 - 5.00	7,490,000	-	670,000	6,820,000
Municipal Purpose Refunding Loan of 2011.....	2022	3,575,000	2.00 - 4.00	3,575,000	-	120,000	3,455,000
Municipal Purpose Loan of 2011.....	2031	2,286,000	2.00 - 4.50	2,286,000	-	151,000	2,135,000
MWRA Loan of 2011.....	2017	344,230	0.00	-	344,230	-	344,230
Municipal Purpose Loan of 2012.....	2032	3,101,000	2.00 - 4.00	-	3,101,000	-	3,101,000
Sub-Total.....				20,346,000	3,445,230	1,911,000	21,880,230
Unamortized Premiums on Bonds.....				669,366	180,714	37,187	812,893
Total.....				\$ 21,015,366	\$ 3,625,944	\$ 1,948,187	\$ 22,693,123

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

Fiscal Year	Principal	Interest	Total
2013.....	\$ 2,324,846	\$ 784,361	\$ 3,109,207
2014.....	2,133,846	706,228	2,840,074
2015.....	2,073,846	639,974	2,713,820
2016.....	2,063,846	577,624	2,641,470
2017.....	2,053,846	511,501	2,565,347
2018.....	1,475,000	452,563	1,927,563
2019.....	1,200,000	398,038	1,598,038
2020.....	1,195,000	349,923	1,544,923
2021.....	1,190,000	302,986	1,492,986
2022.....	1,140,000	254,939	1,394,939
2023.....	780,000	213,812	993,812
2024.....	780,000	179,862	959,862
2025.....	785,000	145,624	930,624
2026.....	785,000	111,098	896,098
2027.....	580,000	76,497	656,497
2028.....	485,000	50,985	535,985
2029.....	485,000	30,824	515,824
2030.....	140,000	10,150	150,150
2031.....	145,000	4,725	149,725
2032.....	65,000	975	65,975
Total.....	\$ 21,880,230	\$ 5,802,689	\$ 27,682,919

Bonds and Notes Payable Schedule – Electric Light Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at December 31, 2010	Issued	Redeemed	Outstanding at December 31, 2011
Municipal Purpose Loan of 2001.....	2012	\$ 1,500,000	2.50 - 3.75	\$ 300,000	\$ -	\$ 150,000	\$ 150,000
Municipal Purpose Loan of 2002.....	2011	3,500,000	3.30 - 5.25	350,000	-	350,000	-
Municipal Purpose Loan of 2009.....	2028	109,700,000	3.00 - 5.00	105,765,000	-	4,050,000	101,715,000
Sub-Total.....				106,415,000	-	4,550,000	101,865,000
Unamortized Premiums on Bonds.....				7,897,299	-	787,129	7,110,170
Total.....				\$ 114,312,299	\$ -	\$ 5,337,129	\$ 108,975,170

Debt service requirements for principal and interest for electric light enterprise fund bonds and notes payable in future years are as follows:

Year Ended	Principal	Interest	Total
2012.....	\$ 4,410,000	\$ 4,974,494	\$ 9,384,494
2013.....	4,415,000	4,789,856	9,204,856
2014.....	4,630,000	4,583,794	9,213,794
2015.....	4,855,000	4,352,294	9,207,294
2016.....	5,085,000	4,123,194	9,208,194
2017.....	5,335,000	3,875,944	9,210,944
2018.....	5,600,000	3,610,244	9,210,244
2019.....	5,875,000	3,330,244	9,205,244
2020.....	6,175,000	3,036,494	9,211,494
2021.....	6,480,000	2,727,744	9,207,744
2022.....	6,810,000	2,403,744	9,213,744
2023.....	7,150,000	2,063,244	9,213,244
2024.....	7,510,000	1,705,744	9,215,744
2025.....	7,855,000	1,354,844	9,209,844
2026.....	8,245,000	962,094	9,207,094
2027.....	7,930,000	549,844	8,479,844
2028.....	3,505,000	153,344	3,658,344
Total.....	\$ 101,865,000	\$ 48,597,160	\$ 150,462,160

Authorized and unissued debt

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, 2012, the Town had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
Water and sewer projects.....	\$ 528,157
MWRA.....	200,612
Renovations to Town Hall.....	850,000
School projects.....	904,326
Wastewater system rehab.....	1,271,388
Water distribution system improvements.....	2,426,000
Roadway resurfacing.....	561,000
Roads.....	1,700,000
Public safety repairs and equipment.....	925,000
Public works repairs and equipment.....	271,000
Public works building improvements.....	275,000
Public works drainage.....	200,000
Library building improvements.....	190,000
Library equipment.....	<u>150,000</u>
Total.....	<u>\$ 10,452,483</u>

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2012, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 19,080,000	\$ 5,286,000	\$ (2,200,000)	\$ -	\$ -	\$ 22,166,000	\$ 2,451,000
Add: Unamortized premium on bonds.....	-	369,204	(22,225)	-	-	346,979	46,180
Total bonds payable.....	19,080,000	5,655,204	(2,222,225)	-	-	22,512,979	2,497,180
Other postemployment benefits.....	35,271,827	-	-	12,772,883	(6,043,004)	42,001,706	-
Workers' compensation.....	536,569	-	-	215,528	(250,082)	502,015	292,432
Compensated absences.....	3,110,976	-	-	1,777,050	(1,578,254)	3,309,772	1,742,946
Capital lease obligations.....	85,878	-	-	212,592	(85,878)	212,592	63,388
Total governmental activity long-term liabilities.....	\$ 58,085,250	\$ 5,655,204	\$ (2,222,225)	\$ 14,978,053	\$ (7,957,218)	\$ 68,539,064	\$ 4,595,946
Business-Type Activities:							
Bonds and notes payable.....	\$ 126,761,000	\$ 3,445,230	\$ (6,461,000)	\$ -	\$ -	\$ 123,745,230	\$ 6,734,846
Add: Unamortized premium on bonds.....	8,566,665	180,714	(824,316)	-	-	7,923,063	969,946
Total bonds payable.....	135,327,665	3,625,944	(7,285,316)	-	-	131,668,293	7,704,792
Other postemployment benefits.....	4,178,013	-	-	1,975,099	(898,763)	5,254,349	-
Compensated absences.....	380,613	-	-	451,552	(321,133)	511,032	440,726
Capital lease obligations.....	273,680	-	-	382,683	(106,734)	549,629	239,171
Customer deposits payable.....	2,374,342	-	-	(818,429)	-	1,555,913	-
Unearned revenue.....	8,151,552	-	-	1,972,331	(344,670)	9,779,213	337,545
Total business-type activity long-term liabilities.....	\$ 150,685,865	\$ 3,625,944	\$ (7,285,316)	\$ 3,963,236	\$ (1,671,300)	\$ 149,318,429	\$ 8,722,234

The governmental activities long-term liabilities are generally liquidated by the general fund. Business-type activities long-term liabilities are liquidated by each respective fund.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as part of the fiscal year 2011 reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, 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 balance, 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. The Town’s highest level of decision making is made by Town Council.
- **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.

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 change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

In accordance with Statement No. 54, the stabilization fund has been reported in the general fund. At year end the balance of the General Stabilization Fund is \$1,693,141 and is reported as unassigned fund balance within the General Fund.

The Town has classified its fund balances with the following hierarchy:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:			
Nonspendable:			
Permanent fund principal..... \$	-	\$ 2,564,886	\$ 2,564,886
Restricted for:			
Town special revenue funds.....	-	1,974,320	1,974,320
School lunch.....	-	144,438	144,438
School revolving funds.....	-	1,494,073	1,494,073
Community preservation fund.....	-	4,586,317	4,586,317
Town capital projects.....	-	3,752,781	3,752,781
Expendable trust funds.....	-	8,159,027	8,159,027
Trust funds.....	-	-	-
Assigned to:			
General government.....	134,416	-	134,416
Public safety.....	611,331	-	611,331
Education.....	109,870	-	109,870
Public works.....	275,746	-	275,746
Human services.....	7,997	-	7,997
Culture and recreation.....	1,360	-	1,360
Unassigned.....	<u>15,847,651</u>	-	<u>15,847,651</u>
Total Fund Balances..... \$	<u>16,988,371</u>	<u>\$ 22,675,842</u>	<u>\$ 39,664,213</u>

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 fiscal years.

The Town is self-insured for its health and workers’ compensation insurance activities. Health insurance activities are accounted for in the internal service fund where revenues are recorded when earned and expenses are recorded when the liability is incurred. Workers’ compensation claims are administered by a third party administrator and are funded on a pay-as-you-go basis from annual appropriations.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends, and other economic and social factors.

(a) *Health Insurance*

The estimate of IBNR claims is based on management’s best estimate of claims history. The Town purchases individual stop loss insurance for claims in excess of the coverage provided by the Town in the amount of \$100,000 per claim. At June 30, 2012, the amount of the liability for health insurance claims totaled \$1,175,000 which is the best estimate based on available information. Changes in the reported liability since July 1, 2010 are as follows:

	Balance at Beginning of Fiscal Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Fiscal Year-End Currently Due
Fiscal Year 2011.....	\$ 1,042,472	\$	11,555,938	\$	(11,716,507)	\$	881,903
Fiscal Year 2012.....	881,903		13,802,245		(13,509,148)		1,175,000

(b) *Workers’ Compensation*

The estimated future workers’ compensation liability is based on history and injury type. The Town purchases individual workers’ compensation insurance for claims in excess of the coverage provided by the Town in the amounts ranging between \$300,000 and \$500,000 per claim. At June 30, 2012, the amount of the liability for workers’ compensation claims totaled \$401,583. Changes in the reported liability since July 1, 2010 are as follows:

	Balance at Beginning of Fiscal Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Fiscal Year-End
Fiscal Year 2011.....	\$ 565,210	\$	222,581	\$	(251,222)	\$	536,569
Fiscal Year 2012.....	536,569		257,834		(292,388)		502,015

The BELD participates in the Massachusetts Municipal Self-Insurance Trust (the Trust) with 17 other municipal light departments for the purpose of sharing excess liability and directors’ and officers’ liability risks. Through the

Trust, BELD is commercially insured for \$25,000,000 per occurrence, with a \$500,000 deductible that would be paid by the Trust. Each of the participating light department's contributes to the Trust based on its share of the group's total kilowatt-hour sales. Payments for claims under the deductible limit are funded by trust assets or, if required, additional contributions from the participants. The BELD considers its share of potential losses to be immaterial to its financial statements as of December 31, 2011.

NOTE 11 – PENSION PLAN

Plan Description - The Town contributes to the System, a cost-sharing, multiple-employer defined benefit pension plan administered by the Braintree Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$12,736,000 for the fiscal year ended June 30, 2012, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. 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 Braintree Contributory Retirement Board and are borne by the System. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System located at 74 Pond Street, Braintree, Massachusetts, 02184.

At December 31, 2011, the System's membership consists of the following:

Active members.....	728
Inactive members.....	66
Disabled members.....	64
Retirees and beneficiaries currently receiving benefits.....	<u>440</u>
 Total.....	 <u><u>1,298</u></u>

Funding Policy - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The current and two preceding fiscal years apportionment of the annual pension cost between the two employers required the Town to contribute 99% of the total. Chapter 32 of the MGL governs the contributions of plan members and the Town.

Annual Pension Cost - The Town contributions to the System for the fiscal years ended June 30, 2012, 2011, and 2010 were \$7,201,414, \$6,835,093, and \$6,646,676, which equaled its required contribution for each fiscal year. At June 30, 2012, the Town did not have a net pension obligation. The required contribution was determined as part of the January 1, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included a 7.875% investment rate of return and projected salary increases of 4.25% per year. The actuarial value of the System's assets was determined using the fair value of the assets. The System's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at January 1, 2010, was 19 years. The general fund and the enterprise funds each pay their respective portions of the total pension expense annually.

Schedule of Funding Progress (dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/10	\$ 137,153	\$ 202,777	\$ 65,624	67.6%	\$ 35,051	187.2%
1/1/08	141,346	189,266	47,920	74.7%	33,894	141.4%
1/1/06	119,722	167,313	47,591	71.6%	30,861	154.2%
1/1/04	103,345	151,324	47,979	68.3%	29,450	162.9%
1/1/02	91,927	132,850	40,923	69.2%	28,775	142.2%
1/1/00	89,822	117,318	27,496	76.6%	24,276	113.3%

Funding progress is reported based on the biennial actuarial valuation performed by the System, and is being accumulated on a biennial basis. The Town is responsible for approximately 98% of the unfunded liability.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”), which the BELD participates in. The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members, including teachers. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Plan. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim Health Care, and Tufts Health Plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period.

At January 1, 2012, the Plan’s membership consisted of the following:

Current retirees, beneficiaries, and dependents.....	885
Current active members.....	<u>1,230</u>
Total.....	<u><u>2,115</u></u>

Funding Policy – Contributions requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. Retired plan members and beneficiaries currently receiving benefits are required to contribute between 33% and 50% of the cost of benefits provided depending on the plan they choose. The Town and the BELD are required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town contributed approximately \$6.2 million including a pre-funding contribution of approximately \$523,000 during fiscal year 2012, and the BELD contributed approximately \$518,000 including a pre-funding contribution of \$130,000 during calendar year 2011 towards these benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish the Postemployment Benefits Trust Fund and to enable the Town to raise taxes necessary to begin pre-funding its OPEB liabilities. Through June 30, 2012, the Town has contributed approximately \$912,000 towards these future liabilities.

Annual OPEB Costs and Net OPEB Obligation – The Town’s annual 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 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 and the BELD’s annual OPEB cost for the periods, the amount actually contributed to the plan, and changes in the net OPEB obligation are summarized in the following table:

Annual required contribution.....	\$	15,278,511
Interest on net OPEB obligation.....		1,586,909
Adjustments to annual required contribution.....		<u>(2,295,422)</u>
Annual OPEB cost/expense.....		14,569,998
Contributions made.....		<u>(6,763,783)</u>
Increase/(Decrease) in net OPEB obligation.....		7,806,215
Net OPEB obligation - beginning of year.....		<u>39,449,840</u>
Net OPEB obligation - end of year.....	\$	<u><u>47,256,055</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 14,569,998	46%	\$ 47,256,055
6/30/2011	17,154,572	33%	39,449,840
6/30/2010	15,942,714	34%	28,115,507

Funded Status and Funding Progress – The funded status of the Plan as of the most recent actuarial valuation date is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
1/1/2012	\$ 652,936	\$ 189,802,014	\$ 189,149,078	0.3%	\$ 68,300,737	276.94%
1/1/2010	-	192,200,348	192,200,348	0%	61,475,231	312.65%
1/1/2007	-	158,006,080	158,006,080	0%	73,735,316	214.29%

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 basic 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 effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following additional information is provided as of the latest actuarial valuation:

Actuarial Methods:

Valuation date.....	January 1, 2012
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.25%, based on a level percentage of projected payroll
Remaining amortization period.....	26 years at January 1, 2012, closed
Asset valuation method.....	Market value

Actuarial Assumptions:

Investment rate of return.....	4.00%
Inflation rate.....	2.50% per year
Projected salary increases.....	3.00% per year
Medical/drug cost trend rate.....	7.00% graded to 5.00% in year 2015

NOTE 13 – COMMITMENTS

Under the terms of an Administrative Consent Order (ACO) from the Commonwealth’s Department of Environmental Protection, the Town is obligated to make various repairs and improvements to its sewer and drainage system. Accordingly, the Town has expended over \$11.8 million on improvements to the system over the last 10 years to comply with the ACO.

The Town has entered into contracts totaling approximately \$2.3 million for various school, public safety and public works projects. The Town has authorized building renovations of approximately \$1.3 million. The Town also plans to authorize and contract for an additional \$6.7 million for water and roadway projects.

The BELD has entered into a Power Sales Agreement (PSA), as a participant in Nuclear Project No. 5, with Massachusetts Municipal Wholesale Electric Company (MMWEC) for a share of the power supply capability of Seabrook Unit 1. BELD effectively participates in a 0.6% (7 MW) share of Seabrook Unit 1. Under the terms of the PSA, the BELD is obligated to pay for its share of MMWEC’s actual operating and capital costs, including decommissioning, interest and financing costs related to this generating unit. Seabrook Unit 1 began commercial operations in 1990, and its operating license expires in 2030. The BELD’s obligations to pay are not contingent on the future operation of the unit. The BELD’s total principal obligation, excluding operating and maintenance, interest and decommissioning expenses associated with its share of MMWEC’s Seabrook Unit 1 outstanding debt, is approximately \$12,617,000 at December 31, 2011.

The BELD has also entered into various long-term agreements to purchase power from other utilities. At December 31, 2011, the estimated annual capacity costs relating to these agreements total approximately

\$35,200,000. The amount estimated for 2012 is \$5,900,000 with annual decrease estimated as contract entitlements decreases and expires through 2019.

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 the Single Audit Act Amendments of 1996 through June 30, 2012, 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.

The BELD is subject, like other electric utilities, to evolving standards administered by federal, state and local authorities relating to the quality of the environment. These standards affect the sighting of electric property, ambient air and water quality, plant safety and other environmental factors. These standards have had an impact on the BELD's operations in the past and they will continue to have an impact on future operations, capital costs and construction schedules.

Various legal actions and claims are pending. 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, 2012, cannot be ascertained, management believes any resulting liability should not materially affect the financial statements at June 30, 2012.

NOTE 15 – LAND TAKING

During fiscal year 2003, the Metropolitan District Commission took, by eminent domain, a conservation easement on a portion of Town owned land, for which it compensated the Town \$2,000,000. The Town subsequently voted that the funds received would be managed by the Trust Fund Commissioners. The yearly income from such funds is to be spent under the direction of the Braintree School Committee for the support of the public schools. The fund is included with other permanent funds in the Nonmajor Governmental Funds.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During fiscal year 2012, the following GASB pronouncements were implemented:

- GASB Statement #62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The implementation of this pronouncement did not impact the basic financial statements.
- GASB Statement #64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53*. The implementation of this pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in future fiscal years:

- The GASB issued Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #61, *The Financial Reporting Entity: Omnibus*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, which is required to be implemented in fiscal year 2015.

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

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 of the Town's 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

FISCAL YEAR ENDED JUNE 30, 2012

	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.....	\$ 69,849,485	\$ 69,849,485	\$ 69,727,818	\$ -	\$ (121,667)
Tax liens.....	-	-	77,774	-	77,774
Motor vehicle and other excise taxes.....	4,234,000	4,234,000	4,081,969	-	(152,031)
Hotel/motel tax.....	741,000	741,000	784,781	-	43,781
Penalties and interest on taxes.....	315,000	315,000	371,394	-	56,394
Payments in lieu of taxes.....	2,140,571	2,140,571	2,118,112	-	(22,459)
Intergovernmental.....	17,979,557	17,979,557	18,133,934	-	154,377
Departmental and other.....	4,095,344	4,095,344	4,890,956	-	795,612
Investment income.....	75,000	75,000	169,940	-	94,940
TOTAL REVENUES.....	99,429,957	99,429,957	100,356,678	-	926,721
EXPENDITURES:					
Current:					
General Government:					
Town Council					
Administration.....	234,028	194,028	161,528	-	32,500
Internal Audit.....	74,000	60,679	32,150	-	28,529
Articles.....	5,714	5,714	50	5,664	-
Total.....	313,742	260,421	193,728	5,664	61,029
Mayor's Office					
Administration.....	405,137	375,137	354,668	6,594	13,875
Fair Housing.....	2,275	2,275	468	-	1,807
Commission on Disabilities.....	1,017	1,017	157	-	860
Total.....	408,429	378,429	355,293	6,594	16,542
Finance Department					
Administration.....	319,678	129,269	125,529	2,750	990
Accounting.....	229,335	229,335	214,299	6,035	9,001
Assessing.....	287,834	287,834	278,087	-	9,747
Information Technology.....	327,745	327,745	292,029	31,510	4,206
General Insurances.....	390,000	445,000	428,125	5,000	11,875
Treasurer/Collector.....	836,684	836,684	786,248	37,077	13,359
Bond Principal.....	2,200,000	2,200,000	2,200,000	-	-
Bond Interest.....	686,619	686,619	686,619	-	-
Leases.....	246,089	246,089	245,892	-	197
Capital Project.....	31,346	31,346	-	31,346	-
Articles.....	3,976	3,976	-	3,976	-
Total.....	5,559,306	5,423,897	5,256,828	117,694	49,375
Law Department					
Administration.....	195,492	195,492	181,581	-	13,911
Licensing Board.....	28,684	28,684	28,314	-	370
Total.....	224,176	224,176	209,895	-	14,281
Human Resources					
Administration.....	529,957	479,957	409,668	410	69,879
Employee Benefits.....	13,998,676	13,963,676	13,616,859	-	346,817
Veterans Benefits.....	291,570	291,570	233,905	-	57,665
Celebrations.....	6,700	6,700	5,578	-	1,122
Total.....	14,826,903	14,741,903	14,266,010	410	475,483
Town Clerk					
Administration.....	98,415	98,415	94,180	-	4,235
Elections.....	53,825	53,825	51,887	-	1,938
Registration.....	102,618	102,618	93,613	-	9,005
Total.....	254,858	254,858	239,680	-	15,178

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Planning and Community Development					
Administration.....	134,254	134,254	133,000	54	1,200
Planning.....	72,370	72,370	71,064	-	1,306
Conservation.....	97,995	97,995	80,056	-	17,939
Economic Development.....	75,746	75,746	51,564	4,000	20,182
Historical Commission.....	2,000	2,000	1,937	-	63
Total.....	382,365	382,365	337,621	4,054	40,690
Total General Government.....	21,969,779	21,666,049	20,859,055	134,416	672,578
Public Safety:					
Police					
Administration.....	718,696	718,696	704,797	8,378	5,521
Building Maintenance.....	136,104	116,104	108,700	2,000	5,404
Equipment Maintenance.....	213,380	283,380	253,734	10,512	19,134
Patrol Bureau.....	4,115,839	4,205,839	4,194,392	-	11,447
Communications.....	872,520	722,520	691,451	18,244	12,825
Detective Bureau.....	808,951	808,951	800,176	-	8,775
Traffic Bureau.....	165,741	165,741	164,546	-	1,195
Special Services/Community Policing.....	531,320	561,320	550,418	4,800	6,102
Harbormaster.....	4,100	4,100	3,890	-	210
Animal Control.....	62,652	62,652	57,702	1,907	3,043
Capital Projects.....	15,000	15,000	10,596	4,404	-
Articles.....	193,688	193,688	53,306	140,382	-
Total.....	7,837,991	7,857,991	7,593,708	190,627	73,656
Fire					
Administration.....	255,710	261,710	243,453	17,798	459
Building Maintenance.....	139,057	125,357	110,991	14,242	124
Equipment Maintenance.....	144,605	158,105	156,913	1,160	32
Fire Suppression.....	6,227,494	6,282,494	6,225,729	56,714	51
Fire Alarm Repair.....	116,141	110,141	109,730	407	4
Fire Hazmat.....	101,822	99,822	97,002	2,820	-
Fire Prevention.....	98,739	101,939	101,184	750	5
Training.....	100,323	107,323	103,648	3,673	2
Capital Project.....	150,000	150,000	9,500	140,500	-
Articles.....	215,500	215,500	40,500	175,000	-
Total.....	7,549,391	7,612,391	7,198,650	413,064	677
Municipal Licenses and Inspection					
Administration.....	191,908	191,908	186,869	300	4,739
Equipment Maintenance.....	4,755	4,755	3,740	400	615
Inspections/Code Enforcement.....	344,043	346,043	342,939	-	3,104
Weights and Measures.....	62,747	62,747	62,235	-	512
Health.....	205,699	205,849	200,007	-	5,842
Zoning Board of Appeals.....	495	495	309	-	186
Articles.....	6,940	6,940	-	6,940	-
Total.....	816,587	818,737	796,099	7,640	14,998
Total Public Safety.....	16,203,969	16,289,119	15,588,457	611,331	89,331
Education:					
Education.....	49,100,160	49,270,160	49,146,797	109,870	13,493
Regional School District.....	1,759,902	1,759,902	1,759,902	-	-
Total Education.....	50,860,062	51,030,062	50,906,699	109,870	13,493

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Public Works:					
Public Works					
Administration.....	273,797	273,797	261,443	-	12,354
Facilities and Equipment Maintenance.....	708,084	718,084	695,554	27	22,503
Equipment Maintenance.....	277,026	352,026	318,189	-	33,837
Engineering.....	178,461	178,461	171,100	-	7,361
Construction Administration.....	192,113	192,113	187,617	-	4,496
Highway.....	1,268,316	1,325,816	1,259,393	4,598	61,825
Drains.....	20,000	20,000	16,259	-	3,741
Sidewalks.....	34,800	34,800	30,940	-	3,860
Street Lighting.....	325,000	325,000	325,000	-	-
Traffic.....	167,543	167,543	147,672	-	19,871
Snow and Ice.....	300,000	237,926	237,926	-	-
Environmental Affairs and Waste Collection.....	1,762,000	1,762,000	1,726,313	6,315	29,372
Cemetery.....	74,541	74,541	68,899	-	5,642
Maintenance Town Hall.....	95,000	89,500	88,545	-	955
Recreation and Community Events.....	138,496	158,496	149,554	3,081	5,861
Watson Building Maintenance.....	26,750	29,750	26,136	58	3,556
Grounds Maintenance.....	537,877	537,877	516,514	-	21,363
Summer Programs.....	145,000	145,000	145,000	-	-
Brawley Recreation.....	80,000	80,000	80,000	-	-
Daugherty Gym.....	10,000	10,000	5,302	-	4,698
Capital Project.....	80,294	80,294	-	80,294	-
Articles.....	244,389	244,389	63,015	181,373	1
Total Public Works.....	6,939,487	7,037,413	6,520,371	275,746	241,296
Human Services:					
Council on Aging					
Administration.....	187,032	187,032	184,957	-	2,075
Equipment Maintenance.....	37,019	38,519	38,492	-	27
Building Maintenance.....	19,226	17,726	17,720	-	6
Articles.....	7,997	7,997	-	7,997	-
Total Human Services.....	251,274	251,274	241,169	7,997	2,108
Culture and Recreation:					
Library					
Administration.....	188,366	188,366	156,247	-	32,119
Building Maintenance.....	109,000	109,000	108,937	-	63
Equipment Maintenance.....	1,000	1,000	529	-	471
Technology.....	52,000	52,000	51,793	-	207
Current Topics and Titles.....	816,073	816,073	762,503	-	53,570
Lifelong Learning.....	119,574	119,574	118,678	-	896
Community Commons.....	3,500	3,500	3,308	-	192
Capital Project.....	150,000	150,000	148,640	1,360	-
Total Culture and Recreation.....	1,439,513	1,439,513	1,350,635	1,360	87,518
State and County Assessments.....	3,551,580	3,551,580	3,571,252	-	(19,672)
TOTAL EXPENDITURES.....	101,215,664	101,265,010	99,037,638	1,140,720	1,086,652
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,785,707)	(1,835,053)	1,319,040	(1,140,720)	2,013,373
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	-	-	307,702	-	307,702
Transfers in.....	518,149	518,149	589,900	-	71,751
TOTAL OTHER FINANCING SOURCES (USES).....	518,149	518,149	897,602	-	379,453
NET CHANGE IN FUND BALANCE.....	(1,267,558)	(1,316,904)	2,216,642	(1,140,720)	2,392,826
BUDGETARY FUND BALANCE, Beginning of year.....	14,363,748	14,363,748	14,363,748	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 13,096,190	\$ 13,046,844	\$ 16,580,390	\$ (1,140,720)	\$ 2,392,826

See notes to required supplementary information.

(Concluded)

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, over time, 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)
1/1/2012	\$ 652,936	\$ 189,802,014	\$ 189,149,078	0.3%	\$ 68,300,737	276.94%
1/1/2010	-	192,200,348	192,200,348	0%	61,475,231	312.65%
1/1/2007	-	158,006,080	158,006,080	0%	73,735,316	214.29%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage of the ARC Contributed
6/30/2012	\$ 15,278,511	\$ 6,763,783	44%
6/30/2011	17,392,724	5,820,239	33%
6/30/2010	16,760,687	5,357,220	32%
6/30/2009	14,426,107	5,497,619	38%
6/30/2008	13,479,497	5,040,160	37%

See notes to required supplementary information.

**OTHER POSTEMPLOYMENT BENEFITS PLAN
ACTUARIAL METHODS AND ASSUMPTIONS**

Actuarial Methods:

Valuation date.....	January 1, 2012
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.25%, based on a level percentage of projected payroll
Remaining amortization period.....	26 years at January 1, 2012, closed
Asset valuation method.....	Market value

Actuarial Assumptions:

Investment rate of return.....	4.00%
Inflation rate.....	2.50% per year
Projected salary increases.....	3.00% per year
Medical/drug cost trend rate.....	7.00% graded to 5.00% in year 2015

Plan Membership:

Current retirees, beneficiaries, and dependents.....	885
Current active members.....	<u>1,230</u>
Total.....	<u><u>2,115</u></u>

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved by Town Council. The Mayor presents an annual budget to the Town Council, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Town Council, which has authority to amend down 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 Town Council approval at a regular Council meeting.

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

Generally, expenditures may not exceed the legal level of spending (program and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, 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 the Town Council and written approval from the Massachusetts Department of Revenue.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2012 approved budget authorized approximately \$101.2 million in appropriations and other amounts to be raised, including \$1,251,000 in amounts carried over from previous fiscal years. During fiscal year 2012, the Town Council also approved supplemental appropriations totaling approximately \$49,000.

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

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the 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 fiscal year ended June 30, 2012, is presented below:

Net change in fund balance - budgetary basis.....	\$	2,216,642
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		(53,099)
Activity of the municipal building insurance fund recorded in the general fund for GAAP.....		(87,965)
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....		2,000
Net change in recording accrued payroll.....		(2,400)
Recognition of revenue for on-behalf payments.....		12,736,422
Recognition of expenditures for on-behalf payments.....		<u>(12,736,422)</u>
Net change in fund balance - GAAP basis.....	\$	<u>2,075,178</u>

C. Appropriation Deficits

Expenditures exceeded appropriation in state and county assessments. This is based on a state assessment which is not required to be raised in the tax levy.

NOTE B – OTHER POSTEMPLOYMENT BENEFITS

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

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 0.3%. 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.

Projections of benefits for financial reporting purposes are based on the substantive plan 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.

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

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

Other Supplementary Information

Combining Statements

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 capital project funds) that are restricted by law or administrative action to expenditures for specified purposes.

Town Special Revenue Funds – accounts for the non-school related funds designated for specific programs, this fund consists primarily of state and federal grants and gifts as well as the non-school related activity of revolving funds established in accordance with MGL Chapter 44, Section 53E ½.

School Lunch Fund – account used for all cafeteria activities and is funded by user charges, federal and state grants and commodities received.

School Special Revenue Funds – accounts for the school department's funds designated for specific programs, this fund consists primarily of state and federal grants and gifts as well as the non-school related activity of revolving funds established in accordance with MGL Chapter 44, Section 53E ½.

Community Preservation Fund – accounts for the accumulation of resources for the acquisition, creation, preservation and support of open space, historic resources, recreational uses and community housing.

Highway Improvements Fund – accounts for construction, reconstruction and improvements of roadways, streets and sidewalks.

Capital Project 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.

Town Capital Project Funds – accounts for the construction and renovation of Town projects.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

Nonexpendable Trust Funds – accounts for the endowment portion of donor restricted trusts that support governmental programs.

Expendable Trust Funds – accounts for the accumulated realized and unrealized investment earnings of donor restricted funds within the nonexpendable trust funds.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2012

	<i>Special Revenue Funds</i>					Subtotal
	Town Special Revenue Funds	School Lunch	School Special Revenue Funds	Community Preservation Fund	Highway Improvements	
ASSETS						
Cash and cash equivalents.....	\$ 1,957,875	\$ 154,546	\$ 1,499,482	\$ 4,586,317	\$ -	\$ 8,198,220
Investments.....	18,422	-	-	-	-	18,422
Receivables, net of uncollectibles:						
Tax liens.....	-	-	-	1,921	-	1,921
Departmental and other.....	-	-	-	10,527	-	10,527
Intergovernmental.....	-	-	-	145,945	3,853,891	3,999,836
TOTAL ASSETS.....	\$ 1,976,297	\$ 154,546	\$ 1,499,482	\$ 4,744,710	\$ 3,853,891	\$ 12,228,926
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accrued payroll.....	\$ 1,977	\$ 10,108	\$ 5,409	\$ -	\$ -	\$ 17,494
Deferred revenues.....	-	-	-	158,393	2,431,052	2,589,445
Due to other funds.....	-	-	-	-	1,422,839	1,422,839
TOTAL LIABILITIES.....	1,977	10,108	5,409	158,393	3,853,891	4,029,778
FUND BALANCES:						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	1,974,320	144,438	1,494,073	4,586,317	-	8,199,148
TOTAL FUND BALANCES.....	1,974,320	144,438	1,494,073	4,586,317	-	8,199,148
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 1,976,297	\$ 154,546	\$ 1,499,482	\$ 4,744,710	\$ 3,853,891	\$ 12,228,926

Permanent Funds				
Town Capital Projects	Nonexpendable Trust	Expendable Trust	Subtotal	Total Nonmajor Governmental Funds
\$ 3,752,781	\$ 2,564,886	\$ 1,500,048	\$ 4,064,934	\$ 16,015,935
-	-	6,658,979	6,658,979	6,677,401
-	-	-	-	1,921
-	-	-	-	10,527
-	-	-	-	3,999,836
<u>\$ 3,752,781</u>	<u>\$ 2,564,886</u>	<u>\$ 8,159,027</u>	<u>\$ 10,723,913</u>	<u>\$ 26,705,620</u>
\$ -	\$ -	\$ -	\$ -	\$ 17,494
-	-	-	-	2,589,445
-	-	-	-	1,422,839
-	-	-	-	4,029,778
-	2,564,886	-	2,564,886	2,564,886
3,752,781	-	8,159,027	8,159,027	20,110,956
<u>3,752,781</u>	<u>2,564,886</u>	<u>8,159,027</u>	<u>10,723,913</u>	<u>22,675,842</u>
<u>\$ 3,752,781</u>	<u>\$ 2,564,886</u>	<u>\$ 8,159,027</u>	<u>\$ 10,723,913</u>	<u>\$ 26,705,620</u>

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

FISCAL YEAR ENDED JUNE 30, 2012

	Special Revenue Funds					
	Town Special Revenue Funds	School Lunch	School Special Revenue Funds	Community Preservation Fund	Highway Improvements	Subtotal
REVENUES:						
Intergovernmental.....	\$ 613,821	\$ 503,820	\$ 5,521,323	\$ 145,945	\$ 2,526,702	\$ 9,311,611
Departmental and other.....	550,906	1,098,002	1,545,897	-	-	3,194,805
Community preservation.....	-	-	-	559,244	-	559,244
Contributions.....	112,289	-	195,653	-	-	307,942
Investment income.....	46	477	376	12,446	-	13,345
Miscellaneous.....	17,564	-	-	-	-	17,564
TOTAL REVENUES.....	1,294,626	1,602,299	7,263,249	717,635	2,526,702	13,404,511
EXPENDITURES:						
Current:						
General government.....	232,530	-	-	-	-	232,530
Public safety.....	152,419	-	-	-	-	152,419
Education.....	-	1,616,766	7,396,017	-	-	9,012,783
Public works.....	132,101	-	-	-	2,526,702	2,658,803
Community development.....	-	-	-	643,366	-	643,366
Human services.....	152,801	-	-	-	-	152,801
Culture and recreation.....	437,888	-	-	-	-	437,888
TOTAL EXPENDITURES.....	1,107,739	1,616,766	7,396,017	643,366	2,526,702	13,290,590
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	186,887	(14,467)	(132,768)	74,269	-	113,921
OTHER FINANCING SOURCES (USES):						
Issuance of long-term debt.....	-	-	-	-	-	-
Premium from issuance of bonds.....	61,502	-	-	-	-	61,502
Transfers in.....	130,500	-	133,339	-	-	263,839
Transfers out.....	(228,371)	-	-	-	-	(228,371)
TOTAL OTHER FINANCING SOURCES (USES)..	(36,369)	-	133,339	-	-	96,970
NET CHANGE IN FUND BALANCES.....	150,518	(14,467)	571	74,269	-	210,891
FUND BALANCES AT BEGINNING OF YEAR.....	1,823,802	158,905	1,493,502	4,512,048	-	7,988,257
FUND BALANCES AT END OF YEAR.....	\$ 1,974,320	\$ 144,438	\$ 1,494,073	\$ 4,586,317	\$ -	\$ 8,199,148

Permanent Funds				
Town Capital Projects	Nonexpendable Trust	Expendable Trust	Subtotal	Total Governmental Funds
\$ 1,346,266	\$ -	\$ -	\$ -	\$ 10,657,877
-	-	-	-	3,194,805
-	-	-	-	559,244
-	-	145,491	145,491	453,433
-	58,953	(86,450)	(27,497)	(14,152)
-	-	-	-	17,564
<u>1,346,266</u>	<u>58,953</u>	<u>59,041</u>	<u>117,994</u>	<u>14,868,771</u>
1,511,169	-	56,843	56,843	1,800,542
1,480,895	-	-	-	1,633,314
4,164,191	-	-	-	13,176,974
1,115,257	-	-	-	3,774,060
-	-	-	-	643,366
-	-	-	-	152,801
13,295	-	-	-	451,183
<u>8,284,807</u>	<u>-</u>	<u>56,843</u>	<u>56,843</u>	<u>21,632,240</u>
<u>(6,938,541)</u>	<u>58,953</u>	<u>2,198</u>	<u>61,151</u>	<u>(6,763,469)</u>
5,286,000	-	-	-	5,286,000
-	-	-	-	61,502
-	-	-	-	263,839
-	-	(177,723)	(177,723)	(406,094)
<u>5,286,000</u>	<u>-</u>	<u>(177,723)</u>	<u>(177,723)</u>	<u>5,205,247</u>
(1,652,541)	58,953	(175,525)	(116,572)	(1,558,222)
<u>5,405,322</u>	<u>2,505,933</u>	<u>8,334,552</u>	<u>10,840,485</u>	<u>24,234,064</u>
<u>\$ 3,752,781</u>	<u>\$ 2,564,886</u>	<u>\$ 8,159,027</u>	<u>\$ 10,723,913</u>	<u>\$ 22,675,842</u>

Pension and Other Employee Benefit Trust Funds

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. 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 *pension trust fund* is used to account for the activities of the System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries.

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

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2012

	Pension Trust Fund (as of December 31, 2011)	Other Postemployment Benefit Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ 2,129,537	\$ 914,117
Investments:		
Fixed income mutual funds.....	52,600,105	-
Domestic equity mutual funds.....	31,809,128	-
International equity mutual funds.....	16,590,807	-
Pension reserve investment trust.....	32,128,530	-
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	81,293	-
Prepaid expenses.....	7,969	-
TOTAL ASSETS.....	135,347,369	914,117
LIABILITIES		
Warrants payable.....	50,935	-
NET ASSETS		
Held in trust for pension and OPEB benefits.....	\$ <u>135,296,434</u>	\$ <u>914,117</u>

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2012

	Pension Trust Fund (as of December 31, 2011)	Other Postemployment Benefit Trust Fund
ADDITIONS:		
Contributions:		
Employer.....	\$ 7,376,253	\$ 767,299
Employee.....	3,480,827	-
Total contributions.....	10,857,080	767,299
Net investment income:		
Net change in fair value of investments.....	(2,076,151)	-
Interest.....	947,770	1,705
Dividends.....	2,472,656	-
Total investment income.....	1,344,275	1,705
Less: investment expense.....	(662,624)	-
Net investment income.....	681,651	1,705
Intergovernmental.....	319,598	-
Transfers from other systems.....	359,554	-
TOTAL ADDITIONS.....	12,217,883	769,004
DEDUCTIONS:		
Administration.....	242,237	-
Transfers to other systems.....	961,290	-
Retirement benefits and refunds.....	13,272,421	-
TOTAL DEDUCTIONS.....	14,475,948	-
CHANGE IN NET ASSETS.....	(2,258,065)	769,004
NET ASSETS AT BEGINNING OF YEAR.....	137,554,499	145,113
NET ASSETS AT END OF YEAR.....	\$ 135,296,434	\$ 914,117

Agency Fund

Fund Description

Agency Funds are used to account for the collection and payment of charges for off-duty work details, performance bonds, and fees collected on behalf of other governments, and other funds.

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Agency Accounts <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Agency Accounts <u>June 30, 2012</u>
ASSETS				
Cash and cash equivalents.....	\$ 196,824	\$ 2,325,813	\$ (2,301,133)	\$ 221,504
LIABILITIES				
Liabilities due depositors.....	\$ 196,824	\$ 2,325,813	\$ (2,301,133)	\$ 221,504

Statistical Section



**Town of Braintree, Massachusetts
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

Statistical Section

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

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 audited financial reports for the relevant year or our Official Statements.

Net Assets By Component

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt.....	\$ 33,061,812	\$ 35,368,873	\$ 40,789,164	\$ 43,345,827	\$ 43,316,956	\$ 44,741,728	\$ 43,952,129	\$ 44,776,089	\$ 47,910,553	\$ 52,564,200
Restricted.....	11,512,196	13,239,956	14,907,893	15,473,044	17,085,091	14,564,774	15,387,436	17,909,375	18,984,718	19,081,454
Unrestricted.....	5,087,079	4,992,568	5,069,719	2,866,257	7,669,389	3,262,565	(1,978,165)	(8,277,629)	(14,151,761)	(20,004,880)
Total governmental activities net assets.....	\$ 49,661,087	\$ 53,601,397	\$ 60,766,776	\$ 61,685,128	\$ 68,071,436	\$ 62,569,067	\$ 57,361,400	\$ 54,407,835	\$ 52,743,510	\$ 51,640,774
Business-type activities										
Invested in capital assets, net of related debt.....	\$ 58,974,463	\$ 57,764,648	\$ 59,488,429	\$ 64,607,373	\$ 63,680,466	\$ 63,472,319	\$ 73,771,758	\$ 72,287,202	\$ 69,022,850	\$ 71,591,338
Restricted.....	2,376,658	2,743,606	4,033,000	-	-	-	-	-	-	-
Unrestricted.....	18,007,703	20,234,857	19,021,674	18,513,324	19,790,984	24,074,877	14,243,145	17,782,384	22,809,172	18,020,393
Total business-type activities net assets.....	\$ 79,358,824	\$ 80,743,111	\$ 82,543,103	\$ 83,120,697	\$ 83,471,450	\$ 87,547,196	\$ 88,014,903	\$ 90,069,586	\$ 91,832,022	\$ 89,611,731
Primary government										
Invested in capital assets, net of related debt.....	\$ 92,036,275	\$ 93,133,521	\$ 100,277,593	\$ 107,953,200	\$ 106,997,422	\$ 108,214,047	\$ 117,723,887	\$ 117,063,291	\$ 116,933,403	\$ 124,155,538
Restricted.....	13,888,854	15,983,562	18,940,893	15,473,044	17,085,091	14,564,774	15,387,436	17,909,375	18,984,718	19,081,454
Unrestricted.....	23,094,782	25,227,425	24,091,393	21,379,581	27,460,373	27,337,442	12,264,980	9,504,755	8,657,411	(1,984,487)
Total primary government net assets.....	\$ 129,019,911	\$ 134,344,508	\$ 143,309,879	\$ 144,805,825	\$ 151,542,886	\$ 150,116,263	\$ 145,376,303	\$ 144,477,421	\$ 144,575,532	\$ 141,252,505

Changes in Net Assets

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government.....	\$ 5,463,853	\$ 5,162,891	\$ 4,748,448	\$ 4,362,423	\$ 4,610,401	\$ 4,554,086	\$ 5,734,392	\$ 5,547,521	\$ 6,219,480	\$ 6,120,306
Public safety.....	19,327,749	18,395,293	17,699,899	19,978,932	20,274,993	22,301,233	22,235,903	23,103,086	22,731,221	22,644,632
Education.....	57,353,310	57,535,022	61,636,873	66,563,400	69,958,696	76,732,757	79,763,519	82,719,562	85,120,589	87,632,097
Public works.....	4,274,420	4,067,043	3,958,571	5,142,253	4,766,713	5,787,762	6,576,806	6,004,346	7,075,816	6,258,439
Sanitation.....	1,327,825	1,572,296	1,521,317	1,529,887	1,556,431	1,597,784	1,654,683	1,531,123	1,421,972	1,734,699
Community preservation.....	-	13,602	148,258	27,002	249,447	104,793	35,109	41,392	76,049	168,276
Human services.....	1,212,456	1,296,532	1,121,171	1,093,133	1,056,047	1,273,880	978,727	980,215	1,064,014	1,108,036
Culture and recreation.....	2,969,436	2,797,240	2,760,733	3,234,716	3,299,641	3,532,149	3,508,767	3,504,511	3,733,359	3,685,605
Interest.....	386,181	489,382	359,592	422,825	357,055	444,173	367,644	543,891	620,316	668,246
Total governmental activities expenses.....	92,315,230	91,329,301	93,954,862	102,354,571	106,129,424	116,328,617	120,855,550	123,975,647	128,062,816	130,020,336
Business-type activities:										
Water and Sewer.....	9,647,140	10,088,353	10,127,709	10,907,670	11,751,499	11,993,133	12,234,294	12,357,150	12,992,288	12,960,228
Golf.....	978,636	985,156	978,575	1,045,810	1,123,675	1,258,562	1,282,255	1,105,535	1,400,980	1,510,491
Electric.....	40,125,951	43,951,002	47,687,729	51,616,634	61,409,672	62,262,396	65,563,538	71,421,238	72,454,533	70,895,924
Total business-type activity expenses.....	50,751,727	55,024,511	58,794,013	63,570,114	74,284,846	75,514,091	79,080,087	84,883,923	86,847,801	85,366,643
Total primary government expenses.....	\$ 143,066,957	\$ 146,353,812	\$ 152,748,875	\$ 165,924,685	\$ 180,414,270	\$ 191,842,708	\$ 199,935,637	\$ 208,859,570	\$ 214,910,617	\$ 215,386,979
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 717,957	\$ 852,689	\$ 759,576	\$ 721,928	\$ 749,484	\$ 654,663	\$ 613,460	\$ 596,828	\$ 517,136	\$ 616,829
Public safety.....	2,036,686	2,631,471	2,858,475	2,821,158	3,210,084	2,930,799	3,784,281	2,144,216	2,280,546	2,378,405
Education.....	3,804,096	4,525,351	4,843,321	5,510,681	5,763,417	2,663,710	2,597,937	2,443,837	2,368,875	2,017,758
Public works.....	230,812	1,770,464	331,467	248,130	236,047	559,293	609,110	334,823	471,878	553,002
Sanitation.....	373,147	322,403	1,412,272	1,778,699	2,176,617	1,600,028	1,593,698	1,613,247	1,568,749	1,548,721
Human services.....	137,746	127,909	132,220	161,380	204,551	151,360	142,817	24,205	25,792	31,332
Culture and recreation.....	353,210	407,569	494,674	456,502	477,168	345,587	393,249	379,560	396,823	361,811
Operating grants and contributions.....	15,157,695	17,094,611	20,224,583	19,559,212	23,943,924	24,465,441	28,083,776	30,924,968	33,221,854	33,518,827
Capital grants and contributions.....	1,489,199	1,892,836	2,096,024	1,813,873	1,073,666	1,898,266	927,140	1,127,450	3,793,516	4,773,929
Total government activities program revenues.....	24,300,548	29,625,303	33,152,712	33,071,543	37,834,958	35,269,147	38,745,468	39,589,134	44,645,169	45,800,614
Business-type activities:										
Charges for services:										
Water and Sewer.....	8,838,469	10,372,001	10,508,277	11,380,011	12,081,357	13,675,011	12,580,294	12,561,820	13,208,817	12,932,512
Golf.....	1,006,462	4,892,958	976,614	945,430	1,101,047	1,211,206	1,174,675	1,172,533	1,329,340	1,404,085
Electric.....	40,724,114	46,248,689	49,167,046	51,521,575	60,497,429	63,700,105	65,900,014	73,443,746	75,896,314	70,762,137
Operating grants and contributions.....	549,120	76,433	91,186	33,402	37,736	32,443	-	-	215,783	-
Capital grants and contributions.....	434,712	-	225,000	-	-	-	-	-	-	281,643
Total business-type activities program revenues.....	51,552,877	57,680,081	60,743,322	64,105,418	73,717,569	78,618,765	79,654,983	87,178,099	90,650,254	85,380,387
Total primary government program revenues.....	\$ 75,853,425	\$ 87,305,384	\$ 93,896,034	\$ 97,176,961	\$ 111,552,527	\$ 113,887,912	\$ 118,400,451	\$ 126,767,233	\$ 135,295,423	\$ 131,181,001
Net (Expense)/Revenue										
Governmental activities.....	\$ (68,014,682)	\$ (61,703,998)	\$ (60,802,150)	\$ (69,283,028)	\$ (68,294,466)	\$ (81,059,470)	\$ (82,110,082)	\$ (84,386,513)	\$ (83,417,647)	\$ (84,219,722)
Business-type activities.....	801,150	2,655,570	1,949,309	535,304	(567,277)	3,104,674	574,896	2,294,176	3,802,453	13,744
Total primary government net expense.....	\$ (67,213,532)	\$ (59,048,428)	\$ (58,852,841)	\$ (68,747,724)	\$ (68,861,743)	\$ (77,954,796)	\$ (81,535,186)	\$ (82,092,337)	\$ (79,615,194)	\$ (84,205,978)
General Revenues and other Changes in Net Assets										
Governmental activities:										
Real estate, personal property taxes and tax liens, net of tax refunds payable.....										
	\$ 49,286,483	\$ 50,526,807	\$ 53,281,088	\$ 54,950,810	\$ 57,664,837	\$ 59,616,548	\$ 62,714,975	\$ 65,822,590	\$ 68,085,843	\$ 69,679,306
Tax liens.....	158,722	71,156	131,573	246,461	172,271	195,258	102,402	-	-	-
Motor vehicle and other excise taxes.....	3,727,878	4,754,565	4,486,604	4,608,617	4,230,104	4,641,332	4,021,318	4,067,074	4,284,625	4,039,432
Hotel/motel tax.....	806,756	650,942	759,466	868,033	854,486	735,915	768,355	745,319	718,452	784,781
Community preservation tax.....	377,358	411,603	432,367	459,792	474,210	455,258	551,133	530,249	558,590	559,244
Penalties and interest on taxes.....	345,889	339,959	230,204	458,484	310,116	332,155	297,882	345,208	417,749	371,394
Payments in lieu of taxes.....	1,027,775	858,044	892,969	906,189	918,556	1,049,810	1,049,817	2,193,890	116,425	118,112
Grants and contributions not restricted to specific programs.....	6,667,294	6,357,189	6,618,722	6,674,487	7,426,676	7,163,431	6,619,494	5,072,674	4,949,885	4,989,211
Unrestricted investment income.....	484,387	373,990	499,383	817,046	1,390,441	716,560	530,782	486,914	267,612	215,677
Gain on sale of land.....	-	-	10,972	-	656,876	-	-	-	-	-
Income from granting an easement on land.....	2,000,000	-	-	-	-	-	-	-	-	-
Affordable housing development fees.....	-	-	-	-	-	-	-	1,800,000	-	-
Miscellaneous.....	122,774	28,770	474,864	104,033	401,646	551,830	91,623	77,800	69,345	70,051
Transfers.....	1,221,236	1,271,283	149,317	107,428	110,555	99,004	154,634	291,230	2,284,796	2,289,778
Total governmental activities.....	66,226,552	65,644,308	67,967,529	70,201,380	74,610,774	75,557,101	76,902,415	81,432,948	81,753,322	83,116,986
Business-type activities:										
Unrestricted investment income.....	-	-	-	149,718	308,420	1,070,076	47,445	51,737	244,779	55,743
Claims and judgments.....	-	-	-	-	675,365	-	-	-	-	-
Transfers.....	(1,221,236)	(1,271,283)	(149,317)	(107,428)	(110,555)	(99,004)	(154,634)	(291,230)	(2,284,796)	(2,289,778)
Total business-type activities.....	(1,221,236)	(1,271,283)	(149,317)	42,290	873,230	971,072	(107,189)	(239,493)	(2,040,017)	(2,234,035)
Total primary government.....	\$ 65,005,316	\$ 64,373,025	\$ 67,818,212	\$ 70,243,670	\$ 75,484,004	\$ 76,528,173	\$ 76,795,226	\$ 81,193,455	\$ 79,713,305	\$ 80,882,951
Changes in Net Assets										
Governmental activities.....	\$ (1,788,130)	\$ 3,940,310	\$ 7,165,379	\$ 918,352	\$ 6,316,308	\$ (5,502,369)	\$ (5,207,667)	\$ (2,953,565)	\$ (1,664,325)	\$ (1,102,736)
Business-type activities.....	(420,086)	1,384,287	1,799,992	577,594	305,953	4,075,746	467,707	2,054,683	1,762,436	(2,220,291)
Total primary government.....	\$ (2,208,216)	\$ 5,324,597	\$ 8,965,371	\$ 1,495,946	\$ 6,622,261	\$ (1,426,623)	\$ (4,739,960)	\$ (898,882)	\$ 98,111	\$ (3,323,027)

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved.....	\$ 492,763	\$ 655,529	\$ 1,454,741	\$ 508,261	\$ 865,705	\$ 760,035	\$ 281,374	\$ 895,787	\$ -	\$ -
Unreserved.....	5,343,096	5,197,385	4,161,475	3,414,564	3,790,923	3,088,264	7,287,516	9,178,146	-	-
Assigned.....	-	-	-	-	-	-	-	-	1,250,576	1,140,720
Unassigned.....	-	-	-	-	-	-	-	-	13,160,254	15,847,651
Total general fund.....	\$ 5,835,859	\$ 5,852,914	\$ 5,616,216	\$ 3,922,825	\$ 4,656,628	\$ 3,848,299	\$ 7,568,890	\$ 10,073,933	\$ 14,410,830	\$ 16,988,371
All Other Governmental Funds										
Reserved.....	\$ 6,220,026	\$ 2,598,841	\$ 2,594,497	\$ 2,586,848	\$ 2,513,808	\$ 2,505,157	\$ 2,606,133	\$ 2,506,133	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	(74,843)	5,182,238	6,738,874	6,592,674	8,672,575	6,583,933	8,102,411	9,599,385	-	-
Capital projects funds.....	2,696,595	1,049,221	34,599	(1,374,542)	1,094,496	(494,856)	1,322,865	2,825,324	-	-
Permanent funds.....	4,793,116	5,175,256	5,574,522	5,829,563	6,742,763	6,979,609	6,157,529	7,857,627	-	-
Nonspendable.....	-	-	-	-	-	-	-	-	2,507,881	2,564,886
Restricted.....	-	-	-	-	-	-	-	-	21,726,183	20,110,956
Total all other governmental funds.....	\$ 13,634,894	\$ 14,005,556	\$ 14,942,492	\$ 13,634,543	\$ 19,023,642	\$ 15,573,843	\$ 18,188,938	\$ 22,788,469	\$ 24,234,064	\$ 22,675,842

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

Changes in Fund Balances, Governmental Funds

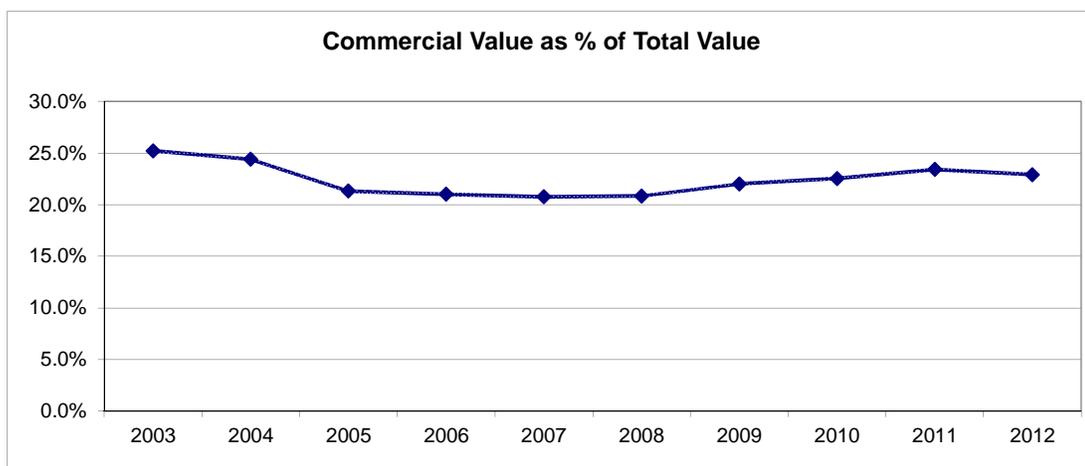
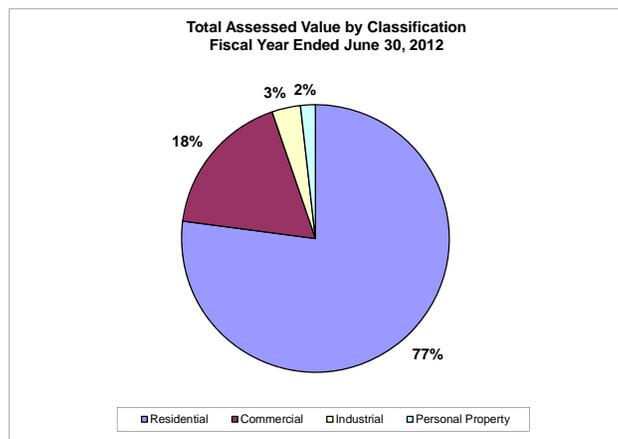
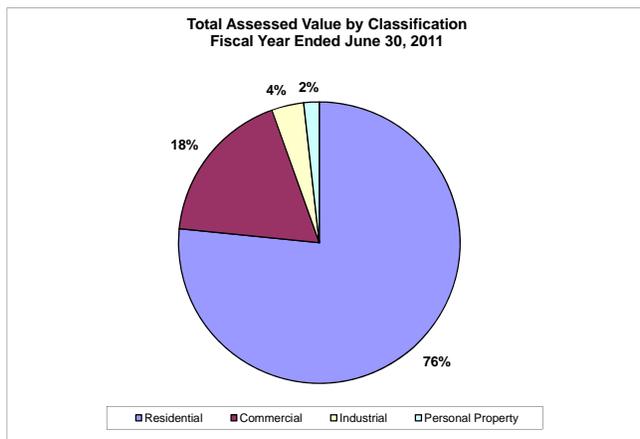
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Real estate, personal property taxes and tax liens, net of tax refunds.....	\$ 49,383,103	\$ 50,718,391	\$ 52,961,468	\$ 55,158,554	\$ 57,768,689	\$ 59,497,459	\$ 62,755,355	\$ 65,496,774	\$ 67,862,201	\$ 69,729,818
Tax Liens.....	93,762	55,883	52,311	231,598	172,271	63,809	76,974	57,843	81,120	77,774
Motor vehicle and other excise taxes.....	4,168,251	4,523,270	4,685,843	4,281,453	4,201,636	4,611,877	4,165,414	3,985,784	4,306,011	4,081,969
Hotel/Motel tax.....	806,756	650,942	759,466	868,033	854,486	735,915	768,355	745,319	718,452	784,781
Penalties and interest on taxes.....	345,889	339,959	230,204	458,484	310,116	332,155	297,882	345,208	417,749	371,394
Payments in lieu of taxes.....	1,027,775	858,044	892,969	906,189	918,556	1,049,810	1,049,817	2,193,890	116,425	118,112
Intergovernmental.....	22,830,943	23,692,431	25,198,861	25,775,357	28,812,244	30,601,263	34,012,768	35,740,583	38,999,975	41,528,233
Departmental and other.....	5,019,021	7,307,259	7,689,484	7,563,960	9,027,969	10,250,943	10,450,639	7,761,742	7,788,136	8,085,761
Community preservation.....	377,358	404,489	432,367	459,792	474,210	455,258	551,133	530,249	558,590	559,244
Affordable housing development fees.....	-	-	-	-	-	-	-	1,800,000	-	-
Contributions.....	101,183	280,144	231,500	367,149	768,016	366,096	1,071,110	640,918	364,569	453,433
Investment income.....	611,150	913,927	1,165,574	1,263,802	2,460,899	369,561	(201,774)	995,846	1,325,987	153,004
Miscellaneous.....	500	-	207,040	323,687	301,176	514,828	91,623	69,100	49,524	17,564
Total Revenue.....	84,765,691	89,744,739	94,507,087	97,658,058	106,070,268	108,848,974	115,089,296	120,363,256	122,588,739	125,961,087
Expenditures:										
General government.....	3,450,414	3,229,584	3,056,052	3,623,271	3,859,688	4,018,166	4,287,338	5,603,583	4,349,148	5,298,068
Public safety.....	13,689,305	12,536,792	12,990,781	13,751,123	14,157,997	15,134,523	14,323,808	14,560,325	15,180,496	17,182,357
Education.....	43,962,743	42,431,467	45,611,005	50,871,069	50,932,438	54,203,401	54,471,474	57,170,086	60,004,947	64,003,984
Public works.....	7,474,337	7,056,165	5,464,382	6,266,787	5,444,425	5,404,878	5,863,834	6,567,757	7,986,879	7,570,889
Sanitation services.....	1,233,392	1,474,581	1,446,446	1,523,236	1,549,913	1,590,363	1,647,010	1,522,144	1,412,691	1,726,367
Community development.....	-	63,602	148,258	568,182	376,126	1,799,290	14,977	41,392	76,049	643,366
Human services.....	705,933	761,371	779,780	818,353	849,053	876,798	708,984	748,949	792,326	817,714
Culture and recreation.....	2,270,273	2,139,687	2,437,864	2,508,150	2,892,558	2,863,866	2,447,161	2,544,523	2,626,796	2,883,715
Pension benefits-Town.....	4,785,557	4,935,096	3,742,770	4,019,936	4,138,193	4,306,969	4,442,266	4,759,946	4,808,035	5,046,381
Pension benefits-School.....	5,383,000	6,248,000	7,656,294	8,168,218	8,869,092	9,962,702	10,994,534	11,884,275	12,219,339	12,736,422
Property and liability insurance.....	343,954	373,104	418,507	475,422	483,391	406,416	419,313	402,567	368,027	428,125
Employee benefits.....	4,591,903	5,046,719	5,776,019	6,274,307	7,204,764	7,392,728	7,802,047	7,833,635	8,459,804	8,840,249
State and county charges.....	2,488,724	2,534,654	2,741,801	3,100,048	3,534,187	3,593,911	3,798,662	4,158,266	3,883,609	3,571,252
Debt service										
Principal.....	715,000	1,394,000	1,380,000	1,365,000	1,630,000	1,645,000	1,480,000	1,910,000	2,432,000	2,200,000
Interest.....	374,964	473,435	351,740	413,209	354,814	445,990	351,879	524,464	590,897	686,619
Total Expenditures.....	91,469,499	90,698,257	94,001,699	103,746,311	106,276,639	113,645,001	113,053,287	120,231,912	125,191,043	133,635,508
Excess of revenues over (under) expenditures.....	(6,703,808)	(953,518)	505,388	(6,088,253)	(206,371)	(4,796,027)	2,036,009	131,344	(2,602,304)	(7,674,421)
Other Financing Sources (Uses)										
Issuance of long-term debt.....	5,099,000	-	32,340	2,800,000	2,100,000	-	3,600,000	6,782,000	6,100,000	5,286,000
Premium from issuance of bonds and notes.....	79,531	-	-	-	169,060	379,762	445,043	-	-	369,204
Issuance of refunding bonds.....	-	-	-	-	1,055,000	-	-	-	-	-
Income from granting an easement on land.....	2,000,000	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent.....	-	-	-	-	(1,045,217)	-	-	-	-	-
Capital lease financing.....	-	-	-	179,485	400,000	-	-	-	-	246,395
Proceeds from the sale of land.....	-	-	13,193	-	739,875	-	-	-	-	-
Transfers in.....	6,487,259	2,475,991	1,725,580	1,235,622	1,211,438	1,446,885	620,955	981,424	2,935,526	2,695,872
Transfers out.....	(5,203,541)	(1,134,753)	(1,576,263)	(1,128,194)	(1,100,883)	(1,288,748)	(466,321)	(690,194)	(650,730)	(406,094)
Total other financing sources (uses).....	8,462,249	1,341,238	194,850	3,086,913	3,529,273	537,899	4,199,677	7,073,230	8,384,796	8,191,377
Net change in fund balance.....	\$ 1,758,441	\$ 387,720	\$ 700,238	\$ (3,001,340)	\$ 3,322,902	\$ (4,258,128)	\$ 6,235,686	\$ 7,204,574	\$ 5,782,492	\$ 516,956
Debt service as a percentage of noncapital expenditures.....	1.27%	2.17%	1.93%	1.87%	1.97%	1.93%	1.65%	2.14%	2.55%	2.37%

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

Last Ten Fiscal Years

Fiscal Year	Assessed and Actual Values and Tax Rates										
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Total Commercial Value	Commercial Tax Rate	Personal Property	Personal Property Tax Rate	Total Direct Rate (2)	Total Town Value	
2003	(1)	\$3,058,585,167	\$10.21	\$815,178,573	\$170,234,550	\$985,413,123	\$18.46	\$46,063,970	\$18.42	\$12.29	\$4,090,062,260
2004		\$3,234,740,307	\$9.55	\$822,851,708	\$169,224,250	\$992,075,958	\$20.39	\$51,903,536	\$20.35	\$12.19	\$4,278,719,801
2005		\$3,816,730,562	\$8.38	\$803,790,978	\$171,059,625	\$974,850,603	\$21.30	\$58,953,330	\$21.24	\$11.13	\$4,850,534,495
2006	(1)	\$4,398,266,375	\$7.65	\$914,089,440	\$192,596,650	\$1,106,686,090	\$19.17	\$63,261,160	\$19.11	\$10.07	\$5,568,213,625
2007		\$4,440,944,260	\$8.14	\$906,688,005	\$191,245,200	\$1,097,933,205	\$18.92	\$66,247,340	\$18.87	\$10.38	\$5,605,124,805
2008		\$4,435,836,632	\$8.67	\$907,253,337	\$189,911,800	\$1,097,165,137	\$18.97	\$70,461,720	\$18.91	\$10.82	\$5,603,463,489
2009	(1)	\$4,318,764,733	\$9.06	\$933,566,836	\$193,093,000	\$1,126,659,836	\$20.18	\$91,904,620	\$20.11	\$11.51	\$5,537,329,189
2010		\$4,151,406,685	\$9.67	\$932,243,691	\$192,792,100	\$1,125,035,791	\$21.72	\$83,075,790	\$21.65	\$12.39	\$5,359,518,266
2011		\$3,998,205,703	\$10.20	\$937,402,065	\$192,184,900	\$1,129,586,965	\$23.29	\$93,061,520	\$23.17	\$13.26	\$5,220,854,188
2012	(1)	\$4,069,650,840	\$10.45	\$932,748,073	\$181,064,400	\$1,113,812,473	\$23.65	\$95,068,610	\$23.53	\$13.47	\$5,278,531,923



(1) Revaluation year.

(2) Weighted average direct tax rate, calculated as weighted average of residential, commercial and personal property tax rates.
Source: Assessor's Department, Town of Braintree and Official Statements.

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 fiscal 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.

Principal Taxpayers
Current Year and Nine Years Ago

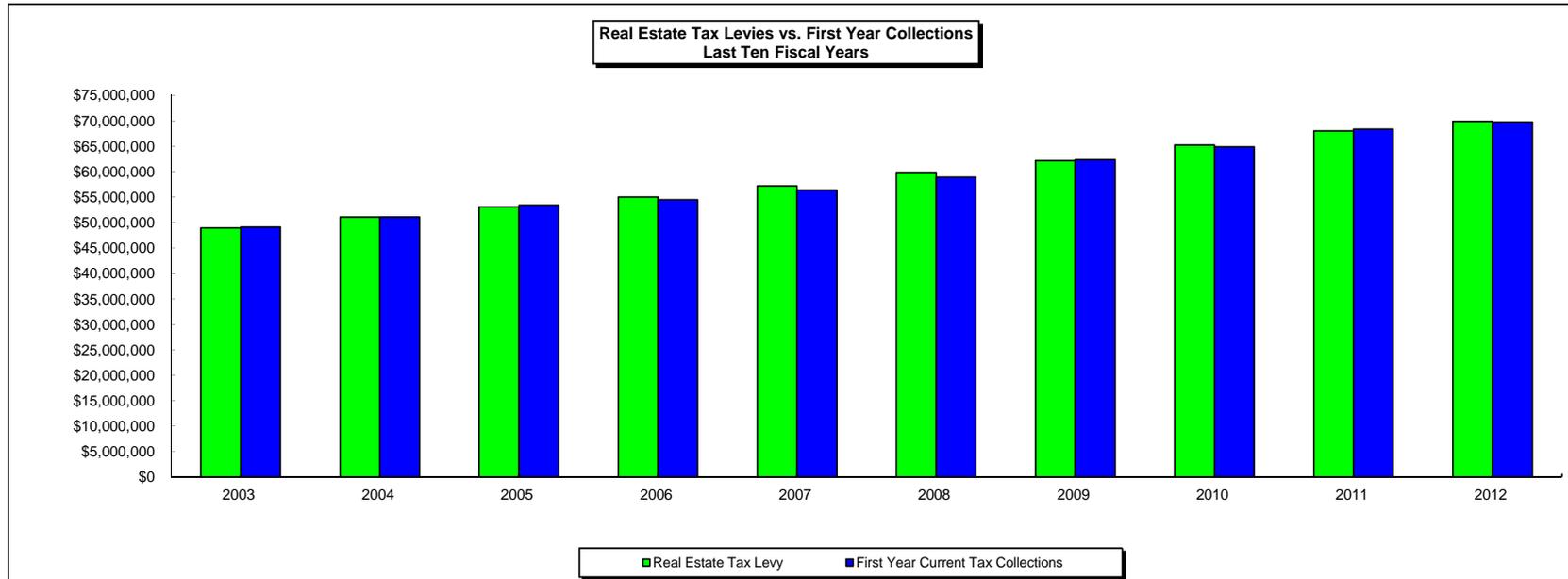
Name	Nature of Business	2012			2003		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Braintree Property Associates	Malls	\$ 250,843,100	1	4.75%	\$ 137,302,600	1	4.40%
Messina, Francis X. (et al)	Developer/Real Estate	146,441,100	2	2.77%	33,441,800	3	1.07%
Flatley, John (et al)	Real Estate	81,382,200	3	1.54%	-	-	-
Lenox Farms LTD Partnership	Developer/Real Estate	56,129,900	4	1.06%	-	-	-
AMB Property LP	Retail Clothing	38,566,700	5	0.73%	24,108,800	5	0.77%
EQR-Lincoln Braintree LLC	Developer/Real Estate	27,480,000	6	0.52%	-	-	-
Ridge at Blue Hills LTD Partnership	Developer/Real Estate	23,684,400	7	0.45%	-	-	-
WBF Braintree Equity Partnership LLC	Retail	23,422,000	8	0.44%	-	-	-
TRT Braintree LLC DCX	Malls	18,683,000	9	0.35%	-	-	-
Direct Invest Braintree Park LLC	Real Estate	17,592,900	10	0.33%	-	-	-
T.J. Flatley (et all)	Real Estate	-	-	-	46,148,100	2	1.48%
Flatley Family Trust	Developer/Real Estate	-	-	-	29,314,200	4	0.94%
Sheraton Braintree Hotel	Hotel	-	-	-	21,465,600	6	0.69%
The Flatley Company	Developer/Real Estate	-	-	-	18,046,800	7	0.58%
Federated Department Stores	Retail Clothing	-	-	-	15,311,100	8	0.49%
Kelton Health Corp.	Office Buildings	-	-	-	14,998,000	9	0.48%
Liberty Woods, LLC	Real Estate	-	-	-	14,634,500	10	0.47%
Totals \$		<u>684,225,300</u>		<u>12.94%</u>	<u>\$ 354,771,500</u>		<u>11.37%</u>

Source: Official Statements, Town of Braintree

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Less Reserve for Abatements & Exemptions	Net Tax Levy	Net as % of Total	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 (2)
2003	\$49,374,288	\$410,496	\$48,963,792	99.17%	\$49,135,880	100.35%	\$850,034	\$49,985,914	102.09%
2004	\$52,132,908	\$1,052,841	\$51,080,067	97.98%	\$51,064,750	99.97%	\$15,317	\$51,080,067	100.00%
2005	\$53,947,300	\$905,342	\$53,041,958	98.32%	\$53,432,258	100.74%	\$256,505	\$53,688,763	101.22%
2006	\$56,006,448	\$992,187	\$55,014,261	98.23%	\$54,476,389	99.02%	\$1,234,211	\$55,710,600	101.27%
2007	\$58,111,612	\$893,219	\$57,218,393	98.46%	\$56,345,257	98.47%	\$1,904,192	\$58,249,449	101.80%
2008	\$60,537,365	\$695,318	\$59,842,047	98.85%	\$58,896,572	98.42%	\$1,900,328	\$60,796,900	101.60%
2009	\$63,634,439	\$1,480,050	\$62,154,389	97.67%	\$62,315,590	100.26%	\$1,320,308	\$63,635,898	102.38%
2010	\$66,301,452	\$1,089,175	\$65,212,277	98.36%	\$64,882,825	99.49%	\$1,441,807	\$66,324,632	101.71%
2011	\$69,110,686	\$1,100,000	\$68,010,686	98.41%	\$68,362,146	100.52%	\$436,917	\$68,799,063	101.16%
2012	\$70,972,549	\$1,123,064	\$69,849,485	98.42%	\$69,757,876	99.87%	\$0	\$69,757,876	99.87%



(1) Revaluation year.

(2) If the actual abatements and exemptions are lower than the reserve, the actual collections can exceed the levy.

Source: Assessor's Department and Official Statements, Town of Braintree

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Fiscal Years

Fiscal Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2003	33,917	\$ 972,298,639	\$4,090,062,260	\$10,879,000	\$450,413	\$334	1.17%	0.28%
2004	33,728	\$ 1,005,555,799	\$4,278,719,801	\$9,485,000	\$285,234	\$290	0.97%	0.23%
2005	33,873	\$ 1,050,273,934	\$4,850,534,495	\$8,105,000	\$111,512	\$243	0.78%	0.17%
2006	33,681	\$ 1,086,093,568	\$5,568,213,625	\$9,540,000	\$205,430	\$289	0.90%	0.18%
2007	34,185	\$ 1,146,439,624	\$5,605,124,805	\$10,065,000	\$490,892	\$309	0.92%	0.19%
2008	34,422	\$ 1,200,563,244	\$5,603,463,489	\$8,420,000	\$350,640	\$255	0.73%	0.16%
2009	35,294	\$ 1,280,215,743	\$5,537,329,189	\$10,540,000	\$244,817	\$306	0.84%	0.19%
2010	35,296	\$ 1,312,199,392	\$5,359,518,266	\$15,412,000	\$167,410	\$441	1.19%	0.29%
2011	35,744	\$ 1,382,008,876	\$5,220,854,188	\$19,080,000	\$85,878	\$536	1.39%	0.37%
2012	35,981	\$ 1,446,817,954	\$5,278,531,923	\$22,512,979	\$212,592	\$632	1.57%	0.43%

Fiscal Year	Business-Type Activities		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2003	\$ 17,541,315	\$ -	\$28,870,728	\$851	2.97%	0.71%
2004	\$ 16,130,052	\$ -	\$25,900,286	\$768	2.58%	0.61%
2005	\$ 15,258,315	\$ 186,586	\$23,661,413	\$699	2.25%	0.49%
2006	\$ 18,399,241	\$ 135,017	\$28,279,688	\$840	2.60%	0.51%
2007	\$ 18,094,073	\$ 78,457	\$28,728,422	\$840	2.51%	0.51%
2008	\$ 16,213,906	\$ 16,425	\$25,000,971	\$726	2.08%	0.45%
2009	\$ 24,030,740	\$ -	\$34,815,557	\$986	2.72%	0.63%
2010	\$ 140,062,687	\$ 103,418	\$155,745,515	\$4,413	11.87%	2.91%
2011	\$ 143,224,964	\$ 273,680	\$162,664,522	\$4,551	11.77%	3.12%
2012	\$ 131,668,293	\$ 549,628	\$154,943,492	\$4,306	10.71%	2.94%

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2012

<u>Town of Braintree, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Norfolk County.....	\$ 900,000	5.36%	\$ 250,124
Town debt.....			22,512,979
Town capital leases.....			<u>212,592</u>
Total Town direct debt.....			<u>22,725,571</u>
Total direct and overlapping debt.....			<u>\$ 22,975,695</u>

Source: Treasurer's Office, Town of Braintree

Note: The Town obtains the debt outstanding and percentages directly from the entities.

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.

Computation of Legal Debt Margin

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Equalized Valuation.....	\$ 4,078,937,500	\$ 4,894,372,100	\$ 4,894,372,100	\$ 5,878,650,200	\$ 5,878,650,200	\$ 6,103,206,100	\$ 6,103,206,100	\$ 5,803,418,500	\$ 5,803,418,500	\$ 5,803,418,500
Debt Limit - 5% of Equalized Valuation.....	\$ 203,946,875	\$ 244,718,605	\$ 244,718,605	\$ 293,932,510	\$ 293,932,510	\$ 305,160,305	\$ 305,160,305	\$ 290,170,925	\$ 290,170,925	\$ 290,170,925
Less:										
Outstanding debt applicable to limit.....	\$ 10,879,000	\$ 9,485,000	\$ 8,105,000	\$ 9,540,000	\$ 10,065,000	\$ 11,911,000	\$ 129,166,500	\$ 122,688,000	\$ 119,186,500	\$ 115,619,000
Authorized and unissued debt.....	8,976,485	9,351,485	13,931,485	101,272,800	106,696,485	121,696,485	5,609,485	4,017,485	7,254,622	10,452,483
Legal debt margin.....	\$ 184,091,390	\$ 225,882,120	\$ 222,682,120	\$ 183,119,710	\$ 177,171,025	\$ 171,552,820	\$ 170,384,320	\$ 163,465,440	\$ 163,729,803	\$ 164,099,442
Total debt applicable to the limit as a percentage of the limit.....	9.74%	7.70%	9.00%	37.70%	39.72%	43.78%	44.17%	43.67%	43.57%	43.45%

Source: Treasurer's Department, Town of Braintree / Official Statements

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2003	33,917	\$ 972,298,639	\$ 28,667	40	5,066	5.30%
2004	33,728	\$ 1,005,555,799	\$ 29,814	40	5,154	5.00%
2005	33,873	\$ 1,050,273,934	\$ 31,006	40	5,252	4.50%
2006	33,681	\$ 1,086,093,568	\$ 32,246	40	5,229	4.70%
2007	34,185	\$ 1,146,439,624	\$ 33,536	40	5,325	4.20%
2008	34,422	\$ 1,200,563,244	\$ 34,878	40	5,443	5.00%
2009	35,294	\$ 1,280,215,743	\$ 36,273	40	5,441	7.80%
2010	35,296	\$ 1,312,199,392	\$ 37,177	40	5,557	8.20%
2011	35,744	\$ 1,382,008,876	\$ 38,664	40	5,565	7.20%
2012	35,981	\$ 1,446,817,954	\$ 40,211	40	5,601	5.87%

Source: U. S. Census, Division of Local Services
 Median age is based on most recent census data

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2012			2003		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Health South/Braintree Rehab	Rehabilitation Hospital	750	1	2.85%	900	2	4.79%
Haemonetics	Biomedical	700	2	2.66%	450	6	2.39%
Macy's	Retail	600	3	2.28%	260	10	1.38%
South Shore VNA	Visiting Nurses Association	476	4	1.81%	476	5	2.53%
Verizon	Utility	400	5	1.52%	-		-
Sears	Retail	363	6	1.38%	300	8	1.60%
Harvard/Pilgrim Health Care	Health Care	310	7	1.18%	300	7	1.60%
Mass State Lottery	State Agency	300	8	1.14%	-		-
Symmons Industries	Plumbing Manufacturer	290	9	1.10%	300	9	1.60%
Nordstrom	Retail	250	10	0.95%	-		-
Boston Financial Data Services	Account Services	-		-	1,200	1	6.39%
NYNEX	Utility	-		-	640	3	3.41%
Filene's	Retail	-		-	600	4	3.19%
		<u>4,439</u>		<u>16.87%</u>	<u>5,426</u>		<u>28.87%</u>

Source: Massachusetts Workplace Development Agency & the Town's personnel and department records.

Full-time Equivalent Town Employees by Function

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function:										
General government.....	50	48	52	55	55	47	45	38	41	42
Police.....	89	76	84	91	94	91	84	82	81	83
Fire.....	89	81	85	89	90	92	88	87	87	86
Education.....	688	612	626	639	652	666	674	648	675	689
Public works.....	45	44	47	50	46	44	48	43	39	39
Human services.....	11	10	11	11	11	13	10	10	11	11
Culture and recreation.....	20	18	19	19	18	19	20	19	19	19
Water & Sewer	28	23	26	29	27	29	23	21	23	23
Golf.....	10	9	9	10	10	10	9	9	9	9
Electric Light	109	108	110	111	111	107	111	111	110	110
Total	<u>1,138</u>	<u>1,029</u>	<u>1,069</u>	<u>1,103</u>	<u>1,113</u>	<u>1,117</u>	<u>1,111</u>	<u>1,067</u>	<u>1,094</u>	<u>1,110</u>

Source: Town personnel records and various Town departments.

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Population.....	33,509	32,972	32,760	32,669	32,474	32,434	32,931	35,744	35,744	35,744
Registered voters, annual town election.....	6,929	7,666	7,229	6,254	9,541	N/A	6,178	N/A	7,500	N/A
Town Clerk										
Births.....	400	367	364	397	413	371	412	365	380	196
Marriages.....	187	214	177	173	198	145	189	197	213	81
Deaths.....	540	517	554	473	471	480	440	465	465	235
Police										
Accidents covered by an officer.....	1,411	1,362	1,320	1,213	1,302	1,199	1,152	1,247	1,177	287
Citations issued.....	3,502	4,877	6,594	12,052	9,957	5,786	3,833	3,849	2,722	1,304
Arrests.....	878	809	935	1,206	1,107	1,085	813	766	754	262
Larcenies.....	888	910	933	915	917	881	802	662	615	245
Fire										
Fires.....	141	136	141	101	143	102	84	116	92	94
Emergency medical service.....	2,165	2,124	2,301	2,564	2,620	2,850	3,085	3,107	2,725	1,786
False alarm.....	812	714	771	796	839	855	761	676	759	493
Other responses.....	1,360	1,328	1,418	1,262	1,315	983	1,046	1,150	1,196	948
Hazmat responses.....	558	456	465	429	417	363	336	281	360	207
Building Department										
Residential building permits issued.....	1,099	1,042	938	1,082	998	897	891	950	979	322
Non-Residential building permits issued.....	242	252	264	230	268	315	301	324	295	149
Education										
Public school enrollment.....	5066	5,154	5,154	5,252	5,229	5,325	5,443	5,441	5,557	5,565
Public Works										
Cemetery										
Lots sold.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	25	15
Water										
Service connections.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11,497	11,500
Consumption in billions of gallons.....	1,201	1,303	1,367	1,428	1,585	1,542	1,421	1,374	1,371	N/A
Daily consumption in millions of gallons.....	3.7	3.7	3.7	4.0	4.2	3.7	3.6	3.8	3.7	N/A
Sewer										
Service connections.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11,500
Daily average collection (MGD).....	N/A	N/A	N/A	N/A	N/A	N/A	6.61	6.97	6.52	6.89
Highway										
Miles of public road.....	126.7	126.7	127.2	127.2	129.0	129.0	129.0	129.0	129.0	129.0
Human Services										
Board of Health										
Inspections	1,282	1,491	1,473	1,478	1,531	1,324	1,257	1,151	1,338	605
Council on Aging										
Home delivered meals.....	1,388	1,718	1,095	825	1,213	634	1,220	616	N/A	N/A
Transportation.....	3,896	3,311	3,187	3,298	3,459	3,595	3,783	3,917	3,763	4,121
Volunteer service hours.....	9,604	7,575	6,883	7,164	10,182	10,431	9,322	7,252	6,583	6,029
Fitness/exercise program participants.....	2,411	2,498	2,456	2,567	2,980	3,343	3,396	3,588	3,673	3,734
Recreation/social event participants.....	6,258	6,880	7,018	7,496	7,342	7,444	8,182	7,739	8,242	9,221
Libraries										
Volumes in collection.....	132,738	118,174	122,976	125,300	123,920	151,406	154,966	157,057	157,764	125,145
Circulation.....	240,683	250,406	270,668	280,937	198,710	306,081	320,510	350,966	384,947	379,752
Program attendance.....	6,496	5,942	6,863	6,564	5,892	6,473	7,881	7,605	10,279	11,011

Source: Various Town Departments
 N/A: Information not available

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Number of buildings.....	4	4	4	4	4	4	4	8	8	8
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	3	3	3	3	3	3	3	3	3	3
Number of vehicles.....	17	17	17	17	17	17	17	17	17	17
Education										
Number of elementary schools.....	7	7	6	6	6	6	6	6	6	6
Number of middle schools.....	2	2	2	2	2	2	2	2	2	2
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Number of other buildings.....	4	4	5	5	5	5	5	5	5	5
Public Works										
Water mains (miles).....	161	161	161	161	161	161	161	161	161	161
Fire hydrants.....	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211
Sanitary sewers (miles).....	138	138	138	138	138	138	138	138	138	138
Number of wells.....	1	1	1	1	1	1	1	1	1	1
Number of water storage tanks.....	5	5	5	5	5	5	5	4	4	4
Number of pump stations.....	15	15	15	15	15	15	15	15	15	15
Human Services										
Senior center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation building.....	1	1	1	1	1	1	1	1	1	1
Library.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments