

TOWN OF BRAINTREE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



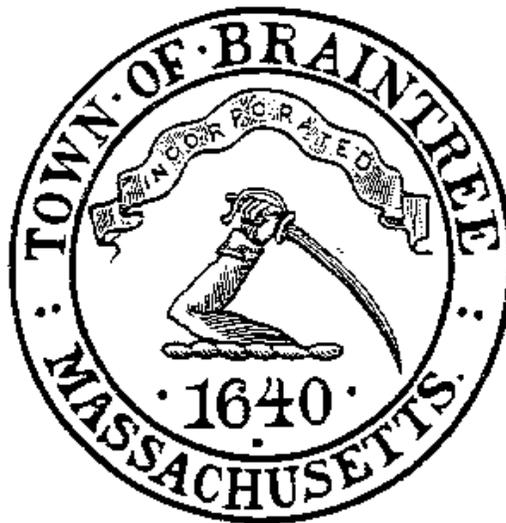
FOR THE YEAR ENDED JUNE 30, 2017

On the Cover: Aerial view of Town Hall Mall, Braintree Farmer's Market, October 28, 2017.



Members of the Braintree Veterans Council lead the assembled in the Pledge of Allegiance at the commemoration of 200th Anniversary of Sylvanus Thayer's assumption of Command at West Point, on Sunday, September 17, 2017 on the grounds of the Braintree Historical Society.

**The Town of
Braintree, Massachusetts**



**Comprehensive
Annual Financial Report**

**For the Year Ended
June 30, 2017**

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

TOWN OF BRAINTREE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2017

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Introductory Section



Mayor Joseph C. Sullivan offers remarks at the commemoration of 200th Anniversary of Sylvanus Thayer's assumption of Command at West Point, on Sunday, September 17, 2017 on the grounds of the Braintree Historical Society.

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
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Letter of Transmittal

December 27, 2017

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, 2017.

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, 2017, 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, 2017, 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, 2017, 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 FY17 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, 2016. This was the fifth time that the Town submitted a CAFR to the GFOA. The Town was awarded this Certificate in all five 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.

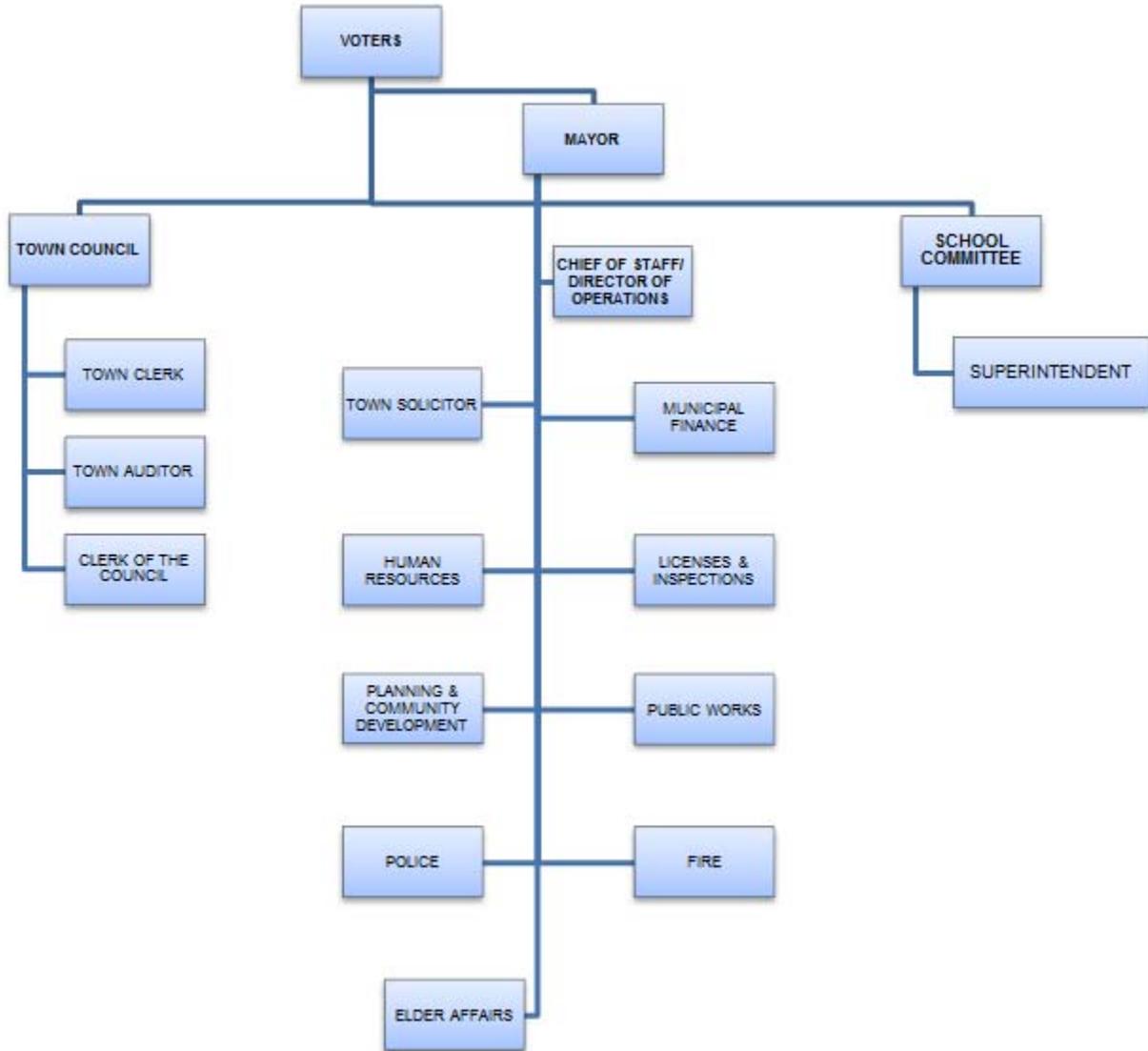
This report represents significant effort by the entire financial team of the Town, whose dedicated efforts have significantly improved the financial operations of the Town. We would like to express our appreciation to the members of all the departments who assisted and contributed to the preparation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

Edward J. Spellman, Jr.
Director of Municipal Finance

Town of Braintree Organizational Chart



Principal Town Officials

Elected Officials		Term Expires
Mayor	Joseph C. Sullivan	2020
Town Council	<u>Councilors-at-Large</u>	
	Sean E. Powers, President	2018
	Charles B. Ryan, Vice President	2018
	Shannon Hume	2018
	<u>District Councilors</u>	
	Thomas M. Bowes	2018
	Charles C. Kokoros	2018
	John C. Mullaney	2018
	Paul Dan Clifford	2018
	Stephen C. O'Brien	2018
	Michael J. Owens	2018
School Committee	Lisa Fiske Heger, Chairperson	2020
	Thomas Devin, Vice Chairperson	2020
	George Kokoros	2018
	Cyril Chafe	2018
	Kate Naughton	2020
	David Ringius, Jr.	2018
	Joseph C. Sullivan, Mayor	2020

Appointed Officials

Appointed by the Mayor

Chief of Staff	Joseph Reynolds
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	James Arsenault
Director of Planning & Community Development	Christine Stickney
Interim Police Chief	Paul Shastany
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
Clerk of the Council	Susan M. Cimino

Appointed by the School Committee

School Superintendent	Frank Hackett, 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, 2016

Executive Director/CEO

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Financial Section



French House 1699 – First Post office in Braintree.

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, 2017 (except for the Braintree Contributory Retirement System which is as of and for the year ended December 31, 2016), and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Braintree Electric Light Department as of December 31, 2016, which is both a major fund and 73%, 62%, and 79%, 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, 2017 (except for the Braintree Contributory Retirement System and the Braintree Electric Light Department which are as of and for the year ended December 31, 2016), and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 27, 2017, 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 27, 2017

Management's Discussion and Analysis

Management's Discussion and Analysis

This analysis, prepared by the Finance Director, offers readers of the Town's financial statements a narrative overview and analysis of the financial activities of the Town of Braintree for the year ended June 30, 2017. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

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

Financial Highlights

- The Town's government-wide assets and deferred outflows of resources were less than its liabilities and deferred inflows of resources for governmental activities at the close of the most recent year by \$32.8 million. Business-type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of activities at the close of the most recent year by \$91.3 million. The business-type activities include the activities of the water and sewer, golf course, and the electric light enterprise funds.
- At the close of the current year, the Town of Braintree's general fund reported an ending fund balance of \$22 million, a slight decrease of \$379,000 from the prior year. Total fund balance represents 15.6% of total general fund expenditures. Approximately \$18.8 million of this total amount is available for appropriation at the Town's discretion.
- The Town's governmental long-term debt increased by \$1.9 million during the current year as a result of new issuances of \$5.2 million and scheduled principal payments of \$3.3 million.
- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was implemented this year. This standard added Note disclosures for the Town's OPEB trust fund. Its sister standard, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is required to be implemented in FY2018. This standard will affect the financial statements themselves by requiring the Town to record its OPEB assets and liabilities and related deferred financial statement elements.

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. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of 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 of resources for governmental activities by \$32.8 million. Key components of the Town's activities are presented below.

Governmental Activities

	2017	2016
Assets:		
Current assets.....	\$ 72,749,983	\$ 70,552,422
Capital assets, non depreciable.....	16,856,461	14,889,610
Capital assets, net of accumulated depreciation.....	69,849,202	69,480,842
Total assets.....	159,455,646	154,922,874
Deferred outflows of resources.....	12,776,621	107,502,694
Liabilities:		
Current liabilities (excluding debt).....	14,596,370	15,700,278
Noncurrent liabilities (excluding debt).....	162,470,512	145,008,049
Current debt.....	3,329,955	3,307,264
Noncurrent debt.....	24,638,998	22,797,888
Total liabilities.....	205,035,835	186,813,479
Net position:		
Net investment in capital assets.....	60,170,507	58,265,300
Restricted.....	25,344,615	24,396,588
Unrestricted.....	(118,318,690)	(103,802,229)
Total net position.....	\$ (32,803,568)	\$ (21,140,341)

Net investment in capital assets of \$60.2 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, \$25.3 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* resulted in a deficit of \$118.3 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 \$77.3 million, along with the other postemployment benefits liability of \$82.8 million.

	2017	2016
Program Revenues:		
Charges for services.....	\$ 8,603,311	\$ 9,490,264
Operating grants and contributions.....	40,670,272	34,917,830
Capital grants and contributions.....	1,983,085	906,508
General Revenues:		
Real estate and personal property taxes.....	83,309,930	82,610,777
Motor vehicle and other excise taxes.....	6,275,782	6,229,679
Hotel/motel tax.....	1,561,777	1,614,166
Meals tax.....	1,166,320	1,142,349
Nonrestricted grants.....	5,880,155	5,315,517
Unrestricted investment income.....	342,024	169,918
Gain on the sale of land.....	-	479,038
Other revenues.....	1,399,941	1,549,883
Total revenues.....	151,192,597	144,425,929
Expenses:		
General government.....	8,247,179	7,502,823
Public safety.....	33,089,768	29,432,081
Education.....	105,764,895	96,802,496
Public works.....	9,086,973	8,524,059
Sanitation.....	1,564,617	1,601,041
Community preservation.....	238,972	112,414
Human services.....	1,540,809	1,475,863
Culture and recreation.....	4,623,888	4,348,816
Interest.....	778,257	772,942
Total expenses.....	164,935,358	150,572,535
Excess (Deficiency) before transfers.....	(13,742,761)	(6,146,606)
Transfers.....	2,079,534	2,124,958
Change in net position.....	(11,663,227)	(4,021,648)
Net position beginning of the year.....	(21,140,341)	(17,118,693)
Net position - ending.....	\$ (32,803,568)	\$ (21,140,341)

The governmental net position decreased by \$11.7 million during the current year as compared to a \$4 million decrease in the prior year. The decrease in net position is mainly attributable to the recording of an additional \$7.5 million of pension related expenses and \$7.9 million in other postemployment benefit expenses. Total operating grants increased due to the Massachusetts Teachers Retirement System's implementation of GASB #68 which increased the revenue and corresponding expense by \$4 million over the prior year amount. The

Town saw increases in real estate and personal property taxes of \$700,000 and an increase in operating grants of \$5.7 million. Expenses increased approximately 15% mainly due to the increases in the pension and OPEB expenses mentioned previously.

Business-type Activities. Business-type activities increased the Town's net position by \$6.1 million compared to an increase of \$9.2 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 \$35.7 million at the close of 2017. Net investment in capital assets was \$32.5 million (91%) while unrestricted net position was \$3.2 million (9%). There was an increase of \$1.8 million in net position compared to an increase of \$2.6 million in the prior year. This increase was partly from a \$174,000 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 \$845,000 at the close of 2017. Net investment in capital assets was \$822,000 while unrestricted net position was in a deficit in the amount of \$1.7 million. There was a decrease of \$144,000 in net position compared to a decrease of \$60,000 in the prior year.

Electric business-type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$56.5 million at December 31, 2016. Net investment in capital assets was \$57.4 million, while restricted net position was \$5 million and unrestricted net position was a deficit of \$6 million. There was an increase of \$4.4 million in net position compared to an increase of \$6.6 million in the prior year. Lower fuel costs for generation was the main contributing factor towards the positive results in the current year.

Business-Type Activities

	2017	2016
Assets:		
Current assets.....	\$ 49,027,399	\$ 48,064,022
Noncurrent assets (excluding capital).....	3,268,790	2,797,400
Capital assets, non depreciable.....	6,618,785	2,599,427
Capital assets, net of accumulated depreciation.....	185,998,997	188,177,594
Total assets.....	244,913,971	241,638,443
Deferred outflows of resources.....	16,951,027	13,331,218
Liabilities:		
Current liabilities (excluding debt).....	7,052,328	7,555,062
Non-current liabilities (excluding debt).....	39,541,997	32,408,842
Current debt.....	9,702,602	8,958,680
Noncurrent debt.....	106,079,944	113,126,890
Total liabilities.....	162,376,871	162,049,474
Deferred inflows of resources.....	7,654,063	7,735,295
Net Position:		
Net investment in capital assets.....	90,727,735	73,728,340
Restricted.....	5,038,499	5,038,499
Unrestricted.....	(4,461,334)	6,418,053
Total net position.....	\$ 91,304,900	\$ 85,184,892

	2017	2016
Program Revenues:		
Charges for services.....	\$ 89,160,273	\$ 92,237,314
Capital grants and contributions.....	174,408	921,557
General Revenues:		
Unrestricted investment income.....	230,814	33,586
Total revenues.....	89,565,495	93,192,457
Expenses:		
Water and sewer.....	15,659,572	14,555,945
Golf Course.....	1,666,098	1,677,140
Electric Light.....	64,040,283	65,629,959
Total expenses.....	81,365,953	81,863,044
Excess before transfers.....	8,199,542	11,329,413
Transfers.....	(2,079,534)	(2,124,958)
Change in net position.....	6,120,008	9,204,455
Net position beginning of the year.....	85,184,892	75,980,437
Net position - ending.....	\$ 91,304,900	\$ 85,184,892

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 \$48.6 million, which represents an increase of \$2.3 million from the prior year. The general fund decreased by \$379,000 and the nonmajor funds decreased by \$2.7 million.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$18.8 million, while total fund balance was \$22 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 16% of that same amount.

General fund revenues increased by \$7 million or approximately 5.3% over the previous year. This increase 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*, along with an increase in real estate taxes. Expenditures increased by \$10.5 million or approximately 8.1%. Virtually all expenditures increased with the exception of public works due to lower snow and ice expenditures in the current year, sanitation and state and county charges. The expenditures with major increases were

education, teacher's pension benefits, and public safety. The change in fund balance for the year was a decrease of \$379,000, which compared to an increase in the prior year of \$3.3 million.

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

General Fund Budgetary Highlights

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

During 2017, the Town Council also approved supplemental appropriations totaling approximately \$1.6 million. These supplemental appropriations mainly consisted of \$435,000 appropriated for the fire suppression, \$603,000 for the police patrol bureau, and \$412,000 was for snow and ice. Town Council also approved changes to amounts transferred between the general fund and the stabilization funds.

Actual revenues came in higher than budgeted by approximately \$1.2 million or 1%. The largest areas of surplus was intergovernmental of \$612,000, unbudgeted tax liens of \$510,000, and motor vehicle and other excise of \$259,000 due to revenue coming in higher than the Town's conservative budget estimates.

Actual expenditures and encumbrances came in \$1.6 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 2017, the Town expended \$6.5 million on governmental activities capital assets. The expenditures consisted mainly of roadway improvements, construction in progress and the purchase of various Town vehicles. The business type activities expended \$11.1 million during 2017. This consisted mainly of \$6.6 million in the electric light plant, \$4.3 million for water mains in the water and sewer fund, and \$138,000 for golf.

Outstanding long-term debt of the governmental activities, as of June 30, 2017, totaled \$26.9 million, of which \$11 million is related to public building construction, \$9.8 million relates to road construction, \$1.2 million relates to land acquisition, and \$4.9 million relates to other projects.

The enterprise fund has \$24 million in water and sewer enterprise debt, \$263,000 in golf course enterprise debt, and \$75.6 million in Electric Light debt that is fully supported by the rates and do not rely on a general fund subsidy.

During 2017, the Town issued long-term bonds in the amounts of \$4.5 million for governmental funds. Water and sewer enterprise fund issued \$4 million in long term bonds. Golf enterprise fund issued \$93,000 in long term 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, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 59,598,292	\$ 28,483,035	\$ 88,081,327
Investments.....	6,710,225	-	6,710,225
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,273,580	-	1,273,580
Tax liens.....	980,071	34,986	1,015,057
Motor vehicle and other excise taxes.....	718,443	-	718,443
User fees.....	-	11,086,974	11,086,974
Departmental and other.....	785,798	626,528	1,412,326
Intergovernmental.....	1,906,293	-	1,906,293
Tax foreclosures.....	78,281	-	78,281
Inventory.....	-	5,588,369	5,588,369
Working capital deposit.....	699,000	-	699,000
Prepaid expenses.....	-	469,027	469,027
Purchased power advanced deposits.....	-	2,738,480	2,738,480
Total current assets.....	<u>72,749,983</u>	<u>49,027,399</u>	<u>121,777,382</u>
NONCURRENT:			
Investment in Energy New England.....	-	1,236,576	1,236,576
Other assets.....	-	2,032,214	2,032,214
Capital assets, non depreciable.....	16,856,461	6,618,785	23,475,246
Capital assets, net of accumulated depreciation.....	<u>69,849,202</u>	<u>185,998,997</u>	<u>255,848,199</u>
Total noncurrent assets.....	<u>86,705,663</u>	<u>195,886,572</u>	<u>282,592,235</u>
TOTAL ASSETS.....	<u>159,455,646</u>	<u>244,913,971</u>	<u>404,369,617</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding.....	-	8,556,180	8,556,180
Deferred outflows related to pensions.....	<u>12,776,621</u>	<u>8,394,847</u>	<u>21,171,468</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>12,776,621</u>	<u>16,951,027</u>	<u>29,727,648</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	2,755,018	4,290,377	7,045,395
Accrued liabilities.....	-	583,483	583,483
Accrued payroll.....	5,628,074	36,636	5,664,710
Health claims payable.....	1,145,000	-	1,145,000
Tax refunds payable.....	1,600,000	-	1,600,000
Accrued interest.....	121,771	129,122	250,893
Participant advances and reserves.....	-	1,223,302	1,223,302
Fees collected in advance.....	866,134	212,141	1,078,275
Capital lease obligations.....	-	71,735	71,735
Compensated absences.....	2,362,323	503,317	2,865,640
Workers' compensation.....	118,050	73,950	192,000
Bonds payable.....	<u>3,329,955</u>	<u>9,630,867</u>	<u>12,960,822</u>
Total current liabilities.....	<u>17,926,325</u>	<u>16,754,930</u>	<u>34,681,255</u>
NONCURRENT:			
Capital lease obligations.....	-	75,128	75,128
Customer deposits payable.....	-	852,788	852,788
Compensated absences.....	2,311,251	229,221	2,540,472
Workers' compensation.....	50,207	31,451	81,658
Fees collected in advance.....	-	1,629,733	1,629,733
Net pension liability.....	77,307,574	28,756,164	106,063,738
Other postemployment benefits.....	82,801,480	8,042,640	90,844,120
Bonds payable.....	<u>24,638,998</u>	<u>106,004,816</u>	<u>130,643,814</u>
Total noncurrent liabilities.....	<u>187,109,510</u>	<u>145,621,941</u>	<u>332,731,451</u>
TOTAL LIABILITIES.....	<u>205,035,835</u>	<u>162,376,871</u>	<u>367,412,706</u>
DEFERRED INFLOWS OF RESOURCES			
Rate Stabilization Reserve.....	-	7,654,063	7,654,063
Deferred inflows related to pensions.....	-	529,164	529,164
TOTAL DEFERRED INFLOWS OF RESOURCES.....	-	<u>8,183,227</u>	<u>8,183,227</u>
NET POSITION			
Net investment in capital assets.....	60,170,507	90,727,735	150,898,242
Restricted for:			
Depreciation.....	-	5,038,499	5,038,499
Permanent funds:			
Expendable.....	7,357,487	-	7,357,487
Nonexpendable.....	2,564,529	-	2,564,529
Grants and gifts.....	8,227,229	-	8,227,229
Community preservation.....	7,195,370	-	7,195,370
Unrestricted.....	<u>(118,318,690)</u>	<u>(4,461,334)</u>	<u>(122,780,024)</u>
TOTAL NET POSITION.....	\$ <u>(32,803,568)</u>	\$ <u>91,304,900</u>	\$ <u>58,501,332</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 8,247,179	\$ 1,062,799	\$ 646,817	\$ -	\$ (6,537,563)
Public safety.....	33,089,768	2,878,536	50,209	-	(30,161,023)
Education.....	105,764,895	1,942,356	38,974,572	455,848	(64,392,119)
Public works.....	9,086,973	898,200	224,156	1,413,571	(6,551,046)
Sanitation.....	1,564,617	1,422,536	-	-	(142,081)
Community preservation.....	238,972	-	-	113,666	(125,306)
Human services.....	1,540,809	34,809	723,648	-	(782,352)
Culture and recreation.....	4,623,888	364,075	50,870	-	(4,208,943)
Interest.....	778,257	-	-	-	(778,257)
Total Governmental Activities.....	164,935,358	8,603,311	40,670,272	1,983,085	(113,678,690)
<i>Business-Type Activities:</i>					
Water and Sewer.....	15,659,572	17,551,761	-	174,408	2,066,597
Golf course.....	1,666,098	1,584,527	-	-	(81,571)
Electric light.....	64,040,283	70,023,985	-	-	5,983,702
Total Business-Type Activities.....	81,365,953	89,160,273	-	174,408	7,968,728
Total Primary Government.....	\$ 246,301,311	\$ 97,763,584	\$ 40,670,272	\$ 2,157,493	\$ (105,709,962)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (113,678,690)	\$ 7,968,728	\$ (105,709,962)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	83,309,930	-	83,309,930
Motor vehicle and other excise taxes.....	6,275,782	-	6,275,782
Hotel/motel tax.....	1,561,777	-	1,561,777
Meals tax.....	1,166,320	-	1,166,320
Community preservation tax.....	696,795	-	696,795
Penalties and interest on taxes.....	301,991	-	301,991
Payments in lieu of taxes.....	401,155	-	401,155
Grants and contributions not restricted to specific programs.....	5,880,155	-	5,880,155
Unrestricted investment income.....	342,024	230,814	572,838
<i>Transfers, net</i>	2,079,534	(2,079,534)	-
Total general revenues and transfers.....	102,015,463	(1,848,720)	100,166,743
Change in net position.....	(11,663,227)	6,120,008	(5,543,219)
<i>Net position:</i>			
Beginning of year.....	(21,140,341)	85,184,892	64,044,551
End of year.....	\$ (32,803,568)	\$ 91,304,900	\$ 58,501,332

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2017

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents.....	\$ 29,903,608	\$ 21,263,239	\$ 51,166,847
Investments.....	81,152	6,629,073	6,710,225
Receivables, net of uncollectibles:			
Real estate and personal property taxes.....	1,273,580	-	1,273,580
Tax liens.....	980,071	-	980,071
Motor vehicle and other excise taxes.....	718,443	-	718,443
Departmental and other.....	98,843	5,506	104,349
Intergovernmental.....	375,707	1,530,586	1,906,293
Tax foreclosures.....	78,281	-	78,281
Due from other funds.....	788,314	-	788,314
TOTAL ASSETS.....	\$ 34,297,999	\$ 29,428,404	\$ 63,726,403
LIABILITIES			
Warrants payable.....	\$ 1,385,548	\$ 1,216,424	\$ 2,601,972
Accrued payroll.....	5,622,092	5,982	5,628,074
Tax refunds payable.....	1,600,000	-	1,600,000
Due to other funds.....	-	788,314	788,314
Fees collected in advance.....	866,134	-	866,134
TOTAL LIABILITIES.....	9,473,774	2,010,720	11,484,494
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues.....	2,858,494	747,779	3,606,273
FUND BALANCES			
Nonspendable.....	-	2,564,529	2,564,529
Restricted.....	-	24,105,376	24,105,376
Committed.....	2,355,268	-	2,355,268
Assigned.....	785,040	-	785,040
Unassigned.....	18,825,423	-	18,825,423
TOTAL FUND BALANCES.....	21,965,731	26,669,905	48,635,636
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 34,297,999	\$ 29,428,404	\$ 63,726,403

See notes to basic financial statements.

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

JUNE 30, 2017

Total governmental fund balances.....	\$	48,635,636
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		86,705,663
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		3,606,273
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.....		12,776,621
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.....		8,513,848
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(121,771)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(27,968,953)	
Net pension liability.....	(77,307,574)	
Other postemployment benefits.....	(82,801,480)	
Workers' compensation.....	(168,257)	
Compensated absences.....	(4,673,574)	
Net effect of reporting long-term liabilities.....		(192,919,838)
Net position of governmental activities.....	\$	<u>(32,803,568)</u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2017

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Real estate and personal property taxes, net of tax refunds.....	\$ 82,951,838	\$ -	\$ 82,951,838
Tax liens.....	509,621	16	509,637
Motor vehicle and other excise taxes.....	6,321,563	-	6,321,563
Hotel/motel tax.....	1,561,777	-	1,561,777
Meals tax.....	1,166,320	-	1,166,320
Penalties and interest on taxes.....	301,991	-	301,991
Payments in lieu of taxes.....	401,155	-	401,155
Intergovernmental.....	38,521,600	9,249,099	47,770,699
Departmental and other.....	6,162,659	2,994,109	9,156,768
Community preservation.....	-	696,779	696,779
Contributions.....	-	639,541	639,541
Investment income.....	298,615	43,409	342,024
TOTAL REVENUES.....	138,197,139	13,622,953	151,820,092
EXPENDITURES:			
Current:			
General government.....	4,379,830	531,929	4,911,759
Public safety.....	19,955,704	389,440	20,345,144
Education.....	65,377,120	9,834,572	75,211,692
Public works.....	4,878,295	3,656,869	8,535,164
Sanitation.....	1,527,540	-	1,527,540
Community development.....	-	303,227	303,227
Human services.....	853,063	283,593	1,136,656
Culture and recreation.....	2,524,736	662,383	3,187,119
Pension benefits-Town.....	6,522,861	-	6,522,861
Pension benefits-Teachers.....	14,169,187	-	14,169,187
Property and liability insurance.....	475,142	-	475,142
Employee benefits.....	12,675,021	-	12,675,021
State and county charges.....	3,649,290	-	3,649,290
Debt service:			
Principal.....	3,218,000	-	3,218,000
Interest.....	856,872	-	856,872
TOTAL EXPENDITURES.....	141,062,661	15,662,013	156,724,674
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,865,522)	(2,039,060)	(4,904,582)
OTHER FINANCING SOURCES (USES):			
Issuance of long-term debt.....	-	4,537,300	4,537,300
Premium from issuance of bonds.....	-	632,244	632,244
Transfers in.....	2,666,106	614,183	3,280,289
Transfers out.....	(179,396)	(1,021,359)	(1,200,755)
TOTAL OTHER FINANCING SOURCES (USES).....	2,486,710	4,762,368	7,249,078
NET CHANGE IN FUND BALANCES.....	(378,812)	2,723,308	2,344,496
FUND BALANCES AT BEGINNING OF YEAR.....	22,344,543	23,946,597	46,291,140
FUND BALANCES AT END OF YEAR.....	\$ 21,965,731	\$ 26,669,905	\$ 48,635,636

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, 2017

Net change in fund balances - total governmental funds.....	\$	2,344,496
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....		6,450,957
Depreciation expense.....		<u>(4,115,746)</u>
Net effect of reporting capital assets.....		2,335,211
<p>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.....</p>		
		(627,495)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Proceeds from bonds and notes.....		(4,537,300)
Premium from issuance of bonds.....		(632,244)
Net amortization of premium from issuance of bonds.....		87,743
Debt service principal payments.....		<u>3,218,000</u>
Net effect of reporting long-term debt.....		(1,863,801)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....		7,395
Net change in accrued interest on long-term debt.....		(9,128)
Net change in deferred outflow/(inflow) of resources related to pensions.....		2,026,357
Net change in net pension liability.....		(9,557,027)
Net change in other postemployment benefits accrual.....		(7,927,971)
Net change in workers' compensation accrual.....		<u>60,929</u>
Net effect of recording long-term liabilities.....		(15,399,445)
<p>Internal service funds are used by management to account for health insurance and workers' compensation activities.</p>		
The net activity of internal service funds is reported with Governmental Activities.....		<u>1,547,807</u>
Change in net position of governmental activities.....	\$	<u>(11,663,227)</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Electric Light December 31, 2016	Total	
ASSETS					
CURRENT:					
Cash and cash equivalents.....	\$ 9,442,740	\$ 244,460	\$ 18,795,835	\$ 28,483,035	\$ 8,431,445
Receivables, net of allowance for uncollectibles:					
User fees.....	4,259,031	-	6,827,943	11,086,974	-
Water and sewer liens.....	34,986	-	-	34,986	-
Departmental and other.....	-	-	626,528	626,528	681,449
Inventory.....	-	26,993	5,561,376	5,588,369	-
Working capital deposit.....	-	-	-	-	699,000
Prepaid expenses.....	-	-	469,027	469,027	-
Purchased power advanced deposits.....	-	-	2,738,480	2,738,480	-
	<u>13,736,757</u>	<u>271,453</u>	<u>35,019,189</u>	<u>49,027,399</u>	<u>9,811,894</u>
NONCURRENT:					
Investment in Energy New England.....	-	-	1,236,576	1,236,576	-
Other assets.....	-	-	2,032,214	2,032,214	-
Capital assets, non depreciable.....	5,044,158	391,963	1,182,664	6,618,785	-
Capital assets, net of accumulated depreciation.....	<u>47,195,798</u>	<u>545,320</u>	<u>138,257,879</u>	<u>185,998,997</u>	<u>-</u>
	<u>52,239,956</u>	<u>937,283</u>	<u>142,709,333</u>	<u>195,886,572</u>	<u>-</u>
TOTAL ASSETS.....	<u>65,976,713</u>	<u>1,208,736</u>	<u>177,728,522</u>	<u>244,913,971</u>	<u>9,811,894</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding.....	589,976	-	7,966,204	8,556,180	-
Deferred outflows related to pensions.....	<u>703,284</u>	<u>196,429</u>	<u>7,495,134</u>	<u>8,394,847</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>1,293,260</u>	<u>196,429</u>	<u>15,461,338</u>	<u>16,951,027</u>	<u>-</u>
LIABILITIES					
CURRENT:					
Warrants payable.....	140,573	34,609	4,115,195	4,290,377	153,046
Accrued liabilities.....	-	-	583,483	583,483	-
Accrued payroll.....	23,211	13,425	-	36,636	-
Health claims payable.....	-	-	-	-	1,145,000
Accrued interest.....	129,122	-	-	129,122	-
Participant advances and reserves.....	-	-	1,223,302	1,223,302	-
Fees collected in advance.....	-	112,566	99,575	212,141	-
Capital lease obligations.....	-	-	71,735	71,735	-
Compensated absences.....	195,542	96,294	211,481	503,317	-
Workers' compensation.....	73,950	-	-	73,950	-
Bonds payable.....	<u>2,720,504</u>	<u>66,000</u>	<u>6,844,363</u>	<u>9,630,867</u>	<u>-</u>
	<u>3,282,902</u>	<u>322,894</u>	<u>13,149,134</u>	<u>16,754,930</u>	<u>1,298,046</u>
NONCURRENT:					
Capital lease obligations.....	-	-	75,128	75,128	-
Customer deposits payable.....	-	2,150	850,638	852,788	-
Compensated absences.....	152,979	76,242	-	229,221	-
Workers' compensation.....	31,451	-	-	31,451	-
Fees collected in advance.....	-	-	1,629,733	1,629,733	-
Net pension liability.....	4,255,365	1,188,531	23,312,268	28,756,164	-
Other postemployment benefits.....	1,089,491	463,141	6,490,008	8,042,640	-
Bonds payable.....	<u>22,783,659</u>	<u>196,700</u>	<u>83,024,457</u>	<u>106,004,816</u>	<u>-</u>
	<u>28,312,945</u>	<u>1,926,764</u>	<u>115,382,232</u>	<u>145,621,941</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>31,595,847</u>	<u>2,249,658</u>	<u>128,531,366</u>	<u>162,376,871</u>	<u>1,298,046</u>
DEFERRED INFLOWS OF RESOURCES					
Rate stabilization reserve.....	-	-	6,729,061	6,729,061	-
Unearned revenue - Contributions in aid of construction.....	-	-	925,002	925,002	-
Deferred inflows related to pensions.....	-	-	529,164	529,164	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>-</u>	<u>-</u>	<u>8,183,227</u>	<u>8,183,227</u>	<u>-</u>
NET POSITION					
Net investment in capital assets.....	32,514,179	822,492	57,391,064	90,727,735	-
Restricted for:					
Depreciation.....	-	-	5,038,499	5,038,499	-
Unrestricted.....	<u>3,159,947</u>	<u>(1,666,985)</u>	<u>(5,954,296)</u>	<u>(4,461,334)</u>	<u>8,513,848</u>
TOTAL NET POSITION.....	<u>\$ 35,674,126</u>	<u>\$ (844,493)</u>	<u>\$ 56,475,267</u>	<u>\$ 91,304,900</u>	<u>\$ 8,513,848</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Electric Light December 31, 2016	Total	
OPERATING REVENUES:					
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ 7,447,403
Employer contributions.....	-	-	-	-	11,404,068
Charges for services.....	17,434,634	1,584,527	-	19,019,161	-
Sales to ultimate customers.....	-	-	55,878,130	55,878,130	-
Sales for resale.....	-	-	12,738,258	12,738,258	-
Other operating revenues.....	-	-	1,407,597	1,407,597	-
Utility liens.....	117,127	-	-	117,127	-
TOTAL OPERATING REVENUES	17,551,761	1,584,527	70,023,985	89,160,273	18,851,471
OPERATING EXPENSES:					
Cost of services and administration.....	3,884,119	1,375,279	18,142,804	23,402,202	-
MWRA Assessment.....	9,100,270	-	-	9,100,270	-
Fuel for generation.....	-	-	2,593,906	2,593,906	-
Purchased power.....	-	-	23,390,277	23,390,277	-
Repairs and maintenance.....	303,234	238,099	9,544,866	10,086,199	-
Depreciation.....	1,714,488	44,374	7,457,582	9,216,444	-
Employee benefits.....	-	-	-	-	17,303,664
TOTAL OPERATING EXPENSES	15,002,111	1,657,752	61,129,435	77,789,298	17,303,664
OPERATING INCOME	2,549,650	(73,225)	8,894,550	11,370,975	1,547,807
NONOPERATING REVENUES (EXPENSES):					
Investment income.....	58,998	-	171,816	230,814	-
Interest expense.....	(657,461)	(8,346)	(2,910,848)	(3,576,655)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET	(598,463)	(8,346)	(2,739,032)	(3,345,841)	-
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	1,951,187	(81,571)	6,155,518	8,025,134	1,547,807
CAPITAL CONTRIBUTIONS	174,408	-	-	174,408	-
TRANSFERS:					
Transfers in.....	290,622	15,798	-	306,420	-
Transfers out.....	(582,019)	(78,485)	(1,725,450)	(2,385,954)	-
TOTAL TRANSFERS	(291,397)	(62,687)	(1,725,450)	(2,079,534)	-
CHANGE IN NET POSITION	1,834,198	(144,258)	4,430,068	6,120,008	1,547,807
NET POSITION AT BEGINNING OF YEAR	33,839,928	(700,235)	52,045,199	85,184,892	6,966,041
NET POSITION AT END OF YEAR	\$ 35,674,126	\$ (844,493)	\$ 56,475,267	\$ 91,304,900	\$ 8,513,848

See notes to basic financial statements.

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Electric Light December 31, 2016	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users.....	\$ 17,119,946	\$ 1,572,185	\$ 70,643,590	\$ 89,335,721	\$ 7,447,403
Receipts from interfund services provided.....	-	-	-	-	11,404,068
Payments to vendors.....	(10,912,278)	(970,728)	(43,446,127)	(55,329,133)	-
Payments to employees.....	(1,684,233)	(604,483)	(9,909,785)	(12,198,501)	-
Payments for interfund services used.....	-	-	-	-	(17,635,559)
NET CASH FROM OPERATING ACTIVITIES.....	4,523,435	(3,026)	17,287,678	21,808,087	1,215,912
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in.....	290,622	15,798	-	306,420	-
Transfers out.....	(582,019)	(78,485)	(1,725,450)	(2,385,954)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(291,397)	(62,687)	(1,725,450)	(2,079,534)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from the issuance of bonds.....	4,009,042	92,700	-	4,101,742	-
Capital contributions.....	174,408	-	-	174,408	-
Acquisition and construction of capital assets.....	(4,333,441)	(138,160)	(6,525,572)	(10,997,173)	-
Principal payments on bonds and notes.....	(2,881,864)	(49,000)	(5,085,000)	(8,015,864)	-
Principal payments on capital lease obligations.....	-	-	(98,674)	(98,674)	-
Interest expense.....	(774,448)	(8,346)	(3,784,396)	(4,567,190)	-
Participant advances and reserves.....	-	-	50,250	50,250	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(3,806,303)	(102,806)	(15,443,392)	(19,352,501)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment in Energy New England.....	-	-	(302,141)	(302,141)	-
Investment income.....	58,998	-	171,816	230,814	-
NET CASH FROM INVESTING ACTIVITIES.....	58,998	-	(130,325)	(71,327)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	484,733	(168,519)	(11,489)	304,725	1,215,912
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	8,958,007	412,979	18,807,324	28,178,310	7,215,533
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 9,442,740	\$ 244,460	\$ 18,795,835	\$ 28,483,035	\$ 8,431,445
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:					
Operating income (loss).....	\$ 2,549,650	\$ (73,225)	\$ 8,894,550	\$ 11,370,975	\$ 1,547,807
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation.....	1,714,488	44,374	7,457,582	9,216,444	-
Deferred (outflows)/inflows related to pensions.....	(122,224)	(6,184)	(4,344,656)	(4,473,064)	-
Deferred (outflows)/inflows related to rate stabilization reserve.....	-	-	(126,342)	(126,342)	-
Deferred (outflows)/inflows related to unearned revenue.....	-	-	72,866	72,866	-
Changes in assets and liabilities:					
Water and sewer liens.....	9,322	-	-	9,322	-
User fees.....	(441,137)	-	114,434	(326,703)	-
Departmental and other.....	-	-	(205,634)	(205,634)	(249,819)
Inventory.....	-	(3,093)	(659,513)	(662,606)	-
Working capital deposit.....	-	-	-	-	(7,000)
Other assets.....	-	-	(169,249)	(169,249)	-
Prepaid expenses.....	-	-	399,985	399,985	-
Purchased power advance deposits.....	-	-	126,984	126,984	-
Warrants payable.....	33,648	(1,383)	(807,094)	(774,829)	(75,076)
Accrued liabilities.....	-	-	64,998	64,998	-
Accrued payroll.....	23,211	(7,477)	-	15,734	-
Customer deposits payable.....	-	-	75,941	75,941	-
Unearned revenues.....	-	(9,249)	688,340	679,091	-
Accrued compensated absences.....	49,184	5,182	(20,654)	33,712	-
Workers' compensation.....	29,582	-	-	29,582	-
Net pension liability.....	577,025	(15,799)	5,426,474	5,987,700	-
Other postemployment benefits.....	100,686	63,828	298,666	463,180	-
Total adjustments.....	1,973,785	70,199	8,393,128	10,437,112	(331,895)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 4,523,435	\$ (3,026)	\$ 17,287,678	\$ 21,808,087	\$ 1,215,912
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Capital lease financing.....	\$ -	\$ -	\$ 61,440	\$ 61,440	\$ -
Premium applied to the issuance of debt.....	239,069	-	2,120,608	2,359,677	-
Change in the deferred loss on debt refunding.....	(109,011)	-	(1,273,408)	(1,382,419)	-

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2017

	Pension Trust Fund (as of December 31, 2016)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS				
Cash and cash equivalents.....	\$ 4,101,378	\$ -	\$ 7,481	\$ 628,933
Investments:				
Equity mutual funds.....	-	-	679,847	-
Fixed income mutual funds.....	54,635,437	-	-	-
Domestic equity mutual funds.....	66,068,196	-	-	-
International equity mutual funds.....	31,737,535	-	-	-
Private equity securities.....	13,678,290	-	-	-
Pension reserve investment trust.....	8,421,233	8,841,153	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	43,786	-	-	-
TOTAL ASSETS.....	178,685,855	8,841,153	687,328	628,933
LIABILITIES				
Warrants payable.....	55,876	-	-	-
Liabilities due depositors.....	-	-	-	628,933
TOTAL LIABILITIES.....	55,876	-	-	628,933
NET POSITION				
Restricted for pensions.....	178,629,979	-	-	-
Restricted for other postemployment benefits.....	-	8,841,153	-	-
Held in trust for other purposes.....	-	-	687,328	-
TOTAL NET POSITION.....	\$ 178,629,979	\$ 8,841,153	\$ 687,328	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2017

	Pension Trust Fund (as of December 31, 2016)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS:			
Contributions:			
Employer.....	\$ 9,165,831	\$ 1,661,000	\$ -
Plan members.....	4,273,312	-	-
Employer contributions for benefit payments.....	-	4,794,382	-
Total contributions.....	13,439,143	6,455,382	-
Net investment income:			
Net change in fair value of investments.....	11,473,725	-	28,770
Interest.....	2,992,163	941,382	-
Dividends.....	321,844	-	-
Total investment income.....	14,787,732	941,382	28,770
Less: investment expense.....	(754,674)	-	-
Net investment income.....	14,033,058	941,382	28,770
Intergovernmental.....	274,776	-	-
Transfers from other systems.....	397,595	-	-
TOTAL ADDITIONS.....	28,144,572	7,396,764	28,770
DEDUCTIONS:			
Administration.....	287,174	-	-
Transfers to other systems.....	736,331	-	-
Retirement benefits and refunds.....	15,724,948	-	-
Educational scholarships.....	-	-	49,547
Benefit payments.....	-	4,794,382	-
TOTAL DEDUCTIONS.....	16,748,453	4,794,382	49,547
NET INCREASE (DECREASE) IN NET POSITION.....	11,396,119	2,602,382	(20,777)
NET POSITION AT BEGINNING OF YEAR.....	167,233,860	6,238,771	708,105
NET POSITION AT END OF YEAR.....	\$ 178,629,979	\$ 8,841,153	\$ 687,328

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

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, 2016, 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 2017 assessment was \$2,528,117. 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, Massachusetts 02021.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

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

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

Fund Financial Statements

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

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

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

The following major governmental fund is reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund. Included within the general fund are two stabilization funds. The balance in the general stabilization fund decreased from \$541,000 in 2016 to \$88,000 in 2017 and the capital stabilization fund increased from \$1.7 million in 2016 to \$2.1 million in 2017. 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. Fair Value Measurements

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

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

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

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

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

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

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

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

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

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

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

Motor Vehicle and Other Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value. Boat excise taxes are assessed annually for each boat registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of boats registered and the fair value of those boats. The tax calculation is the fair value of the boat multiplied by \$10 per \$1,000 of value.

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

Room Occupancy Tax

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

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

Meals Tax

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

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

Trash

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

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

Water and Sewer and Electric Light Department

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

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

Departmental and Other

Departmental and other receivables consist primarily of parking fines and other receivables of the BELD and are recorded as receivables in the year accrued. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recognized when the qualifying expenditures are incurred and all other grant requirements are met.

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

G. 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 enterprise fund are stated at the lower of cost or market. Inventories of the BELD enterprise fund are stated at original cost, using the average cost method.

H. 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; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value. 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.

I. 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 deferred inflows related to pensions and 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.

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds 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.

K. 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.

L. 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.

M. 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 general fund is the only governmental fund that can report a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that 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.

N. 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.

O. 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.

P. 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.

Q. 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.

R. 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.

S. 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 Other Postemployment Benefits (OPEB) trust participates as a Purchasing Member of the Pension Reserve Investment Trust (PRIT) through the State Retirees Benefits Trust Fund (SRBTF). Government entities are allowed to invest their OPEB funds through the SRBTF. OPEB trusts are allowed to invest in the \$60 billion PRIT fund and get the economies of scale and diversification that an individual community with a small fund could not obtain on its own.

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities. The underlying components of PRIT's fixed income portfolio had an effective weighted duration rate ranging from 0.45 to 22.60 years.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial risk. At year-end, the carrying amount of deposits totaled \$50,137,663, and the bank balances totaled \$53,051,708. Of the bank balance, \$2,728,584 was covered by Federal Depository Insurance, \$26,329,878 was covered by the Depositors Insurance Fund, \$1,795,092 was

covered by the Share Insurance Fund, \$17,981,057 was collateralized, and \$4,217,097 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 SEI Private Trust Company, 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, 2016, the carrying amount of deposits for the System totaled \$3,534,726 and the bank balance totaled \$3,600,435. 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 \$230,388 investment in Debt Securities and its \$309,610 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, 2017, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>1-5 Years</u>	<u>6-10 Years</u>
<u>Debt Securities:</u>			
Government Sponsored Enterprises.....	\$ 157,932	\$ 132,283	\$ 25,649
Corporate Bonds.....	<u>72,456</u>	<u>45,654</u>	<u>26,802</u>
Total Debt Securities.....	230,388	<u>\$ 177,937</u>	<u>\$ 52,451</u>
<u>Other Investments:</u>			
Equity Securities.....	309,610		
Equity Mutual Funds.....	371,356		
Money Market Mutual Funds.....	8,884,234		
Pension Reserve Investment Trust (PRIT).....	8,841,153		
MMDT Short-Term Bond Funds.....	6,478,718		
MMDT Cash Portfolio.....	<u>29,695,844</u>		
Total Investments.....	<u>\$ 54,811,303</u>		

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, 2016, the Retirement System had the following investments:

Investment Type	Fair Value	Investment Maturities			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Debt Securities:					
Fixed Income Mutual Funds.....	\$ 54,635,437	\$ 758,809	\$ 25,125,270	\$ 15,666,741	\$ 13,084,617
Other Investments:					
Domestic Equity Mutual Fund.....	66,068,196				
International Equity Mutual Fund.....	31,737,535				
Private Equity.....	13,678,290				
Money Market Mutual Fund.....	566,652				
Pension Reserve Investment Trust (PRIT).....	8,421,233				
Total Investments.....	\$ 175,107,343				

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 BAA. Additionally, the Town has investments in money market mutual funds and MMDT which are unrated.

The remaining System debt securities are rated as follows by Moody’s Investor’s Service:

Quality Rating	Fixed Income Mutual Funds
AAA.....	\$ 2,599,228
AA.....	605,216
A.....	13,953,329
BBB.....	26,222,447
BB.....	7,453,255
B.....	478,840
Not Rated....	3,323,122
Fair Value....	\$ 54,635,437

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.

Fair Value Measurement

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

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

The following table presents financial assets at June 30, 2017, that the Town measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Fair Value:				
<u>Debt Securities:</u>				
Government Sponsored Enterprises.....	\$ 157,932	\$ 157,932	\$ -	\$ -
Corporate Bonds.....	72,456	-	72,456	-
Total Debt Securities.....	230,388	157,932	72,456	-
<u>Other investments:</u>				
Equity Securities.....	309,610	309,610	-	-
Equity Mutual Funds.....	371,356	371,356	-	-
Money Market Mutual Funds.....	8,884,234	8,884,234	-	-
MMDT Short-Term Bond Funds.....	6,478,718	6,478,718	-	-
Total Other Investments.....	16,043,918	16,043,918	-	-
Total investments measured at fair value.....	16,274,306	\$ 16,201,850	\$ 72,456	\$ -
Investments Measured at Amortized Cost:				
MMDT Cash Portfolio.....	29,695,844			
Investments Measured at Net Asset Value:				
Pension Reserve Investment Trust (PRIT).....	8,841,153			
Total Investments.....	\$ 54,811,303			

Government Sponsored Enterprises, Equity Securities, Mutual Funds, and MMDT Short-Term Bond Funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate Bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Town holds investments in the MMDT Cash Portfolio which are valued at amortized cost. Under the amortized cost valuation method, an investment is valued initially at its cost and thereafter adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost of the investment and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by MMDT's adviser, Federated Investment Corporation.

The System's retiree pension defined benefit plan holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the plan's activities, the plan shows greater disaggregation in its disclosures. The plan chooses a tabular format for disclosing the levels within the fair value hierarchy.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The following table presents financial assets at December 31, 2016, that the System measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	December 31, 2016	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Fair Value:				
<u>Debt Securities:</u>				
Fixed Income Mutual Funds.....	\$ 54,635,437	\$ -	\$ 54,635,437	\$ -
<u>Other Investments:</u>				
Domestic Equity Mutual Fund.....	66,068,196	66,068,196	-	-
International Equity Mutual Fund.....	31,737,535	31,737,535	-	-
Private Equity.....	13,678,290	-	-	13,678,290
Money Market Mutual Fund.....	566,652	566,652	-	-
Total Other Investments.....	112,050,673	98,372,383	-	13,678,290
Total investments measured at fair value.....	166,686,110	\$ 98,372,383	\$ 54,635,437	\$ 13,678,290
Investments Measured at Net Asset Value:				
Pension Reserve Investment Trust (PRIT).....	8,421,233			
Total Investments.....	\$ 175,107,343			

Equity Mutual Funds and Money Market Mutual Funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed Income Mutual Funds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Private equity investments classified in Level 3 are valued using either a discounted cash flow or market comparable companies technique.

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

NOTE 3 – RECEIVABLES

At June 30, 2017, receivables for the individual major and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 1,492,951	\$ (219,371)	\$ 1,273,580
Tax liens.....	980,071	-	980,071
Motor vehicle and other excise taxes.....	1,420,362	(701,919)	718,443
Departmental and other.....	170,629	(66,280)	104,349
Intergovernmental.....	1,906,293	-	1,906,293
Total.....	<u>\$ 5,970,306</u>	<u>\$ (987,570)</u>	<u>\$ 4,982,736</u>

At June 30, 2017 (December 31, 2016 for the Electric Light balances), receivables for the proprietary funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
<i>Water and Sewer</i>			
Tax liens.....	\$ 34,986	\$ -	\$ 34,986
User fees.....	4,259,031	-	4,259,031
<i>Electric Light</i>			
User fees.....	7,010,814	(182,871)	6,827,943
Departmental and other.....	626,528	-	626,528
<i>Internal Service</i>			
Departmental and other.....	681,449	-	681,449
Total.....	<u>\$ 12,612,808</u>	<u>\$ (182,871)</u>	<u>\$ 12,429,937</u>

At December 31, 2016 the Pension Trust Fund had departmental and other receivables totaling \$43,786.

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
<u>Receivables and other asset types:</u>			
Real estate and personal property taxes.....	\$ 1,090,753	\$ -	\$ 1,090,753
Tax liens.....	980,071	-	980,071
Motor vehicle and other excise taxes.....	500,377	-	500,377
Departmental and other.....	32,752	5,506	38,258
Intergovernmental.....	176,260	742,273	918,533
Tax foreclosures.....	78,281	-	78,281
Total.....	<u>\$ 2,858,494</u>	<u>\$ 747,779</u>	<u>\$ 3,606,273</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 14,748,506	\$ -	\$ -	\$ 14,748,506
Construction in progress.....	141,104	1,991,692	(24,841)	2,107,955
Total capital assets not being depreciated.....	<u>14,889,610</u>	<u>1,991,692</u>	<u>(24,841)</u>	<u>16,856,461</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	11,336,470	50,000	-	11,386,470
Buildings.....	51,750,716	159,197	-	51,909,913
Machinery and equipment.....	21,011,959	1,140,648	-	22,152,607
Infrastructure.....	71,358,293	3,134,261	-	74,492,554
Total capital assets being depreciated.....	<u>155,457,438</u>	<u>4,484,106</u>	<u>-</u>	<u>159,941,544</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(8,125,013)	(243,352)	-	(8,368,365)
Buildings.....	(31,948,386)	(915,620)	-	(32,864,006)
Machinery and equipment.....	(16,602,223)	(1,371,609)	-	(17,973,832)
Infrastructure.....	(29,300,974)	(1,585,165)	-	(30,886,139)
Total accumulated depreciation.....	<u>(85,976,596)</u>	<u>(4,115,746)</u>	<u>-</u>	<u>(90,092,342)</u>
Total capital assets being depreciated, net.....	<u>69,480,842</u>	<u>368,360</u>	<u>-</u>	<u>69,849,202</u>
Total governmental activities capital assets, net.....	<u>\$ 84,370,452</u>	<u>\$ 2,360,052</u>	<u>\$ (24,841)</u>	<u>\$ 86,705,663</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,498,048	\$ -	\$ -	\$ 2,498,048
Construction in progress.....	100,809	4,019,928	-	4,120,737
Total capital assets not being depreciated.....	<u>2,598,857</u>	<u>4,019,928</u>	<u>-</u>	<u>6,618,785</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	1,121,473	-	-	1,121,473
Plant in service.....	248,047,726	6,587,012	(611,549)	254,023,189
Buildings.....	1,492,692	138,160	-	1,630,852
Machinery and equipment.....	3,390,007	99,489	-	3,489,496
Infrastructure.....	81,071,002	214,024	-	81,285,026
Total capital assets being depreciated.....	<u>335,122,900</u>	<u>7,038,685</u>	<u>(611,549)</u>	<u>341,550,036</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(788,267)	(24,179)	-	(812,446)
Plant in service.....	(108,917,869)	(7,457,582)	610,141	(115,765,310)
Buildings.....	(1,144,905)	(20,404)	-	(1,165,309)
Machinery and equipment.....	(3,151,070)	(100,302)	-	(3,251,372)
Infrastructure.....	(32,942,625)	(1,613,977)	-	(34,556,602)
Total accumulated depreciation.....	<u>(146,944,736)</u>	<u>(9,216,444)</u>	<u>610,141</u>	<u>(155,551,039)</u>
Total capital assets being depreciated, net.....	<u>188,178,164</u>	<u>(2,177,759)</u>	<u>(1,408)</u>	<u>185,998,997</u>
Total business-type activities capital assets, net.....	<u>\$ 190,777,021</u>	<u>\$ 1,842,169</u>	<u>\$ (1,408)</u>	<u>\$ 192,617,782</u>

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

Governmental Activities:

General government.....	\$ 303,321
Public safety.....	581,739
Education.....	667,985
Public works.....	2,205,188
Human services.....	12,348
Culture and recreation.....	272,977
Community development.....	<u>72,188</u>

Total depreciation expense - governmental activities..... \$ 4,115,746

Business-Type Activities:

Water and Sewer.....	\$ 1,714,488
Golf.....	44,374
Electric light.....	<u>7,485,338</u>

Total depreciation expense - business-type activities..... \$ 9,244,200

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2017, the Town has an interfund receivable/payable totaling \$788,314 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, 2017, are summarized as follows:

Transfers Out:	Transfers In:				Total
	General Fund	Nonmajor Governmental Funds	Water and Sewer Enterprise Fund	Golf Enterprise Fund	
General Fund.....	\$ -	\$ 84,276	\$ 83,622	\$ 11,498	\$ 179,396 (1)
Nonmajor Governmental Funds.....	280,152	529,907	207,000	4,300	1,021,359 (2)
Water and Sewer Enterprise Fund.....	582,019	-	-	-	582,019 (3)
Golf Course Enterprise Fund.....	78,485	-	-	-	78,485 (3)
Electric Light Enterprise Fund.....	1,725,450	-	-	-	1,725,450 (4)
Total.....	<u>\$ 2,666,106</u>	<u>\$ 614,183</u>	<u>\$ 290,622</u>	<u>\$ 15,798</u>	<u>\$ 3,586,709</u>

- (1) Represents transfers from the general fund to the nonmajor special revenue fund to fund insurance proceeds and the workers compensation trust. Also represents transfers to the water and sewer enterprise fund for debt service and the golf enterprise fund.
- (2) Represents budgeted transfers to the general fund from various nonmajor special revenue funds to fund the 2017 operating budget. Also represents transfers within the nonmajor governmental funds. The transfers into the water and sewer enterprise and golf enterprise funds were for bond premiums applied to the project.
- (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 received 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 2019. 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, 2016:

<u>Years Ending December 31,</u>	<u>Business-Type Activities</u>
2017.....	\$ 71,735
2018.....	53,063
2019.....	31,600
2020.....	<u>9,806</u>
 Total minimum lease payments.....	 166,204
 Less: amounts representing interest.....	 <u>(19,341)</u>
 Present value of minimum lease payments.....	 \$ <u><u>146,863</u></u>

Operating Leases

The Town leases school buses under noncancelable operating leases that are scheduled to expire in 2020. The cost of the lease for the year ended June 30, 2017 totaled approximately \$114,000 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>
2018.....	\$ 142,208
2019.....	142,208
2020.....	<u>142,209</u>
 Total.....	 \$ <u><u>426,625</u></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, 2017, totaled approximately \$35,000.

The future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Business-Type</u>
	<u>Activities</u>
2018.....	\$ <u><u>35,268</u></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, 2017, 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, 2016	Issued	Redeemed	Outstanding at June 30, 2017
Municipal Purpose Refunding Loan of 2006.....	2017	\$ 1,055,000	4.20 - 5.20	\$ 250,000	\$ -	\$ (250,000)	-
Municipal Purpose Loan of 2007.....	2017	700,000	4.30 - 4.90	35,000	-	(35,000)	-
Municipal Purpose Loan of 2009.....	2019	2,614,570	3.00 - 5.00	480,000	-	(210,000)	270,000
Municipal Purpose Loan of 2010.....	2030	6,782,000	1.50 - 4.50	3,765,000	-	(360,000)	3,405,000
Municipal Purpose Loan of 2011.....	2031	6,100,000	2.00 - 4.50	4,070,000	-	(390,000)	3,680,000
Municipal Purpose Loan of 2012.....	2032	5,286,000	2.00 - 4.00	3,235,000	-	(485,000)	2,750,000
Municipal Purpose Loan of 2013.....	2033	3,140,000	2.00 - 2.75	2,390,000	-	(250,000)	2,140,000
Municipal Purpose Loan of 2014.....	2034	3,519,000	2.00 - 4.00	2,865,000	-	(320,000)	2,545,000
Municipal Purpose Refunding Loan of 2015.....	2028	1,680,000	3.00 - 5.00	1,680,000	-	(95,000)	1,585,000
Municipal Purpose Loan of 2015.....	2035	3,259,000	3.00 - 5.00	2,935,000	-	(305,000)	2,630,000
Municipal Purpose Loan of 2016.....	2036	3,898,000	2.00 - 4.00	3,898,000	-	(518,000)	3,380,000
Municipal Purpose Loan of 2017.....	2037	4,537,300	2.00 - 4.00	-	4,537,300	-	4,537,300
Sub-Total.....				25,603,000	4,537,300	(3,218,000)	26,922,300
Unamortized Premiums on Bonds.....				502,152	632,244	(87,743)	1,046,653
Total.....				\$ 26,105,152	\$ 5,169,544	\$ (3,305,743)	\$ 27,968,953

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

Year	Principal	Interest	Total
2018.....	\$ 3,165,700	\$ 950,019	\$ 4,115,719
2019.....	2,927,000	856,486	3,783,486
2020.....	2,798,000	751,393	3,549,393
2021.....	2,556,200	646,213	3,202,413
2022.....	2,253,100	547,389	2,800,489
2023.....	2,000,000	465,737	2,465,737
2024.....	1,918,000	392,722	2,310,722
2025.....	1,829,000	319,501	2,148,501
2026.....	1,774,000	248,165	2,022,165
2027.....	1,389,200	185,150	1,574,350
2028.....	1,162,000	138,269	1,300,269
2029.....	975,000	97,042	1,072,042
2030.....	834,000	65,892	899,892
2031.....	505,000	38,200	543,200
2032.....	328,000	24,446	352,446
2033.....	143,000	15,662	158,662
2034.....	123,000	11,335	134,335
2035.....	113,000	7,439	120,439
2036.....	78,000	3,873	81,873
2037.....	51,100	1,536	52,636
Total.....	\$ 26,922,300	\$ 5,766,469	\$ 32,688,769

Bonds and Notes Payable Schedule – Water and Sewer Enterprise Fund

Project	Maturities Through Year	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2016	Issued	Redeemed	Outstanding at June 30, 2017
Municipal Purpose Loan of 2002.....	2018	\$ 2,130,000	2.50 - 4.25	\$ 280,000	\$ -	\$ (140,000)	140,000
Municipal Purpose Refunding Loan of 2006.....	2017	2,355,000	4.20 - 5.20	175,000	-	(175,000)	-
Municipal Purpose Loan of 2007.....	2017	1,430,000	4.14 - 4.90	70,000	-	(70,000)	-
Municipal Purpose Loan of 2009.....	2019	8,070,000	3.00 - 5.00	1,295,000	-	(475,000)	820,000
Municipal Purpose Refunding Loan of 2011.....	2022	3,575,000	2.00 - 4.00	1,790,000	-	(395,000)	1,395,000
Municipal Purpose Loan of 2011.....	2031	2,286,000	2.00 - 4.50	1,555,000	-	(145,000)	1,410,000
MWRA Loan of 2011.....	2017	344,230	0.00	68,846	-	(68,846)	-
Municipal Purpose Loan of 2012.....	2032	3,101,000	2.00 - 4.00	1,760,000	-	(355,000)	1,405,000
Municipal Purpose Loan of 2013.....	2033	3,108,000	2.00 - 2.75	2,590,000	-	(170,000)	2,420,000
MWRA Loan of 2013.....	2018	174,240	0.00	69,696	-	(34,848)	34,848
Municipal Purpose Loan of 2014.....	2034	2,248,000	2.00 - 4.00	1,970,000	-	(135,000)	1,835,000
MWRA Loan of 2015.....	2020	962,500	0.00	770,000	-	(192,500)	577,500
Municipal Purpose Refunding Loan of 2015.....	2029	5,890,000	3.00 - 5.00	5,890,000	-	(220,000)	5,670,000
Municipal Purpose Loan of 2015.....	2035	2,084,000	3.00 - 5.00	1,975,000	-	(105,000)	1,870,000
MWRA Loan of 2016.....	2021	227,960	0.00	227,960	-	(45,592)	182,368
Municipal Purpose Loan of 2016.....	2036	2,394,000	2.00 - 4.00	2,394,000	-	(139,000)	2,255,000
Municipal Purpose Loan of 2016.....	2036	391,042	2.00	-	391,042	(16,078)	374,964
MWRA Loan of 2017.....	2027	165,000	0.00	-	165,000	-	165,000
Municipal Purpose Loan of 2017.....	2037	3,453,000	2.00 - 4.00	-	3,453,000	-	3,453,000
Sub-Total.....				22,880,502	4,009,042	(2,881,864)	24,007,680
Unamortized Premiums on Bonds.....				1,727,543	-	(231,060)	1,496,483
Total.....				\$ 24,608,045	\$ 4,009,042	\$ (3,112,924)	\$ 25,504,163

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
2018.....	\$ 2,507,141	\$ 1,001,940	\$ 3,509,081
2019.....	2,184,323	929,629	3,113,952
2020.....	2,143,659	854,237	2,997,896
2021.....	1,934,602	767,828	2,702,430
2022.....	1,823,160	680,346	2,503,506
2023.....	1,439,617	601,171	2,040,788
2024.....	1,431,982	525,519	1,957,501
2025.....	1,426,353	448,889	1,875,242
2026.....	1,421,731	372,872	1,794,603
2027.....	1,246,918	298,073	1,544,991
2028.....	1,138,013	232,450	1,370,463
2029.....	1,090,415	176,737	1,267,152
2030.....	771,825	123,617	895,442
2031.....	776,244	100,747	876,991
2032.....	688,671	78,722	767,393
2033.....	624,106	59,727	683,833
2034.....	504,550	41,282	545,832
2035.....	400,004	25,554	425,558
2036.....	295,466	13,279	308,745
2037.....	158,900	4,767	163,667
Total.....	\$ 24,007,680	\$ 7,337,386	\$ 31,345,066

Bonds and Notes Payable Schedule – Golf Course Enterprise Fund

Project	Maturities Through Year	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2016	Issued	Redeemed	Outstanding at June 30, 2017
Municipal Purpose Loan of 2016.....	2021	\$ 219,000	4.00	\$ 219,000	\$ -	\$ (49,000)	\$ 170,000
Municipal Purpose Loan of 2017.....	2022	92,700	2.00 - 4.00	-	92,700	-	92,700
Total.....				\$ 219,000	\$ 92,700	\$ (49,000)	\$ 262,700

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

Year	Principal	Interest	Total
2018.....	\$ 66,000	\$ 9,802	\$ 75,802
2019.....	65,000	7,668	72,668
2020.....	60,000	5,268	65,268
2021.....	58,700	2,868	61,568
2022.....	13,000	521	13,521
Total.....	\$ 262,700	\$ 26,127	\$ 288,827

Bonds and Notes Payable Schedule – Electric Light Enterprise Fund (BELD)

Project	Maturities Through Year Ended	Original Loan Amount	Interest Rate (%)	Outstanding at December 31, 2015	Issued	Redeemed	Outstanding at December 31, 2016
Municipal Purpose Loan of 2009.....	2019	\$ 109,700,000	3.00 - 5.00	\$ 21,895,000	\$ -	\$ (5,085,000)	\$ 16,810,000
Municipal Purpose Refunding Loan of 2016.....	2028	58,750,000	4.00 - 5.00	58,750,000	-	-	58,750,000
Sub-Total.....				80,645,000	-	(5,085,000)	75,560,000
Unamortized Premiums on Bonds.....				16,429,428	-	(2,120,608)	14,308,820
Total.....				\$ 97,074,428	\$ -	\$ (7,205,608)	\$ 89,868,820

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
2017.....	\$ 5,335,000	\$ 6,684,544	\$ 12,019,544
2018.....	5,600,000	6,418,844	12,018,844
2019.....	5,875,000	6,138,844	12,013,844
2020.....	5,965,000	5,845,094	11,810,094
2021.....	6,180,000	2,570,000	8,750,000
2022.....	6,515,000	2,265,100	8,780,100
2023.....	6,785,000	2,004,500	8,789,500
2024.....	7,120,000	1,665,250	8,785,250
2025.....	7,475,000	1,309,250	8,784,250
2026.....	7,845,000	935,500	8,780,500
2027.....	7,545,000	543,250	8,088,250
2028.....	3,320,000	166,002	3,486,002
Total.....	\$ 75,560,000	\$ 36,546,178	\$ 112,106,178

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, 2017, the Town had the following authorized and unissued debt:

Purpose	Amount
Town hall and water building renovations.....	\$ 891,000
Water treatment plant.....	428,000
Water mains.....	100,000
Elder Affairs.....	15,000
General government equipment.....	308,000
Building compliance ADA.....	75,000
School projects.....	972,000
School educational technology.....	100,000
School capital.....	449,000
Water distribution system improvements.....	5,400,000
Roads.....	1,700,000
MWRA.....	1,783,200
Pump station.....	944,000
Public safety repairs and equipment.....	490,000
Public works repairs and equipment.....	429,000
Public works building improvements.....	647,000
DPW Shaw Street Bridge.....	315,000
DPW field and fence reconstruction.....	150,000
Public works drainage.....	163,000
Public works dump trucks.....	526,000
Great Pond Dam repair project.....	172,311
Library building repairs	250,000
Golf building repairs.....	10,000
Golf course reconstruction.....	85,000
	<hr/>
Total.....	\$ <u>16,402,511</u>

Changes in Long-term Liabilities

During the year ended June 30, 2017, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 25,603,000	\$ 4,537,300	\$ (3,218,000)	\$ -	\$ -	\$ 26,922,300	\$ 3,165,700
Add: Unamortized premium on bonds.....	502,152	632,244	(87,743)	-	-	1,046,653	164,255
Total bonds payable.....	26,105,152	5,169,544	(3,305,743)	-	-	27,968,953	3,329,955
Compensated absences.....	4,680,969	-	-	2,326,767	(2,334,162)	4,673,574	2,362,323
Workers' compensation.....	229,186	-	-	131,071	(192,000)	168,257	118,050
Net pension liability.....	67,750,547	-	-	16,144,582	(6,587,555)	77,307,574	-
Other postemployment benefits.....	74,873,509	-	-	13,368,019	(5,440,048)	82,801,480	-
Total governmental activity long-term liabilities.....	\$ 173,639,363	\$ 5,169,544	\$ (3,305,743)	\$ 31,970,439	\$ (14,553,765)	\$ 192,919,838	\$ 5,810,328
Business-Type Activities:							
Bonds and notes payable.....	\$ 103,744,502	\$ 4,101,742	\$ (8,015,864)	\$ -	\$ -	\$ 99,830,380	\$ 7,908,141
Add: Unamortized premium on bonds.....	18,156,971	-	(2,351,668)	-	-	15,805,303	1,722,726
Total bonds payable.....	121,901,473	4,101,742	(10,367,532)	-	-	115,635,683	9,630,867
Fees collected in advance.....	1,162,783	-	-	839,072	(159,981)	1,841,874	212,141
Capital lease obligations.....	184,097	-	-	223,272	(260,506)	146,863	71,735
Customer deposits payable.....	776,847	-	-	75,941	-	852,788	-
Compensated absences.....	698,826	-	-	522,024	(488,312)	732,538	503,317
Workers' compensation.....	75,819	-	-	34,646	(5,064)	105,401	73,950
Net pension liability.....	22,768,464	-	-	6,451,586	(463,886)	28,756,164	-
Other postemployment benefits.....	7,579,460	-	-	1,630,667	(1,167,487)	8,042,640	-
Total business-type activity long-term liabilities.....	\$ 155,147,769	\$ 4,101,742	\$ (10,367,532)	\$ 9,777,208	\$ (2,545,236)	\$ 156,113,951	\$ 10,492,010

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.....	-	5,638,623	5,638,623
School lunch.....	-	443,286	443,286
School revolving funds.....	-	2,145,320	2,145,320
Community preservation fund.....	-	7,086,863	7,086,863
Town capital projects.....	-	1,433,797	1,433,797
Expendable trust funds.....	-	7,357,487	7,357,487
Committed to:			
Articles and continuing appropriations:			
General government.....	430,832	-	430,832
Public safety.....	1,266,863	-	1,266,863
Education.....	101,403	-	101,403
Public works.....	380,363	-	380,363
Human services.....	40,146	-	40,146
Culture and recreation.....	135,661	-	135,661
Assigned to:			
Encumbrances:			
General government.....	472,287	-	472,287
Public safety.....	131,155	-	131,155
Education.....	48,869	-	48,869
Public works.....	131,400	-	131,400
Human services.....	368	-	368
Culture and recreation.....	961	-	961
Unassigned.....	<u>18,825,423</u>	-	<u>18,825,423</u>
Total Fund Balances..... \$	<u>21,965,731</u>	<u>26,669,905</u>	<u>48,635,636</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 June 30, 2017 the balances of the general and capital stabilization funds were \$87,885 and \$2,074,141, respectively. These amounts are included in the unassigned fund balance.

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, 2017, the amount of the liability for health insurance claims totaled \$1,145,000 which is the best estimate based on available information. Changes in the reported liability since July 1, 2015 are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End Currently Due
2016.....	\$ 1,030,000	\$ 16,047,091	\$ (15,932,091)	\$ 1,145,000
2017.....	1,145,000	15,573,298	(15,573,298)	1,145,000

(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 \$1,670,620 in 2017. At June 30, 2017, the amount of

the liability for workers' compensation claims totaled \$273,658, of which \$192,000 is current. Changes in the reported liability since July 1, 2015 are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2016.....	\$ 321,090	\$ 198,315	\$ (214,400)	\$ 305,005
2017.....	305,005	224,377	(255,724)	273,658

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, 2016.

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, 2016. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$14,169,187 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 \$138,904,668 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, 2016.

At December 31, 2016, the BCRS membership consists of the following:

Active members.....	816
Inactive members.....	108
Retirees and beneficiaries currently receiving benefits.....	<u>516</u>
 Total.....	 <u><u>1,440</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, 2016 was \$9,165,831, 19.49% 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 \$9,165,831 which equaled its actual contribution.

Pension Liabilities

The components of the net pension liability of the participating member units at June 30, 2017 were as follows:

Total pension liability.....	\$	286,183,966
The pension plan's fiduciary net position.....		<u>(178,623,822)</u>
Total net pension liability.....	\$	<u><u>107,560,144</u></u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....		62.42%

At June 30, 2017, the Town reported a liability of \$106,063,738 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. 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, 2016, the Town's proportion was 98.66%, which increased by 0.01% from its proportion measured at December 31, 2015.

Pension Expense

For the year ended June 30, 2017, the Town recognized a net pension expense of \$16,983,374. At June 30, 2017, Town reported deferred outflows of resources related to pensions of \$21,171,469, and deferred inflows of resources related to pensions of \$529,164.

The balances of deferred outflows and inflows at June 30, 2017 consist of the following:

Deferred category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 1,225,227	\$ (496,773)	\$ 728,454
Difference between projected and actual earnings.....	11,070,749	-	11,070,749
Changes of assumptions.....	6,747,484	-	6,747,484
Changes in proportion and proportionate share of contributions.....	43,015	(32,391)	10,624
Contributions made subsequent to the measurement date.....	<u>2,084,994</u>	<u>-</u>	<u>2,084,994</u>
Total Deferred Outflows/(Inflows) of Resources.....	\$ <u><u>21,171,469</u></u>	\$ <u><u>(529,164)</u></u>	\$ <u><u>20,642,305</u></u>

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

Year ended June 30:

2017.....	\$	7,333,839
2018.....		5,778,010
2019.....		5,260,493
2020.....		1,985,892
2021.....		<u>284,071</u>
Total.....	\$	<u>20,642,305</u>

Actuarial Assumptions

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

Valuation date.....	1/1/2016
Actuarial cost method.....	Individual 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.....	Difference between projected and actual earnings: 5 year straight-line amortization. All other amounts: Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (actives, inactive and retirees) as of the beginning of the measurement period.
Asset valuation method.....	The Actuarial Value of Assets is the market value of assets as of the valuation date reduced by the sum of: a) 75% of gains and losses of the prior year, b) 50% of gains and losses of the second prior year and c) 25% of gains and losses of the third prior year. Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 90% or more than 110% of market value.
Investment rate of return.....	7.75%, net of pension plan investment expense, including inflation.
Discount rate.....	7.75%
Inflation rate.....	3.75% per year (US) and 3% per year (global)

Projected salary increases.....	Groups 1/2: 6% to 4.25% based on service. Group 4: 7% to 4.75% based on service.
Payroll growth.....	4% per year
Cost of living adjustments.....	3% of the pension amount, capped at \$360 per year.
Mortality rates.....	RP-2000 Mortality Table (base year 2009) with full generational mortality improvement using Scale BB. For disabled members, RP-2000 Mortality Table (base year 2012) with full generational mortality improvement using Scale BB. Previously, RP-2000 Mortality Table projected to 2020 for pre-retirement and 2016 for post-retirement with Scale AA.

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, 2016 are summarized in the table on the following page.

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	26.00%	8.00%
International equity.....	17.00%	8.75%
Domestic fixed income.....	15.00%	4.48%
Hedge funds.....	5.00%	7.25%
Private equity.....	8.00%	10.00%
Real estate.....	10.00%	7.00%
Alternative investments.....	7.00%	10.00%
Other.....	12.00%	10.00%
	<u>100.00%</u>	

Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.49%. 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%, which did not change from the prior year. 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:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount (7.75%)</u>	<u>1% Increase (8.75%)</u>
<u>December 31, 2016 Measurement Date</u>			
The Town's proportionate share of the net pension liability.....	\$ <u>106,799,712</u>	\$ <u>82,751,470</u>	\$ <u>62,210,919</u>
BCRS total net pension liability.....	\$ <u>138,817,986</u>	\$ <u>107,560,144</u>	\$ <u>80,861,590</u>
<u>December 31, 2015 Measurement Date</u>			
The Municipal Light Plant's proportionate share of the net pension liability.....	\$ <u>29,938,529</u>	\$ <u>23,312,268</u>	\$ <u>17,654,438</u>

There were no changes in assumptions or plan provisions for the year ending December 31, 2016.

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.

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. For 2017, the Town’s age-adjusted contribution to the plan totaled \$6.5 million. For the year ended June 30, 2017, the Town’s average contribution rate was 7.66% of covered-employee payroll.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to raise taxes necessary to begin pre-funding its OPEB liabilities. The Town has named the Health Care Security Board of Trustees (HCSBT) as Trustees of the OPEB Fund and as such has authorized the OPEB Trust Funds to be invested entirely in the State Retirement Benefits Trust Fund (SRBT Fund). Massachusetts General Law directs the HCSBT to invest the SRBT Fund in the Pension Reserves Investment Trust (PRIT) Fund. The Trustees have adopted a trust agreement detailing their duties and responsibilities as Trustees. The PRIT Fund is subject to oversight by the Pension Reserves Investment Management Board (PRIM) Board. A nine member Board of Trustees governs the PRIM Board. The Board of Trustees has the authority to employ an Executive Director, outside investment managers, custodians, consultants, and others as it deems necessary to formulate policies and procedures and to take such other actions as necessary and appropriate to manage the assets of the PRIT Fund.

During 2017, the Town pre-funded future OPEB liabilities totaling approximately \$1,141,000 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. During calendar year 2016, the BELD pre-funded future OPEB liabilities totaling approximately \$520,000 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2017, the balance of this fund totaled \$8.8 million.

The annual money-weighted rate of return on OPEB plan investments was 12.53%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

Plan Membership – The following table represents the Plan’s membership at December 31, 2015:

Active members.....	1,291
Inactive members currently receiving benefits.....	<u>931</u>
Total.....	<u><u>2,222</u></u>

Components of OPEB Liability – The following table represents the components of the Plan’s OPEB liability as of June 30, 2017:

Total OPEB liability.....	\$ 109,673,091
Less: OPEB plan's fiduciary net position.....	<u>(8,841,153)</u>
Net OPEB liability.....	<u><u>\$ 100,831,938</u></u> (1)
The OPEB plan's fiduciary net position	
as a percentage of the total OPEB liability.....	8.06%

(1) The Net OPEB liability will be fully recorded in the financial statements at June 30, 2018 when GASB Statement No. 75 is required to be implemented.

Significant Actuarial Methods and Assumptions – The total OPEB liability in the December 31, 2015 actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement date that was updated to June 30, 2017, to be in accordance with GASB Statement No. 74:

Valuation date.....	Actuarially determined contribution was calculated as of June 30, 2017.
Actuarial cost method.....	Individual entry age normal.
Asset valuation method.....	Market value of assets as of reporting date, June 30, 2017.
Investment rate of return.....	7.04%, net of OPEB plan investment expense, including inflation.
Municipal bond rate.....	3.13% as of June 30, 2017.
Single equivalent discount rate.....	6.75%, net of OPEB plan investment expense, including inflation. Using a blend of the Municipal Bond Index Rate for unfunded periods and the Investment Rate of Return for funded periods.
Inflation.....	2.75% as of June 30, 2017 and for future periods.
Salary increases.....	3.00% annually as of June 30, 2017 and for future periods.
Pre-retirement mortality.....	RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females.
Post-retirement mortality.....	RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females.
Disabled mortality.....	RP-2000 Healthy Annuitant Table projected generationally with Scale BB and a base year 2012 for males and females.
Mortality experience study.....	The mortality assumptions reflect PERAC's recent experience analysis published in 2014 (based on the years 2006-2011), updated to reflect data through January 1, 2015 for post-retirement mortality, and professional judgement. As such, mortality assumptions reflect observed current mortality as well as expected mortality improvements.

Investment Policy

The OPEB plan’s 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 OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town’s investment policy.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of returns (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 of by weighting the expected future real rates of return by the

target asset allocation percentage and by adding expected inflation. The System’s expected future real rate of return of 4.79% is added to the expected inflation of 2.75% to produce the long-term expected nominal rate of return of 7.54%. Best estimates of geometric real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2017 are summarized in the table below.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity - Large cap.....	14.50%	4.00%
Domestic equity - Small/Mid cap.....	3.50%	6.00%
International equity - Developed market.....	16.00%	4.50%
International equity - Emerging market.....	6.00%	7.00%
Domestic fixed income.....	20.00%	2.00%
International fixed income.....	3.00%	3.00%
Alternatives.....	23.00%	6.50%
Real estate.....	14.00%	6.25%
	<u>100.00%</u>	

Discount rate – The discount rate used to measure the total OPEB liability was 6.75% as of June 30, 2017 and 3.50% as of June 30, 2016. The discount rate is a blend of the long-term expected rate of return on OPEB Trust Fund assets and a yield or index rate for 20 year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher, which was based on the S&P Municipal Bond 20 – Year High Grade Index. The blending is based on the sufficiency of projected assets to make projected benefit payments.

Sensitivity of the net other postemployment liability to changes in the discount rate – The following table presents the net other postemployment benefit liability, calculated using the discount rate of 5.00%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate.

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Net OPEB liability.....	\$ <u>80,156,848</u>	\$ <u>100,831,938</u>	\$ <u>126,896,599</u>

Sensitivity of the net other postemployment liability to changes in the healthcare trend – The following table presents the net other postemployment benefit liability, calculated using the current healthcare trend rate of 6.75%, as well as what it would be if it were calculated using a healthcare trend rate that was 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (5.75%)	Current Trend (6.75%)	1% Increase (7.75%)
Net OPEB liability.....	\$ <u>122,003,036</u>	\$ <u>100,831,938</u>	\$ <u>80,892,152</u>

Changes in Assumptions – The discount rate has changed from 3.50% to 6.75%.

Changes in Plan Provisions – None.

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 table below.

Annual required contribution.....	\$	15,223,597
Interest on net OPEB obligation.....		2,622,057
Adjustments to annual required contribution.....		<u>(2,846,968)</u>
Annual OPEB cost/expense.....		14,998,686
Contributions made.....		<u>(6,607,535)</u>
Increase/(Decrease) in net OPEB obligation.....		8,391,151
Net OPEB obligation - beginning of year.....		<u>82,452,969</u>
Net OPEB obligation - end of year.....	\$	<u><u>90,844,120</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:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2017	\$ 14,998,686	44%	\$ 90,844,120
6/30/2016	14,171,618	44%	82,452,969
6/30/2015	16,594,359	42%	74,578,475

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:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
1/1/2016	\$ 5,764,078	\$ 202,340,241	\$ 196,576,163	2.8%	\$ 81,826,380	240.24%
1/1/2014	2,943,163	188,740,599	185,797,436	1.6%	71,715,774	259.07%
1/1/2012	652,936	189,802,017	189,149,080	0%	68,300,737	276.94%

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.....	1/1/2016
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.25%, per year over 30 years at transition
Remaining amortization period.....	22 years at January 1, 2016, closed
Asset valuation method.....	Market value

Actuarial Assumptions:

Investment rate of return.....	3.50%
Inflation rate.....	2.75% 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 \$15.5 million on improvements to the system over the last 15 years to comply with the ACO.

The Town has entered into contracts totaling approximately \$9.5 million for various water, public works, school, and public safety building projects. The Town has authorized water system and public works renovations of approximately \$4.3 million. The Town also plans to authorize and contract for an additional \$90.3 million for school building repairs and renovations, roadway repairs, water distribution system projects, and the East Middle School project of \$83,472,279 has an expected MSBA reimbursement rate of 57.98% of eligible costs or \$41,221,711 which will reduce the \$90.3 million debt to be issued.

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, 2016 MMWEC’s total future debt service requirement on outstanding bonds issued for the projects is \$59,281,000, of which \$1,744,000 is anticipated to be billed to the BELD in the future. The BELD will continue to pay for Seabrook debt through April 2017 and after that the remaining debt will be paid through MMWEC Bond Reserve Dollars. The Seabrook bonds will be paid off in full in June 2018.

The BELD has also entered into various long-term agreements to purchase power from other utilities. At December 31, 2016, the estimated capacity costs relating to these agreements total approximately \$5,709,000. The amount estimated for 2017 is \$2,013,000 with annual decreases estimated as contract entitlements decrease and expire through 2025.

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 siting 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, 2017, cannot be ascertained, management believes any resulting liability should not materially affect the financial statements at June 30, 2017.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 27, 2017, which is the date the financial statements were available to be issued.

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2017, the following GASB pronouncements were implemented:

- GASB Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement.
- GASB Statement #77, *Tax Abatement Disclosures*. This pronouncement did not impact the basic financial statements.
- GASB Statement #78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This pronouncement did not impact the basic financial statements.
- GASB Statement #80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement #14*. This pronouncement did not impact the basic financial statements.

- GASB Statement #82, *Pension Issues – an amendment of GASB Statements #67, #68, and #73*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued Statement #81, *Irrevocable Split-Interest Agreements*, which is required to be implemented in 2018.
- The GASB issued Statement #83, *Certain Asset Retirement Obligations*, which is required to be implemented in 2019.
- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2020.
- The GASB issued Statement #85, *Omnibus 2017*, which is required to be implemented in 2018.
- The GASB issued Statement #86, *Certain Debt Extinguishment Issues*, which is required to be implemented in 2018.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.

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, 2017

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 83,243,983	\$ 83,461,934	\$ 83,451,838	\$ -	\$ (10,096)
Tax liens.....	-	-	509,621	-	509,621
Motor vehicle and other excise taxes.....	6,063,000	6,063,000	6,321,563	-	258,563
Hotel/motel tax.....	1,595,500	1,595,500	1,561,777	-	(33,723)
Meals tax.....	1,142,000	1,142,000	1,166,320	-	24,320
Penalties and interest on taxes.....	435,000	435,000	301,991	-	(133,009)
Payments in lieu of taxes.....	2,055,000	2,055,000	2,126,605	-	71,605
Intergovernmental.....	23,541,365	23,541,365	24,152,966	-	611,601
Departmental and other.....	6,339,319	6,339,319	6,162,659	-	(176,660)
Investment income.....	172,000	172,000	279,166	-	107,166
TOTAL REVENUES.....	124,587,167	124,805,118	126,034,506	-	1,229,388
EXPENDITURES:					
Current:					
General Government:					
Town Council					
Administration.....	192,377	194,331	177,212	250	16,869
Reserve Fund.....	40,000	40,000	-	-	40,000
Internal Audit.....	74,000	74,000	16,820	48,636	8,544
Articles.....	41,510	41,510	-	41,510	-
Total.....	347,887	349,841	194,032	90,396	65,413
Mayor's Office					
Administration.....	547,841	538,367	497,255	-	41,112
Fair Housing.....	2,275	2,275	-	-	2,275
Commission on Disabilities.....	1,025	1,025	(54)	-	1,079
Opioid Education and Prevention.....	94,333	119,333	9,218	110,115	-
Articles.....	4,535	4,535	-	4,535	-
Total.....	650,009	665,535	506,419	114,650	44,466
Finance Department					
Administration.....	715,952	171,291	165,596	3,000	2,695
Accounting.....	264,619	269,392	252,125	2,000	15,267
Assessing.....	282,709	287,002	282,299	-	4,703
Information Technology.....	487,652	487,652	443,675	31,752	12,225
General Insurances.....	471,100	488,100	475,142	12,958	-
Treasurer/Collector.....	1,559,732	1,580,267	1,566,747	-	13,520
Bond Principal.....	3,258,500	3,218,000	3,218,000	-	-
Bond Interest.....	843,605	857,192	856,872	-	320
Leases.....	56,640	56,640	51,920	4,720	-
Capital Project.....	20,546	20,546	10,815	9,731	-
Articles.....	158,941	158,941	9,067	149,874	-
Total.....	8,119,996	7,595,023	7,332,258	214,035	48,730
Law Department					
Administration.....	247,737	513,097	452,928	20,977	39,192
Licensing Board.....	32,514	33,945	33,049	-	896
Total.....	280,251	547,042	485,977	20,977	40,088
Human Resources					
Administration.....	511,127	528,639	460,108	-	68,531
Employee Benefits.....	18,833,735	18,491,472	18,182,882	151,184	157,406
Veterans Benefits.....	398,451	321,475	307,233	-	14,242
Celebrations.....	7,000	7,000	6,686	-	314
Total.....	19,750,313	19,348,586	18,956,909	151,184	240,493
Town Clerk					
Administration.....	115,763	119,600	111,153	469	7,978
Elections.....	64,855	64,855	46,188	-	18,667
Registration.....	169,752	173,350	166,617	1,953	4,780
Articles.....	10,327	10,327	9,171	1,156	-
Total.....	360,697	368,132	333,129	3,578	31,425

(Continued)

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

YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Planning and Community Development					
Administration.....	189,154	202,956	185,025	6,764	11,167
Planning.....	90,927	94,554	91,624	1,326	1,604
Conservation.....	138,067	139,619	93,725	25,085	20,809
Zoning Board of Appeals.....	79,410	83,095	79,295	1,579	2,221
Economic Development.....	134,105	134,105	56,708	46,339	31,058
Historical Commission.....	6,030	6,030	1,286	3,180	1,564
Capital Projects.....	244,697	244,697	20,671	224,026	-
Total.....	<u>882,390</u>	<u>905,056</u>	<u>528,334</u>	<u>308,299</u>	<u>68,423</u>
Total General Government.....	<u>30,391,543</u>	<u>29,779,215</u>	<u>28,337,058</u>	<u>903,119</u>	<u>539,038</u>
Public Safety:					
Police					
Administration.....	986,192	1,024,103	940,233	4,839	79,031
Building Maintenance.....	110,440	110,440	104,936	5,504	-
Equipment Maintenance.....	233,910	233,910	199,202	9,634	25,074
Patrol Bureau.....	4,828,480	5,431,281	5,376,435	15,704	39,142
Communications.....	945,331	1,064,520	1,018,278	7,041	39,201
Detective Bureau.....	1,183,689	1,338,689	1,217,728	-	120,961
Traffic Bureau.....	173,733	176,733	167,955	-	8,778
Special Services/Community Policing.....	750,248	770,248	709,342	200	60,706
Harbormaster.....	5,200	9,700	8,027	-	1,673
Animal Control.....	67,721	71,625	62,638	985	8,002
Capital Projects.....	530,086	874,086	413,982	460,104	-
Total.....	<u>9,815,030</u>	<u>11,105,335</u>	<u>10,218,756</u>	<u>504,011</u>	<u>382,568</u>
Fire					
Administration.....	275,811	285,272	272,145	600	12,527
Building Maintenance.....	149,856	142,856	131,390	7,003	4,463
Equipment Maintenance.....	232,508	177,023	143,977	80	32,966
Fire Suppression.....	7,338,618	7,773,532	7,739,436	12,660	21,436
Fire Alarm Repair.....	126,626	181,912	170,943	-	10,969
Fire Hazmat.....	115,873	118,103	116,382	-	1,721
Fire Prevention.....	117,452	119,682	116,587	-	3,095
Training.....	125,057	177,055	140,893	-	36,162
Capital Project.....	976,970	976,970	194,151	782,819	-
Total.....	<u>9,458,771</u>	<u>9,952,405</u>	<u>9,025,904</u>	<u>803,162</u>	<u>123,339</u>
Municipal Licenses and Inspection					
Administration.....	251,534	262,788	255,417	1,250	6,121
Equipment Maintenance.....	3,000	3,000	1,027	-	1,973
Inspections/Code Enforcement.....	575,639	583,952	454,600	65,655	63,697
Health.....	219,712	229,486	226,500	-	2,986
Articles.....	23,940	23,940	-	23,940	-
Total.....	<u>1,073,825</u>	<u>1,103,166</u>	<u>937,544</u>	<u>90,845</u>	<u>74,777</u>
Total Public Safety.....	<u>20,347,626</u>	<u>22,160,906</u>	<u>20,182,204</u>	<u>1,398,018</u>	<u>580,684</u>
Education:					
Education.....	62,754,979	62,754,979	62,706,110	48,869	-
Regional School District.....	2,561,497	2,528,497	2,528,117	-	380
Capital Project.....	834,804	834,804	733,401	101,403	-
Total Education.....	<u>66,151,280</u>	<u>66,118,280</u>	<u>65,967,628</u>	<u>150,272</u>	<u>380</u>

(Continued)

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

YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Public Works:					
Public Works					
Administration.....	299,557	308,189	298,429	4,865	4,895
Building Maintenance.....	1,075,041	1,006,063	983,937	12,653	9,473
Equipment Maintenance.....	285,180	257,950	224,404	-	33,546
Engineering.....	188,241	190,594	159,608	15,862	15,124
Construction Administration.....	264,628	273,544	243,232	-	30,312
Highway.....	1,551,518	1,617,395	1,411,830	69,240	136,325
Drains.....	39,200	39,200	28,140	-	11,060
Sidewalks.....	29,400	29,400	26,915	-	2,485
Street Lighting.....	400,500	400,500	400,100	-	400
Traffic.....	129,858	131,866	115,034	-	16,832
Snow and Ice.....	500,000	911,977	911,179	-	798
Environmental Affairs and Waste Collection.....	1,691,545	1,691,545	1,527,540	18,991	145,014
Cemetery.....	139,262	140,180	124,578	-	15,602
Maintenance Town Hall.....	116,469	116,469	105,819	-	10,650
Recreation and Community Events.....	166,713	168,451	168,451	-	-
Grounds Maintenance.....	515,122	522,171	503,226	9,789	9,156
Summer Programs.....	192,860	192,860	192,860	-	-
Brawley Recreation.....	100,893	130,286	130,286	-	-
Capital Project.....	75,000	75,000	-	75,000	-
Articles.....	570,353	570,263	264,900	305,363	-
Total Public Works.....	8,331,340	8,773,903	7,820,468	511,763	441,672
Human Services:					
Council on Aging					
Administration.....	207,649	217,476	212,184	349	4,943
Equipment Maintenance.....	60,891	61,831	57,867	-	3,964
Building Maintenance.....	22,998	22,998	22,979	19	-
Capital Project.....	66,500	66,500	26,354	40,146	-
Total Human Services.....	358,038	368,805	319,384	40,514	8,907
Culture and Recreation:					
Library					
Administration.....	223,907	231,092	231,092	-	-
Building Maintenance.....	115,800	115,800	115,789	11	-
Equipment Maintenance.....	1,000	1,000	254	-	746
Technology.....	53,000	53,000	52,490	-	510
Current Topics and Titles.....	926,314	941,926	910,137	-	31,789
Lifelong Learning.....	133,718	135,891	134,134	-	1,757
Community Commons.....	16,743	16,743	13,335	950	2,458
Capital Project.....	151,280	151,280	15,619	135,661	-
Total Culture and Recreation.....	1,621,762	1,646,732	1,472,850	136,622	37,260
State and County Assessments.....	3,705,742	3,649,290	3,649,290	-	-
TOTAL EXPENDITURES.....	130,907,331	132,497,131	127,748,882	3,140,308	1,607,941
EXCESS (DEFICIENCY) OF REVENUES					
OVER (UNDER) EXPENDITURES.....	(6,320,164)	(7,692,013)	(1,714,376)	(3,140,308)	2,837,329
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	-	-	-	-	-
Transfers in.....	981,841	2,676,173	2,676,173	-	-
Transfers out.....	-	(1,778,689)	(1,778,689)	-	-
TOTAL OTHER FINANCING					
SOURCES (USES).....	981,841	897,484	897,484	-	-
NET CHANGE IN FUND BALANCE.....	(5,338,323)	(6,794,529)	(816,892)	(3,140,308)	2,837,329
BUDGETARY FUND BALANCE, Beginning of year.....	21,939,999	21,939,999	21,939,999	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 16,601,676	\$ 15,145,470	\$ 21,123,107	\$ (3,140,308)	\$ 2,837,329

(Concluded)

See notes to required supplementary information.

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	December 31, 2015	December 31, 2016
Total pension liability:			
Service cost.....	\$ 6,023,441	\$ 6,023,441	\$ 7,011,992
Interest.....	18,204,152	19,380,005	21,147,039
Changes in benefit terms.....	-	-	-
Differences between expected and actual experience.....	-	1,815,050	-
Changes in assumptions.....	-	9,995,718	-
Benefit payments.....	<u>(15,009,048)</u>	<u>(15,148,464)</u>	<u>(15,656,177)</u>
Net change in total pension liability.....	9,218,545	22,065,750	12,502,854
Total pension liability, beginning.....	<u>242,396,817</u>	<u>251,615,362</u>	<u>273,681,112</u>
Total pension liability, ending (a).....	<u>\$ 251,615,362</u>	<u>\$ 273,681,112</u>	<u>\$ 286,183,966</u>
Plan fiduciary net position:			
Employer contributions.....	\$ 8,455,791	\$ 8,771,129	\$ 9,165,831
Member contributions.....	4,658,478	3,889,183	4,043,379
Net investment income (loss).....	9,407,198	(2,891,404)	14,033,058
Retirement benefits and refunds.....	(15,009,048)	(15,148,464)	(15,656,177)
Administrative expenses.....	(267,893)	(266,847)	(314,174)
Other receipts.....	<u>-</u>	<u>54,614</u>	<u>124,202</u>
Net increase (decrease) in fiduciary net position.....	7,244,526	(5,591,789)	11,396,119
Fiduciary net position at beginning of year.....	<u>165,581,123</u>	<u>172,825,649</u>	<u>167,233,860</u>
Fiduciary net position at end of year (b).....	<u>\$ 172,825,649</u>	<u>\$ 167,233,860</u>	<u>\$ 178,629,979</u>
Net pension liability - ending (a) - (b).....	<u>\$ 78,789,713</u>	<u>\$ 106,447,252</u>	<u>\$ 107,553,987</u>
Plan fiduciary net position as a percentage of the total pension liability.....	68.69%	61.11%	62.42%
Covered-employee payroll.....	\$ 38,444,353	\$ 39,982,127	\$ 47,022,635
Net pension liability as a percentage of covered-employee payroll.....	204.94%	266.24%	228.73%

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

See notes to required supplementary information.

**SCHEDULE OF CONTRIBUTIONS
BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015	December 31, 2016
Actuarially determined contribution.....	\$ 8,393,425	\$ 8,771,129	\$ 9,165,831
Contributions in relation to the actuarially determined contribution.....	<u>(8,393,425)</u>	<u>(8,771,129)</u>	<u>(9,165,831)</u>
Contribution deficiency (excess).....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll.....	\$ 38,444,353	\$ 39,982,127	\$ 47,022,635
Contributions as a percentage of covered- employee payroll.....	21.83%	21.94%	19.49%

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

See notes to required supplementary information.

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

	December 31, 2014	December 31, 2015	December 31, 2016
Annual money-weighted rate of return, net of investment expense.....	5.73%	-1.70%	8.49%

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 Electric Light Department'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 Town 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**

	December 31, 2014	December 31, 2015	December 31, 2016
Town's proportionate share of the net pension liability (asset).....	75.87%	76.75%	76.94%
Town's proportionate share of the net pension liability (asset)..... \$	59,777,226	\$ 72,633,217	\$ 82,751,470
Town's covered employee payroll..... \$	29,167,473	\$ 30,706,775	\$ 36,176,897
Net pension liability as a percentage of covered-employee payroll.....	204.94%	236.54%	228.74%
Plan fiduciary net position as a percentage of the total pension liability.....	68.69%	61.11%	62.42%

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.

Except for the Town's Electric Light Department, the Town implemented GASB 68 in fiscal year 2015
and used the measurement date of December 31, 2014. This schedule does not include the
Electric Light Department which is presented on its own schedule.

See notes to required supplementary information.

**SCHEDULE OF THE ELECTRIC LIGHT DEPARTMENT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015
Light Department's proportion of the net pension liability (asset).....	22.70%	21.90%
Light Department's proportionate share of the net pension liability (asset)..... \$	17,885,794	\$ 23,312,268
Light Department's covered employee payroll..... \$	8,727,126	\$ 9,902,018
Net pension liability as a percentage of covered-employee payroll.....	204.94%	235.43%
Plan fiduciary net position as a percentage of the total pension liability.....	68.69%	62.42%

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 Town's Electric Light Enterprise Fund year end is December 31st while the Town is June 30th.
The Town's Electric Light Enterprise initial implementation of GASB 68 was for the year ended
December 31, 2015 and used the measurement date of December 31, 2014. This schedule provides
only the Electric Light Department's information.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM**

	June 30, 2015	June 30, 2016	June 30, 2017
Actuarially determined contribution.....	\$ 8,273,433	\$ 8,652,623	\$ 8,972,107
Contributions in relation to the actuarially determined contribution.....	<u>(8,273,433)</u>	<u>(8,652,623)</u>	<u>(8,972,107)</u>
Contribution deficiency (excess).....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 29,167,473	\$ 30,706,775	\$ 36,176,897
Contributions as a percentage of covered- employee payroll.....	28.37%	28.18%	24.80%

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

See notes to required supplementary information.

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

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both a revenue and pension expense 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
2017.....	\$ 138,904,668	\$ 14,169,187	52.73%
2016.....	125,093,998	10,146,237	55.38%
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

GASB #74

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

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

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

GASB #45

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 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.

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017
Total OPEB Liability	
Service Cost.....	\$ 2,710,333
Interest.....	7,088,886
Changes of benefit terms.....	-
Differences between expected and actual experience.....	-
Changes of assumptions.....	-
Benefit payments.....	<u>(4,794,382)</u>
Net change in total OPEB liability.....	5,004,837
Total OPEB liability - beginning.....	<u>104,668,254</u>
Total OPEB liability - ending (a).....	<u><u>109,673,091</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 6,455,382
Net investment income.....	941,382
Benefit payments.....	<u>(4,794,382)</u>
Net change in plan fiduciary net position.....	2,602,382
Plan fiduciary net position - beginning.....	<u>6,238,771</u>
Plan fiduciary net position - ending (b).....	<u><u>\$ 8,841,153</u></u>
Town's net OPEB liability - ending (a)-(b).....	<u><u>\$ 100,831,938</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	8.06%
Covered-employee payroll.....	84,281,171
Town's net OPEB liability as a percentage of covered-employee payroll.....	119.64%

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.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017
Actuarially determined contribution.....	\$ 9,955,126
Contributions in relation to the actuarially determined contribution.....	(6,455,382)
Contribution deficiency (excess).....	\$ 3,499,744
Covered-employee payroll.....	\$ 84,281,171
Contributions as a percentage of covered- employee payroll.....	7.66%

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

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

June 30,
2017

Annual money-weighted rate of return, net of investment expense.....	12.53%
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The annual money-weighted rate of return has been calculated by the Pension Reserves Investment Management Board (PRIM).

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

See notes to required supplementary information.

**SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS PLAN**

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)
1/1/2016	\$ 5,764,078	\$ 202,340,241	\$ 196,576,163	2.8%	\$ 81,826,380	240.24%
1/1/2014	2,943,163	188,740,599	185,797,436	1.6%	71,715,774	259.07%
1/1/2012	652,936	189,802,017	189,149,080	0%	68,300,737	276.94%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage of the ARC Contributed
6/30/2017	\$ 15,223,597	\$ 6,607,535	43%
6/30/2016	15,166,461	6,575,575	43%
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%

See notes to required supplementary information.

ACTUARIAL METHODS AND ASSUMPTIONS
OTHER POSTEMPLOYMENT BENEFITS PLAN

Actuarial Methods:

Valuation date.....	1/1/2016
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.25%, per year over 30 years at transition
Remaining amortization period.....	22 years at January 1, 2016, closed
Asset valuation method.....	Market value

Actuarial Assumptions:

Investment rate of return.....	3.50%
Inflation rate.....	2.75% 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.....	863
Current active members.....	<u>1,282</u>
Total.....	<u><u>2,145</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 2017 approved budget authorized approximately \$130.9 million in appropriations and other amounts to be raised, including \$3.5 million in amounts carried over from previous years. During 2017, the Town Council also approved supplemental appropriations totaling approximately \$1.6 million. These supplemental appropriations mainly consisted of \$435,000 appropriated for the fire suppression, \$603,000 for the police patrol bureau, and \$412,000 was for snow and ice. Town Council also approved changes to amounts transferred between the general fund and the 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, 2017, is presented in the table on the following page.

Net change in fund balance - budgetary basis.....	\$ (816,892)
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	(41,914)
Activity of the municipal building insurance fund recorded in the general fund for GAAP.....	(74,861)
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	(500,000)
Net change in recording accrued expenditures.....	464,347
Net change in recording accrued payroll.....	590,508
Recognition of revenue for on-behalf payments.....	14,169,187
Recognition of expenditures for on-behalf payments.....	<u>(14,169,187)</u>
Net change in fund balance - GAAP basis.....	<u>\$ (378,812)</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, 2016.

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 Other Post Employment Benefit Plan"). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the Town's health insurance plan, which covers both active and retired members, including teachers.

The Other Postemployment Benefit Plan**A. Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios**

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

B. Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll.

C. Schedule of Investment Return

The Schedule of Investment Return includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

The Town

The Town currently finances its other postemployment benefits (OPEB) on combined pre-funded and a pay-as-you-go basis. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 2.8%. 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.

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.

A. Schedule of Funding Progress

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

B. Schedule of Employer Contributions

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

C. Schedule of Actuarial Methods and Assumptions

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

D. Changes in Assumptions

The discount rate has changed from 3.50% to 6.75%.

E. Changes in Plan Provisions

None.

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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, 2017

	Special Revenue Funds					Subtotal
	Town Special Revenue Funds	School Lunch Fund	School Special Revenue Funds	Community Preservation Fund	Highway Improvements Fund	
ASSETS						
Cash and cash equivalents.....	\$ 5,707,946	\$ 460,272	\$ 2,465,699	\$ 7,086,905	\$ 711,141	\$ 16,431,963
Investments.....	19,668	-	-	-	-	19,668
Receivables, net of uncollectibles:						
Departmental and other.....	-	-	-	5,506	-	5,506
Intergovernmental.....	-	-	-	103,000	1,427,586	1,530,586
TOTAL ASSETS.....	\$ 5,727,614	\$ 460,272	\$ 2,465,699	\$ 7,195,411	\$ 2,138,727	\$ 17,987,723
LIABILITIES						
Warrants payable.....	\$ 83,009	\$ 16,986	\$ 320,379	\$ 41	\$ 711,141	\$ 1,131,556
Accrued payroll.....	5,982	-	-	-	-	5,982
Due to other funds.....	-	-	-	-	788,314	788,314
TOTAL LIABILITIES.....	88,991	16,986	320,379	41	1,499,455	1,925,852
DEFERRED INFLOWS						
Unavailable revenues.....	-	-	-	108,507	639,272	747,779
FUND BALANCES						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	5,638,623	443,286	2,145,320	7,086,863	-	15,314,092
TOTAL FUND BALANCES.....	5,638,623	443,286	2,145,320	7,086,863	-	15,314,092
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES.....	\$ 5,727,614	\$ 460,272	\$ 2,465,699	\$ 7,195,411	\$ 2,138,727	\$ 17,987,723

Permanent Funds				
Town Capital Projects	Nonexpendable Trust Funds	Expendable Trust Funds	Subtotal	Total Nonmajor Governmental Funds
\$ 1,518,665	\$ 2,564,529	\$ 748,082	\$ 3,312,611	\$ 21,263,239
-	-	6,609,405	6,609,405	6,629,073
-	-	-	-	5,506
-	-	-	-	1,530,586
<u>\$ 1,518,665</u>	<u>\$ 2,564,529</u>	<u>\$ 7,357,487</u>	<u>\$ 9,922,016</u>	<u>\$ 29,428,404</u>
\$ 84,868	\$ -	\$ -	\$ -	\$ 1,216,424
-	-	-	-	5,982
-	-	-	-	788,314
84,868	-	-	-	2,010,720
-	-	-	-	747,779
-	2,564,529	-	2,564,529	2,564,529
<u>1,433,797</u>	-	<u>7,357,487</u>	<u>7,357,487</u>	<u>24,105,376</u>
<u>1,433,797</u>	<u>2,564,529</u>	<u>7,357,487</u>	<u>9,922,016</u>	<u>26,669,905</u>
<u>\$ 1,518,665</u>	<u>\$ 2,564,529</u>	<u>\$ 7,357,487</u>	<u>\$ 9,922,016</u>	<u>\$ 29,428,404</u>

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

YEAR ENDED JUNE 30, 2017

	<i>Special Revenue Funds</i>					Subtotal
	Town Special Revenue Funds	School Lunch Fund	School Special Revenue Funds	Community Preservation Fund	Highway Improvements Fund	
REVENUES:						
Tax liens.....	\$ -	\$ -	\$ -	\$ 16	\$ -	\$ 16
Intergovernmental.....	588,943	776,806	5,966,778	139,131	1,777,441	9,249,099
Departmental and other.....	648,318	1,161,824	1,183,967	-	-	2,994,109
Community preservation.....	-	-	-	696,779	-	696,779
Contributions.....	253,343	-	298,044	-	-	551,387
Investment income (loss).....	156	2,533	188	46,601	-	49,478
TOTAL REVENUES.....	1,490,760	1,941,163	7,448,977	882,527	1,777,441	13,540,868
EXPENDITURES:						
Current:						
General government.....	455,110	-	-	-	-	455,110
Public safety.....	241,826	-	-	-	-	241,826
Education.....	-	1,777,569	7,091,664	-	-	8,869,233
Public works.....	101,748	-	-	-	1,777,441	1,879,189
Community development.....	-	-	-	303,227	-	303,227
Human services.....	223,695	-	-	-	-	223,695
Culture and recreation.....	362,062	-	-	-	-	362,062
TOTAL EXPENDITURES.....	1,384,441	1,777,569	7,091,664	303,227	1,777,441	12,334,342
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	106,319	163,594	357,313	579,300	-	1,206,526
OTHER FINANCING SOURCES (USES):						
Issuance of long-term debt.....	-	-	-	-	-	-
Premium from issuance of bonds.....	632,244	-	-	-	-	632,244
Transfers in.....	84,276	-	10,000	-	-	94,276
Transfers out.....	(1,011,359)	-	-	-	-	(1,011,359)
TOTAL OTHER FINANCING SOURCES (USES).....	(294,839)	-	10,000	-	-	(284,839)
NET CHANGE IN FUND BALANCES.....	(188,520)	163,594	367,313	579,300	-	921,687
FUND BALANCES AT BEGINNING OF YEAR.....	5,827,143	279,692	1,778,007	6,507,563	-	14,392,405
FUND BALANCES AT END OF YEAR.....	\$ 5,638,623	\$ 443,286	\$ 2,145,320	\$ 7,086,863	\$ -	\$ 15,314,092

Permanent Funds				
Town Capital Projects	Nonexpendable Trust Funds	Expendable Trust Funds	Subtotal	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 16
-	-	-	-	9,249,099
-	-	-	-	2,994,109
-	-	-	-	696,779
-	-	88,154	88,154	639,541
-	-	(6,069)	(6,069)	43,409
-	-	82,085	82,085	13,622,953
44,820	-	31,999	31,999	531,929
147,614	-	-	-	389,440
965,339	-	-	-	9,834,572
1,777,680	-	-	-	3,656,869
-	-	-	-	303,227
59,898	-	-	-	283,593
126,833	-	173,488	173,488	662,383
3,122,184	-	205,487	205,487	15,662,013
(3,122,184)	-	(123,402)	(123,402)	(2,039,060)
4,537,300	-	-	-	4,537,300
-	-	-	-	632,244
334,700	-	185,207	185,207	614,183
-	-	(10,000)	(10,000)	(1,021,359)
4,872,000	-	175,207	175,207	4,762,368
1,749,816	-	51,805	51,805	2,723,308
(316,019)	2,564,529	7,305,682	9,870,211	23,946,597
\$ 1,433,797	\$ 2,564,529	\$ 7,357,487	\$ 9,922,016	\$ 26,669,905

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, 2017

	Agency Accounts <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Agency Accounts <u>June 30, 2017</u>
ASSETS				
Cash and cash equivalents.....	\$ 420,462	\$ 2,980,247	\$ (2,771,776)	\$ 628,933
LIABILITIES				
Liabilities due depositors.....	\$ 420,462	\$ 2,980,247	\$ (2,771,776)	\$ 628,933

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Statistical Section



Development of “Landing 53” apartments situated in The Landing, Braintree’s historic waterfront neighborhood at the foot of the Fore River.

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

	2008	2009	2010	2011	2012	2013	2014 (1)	2015	2016	2017
Governmental activities										
Net investment in capital assets.....	\$ 44,741,728	\$ 43,952,129	\$ 44,776,089	\$ 47,910,553	\$ 52,564,200	\$ 54,067,678	\$ 56,111,895	\$ 57,366,463	\$ 58,265,300	\$ 60,170,507
Restricted.....	14,564,774	15,387,436	17,909,375	18,984,718	19,081,454	19,486,773	21,298,935	22,222,634	24,396,588	25,344,615
Unrestricted.....	3,262,565	(1,978,165)	(8,277,629)	(14,151,761)	(20,004,880)	(23,061,668)	(86,823,313)	(96,707,790)	(103,802,229)	(118,318,690)
Total governmental activities net position.....	\$ 62,569,067	\$ 57,361,400	\$ 54,407,835	\$ 52,743,510	\$ 51,640,774	\$ 50,492,783	\$ (9,412,483)	\$ (17,118,693)	\$ (21,140,341)	\$ (32,803,568)
Business-type activities										
Net investment in capital assets.....	\$ 63,472,319	\$ 73,771,758	\$ 72,287,202	\$ 69,022,850	\$ 71,591,338	\$ 75,572,798	\$ 76,307,554	\$ 76,442,398	\$ 73,728,340	\$ 90,727,735
Restricted.....	-	-	-	-	-	-	3,732,114	5,353,621	5,038,499	5,038,499
Unrestricted.....	24,074,877	14,243,145	17,782,384	22,809,172	18,020,393	16,082,628	10,640,375	8,801,686	6,418,053	(4,461,334)
Total business-type activities net position.....	\$ 87,547,196	\$ 88,014,903	\$ 90,069,586	\$ 91,832,022	\$ 89,611,731	\$ 91,655,426	\$ 90,680,043	\$ 90,597,705	\$ 85,184,892	\$ 91,304,900
Primary government										
Net investment in capital assets.....	\$ 108,214,047	\$ 117,723,887	\$ 117,063,291	\$ 116,933,403	\$ 124,155,538	\$ 129,640,476	\$ 132,419,449	\$ 133,808,861	\$ 131,993,640	\$ 150,898,242
Restricted.....	14,564,774	15,387,436	17,909,375	18,984,718	19,081,454	19,486,773	25,031,049	27,576,255	29,435,087	30,383,114
Unrestricted.....	27,337,442	12,264,980	9,504,755	8,657,411	(1,984,487)	(6,979,040)	(76,182,938)	(87,906,104)	(97,384,176)	(122,780,024)
Total primary government net position.....	\$ 150,116,263	\$ 145,376,303	\$ 144,477,421	\$ 144,575,532	\$ 141,252,505	\$ 142,148,209	\$ 81,267,560	\$ 73,479,012	\$ 64,044,551	\$ 58,501,332

(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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government.....	\$ 4,554,086	\$ 5,734,392	\$ 5,547,521	\$ 6,219,480	\$ 6,120,306	\$ 6,793,916	\$ 6,286,240	\$ 7,100,754	\$ 7,502,823	\$ 8,247,179
Public safety.....	22,301,233	22,235,903	23,103,086	22,731,221	22,644,632	23,907,018	24,515,683	26,710,830	29,432,081	33,089,768
Education.....	76,732,757	79,763,519	82,719,562	85,120,589	87,632,097	91,537,391	96,438,899	92,481,566	96,802,496	105,764,895
Public works.....	5,787,762	6,576,806	6,004,346	7,075,816	6,258,439	6,903,790	8,158,789	9,686,905	8,524,059	9,086,973
Sanitation.....	1,597,784	1,654,683	1,531,123	1,421,972	1,734,699	1,614,505	1,504,893	1,504,795	1,601,041	1,564,617
Community preservation.....	104,793	35,109	41,392	76,049	168,276	133,513	187,852	642,312	112,414	238,972
Human services.....	1,273,880	978,727	980,215	1,064,014	1,108,036	1,269,546	1,228,698	1,439,972	1,475,863	1,540,809
Culture and recreation.....	3,532,149	3,508,767	3,504,511	3,733,359	3,685,605	3,856,790	3,638,147	3,857,160	4,348,816	4,623,888
Interest.....	444,173	367,644	543,891	620,316	668,246	594,798	471,412	486,438	772,942	778,257
Total governmental activities expenses.....	116,328,617	120,855,550	123,975,647	128,062,816	130,020,336	136,611,267	142,430,613	143,910,732	150,572,535	164,935,358
Business-type activities:										
Water and Sewer.....	11,993,133	12,234,294	12,357,150	12,992,288	12,960,228	13,759,942	13,732,799	14,834,145	14,555,945	15,659,572
Golf.....	1,258,562	1,282,255	1,105,535	1,400,980	1,510,491	1,547,221	1,576,338	1,491,676	1,677,140	1,666,098
Electric.....	62,262,396	65,563,538	71,421,238	72,454,533	70,895,924	66,409,996	68,036,931	73,461,461	65,629,959	64,040,283
Total business-type activity expenses.....	75,514,091	79,080,087	84,883,923	86,847,801	85,366,643	81,717,159	83,346,068	89,787,282	81,863,044	81,365,953
Total primary government expenses.....	\$ 191,842,708	\$ 199,935,637	\$ 208,859,570	\$ 214,910,617	\$ 215,386,979	\$ 218,328,426	\$ 225,776,681	\$ 233,698,014	\$ 232,435,579	\$ 246,301,311
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 654,663	\$ 613,460	\$ 596,828	\$ 517,136	\$ 616,829	\$ 757,713	\$ 863,484	\$ 924,180	\$ 804,350	\$ 1,062,799
Public safety.....	2,930,799	3,784,281	2,144,216	2,280,546	2,378,405	2,208,455	1,823,403	2,510,631	3,910,060	2,878,536
Education.....	2,663,710	2,597,937	2,443,837	2,368,875	2,017,758	2,287,988	2,228,802	2,094,328	2,049,131	1,942,356
Public works.....	559,293	609,110	334,823	471,878	553,002	627,466	1,160,134	897,304	865,166	898,200
Sanitation.....	1,600,028	1,593,698	1,613,247	1,568,749	1,548,721	1,401,085	1,387,356	1,394,047	1,430,004	1,422,536
Human services.....	151,360	142,817	24,205	25,792	31,332	33,119	32,811	47,689	44,036	34,809
Culture and recreation.....	345,587	393,249	379,560	396,623	361,811	377,596	384,999	382,905	387,517	364,075
Operating grants and contributions.....	24,465,441	28,083,776	30,924,968	33,221,854	33,518,827	34,800,674	35,660,762	30,278,006	34,917,830	40,670,272
Capital grants and contributions.....	1,898,266	927,140	1,127,450	3,793,516	4,773,929	3,146,209	662,210	831,972	906,508	1,983,085
Total government activities program revenues.....	35,269,147	38,745,468	39,589,134	44,645,169	45,800,614	45,640,305	44,201,961	39,361,062	45,314,602	51,256,668
Business-type activities:										
Charges for services:										
Water and Sewer.....	13,675,011	12,580,294	12,561,820	13,208,817	12,932,512	13,830,066	14,980,596	16,117,460	16,697,701	17,551,761
Golf.....	1,211,206	1,174,675	1,172,533	1,329,340	1,404,095	1,347,448	1,398,978	1,505,920	1,685,815	1,584,527
Electric.....	63,700,105	65,900,014	73,443,746	75,896,314	70,762,137	70,718,807	71,671,791	73,273,739	73,853,798	70,023,985
Operating grants and contributions.....	32,443	-	-	215,783	-	-	-	-	-	-
Capital grants and contributions.....	-	-	-	-	281,643	142,560	-	787,500	921,557	174,408
Total business-type activities program revenues.....	78,618,765	79,654,983	87,178,099	90,650,254	85,380,387	86,038,881	88,051,365	91,684,619	93,158,871	89,334,681
Total primary government program revenues.....	\$ 113,887,912	\$ 118,400,451	\$ 126,767,233	\$ 135,295,423	\$ 131,181,001	\$ 131,679,186	\$ 132,253,326	\$ 131,045,681	\$ 138,473,473	\$ 140,591,349
Net (Expense)/Revenue										
Governmental activities.....	\$ (81,059,470)	\$ (82,110,082)	\$ (84,386,513)	\$ (83,417,647)	\$ (84,219,722)	\$ (90,970,962)	\$ (98,228,652)	\$ (104,549,670)	\$ (105,257,933)	\$ (113,678,690)
Business-type activities.....	3,104,674	574,896	2,294,176	3,802,453	13,744	4,321,722	4,705,297	1,897,337	11,295,827	7,968,728
Total primary government net expense.....	\$ (77,954,796)	\$ (81,535,186)	\$ (82,092,337)	\$ (79,615,194)	\$ (84,205,978)	\$ (86,649,240)	\$ (93,523,355)	\$ (102,652,333)	\$ (93,962,106)	\$ (105,709,962)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate, personal property taxes and tax liens, net of tax refunds payable.....	\$ 59,616,548	\$ 62,714,975	\$ 65,822,590	\$ 68,085,843	\$ 69,679,306	\$ 74,746,576	\$ 76,783,315	\$ 79,271,011	\$ 82,610,777	\$ 83,309,930
Tax liens.....	195,258	102,402	-	-	-	-	-	-	-	-
Motor vehicle and other excise taxes.....	4,641,332	4,021,318	4,067,074	4,284,625	4,039,432	5,175,048	5,087,519	5,678,581	6,229,679	6,275,782
Hotel/motel tax.....	735,915	768,355	745,319	718,452	784,781	1,141,705	1,324,541	1,491,419	1,614,166	1,561,777
Meals tax.....	-	-	-	-	-	-	807,740	1,017,863	1,142,349	1,166,320
Community preservation tax.....	455,258	551,133	530,249	559,590	559,244	590,915	607,219	661,315	660,480	696,795
Penalties and interest on taxes.....	332,155	297,882	345,208	417,749	371,394	381,757	475,877	522,767	439,913	301,991
Payments in lieu of taxes.....	1,049,810	1,049,817	2,193,890	116,425	118,112	211,386	24,854	693,850	449,490	401,155
Grants and contributions not restricted to specific programs.....	7,163,431	6,619,494	5,072,674	4,949,885	4,989,211	4,885,456	5,434,532	5,224,867	5,315,517	5,880,155
Unrestricted investment income.....	716,560	530,782	486,914	267,612	215,677	243,114	216,988	195,103	169,918	342,024
Gain on sale of land.....	-	-	-	-	-	-	-	-	479,038	-
Affordable housing development fees.....	-	-	1,800,000	-	-	-	-	-	-	-
Miscellaneous.....	551,830	91,623	77,800	69,345	70,051	42,380	38,317	26,070	-	-
Transfers.....	99,004	154,634	291,230	2,284,796	2,289,778	2,404,634	1,820,664	2,060,614	2,124,958	2,079,534
Total governmental activities.....	75,557,101	76,902,415	81,432,948	81,753,322	83,116,986	89,822,971	92,621,546	96,843,460	101,236,285	102,015,463
Business-type activities:										
Unrestricted investment income.....	1,070,076	47,445	51,737	244,779	55,743	126,607	74,085	80,939	33,586	230,814
Transfers.....	(99,004)	(154,634)	(291,230)	(2,284,796)	(2,289,778)	(2,404,634)	(1,820,664)	(2,060,614)	(2,124,958)	(2,079,534)
Total business-type activities.....	971,072	(107,189)	(239,493)	(2,040,017)	(2,234,035)	(2,278,027)	(1,746,579)	(1,979,675)	(2,091,372)	(1,848,720)
Total primary government.....	\$ 76,528,173	\$ 76,795,226	\$ 81,193,455	\$ 79,713,305	\$ 80,882,951	\$ 87,544,944	\$ 90,874,967	\$ 94,863,785	\$ 99,144,913	\$ 100,166,743
Changes in Net Position										
Governmental activities.....	\$ (5,502,369)	\$ (5,207,667)	\$ (2,953,565)	\$ (1,664,325)	\$ (1,102,736)	\$ (1,147,991)	\$ (5,607,106)	\$ (7,706,210)	\$ (4,021,648)	\$ (11,663,227)
Business-type activities.....	4,075,746	467,707	2,054,683	1,762,436	(2,220,291)	2,043,695	2,958,718	(82,338)	9,204,455	6,120,008
Total primary government.....	\$ (1,426,623)	\$ (4,739,960)	\$ (898,882)	\$ (901,889)	\$ (3,323,027)	\$ 895,704	\$ (2,648,388)	\$ (7,788,548)	\$ 5,182,807	\$ (5,543,219)

Fund Balances, Governmental Funds

Last Ten Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Reserved.....	\$ 760,035	\$ 281,374	\$ 895,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	3,088,264	7,287,516	9,178,146	-	-	-	-	-	-	-
Committed.....	-	-	-	-	-	988,955	2,049,917	2,103,635	1,344,269	2,355,268
Assigned.....	-	-	-	1,250,576	1,140,720	1,140,211	1,164,142	666,097	2,170,153	785,040
Unassigned.....	-	-	-	13,160,254	15,847,651	17,880,465	16,356,370	16,271,481	18,830,121	18,825,423
Total general fund.....	\$ 3,848,299	\$ 7,568,890	\$ 10,073,933	\$ 14,410,830	\$ 16,988,371	\$ 20,009,631	\$ 19,570,429	\$ 19,041,213	\$ 22,344,543	\$ 21,965,731
All Other Governmental Funds										
Reserved.....	\$ 2,505,157	\$ 2,606,133	\$ 2,506,133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	6,583,933	8,102,411	9,599,385	-	-	-	-	-	-	-
Capital projects funds.....	(494,856)	1,322,865	2,825,324	-	-	-	-	-	-	-
Permanent funds.....	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	2,564,529	2,564,529
Restricted.....	-	-	-	21,726,183	20,110,956	18,293,846	21,958,212	21,731,961	21,698,087	24,105,376
Unassigned.....	-	-	-	-	-	-	-	-	(316,019)	-
Total all other governmental funds.....	\$ 15,573,843	\$ 18,188,938	\$ 22,788,469	\$ 24,234,064	\$ 22,675,842	\$ 20,858,732	\$ 24,522,741	\$ 24,296,490	\$ 23,946,597	\$ 26,669,905

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

Changes in Fund Balances, Governmental Funds

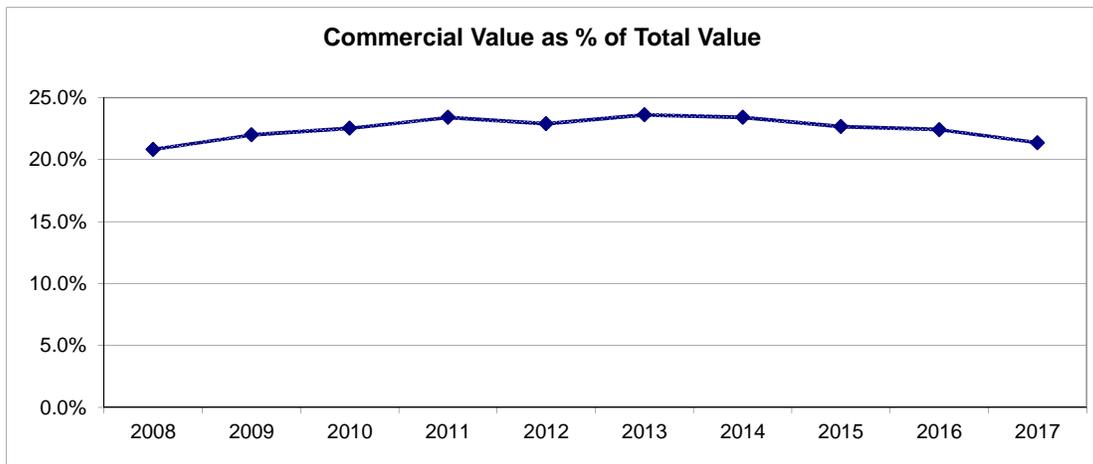
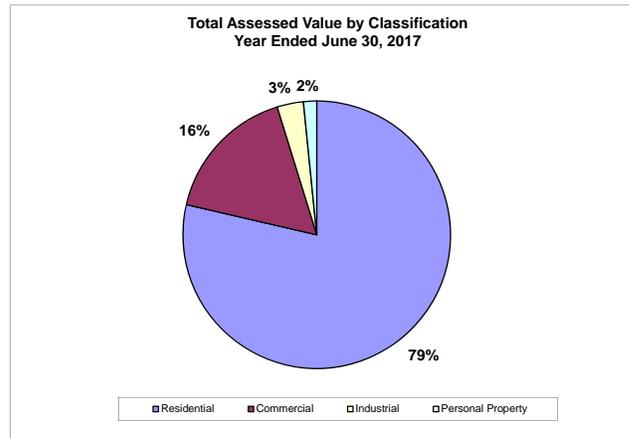
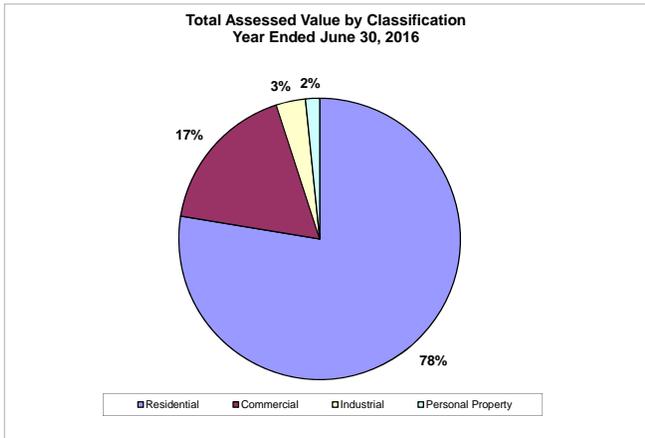
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Real estate, personal property taxes and tax liens, net of tax refunds.....	\$ 59,497,459	\$ 62,755,355	\$ 65,496,774	\$ 67,862,201	\$ 69,729,818	\$ 73,976,466	\$ 75,918,774	\$ 79,073,666	\$ 81,325,550	\$ 82,951,838
Tax Liens.....	63,809	76,974	57,843	81,120	77,774	45,681	407,348	1,100,825	1,362,410	509,637
Motor vehicle and other excise taxes.....	4,611,877	4,165,414	3,985,784	4,306,011	4,081,969	4,962,622	5,259,928	5,609,682	6,173,244	6,321,563
Hotel/Motel tax.....	735,915	768,355	745,319	718,452	784,781	1,141,705	1,324,541	1,491,419	1,614,166	1,561,777
Meals tax.....	-	-	-	-	-	-	807,740	1,017,863	1,142,349	1,166,320
Penalties and interest on taxes.....	332,155	297,882	345,208	417,749	371,394	381,757	475,877	522,767	439,913	301,991
Payments in lieu of taxes.....	1,049,810	1,049,817	2,193,890	116,425	118,112	211,386	24,854	693,850	449,490	401,155
Intergovernmental.....	30,601,263	34,012,768	35,740,583	38,999,975	41,528,233	39,456,201	42,450,485	35,342,773	40,169,594	47,770,699
Departmental and other.....	10,250,943	10,450,639	7,761,742	7,788,136	8,085,761	8,208,065	8,268,293	8,497,554	10,103,486	9,156,768
Community preservation.....	455,258	551,133	530,249	558,590	559,244	592,836	607,219	659,352	659,905	696,779
Affordable housing development fees.....	-	-	1,800,000	-	-	-	-	-	-	-
Contributions.....	366,096	1,071,110	640,918	364,569	453,433	932,928	530,070	643,529	615,646	639,541
Investment income.....	369,561	(201,774)	995,846	1,325,987	153,004	319,712	384,831	300,329	364,621	342,024
Claims and judgments.....	-	-	-	-	-	-	450,000	-	-	-
Miscellaneous.....	514,828	91,623	69,100	49,524	17,564	42,380	38,310	26,070	-	-
Total Revenue.....	108,848,974	115,089,296	120,363,256	122,588,739	125,961,087	130,271,739	136,948,270	134,979,679	144,420,374	151,820,092
Expenditures:										
General government.....	4,018,166	4,287,338	5,603,583	4,349,148	5,298,068	4,575,307	4,057,574	5,019,468	4,922,477	4,911,759
Public safety.....	15,134,523	14,323,808	14,560,325	15,180,496	17,182,357	17,446,204	17,556,255	19,223,137	19,347,565	20,345,144
Education.....	54,203,401	54,471,474	57,170,086	60,004,947	64,003,984	63,450,712	66,876,797	68,987,111	71,263,198	75,211,692
Public works.....	5,404,878	5,863,834	6,567,757	7,986,879	7,570,889	7,916,317	8,055,291	10,421,875	11,037,164	8,535,164
Sanitation services.....	1,590,363	1,647,010	1,522,144	1,412,691	1,726,367	1,607,190	1,498,193	1,487,659	1,571,359	1,527,540
Community development.....	1,799,290	14,977	41,392	76,049	643,366	325,972	247,083	894,362	70,099	303,227
Human services.....	876,798	708,984	748,949	792,326	817,714	896,262	941,115	1,064,584	1,071,339	1,136,656
Culture and recreation.....	2,863,866	2,447,161	2,544,523	2,626,796	2,883,715	3,219,004	2,952,668	3,165,322	3,082,111	3,187,119
Pension benefits-Town.....	4,306,969	4,442,266	4,759,946	4,808,035	5,046,381	5,255,971	5,705,325	5,793,428	6,214,492	6,522,861
Pension benefits-School.....	9,962,702	10,994,534	11,884,275	12,219,339	12,736,422	13,272,469	13,718,462	6,597,576	10,146,237	14,169,187
Property and liability insurance.....	406,416	419,313	402,567	368,027	428,125	439,651	433,381	438,383	426,679	475,142
Employee benefits.....	7,392,728	7,802,047	7,833,635	8,459,804	8,840,249	9,551,401	10,508,381	10,925,437	11,892,555	12,675,021
State and county charges.....	3,593,911	3,798,662	4,158,266	3,883,609	3,571,252	3,567,251	3,636,782	3,722,290	3,711,416	3,649,290
Debt service										
Principal.....	1,645,000	1,480,000	1,910,000	2,432,000	2,200,000	2,451,000	2,360,000	2,698,134	2,774,000	3,218,000
Interest.....	445,990	351,879	524,464	590,897	686,619	752,290	740,756	787,457	803,237	856,872
Total Expenditures.....	113,645,001	113,053,287	120,231,912	125,191,043	133,635,508	134,727,001	139,288,063	141,226,223	148,333,928	156,724,674
Excess of revenues over (under) expenditures.....	(4,796,027)	2,036,009	131,344	(2,602,304)	(7,674,421)	(4,455,262)	(2,339,793)	(6,246,544)	(3,913,554)	(4,904,582)
Other Financing Sources (Uses)										
Issuance of long-term debt.....	12,675,021	3,600,000	6,782,000	6,100,000	5,286,000	3,140,000	3,519,000	3,259,000	3,898,000	4,537,300
Premium from issuance of bonds and notes.....	379,762	445,043	-	-	369,204	114,778	224,936	171,463	319,033	632,244
Issuance of refunding bonds.....	-	-	-	-	-	-	-	1,680,000	-	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	334,581	-	-
Payment to refunded bond escrow agent.....	-	-	-	-	-	-	-	(2,014,581)	-	-
Capital lease financing.....	-	-	-	-	246,395	-	-	-	-	-
Proceeds from the sale of land.....	-	-	-	-	-	-	-	-	525,000	-
Transfers in.....	1,446,885	620,955	981,424	2,935,526	2,695,872	3,471,562	3,084,925	2,629,917	2,937,182	3,280,289
Transfers out.....	(1,288,748)	(466,321)	(690,194)	(650,730)	(406,094)	(1,066,928)	(1,264,261)	(569,303)	(812,224)	(1,200,755)
Total other financing sources (uses).....	13,212,920	4,199,677	7,073,230	8,384,796	8,191,377	5,659,412	5,564,600	5,491,077	6,866,991	7,249,078
Net change in fund balance.....	\$ 8,416,893	\$ 6,235,686	\$ 7,204,574	\$ 5,782,492	\$ 516,956	\$ 1,204,150	\$ 3,224,807	\$ (755,467)	\$ 2,953,437	\$ 2,344,496
Debt service as a percentage of noncapital expenditures.....	1.93%	1.65%	2.14%	2.55%	2.37%	2.51%	2.30%	2.58%	2.56%	2.71%

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
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
2016	\$4,586,821,359	\$10.98	\$1,031,327,521	\$199,981,850	\$1,231,309,371	\$24.66	\$94,335,830	\$24.53	\$14.05	\$5,912,466,560
2017	\$4,929,037,567	\$10.74	\$1,040,225,465	\$198,891,500	\$1,239,116,965	\$23.72	\$100,886,290	\$23.61	\$13.51	\$6,269,040,822



(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

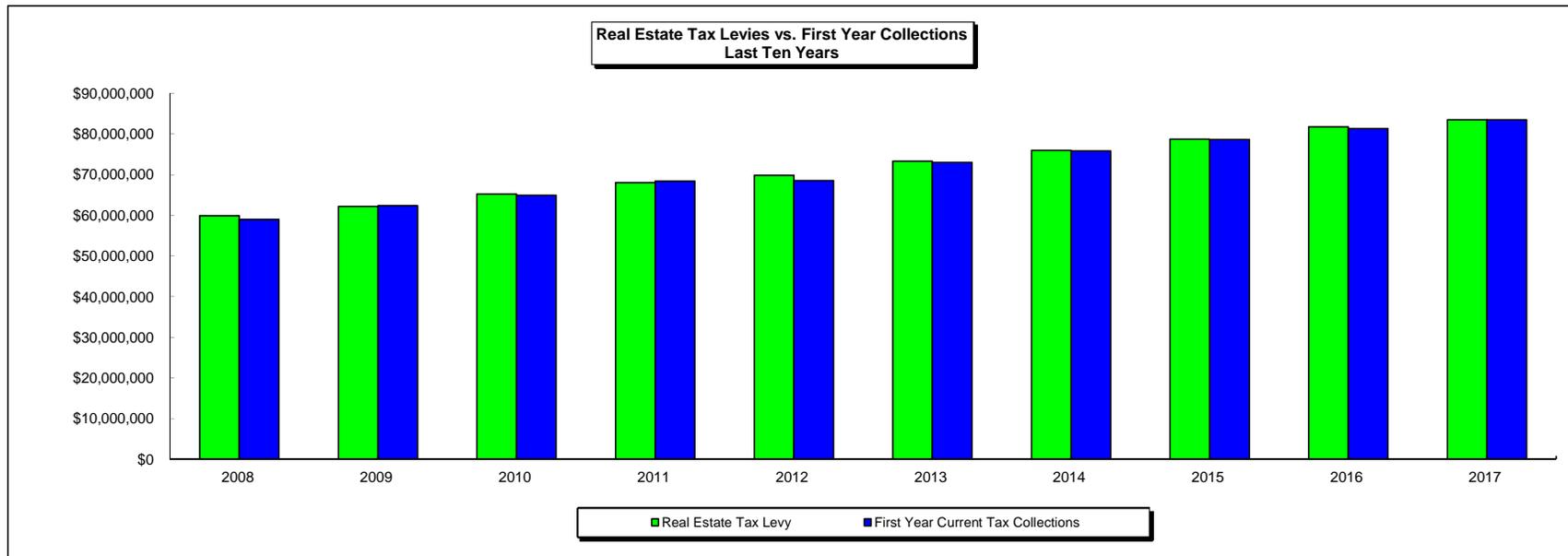
Name	Nature of Business	2017			2008		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Braintree Property Associates	Malls	\$ 267,132,500	1	4.26%	\$ 188,991,804	1	3.37%
Messina, Francis X. (et al)	Developer/Real Estate	156,081,700	2	2.49%	53,485,600	2	0.95%
Braintree Hill Office Park, LLC	Office Park	68,673,400	3	1.10%	-	-	-
Lenox Farms LTD Partnership	Apartments	62,075,400	4	0.99%	-	-	-
EQR-Lincoln Braintree LLC	Apartments	31,556,100	5	0.50%	28,919,200	6	0.52%
UDR Ridge at Blue Hills LLC	Apartments	27,135,200	6	0.43%	26,685,400	7	0.48%
Braintree IRF Investment Group, Inc.	Rehabilitation Hospital	23,973,200	7	0.38%	-	-	-
TRT Braintree II LLC	Retail	20,311,600	8	0.32%	17,610,900	10	0.31%
2001 Washington Street LLC	Private School	20,154,400	9	0.32%	-	-	-
CGCMT 2005C7 Braintree	Limited Liability Company	19,502,900	10	0.31%	-	-	-
Flatley, John (et al)	Real Estate	-	-	-	46,999,700	3	0.84%
AMB Property LP	Retail Clothing	-	-	-	33,957,100	4	0.61%
The Flatley 06 LLC	Developer/Real Estate	-	-	-	32,420,800	5	0.58%
WBF Braintree Equity Part LLC	Retail	-	-	-	23,208,800	8	0.41%
Direct Invest Braintree Pk LLC	Developer/Real Estate	-	-	-	18,585,500	9	0.33%
Totals \$		<u>696,596,400</u>		<u>11.11%</u>	<u>\$ 470,864,804</u>		<u>8.40%</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)
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%	\$643,692	\$79,288,660	100.71%
2016	\$82,893,707	\$1,135,942	\$81,757,765	98.63%	\$81,327,841	99.47%	\$783,701	\$82,111,542	100.43%
2017	\$84,572,830	\$1,110,896	\$83,461,934	98.69%	\$83,492,751	100.04%	\$0	\$83,492,751	100.04%



(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 by Type

Last Ten Years

Year	Governmental Activities		Business-type Activities		Total Debt Outstanding	Percentage of Personal Income (2)	U. S. Census Population	Debt Per Capita
	General Obligation Bonds (1)	Capital Leases	General Obligation Bonds (1)	Capital Leases				
2008	\$ 8,420,000	\$ 350,640	\$ 16,213,906	\$ 16,425	25,000,971	2.08%	34,422	\$ 726
2009	10,540,000	244,817	24,030,740	-	34,815,557	2.72%	35,294	986
2010	15,412,000	167,410	140,062,687	103,418	155,745,515	11.87%	35,296	4,413
2011	19,080,000	85,878	143,224,964	273,680	162,664,522	11.77%	35,744	4,551
2012	22,512,979	212,592	131,668,293	549,628	154,943,492	10.71%	35,981	4,306
2013	23,155,799	149,204	127,395,741	542,670	151,243,414	10.05%	35,983	4,203
2014	24,272,037	89,968	122,093,961	485,394	146,941,360	9.33%	36,220	4,057
2015	24,697,593	-	118,337,221	296,958	143,331,772	8.75%	36,223	3,957
2016	26,105,152	-	121,901,473	184,097	148,190,722	8.64%	36,460	4,065
2017	27,968,953	-	115,635,683	-	143,604,636	8.10%	36,223	3,964

(1) Presented net of original issuance discounts and premiums.

(2) Personal income is disclosed on the Schedule of Demographic and Economic Statistics.

Source: Audited Financial Statements, U. S. Census

Ratios of General Bonded Debt Outstanding

Last Ten Years

Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2008	\$ 24,633,906	\$ -	\$ 24,633,906	0.44%	\$ 716
2009	34,570,740	-	34,570,740	0.62%	980
2010	155,474,687	-	155,474,687	2.90%	4,405
2011	162,304,964	-	162,304,964	3.11%	4,541
2012	154,181,272	-	154,181,272	2.92%	4,285
2013	150,551,540	-	150,551,540	2.93%	4,184
2014	146,365,998	-	146,365,998	2.81%	4,041
2015	143,034,814	-	143,034,814	2.54%	3,949
2016	148,006,625	-	148,006,625	2.50%	4,059
2017	143,604,636	-	143,604,636	2.29%	3,964

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

(2) Property value data is disclosed on the Schedule of Assessed Value of Taxable Property by Classification and Tax Rates.

(3) Population data is disclosed on the Schedule of Demographic and Economic Statistics.

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2017

<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.....	\$ 11,830,000	4.70%	\$ 556,010	\$ 281,759
Town debt.....			<u>27,968,953</u>	
Total direct and overlapping debt.....			<u>\$ 28,524,963</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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Equalized Valuation.....	\$ 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	\$ 5,574,551,500	\$ 6,327,219,800
Debt Limit - 5% of Equalized Valuation.....	\$ 293,932,510	\$ 305,160,305	\$ 305,160,305	\$ 290,170,925	\$ 290,170,925	\$ 281,352,170	\$ 281,352,170	\$ 278,727,575	\$ 278,727,575	\$ 316,360,990
Less:										
Outstanding debt applicable to limit.....	12,619,000	15,132,500	19,434,000	22,604,500	26,032,230	26,927,624	27,669,930	28,527,736	28,527,736	29,891,716
Authorized and unissued debt.....	121,696,485	5,609,485	4,017,485	7,254,622	10,452,483	12,395,003	12,391,520	15,904,964	15,904,964	16,402,511
Legal debt margin.....	\$ 159,617,025	\$ 284,418,320	\$ 281,708,820	\$ 260,311,803	\$ 253,686,212	\$ 242,029,543	\$ 241,290,720	\$ 234,294,875	\$ 234,294,875	\$ 270,066,763
Total debt applicable to the limit as a percentage of the limit.....	45.70%	6.80%	7.68%	10.29%	12.57%	13.98%	14.24%	15.94%	15.94%	14.63%

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
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	5,812	5.10%
2016	36,460	\$ 1,715,090,554	\$ 47,041	40	5,809	4.90%
2017	36,223	\$ 1,772,099,499	\$ 48,922	40	5,839	4.90%

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	2017			2008		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Health South/Braintree Rehab	Rehabilitation Hospital	750	1	2.60%	750	1	2.77%
ING	Financial Services	568	2	1.97%	-	-	-
Haemonetics	Biomedical	448	3	1.55%	700	2	2.59%
Verizon	Utility	400	4	1.38%	400	5	1.48%
Sears	Retail	363	5	1.26%	363	6	1.34%
Mass State Lottery	State Agency	300	6	1.04%	-	-	-
Symmons Industries	Plumbing Manufacturer	290	7	1.00%	290	8	1.07%
Nordstrom	Retail	250	8	0.87%	-	-	-
Daniel Quirk	Auto Dealership	210	9	0.73%	210	9	0.78%
Macy's	Retail	200	10	0.69%	600	3	2.22%
South Shore VNA	Visiting Nurses Association	-	-	-	476	4	1.76%
Harvard/Pilgrim Health Care	Health Care	-	-	-	310	7	1.15%
Braintree Manor	Nursing Home	-	-	-	200	10	0.74%
		<u>3,779</u>		<u>13.08%</u>	<u>4,299</u>		<u>15.89%</u>

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

Full-time Equivalent Town Employees by Function

Last Ten Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Function:										
General government.....	47	45	38	41	42	43	43	43	43	46
Police.....	91	84	82	81	83	90	96	97	94	96
Fire.....	92	88	87	87	86	83	86	88	90	90
Education.....	666	674	648	675	689	714	736	770	778	784
Public works.....	44	48	43	39	39	38	40	40	43	41
Human services.....	13	10	10	11	11	12	12	12	12	11
Culture and recreation.....	19	20	19	19	19	20	19	17	20	20
Water & Sewer	29	23	21	23	23	24	23	23	25	24
Golf.....	10	9	9	9	9	9	8	8	8	8
Electric Light	107	111	111	110	110	110	101	100	101	101
Total	<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>	<u>1,214</u>	<u>1,221</u>

Source: Town personnel records and various Town departments.

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Population.....	34,422	35,294	35,296	35,744	35,981	35,983	36,220	36,223	36,460	37,297
Registered voters, annual town election.....	N/A	6,178	N/A	7,500	N/A	N/A	N/A	N/A	N/A	N/A
Town Clerk										
Births.....	371	412	365	380	411	407	410	382	410	357
Marriages.....	145	189	197	213	234	193	211	218	239	214
Deaths.....	480	440	465	465	469	500	478	505	500	499
Police										
Accidents covered by an officer.....	1,199	1,152	1,247	1,177	287	481	1,611	524	1,631	1,764
Citations issued.....	5,786	3,833	3,849	2,722	1,304	3,737	4,311	9,370	4,774	3,423
Arrests.....	1,085	813	766	754	262	835	985	952	1,005	906
Larcenies.....	881	802	662	615	245	511	1,167	619	1,070	1,012
Fire										
Fires.....	102	84	116	92	94	64	132	136	45	106
Emergency medical service.....	2,850	3,085	3,107	2,725	1,786	2,629	2,558	2,733	1,889	3,781
False alarm.....	855	761	676	759	493	773	857	633	228	853
Other responses.....	983	1,046	1,150	1,196	948	1,422	1,456	1,366	735	1,144
Hazmat responses.....	363	336	281	360	207	351	258	255	39	251
Building Department										
Residential building permits issued.....	897	891	950	979	976	850	926	1,352	1,313	1,215
Non-Residential building permits issued.....	315	301	324	295	361	403	399	382	324	349
Education										
Public school enrollment.....	5,443	5,441	5,557	5,565	5,601	5,678	5,734	5,828	5,860	5,839
Public Works										
Cemetery										
Lots sold.....	N/A	N/A	N/A	25	15	28	23	39	40	46
Water										
Service connections.....	N/A	N/A	N/A	11,497	11,500	11,492	11,454	11,561	11,540	11,549
Consumption in billions of gallons.....	1,542	1,421	1,374	1,371	N/A	1,285	1,166	927	918	914
Daily consumption in millions of gallons.....	3.7	3.6	3.8	3.7	N/A	4.7	3.5	3	3	3
Sewer										
Service connections.....	N/A	N/A	N/A	N/A	11,500	11,423	11,417	11,541	11,554	11,513
Daily average collection (MGD).....	N/A	6.61	6.97	6.52	6.89	6.66	6.81	N/A	N/A	N/A
Highway										
Miles of public road.....	129.0	129.0	129.0	129.0	129.0	130.0	130.0	134	134	135
Human Services										
Board of Health										
Inspections.....	1,324	1,257	1,151	1,338	1,321	1,263	1,139	1,291	1,359	1,256
Council on Aging										
Home delivered meals.....	634	1,220	616	N/A						
Transportation.....	3,595	3,783	3,917	3,763	4,121	5,280	5,295	5,368	5,450	5,018
Volunteer service hours.....	10,431	9,322	7,252	6,583	6,029	5,214	4,423	4,686	4,662	4,550
Fitness/exercise program participants.....	3,343	3,396	3,588	3,673	3,734	3,420	4,298	4,415	4,826	4,710
Recreation/social event participants.....	7,444	8,182	7,739	8,242	9,221	8,200	8,172	8,959	9,495	9,220
Libraries										
Volumes in collection.....	151,406	154,966	157,057	157,764	125,145	131,000	140,213	285,730	271,978	773,224
Circulation.....	306,081	320,510	350,966	384,947	379,752	293,733	384,109	365,580	352,638	324,720
Program attendance.....	6,473	7,881	7,605	10,279	11,011	9,421	9,695	8,660	10,272	9,191

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

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Number of buildings.....	4	4	8	8	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	4	4	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	2	2
Library.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments



Braintree's annual "Braintree Day" parade on July 1st, 2017.



Braintree residents fishing and enjoying a summer sunset at Sunset Lake.