

# **TOWN OF BRAINTREE, MASSACHUSETTS COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**FOR THE YEAR ENDED JUNE 30, 2015**

On the Cover: Town Hall pictured from the Veteran's Memorial Mall.



Civil War Memorial on the Veteran's Memorial Mall with Town Hall in the background.

**The Town of  
Braintree, Massachusetts**



**Comprehensive  
Annual Financial Report**

**For the Year Ended  
June 30, 2015**

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

TOWN OF BRAINTREE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2015

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# ***Introductory Section***



Old Oak Tree on Washington Park Road.

# ***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 18, 2015

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, 2015.

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, 2015, 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, 2015, 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, 2015, 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 FY15 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.

## **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, 2014. This was the third time that the Town submitted a CAFR to the GFOA. The Town was awarded this Certificate in all three 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.

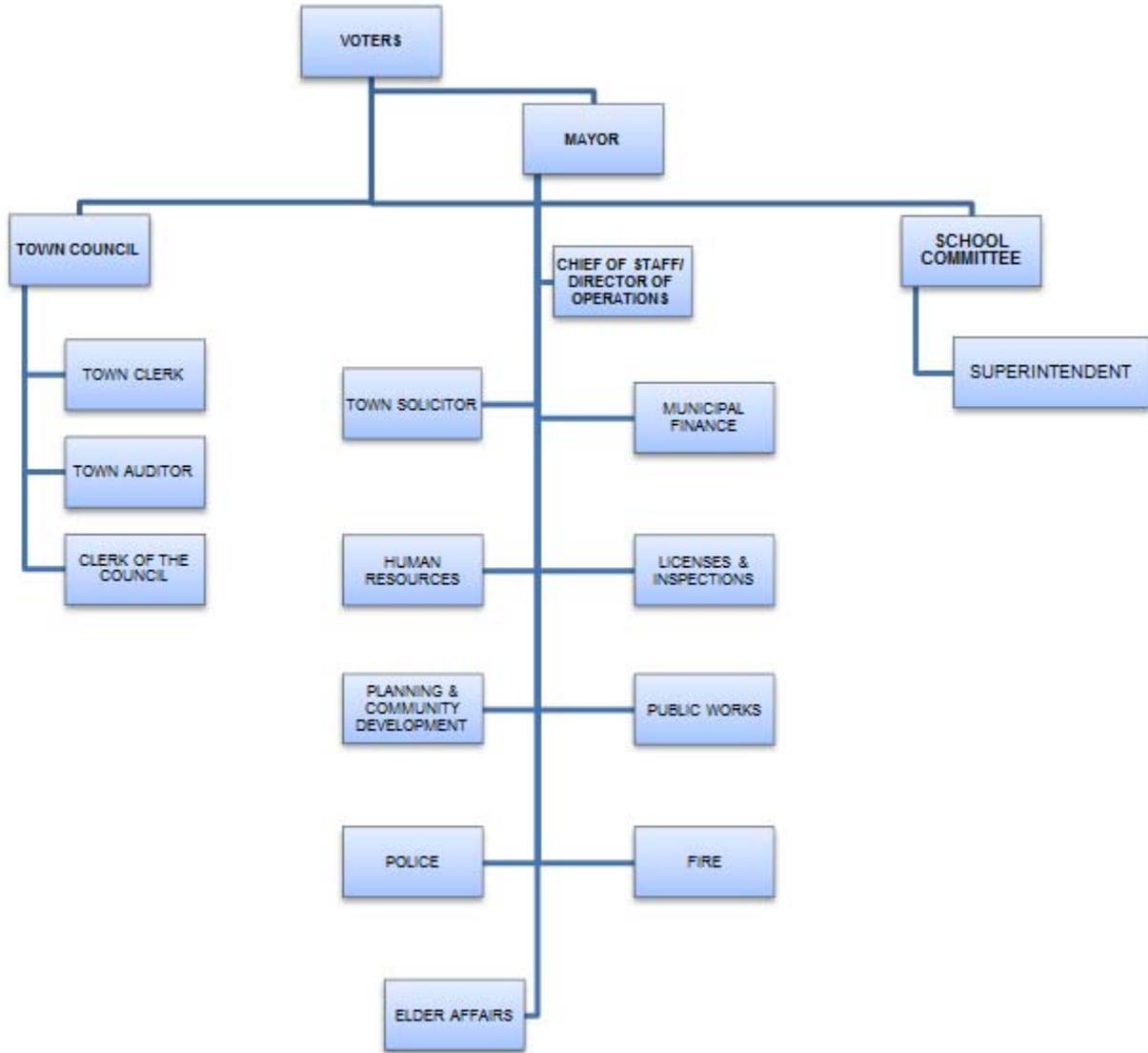
This report represents significant effort by the entire financial team of the Town, whose dedicated efforts have significantly improved the financial operations of the Town. We would like to express our appreciation to the members of all the departments who assisted and contributed to the preparation 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,

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

Edward J. Spellman, Jr.  
Director of Municipal Finance

# Town of Braintree Organizational Chart



## Principal Town Officials

Elected Officials		Term Expires	
Mayor	Joseph C. Sullivan	2016	
Town Council	<u>Councilors-at-Large</u>		
	Charles B. Ryan	2016	
	Shannon Hume	2016	
	Sean E. Powers, Vice President	2016	
	<u>District Councilors</u>		
	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.
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	Edward Cronin



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, 2014**

Executive Director/CEO

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# ***Financial Section***



Thayer Public Library – the Town Library located on Washington Street.

# ***Financial Section***

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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, 2015 (except for the Braintree Contributory Retirement System which is as of and for the year ended December 31, 2014), 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, 2014, which is both a major fund and 74%, 66%, 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, 2015 (except for the Braintree Contributory Retirement System and the Braintree Electric Light Department which are as of and for the year ended December 31, 2014), 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 18, 2015, 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.

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

December 18, 2015

# ***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, 2015. 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 liabilities exceeded assets and deferred outflows for governmental activities by \$17.1 million. Key components of the Town’s activities are presented below.

**Governmental Activities**

	2015	2014 (As Revised)
<b>Assets:</b>		
Current assets.....	\$ 65,256,606	\$ 64,909,602
Capital assets, non depreciable.....	17,979,855	17,520,757
Capital assets, net of accumulated depreciation.....	<u>61,869,232</u>	<u>59,578,362</u>
<b>Total assets.....</b>	<b><u>145,105,693</u></b>	<b><u>142,008,721</u></b>
<b>Deferred outflows of resources.....</b>	<b>1,891,142</b>	<b>-</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	13,905,118	12,367,568
Noncurrent liabilities (excluding debt).....	125,512,817	114,691,631
Current debt.....	2,888,898	2,731,991
Noncurrent debt.....	<u>21,808,695</u>	<u>21,630,014</u>
<b>Total liabilities.....</b>	<b><u>164,115,528</u></b>	<b><u>151,421,204</u></b>
<b>Net position:</b>		
Net investment in capital assets.....	57,366,463	56,111,895
Restricted.....	22,222,634	21,298,935
Unrestricted.....	<u>(96,707,790)</u>	<u>(86,823,313)</u>
<b>Total net position.....</b>	<b><u>\$ (17,118,693)</u></b>	<b><u>\$ (9,412,483)</u></b>

Net investment in capital assets of \$57.4 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, \$22.2 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* resulting in a deficit of \$96.7 million. The deficit is the result of the implementation of GASB #68 and #71 which required the Town to record its net pension liability of \$55.7 million for the first time this year along with the other postemployment benefits liability of \$67.4 million.

	2015	2014 (As Revised)
<b>Program Revenues:</b>		
Charges for services.....	\$ 8,251,084	\$ 7,878,989
Operating grants and contributions.....	30,278,006	35,660,762
Capital grants and contributions.....	831,972	662,210
<b>General Revenues:</b>		
Real estate and personal property taxes.....	79,271,011	76,783,315
Motor vehicle and other excise taxes.....	5,678,581	5,087,519
Hotel/motel tax.....	1,491,419	1,324,541
Meals tax.....	1,017,863	807,740
Nonrestricted grants.....	5,224,867	5,434,532
Unrestricted investment income.....	195,103	216,968
Other revenues.....	1,904,002	1,146,267
<b>Total revenues.....</b>	<b>134,143,908</b>	<b>135,002,843</b>
<b>Expenses:</b>		
General government.....	7,100,754	6,286,240
Public safety.....	26,710,830	24,515,683
Education.....	92,481,566	96,438,899
Public works.....	9,686,905	8,158,789
Sanitation.....	1,504,795	1,504,893
Community preservation.....	642,312	187,852
Human services.....	1,439,972	1,228,698
Culture and recreation.....	3,857,160	3,638,147
Interest.....	486,438	471,412
<b>Total expenses.....</b>	<b>143,910,732</b>	<b>142,430,613</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>(9,766,824)</b>	<b>(7,427,770)</b>
<b>Transfers.....</b>	<b>2,060,614</b>	<b>1,820,664</b>
<b>Change in net position.....</b>	<b>(7,706,210)</b>	<b>(5,607,106)</b>
<b>Net position beginning of the year, as revised.....</b>	<b>(9,412,483)</b>	<b>(3,805,377)</b>
<b>Net position - ending.....</b>	<b>\$ (17,118,693)</b>	<b>\$ (9,412,483)</b>

The beginning net position of governmental activities has been revised to reflect the implementation of GASB Statements #68 and #71. To reflect this change, the Town has recorded a net pension liability and a deferred outflow of resources, which has resulted in the June 30, 2014 balance of the governmental activities to be revised by \$54,298,160. Previously reported net position of \$44,885,677 has been revised to a deficit balance of \$9,412,483.

The governmental net position decreased by \$7.7 million during the current year as compared to a \$5.6 million decrease in the prior year. The decrease in net position is mainly attributable to the recording of an additional \$8.8 million in other postemployment benefit expenses. Total operating grants decreased due to the Massachusetts Teachers Retirement System's implementation of GASB #68 and #71 which decreased the revenue and corresponding expense by \$7.1 million. The Town saw increases in real estate and personal property taxes of \$2.5 million and an increase in motor vehicle and other excise of \$591,000. Expenses increased

approximately 1% 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 decreased the Town's net position by \$82,000 compared to an increase of \$3 million in the prior year. The results of operations for the business-type activities are discussed in the following paragraphs and tables.

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 and deferred outflows of resources exceeded liabilities by \$31.2 million at the close of 2015. Net investment in capital assets was \$27.9 million (89%) while unrestricted net position was \$3.3 million (11%). There was an increase of \$1.6 million in net position compared to an increase of \$795,000 in the prior year. This increase was partly from a \$788,000 grant received from the Massachusetts Water Resource Authority (MWRA) and from an increase in the water rates.

Golf Course business-type activities assets and deferred outflows of resources were less than liabilities by \$640,000 at the close of 2015. Net investment in capital assets was \$839,000 while unrestricted net position was in a deficit in the amount of \$1.5 million. There was a decrease of \$57,000 in net position compared to a decrease of \$42,000 in the prior year.

Electric business-type activities assets exceeded liabilities and deferred inflows of resources by \$60 million at December 31, 2014. Net investment in capital assets was \$47.7 million (80%), while restricted net position was \$5.4 million (9%) and unrestricted net position was \$7.0 million (11%). There was a decrease of \$1.6 million in net position compared to an increase of \$2.2 million in the prior year.

**Business-Type Activities**

	2015	2014 (As Revised)
<b>Assets:</b>		
Current assets.....	\$ 44,629,562	\$ 46,481,614
Noncurrent assets (excluding capital).....	2,314,343	988,046
Capital assets, non depreciable.....	2,770,074	2,498,618
Capital assets, net of accumulated depreciation.....	<u>187,293,448</u>	<u>191,986,857</u>
<b>Total assets.....</b>	<b><u>237,007,427</u></b>	<b><u>241,955,135</u></b>
<b>Deferred outflows of resources.....</b>	<b>955,083</b>	-
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	7,281,088	9,467,558
Non-current liabilities (excluding debt).....	12,885,464	11,252,227
Current debt.....	8,752,416	8,116,918
Noncurrent debt.....	<u>109,881,763</u>	<u>114,462,437</u>
<b>Total liabilities.....</b>	<b><u>138,800,731</u></b>	<b><u>143,299,140</u></b>
<b>Deferred inflows of resources.....</b>	<b>8,564,074</b>	<b>7,975,952</b>
<b>Net Position:</b>		
Net investment in capital assets.....	76,442,398	76,307,554
Restricted.....	5,353,621	3,732,114
Unrestricted.....	<u>8,801,686</u>	<u>10,640,375</u>
<b>Total net position.....</b>	<b><u>\$ 90,597,705</u></b>	<b><u>\$ 90,680,043</u></b>

	2015	2014 (As Revised)
<b>Program Revenues:</b>		
Charges for services.....	\$ 90,897,119	\$ 88,051,365
Capital grants and contributions.....	787,500	-
<b>General Revenues:</b>		
Unrestricted investment income.....	80,939	74,085
<b>Total revenues.....</b>	<b>91,765,558</b>	<b>88,125,450</b>
<b>Expenses:</b>		
Water and sewer.....	14,834,145	13,732,799
Golf Course.....	1,491,676	1,576,338
Electric Light.....	73,461,461	68,036,931
<b>Total expenses.....</b>	<b>89,787,282</b>	<b>83,346,068</b>
<b>Excess before transfers.....</b>	<b>1,978,276</b>	<b>4,779,382</b>
<b>Transfers.....</b>	<b>(2,060,614)</b>	<b>(1,820,664)</b>
<b>Change in net position.....</b>	<b>(82,338)</b>	<b>2,958,718</b>
<b>Net position beginning of the year, as revised.....</b>	<b>90,680,043</b>	<b>87,721,325</b>
<b>Net position - ending.....</b>	<b>\$ 90,597,705</b>	<b>\$ 90,680,043</b>

The beginning net position of business-type activities has been revised to reflect the implementation of GASB Statements #68 and #71. To reflect this change, the Town has recorded a net pension liability and a deferred outflow of resources, which has resulted in the June 30, 2014 balance of the business-type activities to be revised by \$3,934,101. Previously reported net position of \$94,614,144 has been revised to \$90,680,043. The Braintree Electric Light Department has a calendar year-end and the implementation of these GASB statements will not occur until their next year-end of December 31, 2015.

### ***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 \$43.3 million, which represents a decrease of \$755,000 from the prior year. The general fund decreased by \$529,000 and the nonmajor funds decreased by \$226,000.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$16.3 million, while total fund balance was \$19 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% of total general fund expenditures, while total fund balance represents 15.2% of that same amount.

General fund revenues decreased by \$1.1 million or approximately 1% over the previous year. This decrease came mainly from intergovernmental revenue which recognized the Massachusetts Teachers' Retirement System's (MTRS) implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, offset with an increase in real estate taxes. Expenditures decreased by \$98,000 or approximately 0.1%. Virtually all expenditures increased with the exception of pension benefits – teachers which decreased due to the MTRS on-behalf payments. The expenditures with major increases were education, public works and public safety. The net change in fund balance for the year was a decrease of \$529,000, which compared to a decrease in the prior year of \$439,000.

**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 2015, the Town Council also approved supplemental appropriations totaling approximately \$5.4 million. These supplemental appropriations mainly consisted of \$762,000 appropriated for fire suppression, \$624,000 for the police patrol bureau, \$457,000 appropriated for education, and \$2.4 million 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 \$3 million or 2.6%. The largest areas of surplus was unbudgeted tax liens of \$1.1 million and real estate and personal property taxes of \$651,000 due to revenue coming in higher than the Town's conservative budget estimates.

Actual expenditures and encumbrances came in \$2.2 million less than budgeted. All departments realized budgetary savings.

### ***Capital Asset and Debt Administration***

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

During 2015, the Town expended \$6.2 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 \$5.0 million during 2015. This consisted mainly of \$2.7 million in the electric light plant and \$2.3 million for water mains in the water and sewer fund.

Outstanding long-term debt of the governmental activities, as of June 30, 2015, totaled \$24.5 million, of which \$11.3 million is related to public building construction, \$8.6 million relates to road construction, \$1.4 million relates to land acquisition, and \$3.2 million relates to other projects.

The enterprise fund has \$23 million in water and sewer enterprise debt and \$88.4 million in Electric Light debt that is fully supported by the rates and do not rely on a general fund subsidy.

During 2015, the Town issued long-term bonds in the amounts of \$4.9 million for governmental funds of which \$1.7 million were refunding bonds. Water and sewer enterprise fund issued \$8.9 million in long term bonds in which \$963,000 were MWRA bonds and \$5.9 million were refunding bonds.

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***

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**STATEMENT OF NET POSITION**

JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 51,117,580	\$ 25,248,665	\$ 76,366,245
Investments.....	6,803,998	-	6,803,998
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,174,734	-	1,174,734
Tax liens.....	1,374,320	33,532	1,407,852
Motor vehicle and other excise taxes.....	715,546	-	715,546
User fees.....	-	10,773,882	10,773,882
Departmental and other.....	1,003,241	874,213	1,877,454
Intergovernmental.....	2,296,906	-	2,296,906
Tax foreclosures.....	78,281	-	78,281
Inventory.....	-	5,103,389	5,103,389
Working capital deposit.....	692,000	-	692,000
Prepaid expenses.....	-	447,801	447,801
Purchased power advanced deposits.....	-	2,148,080	2,148,080
Total current assets.....	<u>65,256,606</u>	<u>44,629,562</u>	<u>109,886,168</u>
<b>NONCURRENT:</b>			
Investment in Energy New England.....	-	899,349	899,349
Other assets.....	-	1,414,994	1,414,994
Capital assets, non depreciable.....	17,979,855	2,770,074	20,749,929
Capital assets, net of accumulated depreciation.....	<u>61,869,232</u>	<u>187,293,448</u>	<u>249,162,680</u>
Total noncurrent assets.....	<u>79,849,087</u>	<u>192,377,865</u>	<u>272,226,952</u>
TOTAL ASSETS.....	<u>145,105,693</u>	<u>237,007,427</u>	<u>382,113,120</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding.....	-	818,063	818,063
Deferred outflows related to pensions.....	1,891,142	137,020	2,028,162
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>1,891,142</u>	<u>955,083</u>	<u>2,846,225</u>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	1,970,646	4,598,918	6,569,564
Accrued liabilities.....	-	668,708	668,708
Accrued payroll.....	6,536,920	47,689	6,584,609
Health claims payable.....	1,030,000	-	1,030,000
Tax refunds payable.....	881,000	-	881,000
Accrued interest.....	107,464	131,240	238,704
Participant advances and reserves.....	-	1,256,207	1,256,207
Other liabilities.....	6,325	-	6,325
Fees collected in advance.....	909,607	151,881	1,061,488
Capital lease obligations.....	-	191,439	191,439
Compensated absences.....	2,271,156	426,445	2,697,601
Workers' compensation.....	192,000	-	192,000
Bonds payable.....	2,888,898	8,560,977	11,449,875
Total current liabilities.....	<u>16,794,016</u>	<u>16,033,504</u>	<u>32,827,520</u>
<b>NONCURRENT:</b>			
Capital lease obligations.....	-	105,519	105,519
Customer deposits payable.....	-	655,717	655,717
Compensated absences.....	2,299,893	194,139	2,494,032
Workers' compensation.....	48,167	80,923	129,090
Fees collected in advance.....	-	763,741	763,741
Net pension liability.....	55,738,749	4,038,477	59,777,226
Other postemployment benefits.....	67,426,008	7,152,467	74,578,475
Bonds payable.....	21,808,695	109,776,244	131,584,939
Total noncurrent liabilities.....	<u>147,321,512</u>	<u>122,767,227</u>	<u>270,088,739</u>
TOTAL LIABILITIES.....	<u>164,115,528</u>	<u>138,800,731</u>	<u>302,916,259</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Rate Stabilization Reserve.....	-	8,564,074	8,564,074
<b>NET POSITION</b>			
Net investment in capital assets.....	57,366,463	76,442,398	133,808,861
Restricted for:			
Depreciation.....	-	5,353,621	5,353,621
Permanent funds:			
Expendable.....	7,455,421	-	7,455,421
Nonexpendable.....	2,564,529	-	2,564,529
Grants and gifts.....	6,353,902	-	6,353,902
Community preservation.....	5,848,782	-	5,848,782
Unrestricted.....	<u>(96,707,790)</u>	<u>8,801,686</u>	<u>(87,906,104)</u>
TOTAL NET POSITION.....	<u>\$ (17,118,693)</u>	<u>\$ 90,597,705</u>	<u>\$ 73,479,012</u>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 7,100,754	\$ 924,180	\$ 947,754	\$ -	\$ (5,228,820)
Public safety.....	26,710,830	2,510,631	244,997	-	(23,955,202)
Education.....	92,481,566	2,094,328	28,169,664	-	(62,217,574)
Public works.....	9,686,905	897,304	353,167	648,980	(7,787,454)
Sanitation.....	1,504,795	1,394,047	-	-	(110,748)
Community preservation.....	642,312	-	-	182,992	(459,320)
Human services.....	1,439,972	47,689	501,914	-	(890,369)
Culture and recreation.....	3,857,160	382,905	60,510	-	(3,413,745)
Interest.....	486,438	-	-	-	(486,438)
<b>Total Governmental Activities.....</b>	<b>143,910,732</b>	<b>8,251,084</b>	<b>30,278,006</b>	<b>831,972</b>	<b>(104,549,670)</b>
<i>Business-Type Activities:</i>					
Water and Sewer.....	14,834,145	16,117,460	-	787,500	2,070,815
Golf course.....	1,491,676	1,505,920	-	-	14,244
Electric light.....	73,461,461	73,273,739	-	-	(187,722)
<b>Total Business-Type Activities.....</b>	<b>89,787,282</b>	<b>90,897,119</b>	<b>-</b>	<b>787,500</b>	<b>1,897,337</b>
<b>Total Primary Government.....</b>	<b>\$ 233,698,014</b>	<b>\$ 99,148,203</b>	<b>\$ 30,278,006</b>	<b>\$ 1,619,472</b>	<b>\$ (102,652,333)</b>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page.....	\$ <b>(104,549,670)</b>	\$ <b>1,897,337</b>	\$ <b>(102,652,333)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	79,271,011	-	79,271,011
Motor vehicle and other excise taxes.....	5,678,581	-	5,678,581
Hotel/motel tax.....	1,491,419	-	1,491,419
Meals tax.....	1,017,863	-	1,017,863
Community preservation tax.....	661,315	-	661,315
Penalties and interest on taxes.....	522,767	-	522,767
Payments in lieu of taxes.....	693,850	-	693,850
Grants and contributions not restricted to specific programs.....	5,224,867	-	5,224,867
Unrestricted investment income.....	195,103	80,939	276,042
Miscellaneous.....	26,070	-	26,070
<i>Transfers, net</i> .....	2,060,614	(2,060,614)	-
Total general revenues and transfers.....	96,843,460	(1,979,675)	94,863,785
Change in net position.....	(7,706,210)	(82,338)	(7,788,548)
<i>Net position:</i>			
Beginning of year, as revised.....	(9,412,483)	90,680,043	81,267,560
End of year.....	\$ <b>(17,118,693)</b>	\$ <b>90,597,705</b>	\$ <b>73,479,012</b>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2015

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 27,318,169	\$ 18,349,287	\$ 45,667,456
Investments.....	226,128	6,577,870	6,803,998
Receivables, net of uncollectibles:			
Real estate and personal property taxes.....	1,174,734	-	1,174,734
Tax liens.....	1,374,320	-	1,374,320
Motor vehicle and other excise taxes.....	715,546	-	715,546
Departmental and other.....	44,156	10,114	54,270
Intergovernmental.....	240,329	2,056,577	2,296,906
Tax foreclosures.....	78,281	-	78,281
Due from other funds.....	441,475	-	441,475
<b>TOTAL ASSETS.....</b>	<b>\$ 31,613,138</b>	<b>\$ 26,993,848</b>	<b>\$ 58,606,986</b>
<b>LIABILITIES</b>			
Warrants payable.....	\$ 1,143,182	\$ 643,523	\$ 1,786,705
Accrued payroll.....	6,469,547	67,373	6,536,920
Tax refunds payable.....	881,000	-	881,000
Due to other funds.....	-	441,475	441,475
Other liabilities.....	6,325	-	6,325
Fees collected in advance.....	909,607	-	909,607
<b>TOTAL LIABILITIES.....</b>	<b>9,409,661</b>	<b>1,152,371</b>	<b>10,562,032</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues.....	3,162,264	1,544,987	4,707,251
<b>FUND BALANCES</b>			
Nonspendable.....	-	2,564,529	2,564,529
Restricted.....	-	21,731,961	21,731,961
Committed.....	2,103,635	-	2,103,635
Assigned.....	666,097	-	666,097
Unassigned.....	16,271,481	-	16,271,481
<b>TOTAL FUND BALANCES.....</b>	<b>19,041,213</b>	<b>24,296,490</b>	<b>43,337,703</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 31,613,138</b>	<b>\$ 26,993,848</b>	<b>\$ 58,606,986</b>

See notes to basic financial statements.

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

JUNE 30, 2015

Total governmental fund balances.....	\$	43,337,703
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		79,849,087
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		4,707,251
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions.....		1,891,142
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.....		5,877,154
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(107,464)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(24,697,593)	
Net pension liability.....	(55,738,749)	
Other postemployment benefits.....	(67,426,008)	
Workers' compensation.....	(240,167)	
Compensated absences.....	(4,571,049)	
Net effect of reporting long-term liabilities.....		(152,673,566)
Net position of governmental activities.....	\$	<u>(17,118,693)</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Real estate and personal property taxes, net of tax refunds.....	\$ 79,073,666	\$ -	\$ 79,073,666
Tax liens.....	1,098,862	1,963	1,100,825
Motor vehicle and other excise taxes.....	5,609,682	-	5,609,682
Hotel/motel tax.....	1,491,419	-	1,491,419
Meals tax.....	1,017,863	-	1,017,863
Penalties and interest on taxes.....	522,767	-	522,767
Payments in lieu of taxes.....	693,850	-	693,850
Intergovernmental.....	27,647,574	7,695,199	35,342,773
Departmental and other.....	5,273,477	3,224,077	8,497,554
Community preservation.....	-	659,352	659,352
Contributions.....	-	643,529	643,529
Investment income.....	197,984	102,345	300,329
Miscellaneous.....	-	26,070	26,070
<b>TOTAL REVENUES.....</b>	<b>122,627,144</b>	<b>12,352,535</b>	<b>134,979,679</b>
<b>EXPENDITURES:</b>			
Current:			
General government.....	3,848,648	1,170,820	5,019,468
Public safety.....	18,565,202	657,935	19,223,137
Education.....	60,059,965	8,927,146	68,987,111
Public works.....	6,805,580	3,616,295	10,421,875
Sanitation.....	1,487,659	-	1,487,659
Community development.....	-	894,362	894,362
Human services.....	904,706	159,878	1,064,584
Culture and recreation.....	2,482,492	682,830	3,165,322
Pension benefits-Town.....	5,793,428	-	5,793,428
Pension benefits-Teachers.....	6,597,576	-	6,597,576
Property and liability insurance.....	438,383	-	438,383
Employee benefits.....	10,925,437	-	10,925,437
State and county charges.....	3,722,290	-	3,722,290
Debt service:			
Principal.....	2,698,134	-	2,698,134
Interest.....	787,457	-	787,457
<b>TOTAL EXPENDITURES.....</b>	<b>125,116,957</b>	<b>16,109,266</b>	<b>141,226,223</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(2,489,813)</b>	<b>(3,756,731)</b>	<b>(6,246,544)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of long-term debt.....	-	3,259,000	3,259,000
Issuance of refunding bonds.....	1,680,000	-	1,680,000
Premium from issuance of bonds.....	-	171,463	171,463
Premium from issuance of refunding bonds.....	334,581	-	334,581
Payments to refunded bond escrow agent.....	(2,014,581)	-	(2,014,581)
Transfers in.....	2,116,964	512,953	2,629,917
Transfers out.....	(156,367)	(412,936)	(569,303)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>1,960,597</b>	<b>3,530,480</b>	<b>5,491,077</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(529,216)</b>	<b>(226,251)</b>	<b>(755,467)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>19,570,429</b>	<b>24,522,741</b>	<b>44,093,170</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 19,041,213</b>	<b>\$ 24,296,490</b>	<b>\$ 43,337,703</b>

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, 2015

Net change in fund balances - total governmental funds..... \$ (755,467)

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.....	6,231,902	
Depreciation expense.....	<u>(3,481,934)</u>	
Net effect of reporting capital assets.....		2,749,968

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..... (835,771)

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.....	89,968	
Proceeds from bonds and notes.....	(3,259,000)	
Proceeds from refunding bonds.....	(1,680,000)	
Premium from issuance of refunding bonds.....	(334,581)	
Payments to refunded bond escrow agent.....	2,014,581	
Other changes in long-term debt.....	95,866	
Net amortization of premium from issuance of bonds.....	39,444	
Debt service principal payments.....	<u>2,698,134</u>	
Net effect of reporting long-term debt.....		(335,588)

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.....	(1,092,576)	
Net change in accrued interest on long-term debt.....	(5,754)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	1,891,142	
Net change in net pension liability.....	(1,440,589)	
Net change in other postemployment benefits accrual.....	(8,840,203)	
Net change in workers' compensation accrual.....	<u>170,238</u>	
Net effect of recording long-term liabilities.....		(9,317,742)

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.....		<u>788,390</u>
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Change in net position of governmental activities..... \$ (7,706,210)

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**

JUNE 30, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Electric Light December 31, 2014	Total	
<b>ASSETS</b>					
<b>CURRENT:</b>					
Cash and cash equivalents.....	\$ 8,427,378	\$ 264,465	\$ 16,556,822	\$ 25,248,665	\$ 5,450,124
Receivables, net of allowance for uncollectibles:					
User fees.....	3,942,144	-	6,831,738	10,773,882	-
Water and sewer liens.....	33,532	-	-	33,532	-
Departmental and other.....	-	-	874,213	874,213	948,971
Inventory.....	-	30,925	5,072,464	5,103,389	-
Working capital deposit.....	-	-	-	-	692,000
Prepaid expenses.....	-	-	447,801	447,801	-
Purchased power advanced deposits.....	-	-	2,148,080	2,148,080	-
<b>Total current assets.....</b>	<b>12,403,054</b>	<b>295,390</b>	<b>31,931,118</b>	<b>44,629,562</b>	<b>7,091,095</b>
<b>NONCURRENT:</b>					
Investment in Energy New England.....	-	-	899,349	899,349	-
Other assets.....	-	-	1,414,994	1,414,994	-
Capital assets, non depreciable.....	1,210,964	375,876	1,183,234	2,770,074	-
Capital assets, net of accumulated depreciation.....	46,659,184	463,317	140,170,947	187,293,448	-
<b>Total noncurrent assets.....</b>	<b>47,870,148</b>	<b>839,193</b>	<b>143,668,524</b>	<b>192,377,865</b>	<b>-</b>
<b>TOTAL ASSETS.....</b>	<b>60,273,202</b>	<b>1,134,583</b>	<b>175,599,642</b>	<b>237,007,427</b>	<b>7,091,095</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding.....	818,063	-	-	818,063	-
Deferred outflows related to pensions.....	102,765	34,255	-	137,020	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>920,828</b>	<b>34,255</b>	<b>-</b>	<b>955,083</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>CURRENT:</b>					
Warrants payable.....	542,638	186,264	3,870,016	4,598,918	183,941
Accrued liabilities.....	-	-	668,708	668,708	-
Accrued payroll.....	25,372	22,317	-	47,689	-
Health claims payable.....	-	-	-	-	1,030,000
Accrued interest.....	131,240	-	-	131,240	-
Participant advances and reserves.....	-	-	1,256,207	1,256,207	-
Fees collected in advance.....	-	113,715	38,166	151,881	-
Capital lease obligations.....	-	-	191,439	191,439	-
Compensated absences.....	155,996	74,170	196,279	426,445	-
Workers' compensation.....	-	-	-	-	-
Bonds payable.....	3,011,975	-	5,549,002	8,560,977	-
<b>Total current liabilities.....</b>	<b>3,867,221</b>	<b>396,466</b>	<b>11,769,817</b>	<b>16,033,504</b>	<b>1,213,941</b>
<b>NONCURRENT:</b>					
Capital lease obligations.....	-	-	105,519	105,519	-
Customer deposits payable.....	-	6,225	649,492	655,717	-
Compensated absences.....	136,630	57,509	-	194,139	-
Workers' compensation.....	80,923	-	-	80,923	-
Fees collected in advance.....	-	-	763,741	763,741	-
Net pension liability.....	3,028,858	1,009,619	-	4,038,477	-
Other postemployment benefits.....	895,334	339,280	5,917,853	7,152,467	-
Bonds payable.....	21,986,085	-	87,790,159	109,776,244	-
<b>Total noncurrent liabilities.....</b>	<b>26,127,830</b>	<b>1,412,633</b>	<b>95,226,764</b>	<b>122,767,227</b>	<b>-</b>
<b>TOTAL LIABILITIES.....</b>	<b>29,995,051</b>	<b>1,809,099</b>	<b>106,996,581</b>	<b>138,800,731</b>	<b>1,213,941</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Rate stabilization reserve.....	-	-	8,564,074	8,564,074	-
<b>NET POSITION</b>					
Net investment in capital assets.....	27,885,143	839,193	47,718,062	76,442,398	-
Restricted for:					
Depreciation.....	-	-	5,353,621	5,353,621	-
Unrestricted.....	3,313,836	(1,479,454)	6,967,304	8,801,686	5,877,154
<b>TOTAL NET POSITION.....</b>	<b>\$ 31,198,979</b>	<b>\$ (640,261)</b>	<b>\$ 60,038,987</b>	<b>\$ 90,597,705</b>	<b>\$ 5,877,154</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Electric Light December 31, 2014	Total	
<b>OPERATING REVENUES:</b>					
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ 7,132,426
Employer contributions.....	-	-	-	-	9,351,340
Charges for services.....	16,013,032	1,505,920	-	17,518,952	-
Sales to ultimate customers.....	-	-	55,133,768	55,133,768	-
Sales for resale.....	-	-	14,984,724	14,984,724	-
Other operating revenues.....	-	-	3,155,247	3,155,247	-
Utility liens.....	104,428	-	-	104,428	-
<b>TOTAL OPERATING REVENUES</b> .....	<b>16,117,460</b>	<b>1,505,920</b>	<b>73,273,739</b>	<b>90,897,119</b>	<b>16,483,766</b>
<b>OPERATING EXPENSES:</b>					
Cost of services and administration.....	3,758,702	1,255,794	16,556,580	21,571,076	-
MWRA Assessment.....	8,363,839	-	-	8,363,839	-
Fuel for generation.....	-	-	8,843,903	8,843,903	-
Purchased power.....	-	-	27,535,277	27,535,277	-
Repairs and maintenance.....	299,025	185,266	8,720,149	9,204,440	-
Depreciation.....	1,653,838	50,616	8,031,111	9,735,565	-
Employee benefits.....	-	-	-	-	15,695,376
<b>TOTAL OPERATING EXPENSES</b> .....	<b>14,075,404</b>	<b>1,491,676</b>	<b>69,687,020</b>	<b>85,254,100</b>	<b>15,695,376</b>
<b>OPERATING INCOME (LOSS)</b> .....	<b>2,042,056</b>	<b>14,244</b>	<b>3,586,719</b>	<b>5,643,019</b>	<b>788,390</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income.....	2,840	-	78,099	80,939	-
Interest expense.....	(758,741)	-	(3,774,441)	(4,533,182)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET</b> .....	<b>(755,901)</b>	<b>-</b>	<b>(3,696,342)</b>	<b>(4,452,243)</b>	<b>-</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b> .....	<b>1,286,155</b>	<b>14,244</b>	<b>(109,623)</b>	<b>1,190,776</b>	<b>788,390</b>
<b>CAPITAL CONTRIBUTIONS</b> .....	<b>787,500</b>	<b>-</b>	<b>-</b>	<b>787,500</b>	<b>-</b>
<b>TRANSFERS:</b>					
Transfers out.....	(489,458)	(71,156)	(1,500,000)	(2,060,614)	-
<b>CHANGE IN NET POSITION</b> .....	<b>1,584,197</b>	<b>(56,912)</b>	<b>(1,609,623)</b>	<b>(82,338)</b>	<b>788,390</b>
<b>NET POSITION AT BEGINNING OF YEAR, AS REVISED</b> .....	<b>29,614,782</b>	<b>(583,349)</b>	<b>61,648,610</b>	<b>90,680,043</b>	<b>5,088,764</b>
<b>NET POSITION AT END OF YEAR</b> .....	<b>\$ 31,198,979</b>	<b>\$ (640,261)</b>	<b>\$ 60,038,987</b>	<b>\$ 90,597,705</b>	<b>\$ 5,877,154</b>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Electric Light December 31, 2014	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers and users.....	\$ 15,890,811	\$ 1,503,525	\$ 75,673,166	\$ 93,067,502	\$ 7,132,426
Receipts from interfund services provided.....	-	-	-	-	9,351,340
Payments to vendors.....	(10,768,095)	(726,100)	(56,854,093)	(68,348,288)	-
Payments to employees.....	(1,100,567)	(533,618)	(9,014,942)	(10,649,127)	-
Payments for interfund services used.....	-	-	-	-	(16,451,286)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>4,022,149</b>	<b>243,807</b>	<b>9,804,131</b>	<b>14,070,087</b>	<b>32,480</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers out.....	(489,458)	(71,156)	(1,500,000)	(2,060,614)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Proceeds from the issuance of bonds.....	3,046,500	-	-	3,046,500	-
Premium from the issuance of bonds.....	125,871	-	-	125,871	-
Capital contributions.....	787,500	-	-	787,500	-
Acquisition and construction of capital assets.....	(2,577,927)	-	(2,663,615)	(5,241,542)	-
Principal payments on bonds and notes.....	(2,365,594)	-	(4,630,000)	(6,995,594)	-
Principal payments on capital lease obligations.....	-	-	(260,506)	(260,506)	-
Interest expense.....	(788,519)	-	(4,468,442)	(5,256,961)	-
Participant advances and reserves.....	-	-	(707,636)	(707,636)	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(1,772,169)</b>	<b>-</b>	<b>(12,730,199)</b>	<b>(14,502,368)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Investment in Hydro Quebec.....	-	-	18,309	18,309	-
Investment in Energy New England.....	-	-	(66,730)	(66,730)	-
Investment income.....	2,840	-	78,099	80,939	-
<b>NET CASH FROM INVESTING ACTIVITIES.....</b>	<b>2,840</b>	<b>-</b>	<b>29,678</b>	<b>32,518</b>	<b>-</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>1,763,362</b>	<b>172,651</b>	<b>(4,396,390)</b>	<b>(2,460,377)</b>	<b>32,480</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>6,664,016</b>	<b>91,814</b>	<b>20,953,212</b>	<b>27,709,042</b>	<b>5,417,644</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 8,427,378</b>	<b>\$ 264,465</b>	<b>\$ 16,556,822</b>	<b>\$ 25,248,665</b>	<b>\$ 5,450,124</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>					
Operating income (loss).....	\$ 2,042,056	\$ 14,244	\$ 3,586,719	\$ 5,643,019	\$ 788,390
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation.....	1,653,838	50,616	8,031,111	9,735,565	-
Deferred (outflows)/inflows related to pensions.....	(102,765)	(34,255)	-	(137,020)	-
Changes in assets and liabilities:					
Water and sewer liens.....	(5,022)	-	-	(5,022)	-
User fees.....	(221,627)	-	62,733	(158,894)	-
Departmental and other.....	-	-	1,197,105	1,197,105	(732,579)
Inventory.....	-	13,353	(1,637,742)	(1,624,389)	-
Working capital deposit.....	-	-	-	-	24,800
Other assets.....	-	-	(1,277,876)	(1,277,876)	-
Prepaid expenses.....	-	-	129,176	129,176	-
Purchased power advance deposits.....	-	-	(146,301)	(146,301)	-
Warrants payable.....	299,947	141,120	(1,895,085)	(1,454,018)	173,869
Accrued liabilities.....	-	-	(12,924)	(12,924)	-
Accrued payroll.....	(8,712)	(7,506)	-	(16,218)	-
Health claims payable.....	-	-	-	-	(222,000)
Customer deposits payable.....	-	(3,718)	(83,860)	(87,578)	-
Unearned revenues.....	-	(12,030)	635,327	623,297	-
Accrued compensated absences.....	136,120	34,537	(46,318)	124,339	-
Workers' compensation.....	57,873	(18,107)	-	39,766	-
Net pension liability.....	78,282	26,094	-	104,376	-
Other postemployment benefits.....	92,159	39,459	673,944	805,562	-
Rate stabilization reserve.....	-	-	588,122	588,122	-
Total adjustments.....	1,980,093	229,563	6,217,412	8,427,068	(755,910)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 4,022,149</b>	<b>\$ 243,807</b>	<b>\$ 9,804,131</b>	<b>\$ 14,070,087</b>	<b>\$ 32,480</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>					
Capital lease financing.....	\$ -	\$ -	\$ 72,070	\$ 72,070	\$ -
Issuance of refunding bonds.....	5,890,000	-	-	5,890,000	-
Long-term bonds refunded.....	(6,290,000)	-	-	(6,290,000)	-
Deferred loss on refunding.....	818,063	-	-	818,063	-
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, 2015

	Pension Trust Fund (as of December 31, 2014)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 3,826,187	\$ 4,568,827	\$ 9,767	\$ 415,454
Investments:				
Equity mutual funds.....	-	-	655,496	-
Fixed income mutual funds.....	48,494,431	-	-	-
Domestic equity mutual funds.....	41,594,079	-	-	-
International equity mutual funds.....	34,378,653	-	-	-
Pension reserve investment trust.....	44,530,561	-	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	64,102	-	-	-
Prepaid expenses.....	15,628	-	-	-
<b>TOTAL ASSETS.....</b>	<b>172,903,641</b>	<b>4,568,827</b>	<b>665,263</b>	<b>415,454</b>
<b>LIABILITIES</b>				
Warrants payable.....	77,992	-	-	-
Liabilities due depositors.....	-	-	-	415,454
<b>TOTAL LIABILITIES.....</b>	<b>77,992</b>	<b>-</b>	<b>-</b>	<b>415,454</b>
<b>NET POSITION</b>				
Restricted for pensions.....	172,825,649	-	-	-
Held in trust for other postemployment benefits.....	-	4,568,827	-	-
Held in trust for other purposes.....	-	-	665,263	-
<b>TOTAL NET POSITION.....</b>	<b>\$ 172,825,649</b>	<b>\$ 4,568,827</b>	<b>\$ 665,263</b>	<b>\$ -</b>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2015

	Pension Trust Fund (as of December 31, 2014)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS:</b>			
Contributions:			
Employer.....	\$ 8,393,426	\$ 1,355,000	\$ -
Plan members.....	4,144,280	-	-
Total contributions.....	12,537,706	1,355,000	-
Net investment income:			
Net change in fair value of investments.....	6,354,115	-	2,593
Interest.....	1,291,612	7,883	-
Dividends.....	2,782,521	-	-
Total investment income.....	10,428,248	7,883	2,593
Less: investment expense.....	(1,021,050)	-	-
Net investment income.....	9,407,198	7,883	2,593
Intergovernmental.....	264,157	-	-
Transfers from other systems.....	739,531	-	-
TOTAL ADDITIONS.....	22,948,592	1,362,883	2,593
<b>DEDUCTIONS:</b>			
Administration.....	267,893	-	-
Transfers to other systems.....	548,104	-	-
Retirement benefits and refunds.....	14,888,069	-	-
Educational scholarships.....	-	-	5,000
TOTAL DEDUCTIONS.....	15,704,066	-	5,000
CHANGE IN NET POSITION.....	7,244,526	1,362,883	(2,407)
NET POSITION AT BEGINNING OF YEAR.....	165,581,123	3,205,944	667,670
NET POSITION AT END OF YEAR.....	\$ 172,825,649	\$ 4,568,827	\$ 665,263

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.

The Braintree Contributory Retirement System (the “System”) was established to provide retirement benefits to Town employees 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. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

**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 (“School”) that serves the members students from nine area communities seeking an education in academic and technical studies. The members share in the operations of the School and each member is responsible for its proportionate share of the operational and capital costs of the School, which are paid in the form of assessments. The Town does not have an equity interest in the School and the 2015 assessment was \$2,143,378. The School issues a publically available financial report that includes its financial statements. That report can be obtained by writing to the School Business Manager at 800 Randolph Street, Canton, MA 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 increased from \$945,000 in 2014 to \$693,000 in 2015 and the capital stabilization fund increased from \$1 million in 2014 to \$1.4 million in 2015. 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 1<sup>st</sup> 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 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> 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 1<sup>st</sup> 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:

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

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

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

#### *Governmental Fund Financial Statements*

Capital asset costs are recorded as expenditures in the acquiring fund in the 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 has reported deferred loss on refunding and deferred outflows of resources related to pensions 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 as allowed under GASB Statement #65, for *regulated operations*.

##### *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. Pensions

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

### O. Investment Income

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

### P. Compensated Absences

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

#### *Government-Wide and Proprietary Fund Financial Statements*

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

#### *Governmental Fund Financial Statements*

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.

## Q. Use of Estimates

### *Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

## R. Total Column

### *Government-Wide Financial Statements*

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

### *Fund Financial Statements*

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

## **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 1.33 to 21.81 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 \$36,761,128, and the bank balances totaled \$40,020,078. Of the bank balance, \$2,576,209 was covered by Federal Depository Insurance, \$16,407,007 was covered by the Depositors Insurance Fund, \$1,770,147 was covered by the Share Insurance Fund, \$16,055,542 was collateralized, and \$3,111,173 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, 2014, the carrying amount of deposits for the System totaled \$3,469,627 and the bank balance totaled \$3,475,608. 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 \$231,822 investment in Debt Securities and its \$276,462 investment in Equity Securities 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, 2015, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
<u>Debt Securities:</u>				
Government Sponsored Enterprises.....	\$ 206,404	\$ 25,485	\$ 125,535	\$ 55,384
Corporate Bonds.....	25,418	25,418	-	-
Total Debt Securities.....	231,822	\$ 50,903	\$ 125,535	\$ 55,384
<u>Other Investments:</u>				
Equity Securities.....	276,462			
Equity Mutual Funds.....	371,754			
Money Market Mutual Funds.....	13,636,387			
MMDT Short-Term Bond Funds.....	6,579,456			
MMDT Cash Portfolio.....	30,962,778			
Total Investments.....	\$ 52,058,659			

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, 2014, the Retirement System had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Over 10 Years</u>
<u>Debt Securities:</u>					
Fixed Income Mutual Funds.....	\$ 48,494,431	\$ <u>11,252,057</u>	\$ <u>18,590,120</u>	\$ <u>9,767,146</u>	\$ <u>8,885,108</u>
<u>Other Investments:</u>					
Domestic Equity Mutual Fund.....	41,594,079				
International Equity Mutual Fund.....	34,378,653				
Money Market Mutual Fund.....	356,560				
Pension Reserve Investment Trust (PRIT)...	<u>44,530,561</u>				
Total Investments.....	\$ <u>169,354,284</u>				

Interest Rate Risk

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

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

Credit Risk

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

The 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:

<u>Quality Rating</u>	<u>Fixed Income Mutual Funds</u>
AAA.....	\$ 15,156,548
AA.....	2,025,156
A.....	11,469,248
BBB.....	13,223,259
BB.....	3,273,683
B.....	734,948
Not Rated....	<u>2,611,589</u>
Fair Value....	\$ <u>48,494,431</u>

The Retirement System controls and limits its exposure to credit risk by investing in well diversified, commingled fixed income funds that are both passively and actively managed. 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, 2015, receivables for the individual major and nonmajor governmental funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 1,350,311	\$ (175,577)	\$ 1,174,734
Tax liens.....	1,374,320	-	1,374,320
Motor vehicle and other excise taxes.....	1,394,169	(678,623)	715,546
Departmental and other.....	119,850	(65,580)	54,270
Intergovernmental.....	<u>2,296,906</u>	<u>-</u>	<u>2,296,906</u>
 Total.....	 <u>\$ 6,535,556</u>	 <u>\$ (919,780)</u>	 <u>\$ 5,615,776</u>

At June 30, 2015, receivables for the proprietary funds consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
<i>Water and Sewer</i>			
Tax liens.....	\$ 33,532	\$ -	\$ 33,532
User fees.....	3,942,144	-	3,942,144
<i>Electric Light</i>			
User fees.....	6,966,738	(135,000)	6,831,738
Departmental and other.....	874,213	-	874,213
<i>Internal Service</i>			
Departmental and other.....	<u>948,971</u>	<u>-</u>	<u>948,971</u>
 Total.....	 <u>\$ 12,765,598</u>	 <u>\$ (135,000)</u>	 <u>\$ 12,630,598</u>

At December 31, 2014 the Pension Trust Fund had departmental and other receivables totaling \$64,102.

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
<b>Receivables and other asset types:</b>			
Real estate and personal property taxes.....	\$ 924,640	\$ -	\$ 924,640
Tax liens.....	1,374,320	-	1,374,320
Motor vehicle and other excise taxes.....	511,176	-	511,176
Departmental and other.....	33,518	10,114	43,632
Intergovernmental.....	240,329	1,534,873	1,775,202
Tax foreclosures.....	78,281	-	78,281
<b>Total.....</b>	<b>\$ 3,162,264</b>	<b>\$ 1,544,987</b>	<b>\$ 4,707,251</b>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 14,794,468	\$ -	\$ -	\$ 14,794,468
Construction in progress.....	2,726,289	1,691,071	(1,231,973)	3,185,387
<b>Total capital assets not being depreciated.....</b>	<b>17,520,757</b>	<b>1,691,071</b>	<b>(1,231,973)</b>	<b>17,979,855</b>
<u>Capital assets being depreciated:</u>				
Land improvements.....	10,470,136	787,282	-	11,257,418
Buildings.....	45,890,033	1,259,589	-	47,149,622
Machinery and equipment.....	18,196,769	1,205,820	-	19,402,589
Infrastructure.....	63,639,564	2,520,113	-	66,159,677
<b>Total capital assets being depreciated.....</b>	<b>138,196,502</b>	<b>5,772,804</b>	<b>-</b>	<b>143,969,306</b>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(7,648,579)	(235,582)	-	(7,884,161)
Buildings.....	(30,267,724)	(814,544)	-	(31,082,268)
Machinery and equipment.....	(14,304,757)	(1,041,381)	-	(15,346,138)
Infrastructure.....	(26,397,080)	(1,390,427)	-	(27,787,507)
<b>Total accumulated depreciation.....</b>	<b>(78,618,140)</b>	<b>(3,481,934)</b>	<b>-</b>	<b>(82,100,074)</b>
<b>Total capital assets being depreciated, net.....</b>	<b>59,578,362</b>	<b>2,290,870</b>	<b>-</b>	<b>61,869,232</b>
<b>Total governmental activities capital assets, net.....</b>	<b>\$ 77,099,119</b>	<b>\$ 3,981,941</b>	<b>\$ (1,231,973)</b>	<b>\$ 79,849,087</b>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,498,618	\$ 271,456	\$ -	\$ 2,770,074
<u>Capital assets being depreciated:</u>				
Land improvements.....	1,121,473	-	-	1,121,473
Plant in service.....	241,775,923	2,736,148	(225,157)	244,286,914
Buildings.....	1,492,692	-	-	1,492,692
Machinery and equipment.....	3,289,376	56,465	-	3,345,841
Infrastructure.....	75,165,870	2,250,006	-	77,415,876
Total capital assets being depreciated.....	322,845,334	5,042,619	(225,157)	327,662,796
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(739,809)	(24,229)	-	(764,038)
Plant in service.....	(96,309,550)	(8,031,111)	224,694	(104,115,967)
Buildings.....	(1,092,080)	(26,413)	-	(1,118,493)
Machinery and equipment.....	(2,954,999)	(99,958)	-	(3,054,957)
Infrastructure.....	(29,762,039)	(1,553,854)	-	(31,315,893)
Total accumulated depreciation.....	(130,858,477)	(9,735,565)	224,694	(140,369,348)
Total capital assets being depreciated, net.....	191,986,857	(4,692,946)	(463)	187,293,448
Total business-type activities capital assets, net.....	\$ 194,485,475	\$ (4,421,490)	\$ (463)	\$ 190,063,522

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

**Governmental Activities:**

General government.....	\$ 265,454
Public safety.....	579,554
Education.....	598,737
Public works.....	1,710,091
Human services.....	12,948
Culture and recreation.....	272,835
Community development.....	42,315

Total depreciation expense - governmental activities..... \$ 3,481,934

**Business-Type Activities:**

Water and Sewer.....	\$ 1,653,838
Golf.....	50,616
Electric light.....	8,031,111

Total depreciation expense - business-type activities..... \$ 9,735,565

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2015, the Town has an interfund receivable/payable totaling \$441,475 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, 2015, are summarized as follows:

Transfers Out:	Transfers In:		
	General Fund	Nonmajor Governmental Funds	Total
General Fund.....	\$ -	\$ 156,367	\$ 156,367 (1)
Nonmajor Governmental Funds.....	56,350	356,586	412,936 (2)
Water and Sewer Enterprise Fund.....	489,458	-	489,458 (3)
Golf Course Enterprise Fund.....	71,156	-	71,156 (3)
Electric Light Enterprise Fund.....	1,500,000	-	1,500,000 (4)
Total.....	\$ <u>2,116,964</u>	\$ <u>512,953</u>	\$ <u>2,629,917</u>

- (1) Represents transfers from the general fund to the nonmajor special revenue fund to fund insurance proceeds and the workers compensation trust.
- (2) Represents budgeted transfers to the general fund from various nonmajor special revenue funds to fund the 2015 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 BELD entered into a capitalized lease for cable and light division equipment expiring through 2018. 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, 2014:

<u>Years Ending December 31,</u>	<u>Business-Type Activities</u>
2015.....	\$ 191,975
2016.....	83,643
2017.....	33,991
2018.....	<u>15,319</u>
Total minimum lease payments.....	324,928
Less: amounts representing interest.....	<u>(27,970)</u>
Present value of minimum lease payments.....	\$ <u><u>296,958</u></u>

Operating Leases

The Town leases school buses under noncancelable operating leases that are scheduled to expire in 2017. The cost of the lease for the year ended June 30, 2015, totaled approximately \$452,000, and is reported as education expenditures in the general fund.

The future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2016.....	\$ 451,657
2017.....	<u>114,282</u>
Total.....	<u>\$ 565,939</u>

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, 2015, totaled approximately \$35,000.

The future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Business-Type Activities</u>
2016.....	\$ 35,268
2017.....	35,268
2018.....	<u>35,268</u>
Total.....	<u>\$ 105,804</u>

**NOTE 7 – SHORT-TERM FINANCING**

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

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

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

**NOTE 8 – LONG-TERM DEBT**

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Details related to the Town’s general obligation indebtedness at June 30, 2015, 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, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Municipal Purpose Loan of 2006.....	2026	\$ 2,250,000	4.14 - 4.34	\$ 1,180,000	\$ -	\$ (1,050,000)	\$ 130,000
Municipal Purpose Refunding Loan of 2006.....	2017	1,055,000	4.20 - 5.20	755,000	-	(255,000)	500,000
Municipal Purpose Loan of 2007.....	2027	700,000	4.30 - 4.90	455,000	-	(385,000)	70,000
Municipal Purpose Loan of 2009.....	2028	2,614,570	3.00 - 5.00	1,460,000	-	(760,000)	700,000
Municipal Purpose Loan of 2010.....	2030	6,782,000	1.50 - 4.50	4,655,000	-	(530,000)	4,125,000
Municipal Purpose Loan of 2011.....	2031	6,100,000	2.00 - 4.50	4,875,000	-	(405,000)	4,470,000
Municipal Purpose Loan of 2012.....	2032	5,286,000	2.00 - 4.00	4,225,000	-	(505,000)	3,720,000
Municipal Purpose Loan of 2013.....	2033	3,140,000	2.00 - 2.75	2,890,000	-	(250,000)	2,640,000
Municipal Purpose Loan of 2014.....	2034	3,519,000	2.00 - 4.00	3,519,000	-	(334,000)	3,185,000
Municipal Purpose Refunding Loan of 2015.....	2028	1,680,000	3.00 - 5.00	-	1,680,000	-	1,680,000
Municipal Purpose Loan of 2014.....	2035	3,259,000	3.00 - 5.00	-	3,259,000	-	3,259,000
Sub-Total.....				24,014,000	4,939,000	(4,474,000)	24,479,000
Unamortized Premiums on Bonds.....				258,037	171,463	(210,907)	218,593
Total.....				\$ 24,272,037	\$ 5,110,463	\$ (4,684,907)	\$ 24,697,593

In order to take advantage of favorable interest rates, the Town issued \$7,570,000 of general obligation refunding bonds. \$8,100,000 of general obligation bonds were defeased by placing the proceeds of the refunding bonds, including the premium, in an irrevocable trust to provide for the full debt service payments on the refunded bonds. Accordingly, the trust’s accounts assets and liabilities for the defeased bonds are not included in the Town’s basic financial statements. The transaction resulted in an economic gain of \$662,363 and a reduction of \$548,261 in future debt service payments.

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

Year	Principal	Interest	Total
2016.....	\$ 2,774,000	\$ 854,300	\$ 3,628,300
2017.....	2,700,000	777,185	3,477,185
2018.....	2,220,000	703,292	2,923,292
2019.....	2,015,000	630,615	2,645,615
2020.....	1,920,000	553,882	2,473,882
2021.....	1,700,000	480,021	2,180,021
2022.....	1,675,000	411,801	2,086,801
2023.....	1,565,000	349,630	1,914,630
2024.....	1,485,000	290,323	1,775,323
2025.....	1,410,000	230,734	1,640,734
2026.....	1,355,000	172,420	1,527,420
2027.....	1,035,000	122,431	1,157,431
2028.....	875,000	89,718	964,718
2029.....	690,000	58,151	748,151
2030.....	555,000	34,501	589,501
2031.....	230,000	14,187	244,187
2032.....	130,000	7,925	137,925
2033.....	65,000	4,893	69,893
2034.....	45,000	2,784	47,784
2035.....	35,000	1,226	36,226
<b>Total.....</b>	<b>\$ 24,479,000</b>	<b>\$ 5,790,019</b>	<b>\$ 30,269,019</b>

**Bonds and Notes Payable Schedule – Water and Sewer Enterprise Fund**

Project	Maturities Through Year	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Municipal Purpose Loan of 2002.....	2018	\$ 2,130,000	2.50 - 4.25	\$ 560,000	\$ -	\$ (140,000)	\$ 420,000
Municipal Purpose Loan of 2006.....	2026	4,480,000	4.14	2,670,000	-	(2,450,000)	220,000
Municipal Purpose Refunding Loan of 2006.....	2017	2,355,000	4.20 - 5.20	560,000	-	(195,000)	365,000
Municipal Purpose Loan of 2007.....	2027	1,430,000	4.14 - 4.90	865,000	-	(725,000)	140,000
Municipal Purpose Loan of 2009.....	2029	8,142,000	3.00 - 5.00	5,660,000	-	(3,890,000)	1,770,000
Municipal Purpose Refunding Loan of 2011.....	2022	3,575,000	2.00 - 4.00	2,610,000	-	(410,000)	2,200,000
Municipal Purpose Loan of 2011.....	2031	2,286,000	2.00 - 4.50	1,845,000	-	(145,000)	1,700,000
MWRA Loan of 2011.....	2017	344,230	0.00	206,538	-	(68,846)	137,692
Municipal Purpose Loan of 2012.....	2032	3,101,000	2.00 - 4.00	2,445,000	-	(340,000)	2,105,000
Municipal Purpose Loan of 2013.....	2033	3,108,000	2.00 - 2.75	2,930,000	-	(170,000)	2,760,000
MWRA Loan of 2013.....	2018	174,240	0.00	139,392	-	(34,848)	104,544
Municipal Purpose Loan of 2014.....	2034	2,248,000	2.00 - 4.00	2,248,000	-	(86,900)	2,161,100
MWRA Loan of 2015.....	2020	962,500	0.00	-	962,500	-	962,500
Municipal Purpose Refunding Loan of 2015.....	2029	5,890,000	3.00 - 5.00	-	5,890,000	-	5,890,000
Municipal Purpose Loan of 2015.....	2035	2,084,000	3.00 - 5.00	-	2,084,000	-	2,084,000
Sub-Total.....				22,738,930	8,936,500	(8,655,594)	23,019,836
Unamortized Premiums on Bonds.....				691,869	1,343,934	(57,579)	1,978,224
Total.....				\$ 23,430,799	\$ 10,280,434	\$ (8,713,173)	\$ 24,998,060

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
2016.....	\$ 2,761,294	\$ 1,038,057	\$ 3,799,351
2017.....	2,681,194	962,480	3,643,674
2018.....	2,097,348	886,643	2,983,991
2019.....	1,777,500	811,568	2,589,068
2020.....	1,737,500	738,503	2,476,003
2021.....	1,535,000	656,316	2,191,316
2022.....	1,485,000	572,469	2,057,469
2023.....	1,115,000	496,292	1,611,292
2024.....	1,110,000	423,992	1,533,992
2025.....	1,105,000	350,606	1,455,606
2026.....	1,100,000	277,692	1,377,692
2027.....	925,000	206,003	1,131,003
2028.....	835,000	152,207	987,207
2029.....	790,000	106,536	896,536
2030.....	470,000	61,076	531,076
2031.....	475,000	45,905	520,905
2032.....	390,000	31,845	421,845
2033.....	325,000	20,732	345,732
2034.....	205,000	10,469	215,469
2035.....	100,000	3,502	103,502
<b>Total.....</b>	<b>\$ 23,019,836</b>	<b>\$ 7,852,893</b>	<b>\$ 30,872,729</b>

**Bonds and Notes Payable Schedule – Electric Light Enterprise Fund**

Project	Maturities Through Year Ended	Original Loan Amount	Interest Rate (%)	Outstanding at December 31, 2013	Issued	Redeemed	Outstanding at December 31, 2014
Municipal Purpose Loan of 2009.....	2028	\$ 109,700,000	3.00 - 5.00	\$ 93,040,000	\$ -	\$ (4,630,000)	\$ 88,410,000
Unamortized Premiums on Bonds.....				5,623,162	-	(694,001)	4,929,161
<b>Total.....</b>				<b>\$ 98,663,162</b>	<b>\$ -</b>	<b>\$ (5,324,001)</b>	<b>\$ 93,339,161</b>

Refinancing subsequent to BELD's December 31, 2014 year end

In March 2015, the Town completed a debt refinancing that retired the BELD's \$88,410,000 general obligation bond and acquired a new general obligation bond in the amount of \$85,500,000, therefore reducing the BELD's future interest payments by approximately \$3,000,000. The bond matures May 15, 2028.

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
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.....	\$ <u>88,410,000</u>	\$ <u>34,249,016</u>	\$ <u>122,659,016</u>

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, 2015, the Town had the following authorized and unissued debt:

Purpose	Amount
Water and sewer projects.....	\$ 328,000
MWRA.....	1,663,200
Renovations to Town Hall.....	493,000
School projects.....	1,083,000
School Educational Technology.....	125,000
School Capital.....	700,000
Water distribution system improvements.....	5,298,000
Roads.....	1,582,000
Public safety repairs and equipment.....	1,005,000
Public works repairs and equipment.....	263,000
Public works building improvements.....	353,000
Public works drainage.....	180,000
Public works dump trucks.....	575,000
Great Pond Dam repair project.....	652,277
Golf equipment and supplies.....	149,000
Golf building repairs.....	100,000
DPW Pump Station improvements.....	420,000
DPW recreation improvements.....	230,487
Elder Affairs addition.....	705,000
Total.....	\$ <u>15,904,964</u>

Changes in Long-term Liabilities

During the year ended June 30, 2015, 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
<b>Governmental Activities:</b>							
Long-term bonds payable.....	\$ 24,014,000	\$ 4,939,000	\$ (4,474,000)	\$ -	\$ -	\$ 24,479,000	\$ 2,774,000
Add: Unamortized premium on bonds.....	258,037	171,463	(210,907)	-	-	218,593	114,898
Total bonds payable.....	24,272,037	5,110,463	(4,684,907)	-	-	24,697,593	2,888,898
Capital lease obligations.....	61,421	-	-	(61,421)	-	-	-
Compensated absences.....	3,478,473	-	-	2,953,998	(1,861,422)	4,571,049	2,271,156
Workers' compensation.....	410,405	-	-	49,552	(219,790)	240,167	192,000
Net pension liability.....	54,298,160	-	-	1,440,589	-	55,738,749	-
Other postemployment benefits.....	58,585,805	-	-	14,567,468	(5,727,265)	67,426,008	-
Total governmental activity long-term liabilities.....	\$ 141,106,301	\$ 5,110,463	\$ (4,684,907)	\$ 18,950,186	\$ (7,808,477)	\$ 152,673,566	\$ 5,352,054
<b>Business-Type Activities:</b>							
Bonds and notes payable.....	\$ 115,778,930	\$ 8,936,500	\$ (13,285,594)	\$ -	\$ -	\$ 111,429,836	\$ 7,616,294
Add: Unamortized premium on bonds.....	6,315,031	1,343,934	(751,580)	-	-	6,907,385	751,580
Total bonds payable.....	122,093,961	10,280,434	(14,037,174)	-	-	118,337,221	8,367,874
Fees collected in advance.....	292,325	-	-	787,208	(163,911)	915,622	151,881
Capital lease obligations.....	485,394	-	-	72,070	(260,506)	296,958	191,439
Customer deposits payable.....	743,295	-	-	(87,578)	-	655,717	-
Compensated absences.....	496,245	-	-	543,106	(418,767)	620,584	426,445
Workers' compensation.....	41,157	-	-	58,889	(19,123)	80,923	-
Net pension liability.....	3,934,101	-	-	104,376	-	4,038,477	-
Other postemployment benefits.....	6,346,905	-	-	1,913,228	(1,107,666)	7,152,467	-
Total business-type activity long-term liabilities.....	\$ 134,433,383	\$ 10,280,434	\$ (14,037,174)	\$ 3,391,299	\$ (1,969,973)	\$ 132,097,969	\$ 9,137,639

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.

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

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:			
Nonspendable:			
Permanent fund principal.....\$	-	\$ 2,564,529	\$ 2,564,529
Restricted for:			
Town special revenue funds.....	-	4,611,606	4,611,606
School lunch.....	-	103,267	103,267
School revolving funds.....	-	1,639,029	1,639,029
Community preservation fund.....	-	5,707,669	5,707,669
Town capital projects.....	-	2,214,969	2,214,969
Expendable trust funds.....	-	7,455,421	7,455,421
Committed to:			
Articles and continuing appropriations:			
General government.....	437,694	-	437,694
Public safety.....	749,627	-	749,627
Education.....	275,837	-	275,837
Public works.....	461,768	-	461,768
Human services.....	25,119	-	25,119
Culture and recreation.....	153,590	-	153,590
Assigned to:			
Encumbrances:			
General government.....	263,017	-	263,017
Public safety.....	181,676	-	181,676
Education.....	115,927	-	115,927
Public works.....	105,477	-	105,477
Unassigned.....	<u>16,271,481</u>	-	<u>16,271,481</u>
Total Fund Balances.....\$	<u>\$ 19,041,213</u>	<u>\$ 24,296,490</u>	<u>\$ 43,337,703</u>

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.

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 \$692,737 and the balance of the capital stabilization fund is \$1,404,851.

**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 specific stop loss insurance for claims in excess of \$100,000 per claim. At June 30, 2015, the amount of the liability for health insurance claims totaled \$1,030,000 which is the best estimate based on available information. Changes in the reported liability since July 1, 2013 are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End Currently Due
2014.....	1,223,500	13,832,892	(13,804,392)	1,252,000
2015.....	1,252,000	14,664,806	(14,886,806)	1,030,000

(b) *Workers’ Compensation*

The estimated workers’ compensation liability is based on claims history, frequency and injury type. The Town purchases specific reinsurance with attachment points from \$450,000 to \$500,000 per claim and aggregate reinsurance with an attachment point of \$1,588,431 in FY15. At June 30, 2015, the amount of the liability for workers’ compensation claims totaled \$321,090. Changes in the reported liability since July 1, 2013 are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2014.....	\$ 768,435	\$ 118,904	\$ (435,777)	\$ 451,562
2015.....	451,562	459,248	(589,720)	321,090

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 \$500,000 per occurrence, with a \$50,000 deductible that would be paid by the BELD. Environmental insurance coverage provides for \$1,500,000 per occurrence, with a \$100,000 deductible that would be paid by the BELD. Each of the participating light departments 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, 2014.

**NOTE 11 – PENSION PLAN**

*Plan Descriptions*

The Town is a member of the Braintree Contributory Retirement System (BCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 2 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension trust fund in the fiduciary fund financial statements.

The Town is a member of the Massachusetts Teachers’ Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth’s reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

*Special Funding Situation*

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer’s covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2014. The Town’s portion of the collective pension expense, contributed by the Commonwealth, of \$6,597,576 is reported in the general fund as intergovernmental revenue and pension benefits in the current fiscal year. The portion of the Commonwealth’s collective net pension liability associated with the Town is \$94,963,590 as of the measurement date.

*Benefits Provided*

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The Systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

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

There were no changes of benefit terms that affected the total pension liability at December 31, 2014.

At December 31, 2014, the BCRS membership consists of the following:

Active members.....	752
Inactive members.....	79
Disabled members.....	56
Retirees and beneficiaries currently receiving benefits.....	<u>453</u>
Total.....	<u><u>1,340</u></u>

*Contributions*

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the BCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The total member units' contribution for the year ended December 31, 2014 was \$8,393,425, 21.83% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town's proportionate share of the required contribution was \$8,273,433 which equaled its actual contribution.

*Pension Liabilities*

The components of the net pension liability of the participating member units at June 30, 2015 were as follows:

Total pension liability.....	\$	251,615,362
The pension plan's fiduciary net position.....		<u>(172,825,649)</u>
Total net pension liability.....	\$	<u><u>78,789,713</u></u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....		68.69%

At June 30, 2015, the Town reported a liability of \$59,777,226 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2014, the Town's proportion was 98.57%, which did not change from its proportion measured at December 31, 2013.

*Pension Expense*

For the year ended June 30, 2015, the Town recognized negative pension expense of \$5,884,864. At June 30, 2015, the Town reported deferred outflows of resources related to pensions of \$2,028,162, from the net difference between projected and actual investment earnings on pension plan investments. Since the System performs an actuarial valuation biennially, there are no reported differences between expected and actual experience or changes of assumptions as of December 31, 2014.

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

Year ended June 30:		
2016.....	\$	507,041
2017.....		507,041
2018.....		507,041
2019.....		<u>507,039</u>
Total.....	\$	<u><u>2,028,162</u></u>

*Actuarial Assumptions*

The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2014:

Valuation date.....	January 1, 2014
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method - UAAL.....	Increasing dollar amount at 4% to reduce the Unfunded Actuarial Accrued Liability to zero on or before June 30, 2033.
Amortization method - 2002, 2003, & 2010 ERI Actuarial Liability.....	Level dollar amount to reduce the 2002, 2003 and 2010 ERI Actuarial Accrued Liability to zero on or before June 30, 2019, June 30, 2020 and June 30, 2022, respectively.
Remaining amortization period.....	5 year straight-line amortization.
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, c) 25% of gains and losses of the third prior year and  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%, net of pension plan investment expense, including inflation.
Discount rate.....	7.75%
Inflation rate.....	3.75% per year.
Projected salary increases.....	4% per year, including longevity.
Cost of living adjustments.....	3.0% of first \$12,000 of the annual retirement allowance.
Mortality rates.....	RP-2000 Mortality Table projected to 2020 with Scale AA for pre-retirement mortality and the RP-2000 Mortality Table projected to 2015 with Scale AA for post-retirement mortality. For disabled lives, the mortality rates were based on the RP-2000 Mortality Table (no projection) set forward two years.

*Investment policy*

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a

fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of January 1, 2014 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Asset Allocation
Domestic equity.....	4.00%	22.00%
International equity.....	4.50%	20.00%
Global fixed income.....	1.25%	28.00%
Global asset.....	5.75%	15.00%
Hedge funds.....	3.25%	5.00%
Real estate.....	2.75%	5.00%
Private equity.....	6.00%	5.00%

*Rate of return*

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.73%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount rate*

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate*

The following presents the net pension liability, calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
The Town's proportionate share of the net pension liability.....	\$ 103,139,163	\$ 77,663,020	\$ 53,865,602
BCRS total net pension liability.....	\$ 104,635,450	\$ 78,789,713	\$ 54,647,055

The Town’s proportionate share of the net pension liability of \$77,663,020 includes \$17,885,794 for the Braintree Electric Light Department that will not be recorded until their calendar year-end of December 31, 2015.

**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.....	<u>1,235</u>
 Total.....	 <u><u>1,893</u></u>

*Funding Policy* – Contributions requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. Retired plan members and beneficiaries currently receiving benefits are required to contribute between 33% and 50% of the cost of benefits provided depending on the plan they choose. The Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town contributed approximately \$7 million including a pre-funding contribution of approximately \$845,000 during 2015 and the BELD contributed approximately \$972,000 including a pre-funding contribution of \$520,000 during calendar year 2014 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, 2015, the Town has accumulated approximately \$4,569,000 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.....	\$	16,700,626
Interest on net OPEB obligation.....		2,370,232
Adjustments to annual required contribution.....		<u>(2,476,499)</u>
Annual OPEB cost/expense.....		16,594,359
Contributions made.....		<u>(6,948,594)</u>
Increase/(Decrease) in net OPEB obligation.....		9,645,765
Net OPEB obligation - beginning of year.....		<u>64,932,710</u>
Net OPEB obligation - end of year.....	\$	<u><u>74,578,475</u></u>

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
6/30/2015	\$ 16,594,359	42%	\$ 74,578,475
6/30/2014	15,682,836	43%	64,932,710
6/30/2013	14,957,457	42%	55,976,328

*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	189,802,015	189,149,079	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 \$13.9 million on improvements to the system over the last 13 years to comply with the ACO.

The Town has entered into contracts totaling approximately \$5.4 million for various public works, school, and public safety building projects. The Town has authorized water system and public works renovations of approximately \$8.0 million. The Town also plans to authorize and contract for an additional \$12.7 million for school building repairs and renovations, roadway repairs, and water distribution system 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. As of December 31, 2014 MMWEC’s total future debt service requirement on outstanding bonds issued for the projects is \$152,675,000, of which \$4,960,000 is anticipated to be billed to the BELD in the future.

The BELD has also entered into various long-term agreements to purchase power from other utilities. At December 31, 2014, the estimated capacity costs relating to these agreements total approximately \$19,309,000. The amount estimated for 2015 is \$4,087,000 with annual decreases estimated as contract entitlements decrease and expire 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, 2015, 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, 2015, cannot be ascertained, management believes any resulting liability should not materially affect the financial statements at June 30, 2015.

**NOTE 15 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 18, 2015, which is the date the financial statements were available to be issued.

**NOTE 16 – REVISION OF NET POSITION**

Beginning net position of governmental activities, business-type activities and each applicable enterprise fund has been revised to reflect the implementation of GASB Statements #68 and #71. The revised balances are summarized in the following table:

	06/30/2014 Previously Reported Balances	Implementation of GASB's #68 & #71	06/30/2014 Revised Balances
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Government-Wide Financial Statements</b>			
Governmental activities.....	\$ 44,885,677	\$ (54,298,160)	\$ (9,412,483)
Business-type activities.....	<u>94,614,144</u>	<u>(3,934,101)</u>	<u>90,680,043</u>
Total.....	<u>\$ 139,499,821</u>	<u>\$ (58,232,261)</u>	<u>\$ 81,267,560</u>
<b>Business-type Activities - Enterprise Funds</b>			
Water and Sewer.....	\$ 32,565,358	\$ (2,950,576)	\$ 29,614,782
Golf Course.....	400,176	(983,525)	(583,349)
Electric light.....	<u>61,648,610</u>	<u>-</u>	<u>61,648,610</u>
Total.....	<u>\$ 94,614,144</u>	<u>\$ (3,934,101)</u>	<u>\$ 90,680,043</u>

**NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2015, the following GASB pronouncements were implemented:

- GASB Statement #67, *Financial Reporting for Pension Plans*; GASB Statement #68, *Accounting and Financial Reporting for Pensions*; and GASB Statement #71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Financial statement changes include the recognition of a net pension liability, pension expense and deferred outflows/inflows of resources depending on the nature of the change each year. The financial statements also recognized a restatement of the beginning net position to reflect the net pension liability at the beginning of the year. The notes to the basic financial statements and the required supplementary information were expanded to include additional required schedules and disclosures.
- GASB Statement #69, *Governmental Combinations and Disposals of Government Operations*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #72, *Fair Value Measurement and Application*, which is required to be implemented in 2016.
- The GASB issued Statement #73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions of this Statement are effective for 2016—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which is required to be implemented in 2017.
- The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in 2016.
- The GASB issued Statement #77, *Tax Abatement Disclosures*, which is required to be implemented in 2017.

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

# ***Required Supplementary Information***

# ***General Fund Budgetary Comparison Schedule***

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

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 78,733,421	\$ 78,733,421	\$ 79,384,666	\$ -	\$ 651,245
Tax liens.....	-	-	1,098,862	-	1,098,862
Motor vehicle and other excise taxes.....	5,254,000	5,254,000	5,609,682	-	355,682
Hotel/motel tax.....	1,297,000	1,297,000	1,491,419	-	194,419
Meals tax.....	948,000	948,000	1,017,863	-	69,863
Penalties and interest on taxes.....	475,000	475,000	522,767	-	47,767
Payments in lieu of taxes.....	2,180,000	2,180,000	2,193,850	-	13,850
Intergovernmental.....	20,766,263	20,766,263	21,049,998	-	283,735
Departmental and other.....	4,961,000	4,961,000	5,273,477	-	312,477
Investment income.....	180,000	180,000	173,609	-	(6,391)
<b>TOTAL REVENUES.....</b>	<b>114,794,684</b>	<b>114,794,684</b>	<b>117,816,193</b>	<b>-</b>	<b>3,021,509</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>General Government:</b>					
<b>Town Council</b>					
Administration.....	195,099	195,099	167,460	244	27,395
Reserve Fund.....	40,000	-	-	-	-
Internal Audit.....	74,000	74,000	39,463	-	34,537
<b>Total.....</b>	<b>309,099</b>	<b>269,099</b>	<b>206,923</b>	<b>244</b>	<b>61,932</b>
<b>Mayor's Office</b>					
Administration.....	452,513	512,513	480,727	22,600	9,186
Fair Housing.....	2,275	2,275	-	-	2,275
Commission on Disabilities.....	1,025	1,025	845	-	180
Transition Costs.....	1,129	1,129	-	1,129	-
Articles.....	4,535	4,535	-	4,535	-
<b>Total.....</b>	<b>461,477</b>	<b>521,477</b>	<b>481,572</b>	<b>28,264</b>	<b>11,641</b>
<b>Finance Department</b>					
Administration.....	154,988	135,133	132,548	-	2,585
Accounting.....	249,537	261,137	242,617	-	18,520
Assessing.....	282,190	282,190	269,617	-	12,573
Information Technology.....	436,050	467,050	335,650	131,396	4
General Insurances.....	495,000	455,000	438,383	-	16,617
Treasurer/Collector.....	1,301,039	1,304,299	1,226,799	20,547	56,953
Bond Principal.....	2,698,134	2,698,134	2,698,134	-	-
Bond Interest.....	787,457	787,457	787,457	-	-
Leases.....	89,659	89,659	89,659	-	-
Actuarial Study.....	13,000	8,250	8,250	-	-
Capital Project.....	145,511	145,511	124,965	20,546	-
Articles.....	-	20,000	-	20,000	-
<b>Total.....</b>	<b>6,652,565</b>	<b>6,653,820</b>	<b>6,354,079</b>	<b>192,489</b>	<b>107,252</b>
<b>Law Department</b>					
Administration.....	227,873	310,973	308,581	1,679	713
Licensing Board.....	31,130	31,130	30,416	-	714
<b>Total.....</b>	<b>259,003</b>	<b>342,103</b>	<b>338,997</b>	<b>1,679</b>	<b>1,427</b>
<b>Human Resources</b>					
Administration.....	521,174	526,174	375,336	61,749	89,089
Employee Benefits.....	16,998,862	16,879,252	15,993,865	-	885,387
Veterans Benefits.....	361,590	383,790	376,489	-	7,301
Celebrations.....	7,000	7,000	6,613	-	387
<b>Total.....</b>	<b>17,888,626</b>	<b>17,796,216</b>	<b>16,752,303</b>	<b>61,749</b>	<b>982,164</b>
<b>Town Clerk</b>					
Administration.....	99,316	118,707	86,697	900	31,110
Elections.....	44,830	42,028	41,447	-	581
Registration.....	153,856	160,790	146,725	-	14,065
Articles.....	-	90,000	-	90,000	-
<b>Total.....</b>	<b>298,002</b>	<b>411,525</b>	<b>274,869</b>	<b>90,900</b>	<b>45,756</b>

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>Planning and Community Development</b>					
Administration.....	175,338	165,588	147,997	-	17,591
Planning.....	83,315	102,215	79,759	-	22,456
Conservation.....	145,029	151,029	111,455	20,125	19,449
Economic Development.....	80,156	83,541	66,486	3,777	13,278
Historical Commission.....	6,230	6,030	607	-	5,423
Capital Projects.....	301,983	301,983	499	301,484	-
Total.....	792,051	810,386	406,803	325,386	78,197
<b>Total General Government.....</b>	<b>26,660,823</b>	<b>26,804,626</b>	<b>24,815,546</b>	<b>700,711</b>	<b>1,288,369</b>
<b>Public Safety:</b>					
<b>Police</b>					
Administration.....	902,118	910,346	829,764	7,150	73,432
Building Maintenance.....	125,200	128,900	127,529	650	721
Equipment Maintenance.....	230,000	271,764	266,688	4,400	676
Patrol Bureau.....	4,516,601	5,140,400	5,099,261	30,917	10,222
Communications.....	901,706	927,996	856,910	47,985	23,101
Detective Bureau.....	1,215,842	1,226,720	1,207,228	6,934	12,558
Traffic Bureau.....	176,819	176,819	161,722	-	15,097
Special Services/Community Policing.....	569,802	569,802	555,955	3,400	10,447
Harbormaster.....	4,350	4,350	2,555	-	1,795
Animal Control.....	62,246	63,280	60,708	1,035	1,537
Capital Projects.....	243,824	512,635	223,279	289,356	-
Total.....	8,948,508	9,933,012	9,391,599	391,827	149,586
<b>Fire</b>					
Administration.....	262,425	264,085	253,207	-	10,878
Building Maintenance.....	174,856	174,856	156,975	-	17,881
Equipment Maintenance.....	213,993	213,993	184,460	10,800	18,733
Fire Suppression.....	6,923,483	7,685,872	7,677,571	-	8,301
Fire Alarm Repair.....	124,924	137,727	130,293	-	7,434
Fire Hazmat.....	102,890	102,890	83,165	-	19,725
Fire Prevention.....	113,028	113,028	112,765	-	263
Training.....	116,900	116,900	101,759	-	15,141
Capital Project.....	374,534	454,314	34,846	419,468	-
Total.....	8,407,033	9,263,665	8,735,041	430,268	98,356
<b>Municipal Licenses and Inspection</b>					
Administration.....	226,801	227,420	223,978	-	3,442
Equipment Maintenance.....	6,100	5,500	2,988	2,200	312
Inspections/Code Enforcement.....	441,983	531,683	454,631	66,205	10,847
Mileage.....	20,700	-	-	-	-
Health.....	224,298	223,698	204,411	-	19,287
Zoning Board of Appeals.....	-	500	-	-	500
Articles.....	57,440	91,940	51,137	40,803	-
Total.....	977,322	1,080,741	937,145	109,208	34,388
<b>Total Public Safety.....</b>	<b>18,332,863</b>	<b>20,277,418</b>	<b>19,063,785</b>	<b>931,303</b>	<b>282,330</b>
<b>Education:</b>					
Education.....	57,852,071	58,309,042	58,162,768	115,927	30,347
Regional School District.....	2,143,378	2,143,378	2,143,378	-	-
Capital Project.....	492,000	489,895	214,058	275,837	-
Total Education.....	60,487,449	60,942,315	60,520,204	391,764	30,347

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>Public Works:</b>					
Public Works					
Administration.....	298,609	298,609	282,313	-	16,296
Building Maintenance.....	959,504	1,014,371	926,874	2,650	84,847
Equipment Maintenance.....	291,125	291,125	291,123	2	-
Engineering.....	181,742	181,742	177,759	2	3,981
Construction Administration.....	216,570	216,570	213,032	-	3,538
Highway.....	1,550,061	1,569,619	1,430,782	32,794	106,043
Drains.....	40,616	40,000	39,709	-	291
Sidewalks.....	30,000	30,000	24,117	-	5,883
Street Lighting.....	355,300	370,300	370,200	-	100
Traffic.....	227,923	230,643	131,718	-	98,925
Snow and Ice.....	400,000	2,809,391	2,809,391	-	-
Environmental Affairs and Waste Collection.....	1,555,926	1,587,776	1,487,659	60,029	40,088
Cemetery.....	83,500	83,500	78,602	-	4,898
Maintenance Town Hall.....	95,000	95,000	67,999	-	27,001
Recreation and Community Events.....	159,427	169,427	168,454	-	973
Watson Building Maintenance.....	51,950	54,903	30,922	-	23,981
Grounds Maintenance.....	600,514	599,654	507,507	10,000	82,147
Summer Programs.....	178,650	178,650	164,727	-	13,923
Brawley Recreation.....	96,250	96,250	96,250	-	-
Capital Project.....	80,294	75,000	-	75,000	-
Articles.....	417,606	571,326	184,558	386,768	-
<b>Total Public Works.....</b>	<b>7,870,567</b>	<b>10,563,856</b>	<b>9,483,696</b>	<b>567,245</b>	<b>512,915</b>
<b>Human Services:</b>					
Council on Aging					
Administration.....	205,373	205,502	195,647	-	9,855
Equipment Maintenance.....	53,215	52,086	52,086	-	-
Building Maintenance.....	21,713	22,713	22,713	-	-
Articles.....	29,869	29,869	4,750	25,119	-
<b>Total Human Services.....</b>	<b>310,170</b>	<b>310,170</b>	<b>275,196</b>	<b>25,119</b>	<b>9,855</b>
<b>Culture and Recreation:</b>					
Library					
Administration.....	213,188	213,188	207,314	-	5,874
Building Maintenance.....	113,700	113,700	109,163	-	4,537
Equipment Maintenance.....	1,000	8,016	7,659	-	357
Technology.....	56,000	53,000	52,502	-	498
Current Topics and Titles.....	883,064	921,597	865,401	-	56,196
Lifelong Learning.....	129,767	129,767	125,937	-	3,830
Community Commons.....	15,700	15,700	15,700	-	-
Capital Project.....	2,855	160,577	6,987	153,590	-
<b>Total Culture and Recreation.....</b>	<b>1,415,274</b>	<b>1,615,545</b>	<b>1,390,663</b>	<b>153,590</b>	<b>71,292</b>
State and County Assessments.....	3,768,561	3,768,561	3,722,290	-	46,271
<b>TOTAL EXPENDITURES.....</b>	<b>118,845,707</b>	<b>124,282,491</b>	<b>119,271,380</b>	<b>2,769,732</b>	<b>2,241,379</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(4,051,023)	(9,487,807)	(1,455,187)	(2,769,732)	5,262,888
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....	686,964	3,400,714	3,400,714	-	-
Transfers out.....	-	(2,971,428)	(2,971,428)	-	-
<b>TOTAL OTHER FINANCING   SOURCES (USES).....</b>	<b>686,964</b>	<b>429,286</b>	<b>429,286</b>	<b>-</b>	<b>-</b>
NET CHANGE IN FUND BALANCE.....	(3,364,059)	(9,058,521)	(1,025,901)	(2,769,732)	5,262,888
BUDGETARY FUND BALANCE, Beginning of year.....	20,047,938	20,047,938	20,047,938	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 16,683,879	\$ 10,989,417	\$ 19,022,037	\$ (2,769,732)	\$ 5,262,888

See notes to required supplementary information.

(Concluded)

# ***Pension Plan Schedules – Retirement System***

The Pension Plan's Schedule of Changes in the Net Pension Liability presents multi-year trend information on the net pension liability and related ratios.

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

The Pension Plan's Schedule of Investment Return presents multi-year trend information on the money-weighted investment return on retirement assets, net of investment expense.

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

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS  
BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014
<b>Total pension liability:</b>	
Service cost.....	\$ 6,023,441
Interest.....	18,204,152
Changes in benefit terms.....	-
Differences between expected and actual experience.....	-
Changes in assumptions.....	-
Benefit payments.....	(15,009,048)
Net change in total pension liability.....	9,218,545
Total pension liability, beginning.....	242,396,817
Total pension liability, ending (a).....	\$ 251,615,362
<b>Plan fiduciary net position:</b>	
Employer contributions.....	8,455,791
Member contributions.....	\$ 4,658,478
Net investment income (loss).....	9,407,198
Retirement benefits and refunds.....	(15,009,048)
Administrative expenses.....	(267,893)
Net increase (decrease) in fiduciary net position.....	7,244,526
Fiduciary net position at beginning of year.....	165,581,123
Fiduciary net position at end of year (b).....	\$ 172,825,649
<b>Net pension liability - ending (a) - (b).....</b>	<b>\$ 78,789,713</b>
Plan fiduciary net position as a percentage of the total pension liability.....	68.69%
Covered-employee payroll (*).....	\$ 38,444,353
Net pension liability as a percentage of covered-employee payroll.....	204.94%

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

\*Covered employee payroll as reported in the January 1, 2014 funding  
valuation report.

See notes to required supplementary information.

**SCHEDULE OF CONTRIBUTIONS  
BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM**

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	December 31, 2014
Actuarially determined contribution (a).....	\$ 8,393,425
Contributions in relation to the actuarially determined contribution.....	(8,393,425)
Contribution deficiency (excess).....	\$ -
Covered-employee payroll (*).....	\$ 38,444,353
Contributions as a percentage of covered- employee payroll.....	21.83%

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

(a) Based on the results of the January 1, 2012 actuarial valuation (including assumptions and methods) which determined budgeted appropriations for fiscal 2015.

\*Covered employee payroll as reported in the January 1, 2014 funding valuation report.

See notes to required supplementary information.

**SCHEDULE OF INVESTMENT RETURN  
BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM**

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December 31,  
2014

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Annual money-weighted rate of return, net of investment expense.....	5.73%
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Note: this schedule is intended to present information for 10 years.  
Until a 10-year trend is compiled, information is presented for those  
years for which information is available.

The annual money-weighted rate of return has been calculated by  
the Pension Reserves Investment Management Board (PRIM).

See notes to required supplementary information.

## ***Pension Plan Schedules – Town***

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

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

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

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

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

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	December 31, 2014
Town's proportionate share of the net pension liability (asset).....	98.57%
Town's proportionate share of the net pension liability (asset)..... \$	77,663,020 (1)
Town's covered employee payroll..... \$	37,894,599
Net pension liability as a percentage of covered-employee payroll.....	204.94%
Plan fiduciary net position as a percentage of the total pension liability.....	68.69%

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

(1) The Town's proportionate share of the net pension liability of \$77,663,020  
includes \$17,885,794 for the Braintree Electric Light Department that will not be  
recorded until their calendar year-end of December 31, 2015.

See notes to required supplementary information.

**SCHEDULE OF TOWN'S CONTRIBUTIONS  
BRAintree CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014
Actuarially determined contribution (a).....	\$ 8,273,433
Contributions in relation to the actuarially determined contribution.....	<u>(8,273,433)</u>
Contribution deficiency (excess).....	<u>\$ -</u>
Covered-employee payroll .....	\$ 37,894,599
Contributions as a percentage of covered- employee payroll.....	21.83%

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

(a) Based on the results of the January 1, 2012 actuarial  
valuation (including assumptions and methods) which  
determined budgeted appropriations for fiscal 2015.

See notes to required supplementary information.

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

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

Year	Commonwealth's 100% Share of the Net Pension Liability Associated with the Town	Town's Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2015.....	\$ 94,963,590	\$ 6,597,576	61.64%

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

See notes to required supplementary information.

# ***Other Postemployment Benefits Plan Schedules***

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

The Schedule of Employer Contributions compares, 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	189,802,015	189,149,079	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
6/30/2015	\$ 16,700,626	\$ 6,948,594	42%
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**

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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.....	<u>1,235</u>
 Total.....	 <u><u>1,893</u></u>

See notes to required supplementary information.

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

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

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires majority Town Council approval at a regular Council meeting.

The majority of appropriations are non-continuing which lapse at the end of each 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 2015 approved budget authorized approximately \$118.8 million in appropriations and other amounts to be raised, including \$3.2 million in amounts carried over from previous years. During 2015, the Town Council also approved supplemental appropriations totaling approximately \$5.4 million. These supplemental appropriations mainly consisted of \$762,000 appropriated for fire suppression, \$624,000 for the police patrol bureau, \$456,000 appropriated for education, and \$2.4 million 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, 2015, is presented below:

Net change in fund balance - budgetary basis.....	\$	(1,025,901)
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		153,016
Activity of the municipal building insurance fund recorded in the general fund for GAAP.....		(97,330)
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....		(311,000)
Net change in recording accrued payroll.....		751,999
Recognition of revenue for on-behalf payments.....		6,597,576
Recognition of expenditures for on-behalf payments.....		<u>(6,597,576)</u>
Net change in fund balance - GAAP basis.....	\$	<u><u>(529,216)</u></u>

**NOTE B – PENSION PLAN*****Pension Plan Schedules – Retirement System*****A. Changes in the Net Pension Liability and Related Ratios**

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the systems total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the plan's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

Since the retirement system performs an actuarial valuation bi-annually, there are no reported amounts for the changes in benefit terms, differences between expected and actual experience and changes in assumptions as of December 31, 2014.

**B. Contributions**

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

### C. Schedule of Investment Return

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

### ***Pension Plan Schedules - Town***

#### A. Schedule of the Town's Proportionate Share of the Net Pension Liability

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

#### B. Schedule of Town's Contributions

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

#### C. Schedule of the Special Funding Amounts of the Net Pension Liabilities

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

D. Changes in Assumptions: There were no changes in assumptions.

E. Changes in Plan Provisions: There were no changes in plan provisions.

### **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, 2015

	<i>Special Revenue Funds</i>					
	Town Special Revenue Funds	School Lunch Fund	School Special Revenue Funds	Community Preservation Fund	Highway Improvements Fund	Subtotal
<b>ASSETS</b>						
Cash and cash equivalents.....	\$ 4,684,833	\$ 145,610	\$ 1,891,171	\$ 5,842,822	\$ -	\$ 12,564,436
Investments.....	19,105	-	-	-	-	19,105
Receivables, net of uncollectibles:						
Departmental and other.....	-	-	-	10,114	-	10,114
Intergovernmental.....	-	-	-	131,000	1,925,577	2,056,577
<b>TOTAL ASSETS.....</b>	<b>\$ 4,703,938</b>	<b>\$ 145,610</b>	<b>\$ 1,891,171</b>	<b>\$ 5,983,936</b>	<b>\$ 1,925,577</b>	<b>\$ 14,650,232</b>
<b>LIABILITIES</b>						
Warrants payable.....	\$ 90,547	\$ 25,900	\$ 202,997	\$ 135,154	\$ 80,228	\$ 534,826
Accrued payroll.....	1,785	16,443	49,145	-	-	67,373
Due to other funds.....	-	-	-	-	441,475	441,475
<b>TOTAL LIABILITIES.....</b>	<b>92,332</b>	<b>42,343</b>	<b>252,142</b>	<b>135,154</b>	<b>521,703</b>	<b>1,043,674</b>
<b>DEFERRED INFLOWS</b>						
Unavailable revenues.....	-	-	-	141,113	1,403,874	1,544,987
<b>FUND BALANCES</b>						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	4,611,606	103,267	1,639,029	5,707,669	-	12,061,571
<b>TOTAL FUND BALANCES.....</b>	<b>4,611,606</b>	<b>103,267</b>	<b>1,639,029</b>	<b>5,707,669</b>	<b>-</b>	<b>12,061,571</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES.....</b>	<b>\$ 4,703,938</b>	<b>\$ 145,610</b>	<b>\$ 1,891,171</b>	<b>\$ 5,983,936</b>	<b>\$ 1,925,577</b>	<b>\$ 14,650,232</b>

<b>Permanent Funds</b>				
<b>Town Capital Projects</b>	<b>Nonexpendable Trust Funds</b>	<b>Expendable Trust Funds</b>	<b>Subtotal</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 2,323,666	\$ 2,564,529	\$ 896,656	\$ 3,461,185	\$ 18,349,287
-	-	6,558,765	6,558,765	6,577,870
-	-	-	-	10,114
-	-	-	-	2,056,577
<u>\$ 2,323,666</u>	<u>\$ 2,564,529</u>	<u>\$ 7,455,421</u>	<u>\$ 10,019,950</u>	<u>\$ 26,993,848</u>
\$ 108,697	\$ -	\$ -	\$ -	\$ 643,523
-	-	-	-	67,373
-	-	-	-	441,475
<u>108,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,152,371</u>
-	-	-	-	1,544,987
-	2,564,529	-	2,564,529	2,564,529
<u>2,214,969</u>	<u>-</u>	<u>7,455,421</u>	<u>7,455,421</u>	<u>21,731,961</u>
<u>2,214,969</u>	<u>2,564,529</u>	<u>7,455,421</u>	<u>10,019,950</u>	<u>24,296,490</u>
<u>\$ 2,323,666</u>	<u>\$ 2,564,529</u>	<u>\$ 7,455,421</u>	<u>\$ 10,019,950</u>	<u>\$ 26,993,848</u>

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

YEAR ENDED JUNE 30, 2015

	<i>Special Revenue Funds</i>					Subtotal
	Town Special Revenue Funds	School Lunch Fund	School Special Revenue Funds	Community Preservation Fund	Highway Improvements Fund	
	<b>REVENUES:</b>					
Tax liens.....	\$ -	\$ -	\$ -	\$ 1,963	\$ -	\$ 1,963
Intergovernmental.....	1,039,662	632,431	5,009,556	192,854	674,909	7,549,412
Departmental and other.....	821,715	1,106,862	1,295,500	-	-	3,224,077
Community preservation.....	-	-	-	659,352	-	659,352
Contributions.....	307,788	-	249,770	-	-	557,558
Investment income.....	51	252	168	11,374	-	11,845
Miscellaneous.....	26,070	-	-	-	-	26,070
<b>TOTAL REVENUES.....</b>	<b>2,195,286</b>	<b>1,739,545</b>	<b>6,554,994</b>	<b>865,543</b>	<b>674,909</b>	<b>12,030,277</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	688,405	-	-	-	-	688,405
Public safety.....	384,957	-	-	-	-	384,957
Education.....	-	1,710,863	6,155,260	-	-	7,866,123
Public works.....	278,442	-	-	-	674,909	953,351
Community development.....	-	-	-	894,362	-	894,362
Human services.....	159,878	-	-	-	-	159,878
Culture and recreation.....	553,835	-	-	-	-	553,835
<b>TOTAL EXPENDITURES.....</b>	<b>2,065,517</b>	<b>1,710,863</b>	<b>6,155,260</b>	<b>894,362</b>	<b>674,909</b>	<b>11,500,911</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>129,769</b>	<b>28,682</b>	<b>399,734</b>	<b>(28,819)</b>	<b>-</b>	<b>529,366</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of long-term debt.....	-	-	-	-	-	-
Premium from issuance of bonds.....	171,463	-	-	-	-	171,463
Transfers in.....	413,367	-	99,586	-	-	512,953
Transfers out.....	(34,350)	-	-	-	-	(34,350)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>550,480</b>	<b>-</b>	<b>99,586</b>	<b>-</b>	<b>-</b>	<b>650,066</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>680,249</b>	<b>28,682</b>	<b>499,320</b>	<b>(28,819)</b>	<b>-</b>	<b>1,179,432</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>3,931,357</b>	<b>74,585</b>	<b>1,139,709</b>	<b>5,736,488</b>	<b>-</b>	<b>10,882,139</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 4,611,606</b>	<b>\$ 103,267</b>	<b>\$ 1,639,029</b>	<b>\$ 5,707,669</b>	<b>\$ -</b>	<b>\$ 12,061,571</b>

<b>Permanent Funds</b>				
<b>Town Capital Projects</b>	<b>Nonexpendable Trust Funds</b>	<b>Expendable Trust Funds</b>	<b>Subtotal</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	1,963
145,787	-	-	-	7,695,199
-	-	-	-	3,224,077
-	-	-	-	659,352
-	-	85,971	85,971	643,529
-	-	90,500	90,500	102,345
-	-	-	-	26,070
<u>145,787</u>	<u>-</u>	<u>176,471</u>	<u>176,471</u>	<u>12,352,535</u>
445,417	-	36,998	36,998	1,170,820
272,978	-	-	-	657,935
1,061,023	-	-	-	8,927,146
2,662,944	-	-	-	3,616,295
-	-	-	-	894,362
-	-	-	-	159,878
<u>122,237</u>	<u>-</u>	<u>6,758</u>	<u>6,758</u>	<u>682,830</u>
<u>4,564,599</u>	<u>-</u>	<u>43,756</u>	<u>43,756</u>	<u>16,109,266</u>
<u>(4,418,812)</u>	<u>-</u>	<u>132,715</u>	<u>132,715</u>	<u>(3,756,731)</u>
3,259,000	-	-	-	3,259,000
-	-	-	-	171,463
-	-	-	-	512,953
-	-	(378,586)	(378,586)	(412,936)
<u>3,259,000</u>	<u>-</u>	<u>(378,586)</u>	<u>(378,586)</u>	<u>3,530,480</u>
(1,159,812)	-	(245,871)	(245,871)	(226,251)
<u>3,374,781</u>	<u>2,564,529</u>	<u>7,701,292</u>	<u>10,265,821</u>	<u>24,522,741</u>
<u>\$ 2,214,969</u>	<u>\$ 2,564,529</u>	<u>\$ 7,455,421</u>	<u>\$ 10,019,950</u>	<u>\$ 24,296,490</u>

# ***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, 2015

	Agency Accounts <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Agency Accounts <u>June 30, 2015</u>
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 432,857	\$ 2,756,580	\$ (2,773,983)	\$ 415,454
<b>LIABILITIES</b>				
Liabilities due depositors.....	\$ 432,857	\$ 2,756,580	\$ (2,773,983)	\$ 415,454

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# ***Statistical Section***



“Braintree 375” – as part of the Town’s 375<sup>th</sup> Birthday the Town held a number of events including an old time baseball game played with 1910 rules and uniforms. Mayor Joseph Sullivan is pictured above along with several spectators.

# ***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**

	2006	2007	2008	2009	2010	2011	2012	2013	2014 (1)	2015
<b>Governmental activities</b>										
Net investment in capital assets.....	\$ 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	\$ 57,366,463
Restricted.....	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	22,222,634
Unrestricted.....	<u>2,866,257</u>	<u>7,669,389</u>	<u>3,262,565</u>	<u>(1,978,165)</u>	<u>(8,277,629)</u>	<u>(14,151,761)</u>	<u>(20,004,880)</u>	<u>(23,061,668)</u>	<u>(86,823,313)</u>	<u>(96,707,790)</u>
Total governmental activities net position.....	<u>\$ 61,685,128</u>	<u>\$ 68,071,436</u>	<u>\$ 62,569,067</u>	<u>\$ 57,361,400</u>	<u>\$ 54,407,835</u>	<u>\$ 52,743,510</u>	<u>\$ 51,640,774</u>	<u>\$ 50,492,783</u>	<u>\$ (9,412,483)</u>	<u>\$ (17,118,693)</u>
<b>Business-type activities</b>										
Net investment in capital assets.....	\$ 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	\$ 76,442,398
Restricted.....	-	-	-	-	-	-	-	-	3,732,114	5,353,621
Unrestricted.....	<u>18,513,324</u>	<u>19,790,984</u>	<u>24,074,877</u>	<u>14,243,145</u>	<u>17,782,384</u>	<u>22,809,172</u>	<u>18,020,393</u>	<u>16,082,628</u>	<u>10,640,375</u>	<u>8,801,686</u>
Total business-type activities net position.....	<u>\$ 83,120,697</u>	<u>\$ 83,471,450</u>	<u>\$ 87,547,196</u>	<u>\$ 88,014,903</u>	<u>\$ 90,069,586</u>	<u>\$ 91,832,022</u>	<u>\$ 89,611,731</u>	<u>\$ 91,655,426</u>	<u>\$ 90,680,043</u>	<u>\$ 90,597,705</u>
<b>Primary government</b>										
Net investment in capital assets.....	\$ 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	\$ 133,808,861
Restricted.....	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	27,576,255
Unrestricted.....	<u>21,379,581</u>	<u>27,460,373</u>	<u>27,337,442</u>	<u>12,264,980</u>	<u>9,504,755</u>	<u>8,657,411</u>	<u>(1,984,487)</u>	<u>(6,979,040)</u>	<u>(76,182,938)</u>	<u>(87,906,104)</u>
Total primary government net position.....	<u>\$ 144,805,825</u>	<u>\$ 151,542,886</u>	<u>\$ 150,116,263</u>	<u>\$ 145,376,303</u>	<u>\$ 144,477,421</u>	<u>\$ 144,575,532</u>	<u>\$ 141,252,505</u>	<u>\$ 142,148,209</u>	<u>\$ 81,267,560</u>	<u>\$ 73,479,012</u>

(1) The 2014 unrestricted net position for governmental and business-type activities has been revised due to the implementation of GASB #68 and #71.

**Changes in Net Position**

**Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government.....	\$ 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	\$ 7,100,754
Public safety.....	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	26,710,830
Education.....	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	92,481,566
Public works.....	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	9,686,905
Sanitation.....	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	1,504,795
Community preservation.....	27,002	249,447	104,793	35,109	41,392	76,049	168,276	133,513	187,852	642,312
Human services.....	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	1,439,972
Culture and recreation.....	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	3,857,160
Interest.....	422,825	357,055	444,173	367,644	543,891	620,316	686,246	594,798	471,412	486,438
<b>Total governmental activities expenses.....</b>	<b>102,354,571</b>	<b>106,129,424</b>	<b>116,328,617</b>	<b>120,855,550</b>	<b>123,975,647</b>	<b>128,062,816</b>	<b>130,020,336</b>	<b>136,611,267</b>	<b>142,430,613</b>	<b>143,910,732</b>
<b>Business-type activities:</b>										
Water and Sewer.....	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	14,834,145
Golf.....	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	1,491,676
Electric.....	51,616,634	61,409,672	62,262,396	65,653,538	71,421,238	72,454,533	70,895,924	66,409,996	68,036,931	73,461,461
<b>Total business-type activity expenses.....</b>	<b>63,570,114</b>	<b>74,284,846</b>	<b>75,514,091</b>	<b>79,080,087</b>	<b>84,883,923</b>	<b>86,847,801</b>	<b>85,366,643</b>	<b>81,717,159</b>	<b>83,346,068</b>	<b>89,787,282</b>
<b>Total primary government expenses.....</b>	<b>\$ 165,924,685</b>	<b>\$ 180,414,270</b>	<b>\$ 191,842,708</b>	<b>\$ 199,935,637</b>	<b>\$ 208,859,570</b>	<b>\$ 214,910,617</b>	<b>\$ 215,386,979</b>	<b>\$ 218,328,426</b>	<b>\$ 225,776,681</b>	<b>\$ 233,698,014</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government.....	\$ 721,928	\$ 749,484	\$ 654,663	\$ 613,460	\$ 596,828	\$ 517,136	\$ 616,829	\$ 757,713	\$ 863,484	\$ 924,180
Public safety.....	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	2,510,631
Education.....	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	2,094,328
Public works.....	248,130	236,047	559,293	609,110	334,823	471,878	553,002	627,466	1,160,134	897,304
Sanitation.....	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	1,394,047
Human services.....	161,380	204,551	151,360	142,817	24,205	25,792	31,332	33,119	32,811	47,689
Culture and recreation.....	456,502	477,168	345,587	393,249	379,560	396,823	361,811	377,596	384,999	382,905
Operating grants and contributions.....	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	30,278,006
Capital grants and contributions.....	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	831,972
<b>Total governmental activities program revenues.....</b>	<b>33,071,543</b>	<b>37,834,958</b>	<b>35,269,147</b>	<b>38,745,468</b>	<b>39,589,134</b>	<b>44,645,169</b>	<b>45,800,614</b>	<b>45,640,305</b>	<b>44,201,961</b>	<b>39,361,062</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water and Sewer.....	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	16,117,460
Golf.....	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	1,505,920
Electric.....	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	73,273,739
Operating grants and contributions.....	33,402	37,736	32,443	-	-	215,783	-	-	-	-
Capital grants and contributions.....	225,000	-	-	-	-	-	281,643	142,560	-	787,500
<b>Total business-type activities program revenues.....</b>	<b>64,105,418</b>	<b>73,717,569</b>	<b>78,618,765</b>	<b>79,654,983</b>	<b>87,178,099</b>	<b>90,650,254</b>	<b>85,380,387</b>	<b>86,038,881</b>	<b>88,051,365</b>	<b>91,684,619</b>
<b>Total primary government program revenues.....</b>	<b>\$ 97,176,961</b>	<b>\$ 111,552,527</b>	<b>\$ 113,887,912</b>	<b>\$ 118,400,451</b>	<b>\$ 126,767,233</b>	<b>\$ 135,295,423</b>	<b>\$ 131,181,001</b>	<b>\$ 131,679,186</b>	<b>\$ 132,253,326</b>	<b>\$ 131,045,681</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (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)	\$ (104,549,670)
Business-type activities.....	535,304	(567,277)	3,104,674	574,896	2,294,176	3,802,453	13,744	4,321,722	4,705,297	1,897,337
<b>Total primary government net expense.....</b>	<b>\$ (68,747,724)</b>	<b>\$ (68,861,743)</b>	<b>\$ (77,954,796)</b>	<b>\$ (81,535,186)</b>	<b>\$ (82,092,337)</b>	<b>\$ (79,615,194)</b>	<b>\$ (84,205,978)</b>	<b>\$ (86,649,240)</b>	<b>\$ (93,523,355)</b>	<b>\$ (102,652,333)</b>
<b>General Revenues and other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Real estate, personal property taxes and tax liens, net of tax refunds payable.....	\$ 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	\$ 79,271,011
Tax liens.....	246,461	172,271	195,258	102,402	-	-	-	-	-	-
Motor vehicle and other excise taxes.....	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	5,678,581
Hotel/motel tax.....	868,033	854,486	735,915	768,355	745,319	718,452	784,781	1,141,705	1,324,541	1,491,419
Meals tax.....	-	-	-	-	-	-	-	-	807,740	1,017,863
Community preservation tax.....	459,792	474,210	455,258	551,133	530,249	558,590	559,244	590,915	607,219	661,315
Penalties and interest on taxes.....	458,484	310,116	332,155	297,882	345,208	417,749	371,394	381,757	475,877	522,767
Payments in lieu of taxes.....	906,189	918,556	1,049,810	1,049,817	2,193,890	116,425	118,112	211,386	24,854	693,850
Grants and contributions not restricted to specific programs.....	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	5,224,867
Unrestricted investment income.....	817,046	1,390,441	716,560	530,782	486,914	267,612	215,677	243,114	216,968	195,103
Gain on sale of land.....	-	656,876	-	-	-	-	-	-	-	-
Affordable housing development fees.....	-	-	-	-	1,800,000	-	-	-	-	-
Miscellaneous.....	104,033	401,646	551,830	91,623	77,800	69,345	70,051	42,380	38,317	26,070
Transfers.....	107,428	110,555	99,004	154,634	291,230	2,284,796	2,289,778	2,404,634	1,820,664	2,060,614
<b>Total governmental activities.....</b>	<b>70,201,380</b>	<b>74,610,774</b>	<b>75,557,101</b>	<b>76,902,415</b>	<b>81,432,948</b>	<b>81,753,322</b>	<b>83,116,986</b>	<b>89,822,971</b>	<b>92,621,546</b>	<b>96,843,460</b>
<b>Business-type activities:</b>										
Unrestricted investment income.....	149,718	308,420	1,070,076	47,445	51,737	244,779	55,743	126,607	74,085	80,939
Claims and judgments.....	-	675,365	-	-	-	-	-	-	-	-
Transfers.....	(107,428)	(110,555)	(99,004)	(154,634)	(291,230)	(2,284,796)	(2,289,778)	(2,404,634)	(1,820,664)	(2,060,614)
<b>Total business-type activities.....</b>	<b>42,290</b>	<b>873,230</b>	<b>971,072</b>	<b>(107,189)</b>	<b>(239,493)</b>	<b>(2,040,017)</b>	<b>(2,234,035)</b>	<b>(2,278,027)</b>	<b>(1,746,579)</b>	<b>(1,979,675)</b>
<b>Total primary government.....</b>	<b>\$ 70,243,670</b>	<b>\$ 75,484,004</b>	<b>\$ 76,528,173</b>	<b>\$ 76,795,226</b>	<b>\$ 81,193,455</b>	<b>\$ 79,713,305</b>	<b>\$ 80,882,951</b>	<b>\$ 87,544,944</b>	<b>\$ 90,874,967</b>	<b>\$ 94,863,785</b>
<b>Changes in Net Position</b>										
Governmental activities.....	\$ 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)	\$ (7,706,210)
Business-type activities.....	577,594	305,953	4,075,746	467,707	2,054,683	1,762,436	(2,220,291)	2,043,695	2,958,718	(82,338)
<b>Total primary government.....</b>	<b>\$ 1,495,946</b>	<b>\$ 6,622,261</b>	<b>\$ (1,426,623)</b>	<b>\$ (4,739,960)</b>	<b>\$ (898,882)</b>	<b>\$ 98,111</b>	<b>\$ (3,323,027)</b>	<b>\$ 895,704</b>	<b>\$ (2,648,388)</b>	<b>\$ (7,788,548)</b>

**Fund Balances, Governmental Funds**

**Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved.....	\$ 508,261	\$ 865,705	\$ 760,035	\$ 281,374	\$ 895,787	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	3,414,564	3,790,923	3,088,264	7,287,516	9,178,146	-	-	-	-	-
Committed.....	-	-	-	-	-	-	-	988,955	2,049,917	2,103,635
Assigned.....	-	-	-	-	-	1,250,576	1,140,720	1,140,211	1,164,142	666,097
Unassigned.....	-	-	-	-	-	13,160,254	15,847,651	17,880,465	16,356,370	16,271,481
<b>Total general fund.....</b>	<b>\$ 3,922,825</b>	<b>\$ 4,656,628</b>	<b>\$ 3,848,299</b>	<b>\$ 7,568,890</b>	<b>\$ 10,073,933</b>	<b>\$ 14,410,830</b>	<b>\$ 16,988,371</b>	<b>\$ 20,009,631</b>	<b>\$ 19,570,429</b>	<b>\$ 19,041,213</b>
<b>All Other Governmental Funds</b>										
Reserved.....	\$ 2,586,848	\$ 2,513,808	\$ 2,505,157	\$ 2,606,133	\$ 2,506,133	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	6,592,674	8,672,575	6,583,933	8,102,411	9,599,385	-	-	-	-	-
Capital projects funds.....	(1,374,542)	1,094,496	(494,856)	1,322,865	2,825,324	-	-	-	-	-
Permanent funds.....	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	2,564,529
Restricted.....	-	-	-	-	-	21,726,183	20,110,956	18,293,846	21,958,212	21,731,961
<b>Total all other governmental funds.....</b>	<b>\$ 13,634,543</b>	<b>\$ 19,023,642</b>	<b>\$ 15,573,843</b>	<b>\$ 18,188,938</b>	<b>\$ 22,788,469</b>	<b>\$ 24,234,064</b>	<b>\$ 22,675,842</b>	<b>\$ 20,858,732</b>	<b>\$ 24,522,741</b>	<b>\$ 24,296,490</b>

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

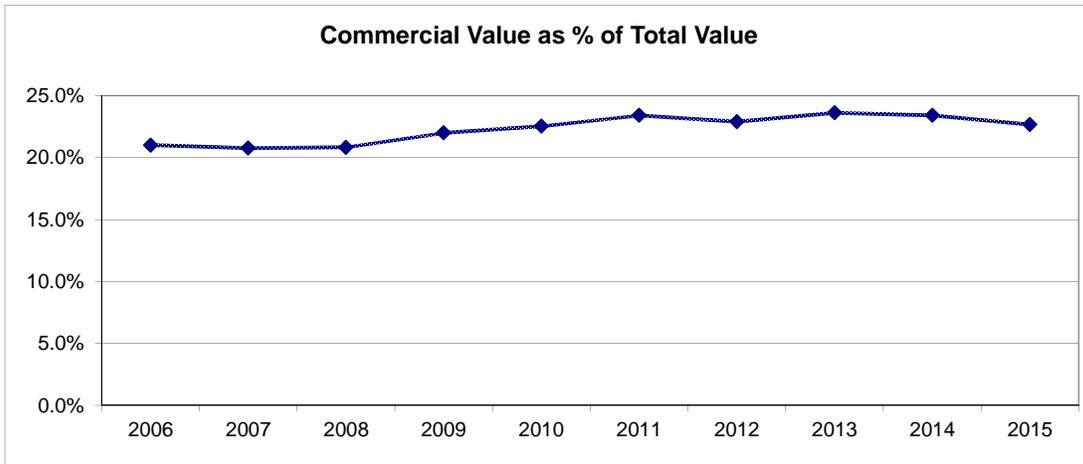
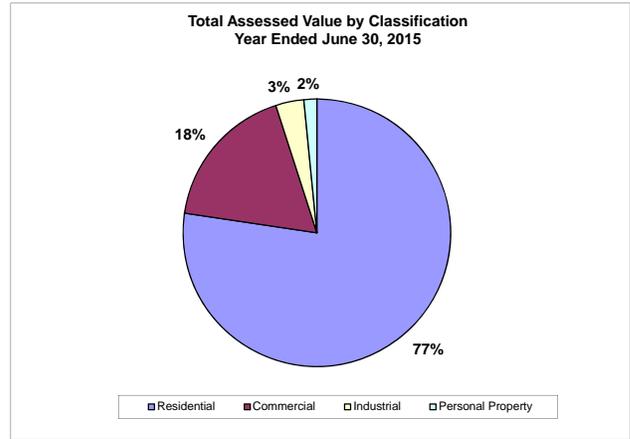
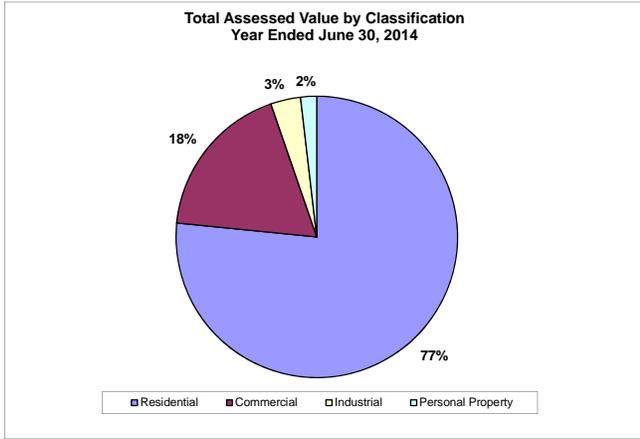
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Real estate, personal property taxes and tax liens, net of tax refunds.....	\$ 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	79,073,666
Tax Liens.....	231,598	172,271	63,809	76,974	57,843	81,120	77,774	45,681	407,348	1,100,825
Motor vehicle and other excise taxes.....	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	5,609,682
Hotel/Motel tax.....	868,033	854,486	735,915	768,355	745,319	718,452	784,781	1,141,705	1,324,541	1,491,419
Meals tax.....	-	-	-	-	-	-	-	-	807,740	1,017,863
Penalties and interest on taxes.....	458,484	310,116	332,155	297,882	345,208	417,749	371,394	381,757	475,877	522,767
Payments in lieu of taxes.....	906,189	918,556	1,049,810	1,049,817	2,193,890	116,425	118,112	211,386	24,854	693,850
Intergovernmental.....	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	35,342,773
Departmental and other.....	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	8,497,554
Community preservation.....	459,792	474,210	455,258	551,133	530,249	558,590	559,244	592,836	607,219	659,352
Affordable housing development fees.....	-	-	-	-	1,800,000	-	-	-	-	-
Contributions.....	367,149	768,016	366,096	1,071,110	640,918	364,569	453,433	932,928	530,070	643,529
Investment income.....	1,263,802	2,460,899	369,561	(201,774)	995,846	1,325,987	153,004	319,712	384,831	300,329
Claims and judgments.....	-	-	-	-	-	-	-	-	450,000	-
Miscellaneous.....	323,687	301,176	514,828	91,623	69,100	49,524	17,564	42,380	38,310	26,070
<b>Total Revenue.....</b>	<b>97,658,058</b>	<b>106,070,268</b>	<b>108,848,974</b>	<b>115,089,296</b>	<b>120,363,256</b>	<b>122,588,739</b>	<b>125,961,087</b>	<b>130,271,739</b>	<b>136,948,270</b>	<b>134,979,679</b>
<b>Expenditures:</b>										
General government.....	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	5,019,468
Public safety.....	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	19,223,137
Education.....	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	68,987,111
Public works.....	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	10,421,875
Sanitation services.....	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	1,487,659
Community development.....	568,182	376,126	1,799,290	14,977	41,392	76,049	643,366	325,972	247,083	894,362
Human services.....	818,353	849,053	876,798	708,984	748,949	792,326	817,714	896,262	941,115	1,064,584
Culture and recreation.....	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	3,165,322
Pension benefits-Town.....	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	5,793,428
Pension benefits-School.....	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	6,597,576
Property and liability insurance.....	475,422	483,391	406,416	419,313	402,567	368,027	428,125	439,651	433,381	438,383
Employee benefits.....	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	10,925,437
State and county charges.....	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	3,722,290
Debt service										
Principal.....	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	2,698,134
Interest.....	413,209	354,814	445,990	351,879	524,464	590,897	686,619	752,290	740,756	787,457
<b>Total Expenditures.....</b>	<b>103,746,311</b>	<b>106,276,639</b>	<b>113,645,001</b>	<b>113,053,287</b>	<b>120,231,912</b>	<b>125,191,043</b>	<b>133,635,508</b>	<b>134,727,001</b>	<b>139,288,063</b>	<b>141,226,223</b>
Excess of revenues over (under) expenditures.....	(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)	(6,246,544)
<b>Other Financing Sources (Uses)</b>										
Issuance of long-term debt.....	2,800,000	2,100,000	10,925,437	3,600,000	6,782,000	6,100,000	5,286,000	3,140,000	3,519,000	3,259,000
Premium from issuance of bonds and notes.....	-	169,060	379,762	445,043	-	-	369,204	114,778	224,936	171,463
Issuance of refunding bonds.....	-	1,055,000	-	-	-	-	-	-	-	1,680,000
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	-	-	334,581
Payment to refunded bond escrow agent.....	-	(1,045,217)	-	-	-	-	-	-	-	(2,014,581)
Capital lease financing.....	179,485	400,000	-	-	-	-	246,395	-	-	-
Proceeds from the sale of land.....	-	739,875	-	-	-	-	-	-	-	-
Transfers in.....	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	2,629,917
Transfers out.....	(1,128,194)	(1,100,883)	(1,288,748)	(466,321)	(690,194)	(650,730)	(406,094)	(1,066,928)	(1,264,261)	(569,303)
<b>Total other financing sources (uses).....</b>	<b>3,086,913</b>	<b>3,529,273</b>	<b>11,463,336</b>	<b>4,199,677</b>	<b>7,073,230</b>	<b>8,384,796</b>	<b>8,191,377</b>	<b>5,659,412</b>	<b>5,564,600</b>	<b>5,491,077</b>
<b>Net change in fund balance.....</b>	<b>\$(3,001,340)</b>	<b>\$ 3,322,902</b>	<b>\$ 6,667,309</b>	<b>\$ 6,235,686</b>	<b>\$ 7,204,574</b>	<b>\$ 5,782,492</b>	<b>\$ 516,956</b>	<b>\$ 1,204,150</b>	<b>\$ 3,224,807</b>	<b>(755,467)</b>
Debt service as a percentage of noncapital expenditures.....	1.87%	1.97%	1.93%	1.65%	2.14%	2.55%	2.37%	2.51%	2.33%	2.58%

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

**Last Ten Years**

Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Total Commercial Value	Commercial Tax Rate	Personal Property	Personal Property Tax Rate	Total Direct Rate (1)	Total Town Value
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
2015	\$4,352,696,656	\$11.07	\$997,106,201	\$190,799,500	\$1,187,905,701	\$24.95	\$87,817,050	\$24.83	\$14.21	\$5,628,419,407



(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**

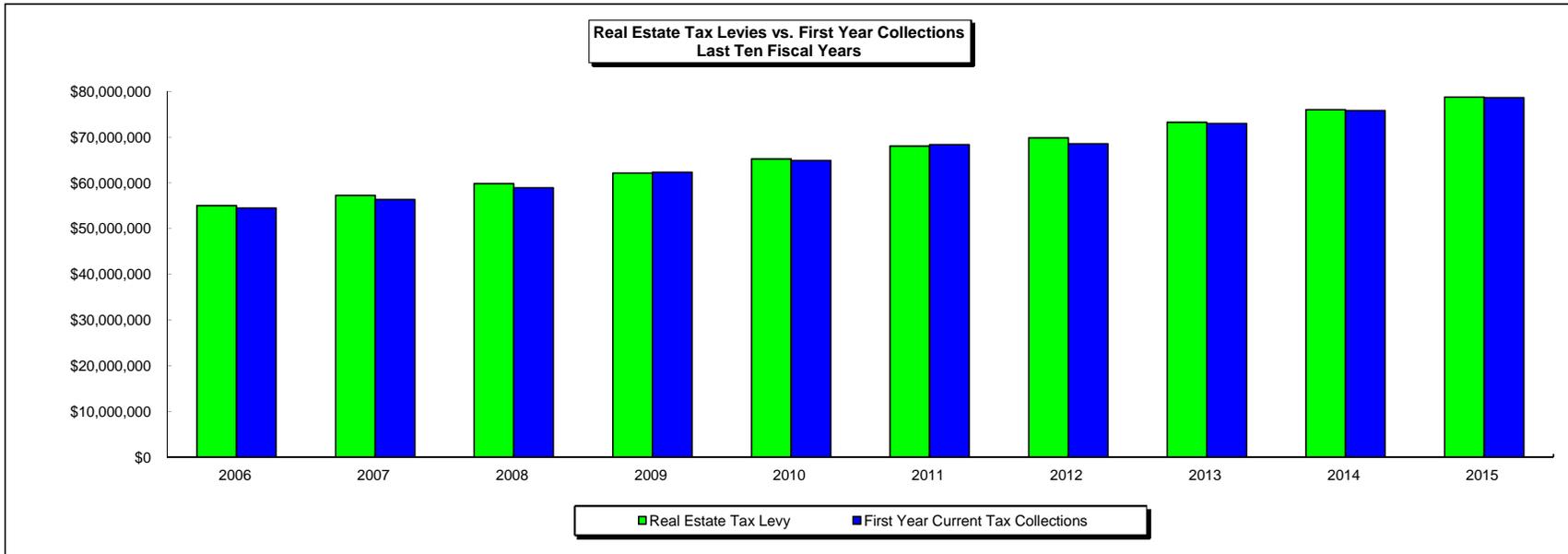
Name	Nature of Business	2015			2006		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Braintree Property Associates	Malls	\$ 261,500,100	1	4.65%	\$ 189,770,400	1	3.41%
Messina, Francis X. (et al)	Developer/Real Estate	106,326,900	2	1.89%	66,167,900	3	1.19%
Braintree Hill Office Park, LLC	Office Park	62,727,600	3	1.11%	-	-	-
Lenox Farms LTD Partnership	Developer/Real Estate	60,393,700	4	1.07%	-	-	-
EQR-Lincoln Braintree LLC	Developer/Real Estate	29,765,300	5	0.53%	29,369,700	6	0.53%
Ridge at Blue Hills LTD Partnership	Developer/Real Estate	23,684,400	6	0.42%	-	-	-
WBF Braintree Equity Partnership LLC	Retail	23,564,700	7	0.42%	-	-	-
TRT Braintree LLC DCX	Malls	18,934,700	8	0.34%	-	-	-
Flatley, John (et al)	Real Estate	14,983,100	9	0.27%	68,181,100	2	1.22%
AMB Property LP	Retail Clothing	18,309,400	10	0.33%	37,546,300	4	0.67%
Flatley Family Trust	Developer/Real Estate	-	-	-	31,646,100	5	0.57%
The Flatley Company	Developer/Real Estate	-	-	-	18,924,900	7	0.34%
Federated Dept. Stores, Inc.	Retail	-	-	-	17,800,200	8	0.32%
Tedeschi Realty Corp	Mall	-	-	-	17,658,200	9	0.32%
Sheraton Braintree Hotel	Hotel	-	-	-	17,617,400	10	0.32%
<b>Totals \$</b>		<u>620,189,900</u>		<u>11.02%</u>	<u>\$ 494,682,200</u>		<u>8.88%</u>

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)
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%	\$359,964	\$76,166,642	100.26%
2015	\$79,857,630	\$1,124,209	\$78,733,421	98.59%	\$78,644,968	99.89%	\$0	\$78,644,968	99.89%



(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
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	35,983	\$ 1,446,817,954	\$ 5,143,940,012	\$ 23,155,799	\$ 149,204	\$ 644	1.60%	0.45%
2014	36,220	\$ 1,575,253,345	\$ 5,200,927,730	\$ 24,272,037	\$ 89,968	\$ 670.14	1.54%	0.47%
2015	36,223	\$ 1,638,405,602	\$ 5,628,419,407	\$ 24,697,593	\$ -	\$ 681.83	1.51%	0.44%

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
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	\$ 4,169	10.37%	2.92%
2014	\$ 122,093,961	\$ 485,394	\$ 146,365,998	\$ 4,028	9.26%	2.80%
2015	\$ 118,337,221	\$ 296,958	\$ 143,034,814	\$ 3,941	8.71%	2.54%

Source: Audited Financial Statements, U. S. Census

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2015**

<u>Town of Braintree, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>	<u>Current Year Assessment for Operations and Debt Service</u>
Norfolk County.....	\$ 12,625,000	4.76%	\$ 600,950	\$ <u>271,812</u>
Town debt.....			<u>24,697,593</u>	
Total direct and overlapping debt.....			<u>\$ 25,298,543</u>	

Source: Treasurer's Office, Town of Braintree

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

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of 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**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
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	\$ 5,574,551,500
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	\$ 278,727,575
Less:										
Outstanding debt applicable to limit.....	14,393,526	14,748,763	12,619,000	15,132,500	19,434,000	22,604,500	26,032,230	26,927,624	27,669,930	28,527,736
Authorized and unissued debt.....	104,001,485	106,696,485	121,696,485	5,609,485	4,017,485	7,254,622	10,452,483	12,395,003	12,391,520	15,904,964
Legal debt margin.....	\$ 126,323,594	\$ 172,487,262	\$ 159,617,025	\$ 284,418,320	\$ 281,708,820	\$ 260,311,803	\$ 253,686,212	\$ 242,029,543	\$ 241,290,720	\$ 234,294,875
Total debt applicable to the limit as a percentage of the limit.....	48.38%	41.32%	45.70%	6.80%	7.68%	10.29%	12.57%	13.98%	14.24%	15.94%

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
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	35,983	\$ 1,504,756,371	\$ 41,819	40	5,678	5.60%
2014	36,220	\$ 1,575,253,345	\$ 43,492	40	5,734	5.40%
2015	36,223	\$ 1,638,405,602	\$ 45,232	40	5,828	5.10%

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

**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	Nature of Business	2015			2006		
		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	450	3	1.71%	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%
		4,348		16.53%	5,426		28.87%

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

**Full-time Equivalent Town Employees by Function**

**Last Ten Years**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function:										
General government.....	55	55	47	45	38	41	42	43	43	43
Police.....	91	94	91	84	82	81	83	90	96	97
Fire.....	89	90	92	88	87	87	86	83	86	88
Education.....	639	652	666	674	648	675	689	714	736	770
Public works.....	50	46	44	48	43	39	39	38	40	40
Human services.....	11	11	13	10	10	11	11	12	12	12
Culture and recreation.....	19	18	19	20	19	19	19	20	19	17
Water & Sewer .....	29	27	29	23	21	23	23	24	23	23
Golf.....	10	10	10	9	9	9	9	9	8	8
Electric Light .....	111	111	107	111	111	110	110	110	101	100
Total .....	<u>1,103</u>	<u>1,113</u>	<u>1,117</u>	<u>1,111</u>	<u>1,067</u>	<u>1,094</u>	<u>1,110</u>	<u>1,143</u>	<u>1,164</u>	<u>1,198</u>

Source: Town personnel records and various Town departments.

**Operating Indicators by Function/Program**

**Last Ten Years**

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>General Government</b>										
Population.....	32,669	32,474	32,434	32,931	35,744	35,744	35,744	35,744	35,744	35,744
Registered voters, annual town election.....	6,254	9,541	N/A	6,178	N/A	7,500	N/A	N/A	N/A	N/A
<b>Town Clerk</b>										
Births.....	397	413	371	412	365	380	411	407	410	382
Marriages.....	173	198	145	189	197	213	234	193	211	218
Deaths.....	473	471	480	440	465	465	469	500	478	505
<b>Police</b>										
Accidents covered by an officer.....	1,213	1,302	1,199	1,152	1,247	1,177	287	481	1,611	524
Citations issued.....	12,052	9,957	5,786	3,833	3,849	2,722	1,304	3,737	4,311	9,370
Arrests.....	1,206	1,107	1,085	813	766	754	262	835	985	952
Larcenies.....	915	917	881	802	662	615	245	511	1,167	619
<b>Fire</b>										
Fires.....	101	143	102	84	116	92	94	64	132	136
Emergency medical service.....	2,564	2,620	2,850	3,085	3,107	2,725	1,786	2,629	2,558	2,733
False alarm.....	796	839	855	761	676	759	493	773	857	633
Other responses.....	1,262	1,315	983	1,046	1,150	1,196	948	1,422	1,456	1,366
Hazmat responses.....	429	417	363	336	281	360	207	351	258	255
<b>Building Department</b>										
Residential building permits issued.....	1,082	998	897	891	950	979	976	850	926	1,352
Non-Residential building permits issued.....	230	268	315	301	324	295	361	403	399	382
<b>Education</b>										
Public school enrollment.....	5,229	5,325	5,443	5,441	5,557	5,565	5,601	5,678	5,734	5,828
<b>Public Works</b>										
<b>Cemetery</b>										
Lots sold.....	N/A	N/A	N/A	N/A	N/A	25	15	28	23	39
<b>Water</b>										
Service connections.....	N/A	N/A	N/A	N/A	N/A	11,497	11,500	11,492	11,454	11,561
Consumption in billions of gallons.....	1,428	1,585	1,542	1,421	1,374	1,371	N/A	1,285	1,166	927
Daily consumption in millions of gallons.....	4.0	4.2	3.7	3.6	3.8	3.7	N/A	4.7	3.5	3
<b>Sewer</b>										
Service connections.....	N/A	N/A	N/A	N/A	N/A	N/A	11,500	11,423	11,417	11,541
Daily average collection (MGD).....	N/A	N/A	N/A	6.61	6.97	6.52	6.89	6.66	6.81	N/A
<b>Highway</b>										
Miles of public road.....	127.2	129.0	129.0	129.0	129.0	129.0	129.0	130.0	130.0	134
<b>Human Services</b>										
<b>Board of Health</b>										
Inspections.....	1,478	1,531	1,324	1,257	1,151	1,338	1,321	1,263	1,139	1,291
<b>Council on Aging</b>										
Home delivered meals.....	825	1,213	634	1,220	616	N/A	N/A	N/A	N/A	N/A
Transportation.....	3,298	3,459	3,595	3,783	3,917	3,763	4,121	5,280	5,295	5,368
Volunteer service hours.....	7,164	10,182	10,431	9,322	7,252	6,583	6,029	5,214	4,423	4,686
Fitness/exercise program participants.....	2,567	2,980	3,343	3,396	3,588	3,673	3,734	3,420	4,298	4,415
Recreation/social event participants.....	7,496	7,342	7,444	8,182	7,739	8,242	9,221	8,200	8,172	8,959
<b>Libraries</b>										
Volumes in collection.....	125,300	123,920	151,406	154,966	157,057	157,764	125,145	131,000	140,213	285,730
Circulation.....	280,937	198,710	306,081	320,510	350,966	384,947	379,752	293,733	384,109	365,580
Program attendance.....	6,564	5,892	6,473	7,881	7,605	10,279	11,011	9,421	9,695	8,660

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

**Capital Asset Statistics by Function/Program**

**Last Ten Years**

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Government										
Number of buildings.....	4	4	4	4	8	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	4	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



All-time record snow fell in Massachusetts during the winter of 2015. Pictured is one of several snow farms created to hold the record amount of snow cleared from Town streets. This site was 100 feet tall and did not completely melt until May.