TOWN OF BRAINTREE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

On the Cover:

The Old Thayer Library Building was built in 1874 with a $20,000 legacy left to the Town by General Thayer.

The Braintree Civil War Memorial was recently restored and rededicated 140 years to the day after its original dedication.

The Town of
Braintree, Massachusetts

Comprehensive
Annual Financial Report

For the Year Ended
June 30, 2014

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

TOWN OF BRAINTREE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINNANCIAL REPORT

June 30, 2014

TABLE OF CONTENTS

Introductory Section

The Thayer family home is now owned and operated by the Braintree Historical Society.
The interior is still as it was in the early 19th Century.

Introductory Section

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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
Tel: 781-794-8035 Fax: 781-794-8181

Letter of Transmittal

December 15, 2014

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 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, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Town of Braintree, Massachusetts, for the year ending June 30, 2014.

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 year ended June 30, 2014, 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 year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Braintree's financial statements for the year ended June 30, 2014, 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 Town’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.

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

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 at large and 6 district members, serves as 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. 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 both increased substantially. On the Town’s operating side, the FY14 budgets and service level were maintained through a 6.5% increase in the operating budget. With a 5% increase in expected revenue and the use of available reserves, 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.

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, 2014, the latest actuarial valuation date, the System had succeeded in funding 65.8% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over the remaining 19 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 660 retired employees receiving these benefits, which are financed on a combined pre-funded and pay-as-you-go basis. GAAP 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, 2014. 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 year.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its CAFR for the year ended June 30, 2013. This was the second time that the Town submitted a CAFR to the GFOA. The Town was awarded this Certificate in both years. In order to receive this prestigious award, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

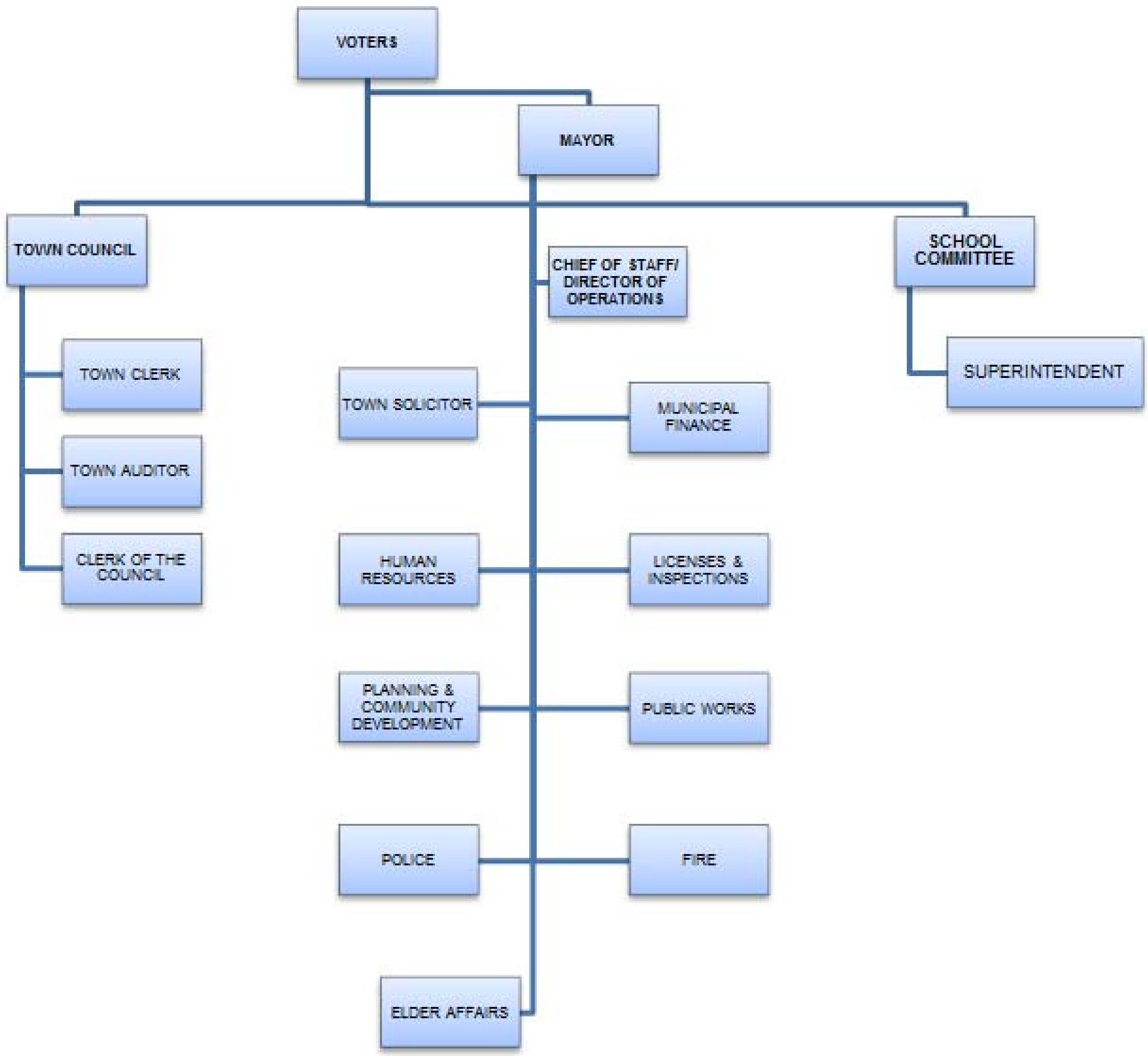
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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. We 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,

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	Councilors-at-Large	
	Charles B. Ryan	2016
	Shannon Hume	2016
	Sean E. Powers, Vice President	2016
	District Councilors	
	Thomas M. Bowes, President	2016
	Charles C. Kokoros	2016
	John C. Mullaney	2016
	Paul Dan Clifford	2016
	Stephen C. O'Brien	2016
	Michael J. Owens	2016
School Committee	David Ringius. Jr., Chairperson	2016
	Lisa Heger, Vice Chairperson	2016
	Cyril Chafe	2016
	Thomas Devin	2016
	George Kokoros	2016
	Nate Naughton	2016
	Joseph C. Sullivan, Mayor	2016

Appointed Officials

Appointed by the Mayor	
Chief of Staff	Michael T. Coughlin
Director of Municipal Finance	Edward J. Spellman, Jr.
Town Solicitor	Peter J. Morin
Director of Human Resources	Karen M. 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	James O'Brien
Director of Elder Affairs	Sharmila Biswas
Assessor	Robert Brinkmann
Treasurer/Collector	Barbara Walls
Town Accountant	Mark Lin
Appointed by the Town Council	
Town Clerk	James M. Casey
Town Auditor	Eric A. Kinsherf
Clerk of the Council	Susan M. Cimino
Appointed by the School Committee	
School Superintendent	Maureen S. Murray, Ed.D
School Business Manager	Peter Kress

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Braintree

Massachusetts

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

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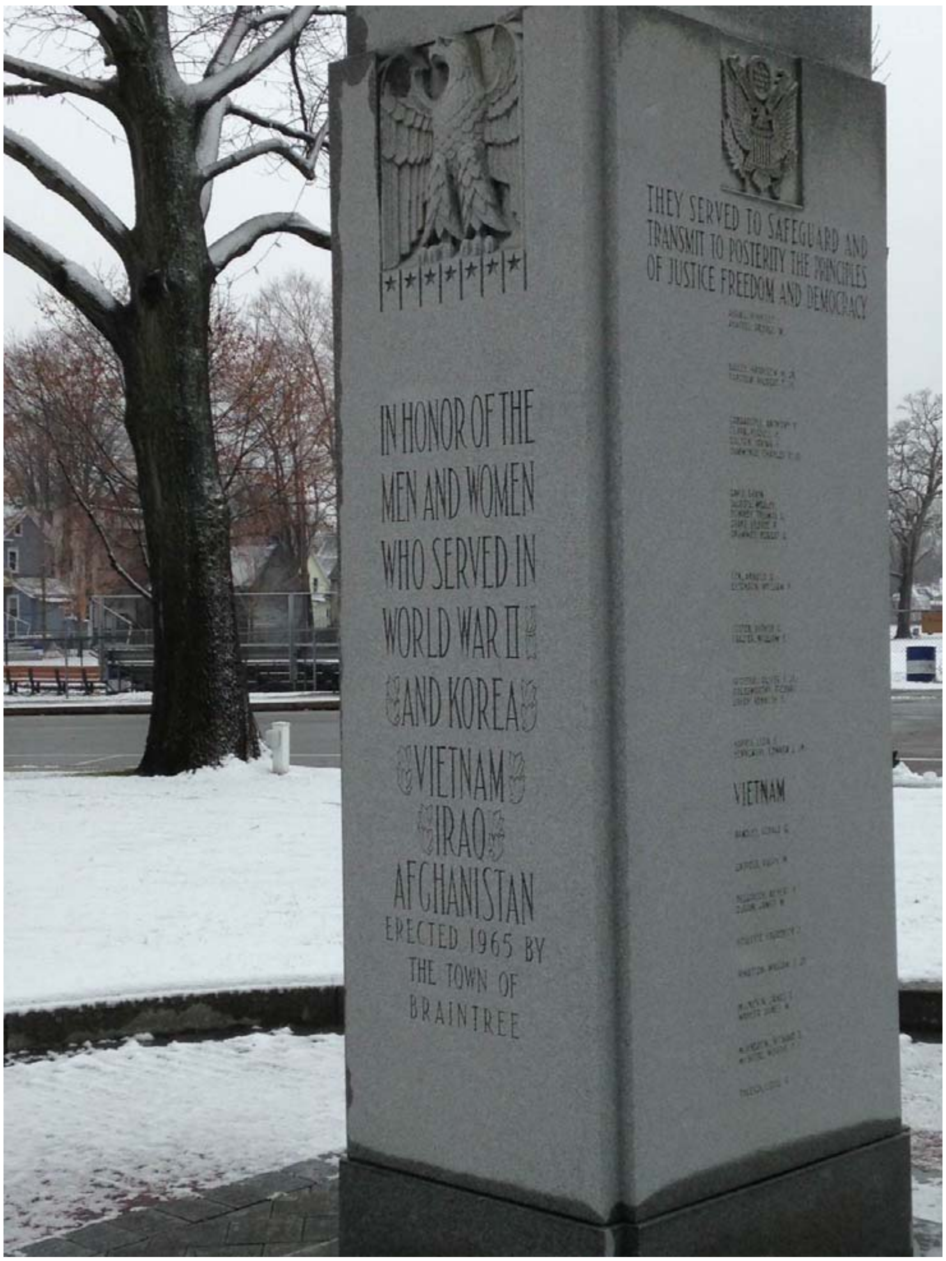
Financial Section



The Veteran's Memorial recently had the Iraq and Afghanistan wars added to it.

Financial Section

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Certified Public Accountants

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Braintree, Massachusetts as of and for the year ended June 30, 2014 (except for the Braintree Contributory Retirement System which is as of and for the year ended December 31, 2013), and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Braintree Electric Light Department as of December 31, 2013, which is both a major fund and 76%, 65%, and 81%, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report 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 the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Braintree, Massachusetts, as of June 30, 2014 (except for the Braintree Contributory Retirement System and the Braintree Electric Light Department which are as of and for the year ended December 31, 2013), and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014, on our consideration of the Town of Braintree, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Braintree, Massachusetts' internal control over financial reporting and compliance.

Powers + Sullivan, LLC

December 15, 2014

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 year ended June 30, 2014. 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 position* presents information on all assets and deferred outflows and liabilities and deferred inflows with the difference between them reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities include general government, public safety, education, public works, 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 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 position may serve over time as a useful indicator of a government's financial position. The Town of Braintree's assets and deferred outflows exceeded liabilities and deferred inflows for governmental activities by $44.9 million and for the business-type activities by $94.6 million at the close of the most recent year. Key components of the Town's activities are presented below.

Governmental Activities

		2014		2013
Assets:				
Current assets…………………………………………	$	64,909,602	$	61,781,745
Capital assets, non depreciable……………………………		17,520,757		17,049,796
Capital assets, net of accumulated depreciation…………		59,578,362		58,640,598
Total assets……………………………………………		**142,008,721**		**137,472,139**
Liabilities:				
Current liabilities (excluding debt)…………………………		12,367,568		11,291,335
Noncurrent liabilities (excluding debt)……………………		60,393,471		52,383,018
Current debt………………………………………………		2,731,991		2,461,998
Noncurrent debt…………………………………………		21,630,014		20,843,005
Total liabilities…………………………………………		**97,123,044**		**86,979,356**
Net position:				
Net investment in capital assets……………………………		56,111,895		54,067,678
Restricted………………………………………………		21,298,935		19,486,773
Unrestricted……………………………………………		(32,525,153)		(23,061,668)
Total net position……………………………………	$	**44,885,677**	$	**50,492,783**

Net investment in capital assets of $56.1 million reflects our 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 net position, $21.3 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* resulted in a $32.5 million deficit mainly relating to the cumulative effect of recording $58.6 million of other postemployment benefit liabilities through June 30, 2014.

	2014	2013
Program Revenues:		
Charges for services	$ 7,878,989	$ 7,693,422
Operating grants and contributions	35,660,762	34,800,674
Capital grants and contributions	662,210	3,146,209
General Revenues:		
Real estate and personal property taxes	76,783,315	74,746,576
Motor vehicle and other excise taxes	5,087,519	5,175,048
Hotel/motel tax	1,324,541	1,141,705
Meals tax	807,740	-
Nonrestricted grants	5,434,532	4,885,456
Unrestricted investment income	216,968	243,114
Other revenues	1,146,267	1,226,438
Total revenues	**135,002,843**	**133,058,642**
Expenses:		
General government	6,286,240	6,793,916
Public safety	24,515,683	23,907,018
Education	96,438,899	91,537,391
Public works	8,158,789	6,903,790
Sanitation	1,504,893	1,614,505
Community preservation	187,852	133,513
Human services	1,228,698	1,269,546
Culture and recreation	3,638,147	3,856,790
Interest	471,412	594,798
Total expenses	**142,430,613**	**136,611,267**
Excess (Deficiency) before transfers	**(7,427,770)**	**(3,552,625)**
Transfers	**1,820,664**	**2,404,634**
Change in net position	**(5,607,106)**	**(1,147,991)**
Net position - beginning	**50,492,783**	**51,640,774**
Net position - ending	**$ 44,885,677**	**$ 50,492,783**

The governmental net position decreased by $5.6 million during the current year as compared to a $1.1 million decrease in the prior year. The decrease in net position is mainly attributable to the recording of an additional $8.2 million in other postemployment benefit expenses. Total revenues increased approximately 1.5% mainly from an increase in real estate and personal property taxes of $2 million and an increase in meals tax revenues of $808,000. Expenses increased approximately 4% mainly due to an increase in the OPEB expense, an increase in the school's operating budget and snow and ice expense.

Business-type Activities. Business-type activities increased the Town's net position by $3 million compared to an increase of $2 million in the prior year. The increase relates mainly to the water and sewer department where total revenues were $1.1 million more than the previous year. This was mainly due to increases in water and sewer rates.

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 $32.6 million at the close of 2014. Net investment in capital assets was $27.4 million (84%) while unrestricted net position was $5.2 million (16%). There was an increase of $795,000 in net position compared to a decrease of $133,000 in the prior year.

Golf Course business-type activities assets exceeded liabilities by $400,000 at the close of 2014. Net investment in capital assets was $890,000 while unrestricted net position was in a deficit in the amount of $490,000. There was a decrease of $42,000 in net position compared to a decrease of $256,000 in the prior year after receiving a transfer in of $200,000 from the general fund in 2014.

Electric business-type activities assets exceeded liabilities by $61.6 million at December 31, 2013. Net investment in capital assets was $48 million (78%), while restricted net position was $3.7 million (6%) and unrestricted net position was $9.9 million (16%). There was an increase of $2.2 million in net position compared to an increase of $2.4 million in the prior year.

Business-type Activities

	2014	2013
Assets:		
Current assets	$ 46,481,614	$ 45,556,422
Noncurrent assets (excluding capital)	988,046	945,035
Capital assets, non depreciable	2,498,618	2,498,618
Capital assets, net of accumulated depreciation	191,986,857	194,191,790
Total assets	**241,955,135**	**243,191,865**
Liabilities:		
Current liabilities (excluding debt)	9,467,558	7,811,627
Non-current liabilities (excluding debt)	7,318,126	6,616,877
Current debt	8,116,918	7,848,284
Noncurrent debt	114,462,437	120,090,127
Total liabilities	**139,365,039**	**142,366,915**
Total Deferred Inflows of Resources	**7,975,952**	**9,169,524**
Net Position:		
Net investment in capital assets	76,307,554	75,572,798
Restricted	3,732,114	3,313,335
Unrestricted	14,574,476	12,769,293
Total net position	$ **94,614,144**	$ **91,655,426**

		2014		2013
Program Revenues:				
Charges for services……………………………………	$	88,051,365	$	85,896,321
Capital grants and contributions…………………………		-		142,560
General Revenues:				
Unrestricted investment income……………………..…….		74,085		126,607
Total revenues………………………………………		**88,125,450**		**86,165,488**
Expenses:				
Water and sewer…………………………………………		13,732,799		13,759,942
Golf Course………………………………………..………		1,576,338		1,547,221
Electric Light………………………………………………		68,036,931		66,409,996
Total expenses………………………………………		**83,346,068**		**81,717,159**
Excess before transfers……………………………………		**4,779,382**		**4,448,329**
Transfers…………………………………………………….		**(1,820,664)**		**(2,404,634)**
Change in net position……………………………………		**2,958,718**		**2,043,695**
Net position - beginning…………………………………		**91,655,426**		**89,611,731**
Net position - ending………………………………………	$	**94,614,144**	$	**91,655,426**

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 year.

At the end of the current year, governmental funds reported combined ending fund balances of $44.1 million, which represents an increase of $3.2 million from the prior year. The general fund decreased by $439,000 and the nonmajor funds increased by $3.7 million.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was $16.4 million, while total fund balance was $19.6 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 13.1% of total general fund expenditures, while total fund balance represents 15.6% of that same amount.

General fund revenues increased by $5.1 million or approximately 4.0% over the previous year. These increases came mainly from real estate taxes and intergovernmental revenues related to education. Expenditures increased by $7.2 million or approximately 6.0% from virtually all categories. The expenditures with major increases were education, public safety and employee benefits. The net change in fund balance for the year was a decrease of $439,000, which compared to an increase in the prior year of $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.

During 2014, the Town Council also approved supplemental appropriations totaling approximately $2.0 million. These supplemental appropriations mainly consisted of $375,000 appropriated for fire suppression, $838,000 appropriated for education, and $664,000 was for snow and ice. Town Council also approved changes to amounts transferred between the general fund and the stabilization funds.

Actual revenues came in higher than budgeted by approximately $2.1 million or 1.9%. The largest areas of surplus was intergovernmental of $976,000 and motor vehicle and other excise taxes of $733,000 due to revenue coming in higher than the Town's conservative budget estimates.

Actual expenditures and encumbrances came in $2.3 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 year.

During 2014, the Town expended $4.6 million on governmental activities capital assets. The expenditures consisted mainly of roadway improvements and the purchase of various Town vehicles. The business type activities expended $7.5 million during 2014. This consisted mainly of $4.8 million in the electric light plant and $2.5 million for water mains in the water and sewer fund.

Outstanding long-term debt of the governmental activities, as of June 30, 2014, totaled $24 million, of which $11.5 million is related to public building construction, $7.9 million relates to road construction, $1.5 million relates to land acquisition, and $3.1 million relates to other projects.

The enterprise fund has $22.7 million in water and sewer enterprise debt and $93 million in Electric Light debt that is fully supported by the rates and do not rely on a general fund subsidy.

During 2014 the Town issued long-term bonds in the amounts of $3.5 million for governmental funds, and $2.2 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 POSITION

JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents	$ 49,172,100	$ 27,709,042	$ 76,881,142
Investments	6,988,365	-	6,988,365
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes	2,016,865	-	2,016,865
Tax liens	1,409,346	28,510	1,437,856
Motor vehicle and other excise taxes	631,719	-	631,719
User fees	-	11,749,360	11,749,360
Departmental and other	271,923	936,946	1,208,869
Intergovernmental	3,624,203	-	3,624,203
Tax foreclosures	78,281	-	78,281
Inventory	-	3,479,000	3,479,000
Working capital deposit	716,800	-	716,800
Prepaid expenses	-	576,977	576,977
Purchased power advanced deposits	-	2,001,779	2,001,779
Total current assets	64,909,602	46,481,614	111,391,216
NONCURRENT:			
Investment in Hydro Quebec	-	18,309	18,309
Investment in Energy New England	-	832,619	832,619
Other assets	-	137,118	137,118
Capital assets, non depreciable	17,520,757	2,498,618	20,019,375
Capital assets, net of accumulated depreciation	59,578,362	191,986,857	251,565,219
Total noncurrent assets	77,099,119	195,473,521	272,572,640
TOTAL ASSETS	142,008,721	241,955,135	383,963,856
LIABILITIES			
CURRENT:			
Warrants payable	720,475	6,734,568	7,455,043
Accrued payroll	6,897,701	63,907	6,961,608
Health claims payable	1,252,000	-	1,252,000
Tax refunds payable	570,000	-	570,000
Accrued interest	101,710	103,439	205,149
Participant advances and reserves	-	1,963,843	1,963,843
Other liabilities	7,887	-	7,887
Fees collected in advance	736,583	163,911	900,494
Capital lease obligations	28,547	279,107	307,654
Compensated absences	1,861,422	418,767	2,280,189
Workers' compensation	219,790	19,123	238,913
Bonds payable	2,703,444	7,837,811	10,541,255
Total current liabilities	15,099,559	17,584,476	32,684,035
NONCURRENT:			
Capital lease obligations	61,421	206,287	267,708
Customer deposits payable	-	743,295	743,295
Compensated absences	1,617,051	77,478	1,694,529
Workers' compensation	190,615	22,034	212,649
Fees collected in advance	-	128,414	128,414
Other postemployment benefits	58,585,805	6,346,905	64,932,710
Bonds payable	21,568,593	114,256,150	135,824,743
Total noncurrent liabilities	82,023,485	121,780,563	203,804,048
TOTAL LIABILITIES	97,123,044	139,365,039	236,488,083
DEFERRED INFLOWS OF RESOURCES			
Rate Stabilization Reserve	-	7,975,952	7,975,952
NET POSITION			
Net investment in capital assets	56,111,895	76,307,554	132,419,449
Restricted for:			
Depreciation	-	3,732,114	3,732,114
Permanent funds:			
Expendable	7,700,935	-	7,700,935
Nonexpendable	2,564,886	-	2,564,886
Grants and gifts	5,145,651	-	5,145,651
Community preservation	5,887,463	-	5,887,463
Unrestricted	(32,525,153)	14,574,476	(17,950,677)
TOTAL NET POSITION	$ 44,885,677	$ 94,614,144	$ 139,499,821

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental Activities:					
General government	$ 6,286,240	$ 863,484	$ 468,342	$ -	$ (4,954,414)
Public safety	24,515,683	1,823,403	109,533	-	(22,582,747)
Education	96,438,899	2,226,802	34,072,968	-	(60,139,129)
Public works	8,158,789	1,160,134	147,779	450,000	(6,400,876)
Sanitation	1,504,893	1,387,356	-	-	(117,537)
Community preservation	187,852	-	-	192,210	4,358
Human services	1,228,698	32,811	812,712	-	(383,175)
Culture and recreation	3,638,147	384,999	49,428	20,000	(3,183,720)
Interest	471,412	-	-	-	(471,412)
Total Governmental Activities	142,430,613	7,878,989	35,660,762	662,210	**(98,228,652)**
Business-Type Activities:					
Water and Sewer	13,732,799	14,980,596	-	-	1,247,797
Golf course	1,576,338	1,398,978	-	-	(177,360)
Electric light	68,036,931	71,671,791	-	-	3,634,860
Total Business-Type Activities	83,346,068	88,051,365	-	-	**4,705,297**
Total Primary Government	$ 225,776,681	$ 95,930,354	$ 35,660,762	$ 662,210	$ **(93,523,355)**

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page	$ **(98,228,652)**	$ **4,705,297**	$ **(93,523,355)**
General revenues:			
Real estate and personal property taxes, net of tax refunds payable	76,783,315	-	76,783,315
Motor vehicle and other excise taxes	5,087,519	-	5,087,519
Hotel/motel tax	1,324,541	-	1,324,541
Meals tax	807,740	-	807,740
Community preservation tax	607,219	-	607,219
Penalties and interest on taxes	475,877	-	475,877
Payments in lieu of taxes	24,854	-	24,854
Grants and contributions not restricted to specific programs	5,434,532	-	5,434,532
Unrestricted investment income	216,968	74,085	291,053
Miscellaneous	38,317	-	38,317
Transfers, net	1,820,664	(1,820,664)	-
Total general revenues and transfers	92,621,546	(1,746,579)	90,874,967
Change in net position	(5,607,106)	2,958,718	(2,648,388)
Net position:			
Beginning of year	50,492,783	91,655,426	142,148,209
End of year	$ 44,885,677	$ 94,614,144	$ 139,499,821

See notes to basic financial statements. (Concluded)

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2014

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 25,668,009	$ 18,086,447	$ 43,754,456
Investments	323,458	6,664,907	6,988,365
Receivables, net of uncollectibles:			
Real estate and personal property taxes	2,016,865	-	2,016,865
Tax liens	1,409,346	-	1,409,346
Motor vehicle and other excise taxes	631,719	-	631,719
Departmental and other	44,555	10,976	55,531
Intergovernmental	192,402	3,431,801	3,624,203
Tax foreclosures	78,281	-	78,281
Due from other funds	1,861,998	-	1,861,998
TOTAL ASSETS	$ 32,226,633	$ 28,194,131	$ 60,420,764
LIABILITIES			
Warrants payable	$ 507,365	$ 203,038	$ 710,403
Accrued payroll	6,872,125	25,576	6,897,701
Tax refunds payable	570,000	-	570,000
Due to other funds	-	1,861,998	1,861,998
Other liabilities	7,887	-	7,887
Fees collected in advance	736,583	-	736,583
TOTAL LIABILITIES	8,693,960	2,090,612	10,784,572
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	3,962,244	1,580,778	5,543,022
FUND BALANCES			
Nonspendable	-	2,564,529	2,564,529
Restricted	-	21,958,212	21,958,212
Committed	2,049,917	-	2,049,917
Assigned	1,164,142	-	1,164,142
Unassigned	16,356,370	-	16,356,370
TOTAL FUND BALANCES	19,570,429	24,522,741	44,093,170
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 32,226,633	$ 28,194,131	$ 60,420,764

See notes to basic financial statements.

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

JUNE 30, 2014

Total governmental fund balances…………		$ 44,093,170
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds…………		77,099,119
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds…………		5,543,022
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 position…………		5,088,764
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due…………		(101,710)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable…………	(24,272,037)	
Other postemployment benefits…………	(58,585,805)	
Capital lease obligations…………	(89,968)	
Workers' compensation…………	(410,405)	
Compensated absences…………	(3,478,473)	
Net effect of reporting long-term liabilities…………		(86,836,688)
Net position of governmental activities…………		$ 44,885,677

See notes to basic financial statements.

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2014

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Real estate and personal property taxes,			
net of tax refunds	$ 75,918,774	$ -	$ 75,918,774
Tax liens	407,348	-	407,348
Motor vehicle and other excise taxes	5,259,928	-	5,259,928
Hotel/motel tax	1,324,541	-	1,324,541
Meals tax	807,740	-	807,740
Penalties and interest on taxes	475,877	-	475,877
Payments in lieu of taxes	24,854	-	24,854
Intergovernmental	34,400,032	8,050,453	42,450,485
Departmental and other	4,942,734	3,325,559	8,268,293
Community preservation	-	607,219	607,219
Contributions	-	530,070	530,070
Investment income	202,580	182,251	384,831
Miscellaneous	-	38,310	38,310
Claims and judgments	-	450,000	450,000
TOTAL REVENUES	123,764,408	13,183,862	136,948,270
EXPENDITURES:			
Current:			
General government	3,714,667	342,907	4,057,574
Public safety	17,319,243	237,012	17,556,255
Education	57,774,159	9,102,638	66,876,797
Public works	4,722,980	3,332,311	8,055,291
Sanitation	1,498,193	-	1,498,193
Community development	-	247,083	247,083
Human services	780,221	160,894	941,115
Culture and recreation	2,312,809	639,859	2,952,668
Pension benefits-Town	5,705,325	-	5,705,325
Pension benefits-Teachers	13,718,462	-	13,718,462
Property and liability insurance	433,381	-	433,381
Employee benefits	10,508,381	-	10,508,381
State and county charges	3,636,782	-	3,636,782
Debt service:			
Principal	2,360,000	-	2,360,000
Interest	740,756	-	740,756
TOTAL EXPENDITURES	125,225,359	14,062,704	139,288,063
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	(1,460,951)	(878,842)	(2,339,793)
OTHER FINANCING SOURCES (USES):			
Issuance of long-term debt	-	3,519,000	3,519,000
Premium from issuance of bonds	-	224,936	224,936
Transfers in	2,159,303	925,622	3,084,925
Transfers out	(1,137,554)	(126,707)	(1,264,261)
TOTAL OTHER FINANCING SOURCES (USES)	1,021,749	4,542,851	5,564,600
NET CHANGE IN FUND BALANCES	(439,202)	3,664,009	3,224,807
FUND BALANCES AT BEGINNING OF YEAR	20,009,631	20,858,732	40,868,363
FUND BALANCES AT END OF YEAR	$ 19,570,429	$ 24,522,741	$ 44,093,170

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds		$	3,224,807
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.			
Capital outlay	4,622,607		
Depreciation expense	(3,213,882)		
Net effect of reporting capital assets			1,408,725
Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue			(2,689,304)
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.			
Principal payments on capital leases	59,236		
Proceeds from bonds and notes	(3,519,000)		
Debt service principal payments	2,360,000		
Net effect of reporting long-term debt			(1,099,764)
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.			
Net change in compensated absences accrual	(56,834)		
Net change in accrued interest on long-term debt	1,646		
Net change in other postemployment benefits accrual	(8,203,725)		
Net change in workers' compensation accrual	235,440		
Net amortization of premium from issuance of bonds	42,762		
Net effect of recording long-term liabilities			(7,980,711)
Internal service funds are used by management to account for health insurance and workers' compensation activities.			
The net activity of internal service funds is reported with Governmental Activities			1,529,141
Change in net position of governmental activities		$	(5,607,106)

See notes to basic financial statements.

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2014

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Golf Course	Electric Light December 31, 2013	Total	Governmental Activities - Internal Service Fund
ASSETS					
CURRENT:					
Cash and cash equivalents	$ 6,664,016	$ 91,814	$ 20,953,212	$ 27,709,042	$ 5,417,644
Receivables, net of allowance for uncollectibles:					
User fees	3,720,517	-	8,028,843	11,749,360	-
Water and sewer liens	28,510	-	-	28,510	-
Departmental and other	-	-	936,946	936,946	216,392
Inventory	-	44,278	3,434,722	3,479,000	-
Working capital deposit	-	-	-	-	716,800
Prepaid expenses	-	-	576,977	576,977	-
Purchased power advanced deposits	-	-	2,001,779	2,001,779	-
Total current assets	10,413,043	136,092	35,932,479	46,481,614	6,350,836
NONCURRENT:					
Investment in Hydro Quebec	-	-	18,309	18,309	-
Investment in Energy New England	-	-	832,619	832,619	-
Other assets	-	-	137,118	137,118	-
Capital assets, non depreciable	939,508	375,876	1,183,234	2,498,618	-
Capital assets, net of accumulated depreciation	46,006,551	513,933	145,466,373	191,986,857	-
Total noncurrent assets	46,946,059	889,809	147,637,653	195,473,521	-
TOTAL ASSETS	57,359,102	1,025,901	183,570,132	241,955,135	6,350,836
LIABILITIES					
CURRENT:					
Warrants payable	242,691	45,144	5,765,101	6,052,936	10,072
Accrued liabilities	-	-	681,632	681,632	-
Accrued payroll	34,084	29,823	-	63,907	-
Health claims payable	-	-	-	-	1,252,000
Accrued interest	103,439	-	-	103,439	-
Participant advances and reserves	-	-	1,963,843	1,963,843	-
Fees collected in advance	-	125,745	38,166	163,911	-
Capital lease obligations	-	-	279,107	279,107	-
Compensated absences	110,911	65,259	242,597	418,767	-
Workers' compensation	1,016	18,107	-	19,123	-
Bonds payable	2,479,273	-	5,358,538	7,837,811	-
Total current liabilities	2,971,414	284,078	14,328,984	17,584,476	1,262,072
NONCURRENT:					
Capital lease obligations	-	-	206,287	206,287	-
Customer deposits payable	-	9,943	733,352	743,295	-
Compensated absences	45,595	31,883	-	77,478	-
Workers' compensation	22,034	-	-	22,034	-
Fees collected in advance	-	-	128,414	128,414	-
Other postemployment benefits	803,175	299,821	5,243,909	6,346,905	-
Bonds payable	20,951,526	-	93,304,624	114,256,150	-
Total noncurrent liabilities	21,822,330	341,647	99,616,586	121,780,563	-
TOTAL LIABILITIES	24,793,744	625,725	113,945,570	139,365,039	1,262,072
DEFERRED INFLOWS OF RESOURCES					
Rate stabilization reserve	-	-	7,975,952	7,975,952	-
NET POSITION					
Net investment in capital assets	27,431,300	889,809	47,986,445	76,307,554	-
Restricted for:					
Depreciation	-	-	3,732,114	3,732,114	-
Unrestricted	5,134,058	(489,633)	9,930,051	14,574,476	5,088,764
TOTAL NET POSITION	$ 32,565,358	$ 400,176	$ 61,648,610	$ 94,614,144	$ 5,088,764

See notes to basic financial statements.

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Golf Course	Electric Light December 31, 2013	Total	Governmental Activities - Internal Service Fund
OPERATING REVENUES:					
Employee contributions	$ -	$ -	$ -	$ -	$ 6,955,152
Employer contributions	-	-	-	-	9,912,202
Charges for services	14,928,101	1,398,978	-	16,327,079	-
Sales to ultimate customers	-	-	56,514,934	56,514,934	-
Sales for resale	-	-	13,785,612	13,785,612	-
Other operating revenues	-	-	1,371,245	1,371,245	-
Utility liens	52,495	-	-	52,495	-
TOTAL OPERATING REVENUES	14,980,596	1,398,978	71,671,791	88,051,365	16,867,354
OPERATING EXPENSES:					
Cost of services and administration	3,294,472	1,290,422	16,270,981	20,855,875	-
MWRA Assessment	7,759,278	-	-	7,759,278	-
Fuel for generation	-	-	6,159,322	6,159,322	-
Purchased power	-	-	25,336,985	25,336,985	-
Repairs and maintenance	326,289	228,553	8,278,203	8,833,045	-
Depreciation	1,601,641	57,363	8,018,581	9,677,585	-
Employee benefits	-	-	-	-	15,338,213
TOTAL OPERATING EXPENSES	12,981,680	1,576,338	64,064,072	78,622,090	15,338,213
OPERATING INCOME (LOSS)	1,998,916	(177,360)	7,607,719	9,429,275	1,529,141
NONOPERATING REVENUES (EXPENSES):					
Investment income	2,905	-	71,180	74,085	-
Interest expense	(751,119)	-	(3,972,859)	(4,723,978)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET	(748,214)	-	(3,901,679)	(4,649,893)	-
INCOME (LOSS) BEFORE TRANSFERS	1,250,702	(177,360)	3,706,040	4,779,382	1,529,141
TRANSFERS:					
Transfers in	5,561	206,728	-	212,289	-
Transfers out	(461,678)	(71,275)	(1,500,000)	(2,032,953)	-
TOTAL TRANSFERS	(456,117)	135,453	(1,500,000)	(1,820,664)	-
CHANGE IN NET POSITION	794,585	(41,907)	2,206,040	2,958,718	1,529,141
NET POSITION AT BEGINNING OF YEAR	31,770,773	442,083	59,442,570	91,655,426	3,559,623
NET POSITION AT END OF YEAR	$ 32,565,358	$ 400,176	$ 61,648,610	$ 94,614,144	$ 5,088,764

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds				
	Water and Sewer	Golf Course	Electric Light December 31, 2013	Total	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	$ 14,206,896	$ 1,404,970	$ 69,326,336	$ 84,938,202	$ 6,955,152
Receipts from interfund services provided	-	-	-	-	9,912,202
Payments to vendors	(10,213,402)	(957,342)	(44,674,898)	(55,845,642)	-
Payments to employees	(1,564,487)	(511,563)	(9,478,295)	(11,554,345)	-
Payments for interfund services used	-	-	-	-	(15,625,751)
NET CASH FROM OPERATING ACTIVITIES	2,429,007	(63,935)	15,173,143	17,538,215	1,241,603
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	5,561	206,728	-	212,289	-
Transfers out	(461,678)	(71,275)	(1,500,000)	(2,032,953)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	(456,117)	135,453	(1,500,000)	(1,820,664)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from the issuance of bonds and notes	2,248,000	-	-	2,248,000	-
Acquisition and construction of capital assets	(2,691,211)	-	(4,563,887)	(7,255,098)	-
Principal payments on bonds and notes	(2,346,694)	-	(4,415,000)	(6,761,694)	-
Principal payments on capital lease obligations	-	-	(274,831)	(274,831)	-
Interest expense	(813,035)	-	(4,701,397)	(5,514,432)	-
Participant advances and reserves	-	-	645,157	645,157	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(3,602,940)	-	(13,309,958)	(16,912,898)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment in Hydro Quebec	-	-	12,548	12,548	-
Investment in Energy New England	-	-	(53,477)	(53,477)	-
Investment income	2,905	-	71,180	74,085	-
NET CASH FROM INVESTING ACTIVITIES	2,905	-	30,251	33,156	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,627,145)	71,518	393,436	(1,162,191)	1,241,603
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,291,161	20,296	20,559,776	28,871,233	4,176,041
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 6,664,016	$ 91,814	$ 20,953,212	$ 27,709,042	$ 5,417,644
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:					
Operating income (loss)	$ 1,998,916	$ (177,360)	$ 7,607,719	$ 9,429,275	$ 1,529,141
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation	1,601,641	57,363	8,018,581	9,677,585	-
Changes in assets and liabilities:					
Water and sewer liens	(15,401)	-	-	(15,401)	-
User fees	(752,822)	-	(778)	(753,600)	-
Departmental and other	-	-	(983,454)	(983,454)	(40,724)
Inventory	-	12,509	360,723	373,232	-
Working capital deposit	-	-	-	-	(24,800)
Other assets	-	-	(2,082)	(2,082)	-
Prepaid expenses	-	-	(157,988)	(157,988)	-
Purchased power advance deposits	-	-	(550,172)	(550,172)	-
Warrants payable	(408,745)	(21,824)	1,593,732	1,163,163	(250,514)
Accrued liabilities	-	-	(9,540)	(9,540)	-
Accrued payroll	10,088	13,382	-	23,470	-
Health claims payable	-	-	-	-	28,500
Customer deposits payable	-	7,793	40,514	48,307	-
Other liabilities	(5,477)	-	-	(5,477)	-
Unearned revenues	-	(14,310)	(208,166)	(222,476)	-
Accrued compensated absences	17,642	4,041	24,037	45,720	-
Workers' compensation	(99,540)	18,107	-	(81,433)	-
Other postemployment benefits	82,705	36,364	633,588	752,657	-
Rate stabilization reserve	-	-	(1,193,571)	(1,193,571)	-
Total adjustments	430,091	113,425	7,565,424	8,108,940	(287,538)
NET CASH FROM OPERATING ACTIVITIES	$ 2,429,007	$ (63,935)	$ 15,173,143	$ 17,538,215	$ 1,241,603
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Capital lease financing	$ -	$ -	$ 217,555	$ 217,555	$ -
Acquisition of capital assets on account	168,943	-	-	168,943	-

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2014

	Pension Trust Fund (as of December 31, 2013)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS				
Cash and cash equivalents	$ 2,941,580	$ 3,205,944	$ 2,526	$ 432,857
Investments:				
Equity mutual funds	-	-	665,144	-
Fixed income mutual funds	46,955,280	-	-	-
Domestic equity mutual funds	41,356,429	-	-	-
International equity mutual funds	33,263,819	-	-	-
Pension reserve investment trust	41,063,901	-	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other	79,528	-	-	-
Prepaid expenses	11,648	-	-	-
TOTAL ASSETS	165,672,185	3,205,944	667,670	432,857
LIABILITIES				
Warrants payable	91,062	-	-	-
Liabilities due depositors	-	-	-	432,857
TOTAL LIABILITIES	91,062	-	-	432,857
NET POSITION				
Restricted for pensions	165,581,123	-	-	-
Held in trust for other postemployment benefits	-	3,205,944	-	-
Held in trust for other purposes	-	-	667,670	-
TOTAL NET POSITION	$ 165,581,123	$ 3,205,944	$ 667,670	$ -

See notes to basic financial statements.

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2014

	Pension Trust Fund (as of December 31, 2013)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS:			
Contributions:			
Employer	$ 8,197,180	$ 1,244,000	$ -
Plan members	3,713,516	-	-
Total contributions	11,910,696	1,244,000	-
Net investment income:			
Net change in fair value of investments	17,013,925	-	47,421
Interest	1,159,583	4,893	-
Dividends	2,006,005	-	-
Total investment income	20,179,513	4,893	47,421
Less: investment expense	(918,476)	-	-
Net investment income	19,261,037	4,893	47,421
Intergovernmental	264,114	-	-
Transfers from other systems	452,571	-	-
TOTAL ADDITIONS	31,888,418	1,248,893	47,421
DEDUCTIONS:			
Administration	250,389	-	-
Transfers to other systems	730,236	-	-
Retirement benefits and refunds	14,402,114	-	-
Educational scholarships	-	-	12,500
TOTAL DEDUCTIONS	15,382,739	-	12,500
CHANGE IN NET POSITION	16,505,679	1,248,893	34,921
NET POSITION AT BEGINNING OF YEAR	149,075,444	1,957,051	632,749
NET POSITION AT END OF YEAR	$ 165,581,123	$ 3,205,944	$ 667,670

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.

Component Unit Presented as a Fiduciary Fund – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of the relationship between the Town and the component unit.

In the Fiduciary Funds:

(1) The Braintree Contributory Retirement System (the "System") was established to provide retirement benefits to Town and 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' 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, 2013, 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 2014, Braintree's share of the operating and debt expenses was $2,130,748. 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 position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units.

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

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

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

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

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

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 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 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 are two stabilization funds. The balance in the general stabilization fund decreased from $973,000 in 2013 to $945,000 in 2014 and the capital stabilization fund was established during 2014 with a $1 million transfer from the general fund. The stabilization funds 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 trust fund* is 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.

The *other postemployment benefit trust fund* is used to accumulate resources to provide funding for future 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 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 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 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.

Room Occupancy Tax

The Town levies 6% of the cost of renting hotel, motel, lodging house and bed and breakfast rooms in accordance with Massachusetts General Law, Chapter 64G, Section 3A. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the Town in quarterly distributions. The room occupancy tax receivable is categorized as an intergovernmental receivable.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Meals Tax

The Town levies 0.75% for the sale of restaurant meals in accordance with Massachusetts General Law, Chapter 64L, Section 2. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the Town in quarterly distributions.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

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 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 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/expenses 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:

Capital Asset Type	Estimated Useful Life (in years)
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 year of the purchase.

H. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has recorded the electric light department's rate stabilization reserve as deferred inflows of resources on the government-wide statement of net position.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents amounts that have been recorded in the governmental fund financial statements but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

I. 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 position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

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

J. 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 position. 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.

K. Unearned and Unavailable Revenue

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

Unavailable 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, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

L. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position reported as "net investment in capital assets" includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets.

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

Net position has been "restricted for" the following:

"Depreciation – represents amounts restricted in the Electric department for the statutory reserve for funded depreciation.

“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.

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

Fund Financial Statements (Fund Balances)

Governmental fund 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. A Town Council vote to approve a Council Order submitted by the Mayor is the highest level of decision making authority that can commit funds for specific purposes. 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.

M. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

N. Investment Income

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

O. 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.

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 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 0.25 to 10.78 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 year-end, the carrying amount of deposits totaled $29,164,120, and the bank balances totaled $31,252,417. Of the bank balance, $2,321,672 was covered by Federal Depository Insurance, $15,549,950 was covered by the Depositors Insurance Fund, $1,756,993 was covered by the Share Insurance Fund, and $11,623,802 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, 2013, the carrying amount of deposits for the System totaled $2,805,107 and the bank balance totaled $2,828,751. 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 has custodial credit risk exposure relating to its $248,337 investment in Government Sponsored Enterprises and Corporate Bonds because the securities are uninsured, unregistered, and held by the counterparty. 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, 2014, the Town had the following investments and maturities:

		Investment Maturities	
Investment Type	Fair Value	1-5 Years	6-10 Years
Debt Securities:			
Government Sponsored Enterprises……….	$ 222,353	$ 192,412	$ 29,941
Corporate Bonds…………………………….	25,984	25,984	-
Total Debt Securities............................	248,337	$ 218,396	$ 29,941
Other Investments:			
Equity Mutual Funds....................................	388,766		
Money Market Mutual Funds……………….	13,934,726		
MMDT Short-Term Bond Funds…………….	7,016,406		
MMDT Cash Portfolio……………………….	37,423,623		
Total Investments.................................	$ 59,011,858		

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with average maturities of approximately 30 to 65 days and a weighted average maturity of 3 years, respectively. The Town's investments in MMDT are unrated.

As of December 31, 2013, the System had the following investments:

Investment Type	Fair Value	Investment Maturities 1-5 Years	Investment Maturities 6-10 Years
Debt Securities:			
Fixed Income Mutual Funds	$ 46,955,280	$ 3,554,934	$ 43,400,346
Other Investments:			
Domestic Equity Mutual Fund	41,356,429		
International Equity Mutual Fund	33,263,819		
Money Market Mutual Fund	136,473		
Pension Reserve Investment Trust (PRIT)	41,063,901		
Total Investments	$ 162,775,902		

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 Town's investments in Government Sponsored Enterprises are rated AAA, and the Town's investments in Corporate Bonds are rated A.

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

Rated Debt Investments	Fair Value	Quality Ratings A	Quality Ratings Baa
Fixed Income Mutual Funds	$ 46,955,280	$ 43,400,346	$ 3,554,934

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, 2014, 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:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real estate and personal property taxes……………	$ 2,164,803	$ (147,938)	$ 2,016,865
Tax liens………………………………………………	1,409,346	-	1,409,346
Motor vehicle and other excise taxes………………	1,294,204	(662,485)	631,719
Departmental and other………………………………	116,271	(60,740)	55,531
Intergovernmental……………………………………	3,624,203	-	3,624,203
Total…………………………………………………	$ 8,608,827	$ (871,163)	$ 7,737,664

At June 30, 2014, receivables for the proprietary funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Water and Sewer			
Tax liens………………………………………………	$ 28,510	$ -	$ 28,510
User fees………………………………………………	3,720,517	-	3,720,517
Electric Light			
User fees………………………………………………	8,171,455	(142,612)	8,028,843
Departmental and other………………………………	936,946	-	936,946
Internal Service			
Departmental and other………………………………	216,392	-	216,392
Total…………………………………………………	$ 13,073,820	$ (142,612)	$ 12,931,208

At December 31, 2013 the Pension Trust Fund had departmental and other receivables totaling $79,528.

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Nonmajor Governmental Funds	Total
Receivables and other asset types:			
Real estate and personal property taxes	$ 1,791,132	$ -	$ 1,791,132
Tax liens	1,409,346	-	1,409,346
Motor vehicle and other excise taxes	451,130	-	451,130
Departmental and other	39,953	10,976	50,929
Intergovernmental	192,402	1,569,802	1,762,204
Tax foreclosures	78,281	-	78,281
Total	$ 3,962,244	$ 1,580,778	$ 5,543,022

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 14,794,468	$ -	$ -	$ 14,794,468
Construction in progress	2,255,328	807,500	(336,539)	2,726,289
Total capital assets not being depreciated	17,049,796	807,500	(336,539)	17,520,757
Capital assets being depreciated:				
Land improvements	10,470,136	-	-	10,470,136
Buildings	45,789,077	100,956	-	45,890,033
Machinery and equipment	16,748,464	1,448,305	-	18,196,769
Infrastructure	61,037,179	2,602,385	-	63,639,564
Total capital assets being depreciated	134,044,856	4,151,646	-	138,196,502
Less accumulated depreciation for:				
Land improvements	(7,452,974)	(195,605)	-	(7,648,579)
Buildings	(29,484,670)	(783,054)	-	(30,267,724)
Machinery and equipment	(13,405,498)	(899,259)	-	(14,304,757)
Infrastructure	(25,061,116)	(1,335,964)	-	(26,397,080)
Total accumulated depreciation	(75,404,258)	(3,213,882)	-	(78,618,140)
Total capital assets being depreciated, net	58,640,598	937,764	-	59,578,362
Total governmental activities capital assets, net	$ 75,690,394	$ 1,745,264	$ (336,539)	$ 77,099,119

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	$ 2,498,618	$ -	$ -	$ 2,498,618
Capital assets being depreciated:				
Land improvements	1,121,473	-	-	1,121,473
Plant in service	237,912,229	4,789,760	(926,066)	241,775,923
Buildings	1,492,692	-	-	1,492,692
Machinery and equipment	3,187,576	101,800	-	3,289,376
Infrastructure	72,576,459	2,589,411	-	75,165,870
Total capital assets being depreciated	316,290,429	7,480,971	(926,066)	322,845,334
Less accumulated depreciation for:				
Land improvements	(715,580)	(24,229)	-	(739,809)
Plant in service	(89,208,716)	(8,018,581)	917,747	(96,309,550)
Buildings	(1,065,667)	(26,413)	-	(1,092,080)
Machinery and equipment	(2,859,587)	(95,412)	-	(2,954,999)
Infrastructure	(28,249,089)	(1,512,950)	-	(29,762,039)
Total accumulated depreciation	(122,098,639)	(9,677,585)	917,747	(130,858,477)
Total capital assets being depreciated, net	194,191,790	(2,196,614)	(8,319)	191,986,857
Total business-type activities capital assets, net	$ 196,690,408	$ (2,196,614)	$ (8,319)	$ 194,485,475

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

Governmental Activities:	
General government	$ 265,925
Public safety	528,705
Education	517,759
Public works	1,574,103
Human services	14,986
Culture and recreation	274,040
Community development	38,364
Total depreciation expense - governmental activities	$ 3,213,882
Business-Type Activities:	
Water and Sewer	$ 1,601,641
Golf	57,363
Electric light	8,018,581
Total depreciation expense - business-type activities	$ 9,677,585

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2014, the Town has an interfund receivable/payable totaling $1,861,998 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 year ended June 30, 2014, are summarized as follows:

	Transfers In:					
Transfers Out:	General Fund	Nonmajor Governmental Funds	Water and Sewer Enterprise Fund	Golf Enterprise Fund	Total	
General Fund…………………………………	$ -	$ 925,265	$ 5,561	$ 206,728	$ 1,137,554	(1)
Nonmajor Governmental Funds………………	126,350	357	-	-	126,707	(2)
Water and Sewer Enterprise Fund……………	461,678	-	-	-	461,678	(3)
Golf Course Enterprise Fund………………….	71,275	-	-	-	71,275	(3)
Electric Light Enterprise Fund…………………	1,500,000	-	-	-	1,500,000	(4)
Total…………………………………………….	$ 2,159,303	$ 925,622	$ 5,561	$ 206,728	$ 3,297,214	

(1) Represents transfers from the general fund to the nonmajor special revenue fund to establish the workers compensation trust. Also represents transfers to the water and sewer and golf enterprise funds for collective bargaining and $200,000 to the golf enterprise fund to fund operations.
(2) Represents budgeted transfers to the general fund from various nonmajor special revenue funds to fund the 2014 operating budget. Also represents transfers within the nonmajor governmental funds.
(3) Represents budgeted transfers from water and sewer and golf enterprise funds to the general fund for administration.
(4) 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:

	Governmental Activities
Asset:	
Machinery and equipment…………………………………..	$ 1,733,302
Less: accumulated depreciation……………………………	(1,344,398)
Total…………………………………………………………	$ 388,904

The following schedule presents the future minimum lease payments as of June 30, 2014:

Year Ending June 30,		Governmental Activities
2015	$	31,600
2016		31,529
2017		31,455
Total minimum lease payments		94,584
Less: amounts representing interest		(4,616)
Present value of minimum lease payments	$	89,968

The BELD entered into a capitalized lease for cable and light division equipment expiring through 2017. 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, 2013:

Years Ending December 31,		Business-Type Activities
2014	$	279,107
2015		174,554
2016		62,648
2017		13,004
Total minimum lease payments		529,313
Less: amounts representing interest		(43,919)
Present value of minimum lease payments	$	485,394

Operating Leases

The Town leases school buses under a noncancelable operating lease that is scheduled to expire in 2016. The cost of the lease for the year ended June 30, 2014, totaled approximately $306,000, and is reported as education expenditures in the general fund.

The future minimum lease payments are as follows:

Year Ending June 30,		Governmental Activities
2015	$	305,836
2016		305,836
Total	$	611,672

The Golf Course leases golf carts under noncancelable operating leases that are scheduled to expire in 2018. The cost of the lease for the year ended June 30, 2014, totaled approximately $35,000.

The future minimum lease payments are as follows:

Year Ending June 30,		Business-Type Activities
2015	$	35,268
2016		35,268
2017		35,268
2018		35,268
Total	$	141,072

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, 2014, and the debt service requirements are as follows:

Bonds and Notes Payable Schedule – Governmental Funds

Project	Maturities Through Year	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Municipal Purpose Loan of 2006…………………	2026	$ 2,250,000	4.14 - 4.34	$ 1,310,000	$ -	$ (130,000)	$ 1,180,000
Municipal Purpose Refunding Loan of 2006…….	2017	1,055,000	4.20 - 5.20	1,010,000	-	(255,000)	755,000
Municipal Purpose Loan of 2007…………………	2027	700,000	4.30 - 4.90	490,000	-	(35,000)	455,000
Municipal Purpose Loan of 2009…………………	2028	2,614,570	3.00 - 5.00	1,690,000	-	(230,000)	1,460,000
Municipal Purpose Loan of 2010…………………	2030	6,782,000	1.50 - 4.50	5,185,000	-	(530,000)	4,655,000
Municipal Purpose Loan of 2011…………………	2031	6,100,000	2.00 - 4.50	5,280,000	-	(405,000)	4,875,000
Municipal Purpose Loan of 2012…………………	2032	5,286,000	2.00 - 4.00	4,750,000	-	(525,000)	4,225,000
Municipal Purpose Loan of 2013…………………	2033	3,140,000	2.00 - 2.75	3,140,000	-	(250,000)	2,890,000
Municipal Purpose Loan of 2014…………………	2034	3,519,000	2.00 - 4.00	-	3,519,000	-	3,519,000
Sub-Total……………………………………………				22,855,000	3,519,000	(2,360,000)	24,014,000
Unamortized Premiums on Bonds………………				300,799	224,936	(267,698)	258,037
Total…………………………………………………				$ 23,155,799	$ 3,743,936	$ (2,627,698)	$ 24,272,037

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

Year	Principal	Interest	Total
2015………….	$ 2,664,000	$ 726,349	$ 3,390,349
2016………….	2,450,000	660,159	3,110,159
2017………….	2,395,000	595,815	2,990,815
2018………….	1,925,000	536,972	2,461,972
2019………….	1,730,000	478,345	2,208,345
2020………….	1,640,000	421,062	2,061,062
2021………….	1,545,000	366,001	1,911,001
2022………….	1,520,000	311,381	1,831,381
2023………….	1,420,000	262,810	1,682,810
2024………….	1,340,000	216,703	1,556,703
2025………….	1,265,000	171,964	1,436,964
2026………….	1,220,000	128,500	1,348,500
2027………….	890,000	91,311	981,311
2028………….	730,000	67,498	797,498
2029………….	540,000	43,081	583,081
2030………….	410,000	23,931	433,931
2031………….	195,000	8,147	203,147
2032………….	95,000	3,067	98,067
2033………….	30,000	1,217	31,217
2034………….	10,000	341	10,341
Total………….	$ 24,014,000	$ 5,114,654	$ 29,128,654

Bonds and Notes Payable Schedule – Water and Sewer Enterprise Fund

Project	Maturities Through Year	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Municipal Purpose Loan of 2002…………………	2018	$ 2,130,000	2.50 - 4.25	$ 700,000	$ -	$ (140,000)	$ 560,000
Municipal Purpose Loan of 2006…………………	2026	4,480,000	4.14	2,890,000	-	(220,000)	2,670,000
Municipal Purpose Refunding Loan of 2006…….	2017	2,355,000	4.20 - 5.20	805,000	-	(245,000)	560,000
Municipal Purpose Loan of 2007…………………	2027	1,430,000	4.14 - 4.90	945,000	-	(80,000)	865,000
Municipal Purpose Loan of 2009…………………	2029	8,142,000	3.00 - 5.00	6,150,000	-	(490,000)	5,660,000
Municipal Purpose Refunding Loan of 2011…….	2022	3,575,000	2.00 - 4.00	3,025,000	-	(415,000)	2,610,000
Municipal Purpose Loan of 2011…………………	2031	2,286,000	2.00 - 4.50	1,990,000	-	(145,000)	1,845,000
MWRA Loan of 2011………………………………	2017	344,230	0.00	275,384	-	(68,846)	206,538
Municipal Purpose Loan of 2012…………………	2032	3,101,000	2.00 - 4.00	2,775,000	-	(330,000)	2,445,000
Municipal Purpose Loan of 2013…………………	2033	3,108,000	2.00 - 2.75	3,108,000	-	(178,000)	2,930,000
MWRA Loan of 2013………………………………	2018	174,240	0.00	174,240	-	(34,848)	139,392
Municipal Purpose Loan of 2014…………………	2034	2,248,000	2.00 - 4.00	-	2,248,000	-	2,248,000
Sub-Total……………………………………………				22,837,624	2,248,000	(2,346,694)	22,738,930
Unamortized Premiums on Bonds………………				751,417	-	(59,548)	691,869
Total…………………………………………………				$ 23,589,041	$ 2,248,000	$ (2,406,242)	$ 23,430,799

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

Year	Principal	Interest	Total
2015………….	$ 2,421,694	$ 766,664	$ 3,188,358
2016………….	2,403,694	698,054	3,101,748
2017………….	2,393,694	625,831	3,019,525
2018………….	1,809,848	560,793	2,370,641
2019………….	1,495,000	500,268	1,995,268
2020………….	1,465,000	443,653	1,908,653
2021………….	1,460,000	390,266	1,850,266
2022………….	1,410,000	335,769	1,745,769
2023………….	1,050,000	288,192	1,338,192
2024………….	1,050,000	247,792	1,297,792
2025………….	1,055,000	207,106	1,262,106
2026………….	1,055,000	166,392	1,221,392
2027………….	850,000	125,603	975,603
2028………….	755,000	93,707	848,707
2029………….	710,000	66,936	776,936
2030………….	365,000	40,376	405,376
2031………….	370,000	28,485	398,485
2032………….	290,000	17,971	307,971
2033………….	225,000	10,230	235,230
2034………….	105,000	3,467	108,467
Total………….	$ 22,738,930	$ 5,617,555	$ 28,356,485

Bonds and Notes Payable Schedule – Electric Light Enterprise Fund

Project	Maturities Through Year Ended	Original Loan Amount	Interest Rate (%)	Outstanding at December 31, 2012	Issued	Redeemed	Outstanding at December 31, 2013
Municipal Purpose Loan of 2009…………………	2028	$ 109,700,000	3.00 - 5.00	$ 97,455,000	$ -	$ (4,415,000)	$ 93,040,000
Unamortized Premiums on Bonds………………				6,351,700	-	(728,538)	5,623,162
Total…………………………………………………				$ 103,806,700	$ -	$ (5,143,538)	$ 98,663,162

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

Calendar Year Ended	Principal	Interest	Total
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………….	$ 93,040,000	$ 38,832,810	$ 131,872,810

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, 2014, the Town had the following authorized and unissued debt:

Purpose	Amount
Water and sewer projects	$ 328,000
MWRA	1,893,200
Renovations to Town Hall	850,000
School projects	1,621,000
Water distribution system improvements	4,382,000
Roads	1,800,000
Public safety repairs and equipment	324,000
Public works repairs and equipment	278,000
Public works building improvements	107,000
Public works drainage	180,000
Public works dump trucks	628,000
Total	$ 12,391,200

Changes in Long-term Liabilities

During the year ended June 30, 2014, 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	$ 22,855,000	$ 3,519,000	$ (2,360,000)	$ -	$ -	$ 24,014,000	$ 2,664,000
Add: Unamortized premium on bonds	300,799	224,936	(267,698)	-	-	258,037	39,444
Total bonds payable	23,155,799	3,743,936	(2,627,698)	-	-	24,272,037	2,703,444
Capital lease obligations	149,204	-	-	-	(59,236)	89,968	28,547
Compensated absences	3,421,639	-	-	1,823,803	(1,766,969)	3,478,473	1,861,422
Workers' compensation	645,845	-	-	64,137	(299,577)	410,405	219,790
Other postemployment benefits	50,382,080	-	-	13,743,525	(5,539,800)	58,585,805	-
Total governmental activity long-term liabilities	$ 77,754,567	$ 3,743,936	$ (2,627,698)	$ 15,631,465	$ (7,665,582)	$ 86,836,688	$ 4,813,203
Business-Type Activities:							
Bonds and notes payable	$ 120,292,624	$ 2,248,000	$ (6,761,694)	$ -	$ -	$ 115,778,930	$ 7,051,694
Add: Unamortized premium on bonds	7,103,117	-	(788,086)	-	-	6,315,031	786,117
Total bonds payable	127,395,741	2,248,000	(7,549,780)	-	-	122,093,961	7,837,811
Fees collected in advance	514,801	-	-	109,579	(332,055)	292,325	163,911
Capital lease obligations	542,670	-	-	217,555	(274,831)	485,394	279,107
Customer deposits payable	695,058	-	-	48,237	-	743,295	-
Compensated absences	450,525	-	-	423,417	(377,697)	496,245	418,767
Workers' compensation	122,590	-	-	-	(81,433)	41,157	19,123
Other postemployment benefits	5,594,248	-	-	1,820,338	(1,067,681)	6,346,905	-
Total business-type activity long-term liabilities	$ 135,315,633	$ 2,248,000	$ (7,549,780)	$ 2,619,126	$ (2,133,697)	$ 130,499,282	$ 8,718,719

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 2012 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 funds have been reported in the general fund. At year end the balance of the general stabilization fund is $944,572 and the balance of the capital stabilization fund is $1,000,000.

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

	General	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:			
Nonspendable:			
Permanent fund principal....................	$ -	$ 2,564,529	$ 2,564,529
Restricted for:			
Town special revenue funds...............	-	3,931,357	3,931,357
School lunch..................................	-	74,585	74,585
School revolving funds......................	-	1,139,709	1,139,709
Community preservation fund..............	-	5,736,488	5,736,488
Town capital projects........................	-	3,374,781	3,374,781
Expendable trust funds.....................	-	7,701,292	7,701,292
Committed to:			
Articles and continuing appropriations:			
General government........................	351,993	-	351,993
Public safety..................................	675,299	-	675,299
Education......................................	492,000	-	492,000
Public works..................................	497,901	-	497,901
Human services..............................	29,869	-	29,869
Culture and recreation......................	2,855	-	2,855
Assigned to:			
Encumbrances:			
General government........................	328,930	-	328,930
Public safety..................................	14,955	-	14,955
Education......................................	609,810	-	609,810
Public works..................................	203,302	-	203,302
Human services..............................	129	-	129
Culture and recreation......................	7,016	-	7,016
Unassigned...	16,356,370	-	16,356,370
Total Fund Balances....................................	$ 19,570,429	$ 24,522,741	$ 44,093,170

The details for the Committed and Assigned amounts in the table above are provided on the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual in the *Required Supplementary Information* section of this Report. The amounts are listed under the column titled Amounts Carried Forward to Next Year. The Restricted amounts presented above are for funds that are subject to externally imposed constraints relating to grants, contributions, or laws and regulations by other governments.

NOTE 10 – RISK FINANCING

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

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, 2014, the amount of the liability for health insurance claims totaled $1,252,000 which is the best estimate based on available information. Changes in the reported liability since July 1, 2012 are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End Currently Due
2013..........................	$ 1,175,000	$ 13,729,643	$ (13,681,143)	$ 1,223,500
2014..........................	1,223,500	13,832,892	(13,804,392)	1,252,000

(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, 2014, the amount of the liability for workers' compensation claims totaled $451,562. Changes in the reported liability since July 1, 2012 are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2013..........................	$ 502,015	$ 812,597	$ (546,177)	$ 768,435
2014..........................	768,435	118,904	(435,777)	451,562

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, 2013.

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 $13,718,000 for the year ended June 30, 2014, 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, 2013, the System's membership consists of the following:

Active members………………………………………………….	752
Inactive members………………………………………………	79
Disabled members…………………………………………….	56
Retirees and beneficiaries currently receiving benefits………	453
Total………………………………………………………………	1,340

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 years apportionment of the annual pension cost between the two employers required the Town to contribute 98.5% 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 years ended June 30, 2014, 2013, and 2012 were $7,956,604, $7,455,924 and $7,201,414, which equaled its required contribution for each year. At June 30, 2014, the Town did not have a net pension obligation. The required contribution was determined as part of the January 1, 2014, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included a 7.75% investment rate of return and projected salary and inflation increases of 4.0% 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, 2014, 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)
1/1/14	$ 159,452	$ 242,397	$ 82,945	65.8%	$ 38,444	215.8%
1/1/12	137,542	220,508	82,966	62.4%	36,453	227.6%
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%

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”). 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. The Retiree Health Plan does not issue a publicly available financial report.

At January 1, 2014, the Plan’s membership consisted of the following:

Current retirees, beneficiaries, and dependents…….	658
Current active members………………………………	1,235
Total……………………………………………………	1,893

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 is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town contributed approximately $5.8 million including a pre-funding contribution of approximately $704,000 during 2014 and the BELD contributed approximately $950,000 including a pre-funding contribution of $520,000 during calendar year 2013 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 begin pre-funding its OPEB liabilities. Through June 30, 2014, the Town has accumulated approximately $3,206,000 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……………………….	$	16,108,388
Interest on net OPEB obligation……………………		2,054,642
Adjustments to annual required contribution……..		(2,480,194)
Annual OPEB cost/expense…………………..….		15,682,836
Contributions made……………………………….		(6,726,454)
Increase/(Decrease) in net OPEB obligation……..		8,956,382
Net OPEB obligation - beginning of year…………		55,976,328
Net OPEB obligation - end of year…………………	$	64,932,710

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and two previous years was as follows:

Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
6/30/2014	$	15,682,836	43%	$	64,932,710
6/30/2013		14,957,457	42%		55,976,328
6/30/2012		14,569,998	46%		47,256,055

Funded Status and Funding Progress – The funded status of the Plan as of the most recent and two prior actuarial valuation dates are as follows:

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)
1/1/2014	$	2,943,163	$	188,740,599	$	185,797,436	1.6%	$	71,715,774	259.07%
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%

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	1/1/2014
Actuarial cost method	Projected Unit Credit
Amortization method	Amortization payments increasing at 3.25%, per year over 30 years at transition
Remaining amortization period	24 years at January 1, 2014, 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	5.00% per year

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 $13.5 million on improvements to the system over the last 12 years to comply with the ACO.

The Town has entered into contracts totaling approximately $4.4 million for various public works, school, public safety building projects. The Town has authorized water system and public works renovations of approximately $4.7 million. The Town also plans to authorize and contract for an additional $12.1 million for school, recreation facility, roadway and building 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 $7,159,000 at December 31, 2013.

The BELD has also entered into various long-term agreements to purchase power from other utilities. At December 31, 2013, the estimated capacity costs relating to these agreements total approximately $19,850,000.

The amount estimated for 2014 is $4,760,000 with annual decrease estimated as contract entitlements decreases and expires through 2022.

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, 2014, 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, 2014, cannot be ascertained, management believes any resulting liability should not materially affect the financial statements at June 30, 2014.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2014, the following GASB pronouncements were implemented:

- GASB Statement #65, *Items Previously Reported as Assets and Liabilities*. Financial statement changes include deferred outflows and inflows being presented in the Statement of Net Position. Notes to the basic financial statements were changed to provide additional disclosure on deferred outflows of resources and deferred inflows of resources.

- GASB Statement #70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The implementation of this pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in future years:

- The GASB issued Statement #67, *Financial Reporting for Pension Plans*, which is required to be implemented in 2015.

- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in 2015.

- The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented in 2015.

- The GASB issued Statement #71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which is required to be implemented simultaneously with GASB Statement #68 in 2015.

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

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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

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts					
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget	
REVENUES:						
Real estate and personal property taxes, net of tax refunds	$ 75,969,210	$ 75,969,210	$ 76,086,774	$ -	$ 117,564	
Tax liens	-	-	407,348	-	407,348	
Motor vehicle and other excise taxes	4,527,000	4,527,000	5,259,928	-	732,928	
Hotel/motel tax	1,050,000	1,050,000	1,324,541	-	274,541	
Meals tax	700,000	700,000	807,740	-	107,740	
Penalties and interest on taxes	340,000	340,000	475,877	-	135,877	
Payments in lieu of taxes	2,230,000	2,230,000	1,524,854	-	(705,146)	(1)
Intergovernmental	19,705,394	19,705,394	20,681,570	-	976,176	
Departmental and other	4,970,950	4,970,950	4,942,734	-	(28,216)	
Investment income	130,000	130,000	193,757	-	63,757	
TOTAL REVENUES	109,622,554	109,622,554	111,705,123	-	2,082,569	
EXPENDITURES:						
Current:						
General Government:						
Town Council						
Administration	194,028	195,099	184,833	-	10,266	
Reserve Fund	40,000	359	-	-	359	
Internal Audit	74,000	74,000	46,669	-	27,331	
Total	308,028	269,458	231,502	-	37,956	
Mayor's Office						
Administration	422,921	429,584	419,850	32	9,702	
Fair Housing	2,275	2,275	-	-	2,275	
Commission on Disabilities	1,025	1,025	120	-	905	
Transition Costs	1,129	1,129	-	1,129	-	
Articles	4,535	4,535	-	4,535	-	
Total	431,885	438,548	419,970	5,696	12,882	
Finance Department						
Administration	747,442	131,140	130,980	-	160	
Accounting	238,756	241,987	229,850	149	11,988	
Assessing	275,273	278,477	261,863	-	16,614	
Information Technology	507,890	507,670	331,637	97,008	79,025	
General Insurances	495,000	450,475	433,381	-	17,094	
Treasurer/Collector	1,138,702	1,146,676	1,082,599	19,400	44,677	
Bond Principal	2,360,000	2,360,000	2,360,000	-	-	
Bond Interest	740,756	740,756	740,756	-	-	
Leases	123,660	123,660	123,461	-	199	
Actuarial Study	13,000	13,000	-	13,000	-	
Capital Project	31,346	31,346	-	31,346	-	
Total	6,671,825	6,025,187	5,694,527	160,903	169,757	
Law Department						
Administration	223,239	295,321	285,945	2,245	7,131	
Licensing Board	29,612	29,612	29,121	-	491	
Total	252,851	324,933	315,066	2,245	7,622	
Human Resources						
Administration	546,176	426,168	362,191	-	63,977	
Employee Benefits	16,821,960	16,847,691	15,633,706	158,835	1,055,150	
Veterans Benefits	351,465	327,564	313,198	-	14,366	
Celebrations	7,000	7,000	6,437	-	563	
Total	17,726,601	17,608,423	16,315,532	158,835	1,134,056	
Town Clerk						
Administration	108,155	127,640	115,235	-	12,405	
Elections	42,986	42,986	42,770	-	216	
Registration	143,195	146,067	142,784	-	3,283	
Total	294,336	316,693	300,789	-	15,904	

(1) This variance relates to a change in the PILOT Agreement with the BELD.

(Continued)

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

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
Planning and Community Development					
Administration	146,677	149,857	140,100	9,750	7
Planning	102,033	103,458	101,807	51	1,600
Conservation	124,425	125,850	84,931	33,395	7,524
Economic Development	81,832	81,832	65,895	7,865	8,072
Historical Commission	2,930	2,930	2,563	200	167
Capital Projects	312,000	312,000	10,017	301,983	-
Total	769,897	775,927	405,313	353,244	17,370
Total General Government	26,455,423	25,759,169	23,682,699	680,923	1,395,547
Public Safety:					
Police					
Administration	747,565	764,708	722,969	2,750	38,989
Building Maintenance	123,600	123,600	118,289	800	4,511
Equipment Maintenance	235,854	275,854	252,697	-	23,157
Patrol Bureau	4,608,472	4,964,869	4,935,073	-	29,796
Communications	748,039	629,082	570,783	-	58,299
Detective Bureau	1,030,923	1,038,342	997,093	2,636	38,613
Traffic Bureau	169,936	169,936	157,735	-	12,201
Special Services/Community Policing	562,227	562,227	546,356	-	15,871
Harbormaster	4,350	4,350	3,437	-	913
Animal Control	59,974	60,939	53,630	220	7,089
Capital Projects	477,356	477,356	233,532	243,824	-
Total	8,768,296	9,071,263	8,591,594	250,230	229,439
Fire					
Administration	253,460	255,527	243,685	-	11,842
Building Maintenance	125,877	170,877	170,781	-	96
Equipment Maintenance	147,946	217,946	217,856	-	90
Fire Suppression	6,469,646	6,844,646	6,730,799	-	113,847
Fire Alarm Repair	116,490	116,490	115,519	-	971
Fire Hazmat	97,263	97,263	96,381	-	882
Fire Prevention	102,689	102,689	102,230	-	459
Training	102,893	102,893	81,136	-	21,757
Capital Project	424,300	424,300	49,766	374,534	-
Total	7,840,564	8,332,631	7,808,153	374,534	149,944
Municipal Licenses and Inspection					
Administration	198,309	219,929	202,046	850	17,033
Equipment Maintenance	4,600	4,600	2,014	2,500	86
Inspections/Code Enforcement	426,813	437,225	420,802	5,000	11,423
Health	209,245	213,312	210,212	200	2,900
Zoning Board of Appeals	300	300	250	-	50
Articles	56,940	56,940	-	56,940	-
Total	896,207	932,306	835,324	65,490	31,492
Total Public Safety	17,505,067	18,336,200	17,235,071	690,254	410,875
Education:					
Education	54,271,142	55,108,685	54,389,876	609,810	108,999
Regional School District	2,130,748	2,130,748	2,130,748	-	-
Capital Project	492,000	492,000	-	492,000	-
Total Education	56,893,890	57,731,433	56,520,624	1,101,810	108,999

(Continued)

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

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
Public Works:					
Public Works					
Administration	282,676	288,283	288,024	140	119
Facilities and Equipment Maintenance	802,687	941,327	857,868	36,638	46,821
Equipment Maintenance	292,748	292,748	269,391	625	22,732
Engineering	174,435	176,512	176,472	-	40
Construction Administration	192,525	200,902	200,891	-	11
Highway	1,314,845	1,360,883	1,196,929	110,798	53,156
Drains	40,000	40,000	37,536	616	1,848
Sidewalks	30,000	30,000	28,458	-	1,542
Street Lighting	355,000	355,000	355,000	-	-
Traffic	214,552	220,423	179,191	1,000	40,232
Snow and Ice	400,000	1,064,440	1,064,440	-	-
Environmental Affairs and Waste Collection	1,501,954	1,605,740	1,498,193	51,726	55,821
Cemetery	80,248	81,213	81,211	-	2
Maintenance Town Hall	95,000	95,000	94,346	-	654
Recreation and Community Events	146,748	150,643	141,553	-	9,090
Watson Building Maintenance	54,813	54,813	29,942	-	24,871
Grounds Maintenance	573,116	608,102	544,144	1,760	62,198
Summer Programs	178,650	170,067	143,776	-	26,291
Brawey Recreation	94,180	94,180	94,180	-	-
Capital Project	80,294	80,294	-	80,294	-
Articles	425,225	424,625	7,019	417,606	-
Total Public Works	7,329,696	8,335,195	7,288,564	701,203	345,428
Human Services:					
Council on Aging					
Administration	194,383	198,315	197,191	-	1,124
Equipment Maintenance	40,007	50,228	42,982	129	7,117
Building Maintenance	20,713	20,713	20,707	-	6
Articles	36,169	36,169	6,300	29,869	-
Total Human Services	291,272	305,425	267,180	29,998	8,247
Culture and Recreation:					
Library					
Administration	188,881	193,636	192,114	-	1,522
Building Maintenance	112,500	112,500	112,468	-	32
Equipment Maintenance	1,000	1,000	981	-	19
Technology	52,000	52,000	48,407	3,000	593
Current Topics and Titles	851,824	880,709	799,907	4,016	76,786
Lifelong Learning	121,340	123,815	123,297	-	518
Community Commons	17,128	17,128	13,876	-	3,252
Capital Project	11,360	11,360	8,505	2,855	-
Total Culture and Recreation	1,356,033	1,392,148	1,299,555	9,871	82,722
State and County Assessments	3,608,396	3,608,396	3,636,782	-	(28,386)
TOTAL EXPENDITURES	113,439,777	115,467,966	109,930,475	3,214,059	2,323,432
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,817,223)	(5,845,412)	1,774,648	(3,214,059)	4,406,001
OTHER FINANCING SOURCES (USES):					
Transfers in	659,303	1,693,797	1,693,797	-	-
Transfers out	(1,735,363)	(3,137,554)	(3,137,554)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,076,060)	(1,443,757)	(1,443,757)	-	-
NET CHANGE IN FUND BALANCE	(4,893,283)	(7,289,169)	330,891	(3,214,059)	4,406,001
BUDGETARY FUND BALANCE, Beginning of year	19,717,047	19,717,047	19,717,047	-	-
BUDGETARY FUND BALANCE, End of year	$ 14,823,764	$ 12,427,878	$ 20,047,938	$ (3,214,059)	$ 4,406,001

See notes to required supplementary information.

(Concluded)

Retirement System Schedules of Funding Progress and Employer Contributions

The Retirement System Schedule of Funding Progress presents multiyear trend information, relating to the cost-sharing plan as a whole, of which the Town is one participating employer, about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The Retirement System Schedule of Employer Contributions presents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contribution.

BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM

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)
1/1/14	$ 159,452	$ 242,397	$ 82,945	65.8%	$ 38,444	215.8%
1/1/12	137,542	220,508	82,966	62.4%	36,453	227.6%
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%

The Town's share of the AAL is approximately 98.5%.

See notes to required supplementary information.

BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM

SCHEDULE OF EMPLOYER CONTRIBUTIONS

System-Wide				Town of Braintree	
Year Ended June 30,	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions	(B/A) Town's Percentage of System-Wide Actual Contributions
2014	$ 8,076,380	$ 8,076,380	100%	$ 7,956,604	$ 98.52%
2013	7,570,687	7,570,687	100%	7,455,924	98.48%
2012	7,303,937	7,303,937	100%	7,201,414	98.60%
2011	6,943,721	6,943,721	100%	6,835,093	98.44%
2010	6,747,969	6,747,969	100%	6,646,676	98.50%

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

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

The Schedule of Employer Contributions compares, 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)
1/1/2014	$	2,943,163	$	188,740,599	$	185,797,436	1.6%	$	71,715,774	259.07%
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
6/30/2014	$	16,108,388	$	6,726,454	42%
6/30/2013		15,326,220		6,237,184	41%
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%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFITS PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:	
Valuation date…………………………………………….	1/1/2014
Actuarial cost method…………………………………	Projected Unit Credit
Amortization method………………………………….	Amortization payments increasing at 3.25%, per year over 30 years at transition
Remaining amortization period………………………	24 years at January 1, 2014, 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………………………….	5.00% per year
Plan Membership:	
Current retirees, beneficiaries, and dependents…..	658
Current active members………………………………	1,235
Total……………………………………………………	1,893

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

Generally, expenditures may not exceed the legal level of spending (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 2014 approved budget authorized approximately $115 million in appropriations and other amounts to be raised, including $2.1 million in amounts carried over from previous years. During 2014, the Town Council also approved supplemental appropriations totaling approximately $2.0 million. These supplemental appropriations mainly consisted of $375,000 appropriated for fire suppression, $838,000 appropriated for education, and $664,000 was for snow and ice. Town Council also approved supplemental transfers mainly to and from stabilization funds.

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 year ended June 30, 2014, is presented below:

Net change in fund balance - budgetary basis	$	330,891
Perspective differences:		
Activity of the stabilization fund recorded in the general fund for GAAP		968,047
Activity of the municipal building insurance fund recorded in the general fund for GAAP		6,282
Basis of accounting differences:		
Net change in recording tax refunds payable		(168,000)
Net change in recording accrued payroll		(1,576,422)
Recognition of revenue for on-behalf payments		13,718,462
Recognition of expenditures for on-behalf payments		(13,718,462)
Net change in fund balance - GAAP basis	$	(439,202)

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 – PENSION PLAN

The Town contributes to the System, a cost-sharing, multiple-employer defined benefit pension plan ("Plan") administered by the Braintree Contributory Retirement Board. The System provides retirement, disability, and death benefits to members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the Plan. The Town is required to pay into the Retirement System its share of the system-wide actuarially determined contribution which is apportioned among the employers based on active covered payroll.

The schedule of funding progress, presented as required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additionally, the schedule of employer contributions, presented as required supplementary information presents multi-year trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contributions. This information is designed to be helpful for understanding the scale of the information presented relative to the Town.

The following actuarial methods and assumptions were used in the Retirement System's most recent actuarial valuation:

Actuarial Methods and Assumptions:

Valuation Date…………………………………	January 1, 2014
Actuarial Cost Method………………………..	Entry Age Normal Cost Method
Amortization Method………………………….	Increasing at 4.00% per year
Remaining Amortization Period………………	19 years, closed
Asset Valuation Method………………………	The actuarial value of assets is the market value of assets as of the valuation date reduced by the sum of: (a) 75% of gains and losses of the prior year, (b) 50% of gains and losses of the second prior year and (c) 25% of gains and losses of the third prior year. Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 90% or more than 110% of market value.
Investment Rate of Return……………………	7.75%
Projected Salary and Inflation Increases……	4.00%
Cost of Living Adjustments……………………	3.00% for the first $12,000 of retirement income.

NOTE C – 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 combined pre-funded and 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 1.6%. 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 and Individual Fund Statements

The combining and individual fund 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 various 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, 2014

	Special Revenue Funds					
	Town Special Revenue Funds	School Lunch Fund	School Special Revenue Funds	Community Preservation Fund	Highway Improvements Fund	Subtotal
ASSETS						
Cash and cash equivalents	$ 3,954,336	$ 103,754	$ 1,223,114	$ 5,786,167	$ -	$ 11,067,371
Investments	18,918	-	-	-	-	18,918
Receivables, net of uncollectibles:						
Departmental and other	-	-	-	10,976	-	10,976
Intergovernmental	-	-	-	140,000	3,291,801	3,431,801
TOTAL ASSETS	$ 3,973,254	$ 103,754	$ 1,223,114	$ 5,937,143	$ 3,291,801	$ 14,529,066
LIABILITIES						
Warrants payable	$ 39,915	$ 13,104	$ 75,876	$ 49,680	$ -	$ 178,575
Accrued payroll	1,982	16,065	7,529	-	-	25,576
Due to other funds	-	-	-	-	1,861,998	1,861,998
TOTAL LIABILITIES	41,897	29,169	83,405	49,680	1,861,998	2,066,149
DEFERRED INFLOWS						
Unavailable revenues	-	-	-	150,975	1,429,803	1,580,778
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	3,931,357	74,585	1,139,709	5,736,488	-	10,882,139
TOTAL FUND BALANCES	3,931,357	74,585	1,139,709	5,736,488	-	10,882,139
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 3,973,254	$ 103,754	$ 1,223,114	$ 5,937,143	$ 3,291,801	$ 14,529,066

	Permanent Funds			
Town Capital Projects	Nonexpendable Trust Funds	Expendable Trust Funds	Subtotal	Total Nonmajor Governmental Funds
$ 3,399,244	$ 2,564,529	$ 1,055,303	$ 3,619,832	$ 18,086,447
-	-	6,645,989	6,645,989	6,664,907
-	-	-	-	10,976
-	-	-	-	3,431,801
$ 3,399,244	$ 2,564,529	$ 7,701,292	$ 10,265,821	$ 28,194,131
$ 24,463	$ -	$ -	$ -	$ 203,038
-	-	-	-	25,576
-	-	-	-	1,861,998
24,463	-	-	-	2,090,612
-	-	-	-	1,580,778
-	2,564,529	-	2,564,529	2,564,529
3,374,781	-	7,701,292	7,701,292	21,958,212
3,374,781	2,564,529	7,701,292	10,265,821	24,522,741
$ 3,399,244	$ 2,564,529	$ 7,701,292	$ 10,265,821	$ 28,194,131

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2014

	Special Revenue Funds					
	Town Special Revenue Funds	School Lunch Fund	School Special Revenue Funds	Community Preservation Fund	Highway Improvements Fund	Subtotal
REVENUES:						
Intergovernmental	$ 282,196	$ 590,378	$ 4,791,887	$ 351,563	$ 1,864,429	$ 7,880,453
Departmental and other	741,319	1,026,895	1,557,345	-	-	3,325,559
Community preservation	-	-	-	607,219	-	607,219
Contributions	250,431	-	251,485	-	-	501,916
Investment income	36	202	165	10,505	-	10,908
Miscellaneous	38,310	-	-	-	-	38,310
Claims and judgments	-	-	-	-	-	-
TOTAL REVENUES	1,312,292	1,617,475	6,600,882	969,287	1,864,429	12,364,365
EXPENDITURES:						
Current:						
General government	151,743	-	-	-	-	151,743
Public safety	169,093	-	-	-	-	169,093
Education	-	1,556,701	6,998,734	-	-	8,555,435
Public works	96,282	-	-	-	1,864,429	1,960,711
Community development	-	-	-	247,083	-	247,083
Human services	160,894	-	-	-	-	160,894
Culture and recreation	369,989	-	-	-	-	369,989
TOTAL EXPENDITURES	948,001	1,556,701	6,998,734	247,083	1,864,429	11,614,948
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	364,291	60,774	(397,852)	722,204	-	749,417
OTHER FINANCING SOURCES (USES):						
Issuance of long-term debt	-	-	-	-	-	-
Premium from issuance of bonds	224,936	-	-	-	-	224,936
Transfers in	925,265	-	-	-	-	925,265
Transfers out	(126,350)	-	-	-	-	(126,350)
TOTAL OTHER FINANCING SOURCES (USES)	1,023,851	-	-	-	-	1,023,851
NET CHANGE IN FUND BALANCES	1,388,142	60,774	(397,852)	722,204	-	1,773,268
FUND BALANCES AT BEGINNING OF YEAR	2,543,215	13,811	1,537,561	5,014,284	-	9,108,871
FUND BALANCES AT END OF YEAR	$ 3,931,357	$ 74,585	$ 1,139,709	$ 5,736,488	$ -	$ 10,882,139

Town Capital Projects	Permanent Funds: Nonexpendable Trust Funds	Permanent Funds: Expendable Trust Funds	Permanent Funds: Subtotal	Total Nonmajor Governmental Funds
$ 170,000	$ -	$ -	$ -	$ 8,050,453
-	-	-	-	3,325,559
-	-	-	-	607,219
-	-	28,154	28,154	530,070
-	-	171,343	171,343	182,251
-	-	-	-	38,310
450,000			-	450,000
620,000	-	199,497	199,497	13,183,862
189,914	-	1,250	1,250	342,907
67,919	-	-	-	237,012
547,203	-	-	-	9,102,638
1,371,600	-	-	-	3,332,311
-	-	-	-	247,083
-	-	-	-	160,894
269,870	-	-	-	639,859
2,446,506	-	1,250	1,250	14,062,704
(1,826,506)	-	198,247	198,247	(878,842)
3,519,000	-	-	-	3,519,000
-	-	-	-	224,936
-	-	357	357	925,622
-	(357)	-	(357)	(126,707)
3,519,000	(357)	357	-	4,542,851
1,692,494	(357)	198,604	198,247	3,664,009
1,682,287	2,564,886	7,502,688	10,067,574	20,858,732
$ 3,374,781	$ 2,564,529	$ 7,701,292	$ 10,265,821	$ 24,522,741

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 YEAR ENDED JUNE 30, 2014

	Agency Accounts June 30, 2013	Additions	Deletions	Agency Accounts June 30, 2014
ASSETS				
Cash and cash equivalents………………………….	$ 324,528	$ 2,267,518	$ (2,159,189)	$ 432,857
LIABILITIES				
Liabilities due depositors………………………….	$ 324,528	$ 2,267,518	$ (2,159,189)	$ 432,857

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Statistical Section

Sunset Lake

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 Position By Component

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	$ 40,789,164	$ 43,345,827	$ 43,316,956	$ 44,741,728	$ 43,952,129	$ 44,776,089	$ 47,910,553	$ 52,564,200	$ 54,067,678	$ 56,111,895
Restricted	14,907,893	15,473,044	17,085,091	14,564,774	15,387,436	17,909,375	18,984,718	19,081,454	19,486,773	21,298,935
Unrestricted	5,069,719	2,866,257	7,669,389	3,262,565	(1,978,165)	(8,277,629)	(14,151,761)	(20,004,880)	(23,061,668)	(32,525,153)
Total governmental activities net position	$ 60,766,776	$ 61,685,128	$ 68,071,436	$ 62,569,067	$ 57,361,400	$ 54,407,835	$ 52,743,510	$ 51,640,774	$ 50,492,783	$ 44,885,677
Business-type activities										
Net investment in capital assets	$ 59,488,429	$ 64,607,373	$ 63,680,466	$ 63,472,319	$ 73,771,758	$ 72,287,202	$ 69,022,850	$ 71,591,338	$ 75,572,798	$ 76,307,554
Restricted	4,033,000	-	-	-	-	-	-	-	-	3,732,114
Unrestricted	19,021,674	18,513,324	19,790,984	24,074,877	14,243,145	17,782,384	22,809,172	18,020,393	16,082,628	14,574,476
Total business-type activities net position	$ 82,543,103	$ 83,120,697	$ 83,471,450	$ 87,547,196	$ 88,014,903	$ 90,069,586	$ 91,832,022	$ 89,611,731	$ 91,655,426	$ 94,614,144
Primary government										
Net investment in capital assets	$ 100,277,593	$ 107,953,200	$ 106,997,422	$ 108,214,047	$ 117,723,887	$ 117,063,291	$ 116,933,403	$ 124,155,538	$ 129,640,476	$ 132,419,449
Restricted	18,940,893	15,473,044	17,085,091	14,564,774	15,387,436	17,909,375	18,984,718	19,081,454	19,486,773	25,031,049
Unrestricted	24,091,393	21,379,581	27,460,373	27,337,442	12,264,980	9,504,755	8,657,411	(1,984,487)	(6,979,040)	(17,950,677)
Total primary government net position	$ 143,309,879	$ 144,805,825	$ 151,542,886	$ 150,116,263	$ 145,376,303	$ 144,477,421	$ 144,575,532	$ 141,252,505	$ 142,148,209	$ 139,499,821

Changes in Net Position

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	$ 4,748,448	$ 4,362,423	$ 4,610,401	$ 4,554,086	$ 5,734,392	$ 5,547,521	$ 6,219,480	$ 6,120,306	$ 6,793,916	$ 6,286,240
Public safety	17,699,899	19,978,932	20,274,993	22,301,233	22,235,903	23,103,086	22,731,221	22,644,632	23,907,018	24,515,683
Education	61,636,873	66,563,400	69,958,696	76,732,757	79,763,519	82,719,562	85,120,589	87,632,097	91,537,391	96,438,899
Public works	3,958,571	5,142,253	4,766,713	5,787,762	6,576,806	6,004,346	7,075,816	6,258,439	6,903,790	8,158,789
Sanitation	1,521,317	1,529,887	1,556,431	1,597,784	1,654,683	1,531,123	1,421,972	1,734,699	1,614,505	1,504,893
Community preservation	148,258	27,002	249,447	104,793	35,109	41,392	76,049	168,276	133,513	187,852
Human services	1,121,171	1,093,133	1,056,047	1,273,880	978,727	980,215	1,064,014	1,108,036	1,269,546	1,228,698
Culture and recreation	2,760,733	3,234,716	3,299,641	3,532,149	3,508,767	3,504,511	3,733,359	3,685,605	3,856,790	3,638,147
Interest	359,592	422,825	357,055	444,173	367,644	543,891	620,316	668,246	594,798	471,412
Total governmental activities expenses	93,954,862	102,354,571	106,129,424	116,328,617	120,855,550	123,975,647	128,062,816	130,020,336	136,611,267	142,430,613
Business-type activities:										
Water and Sewer	10,127,709	10,907,670	11,751,499	11,993,133	12,234,294	12,357,150	12,992,288	12,960,228	13,759,942	13,732,799
Golf	978,575	1,045,810	1,123,675	1,258,562	1,282,255	1,105,535	1,400,980	1,510,491	1,547,221	1,576,338
Electric	47,687,729	51,616,634	61,409,672	62,262,396	65,563,538	71,421,238	72,454,533	70,895,924	66,409,996	68,036,931
Total business-type activity expenses	58,794,013	63,570,114	74,284,846	75,514,091	79,080,087	84,883,923	86,847,801	85,366,643	81,717,159	83,346,068
Total primary government expenses	$ 152,748,875	$ 165,924,685	$ 180,414,270	$ 191,842,708	$ 199,935,637	$ 208,859,570	$ 214,910,617	$ 215,386,979	$ 218,328,426	$ 225,776,681
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 759,576	$ 721,928	$ 749,484	$ 654,663	$ 613,460	$ 596,828	$ 517,136	$ 616,829	$ 757,713	$ 863,484
Public safety	2,858,475	2,821,158	3,210,084	2,930,799	3,784,281	2,144,216	2,280,546	2,378,405	2,208,455	1,823,403
Education	4,843,321	5,510,661	5,763,417	2,663,710	2,597,937	2,443,837	2,368,875	2,017,758	2,287,988	2,226,802
Public works	331,467	248,130	236,047	559,293	609,110	334,823	471,878	553,002	627,466	1,160,134
Sanitation	1,412,272	1,778,699	2,176,617	1,600,028	1,593,698	1,613,247	1,568,749	1,548,721	1,401,085	1,387,356
Human services	132,320	161,380	204,551	151,360	142,817	24,205	25,792	31,332	33,119	32,811
Culture and recreation	494,674	456,502	477,168	345,587	393,249	379,560	396,823	361,811	377,596	384,999
Operating grants and contributions	20,224,583	19,559,212	23,943,924	24,465,441	28,083,776	30,924,968	33,221,854	33,518,827	34,800,674	35,660,762
Capital grants and contributions	2,096,024	1,813,873	1,073,666	1,898,266	927,140	1,127,450	3,793,516	4,773,929	3,146,209	662,210
Total government activities program revenues	33,152,712	33,071,543	37,834,958	35,269,147	38,745,468	39,589,134	44,645,169	45,800,614	45,640,305	44,201,961
Business-type activities:										
Charges for services:										
Water and Sewer	10,508,277	11,380,011	12,081,357	13,675,011	12,580,294	12,561,820	13,208,817	12,932,512	13,830,066	14,980,596
Golf	976,813	945,430	1,101,047	1,211,206	1,174,675	1,172,533	1,329,340	1,404,095	1,347,448	1,398,978
Electric	49,167,046	51,521,575	60,497,429	63,700,105	65,900,014	73,443,746	75,896,314	70,762,137	70,718,807	71,671,791
Operating grants and contributions	91,186	33,402	37,736	32,443	-	-	215,783	-	-	-
Capital grants and contributions	-	225,000	-	-	-	-	-	281,643	142,560	-
Total business-type activities program revenues	60,743,322	64,105,418	73,717,569	78,618,765	79,654,983	87,178,099	90,650,254	85,380,387	86,038,881	88,051,365
Total primary government program revenues	$ 93,896,034	$ 97,176,961	$ 111,552,527	$ 113,887,912	$ 118,400,451	$ 126,767,233	$ 135,295,423	$ 131,181,001	$ 131,679,186	$ 132,253,326
Net (Expense)/Revenue										
Governmental activities	$ (60,802,150)	$ (69,283,028)	$ (68,294,466)	$ (81,059,470)	$ (82,110,082)	$ (84,386,513)	$ (83,417,647)	$ (84,219,722)	$ (90,970,962)	$ (98,228,652)
Business-type activities	1,949,309	535,304	(567,277)	3,104,674	574,896	2,294,176	3,802,453	13,744	4,321,722	4,705,297
Total primary government net expense	$ (58,852,841)	$ (68,747,724)	$ (68,861,743)	$ (77,954,796)	$ (81,535,186)	$ (82,092,337)	$ (79,615,194)	$ (84,205,978)	$ (86,649,240)	$ (93,523,355)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate, personal property taxes and tax liens, net of tax refunds payable	$ 53,281,088	$ 54,950,810	$ 57,664,837	$ 59,616,548	$ 62,714,975	$ 65,822,590	$ 68,085,843	$ 69,679,306	$ 74,746,576	$ 76,783,315
Tax liens	131,573	246,461	172,271	195,258	102,402	-	-	-	-	-
Motor vehicle and other excise taxes	4,486,604	4,608,617	4,230,104	4,641,332	4,021,318	4,067,074	4,284,625	4,039,432	5,175,048	5,087,519
Hotel/motel tax	759,466	868,033	854,486	735,915	768,355	745,319	718,452	784,781	1,141,705	1,324,541
Meals tax	-	-	-	-	-	-	-	-	-	807,740
Community preservation tax	432,367	459,792	474,210	455,258	551,133	530,249	558,590	559,244	590,915	607,219
Penalties and interest on taxes	230,204	458,484	310,116	332,155	297,882	345,208	417,749	371,394	381,757	475,877
Payments in lieu of taxes	892,969	906,189	918,556	1,049,810	1,049,817	2,193,890	116,425	118,112	211,386	24,854
Grants and contributions not restricted to specific programs	6,618,722	6,674,487	7,426,676	7,163,431	6,619,494	5,072,674	4,949,885	4,989,211	4,885,456	5,434,532
Unrestricted investment income	499,383	817,046	1,390,441	716,560	530,782	486,914	267,612	215,677	243,114	216,968
Gain on sale of land	10,972	-	656,876	-	-	-	-	-	-	-
Affordable housing development fees	-	-	-	-	-	1,800,000	-	-	-	-
Miscellaneous	474,864	104,033	401,646	551,830	91,623	77,800	69,345	70,051	42,380	38,317
Transfers	149,317	107,428	110,555	99,004	154,634	291,230	2,284,796	2,289,778	2,404,634	1,820,664
Total governmental activities	67,967,529	70,201,380	74,610,774	75,557,101	76,902,415	81,432,948	81,753,322	83,116,986	89,822,971	92,621,546
Business-type activities:										
Unrestricted investment income	-	149,718	308,420	1,070,076	47,445	51,737	244,779	55,743	126,607	74,085
Claims and judgments	-	-	675,365	-	-	-	-	-	-	-
Transfers	(149,317)	(107,428)	(110,555)	(99,004)	(154,634)	(291,230)	(2,284,796)	(2,289,778)	(2,404,634)	(1,820,664)
Total business-type activities	(149,317)	42,290	873,230	971,072	(107,189)	(239,493)	(2,040,017)	(2,234,035)	(2,278,027)	(1,746,579)
Total primary government	$ 67,818,212	$ 70,243,670	$ 75,484,004	$ 76,528,173	$ 76,795,226	$ 81,193,455	$ 79,713,305	$ 80,882,951	$ 87,544,944	$ 90,874,967
Changes in Net Position										
Governmental activities	$ 7,165,379	$ 918,352	$ 6,316,308	$ (5,502,369)	$ (5,207,667)	$ (2,953,565)	$ (1,664,325)	$ (1,102,736)	$ (1,147,991)	$ (5,607,106)
Business-type activities	1,799,992	577,594	305,953	4,075,746	467,707	2,054,683	1,762,436	(2,220,291)	2,043,695	2,958,718
Total primary government	$ 8,965,371	$ 1,495,946	$ 6,622,261	$ (1,426,623)	$ (4,739,960)	$ (898,882)	$ 98,111	$ (3,323,027)	$ 895,704	$ (2,648,388)

Fund Balances, Governmental Funds

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved……………………………….	$ 1,454,741	$ 508,261	$ 865,705	$ 760,035	$ 281,374	$ 895,787	$ -	$ -	$ -	$ -
Unreserved……………………………	4,161,475	3,414,564	3,790,923	3,088,264	7,287,516	9,178,146	-	-	-	-
Committed…………………………….	-	-	-	-	-	-	-	-	988,955	2,049,917
Assigned……………………………….	-	-	-	-	-	-	1,250,576	1,140,720	1,140,211	1,164,142
Unassigned……………………………	-	-	-	-	-	-	13,160,254	15,847,651	17,880,465	16,356,370
Total general fund………………………	$ 5,616,216	$ 3,922,825	$ 4,656,628	$ 3,848,299	$ 7,568,890	$ 10,073,933	$ 14,410,830	$ 16,988,371	$ 20,009,631	$ 19,570,429
All Other Governmental Funds										
Reserved……………………………….	$ 2,594,497	$ 2,586,848	$ 2,513,808	$ 2,505,157	$ 2,606,133	$ 2,506,133	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds…………	6,738,874	6,592,674	8,672,575	6,583,933	8,102,411	9,599,385	-	-	-	-
Capital projects funds………….	34,599	(1,374,542)	1,094,496	(494,856)	1,322,865	2,825,324	-	-	-	-
Permanent funds……………….	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	2,564,886	2,564,529
Restricted…………………………….	-	-	-	-	-	-	21,726,183	20,110,956	18,293,846	21,958,212
Total all other governmental funds……	$ 14,942,492	$ 13,634,543	$ 19,023,642	$ 15,573,843	$ 18,188,938	$ 22,788,469	$ 24,234,064	$ 22,675,842	$ 20,858,732	$ 24,522,741

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

Changes in Fund Balances, Governmental Funds

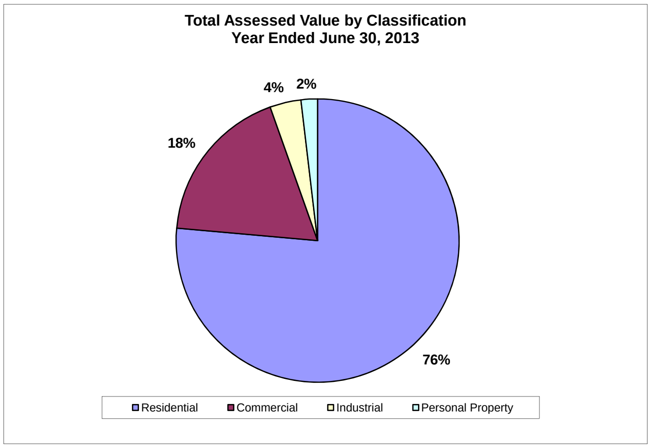
Last Ten Years

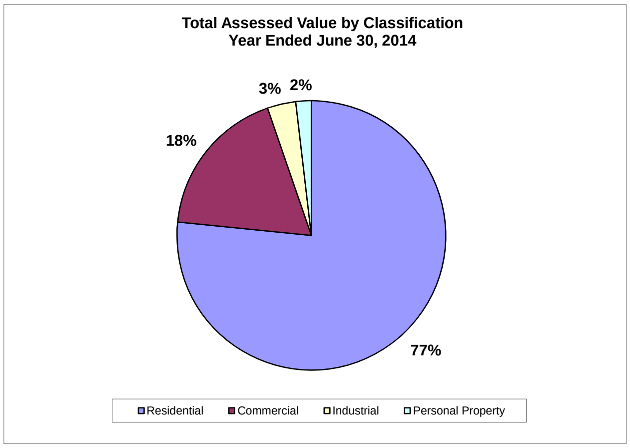
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Real estate, personal property taxes and tax liens,										
net of tax refunds……	$ 52,961,468	$ 55,158,554	$ 57,768,689	$ 59,497,459	$ 62,755,355	$ 65,496,774	$ 67,862,201	$ 69,729,818	$ 73,976,466	$ 75,918,774
Tax Liens……	52,311	231,598	172,271	63,809	76,974	57,843	81,120	77,774	45,681	407,348
Motor vehicle and other excise taxes……	4,685,843	4,281,453	4,201,636	4,611,877	4,165,414	3,985,784	4,306,011	4,081,969	4,962,622	5,259,928
Hotel/Motel tax……	759,466	868,033	854,486	735,915	768,355	745,319	718,452	784,781	1,141,705	1,324,541
Meals tax……	-	-	-	-	-	-	-	-	-	807,740
Penalties and interest on taxes……	230,204	458,484	310,116	332,155	297,882	345,208	417,749	371,394	381,757	475,877
Payments in lieu of taxes……	892,969	906,189	918,556	1,049,810	1,049,817	2,193,890	116,425	118,112	211,386	24,854
Intergovernmental……	25,198,861	25,775,357	28,812,244	30,601,263	34,012,768	35,740,583	38,999,975	41,528,233	39,456,201	42,450,485
Departmental and other……	7,689,484	7,563,960	9,027,969	10,250,943	10,450,639	7,761,742	7,788,136	8,085,761	8,208,065	8,268,293
Community preservation……	432,367	459,792	474,210	455,258	551,133	530,249	558,590	559,244	592,836	607,219
Affordable housing development fees……	-	-	-	-	-	1,800,000	-	-	-	-
Contributions……	231,500	367,149	768,016	366,096	1,071,110	640,918	364,569	453,433	932,928	530,070
Investment income……	1,165,574	1,263,802	2,460,899	369,561	(201,774)	995,846	1,325,987	153,004	319,712	384,831
Claims and judgments……	-	-	-	-	-	-	-	-	-	450,000
Miscellaneous……	207,040	323,687	301,176	514,828	91,623	69,100	49,524	17,564	42,380	38,310
Total Revenue……	94,507,087	97,658,058	106,070,268	108,848,974	115,089,296	120,363,256	122,588,739	125,961,087	130,271,739	136,948,270
Expenditures:										
General government……	3,056,052	3,623,271	3,859,688	4,018,166	4,287,338	5,603,583	4,349,148	5,298,068	4,575,307	4,057,574
Public safety……	12,990,781	13,751,123	14,157,997	15,134,523	14,323,808	14,560,325	15,180,496	17,182,357	17,446,204	17,556,255
Education……	45,611,005	50,871,069	50,932,438	54,203,401	54,471,474	57,170,086	60,004,947	64,003,984	63,450,712	66,876,797
Public works……	5,464,382	6,266,787	5,444,425	5,404,878	5,863,834	6,567,757	7,986,879	7,570,889	7,916,317	8,055,291
Sanitation services……	1,446,446	1,523,236	1,549,913	1,590,363	1,647,010	1,522,144	1,412,691	1,726,367	1,607,190	1,498,193
Community development……	148,258	568,182	376,126	1,799,290	14,977	41,392	76,049	643,366	325,972	247,083
Human services……	779,780	818,353	849,053	876,798	708,984	748,949	792,326	817,714	896,262	941,115
Culture and recreation……	2,437,864	2,508,150	2,892,558	2,863,866	2,447,161	2,544,523	2,626,796	2,883,715	3,219,004	2,952,668
Pension benefits-Town……	3,742,770	4,019,936	4,138,193	4,306,969	4,442,266	4,759,946	4,808,035	5,046,381	5,255,971	5,705,325
Pension benefits-School……	7,656,294	8,168,218	8,869,092	9,962,702	10,994,534	11,884,275	12,219,339	12,736,422	13,272,469	13,718,462
Property and liability insurance……	418,507	475,422	483,391	406,416	419,313	402,567	368,027	428,125	439,651	433,381
Employee benefits……	5,776,019	6,274,307	7,204,764	7,392,728	7,802,047	7,833,635	8,459,804	8,840,249	9,551,401	10,508,381
State and county charges……	2,741,801	3,100,048	3,534,187	3,593,911	3,798,662	4,158,266	3,883,609	3,571,252	3,567,251	3,636,782
Debt service										
Principal……	1,380,000	1,365,000	1,630,000	1,645,000	1,480,000	1,910,000	2,432,000	2,200,000	2,451,000	2,360,000
Interest……	351,740	413,209	354,814	445,990	351,879	524,464	590,897	686,619	752,290	740,756
Total Expenditures……	94,001,699	103,746,311	106,276,639	113,645,001	113,053,287	120,231,912	125,191,043	133,635,508	134,727,001	139,288,063
Excess of revenues over (under) expenditures……	505,388	(6,088,253)	(206,371)	(4,796,027)	2,036,009	131,344	(2,602,304)	(7,674,421)	(4,455,262)	(2,339,793)
Other Financing Sources (Uses)										
Issuance of long-term debt……	32,340	2,800,000	2,100,000	10,508,381	3,600,000	6,782,000	6,100,000	5,286,000	3,140,000	3,519,000
Premium from issuance of bonds and notes……	-	-	169,060	379,762	445,043	-	-	369,204	114,778	224,936
Issuance of refunding bonds……	-	-	1,055,000	-	-	-	-	-	-	-
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……	1,725,580	1,235,622	1,211,438	1,446,885	620,955	981,424	2,935,526	2,695,872	3,471,562	3,084,925
Transfers out……	(1,576,263)	(1,128,194)	(1,100,883)	(1,288,748)	(466,321)	(690,194)	(650,730)	(406,094)	(1,066,928)	(1,264,261)
Total other financing sources (uses)……	194,850	3,086,913	3,529,273	11,046,280	4,199,677	7,073,230	8,384,796	8,191,377	5,659,412	5,564,600
Net change in fund balance……	$ 700,238	$ (3,001,340)	$ 3,322,902	$ 6,250,253	$ 6,235,686	$ 7,204,574	$ 5,782,492	$ 516,956	$ 1,204,150	$ 3,224,807
Debt service as a percentage of noncapital expenditures……	1.93%	1.87%	1.97%	1.93%	1.65%	2.14%	2.55%	2.37%	2.51%	2.30%

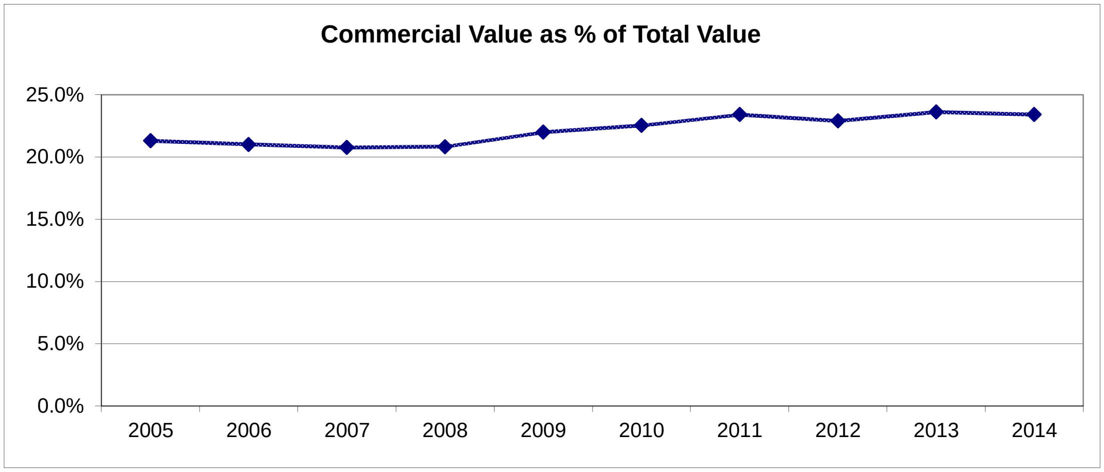
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Years

Year	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Total Commercial Value	Commercial Tax Rate	Personal Property	Personal Property Tax Rate	Total Direct Rate (1)	Total Town Value
	Assessed and Actual Values and Tax Rates									
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	$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	$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	$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
2013	$3,929,047,295	$11.11	$934,953,167	$182,850,700	$1,117,803,867	$25.44	$97,088,850	$25.31	$14.49	$5,143,940,012
2014	$3,983,279,285	$11.42	$942,124,005	$179,476,200	$1,121,600,205	$26.06	$96,048,240	$25.93	$14.85	$5,200,927,730







(1) 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 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

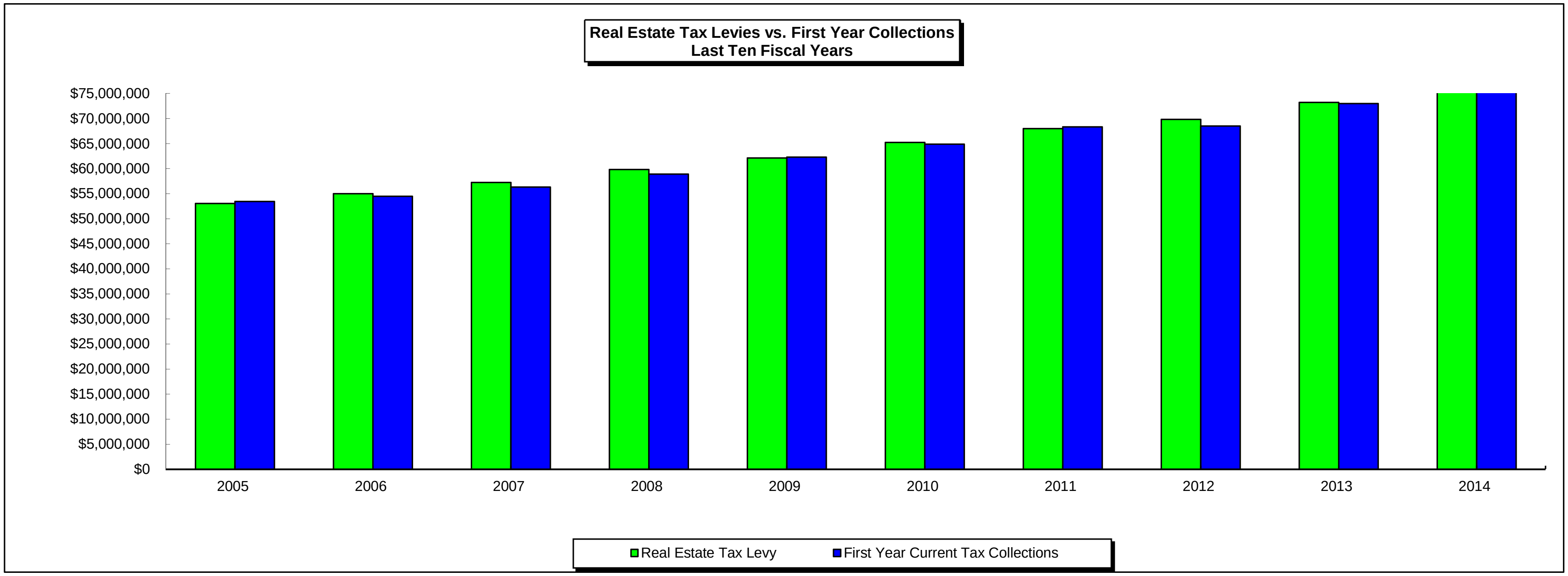
Name	Nature of Business	2014 Assessed Valuation	2014 Rank	2014 Percentage of Total Taxable Assessed Value	2005 Assessed Valuation	2005 Rank	2005 Percentage of Total Taxable Assessed Value
Braintree Property Associates	Malls	$ 252,064,808	1	4.85%	$ 189,770,400	1	3.91%
Messina, Francis X. (et al)	Developer/Real Estate	106,326,900	2	2.04%	66,167,900	3	1.36%
Braintree Hill Office Park, LLC	Office Park	58,202,600	3	1.12%	-		-
Lenox Farms LTD Partnership	Developer/Real Estate	56,129,900	4	1.08%	-		-
AMB Property LP	Retail Clothing	27,510,000	5	0.53%	37,546,300	4	0.77%
EQR-Lincoln Braintree LLC	Developer/Real Estate	27,480,000	6	0.53%	29,369,700	6	0.61%
Ridge at Blue Hills LTD Partnership	Developer/Real Estate	23,684,400	7	0.46%	-		-
WBF Braintree Equity Partnership LLC	Retail	23,564,700	8	0.45%	-		-
TRT Braintree LLC DCX	Malls	18,683,000	9	0.36%	-		-
Flatley, John (et al)	Real Estate	17,701,700	10	0.34%	68,181,100	2	1.41%
Flatley Family Trust	Developer/Real Estate	-		-	31,646,100	5	0.65%
The Flatley Company	Developer/Real Estate	-		-	18,924,900	7	0.39%
Federated Dept. Stores, Inc.	Retail	-		-	17,800,200	8	0.37%
Tedeschi Realty Corp	Mall	-		-	17,658,200	9	0.36%
Sheraton Braintree Hotel	Hotel	-		-	17,617,400	10	0.36%
	Totals	$ 611,348,008		11.75%	$ 494,682,200		10.20%

Source: Official Statements, Town of Braintree

Property Tax Levies and Collections

Last Ten Years

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 (1)
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%	$1,486,604	$66,369,429	101.77%
2011	$69,110,686	$1,100,000	$68,010,686	98.41%	$68,362,146	100.52%	$549,201	$68,911,347	101.32%
2012	$70,972,549	$1,123,064	$69,849,485	98.42%	$68,511,310	98.08%	$870,848	$69,382,158	99.33%
2013	$74,404,156	$1,152,260	$73,251,896	98.45%	$72,999,903	99.66%	$533,026	$73,532,929	100.38%
2014	$77,063,779	$1,094,569	$75,969,210	98.58%	$75,806,678	99.79%	$0	$75,806,678	99.79%



(1) 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 Years

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
2005	33,873	$	1,050,273,934	$	4,850,534,495	$	8,105,000	$	111,512	$	239	0.77%	0.17%
2006	33,681	$	1,086,093,568	$	5,568,213,625	$	9,540,000	$	205,430	$	283	0.88%	0.17%
2007	34,185	$	1,146,439,624	$	5,605,124,805	$	10,065,000	$	490,892	$	294	0.88%	0.18%
2008	34,422	$	1,200,563,244	$	5,603,463,489	$	8,420,000	$	350,640	$	245	0.70%	0.15%
2009	35,294	$	1,280,215,743	$	5,537,329,189	$	10,540,000	$	244,817	$	299	0.82%	0.19%
2010	35,296	$	1,312,199,392	$	5,359,518,266	$	15,412,000	$	167,410	$	437	1.17%	0.29%
2011	35,744	$	1,382,008,876	$	5,220,854,188	$	19,080,000	$	85,878	$	534	1.38%	0.37%
2012	35,981	$	1,446,817,954	$	5,278,531,923	$	22,512,979	$	212,592	$	626	1.56%	0.43%
2013	35,744	$	1,446,817,954	$	5,143,940,012	$	23,155,799	$	149,204	$	648	1.60%	0.45%
2014	36,218	$	1,514,600,544	$	5,200,927,730	$	24,272,037	$	89,968	$	670	1.60%	0.47%

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
2005	$	15,258,315	$	186,586	$	23,363,315	$	684	2.21%	0.48%
2006	$	18,399,241	$	135,017	$	27,939,241	$	826	2.56%	0.50%
2007	$	18,094,073	$	78,457	$	28,159,073	$	821	2.45%	0.50%
2008	$	16,213,906	$	16,425	$	24,633,906	$	715	2.05%	0.44%
2009	$	24,030,740	$	-	$	34,570,740	$	980	2.70%	0.62%
2010	$	140,062,687	$	103,418	$	155,474,687	$	4,402	11.84%	2.90%
2011	$	143,224,964	$	273,680	$	162,304,964	$	4,533	11.72%	3.10%
2012	$	131,668,293	$	549,628	$	154,181,272	$	4,270	10.62%	2.91%
2013	$	127,395,741	$	542,670	$	150,551,540	$	4,197	10.37%	2.92%
2014	$	122,093,961	$	485,394	$	146,365,998	$	4,028	9.63%	2.80%

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2014

Town of Braintree, Massachusetts	Debt Outstanding	Percentage Applicable (1)	Estimated Share of Overlapping Debt	Current Year Assessment for Operations and Debt Service
Norfolk County	$ 12,625,000	5.36%	$ 677,079	$ 265,182
Town debt			24,272,037	
Town capital leases			89,968	
Total Town direct debt			24,362,005	
Total direct and overlapping debt			$ 25,039,084	

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 the 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.

(1) County expenses, including debt service, are assessed upon the towns within the county in proportion to their taxable valuation.

Computation of Legal Debt Margin

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equalized Valuation	$ 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	$ 5,627,043,400	$ 5,627,043,400	$ 5,566,017,100
Debt Limit - 5% of Equalized Valuation	$ 244,718,605	$ 293,932,510	$ 293,932,510	$ 305,160,305	$ 305,160,305	$ 290,170,925	$ 290,170,925	$ 281,352,170	$ 281,352,170	$ 278,300,855
Less:										
Outstanding debt applicable to limit	8,105,000	9,540,000	10,065,000	11,911,000	129,166,500	122,688,000	119,186,500	115,619,000	111,805,000	107,493,000
Authorized and unissued debt	13,931,485	101,272,800	106,696,485	121,696,485	5,609,485	4,017,485	7,254,622	10,452,483	12,394,683	12,391,200
Legal debt margin	$ 222,682,120	$ 183,119,710	$ 177,171,025	$ 171,552,820	$ 170,384,320	$ 163,465,440	$ 163,729,803	$ 155,280,687	$ 157,152,487	$ 158,416,655
Total debt applicable to the limit as a percentage of the limit	9.00%	37.70%	39.72%	43.78%	44.17%	43.67%	43.57%	44.81%	44.14%	43.08%

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

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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	6.00%
2013	35,744	$ 1,437,289,231	$ 40,211	40	5,678	5.60%
2014	36,218	$ 1,514,600,544	$ 41,819	40	5,734	5.40%

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

		2014			2005		
Employer	**Nature of Business**	**Employees**	**Rank**	**Percentage of Total Town Employment**	**Employees**	**Rank**	**Percentage of Total Town Employment**
United Liquors	Distributor	767	1	2.92%	-		-
Health South/Braintree Rehab	Rehabilitation Hospital	750	2	2.85%	900	2	4.79%
Haemonetics	Biomedical	720	3	2.74%	450	6	2.39%
ING	Financial Services	568	4	2.16%	-		-
Verizon	Utility	400	5	1.52%	-		-
Sears	Retail	363	6	1.38%	300	8	1.60%
Mass State Lottery	State Agency	300	7	1.14%	-		-
Symmons Industries	Plumbing Manufacturer	290	8	1.10%	300	9	1.60%
Nordstrom	Retail	250	9	0.95%	-		-
Daniel Quirk	Auto Dealership	210	10	0.80%	-		-
Boston Financial Data Services	Account Services	-		-	1,200	1	6.39%
NYNEX	Utility	-		-	640	3	3.41%
Filene's	Retail	-		-	600	4	3.19%
South Shore VNA	Visiting Nurses Association	-		-	476	5	2.53%
Harvard/Pilgrim Health Care	Health Care	-		-	300	7	1.60%
Macy's	Retail	-		-	260	10	1.38%
		3,851		14.64%	5,166		27.49%

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

Full-time Equivalent Town Employees by Function

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function:										
General government……………	52	55	55	47	45	38	41	42	43	43
Police………………………………	84	91	94	91	84	82	81	83	90	96
Fire…………………………………	85	89	90	92	88	87	87	86	83	86
Education…………………………	626	639	652	666	674	648	675	689	714	736
Public works……………………	47	50	46	44	48	43	39	39	38	40
Human services…………………	11	11	11	13	10	10	11	11	12	12
Culture and recreation…………	19	19	18	19	20	19	19	19	20	19
Water & Sewer …………………	26	29	27	29	23	21	23	23	24	23
Golf………………………………	9	10	10	10	9	9	9	9	9	8
Electric Light ……………………	110	111	111	107	111	111	110	110	110	101
Total ……………………………	1,069	1,103	1,113	1,117	1,111	1,067	1,094	1,110	1,143	1,164

Source: Town personnel records and various Town departments.

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Population	32,760	32,669	32,474	32,434	32,931	35,744	35,744	35,744	35,744	35,744
Registered voters, annual town election	7,229	6,254	9,541	N/A	6,178	N/A	7,500	N/A	N/A	N/A
Town Clerk										
Births	364	397	413	371	412	365	380	411	407	410
Marriages	177	173	198	145	189	197	213	234	193	211
Deaths	554	473	471	480	440	465	465	469	500	478
Police										
Accidents covered by an officer	1,320	1,213	1,302	1,199	1,152	1,247	1,177	287	481	1,611
Citations issued	6,594	12,052	9,957	5,786	3,833	3,849	2,722	1,304	3,737	4,311
Arrests	935	1,206	1,107	1,085	813	766	754	262	835	985
Larcenies	933	915	917	881	802	662	615	245	511	1,167
Fire										
Fires	141	101	143	102	84	116	92	94	64	132
Emergency medical service	2,301	2,564	2,620	2,850	3,085	3,107	2,725	1,786	2,629	2,558
False alarm	771	796	839	855	761	676	759	493	773	857
Other responses	1,418	1,262	1,315	983	1,046	1,150	1,196	948	1,422	1,456
Hazmat responses	465	429	417	363	336	281	360	207	351	258
Building Department										
Residential building permits issued	938	1,082	998	897	891	950	979	976	850	926
Non-Residential building permits issued	264	230	268	315	301	324	295	361	403	399
Education										
Public school enrollment	5,252	5,229	5,325	5,443	5,441	5,557	5,565	5,601	5,678	5,734
Public Works										
Cemetery										
Lots sold	N/A	N/A	N/A	N/A	N/A	N/A	25	15	28	23
Water										
Service connections	N/A	N/A	N/A	N/A	N/A	N/A	11,497	11,500	11,492	11,454
Consumption in billions of gallons	1,367	1,428	1,585	1,542	1,421	1,374	1,371	N/A	1,285	1,166
Daily consumption in millions of gallons	3.7	4.0	4.2	3.7	3.6	3.8	3.7	N/A	4.7	3.5
Sewer										
Service connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11,500	11,423	11,417
Daily average collection (MGD)	N/A	N/A	N/A	N/A	6.61	6.97	6.52	6.89	6.66	6.81
Highway										
Miles of public road	127.2	127.2	129.0	129.0	129.0	129.0	129.0	129.0	130.0	130.0
Human Services										
Board of Health										
Inspections	1,473	1,478	1,531	1,324	1,257	1,151	1,338	1,321	1,263	1,139
Council on Aging										
Home delivered meals	1,095	825	1,213	634	1,220	616	N/A	N/A	N/A	N/A
Transportation	3,187	3,298	3,459	3,595	3,783	3,917	3,763	4,121	5,280	5,295
Volunteer service hours	6,883	7,164	10,182	10,431	9,322	7,252	6,583	6,029	5,214	4,423
Fitness/exercise program participants	2,456	2,567	2,980	3,343	3,396	3,588	3,673	3,734	3,420	4,298
Recreation/social event participants	7,018	7,496	7,342	7,444	8,182	7,739	8,242	9,221	8,200	8,172
Libraries										
Volumes in collection	122,976	125,300	123,920	151,406	154,966	157,057	157,764	125,145	131,000	140,213
Circulation	270,668	280,937	198,710	306,081	320,510	350,966	384,947	379,752	293,733	384,109
Program attendance	6,863	6,564	5,892	6,473	7,881	7,605	10,279	11,011	9,421	9,695

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

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Number of buildings……………………	4	4	4	4	4	8	8	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……….	6	6	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…………….	5	5	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	4	4	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

Watson Park and Splash Pad