

OFFICIAL STATEMENT DATED JUNE 16, 2015

Rating: See "Rating" herein.
Standard & Poor's Ratings Services: AA+

New Issue

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"). Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Under existing law, interest on the Bonds is exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. The Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. See "Tax Exemption" herein.

TOWN OF BRAINTREE, MASSACHUSETTS
\$5,343,000 GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2015 BONDS

DATED
Date of Delivery

DUE
June 15
(as shown below)

The Bonds are issuable only in fully registered form, registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form in the denomination of \$5,000, or any integral multiple thereof, with the exception of three \$1,000 denominations maturing June 15, 2016. (See "Book-Entry-Transfer System" herein.)

Principal of the Bonds will be payable June 15 of the years in which the Bonds mature. Interest on the Bonds will be payable June 15 and December 15 of each year, commencing December 15, 2015. Principal and semiannual interest on the Bonds will be paid by U.S. Bank National Association, Boston, Massachusetts, as Paying Agent. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein.

The Bonds are subject to redemption prior to their stated maturity dates as described herein.

An opinion of Bond Counsel will be delivered with the Bonds to the effect that the Bonds are valid general obligations of the Town of Braintree, Massachusetts, and that the principal of and interest on the Bonds are payable from taxes that may be levied upon all taxable property within the Town, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

Due June 15	Principal Amount	Interest Rate	Yield	Cusip 105025	Due June 15	Principal Amount	Rate	Price or Yield	Cusip 105025
2016	\$ 433,000	5.00	% 0.35	% S92	2026	\$ 265,000	3.00	% 2.77	% U32
2017	410,000	4.00	0.70	T26	2027	260,000	3.00	2.93	U40
2018	400,000	3.00	1.10	T34	2028	260,000	3.00	3.08	U57
2019	390,000	5.00	1.35	T42	2029	255,000	3.00	3.20	U65
2020	390,000	4.00	1.57	T59	2030	250,000	3.125	3.30	U73
2021	270,000	4.00	1.82	T67	2031	140,000	3.375	3.40	U81
2022	270,000	4.00	2.01	T75	2032	135,000	3.375	3.45	U99
2023	270,000	3.00	2.16	T83	2033	135,000	3.50	3.50	V23
2024	270,000	4.00	2.33	T91	2034	135,000	3.50	3.55	V31
2025	270,000	4.00	2.50	U24	2035	135,000	3.50	3.60	V49

The Bonds are offered subject to the final approving opinion of Locke Lord LLP, Boston, Massachusetts, Bond Counsel, as aforesaid, and to certain other conditions referred to herein and in the Notice of Sale. First Southwest Company, LLC Boston, Massachusetts has acted as Financial Advisor to the Town of Braintree, Massachusetts, with respect to the Bonds. The Bonds in definitive form will be delivered to DTC, or its custodial agent, on or about June 25, 2015, against payment to the Town in federal funds.

RAYMOND JAMES & ASSOCIATES, INC.

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The information and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

SUMMARY STATEMENT

The information set forth below is qualified in its entirety by the information and financial statements appearing elsewhere in the Official Statement.

Date of Sale: Tuesday, June 16, 2015, 11:30 A.M. (Eastern Time).

Location of Sale: First Southwest Company, LLC, 54 Canal Street, 3rd Floor, Boston, Massachusetts 02114.

Issuer: Town of Braintree, Massachusetts.

Issue: \$5,343,000 General Obligation Municipal Purpose Loan of 2015 Bonds, see "THE BONDS Book-Entry-Transfer System" herein.

Official Statement Dated: June 16, 2015.

Dated Date of the Bonds: As of their date of delivery.

Principal Due: Serially, June 15, 2016 through June 15, 2035, as detailed herein.

Interest Payable: June 15 and December 15 of each year, commencing December 15, 2015.

Purpose and Authority: Bond proceeds will be used to fund various capital projects of the Town, as detailed herein. See "Authorization of the Bonds and Use of Proceeds."

Redemption: The Bonds are subject to redemption prior to their stated maturity dates as described herein.

Security: The Bonds are valid general obligations of the Town of Braintree, and, to the extent not paid from other sources, the Bonds are payable from taxes which may be levied upon all taxable property within the Town, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

Credit Rating: Standard & Poor's Ratings Services has assigned a rating of AA+ to the Bonds.

Bond Insurance: The Town has not contracted for the issuance of any policy of municipal bond insurance or any other credit enhancement facility.

Basis of Award: Lowest True Interest Cost (TIC), as of the dated date. **BIDS MUST INCLUDE A PREMIUM OF AT LEAST \$60,000.**

Tax Exemption: Refer to "THE BONDS - Tax Exemption" herein and Appendix B, "Proposed Form of Legal Opinion."

Continuing Disclosure: Refer to "THE BONDS - Continuing Disclosure" herein and Appendix C, "Proposed Form of Continuing Disclosure Certificate."

Bank Qualification: The Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Paying Agent: U.S. Bank National Association, Boston, Massachusetts.

Legal Opinion: Locke Lord LLP, Boston, Massachusetts.

Financial Advisor: First Southwest Company, LLC, Boston, Massachusetts.

Delivery and Payment: It is expected that delivery of the Bonds in book-entry only form will be made to The Depository Trust Company, or to its custodial agent, on or about June 25, 2015, against payment to the Town in federal funds.

Issuer Official: Questions concerning the Official Statement should be addressed to: Ms. Barbara Walls, Treasurer-Collector, Town of Braintree, Massachusetts Telephone (781) 794-8165 or Cinder McNerney, Managing Director, First Southwest Company, LLC, Boston, Massachusetts Telephone (617) 619-4408.

NOTICE OF SALE

TOWN OF BRAINTREE, MASSACHUSETTS

\$5,343,000 GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2015 BONDS

The Town of Braintree, Massachusetts (the "Town") will receive sealed and electronic (as described herein) proposals until 11:30 A.M., Eastern Time, Tuesday, June 16, 2015, for the purchase of the following described General Obligation Municipal Purpose Loan of 2015 Bonds of the Town (the "Bonds"):

\$5,343,000 General Obligation Municipal Purpose Loan of 2015 Bonds payable June 15 of the years and in the amounts as follows:

Due June 15	Principal Amount	Due June 15	Principal Amount
2016	\$ 433,000	2026 *	\$ 265,000
2017	410,000	2027 *	260,000
2018	400,000	2028 *	260,000
2019	390,000	2029 *	255,000
2020	390,000	2030 *	250,000
2021	270,000	2031 *	140,000
2022	270,000	2032 *	135,000
2023	270,000	2033 *	135,000
2024	270,000	2034 *	135,000
2025	270,000	2035 *	135,000

*Callable maturities. May be combined into one or two term bonds as set forth herein.

The Bonds will be dated their date of delivery. Principal of the Bonds will be payable on June 15 of the years in which the Bonds mature. Interest will be payable on June 15 and December 15, commencing December 15, 2015.

The Bonds will be issued by means of a book-entry system with no physical distribution of the Bonds made to the public. One certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. Ownership of the Bonds in principal amounts of \$5,000, or integral multiples thereof, with the exception of three \$1,000 denominations maturing June 15, 2016, will be evidenced by a book-entry system with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures established by DTC and its Participants. The winning bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bonds with DTC, registered in the name of Cede & Co. Interest and principal on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to beneficial owners will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

The original Bonds to be immobilized at DTC will be prepared under the supervision of First Southwest Company, LLC, Boston, Massachusetts and their legality will be approved by Locke Lord LLP, Boston, Massachusetts, whose opinion will be furnished to the purchaser without charge to such purchaser.

Redemption Provisions

Bonds maturing on or prior to June 15, 2025 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after June 15, 2026 shall be subject to redemption prior to maturity, at the option of the Town, on or after June 15, 2025, either in whole or in part at any time, and if in part, by lot within a maturity, at the par amount of the Bonds to be redeemed, plus accrued interest to the date set for redemption.

For Bonds maturing on and after June 15, 2026, bidders may specify that all of the principal amount of such Bonds in any two or more consecutive years may, in lieu of maturing in each such year, be combined to comprise one or two Term Bonds, and shall be subject to mandatory redemption or mature at par, as described above, in each of the years and in the principal amounts specified in the foregoing maturity schedule. Each mandatory redemption shall be allocated to the payment of the Term Bond maturing in the nearest subsequent year. Bidders may specify no more than two Term Bonds.

Term Bonds, if any, shall be subject to mandatory redemption on June 15 of the year or years immediately prior to the stated maturity of such Term Bonds (the particular Bonds of such maturity to be redeemed to be selected by lot), as indicated in the foregoing maturity schedule at the principal amount thereof plus accrued interest to the redemption date, without premium.

Bidding Parameters

Bidders shall state the rate or rates of interest per annum which the Bonds are to bear in a multiple of 1/20 or 1/8 of one percent, but shall not state (a) more than one interest rate for any Bonds having a like maturity, (b) any interest rate which exceeds the interest rate stated for any other Bonds by more than 3 percent, or (c) any coupon rate greater than 4.0%. No bid of less than par and accrued interest to date of delivery, **plus a premium of at least \$60,000**, will be considered.

As between proposals which comply with this Notice of Sale, the award will be to the bidder who offers to purchase all the Bonds at the lowest net effective interest rate to the Town. Such interest rate shall be determined on a true interest cost (TIC) basis, which shall mean that rate which, as of the delivery date, discounts semiannually all future payments on account of principal and interest to the price bid. In the event there is more than one proposal specifying the lowest such rate, the Bonds will be awarded to the bidder whose proposal is selected by the Town Treasurer by lot among all such proposals.

Bids must be submitted either:

- (a) In a sealed envelope marked "Proposal for Bonds" and addressed to Ms. Barbara Walls, Treasurer-Collector, Town of Braintree, Massachusetts c/o First Southwest Company, LLC, 54 Canal Street, Boston, Massachusetts 02114. Signed blank bid forms may be faxed to (617) 619-4411 prior to submitting bids, and actual bids may be telephoned to First Southwest Company, LLC, telephone (617) 619-4400, at least one-half hour prior to the 11:30 A.M. sale and after receipt of the faxed bid form by First Southwest Company, LLC. First Southwest Company, LLC, will act as agent for the bidder, but neither the Town nor First Southwest Company, LLC, shall be responsible for any errors in connection with bids submitted in this manner.
- (b) Electronically via Parity in accordance with this Notice of Sale. To the extent any instructions or directions set forth in Parity conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about Parity, potential bidders may contact the Financial Advisor to the Town or I-deal at 40 West 23rd Street, 5th Floor, New York, NY 10010 (212) 404-8102. An electronic bid made in accordance with this Notice of Sale shall be deemed an offer to purchase the Bonds in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the Town.

The award of the Bonds to the winning bidder will not be effective until the bid has been approved by the Mayor and Treasurer of the Town.

The right is reserved to reject all bids and to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any proposal.

The Town of Braintree has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for issuance of any such policy or commitment therefor, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder. Proposals shall not be conditioned upon the issuance of any such policy or commitment. Any failure of the Bonds to be so insured or of any such policy or commitment to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds. Should the bidder purchase municipal bond insurance, all expenses associated with such policy or commitment will be borne by the bidder, except for the fee paid to Standard & Poor's for a rating on the Bonds. Any such fee paid to Standard & Poor's would be borne by the Town.

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that it shall be furnished, without cost, with (a) the approving opinion of the firm of Locke Lord LLP, Boston, Massachusetts, substantially in the form appearing as Appendix B of the Preliminary Official Statement dated June 9, 2015, (b) a certificate in the form satisfactory to Bond Counsel dated as of the date of delivery of the Bonds and receipt of payment therefor to the effect that there is no litigation pending or, to the knowledge of the signers thereof, threatened which affects the validity of the Bonds or the power of the Town to levy and collect taxes to pay them, (c) a certificate of the Treasurer to the effect that, to the best of her knowledge and belief, as of the date of sale the Preliminary Official Statement did not, and as of the date of the delivery of the Bonds, the Final Official Statement does not, contain any

untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (d) a Continuing Disclosure Certificate in the form described in the Preliminary Official Statement.

On or prior to the date of delivery of the Bonds, the successful bidder shall furnish to the Town a certificate acceptable to Bond Counsel generally to the effect that (i) as of June 16, 2015 (the "Sale Date"), the purchaser had offered or reasonably expected to offer all of the Bonds to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) in a bona fide public offering at the prices set forth in such certificate, plus accrued interest, if any, (ii) such prices represent fair market prices of the Bonds as of the Sale Date, and (iii) as of the date of such certificate, all of the Bonds have been offered to the general public in a bona fide offering at the prices set forth in such certificate, and at least 10% of each maturity of the Bonds actually has been sold to the general public at such prices. To the extent the certifications described in the preceding sentence are not factually accurate with respect to the reoffering of the Bonds, Bond Counsel should be consulted by the bidder as to alternative certifications that will be suitable to establish the "issue price" of the Bonds for federal tax law purposes. If a municipal bond insurance policy or similar credit enhancement is obtained with respect to the Bonds by the successful bidder, such bidder will also be required to certify as to the net present value savings on the Bonds resulting from payment of insurance premiums or other credit enhancement fees.

In order to assist bidders in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will undertake to provide annual reports and notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement dated June 9, 2015.

The Bonds will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 as amended (the "Code").

Additional information concerning the Town of Braintree and the Bonds is contained in the Preliminary Official Statement dated June 9, 2015, to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. Said Preliminary Official Statement is deemed final by the Town except for the omission of the reoffering price(s), interest rate(s), delivery date, the identity of the underwriter(s), and any other pertinent terms of the Bonds depending on such matters, but is subject to change without notice to completion or amendment in a Final Official Statement. Copies of the Preliminary Official Statement may be obtained from First Southwest Company, LLC, 54 Canal Street, Boston, Massachusetts 02114 (Telephone: 617-619-4400). Within seven (7) business days following the award of the Bonds in accordance herewith, twenty five (25) copies of the Final Official Statement will be available from the First Southwest Company, LLC to the successful bidder for use in reoffering the Bonds. Upon request, additional copies will be provided at the expense of the requester.

It is anticipated that CUSIP identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Town, provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau or other charge that may be imposed for the assignment of such numbers.

The Bonds in definitive form will be delivered to DTC or its custodial agent on or about June 25, 2015 for settlement in federal funds.

TOWN OF BRAINTREE, MASSACHUSETTS
/s/ Barbara Walls, Treasurer-Collector

June 9, 2015

OFFICIAL STATEMENT

TOWN OF BRAINTREE, MASSACHUSETTS

\$5,343,000 GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2015 BONDS

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Braintree, Massachusetts (the "Town") in connection with the sale of \$5,343,000 stated principal amount of its General Obligation Municipal Purpose Loan of 2015 Bonds (the "Bonds"). The information contained herein has been furnished by the Town, except information attributed to another governmental agency or official as the source.

THE BONDS

Description of the Bonds

The Bonds will be dated their date of delivery and will bear interest payable semiannually on June 15 and December 15 of each year, commencing December 15, 2015. The Bonds shall mature on June 15 of the years and in the principal amounts as set forth on the cover page of this Official Statement.

The Bonds are issuable only in fully registered form, without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000, or any integral multiple thereof, with the exception of three \$1,000 denominations maturing June 15, 2016. Purchasers will not receive physical certificates representing their interests in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See "Book-Entry Transfer System" herein.)

Principal and semiannual interest on the Bonds will be paid by U.S. Bank National Association, Boston, Massachusetts as Paying Agent. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to DTC. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

Redemption Provisions

Optional Redemption

Bonds maturing on or prior to June 15, 2025 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after June 15, 2026 shall be subject to redemption prior to maturity, at the option of the Town, on or after June 15, 2025, either in whole or in part at any time, and if in part, by lot within a maturity, at the par amount of the Bonds to be redeemed, plus accrued interest to the date set for redemption.

Notice of Redemption

Notice of any redemption of Bonds, prior to their dates of maturity, specifying the Bonds (or the portions thereof) to be redeemed shall be mailed to DTC not more than 60 days nor less than 30 days prior to the redemption date. Any failure on the part of DTC to notify the Direct Participants of the redemption or failure on the part of DTC's Participants, Indirect Participants or of a nominee of a Beneficial Owner having received notice from a DTC Participant or otherwise to notify the Beneficial Owners shall not affect the validity of the redemption.

Record Date

The record date for each payment of interest is the last business day of the month preceding the interest payment date; provided that, with respect to overdue interest, the Paying Agent may establish a special record date. The special record date may not be more than twenty (20) days before the date set for payment. The Paying Agent will mail notice of a special record date to the Bondowners at least ten (10) days before the special record date.

Book-Entry Transfer System

The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of securities under the DTC system must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited by DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities deposited by DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with DTC; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with DTC unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Town or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Authorization of the Bonds and Use of Proceeds

The following table sets forth the purposes, principal amounts, statutory references and dates of approval for the current offering of Bonds.

This Issue	Purpose	Total Authorization	Statutory Reference M.G.L. (as amended)	Dates of Approval	Order No.
\$ 357,000	Renovations to Town Hall and Water & Sewer Building	\$ 1,500,000	Ch.44, s.7(3A)	10/24/2005	Art. 5
268,000	Fire Building Improvements	268,000	Ch.44, s.7(3A)	5/24/2013	13-005
1,700,000	Roadway Resurfacing	1,700,000	Ch.44, s.7(6)	5/20/2014	14-020
86,000	DPW Cemetery Equipment Truck & Plow	113,000	Ch.44, s.7(9)	5/20/2014	14-020
18,000	DPW Cemetery Roads	100,000	Ch.44, s.7(6)	5/20/2014	14-020
252,000	DPW Cemetery Equipment Truck & Plow	450,000	Ch.44, s.7(9)	5/20/2014	14-020
15,000	DPW Playground Equipment	150,000	Ch.44, s.7(9)	5/20/2014	14-020
1,382,000	Water Distribution System Improvements	3,500,000	Ch.44, s.8	5/24/2013	13-005
702,000	Water Distribution System	3,000,000	Ch.44, s.8	5/20/2014	14-019
270,000	School Remodeling	700,000	Ch.44, s.7(3A)	5/24/2013	13-005
164,000	School Security Upgrades	279,000	Ch.44, s.7(9)	5/24/2013	13-005
129,000	School Education Technology	254,000	Ch.44, s.7(28) or 7(29)	11/5/2014	14-064
<u>\$ 5,343,000</u>					

Principal Maturities by Purpose

Maturity Year	Renovations to Town Hall and Water &	Fire Building Improvements	Roadway Resurfacing	DPW Cemetery	DPW Cemetery Roads	DPW Highway	DPW Playground Equipment
	Sewer Building			Equipment - Truck and Plow		Equipment - Truck & Plow	
2016	\$ 22,000	\$ 18,000	\$ 115,000	\$ 21,000	\$ 8,000	\$ 52,000	\$ 5,000
2017	20,000	15,000	115,000	20,000	5,000	50,000	5,000
2018	20,000	15,000	115,000	15,000	5,000	50,000	5,000
2019	20,000	15,000	115,000	15,000		50,000	
2020	20,000	15,000	115,000	15,000		50,000	
2021	20,000	15,000	115,000				
2022	20,000	15,000	115,000				
2023	20,000	15,000	115,000				
2024	20,000	15,000	115,000				
2025	20,000	15,000	115,000				
2026	20,000	15,000	110,000				
2027	15,000	15,000	110,000				
2028	15,000	15,000	110,000				
2029	15,000	10,000	110,000				
2030	15,000	10,000	110,000				
2031	15,000	10,000					
2032	15,000	10,000					
2033	15,000	10,000					
2034	15,000	10,000					
2035	15,000	10,000					
Totals	\$ 357,000	\$ 268,000	\$ 1,700,000	\$ 86,000	\$ 18,000	\$ 252,000	\$ 15,000

Maturity Year	Water Distribution System (i)	Water Distribution System (ii)	School Remodeling	School Security Upgrades	School Education Technology	TOTAL
	2016	\$ 72,000	\$ 37,000	\$ 15,000	\$ 39,000	\$ 29,000
2017	70,000	35,000	15,000	35,000	25,000	410,000
2018	70,000	35,000	15,000	30,000	25,000	400,000
2019	70,000	35,000	15,000	30,000	25,000	390,000
2020	70,000	35,000	15,000	30,000	25,000	390,000
2021	70,000	35,000	15,000			270,000
2022	70,000	35,000	15,000			270,000
2023	70,000	35,000	15,000			270,000
2024	70,000	35,000	15,000			270,000
2025	70,000	35,000	15,000			270,000
2026	70,000	35,000	15,000			265,000
2027	70,000	35,000	15,000			260,000
2028	70,000	35,000	15,000			260,000
2029	70,000	35,000	15,000			255,000
2030	70,000	35,000	10,000			250,000
2031	70,000	35,000	10,000			140,000
2032	65,000	35,000	10,000			135,000
2033	65,000	35,000	10,000			135,000
2034	65,000	35,000	10,000			135,000
2035	65,000	35,000	10,000			135,000
Totals	\$ 1,382,000	* \$ 702,000 *	\$ 270,000	\$ 164,000	\$ 129,000	\$ 5,343,000

Tax Exemption

In the opinion of Locke Lord LLP, Bond Counsel to the Town (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. The Bonds are not “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Failure to comply with these requirements may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The Town has covenanted to comply with such requirements to ensure that interest on the Bonds will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Bonds. Prospective Bondholders should be aware, however, that the Bonds are included in the measure of Massachusetts estate and inheritance taxes, and the Bonds and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel expresses no opinion regarding any other Massachusetts tax consequences or as to the taxability of the Bonds or the income therefrom or any other tax consequences arising with respect to the Bonds under the laws of any state other than Massachusetts. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix B hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Bondholders should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds, or, in some cases, at the earlier redemption date of such Bonds ("Premium Bonds"), will be treated as having amortizable bond premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a Bondholder's basis in a Premium Bond will be reduced by the amount of amortizable bond premium properly allocable to such Bondholder. Holders of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Prospective Bondholders should be aware that from time to time legislation is or may be proposed which, if enacted into law, could result in interest on the Bonds being subject directly or indirectly to federal income taxation, or otherwise prevent Bondholders from realizing the full benefit provided under current federal tax law of the exclusion of interest on the Bonds from gross income. To date, no such legislation has been enacted into law. However, it is not possible to predict whether any such legislation will be enacted into law. Further, no assurance can be given that any pending or future legislation, including amendments to the Code, if enacted into law, or any proposed legislation, including amendments to the Code, or any future judicial, regulatory or administrative interpretation or development with respect to existing law, will not adversely affect the market value and marketability of, or the tax status of interest on, the Bonds. Prospective Bondholders are urged to consult their own tax advisors with respect to any such legislation, interpretation or development.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect the federal or state tax liability of a Bondholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Bonds in determining the portion of such benefits that are included in gross income. The

nature and extent of all such other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder's other items of income, deduction or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders should consult with their own tax advisors with respect to such consequences.

Security and Remedies

Full Faith and Credit. General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for "qualified bonds" as described above (see "*Serial Bonds and Notes*" under "INDEBTEDNESS-TYPES OF OBLIGATIONS" below) and setoffs of state distributions as described below (see "*State Distributions*" below), no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

Tax Levy. The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year "all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for [and] all amounts necessary to satisfy final judgments". Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payment of notes in anticipation of federal or state aid, if the aid is no longer forthcoming.

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation. (See "*Tax Limitations*" Under "PROPERTY TAXATION" below.) In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy to secure particular bonds or notes or bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit. (See "INDEBTEDNESS-Authorization Procedures and Limitations" below.) Subject to the approval of the State Director of Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made.

Court Proceedings. Massachusetts cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on the bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law. (See "*Tax Limitations*" under "PROPERTY TAXATION" below.) In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

Restricted Funds. Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter and passenger ferry fee, community preservation and affordable housing receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing purposes, respectively; accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately-held property in the city or town for certain energy conservation and renewable energy projects, and may borrow to establish such a fund. The loan repayments and interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant or system renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and

notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

State Distributions. State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on "qualified bonds" (See "*Serial Bonds and Notes*" under "INDEBTEDNESS-TYPES OF OBLIGATIONS" below) and any other sums due and payable by the city or town to the Commonwealth or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority ("MBTA") or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority ("MWRA") if the city or town is within the territory served by the MWRA, for any debt service due on obligations issued to the Massachusetts School Building Authority ("MSBA"), or for charges necessary to meet obligations under the Commonwealth's Clean Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by The Commonwealth of Massachusetts (the "Commonwealth") to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions, and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act has sometimes been delayed beyond the beginning of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

Bankruptcy. Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of Federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the State legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not currently authorized by the Massachusetts General Laws to file a petition for bankruptcy under Federal Bankruptcy laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, such special legislation has also authorized the filing of federal bankruptcy proceedings, with the prior approval of the Commonwealth. In each case where such authority was granted, it expired at the termination of the Commonwealth's oversight of the financially distressed city, town or regional school district. To date, no such filings have been approved or made.

Opinion of Bond Counsel

The purchaser will be furnished the legal opinion of the firm of Locke Lord LLP, Bond Counsel to the Town. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the successful bidder. The opinion will be substantially in the form presented in Appendix B.

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing upon and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

Rating

Standard & Poor's Ratings Services has assigned a rating of AA+ to on the Bonds. Said rating will reflect only the rating agency's views and is subject to revision or withdrawal, which could affect the market price of the Bonds.

Financial Advisory Services of First Southwest Company, LLC

First Southwest Company, LLC, Boston, Massachusetts serves as financial advisor to the Town.

Continuing Disclosure

In order to assist the underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), the Town will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the Town by not later than 270 days after the end of each fiscal year (the "Annual Report"), and to provide notices of the occurrence of certain significant events. Other than the Town, there are no other obligated persons with respect to the Bonds within the meaning of the Rule. The covenants will be contained in a Continuing Disclosure Certificate, the proposed form of which is provided in Appendix C. The Certificate will be executed by the signers of the Bonds, and is incorporated by reference in the Bonds.

In the past five years the Town believes it has not failed to comply in all material respects with any previous undertakings to provide annual reports or notices of significant events in accordance with the Rule.

TOWN OF BRAINTREE, MASSACHUSETTS

General

The Town of Braintree is located in Norfolk County, approximately 10 miles south of Boston. According to the 2010 Federal Census, Braintree has a population of 35,744 and occupies a land area of 13.7 square miles. Incorporated as a Town in 1640, Braintree is governed by a Mayor and Town Council form of government. Prior to January 1, 2008, the Town had been governed by a Board of Selectmen and a representative town meeting. The Town's location at the junction of the major highways approaching Boston from the south makes it one of the prime retail and office park sites in the region.

Local school affairs are administered by a school committee of seven persons. Local taxes are assessed by a board of three assessors all appointed for staggered three-year terms on an at-large basis.

PRINCIPAL TOWN OFFICIALS

<u>Title</u>	<u>Name</u>	<u>Selection Method</u>	<u>Term Expires</u>
Mayor	Joseph C. Sullivan	Elected	2016
Chief of Staff	Michael Coughlin	Appointed	Indefinite
Finance Director	Edward J. Spellman	Appointed	Indefinite
Town Solicitor	Peter J. Morin	Appointed	Indefinite
Treasurer/Collector	Barbara Walls	Appointed	Indefinite
Town Clerk	James Casey	Appointed	2017
Town Accountant	Mark Lin	Appointed	Indefinite
Town Councilors:			
President	Thomas M. Bowes	Elected	2016
Vice President	Sean E. Powers	Elected	2016
Councillor	Paul Dan Clifford	Elected	2016
Councillor	Shannon Hume	Elected	2016
Councillor	Steve C. O'Brien	Elected	2016
Councillor	Michael J. Owens	Elected	2016
Councillor	John C. Mullaney	Elected	2016
Councillor	Charles C. Kokoros	Elected	2016
Councillor	Charles B. Ryan	Elected	2016

History

Braintree was first settled in 1634. The Town was named for Braintree, England, the town from which many of the earlier settlers of the area had emigrated. The name Braintree may have been derived from the Saxon word "Branchtreau", which means "town near a river".

Iron works, grist mills, and shipbuilding were the three commercial enterprises first developed in the Town. Braintree grew into an industrial town whose factories produced textiles, shoes, lumber, spices, shovels, nails, punches and fans. Today, Braintree is primarily a residential community with a substantial retail/commercial base.

Municipal Services

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, disposal of rubbish, public education in grades kindergarten through twelve, water and sewer services, street maintenance and recreational facilities. The Town also owns and operates its own electric generating and distribution facilities on a self-supporting basis. The Braintree Electric Light Department ("BELD" or the "Department") also offers high speed fiber optic internet, cable TV and telephone services to Town residents. In fiscal 2013, the Department contributed \$2 million to the general fund.

The Town owns and operates its own water supply and distribution system on a self-supporting basis. Sewerage is provided for through connections to the Massachusetts Water Resources Authority ("MWRA").

The principal services provided by Norfolk County are a jail and house of correction and registries of deeds and probate.

Transportation

The Southeast Expressway, the primary roadway to downtown Boston from the south, divides in Braintree with State Route 3 proceeding along the eastern edge of the Town to Cape Cod and Interstate Route 93 proceeding along the northern edge of the Town to State Route 24 and Interstate 95. One of the MBTA's major rapid transit lines (the "Red Line") originates in the Town, and the three spurs of the recently restored Old Colony commuter rail line merge in the Town.

Education

The Town operates seven elementary schools, two middle schools, and a senior high school. Total capacity is estimated at 6,100. The following table sets forth the trend in public school enrollments.

PUBLIC SCHOOL ENROLLMENTS — OCTOBER 1

	Actual					
	2009	2010	2011	2012	2013	2014
Elementary (K-5)	2,713	2,776	2,724	2,715	2,727	2,738
Middle/Junior High (6-8)	1,253	1,278	1,320	1,349	1,401	1,396
Senior High (9-12)	1,475	1,503	1,521	1,537	1,564	1,600
Total	<u>5,441</u>	<u>5,557</u>	<u>5,565</u>	<u>5,601</u>	<u>5,692</u>	<u>5,734</u>

	Actual				
	2010	2011	2012	2013	2014
Elementary (K-5)	2,776	2,724	2,712	2,727	2,738
Middle/Junior High (6-8)	1,278	1,320	1,349	1,401	1,396
Senior High (9-12)	1,503	1,521	1,537	1,564	1,600
Total	<u>5,557</u>	<u>5,565</u>	<u>5,598</u>	<u>5,692</u>	<u>5,734</u>

Industry and Commerce

Braintree is a residential suburb of Boston, located within the Boston Standard Metropolitan Statistical Area. As the table below indicates, the Town's economy has a diverse mix of manufacturing, services, and commercial trades.

EMPLOYMENT AND PAYROLLS

Since 2002, the U.S. Department of Labor uses the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of the economic data by industry shown below.

Industry	Calendar Year Average				
	2008	2009	2010	2012	2013
Construction	1,121	992	991	1,048	1,165
Manufacturing	1,955	1,971	2,025	1,940	2,009
Trade, Transportation and Utilities	7,338	6,777	7,290	7,513	7,891
Information	853	900	786	562	554
Financial Activities	2,723	2,609	2,606	2,593	2,626
Professional and Business Services	4,269	3,975	4,072	3,954	4,168
Education and Health Services	4,630	4,682	4,760	4,762	5,188
Leisure and Hospitality	2,524	2,197	2,041	2,207	2,595
Other Services	979	989	1,065	1,078	941
Public Administration	659	661	672	669	674
Total Employment	27,051	25,753	26,308	26,326	27,811
Number of Establishments	1,486	1,507	1,559	1,599	1,580
Average Weekly Wages	\$ 888	\$ 903	\$ 922	\$ 938	\$ 971
Total Wages	\$ 1,248,987,243	\$ 1,209,553,762	\$ 1,260,668,499	\$ 1,283,604,148	\$ 1,404,367,695

Source: Massachusetts Department of Education and Training. Data based upon place of employment, not place of residence.

The following table sets forth the largest employers in Braintree, exclusive of the Town itself.

LARGEST EMPLOYERS

Name	Product/Function	Approximate No. of Employees
United Liquors	Distributor	767
Health South/Braintree Rehab	Rehabilitation Hospital	750
Haemonetics	Biomedical	450
ING	Financial Services	568
Verizon	Utility	400
Sears	Retail	363
Mass State Lottery	State Agency	300
Symmons Industries	Plumbing Manufacturer	290
Nordstrom	Retail	250
Daniel Quirk	Auto Dealerships	210
Macy's	Retail	200
Braintree Manor	Nursing Home	200
Target	Retail	200
Dave and Buster's	Restaurant/Entertainment	200
Carey Limousine	Retail/Service	140

SOURCE: Individual employers listed, 2015.

The following table compares the most recent U.S. Census of Retail Trade data for the Town of Braintree with that of the Boston Standard Metropolitan Statistical Area (of which the Town is a member community) and for the Commonwealth as a whole. More current data are not available.

RETAIL SALES

	<u>Braintree</u>	<u>Boston SMSA</u>	<u>Massachusetts</u>
Establishments:			
1992	335	20,420	38,491
1987	331	17,662	38,905
1982	348	21,551	47,312
Sales (000):			
1992	\$668,462	\$27,058,734	\$47,663,248
1987	706,896	22,575,167	44,818,481
1982	482,530	15,013,835	28,815,549
Per Capita Sales:			
1992	\$19,072	N.A.	\$7,922
1987	19,454	\$11,620	7,731
1982	13,279	5,433	5,023

SOURCE: 1992, 1987 and 1982 U.S. Census of Retail Trade.

Labor Force, Employment and Unemployment

According to the Massachusetts Department of Employment and Training data in March 2015, the Town had a total labor force of 20,281 of which 19,401 were employed and 880 or 4.3% were unemployed, compared with an average of 4.8% for the Commonwealth (unadjusted).

The following table sets forth the trend in the Town's average labor force and unemployment rates and also unemployment rates for The Commonwealth of Massachusetts (the "Commonwealth") and the United States for the same period.

UNEMPLOYMENT RATES

Year	<u>Town of Braintree</u>		<u>Massachusetts</u>	<u>United States</u>
	<u>Labor Force</u>	<u>Unemployment Rate</u>	<u>Unemployment Rate</u>	<u>Unemployment Rate</u>
2014	19,958	5.3 %	5.8 %	6.2 %
2013	19,158	6.3	6.1	7.4
2012	19,223	6.0	6.7	8.1
2011	19,010	6.6	6.8	8.9
2010	18,932	8.2	8.5	9.6

SOURCE: Mass. Department of Employment and Training, Federal Reserve Bank of Boston and U.S. Bureau of Labor Statistics. Data based upon place of residence, not place of employment.

Building Permits

The following table sets forth the trend in the number of building permits issued and the estimated dollar value of new construction and alterations. Permits are filed for both private constructions as well as for Town projects.

BUILDING PERMITS

Calendar Year	New Construction				Additions/Alterations				Totals	
	Residential(1)		Non-Residential		Residential(2)		Non-Residential		No.	Value
	No.	Value	No.	Value	No.	Value	No.	Value		
2015	(3) 1	\$ 185,000	1	\$ 960,000	323	\$ 12,632,064	99	\$ 4,977,137	424	\$ 18,754,201
2014	105	3,396,713	4	5,552,997	981	19,260,500	354	27,474,169	1,444	55,684,379
2013	88	14,973,518	3	2,083,518	783	16,752,169	430	25,176,532	1,304	58,985,737
2012	90	5,815,374	4	15,479,407	758	12,430,228	415	40,813,010	1,267	74,538,019
2011	100	(4) 4,828,123	9	52,257,782	(5) 878	12,907,527	277	33,702,417	1,264	103,695,849
2010	49	7,367,800	5	6,625,326	901	12,434,894	319	24,948,482	1,274	51,376,502

(1) Dwelling units only.

(2) Includes sheds, pool and garages, etc. as well as alterations and additions.

(3) Issued through April 1, 2015.

(4) Increase attributable to the Town's new formatting of annual report. Previous years were limited to single and multi-family structures. The new format includes garages, foundations, in-ground and above ground pools, retaining walls, sheds, etc.

(5) Increase attributable to TD Bank (\$1,857,942), Temple (\$2,500,000), and Hyatt Hotel (\$6,762,160).

SOURCE: Report of the Building Inspector.

Population and Income

The following table compares the 2010 federal census figures to prior years' averages for the Town, the Commonwealth and the United States.

	<u>Braintree</u>	<u>Massachusetts</u>	<u>United States</u>
Median Age:			
2010	40.5	39.1	37.2
2000	40.0	36.5	35.3
1990	37.3	33.6	32.9
1980	33.7	31.2	30.0
1970	29.6	29.0	28.1
Median Family Income:			
2010	\$ 97,262	\$ 81,165	\$ 51,144
2000	73,552	61,664	50,046
1990	51,920	44,367	35,225
1980	24,810	21,166	19,908
1970	13,030	10,835	9,867
Per Capita Income:			
2010	\$ 37,317	\$ 33,966	\$ 27,334
2000	28,667	25,952	21,587
1990	18,624	17,224	14,420
1980	7,968	7,459	7,313

On the basis of the 2010 Federal census, the Town has a population density of approximately 2,609 persons per square mile.

POPULATION TRENDS

<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
35,744	33,828	33,836	36,337

SOURCE: Federal Census.

PROPERTY TAXATION

Tax Levy Computation

The principal revenue source of the Town is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see "Tax Limitations" below. As to the inclusion of debt service and final judgments, see "Security and Remedies", above. The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years. Although an allowance is made in the tax levy for abatements (see "Overlay" below) no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (See "Taxation to Meet Deficits" below).

The following table illustrates the manner in which the tax levy was determined for the following fiscal years.

TAX LEVY COMPUTATION

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
Total Appropriations(1)	\$ 110,673,287	\$ 113,590,967	\$ 119,721,186	\$ 124,929,683	\$ 130,580,575
Additions:					
State and County Assessments	3,975,328	3,551,580	3,512,505	3,608,396	3,768,561
Overlay Reserve	1,100,000	1,123,064	1,152,260	1,094,569	1,124,209
Other Additions(2)	58,464	60,720	87,033	114,738	73,435
Total Additions	<u>5,133,792</u>	<u>4,735,364</u>	<u>4,751,798</u>	<u>4,817,703</u>	<u>4,966,205</u>
Gross Amount to be Raised	<u>115,807,079</u>	<u>118,326,331</u>	<u>124,472,984</u>	<u>129,747,386</u>	<u>135,546,780</u>
Deductions:					
Local Estimated Receipts(3)	28,964,819	29,414,686	30,154,989	32,322,289	34,582,488
State Aid(4)	16,852,555	17,130,747	18,911,822	19,308,099	20,269,698
Available Funds(5):					
Free Cash	-	-	-	-	-
Other Available Funds	879,019	808,349	1,002,017	1,053,219	836,964
Total Deductions	<u>46,696,393</u>	<u>47,353,782</u>	<u>50,068,828</u>	<u>52,683,607</u>	<u>55,689,150</u>
Net Amount to be Raised (Tax Levy)	<u>\$ 69,110,686</u>	<u>\$ 70,972,549</u>	<u>\$ 74,404,156</u>	<u>\$ 77,063,779</u>	<u>\$ 79,857,630</u>

- (1) Includes annual appropriations from taxation voted subsequent to adoption of the annual budget but prior to setting the tax rate.
- (2) Includes overlay deficits of prior years.
- (3) Includes receipts from enterprise funds, except electric.
- (4) Estimated by the State Department of Revenue and required by law to be used in setting of the tax rate. Actual state aid payments may vary upward or downward from said estimates, and the State may withhold (generally quarterly) payments pending receipt of State and County assessments.
- (5) Transfers from available funds, including "Free Cash" (see TOWN FINANCES – Free Cash) can be made to reduce the tax rate or as an offset to a particular appropriation item. Free Cash has not been used to balance operating budgets in any of the current or past four fiscal years.

Assessed Valuations and Tax Levies

Property is classified for the purpose of taxation according to its use. The legislature has in substance created three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 per cent of its share of the total taxable valuation; the effective rate for open space must be at least 75 per cent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 20 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every three years, or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain forest land, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property. Land classified as forest land is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

The following table sets forth the trend in the Town's assessed valuations, tax rates, tax levies, and tax levies per capita.

Fiscal Year	Real Estate Valuation	Personal Property Valuation	Total Assessed Valuation	Tax Rates			Tax Levy	Tax Levy Per Capita ⁽¹⁾
				Residential	Comm.-Ind.	Personal		
2015 (2)	\$ 5,540,602,357	\$ 87,817,050	\$ 5,628,419,407	\$ 11.07	\$ 24.95	\$ 24.83	\$ 79,857,630	\$ 2,234
2014	5,104,879,490	96,048,240	5,200,927,730	11.42	26.06	25.93	77,063,779	2,156
2013	5,046,851,162	97,088,850	5,143,940,012	11.11	25.44	25.31	74,404,156	2,082
2012 (2)	5,183,463,313	95,068,610	5,278,531,923	10.45	23.65	23.53	70,972,549	1,986
2011	5,127,792,668	93,061,520	5,220,854,188	10.20	23.29	23.17	69,110,686	1,933

(1) Based on the 2010 Federal Census of 35,744.

(2) Revaluation years.

Classification of Properties

The following is a breakdown of the Town's assessed valuation of real estate in fiscal years 2013, 2014 and 2015.

Property Type	2013		2014		2015 (1)	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Residential	\$ 3,929,047,295	76.4 %	\$ 3,983,279,285	76.6 %	\$ 4,352,696,656	77.3 %
Commercial	934,953,167	18.2	942,124,005	18.1	997,106,201	17.7
Industrial	182,850,700	3.6	179,476,200	3.5	190,799,500	3.4
Personal	97,088,850	1.9	96,048,240	1.8	87,817,050	1.6
Total Real Estate	<u>\$ 5,143,940,012</u>	<u>100.0 %</u>	<u>\$ 5,200,927,730</u>	<u>100.0 %</u>	<u>\$ 5,628,419,407</u>	<u>100.0 %</u>

(1) Revaluation year.

LARGEST TAXPAYERS

The following table lists the ten largest taxpayers in the Town based upon assessed valuation for fiscal 2015, all of which are current in paying property taxes.

Name	Nature of Business	Fiscal 2015 Assessed Valuation	Percent of Total Assessed Value
Braintree Property Associates	Malls	\$261,500,100	4.65 %
Messina, Francis X. (et al)	Developer/Real Estate	106,326,900	1.89
Braintree Hill Office Park LLC	Office Park	62,727,600	1.11
Lenox Farms LTD Partnership	Developer/Real Estate	60,393,700	1.07
EQR-Lincoln Braintree LLC	Developer/Real Estate	29,765,300	0.53
Ridge at Blue Hills LTD Partnerhsip	Developer/Real Estate	23,684,400	0.42
WBF Braintree Equity Partnership LLC	Retail	23,564,700	0.42
TRT Braintree LLC DCX	Malls	18,934,700	0.34
Flatley, John (et al)	Real Estate	14,983,100	0.27
AMB Property LP	Retail Clothing	18,309,400	0.33
Direct Invest Braintree Park LLC	Real Estate	17,701,700	0.31
Total		<u>\$637,891,600</u>	<u>11.33 %</u>

State Equalized Valuation

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a redetermination of the fair cash value of the taxable property in each municipality. This is known as the "Equalized Value".

The following table sets forth the trend in equalized valuations of the Town of Braintree.

<u>January 1,</u>	<u>State Equalized Valuation</u>	<u>% Change</u>
2014	\$ 5,574,551,500	(0.9) %
2012	5,627,043,400	(3.0)
2010	5,803,418,500	(4.9)
2008	6,103,206,100	4.0
2006	5,867,650,200	19.9
2004	4,894,372,100	19.8
2002	4,086,633,400	33.4

Local assessed valuations are determined annually as of January 1 and used for the fiscal year beginning on the next July 1.

Overlay

The Town is authorized to increase each tax levy by an amount approved by the Commissioner of Revenue as an "overlay" to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the resultant "overlay deficit" is required to be added to the next tax levy. An abatement granted after a tax payment has been made is accounted for as a refund on the books of the Town. Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue.

The following table sets forth the trend in the amount of the overlay reserve for recent fiscal years.

Fiscal Year	Net Tax Levy	Overlay Reserve		Abatements Granted Through June 30, 2014
		Dollar Amount	As a % of Net Levy	
2014	\$ 75,969,210	\$ 1,094,569	1.44 %	\$ 524,570
2013	73,251,896	1,152,260	1.57	626,164
2012	69,849,485	1,123,064	1.61	592,212
2011	68,010,686	1,100,000	1.62	774,505
2010	65,212,277	1,089,175	1.67	918,900

Tax Collections

Property tax bills are payable quarterly on August 1, November 1, February 1, and May 1 of each fiscal year. Interest accrues on delinquent taxes at the rate of 14 percent per annum. Real property (land and buildings) is subject to a lien for the taxes assessed upon it, subject to any paramount federal lien and subject to bankruptcy and insolvency laws. If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment. The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described below.

The following table compares the trend in the Town's net tax collections with its net (gross tax levy less overlay reserve for abatements) tax levies during and subsequent to the fiscal year when due.

Tax Collections

Fiscal Year	Gross Tax Levy	Overlay Reserve for Abatements	Net Tax Levy	Collections During Fiscal Year Payable (1)		Collections as of April 1, 2015(1)	
				Dollar Amount	% of Net Levy	Dollar Amount	% of Net Levy
2015	\$ 79,857,630	\$ 1,124,209	\$ 78,733,421	N.A.	N.A. %	\$ 59,730,841	75.9 %
2014	77,063,779	1,094,569	75,969,210	75,806,678	99.8	76,801,754	101.1
2013	74,404,156	1,152,260	73,251,896	72,999,903	99.7	74,255,849	101.4
2012	70,972,549	1,123,064	69,849,485	68,511,310	98.1	70,591,785	101.1
2011	69,110,686	1,100,000	68,010,686	68,362,146	100.5	68,911,347	101.3
2010	66,301,452	1,089,175	65,212,277	64,882,825	99.5	66,369,429	101.8

(1) Actual dollar collections net of refunds. Does not include abatements, proceeds of tax titles or tax possessions attributable to each levy or other non-cash credits.

Tax Titles and Possessions

Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for non-payment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments) it can be foreclosed by petition to the Land Court.

Upon such foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal purposes. Uncollectible real property taxes are ordinarily not written off until they become municipal tax titles by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of tax and charging surplus.

The following table sets forth the trend in the amount of tax titles and possessions outstanding at the end of the fiscal year.

<u>Fiscal Year</u>	<u>Total Tax Titles and Possessions</u>
2014	\$ 1,487,627
2013	1,008,772
2012	646,064
2011	787,625
2010	832,185

Sale of Tax Receivables

Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk.

Taxation to Meet Deficits

As noted elsewhere (see “Overlay” above) overlay deficits, i.e., tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits, i.e., those resulting from non-property tax revenues being less than anticipated, are also required to be added to the next tax levy (at least to the extent not covered by surplus revenue). Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, utilities must be paid at established rates and certain established salaries, e.g., civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

The Town of Braintree has not experienced any revenue deficits in any of the last five fiscal years. To the extent there have been any unprovided or overdrawn accounts, including overlay deficits, such deficiencies have been provided for, in accordance with Massachusetts law, in the following year’s tax levy.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as “free cash” deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence. See “TOWN FINANCES — Free Cash”.

Tax Limitations

Chapter 59, Section 21C of the General Laws, also known as Proposition 2½, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year’s valuation.

This “growth” limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the “growth” limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the board of selectmen of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund.

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit “to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year”.

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures or for the city or town’s apportioned share for certain capital outlay expenditures by a regional governmental unit. In addition, the city council of a city, with the approval of the mayor if required, or the board of selectmen or the town council of a town may vote to exclude from the Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality’s sewer or water charges are reduced accordingly.

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year’s assessments and (b) “any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option”. Regional water districts, regional sewerage districts and regional veterans districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district’s governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under Proposition 2½ any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

Unused Levy Capacity

Fiscal Year	Estimated Full Valuation (1)	Primary Levy Limit	Maximum Levy Limit	Actual Tax Levy	Under(over) Primary Levy Limit	Under(over) Maximum Levy Limit
2015	\$ 5,628,419,407	\$ 140,710,485	\$ 80,058,826	\$ 79,857,630	\$ 60,852,855	\$ 201,196
2014	5,200,927,730	130,023,193	77,077,760	77,063,779	52,959,414	13,981
2013	5,143,940,012	128,598,500	74,428,465	74,404,156	54,194,344	24,309
2012	5,278,531,923	131,963,298	71,781,979	70,972,549	60,990,749	809,430
2011	5,220,854,188	130,521,355	69,121,648	69,110,686	61,410,669	10,962

(1) Local assessed valuation.

Pledged Taxes

Taxes on the increased value of certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes. The Town has no such Districts.

Initiative Petitions

Various proposals have been made in recent years for legislative amendments to the Massachusetts Constitution to impose limits on state and local taxes. To be adopted, such amendments must be approved by two successive legislatures and then by the voters at a state election.

TOWN FINANCES

Budget and Appropriation Process

The annual appropriations of the Town are ordinarily made after the annual budget hearings by the Town Council which usually take place in May. Additional appropriations may also be voted at other Town Council meetings. The Town has a Ways and Means Committee which is a subcommittee of the Council. The Mayor by Town Charter submits the Budget to the Town Council. The Town Council refers all financial matters to its Ways and Means Committee. The Ways and Means Committee holds public hearings and makes recommendations on all financial matters to the full Town Council for action.

The school budget is limited to the total amount appropriated by the Town Council, but the school committee retains full power to allocate the funds appropriated.

Under recent legislation, the town council on the recommendation of the mayor may transfer within the last 2 months of the fiscal year any amount appropriated for the use of any department to the appropriation for any other department, provided that no such transfer may be made from any appropriation for a school department, regional school district, or municipal light department.

State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for, and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget, but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy. (See "PROPERTY TAXATION," above.)

Budget Trends

The following table sets forth a comparison of the operating budget appropriations for fiscal years 2011 through 2015. As such, said budgets reflect neither revenues nor state and county assessments and other mandatory items. Also said budgets do not reflect expenditures authorized for non-recurring (generally capital) purposes or transfers occurring subsequent to the original passage of the budget.

BUDGET COMPARISON (000)

	Proposed Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
Town Council Programs	\$ 303,417	\$ 309,099	\$ 308,028	\$ 308,028	\$ 308,028
Mayor's Office Programs	471,866	455,781	425,598	410,758	408,429
Finance Programs	6,560,248	6,491,662	6,519,262	6,112,843	5,447,229
Law	276,811	256,758	248,059	219,683	214,862
Human Resources	18,762,238	17,729,791	17,726,575	15,501,567	14,826,903
Town Clerk	334,112	298,002	276,457	261,725	254,858
Planning and Development	519,969	438,807	403,222	438,130	368,580
Police	9,152,307	8,698,278	8,271,116	7,972,821	7,602,804
Fire	8,475,556	8,032,499	7,409,119	7,312,369	7,086,903
Municipal Licenses and Inspections	940,363	911,832	832,146	835,207	808,937
Education	59,508,827	57,242,261	53,761,517	51,662,856	49,092,856
Blue Hill Regional	2,467,754	2,143,378	2,130,748	1,734,807	1,759,902
Public Works	7,287,438	7,169,364	6,751,716	6,754,219	6,446,966
Elder Affairs	285,150	280,172	255,103	262,966	243,277
Library	1,446,378	1,405,403	1,344,673	1,311,495	1,289,513
Golf	1,443,034	1,399,510	1,479,006	1,389,925	1,347,582
Sewer	9,787,574	9,390,815	8,830,628	8,832,013	8,291,758
Water	7,026,792	6,972,163	6,899,705	6,712,101	6,060,390
Totals	\$ 135,049,834	\$ 129,625,575	\$ 123,872,678	\$ 118,033,513	\$ 111,859,777

General Fund Revenues

Property Taxes: Property taxes are the major source of revenue for the Town. The total amount levied is subject to certain limits prescribed by law; for a description of those limits see "PROPERTY TAXATION–Tax Limitations" above.

State Aid – In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use, and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. None of the major local aid programs has a termination date under existing law and while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature.

In the fall of 1986, both the State Legislature (by statute repealed as of July 1, 1999) and the voters (by initiative petition) placed limits on the growth of state tax revenues. Although somewhat different in detail, each measure essentially limited the annual growth in state tax revenues to an average rate of growth in wages and salaries in the Commonwealth over the three previous calendar years. If not amended, the remaining law could restrict the amount of state revenues available for state aid to local communities.

State School Building Assistance Program: Under its school building assistance program, the Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the "Authority") to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

Projects previously approved for grants by the State Board of Education are entitled to receive grant payments from the Authority based on the approved project cost and reimbursement rate applicable under the prior law. The Authority has paid and is expected to continue to pay the remaining amounts of the grants for such projects either in annual installments to reimburse debt service on bonds issued by the municipalities to finance such projects, or as lump sum payments to contribute to the defeasance of such bonds.

Projects on the priority waiting list as of July 1, 2004 are also entitled to receive grant payments from the Authority based on the eligible project costs and reimbursement rates applicable under the prior law. With limited exceptions, the Authority is required to fund the grants for such projects in the order in which they appear on the waiting list. Grants for any such projects that have been completed or substantially completed have been paid and are expected to continue to be paid by the Authority in lump sum payments, thereby eliminating the need for the Authority to reimburse interest expenses that would otherwise be incurred by the municipalities to permanently finance the Authority's share of such project costs. Interest on debt issued by municipalities prior to July 1, 2004 to finance such project costs, and interest on temporary debt until receipt of the grant, is included in the approved costs of such projects. Grants for any such projects that have not yet commenced or that are underway have been and are expected to continue to be paid by the Authority as project costs are incurred by the municipality pursuant to a project funding agreement between the Authority and the municipality, eliminating the need for the municipality to borrow even on a temporary basis to finance the Authority's share of the project costs in most cases.

The maximum reimbursement rate for new project grant applications submitted to the Authority on or after July 1, 2007 is 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

Motor Vehicle Excise: An excise is imposed on the registration of motor vehicles (subject to exemptions) at a rate of \$25 per \$1,000 of valuation. Valuations are determined by a statutory formula based on manufacturer's list price and year of manufacture. Bills not paid when due bear interest at 12 per cent per annum. Provision is also made for non-renewal of license and registration by the registrar of motor vehicles.

Room Occupancy Tax: Under this tax, local governments may tax the provision of hotel, motel and lodging house rooms at a rate not to exceed 6% of the cost of renting such rooms. The tax is paid by the operator of the hotel, motel or lodging house to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located in quarterly distributions. The Town has levied the full 4% as permitted under the law since the inception of the tax. On August 11, 2009, the Town adopted an increase in the room occupancy tax to 6% to be effective October 1, 2009. This tax produced \$751,650 in fiscal 2012, \$1,098,078 in fiscal 2013 and \$1,296,860 in fiscal 2014.

Other: Other sources of revenue include departmental income, investment income and various other sources.

Community Preservation Act

The Massachusetts Community Preservation Act (the "CPA") permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and affordable housing and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see "*Tax Limitations*" under "PROPERTY TAX" above). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge and dedication of revenue. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on taxes, the dedication of revenue and received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for affordable housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

The Town adopted the CPA at an additional charge of 1% in April 2002, effective beginning in fiscal 2003. Through June 30, 2014, the Town had levied \$6,044,226 in surcharges and received state matching funds totaling \$3,433,310. The balance in the fund as of June 30, 2014 was \$5,783,167.

Enterprises

The Town's water and sewer, golf course and electric light activities are accounted for as enterprises. See "Appendix A – Braintree Electric Light Department" for a discussion of the operations of the electric light activities enterprise.

A new water/sewer rate structure was approved, effective July 1, 2015, by the Mayor as follows, with a base fee of \$16.75 per quarter for both water and sewer:

<u>Tier</u>	
Water tier 1	\$ 2.58
Water tier 2	3.90
Water tier 3	7.05
Water tier 4	10.04
Sewer tier 1	\$ 4.80
Sewer tier 2	6.06
Sewer tier 3	9.49
Sewer tier 4	10.42

Annual Audits

The Town's finances are annually audited by Powers & Sullivan, Certified Public Accountant, the most recent of which was performed for the fiscal year ended June 30, 2014 and is attached hereto as Appendix A. Prior audits are available upon request from the Town.

The attached report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Summary of Significant Accounting Policies

See Appendix A attached.

Financial Statements

Set forth on the following pages are Governmental Funds Balance Sheets for fiscal years ending June 30, 2014, June 30, 2013 and June 30, 2012, and Statements of Revenues, Expenditures and Changes in Fund Balance, for the fiscal years ended June 30, 2010 through fiscal year ended June 30, 2014. Said statements were extracted from audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2014 (1)**

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

(1) Extracted from the Town's audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2013 (1)**

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 26,242,259	\$ 14,059,251	\$ 40,301,510
Investments	317,176	6,473,265	6,790,441
Receivables, net of uncollectibles:			
Real estate and personal property taxes	2,227,019	-	2,227,019
Tax liens	1,008,772	-	1,008,772
Motor vehicle and other excise taxes	791,891	-	791,891
Departmental and other	99,451	3,765	103,216
Intergovernmental	157,790	5,279,116	5,436,906
Tax foreclosures	78,281	-	78,281
Due from other funds	330,637	-	330,637
TOTAL ASSETS	\$ 31,253,276	\$ 25,815,397	\$ 57,068,673
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants payable	\$ 1,362,808	\$ 113,126	\$ 1,475,934
Accrued payroll	4,945,697	14,465	4,960,162
Tax refunds payable	402,000	-	402,000
Deferred revenues	4,524,045	4,498,437	9,022,482
Due to other funds	-	330,637	330,637
Other liabilities	9,095	-	9,095
TOTAL LIABILITIES	11,243,645	4,956,665	16,200,310
FUND BALANCES:			
Nonspendable	-	2,564,886	2,564,886
Restricted	-	18,293,846	18,293,846
Committed	988,955	-	988,955
Assigned	1,140,211	-	1,140,211
Unassigned	17,880,465	-	17,880,465
TOTAL FUND BALANCES	20,009,631	20,858,732	40,868,363
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,253,276	\$ 25,815,397	\$ 57,068,673

(1) Extracted from the Town's audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2012 (1)**

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

(1) Extracted from the Town's audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2014 (1)**

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

(1) Extracted from the Town's audited financial statements.

TOWN OF BRAINTREE, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2013 (1)

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Real estate and personal property taxes net of tax refunds	\$ 73,976,466	\$ -	\$ 73,976,466
Tax liens	45,681	-	45,681
Motor vehicle and other excise taxes	4,962,622	-	4,962,622
Hotel/motel tax	1,141,705	-	1,141,705
Penalties and interest on taxes	381,757	-	381,757
Payments in lieu of taxes	211,386	-	211,386
Intergovernmental	32,898,626	6,557,575	39,456,201
Departmental and other	4,887,569	3,320,496	8,208,065
Community preservation	-	592,836	592,836
Contributions	-	932,928	932,928
Investment income	194,264	125,448	319,712
Miscellaneous	-	42,380	42,380
TOTAL REVENUES	\$ 118,700,076	\$ 11,571,663	\$ 130,271,739
EXPENDITURES:			
Current:			
General government	\$ 3,831,620	\$ 743,687	\$ 4,575,307
Public safety	16,080,970	1,365,234	17,446,204
Education	53,666,066	9,784,646	63,450,712
Public works	4,338,108	3,578,209	7,916,317
Sanitation	1,607,190	-	1,607,190
Community development	-	325,972	325,972
Human services	754,621	141,641	896,262
Culture and recreation	2,413,192	805,812	3,219,004
Pension benefits-town	5,255,971	-	5,255,971
Pension benefits-teachers	13,272,469	-	13,272,469
Property and liability insurance	439,651	-	439,651
Employee benefits	9,551,401	-	9,551,401
State and county charges	3,567,251	-	3,567,251
Debt service:			
Principal	2,451,000	-	2,451,000
Interest	752,290	-	752,290
TOTAL EXPENDITURES	\$ 117,981,800	\$ 16,745,201	\$ 134,727,001
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 718,276	\$ (5,173,538)	\$ (4,455,262)
OTHER FINANCING SOURCES (USES):			
Issuance of long-term debt	-	3,140,000	3,140,000
Premium from issuance of bonds	-	114,778	114,778
Operating transfers in	2,530,984	940,578	3,471,562
Operating transfers out	(228,000)	(838,928)	(1,066,928)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 2,302,984	\$ 3,356,428	\$ 5,659,412
NET CHANGE IN FUND BALANCES	3,021,260	(1,817,110)	1,204,150
FUND BALANCES AT BEGINNING OF YEAR	16,988,371	22,675,842	39,664,213
FUND BALANCES AT END OF YEAR	\$ 20,009,631	\$ 20,858,732	\$ 40,868,363

(1) Extracted from the Town's audited financial statements.

TOWN OF BRAINTREE, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2012 (1)

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

(1) Extracted from the Town's audited financial statements.

(2) Restated.

TOWN OF BRAINTREE, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2011 (1)

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Real estate and personal property taxes net of tax refunds	\$ 67,862,201	\$ -	\$ 67,862,201
Tax liens	81,120	-	81,120
Motor vehicle and other excise taxes	4,306,011	-	4,306,011
Hotel/motel tax	718,452	-	718,452
Penalties and interest on taxes	417,749	-	417,749
Payments in lieu of taxes	116,425	-	116,425
Intergovernmental	29,377,288	9,622,687	38,999,975
Departmental and other	4,542,950	3,245,186	7,788,136
Community preservation	-	558,590	558,590
Contributions	-	364,569	364,569
Investment income	200,061	1,125,926	1,325,987
Miscellaneous	-	49,524	49,524
TOTAL REVENUES	<u>\$ 107,622,257</u>	<u>\$ 14,966,482</u>	<u>\$ 122,588,739</u>
EXPENDITURES:			
Current:			
General government	\$ 3,168,011	\$ 1,181,137	\$ 4,349,148
Public safety	14,757,900	422,596	15,180,496
Education	48,600,906	11,404,041	60,004,947
Public works	4,435,849	3,551,030	7,986,879
Sanitation	1,412,691	-	1,412,691
Community development	-	76,049	76,049
Human services	662,735	129,591	792,326
Culture and recreation	2,169,586	457,210	2,626,796
Pension benefits-town	4,808,035	-	4,808,035
Pension benefits-teachers	12,219,339	-	12,219,339
Property and liability insurance	368,027	-	368,027
Employee benefits	8,459,804	-	8,459,804
State and county charges	3,883,609	-	3,883,609
Debt service:			
Principal	2,432,000	-	2,432,000
Interest	590,897	-	590,897
TOTAL EXPENDITURES	<u>\$ 107,969,389</u>	<u>\$ 17,221,654</u>	<u>\$ 125,191,043</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (347,132)</u>	<u>\$ (2,255,172)</u>	<u>\$ (2,602,304)</u>
OTHER FINANCING SOURCES (USES):			
Issuance of long-term debt	-	6,100,000	6,100,000
Operating transfers in	2,601,096	334,430	2,935,526
Operating transfers out	-	(650,730)	(650,730)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 2,601,096</u>	<u>\$ 5,783,700</u>	<u>\$ 8,384,796</u>
NET CHANGE IN FUND BALANCES	2,253,964	3,528,528	5,782,492
FUND BALANCES AT BEGINNING OF YEAR	<u>12,156,866</u>	<u>20,705,536</u>	<u>32,862,402</u>
FUND BALANCES AT END OF YEAR	<u>\$ 14,410,830</u>	<u>\$ 24,234,064</u>	<u>\$ 38,644,894</u> (2)

(1) Extracted from the Town's audited financial statements.

(2) Restated in fiscal 2012 audit.

TOWN OF BRAINTREE, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2010 (1)

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Real estate and personal property taxes net of tax refunds	\$ 65,496,774	\$ -	\$ 65,496,774
Tax liens	57,843	-	57,843
Motor vehicle and other excise taxes	3,985,754	-	3,985,754
Hotel/motel tax	745,319	-	745,319
Penalties and interest on taxes	345,208	-	345,208
Payments in lieu of taxes	2,193,890	-	2,193,890
Intergovernmental	27,355,197	8,385,386	35,740,583
Departmental and other	4,387,224	3,374,518	7,761,742
Community preservation	-	530,249	530,249
Affordable housing development fees	800,000	1,000,000	1,800,000
Contributions	-	640,918	640,918
Investment income	432,101	563,745	995,846
Miscellaneous	-	69,100	69,100
TOTAL REVENUES	\$ 105,799,310	\$ 14,563,916	\$ 120,363,226
EXPENDITURES:			
Current:			
General government	\$ 3,097,998	\$ 2,505,585	\$ 5,603,583
Public safety	14,080,293	480,032	14,560,325
Education	46,229,494	10,940,592	57,170,086
Public works	3,919,009	2,648,748	6,567,757
Sanitation	1,522,144	-	1,522,144
Community development	-	41,392	41,392
Human services	614,912	134,037	748,949
Culture and recreation	2,109,624	434,899	2,544,523
Pension benefits-town	4,759,946	-	4,759,946
Pension benefits-teachers	11,884,275	-	11,884,275
Property and liability insurance	402,567	-	402,567
Employee benefits	7,833,635	-	7,833,635
State and county charges	4,158,266	-	4,158,266
Debt service:			
Principal	1,910,000	-	1,910,000
Interest	524,464	-	524,464
TOTAL EXPENDITURES	\$ 103,046,627	\$ 17,185,285	\$ 120,231,912
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,752,683	\$ (2,621,369)	\$ 131,314
OTHER FINANCING SOURCES (USES):			
Issuance of bonds and notes	-	6,782,000	6,782,000
Operating transfers in	317,330	664,094	981,424
Operating transfers out	(565,000)	(125,194)	(690,194)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (247,670)	\$ 7,320,900	\$ 7,073,230
NET CHANGE IN FUND BALANCES	2,505,043	4,699,531	7,204,574
FUND BALANCES AT BEGINNING OF YEAR	7,568,890	18,088,938	25,657,828
FUND BALANCES AT END OF YEAR	\$ 10,073,933	\$ 22,788,469	\$ 32,862,402

(1) Extracted from the Town's audited financial statements.

Free Cash

General Fund

Under Massachusetts law an amount known as “free cash” is certified as of the beginning of each fiscal year by the State Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy.

The following table sets forth the trend in free cash as certified by the Bureau of Accounts.

	Free Cash (July 1)
2015 (Projected)	\$ 11,960,690 (1)
2014	14,267,766
2013	14,923,843
2012	11,272,994
2011	8,975,018
2010	6,886,442

(1) The Town anticipates fund balance at June 30, 2015 will decline by about \$3 million, primarily impacted by a net \$2.4 million snow and ice deficit, for which \$2.2 million was appropriated this fiscal year as an offset and \$200,000 is expected to be offset with FEMA reimbursement, along with appropriations of free cash to fund unanticipated police and fire overtime and special education costs.

Enterprise Funds

	Free Cash (July 1)	
	Water & Sewer	Golf
2015 (Projected)	\$ 2,117,330	\$ -
2014	1,614,661	31,208
2013	2,884,580	(52,033)
2012	3,023,225	111,962
2011	3,480,680	152,853
2010	5,673,998	114,035

Stabilization Fund

The Town maintains a stabilization fund that is accounted for in the Trust Funds. Funded by an appropriation, the Stabilization Fund plus interest income may be appropriated at an annual or special town meeting for any project. The following table sets forth the trend in Stabilization Fund balance for the following fiscal years.

Fiscal Year	Balance
2014	\$ 944,571
2013	976,524
2012	1,697,909
2011	1,751,008
2010	2,082,933

On February 23, 2014, the Town created a Building Capital Stabilization Fund with an initial deposit of \$1,000,000. The balance in the fund as of June 30, 2014 was \$1,004,395. The balance of the Fund projected at June 30, 2015 is \$1,500,000.

In addition, the Town also maintains a Health Insurance Trust Fund. The balance as of June 30, 2013 was \$3,555,623. The balance as of June 30, 2014 was \$5,088,764. The projected balance of the fund at June 30, 2015 will be between \$4 - \$5 million.

Tax Increment Financing for Development Districts

Under recent legislation, cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town's development program for the district. This includes pledging such "tax increments" for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2 ½ (see "Property Tax Limitation" under "PROPERTY TAXATION" above.) The Town has not adopted any tax increment financing for development districts.

Investment of Town Funds

All funds of the Town, except for trust funds, are invested in accordance with Section 55 of Chapter 44 of the Massachusetts General Laws (MGL). This section permits investment of available funds and bond and note proceeds in term deposits and Certificates of Deposit of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of one year or less, in repurchase agreements secured by federal or federal agency securities, with a maturity of 90 days or less, in participation units in the Massachusetts Municipal Depository Trust (MMDT), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization. MMDT is an investment pool created by the Commonwealth. The State Treasurer is the sole trustee and the fund is managed under contract by Federated Investors Inc. of Pittsburgh.

According to the State Treasurer the MMDT's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. government obligations and highly-rated corporate securities with maturities of one year or less.

Trust funds, unless otherwise provided by the donor, may be invested in accordance with Section 54 of Chapter 44 of the MGL, which permits a broader range of investments than Section 55, including any bonds or notes that are legal, investments for savings banks in the Commonwealth. The restrictions imposed by Sections 54 and 55 do not apply to town retirement systems.

A breakdown of above investments may be obtained from the Town Treasurer.

INDEBTEDNESS

Authorization Procedure and Limitations

Serial bonds and notes are authorized on behalf of the Town by vote of two-thirds of all members of the Town Council, and the approval of the Mayor. Provision is made for a referendum on the borrowing authorization if there is a timely filing of a petition bearing the requisite number of signatures. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Temporary debt in anticipation of the revenue of the fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be incurred by the Treasurer with the approval of the Mayor.

Types of Obligations

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the first principal payment of any of the bonds or notes being refunded thereby, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as "qualified bonds" with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Tax Credit Bonds or Notes. Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as "tax credit bonds" to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

Bond Anticipation Notes. These generally must mature within two years of their original dates of issuance but may be refunded from time to time for a period not to exceed five years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. For certain school projects, however, notes may be refunded from time to time for a period not to exceed seven years without having to pay any portion of the principal of the notes from revenue funds. The maximum term of bonds issued to refund bond anticipation notes is measured (except for certain school projects) from the date of the original issue of the notes.

Revenue Anticipation Notes. The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor

vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawfully unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years. (See "Taxation to Meet Deficits" under "PROPERTY TAX" above). In any event, the period from an original borrowing to its final maturity cannot exceed one year.

The Town has not issued revenue anticipation notes during the past ten fiscal years.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. Generally they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities, for projects financed under the Commonwealth Clean Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition to general obligation bonds and notes, cities and towns having electric departments may issue revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy.

TOWN OF BRAINTREE, MASSACHUSETTS

DIRECT DEBT SUMMARY

Projected as of June 30, 2015

General Obligation Bonds:		
Outstanding: (1)		
Sewer (2)	\$ 2,978,736	
Water (3)	17,316,000	
School (4)	7,830,000	
Electric (5)	80,645,000	
General	13,975,000	
Total Outstanding		\$ 122,744,736
This Issue :		5,343,000
Short Term Indebtedness:		
Bond Anticipation Notes Outstanding		-
Total Direct Debt		\$ 128,087,736

(1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt and unfunded pension liability and other post-employment benefits liability.

(2) Self-supporting.

(3) Self-supporting. \$16,831,000 is outside the Town's debt limit.

(4) Does not reflect reimbursement to be received from the Massachusetts School Building Authority for school building assistance.

(5) Self-supporting. Outside the Town's debt limit.

Debt Ratios

The table below sets forth the trend in the percentage of debt to equalized valuation and per capita debt ratios at the end of the following fiscal years. The table considers the principal amount of general obligation bonds of the Town of Braintree only. The table does not deduct anticipated state grant payments applicable to the principal amount of outstanding bonds or debt that may be supported in whole, or part, by non-tax revenues. (See "Direct Debt Summary".)

Fiscal Year End	General Obligation Bonds Outstanding (1)	Population (2010 Federal Census)	Equalized Valuation(2)	Per Capita Debt (1)	Ratio Debt To Equalized Valuation (1)
2015 (3)	\$ 122,744,736	35,744	\$ 5,574,551,500	\$ 3,434	2.20 %
2014	135,162,930	35,744	5,627,043,400	3,781	2.40
2013	138,732,624	35,744	5,627,043,400	3,881	2.47
2012	141,651,230	35,744	5,803,418,500	3,963	2.44
2011	141,791,000	35,744	5,803,418,500	3,967	2.44
2010	142,122,000	35,744	6,103,206,100	3,976	2.33

- (1) Includes \$88,410,000 outstanding self-supporting electric light general obligation bonds issued by the Town in fiscal 2009, refunded in March 2015.
- (2) 2008 equalized valuation is used for fiscal year 2010; 2010 equalized valuation is used for fiscal years 2011 and 2012; 2012 equalized valuation is used for fiscal years 2013 and 2014; 2014 equalized valuation is used for fiscal year 2015.
- (3) Projected.

Principal Payments by Purpose

The following table sets forth the principal payments by purpose for the outstanding debt of the Town of Braintree projected as of June 30, 2015.

GENERAL OBLIGATION BONDS PRINCIPAL PAYMENTS BY PURPOSE Projected as of June 30, 2015 (Excluding the Bonds)

Fiscal Year	Enterprise Debt (1)				Governmental Debt			Total Principal Payments
	Water	Sewer	Electric	Total Enterprise	General	School	Total Governmental	
2016	\$ 1,924,000	\$ 627,194	\$ 5,085,000	\$ 7,636,194	\$ 1,840,000	\$ 655,000	\$ 2,495,000	\$ 10,131,194
2017	1,912,000	619,194	5,335,000	7,866,194	1,800,000	640,000	2,440,000	10,306,194
2018	1,497,000	450,348	5,600,000	7,547,348	1,350,000	620,000	1,970,000	9,517,348
2019	1,222,000	405,500	5,875,000	7,502,500	1,155,000	620,000	1,775,000	9,277,500
2020	1,186,000	401,500	5,965,000	7,552,500	1,085,000	595,000	1,680,000	9,232,500
2021	1,180,000	205,000	6,180,000	7,565,000	995,000	585,000	1,580,000	9,145,000
2022	1,130,000	205,000	6,515,000	7,850,000	985,000	570,000	1,555,000	9,405,000
2023	950,000	15,000	6,785,000	7,750,000	890,000	555,000	1,445,000	9,195,000
2024	945,000	15,000	7,120,000	8,080,000	815,000	550,000	1,365,000	9,445,000
2025	940,000	15,000	7,475,000	8,430,000	740,000	550,000	1,290,000	9,720,000
2026	940,000	10,000	7,845,000	8,795,000	695,000	545,000	1,240,000	10,035,000
2027	765,000	10,000	7,545,000	8,320,000	585,000	340,000	925,000	9,245,000
2028	685,000	-	3,320,000	4,005,000	460,000	305,000	765,000	4,770,000
2029	685,000	-	-	685,000	265,000	275,000	540,000	1,225,000
2030	365,000	-	-	365,000	155,000	255,000	410,000	775,000
2031	370,000	-	-	370,000	60,000	135,000	195,000	565,000
2032	290,000	-	-	290,000	60,000	35,000	95,000	385,000
2033	225,000	-	-	225,000	30,000	-	30,000	255,000
2034	105,000	-	-	105,000	10,000	-	10,000	115,000
Total:	\$ 17,316,000	\$ 2,978,736	\$ 80,645,000	\$ 100,939,736	\$ 13,975,000	\$ 7,830,000	\$ 21,805,000	\$ 122,744,736

(1) Self-supporting.

Debt Service Requirements

The following table sets forth the required principal and interest payments on outstanding general obligation bonds of the Town of Braintree.

GENERAL OBLIGATION DEBT Projected as of June 30, 2015 (Excluding the Bonds)

<u>FY Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 10,131,194	\$ 5,282,233	\$ 15,413,427
2017	10,306,194	4,880,349	15,186,543
2018	9,517,348	4,468,140	13,985,488
2019	9,277,500	4,067,640	13,345,140
2020	9,232,500	3,660,965	12,893,465
2021	9,145,000	3,321,596	12,466,596
2022	9,405,000	2,913,440	12,318,440
2023	9,195,000	2,558,153	11,753,153
2024	9,445,000	2,132,321	11,577,321
2025	9,720,000	1,690,615	11,410,615
2026	10,035,000	1,233,215	11,268,215
2027	9,245,000	764,165	10,009,165
2028	4,770,000	330,353	5,100,353
2029	1,225,000	112,321	1,337,321
2030	775,000	66,178	841,178
2031	565,000	38,580	603,580
2032	385,000	22,985	407,985
2033	255,000	11,440	266,440
2034	115,000	3,795	118,795
Total	<u>\$ 122,744,736</u>	<u>\$ 37,558,484</u>	<u>\$ 160,303,220</u>

Authorized Unissued Debt and Prospective Financing

Following delivery of the Bonds, the Town will have approximately \$17 million of authorized unissued debt. The Town is preparing a comprehensive capital plan which includes potential borrowings for major school construction and reconstruction projects and water and sewer upgrades. Potential project estimates are not currently available and the priority of projects has not yet been determined. Any such water and sewer debt would be supported by user fees and rates. Prospective school construction projects would be expected to be subject to a debt exclusion and eligible for approximately 56% state school construction grants.

Overlapping Debt

The Town of Braintree is located in Norfolk County and is a member of the Massachusetts Water Resources Authority ("MWRA") and the Massachusetts Bay Transportation Authority ("MBTA"). The following table sets forth the outstanding bonded debt, exclusive of temporary loans in anticipation of bonds or current revenue, of Norfolk County, the MWRA and the MBTA, as well as the Town's share of such debt and the fiscal 2015 assessments by the overlapping entities to the Town.

<u>Overlapping Entity</u>	<u>Outstanding Debt</u>	<u>Braintree's Estimated Share(1)</u>	<u>Fiscal 2015 Dollar Assessment(2)</u>
Norfolk County(3) Massachusetts Water Resources Authority(4) Sewer	\$ 12,625,000	4.760%	\$ 271,812
Massachusetts Bay Transportation Authority(5)	3,898,585,000	1.781%	5,022,713
	5,499,988,000	0.466%	771,415

(1) Estimated share of debt only.

(2) Dollar assessment based upon total net operating expenses, inclusive of debt service.

(3) SOURCE: Norfolk County Treasurer's Office. Debt as of June 30, 2014. Assessment includes debt service and other County expenses assessed upon the Town in proportion to its equalized valuation. Legislation enacted in 1997 abolished the county governments of Franklin and Middlesex Counties as of July 1, 1997, with their assets, functions, debts and other obligations being assumed by the Commonwealth. The abolishment of the Middlesex County government was in part in response to a default by the County in the payment of general obligation notes of the County. The legislation also abolished the county governments of Hampden and Worcester Counties as of July 1, 1998. Legislation enacted in 1998 abolished the county governments of Hampshire, Essex and Berkshire counties as of January 1, 1999, July 1, 1999 and July 1, 2000, respectively. The legislation also requires the state secretary for administration and finance to establish a plan to recover the Commonwealth's expenditures for liabilities and other debts assumed and paid by the Commonwealth on behalf of an abolished county. Unless these provisions are changed by further legislation, the state treasurer shall assess upon each city and town within the jurisdiction of an abolished county an amount not exceeding or equal to the county tax paid by each city and town for the fiscal year immediately prior to the abolishment of the county until such expenditures by the Commonwealth are recovered. It is possible that similar legislation will be sought to provide for the abolishment of county governments in all the remaining counties.

(4) SOURCE: MWRA. Debt as of June 30, 2014. The MWRA provides wholesale drinking water services in whole or in part to 48 cities, towns and special purpose entities and provides wastewater collection and treatment services to 43 cities, towns and special purpose entities. Under its enabling legislation, as amended, the aggregate principal amount of all bonds issued by the MWRA for its corporate purposes may not exceed \$6.1 billion outstanding at any time. Its obligations are secured by revenues of the MWRA. The MWRA assesses member cities, towns and special purpose entities, which continue to provide direct retail water and sewer services to users. The cities, towns and other entities collect fees from the users to pay all or part of the assessments; some municipalities levy property taxes to pay part of the amounts assessed upon them.

(5) SOURCE: MBTA. Debt as of June 30, 2014. The MBTA was created in 1964 to finance and operate mass transportation facilities within the greater Boston metropolitan area. Under its enabling act, the MBTA is authorized to issue bonds for capital purposes, other than refunding bonds, and for certain specified purposes to an outstanding amount, which does not exceed the aggregate principal amount of \$3,556,300,000. In addition, pursuant to certain of the Commonwealth's transportation bond bills, the MBTA is authorized to issue additional bonds for particular capital projects. The MBTA also is authorized to issue bonds for the purpose of refunding bonds. Under the MBTA's enabling act, debt service and other operating expenses of the MBTA are to be financed by a dedicated revenue stream consisting of the amounts assessed on the cities and towns of the MBTA and a dedicated portion of the statewide sales tax. The amount assessed to each city and town is based on its weighted percentage of the total population of the authority as provided in the enabling act. The aggregate amount of such assessments is not permitted to increase by more than 2.5 percent per year.

Contractual Obligations

Municipal contracts are generally limited to currently available appropriations. A city or town generally has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interest, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases for long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There may be implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies.

Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities. See Appendix A for information relating to contractual obligations of the Town's Electric Department.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

Other than the contracts of the Town's Electric Department referred to above, the Town has no contractual agreements of any significance other than a five-year contract with Sunrise Scavenger for trash and recyclables pickup, which commenced July 1, 2013. Previously the Town was in a contract with Capital Waste Management. The cost for that contract was \$1,535,934 for fiscal year 2013. The cost for the contract with Sunrise Scavenger was \$1,283,701 in fiscal 2014 and is estimated to be \$1,296,755 for fiscal 2015.

RETIREMENT PLAN

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2030, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must provide that payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding

schedule receive annual pension funding grants from the Commonwealth for the first 16 years of such funding schedule. Pursuant to recent legislation, a system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

All Town employees participate in the Town of Braintree Contributory Retirement System (the "System"). Contributions to provide benefits under the System are made by the Town, the Electric Light Department and the Braintree Housing Authority, in accordance with a funding schedule determined by an actuarial valuation, in accordance with Massachusetts General Laws, Chapter 22D. Active Town employees contribute 5%, 7%, 8% or 9%, (depending on date of employment) of their regular compensation, as defined by PERAC. Participants of the plan hired after 1978 are required to contribute an additional 2% of compensation over \$30,000.

The Town's contributions to its contributory retirement system in the current and last five fiscal years are as follows:

<u>Fiscal Year</u>	<u>Fiscal Contribution</u>
2015 (budget)	\$ 8,273,433
2014	7,956,604
2013	7,455,924
2012	7,201,414
2011	6,835,093
2010	6,646,678

Massachusetts Contributory Retirement System benefits are uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based on a member's age, length of creditable service, level of compensation and group classification.

Members become vested after 10 years of creditable services. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. (For certain hazardous duty and public safety positions, normal retirement age is at 55.)

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest he or she generates constitutes the annuity. The differential between the total retirement benefit is currently approximately 80% to 85% pension and 15% to 20% annuity.

Under recent legislation, cost of living adjustments (COLA) for the System would be granted and funded by the System. Those statutory provisions have been accepted by the Retirement Board with the approval of the Town Council, which acceptance may not be revoked.

The total unfunded actuarial accrued liability applicable to the Town's employees in the System was \$81,480,629 at January 1, 2014, based on an accrued liability of \$242,396,817 and an actuarial value of assets of \$159,451,992. The pension benefit obligation of the Town was computed as part of an actuarial valuation performed as of January 1, 2014. Actuarial assumptions used in the valuation include (1) projected salary increases of 4.0% per year and (2) and a 7.75% assumed rate of return.

In addition to pension benefits, cities and towns may provide retired employees with payments for a portion of their health care and life insurance benefits. These benefit payments are generally provided on a pay-as-you-go basis.

Under legislation enacted in 2003, cities and towns that accepted its provisions and that obtained certain state approvals therefor could, within limits, reduce the amount of their scheduled appropriations for fiscal year 2004 and fiscal year 2005 for the unfunded portion of their pension liability to offset recent reductions in state aid. Cities and towns that reduced such appropriations were required to revise their retirement system funding schedule for eliminating their unfunded pension liability and could extend such schedule by one year, provided that in no event could such funding schedule extend beyond June 30, 2028. Braintree did not accept such provisions.

For additional information with respect to the System, see Appendix A.

Current Funding Schedule

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Amortization Payment of ERI 2002	Amorization Payment of ERI 2003	Amorization Payment of ERI 2010	Net 3(8)(C) Transfers	Total Employer Cost	Increase over Prior Year
2015	\$ 2,476,624	\$ 5,648,804	\$ 11,210	\$ 4,539	\$ 120,296	\$ 131,952	\$ 8,393,425	
2016	2,575,690	5,927,442	11,210	4,539	120,296	131,952	8,771,129	4.50%
2017	2,678,718	6,219,116	11,210	4,539	120,296	131,952	9,165,831	4.50%
2018	2,785,866	6,524,429	11,210	4,539	120,296	131,952	9,578,292	4.50%
2019	2,897,302	6,844,017	11,210	4,539	120,296	131,952	10,009,316	4.50%
2020	3,013,193	7,189,755		4,539	120,296	131,952	10,459,735	4.50%
2021	3,133,721	7,544,454			120,296	131,952	10,930,423	4.50%
2022	3,259,070	7,910,974			120,296	131,952	11,422,292	4.50%
2023	3,389,433	8,414,910				131,952	11,936,295	4.50%
2024	3,525,011	8,816,466				131,952	12,473,429	4.50%
2025	3,666,011	9,236,769				131,952	13,034,732	4.50%
2026	3,812,652	9,676,691				131,952	13,621,295	4.50%
2027	3,965,160	10,137,143				131,952	14,234,255	4.50%
2028	4,123,766	10,602,395				131,952	14,858,113	4.50%
2029	4,288,717	11,026,491				131,952	15,447,160	4.38%
2030	4,460,266	11,467,550				131,952	16,059,768	3.96%
2031	4,638,676	11,926,253				131,952	16,696,881	3.97%
2032	4,824,222	12,403,302				131,952	17,359,476	3.97%
2033	5,017,191	12,899,436				131,952	18,048,579	3.97%
2034	5,217,879					131,952	5,349,831	-70.36%
2035	5,426,593					131,952	5,558,545	3.90%
2036	5,643,656					131,952	5,775,608	3.91%
2037	5,869,403					131,952	6,001,355	3.91%
2038	6,104,180					131,952	6,236,132	3.91%
2039	6,348,346					131,952	6,480,298	3.92%
2040	6,602,281					131,952	6,734,233	3.92%
2041	6,866,372					131,952	6,998,324	3.92%
2042	7,141,027					131,952	7,272,979	3.92%
2043	7,426,667					131,952	7,558,619	3.93%
2044	7,723,733					131,952	7,855,685	3.93%

Source: January 1, 2014 Actuarial Valuation Report of the Braintree Contributory Retirement System, PERAC.

Other Post-Employment Benefits

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities or towns is generally provided on a pay-as-you-go basis.

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities and towns is generally provided on a pay-as-you-go basis. The Governmental Accounting Standards Board ("GASB") promulgated its Statement Nos. 43 and 45, which require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements.

These accounting standards do not require pre-funding the payment of these costs as the liability for such costs accrues, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if the cost of such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Cities and towns that choose to self-insure all or a portion of the cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose of paying claims. In addition, cities and towns may establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits.

The Town was required to implement the GASB reporting requirements for other post-employment benefits beginning with its fiscal year 2007 audit. An outside firm recently updated the actuarial valuation of the Town's post-employment liability and the unfunded OPEB liability is estimated at \$185,797,436 as of January 1, 2014, using a 4.0% discount rate, assuming the plan is funded on a pay-as-you go basis.

The Town has considered various options to fully fund this liability, including modifying existing health care plan design, copayments and premium share in addition to having a GASB approved OPEB Trust Fund to which increasing annual contributions have been and are planned to be appropriated. The OPEB Trust Fund Balance was \$3,205,944 as of June 30, 2014. The projected balance at June 30, 2015 is estimated at \$4,567,132. The Town decided to continue funding this liability through annual appropriations on a pay-as-you go basis. The Town appropriated \$1.3 million of its General and Enterprise Funds in fiscal 2013. The Town decided to increase this appropriation annually by a minimum of \$145,000 through 2030, when the Town's unfunded pension liability is planned to be fully funded. At this point the Town expects to appropriate the same amount as it had been raising to fund pensions, to fully fund the OPEB liability annually through 2040.

EMPLOYEE RELATIONS

The Town employs approximately 327 full-time workers, of whom 70 are employed by the Public Works Department, 86 by the Fire Department, and the 171 balance by various other Town Departments. There are 57 part-time employees (including Library Pages, Recycling Workers and Traffic Supervisors/Matrons.) The Braintree School Department employs 756 full and 59 part-time workers. In addition, the Braintree Electric Light Department employs 99 full time employees and 1 part-time employee. Most town employees are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. The following table outlines the Town's existing unions.

Union	Contract Expires	Number of Members
American Federation of State, County and Municipal Employees (A.F.S.C.M.E.)	6/30/2016	79
Braintree Library Staff Association (B.L.S.A.)	6/30/2016	21
Braintree Police Patrolmen's Club (B.P.P.C.)	6/30/2016	63
Braintree Professional Management Association (B.P.M.A.)	6/30/2016	32
Braintree Police Superior Officers Association (B.P.S.O.A.)	6/30/2016	14
International Association of Fire Fighters (I.A.F.F.)	6/30/2016	84
Utility Workers Union of America (U.W.U.A.)	6/30/2016	17
School BEA	8/31/2016	639
School Custodians	6/30/2016	35
School Cafeteria Workers	6/30/2016	42
School Maintenance Workers	6/30/2016	3
School Transportation	6/30/2016	44

LITIGATION

At present there are various cases pending in various courts throughout the Commonwealth where the Town of Braintree is a defendant. In the opinion of the Town, none of the pending litigation is likely to result, either individually or in the aggregate, in final judgments against the Town that would materially affect its financial position or its ability to pay its obligations.

TOWN OF BRAINTREE, MASSACHUSETTS
/s/ Barbara Walls, Treasurer-Collector

June 16, 2015

TOWN OF BRAINTREE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2014

On the Cover:

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



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

**The Town of
Braintree, Massachusetts**



**Comprehensive
Annual Financial Report**

**For the Year Ended
June 30, 2014**

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

TOWN OF BRAINTREE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINNANCIAL REPORT

June 30, 2014

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Introductory Section



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

Introductory Section

Edward J. Spellman, Jr.
Director of Finance



Joseph C. Sullivan
Mayor

TOWN OF BRAintree
DEPARTMENT OF MUNICIPAL FINANCE

One JFK Memorial Drive, Braintree, MA 02184
Tel: 781-794-8035 Fax: 781-794-8181

Letter of Transmittal

December 15, 2014

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

State law requires the Town of Braintree to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Town of Braintree, Massachusetts, for the year ending June 30, 2014.

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and credit raters. Just as important, the design and format of this report is aimed at providing the residents and taxpayers of Braintree a more easily readable and, therefore, a more easily understandable financial report.

This report consists of management's representations concerning the finances of the Town of Braintree. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. In order to provide a reasonable basis for making these financial representations, management continues to review and improve its established comprehensive internal controls. The framework for these controls is designed to protect, to the extent possible, the government's assets from loss, theft or misuse. The cost of internal controls should not outweigh their benefits. As a result, the Town of Braintree's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements for the year ended June 30, 2014, are fairly presented in conformity with GAAP.

The Town of Braintree's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Braintree for the year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Braintree's financial statements for the year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Braintree was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the Town's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Braintree's separately issued Single Audit Report.

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

Profile of the Town

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

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

The Town offers a full range of services including police and fire protection, education, maintenance of streets and infrastructure, solid waste collection and disposal, health and human services, cultural and recreational, administrative and financial services.

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

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

Factors Affecting Financial Condition

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

The Town remains a very desirable community and this is reflected in the strong residential sales market, which have regained their pre-fiscal crisis levels. The Town offers a unique mix of proximity to Boston and major highways and transportation, while maintaining a desirable residential community. The Town offers a broad range of high quality services and an attractive quality of life.

The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2½ and can only be overridden by a majority vote at a Town election. While revenue increases have been limited in recent years, tax base growth was enhanced by commercial construction. This helped offset the steady increases in fixed costs, including health insurance and pension costs which have both increased substantially. On the Town's operating side, the FY14 budgets and service level were maintained through a 6.5% increase in the operating

budget. With a 5% increase in expected revenue and the use of available reserves, this allowed the Town to continue to provide high quality services while minimizing the impact on the property tax burden.

The Town continues to manage its financial affairs in a prudent manner, primarily through considerable long-term planning and strong financial policies. It has maintained a high bond rating even with the overall unsettled economy. It has been able to do so by incorporating long range planning tools such as a five-year Capital Improvement Program; maintaining reserve balances despite tight budgets; investing in technology to ensure efficient operations; negotiating sustainable collective bargaining agreements, and maintaining an aggressive pay as you go financing strategy for capital improvements. The Town's long-term policies will preserve its strong financial position for the foreseeable future.

The Town has remained dedicated to an aggressive retirement of debt policy. Whenever possible, debt is issued for shorter time periods than allowed, typically ten years. The Town monitors and schedules retirement and issuance of debt to ensure that debt service does not exceed 10% of the operating budget to ensure availability of resources for ongoing operations.

The Town contributes to the Braintree Contributory Retirement System, a cost-sharing, multiple-employer defined benefit pension plan (Plan) administered by the Braintree Contributory Retirement Board. Every two years, an independent actuary engaged by the Board calculates the amount of the annual contribution that the Town must make to the pension plan to ensure its ability to fully meet its obligations to retired employees. As required by law, the Town fully funds each year's annual required contribution to the pension plan as determined by the actuary. As of January 1, 2014, the latest actuarial valuation date, the System had succeeded in funding 65.8% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over the remaining 19 years as part of the annual required contribution as calculated by the actuary.

The Town also provides postemployment health care benefits for certain retirees and their dependents. There are approximately 660 retired employees receiving these benefits, which are financed on a combined pre-funded and pay-as-you-go basis. GAAP requires the Town to conduct an actuarial valuation to determine the unfunded liability and to recognize the annual cost of reducing this liability in addition to the current year benefits. The Town's most recent actuarial valuation is dated January 1, 2014. If the Town is unable to fund the minimum annual contribution as determined by the actuarial valuation, the unpaid amount will be required to be recorded as a liability on the financial statements of the Town.

Financial and Management Systems

Internal Controls

The Mayor and Director of Municipal Finance of the Town are responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Director of Municipal Finance is responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements.

Because the cost of internal controls should not outweigh their benefits, the Town of Braintree's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Budgetary Controls

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

The level of budgetary control is established by Town Council and defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department program level. The Town Accountant is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved by Town Council throughout the year.

Awards and Acknowledgements

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

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

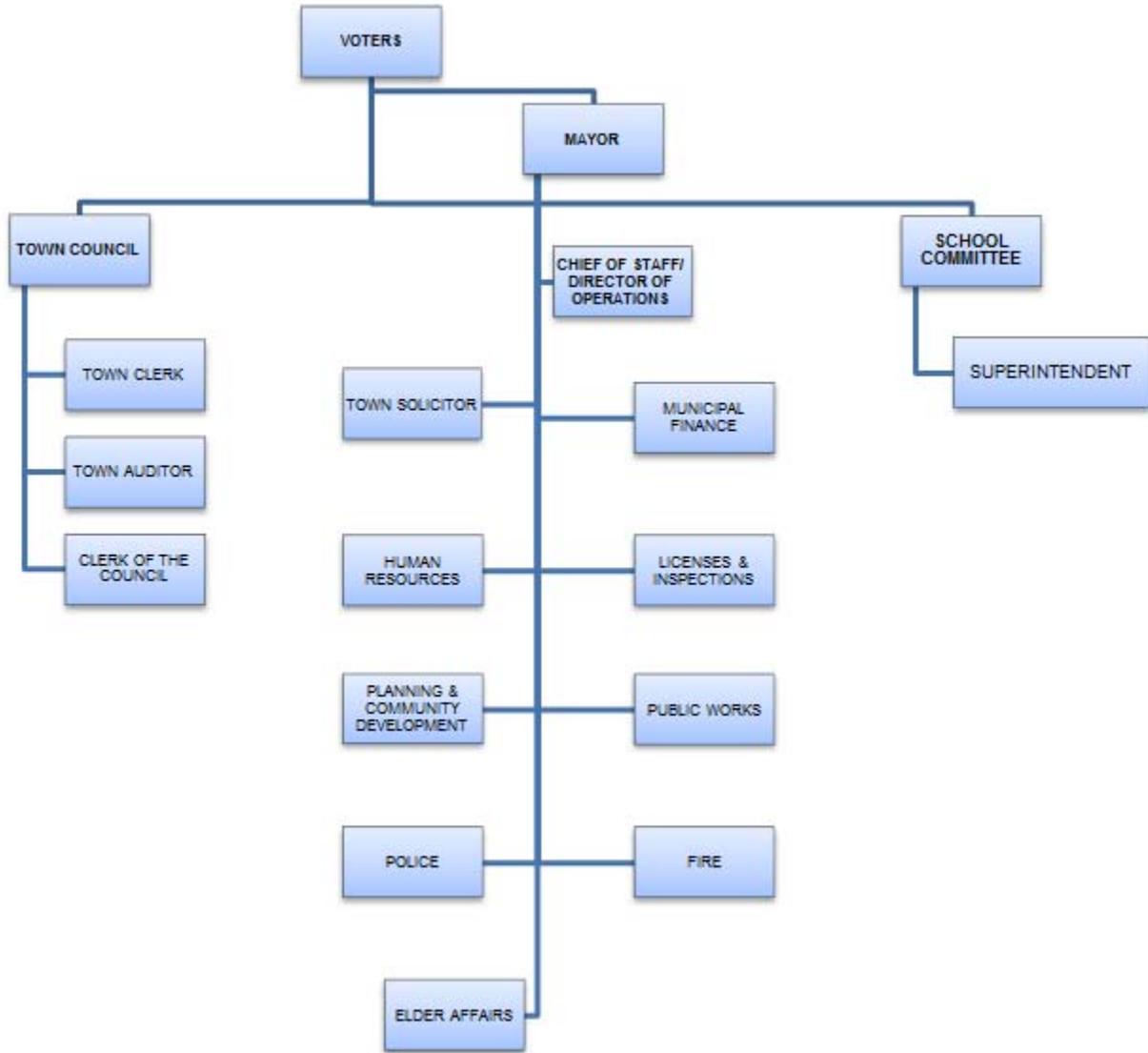
This report represents significant effort by the entire financial team of the Town, whose dedicated efforts have significantly improved the financial operations of the Town. We would like to express our appreciation to the members of all the departments who assisted and contributed to the preparation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

Respectfully submitted,

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

Appointed Officials

Appointed by the Mayor

Chief of Staff	Michael T. Coughlin
Director of Municipal Finance	Edward J. Spellman, Jr.
Town Solicitor	Peter J. Morin
Director of Human Resources	Karen M. Shanley
Director of Inspectional Services	Marybeth McGrath
Director of Department of Public Works	Thomas Whalen
Director of Planning & Community Development	Christine Stickney
Police Chief	Russ Jenkins
Fire Chief	James O'Brien
Director of Elder Affairs	Sharmila Biswas
Assessor	Robert Brinkmann
Treasurer/Collector	Barbara Walls
Town Accountant	Mark Lin

Appointed by the Town Council

Town Clerk	James M. Casey
Town Auditor	Eric A. Kinsherf
Clerk of the Council	Susan M. Cimino

Appointed by the School Committee

School Superintendent	Maureen S. Murray, Ed.D
School Business Manager	Peter Kress



Government Finance Officers Association

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Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

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Financial Section



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

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

Powers + Juliani, LLC

December 15, 2014

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Braintree, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2014. We encourage readers to consider the information presented in this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Braintree's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

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

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

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

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

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

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

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

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

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Highlights.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of Braintree's assets and deferred outflows exceeded liabilities and deferred inflows for governmental activities by \$44.9 million and for the business-type activities by \$94.6 million at the close of the most recent year. Key components of the Town's activities are presented below.

Governmental Activities

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

Net investment in capital assets of \$56.1 million reflects our investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

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

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

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

The water and sewer fund was established in 1984 pursuant to an act establishing the water and sewer commission. Water and sewer business-type activities assets exceeded liabilities by \$32.6 million at the close of 2014. Net investment in capital assets was \$27.4 million (84%) while unrestricted net position was \$5.2 million (16%). There was an increase of \$795,000 in net position compared to a decrease of \$133,000 in the prior year.

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

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

Business-type Activities

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

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

Financial Analysis of the Government's Funds

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

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

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

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$16.4 million, while total fund balance was \$19.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13.1% of total general fund expenditures, while total fund balance represents 15.6% of that same amount.

General fund revenues increased by \$5.1 million or approximately 4.0% over the previous year. These increases came mainly from real estate taxes and intergovernmental revenues related to education. Expenditures increased by \$7.2 million or approximately 6.0% from virtually all categories. The expenditures with major increases were education, public safety and employee benefits. The net change in fund balance for the year was a decrease of \$439,000, which compared to an increase in the prior year of \$3 million.

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

General Fund Budgetary Highlights

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

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

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

Actual expenditures and encumbrances came in \$2.3 million less than budgeted. All departments realized budget savings except for state and county assessments, which under state law, is allowed to deficit spend.

Capital Asset and Debt Administration

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

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

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

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

During 2014 the Town issued long-term bonds in the amounts of \$3.5 million for governmental funds, and \$2.2 million for the water and sewer enterprise fund.

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

Requests for Information

This financial report is designed to provide a general overview of the Town of Braintree's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Municipal Finance, Town Hall, One JFK Memorial Drive, Braintree, Massachusetts 02184.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2014

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

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

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

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

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

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2014

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

See notes to basic financial statements.

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

JUNE 30, 2014

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

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2014

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

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds.....	\$	3,224,807
<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.....		4,622,607
Depreciation expense.....		<u>(3,213,882)</u>
Net effect of reporting capital assets.....		1,408,725
<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>		
		(2,689,304)
<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>		
Principal payments on capital leases.....		59,236
Proceeds from bonds and notes.....		(3,519,000)
Debt service principal payments.....		<u>2,360,000</u>
Net effect of reporting long-term debt.....		(1,099,764)
<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.....		(56,834)
Net change in accrued interest on long-term debt.....		1,646
Net change in other postemployment benefits accrual.....		(8,203,725)
Net change in workers' compensation accrual.....		235,440
Net amortization of premium from issuance of bonds.....		<u>42,762</u>
Net effect of recording long-term liabilities.....		(7,980,711)
<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>1,529,141</u>
Change in net position of governmental activities.....	\$	<u>(5,607,106)</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2014

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

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2014

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

See notes to basic financial statements.

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2014

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

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2014

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

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2014

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

See notes to basic financial statements.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Braintree, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

A. Reporting Entity

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

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. One entity has been included as a component unit in the reporting entity, because of the significance of its operational and/or financial relationship.

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

In the Fiduciary Funds:

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

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

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

In accordance with Massachusetts General Laws, Chapter 164, the Braintree Electric Light Department (the BELD) was established to generate and distribute electricity for municipal and residential use within the Town. The BELD is governed by an elected three-member board and is operated by a manager appointed by the BELD’s elected board. The manager has charge of BELD’s operations and is subject to the direction and control of the Braintree Municipal Light Board. It is not a separate legal entity and therefore the condensed financial statements of the BELD are reported as an enterprise fund. A complete audited financial statement for the BELD, for the year ended December 31, 2013, can be obtained directly from their administrative office located at 150 Potter Road, Braintree, Massachusetts, 02184.

Joint Venture – The Town is a member of the Blue Hills Regional Technical School that provides educational services to nine area communities. This joint venture assesses each community its share of operating and debt service costs based on student population and other factors. In 2014, Braintree’s share of the operating and debt expenses was \$2,130,748. There is no equity interest reported in these financial statements. Complete audited financial statements can be obtained directly from the District’s administrative office located at 800 Randolph Street, Canton, Massachusetts, 02021.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

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

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in

the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

Fund Financial Statements

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

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

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

The following major governmental fund is reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund. Included within the general fund are two stabilization funds. The balance in the general stabilization fund decreased from \$973,000 in 2013 to \$945,000 in 2014 and the capital stabilization fund was established during 2014 with a \$1 million transfer from the general fund. The stabilization funds can be used for general and/or capital purposes upon Town Council and the Mayor's approval.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary funds are reported:

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

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

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

Additionally, the following proprietary fund type is reported:

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

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *pension trust fund* is used to account for the activities of the Braintree Contributory Retirement System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries.

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

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trust funds have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. These restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings. The Town's educational scholarships are accounted for in this fund.

The *agency fund* is used to account for assets held in a purely custodial capacity. The Town's agency fund mainly consists of off-duty work details, performance bonds, and fees collected on behalf of other governments. Agency funds apply the accrual basis of accounting but do not have a measurement focus.

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

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

E. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

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

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

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

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

Motor Vehicle and Other Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles

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

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

Room Occupancy Tax

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

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

Meals Tax

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

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

Trash

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

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

Water and Sewer and Electric Light Department

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

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

Departmental and Other

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

Intergovernmental

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

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

F. Inventories

Government-Wide and Fund Financial Statements

Inventories of the governmental funds and the water and sewer enterprise fund are recorded as expenditures/expenses at the time of purchase. Such inventories are not material in total to the basic financial statements, and therefore are not reported.

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

G. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings, machinery and equipment, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activities column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

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

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

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

Governmental Fund Financial Statements

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

H. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Governmental Fund Financial Statements

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

I. Interfund Receivables and Payables

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

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

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

J. Interfund Transfers

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

Government-Wide Financial Statements

Transfers between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as “Transfers, net”.

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

K. Unearned and Unavailable Revenue

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

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

L. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

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

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

Net position has been “restricted for” the following:

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

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

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

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

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

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

Fund Financial Statements (Fund Balances)

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. A Town Council vote to approve a Council Order submitted by the Mayor is the highest level of decision making authority that can commit funds for specific purposes. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Town’s by-laws authorize the Town Accountant to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

M. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

N. Investment Income

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

O. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

P. Use of Estimates

Government-Wide and Fund Financial Statements

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

Q. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and cash equivalents." The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

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

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities. The underlying components of PRIT's fixed income portfolio had an effective weighted duration rate ranging from 0.25 to 10.78 years.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial risk. At year-end, the carrying amount of deposits totaled \$29,164,120, and the bank balances totaled \$31,252,417. Of the bank balance, \$2,321,672 was covered by Federal Depository Insurance, \$15,549,950 was covered by the Depositors Insurance Fund, \$1,756,993 was covered by the Share Insurance Fund, and \$11,623,802 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Braintree Retirement System limits its custodial credit risk by utilizing an institutional custodial bank, currently State Street Bank, to custody all separately held securities which are registered under a nominee name that is specific to the System. Assets held in commingled fund accounts are also held in a similar fashion, with individual fund securities held in the fund's name at their custodian bank. A small percentage of the System's assets

(typically less than 5%) may be held from time to time in commingled cash equivalent vehicles where the assets are subject to counterparty risk. At December 31, 2013, the carrying amount of deposits for the System totaled \$2,805,107 and the bank balance totaled \$2,828,751. The bank balance was fully covered by Federal Depository Insurance.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town has custodial credit risk exposure relating to its \$248,337 investment in Government Sponsored Enterprises and Corporate Bonds because the securities are uninsured, unregistered, and held by the counterparty. The Town does not have an investment policy for custodial credit risk.

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

Investments

As of June 30, 2014, the Town had the following investments and maturities:

<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..... \$	222,353	\$ 192,412	\$ 29,941
Corporate Bonds.....	<u>25,984</u>	<u>25,984</u>	<u>-</u>
Total Debt Securities.....	248,337	<u>\$ 218,396</u>	<u>\$ 29,941</u>
<u>Other Investments:</u>			
Equity Mutual Funds.....	388,766		
Money Market Mutual Funds.....	13,934,726		
MMDT Short-Term Bond Funds.....	7,016,406		
MMDT Cash Portfolio.....	<u>37,423,623</u>		
Total Investments..... \$	<u>59,011,858</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, 2013, the System had the following investments:

<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>			
Fixed Income Mutual Funds.....	\$ 46,955,280	\$ <u>3,554,934</u>	\$ <u>43,400,346</u>
<u>Other Investments:</u>			
Domestic Equity Mutual Fund.....	41,356,429		
International Equity Mutual Fund.....	33,263,819		
Money Market Mutual Fund.....	136,473		
Pension Reserve Investment Trust (PRIT)..	<u>41,063,901</u>		
Total Investments.....	\$ <u>162,775,902</u>		

Interest Rate Risk

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

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

Credit Risk

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

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

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

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

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

Concentration of Credit Risk

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

NOTE 3 – RECEIVABLES

At June 30, 2014, receivables for the individual major and nonmajor governmental funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

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

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

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

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

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

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

NOTE 4 – CAPITAL ASSETS

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

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

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

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

Governmental Activities:

General government.....	\$ 265,925
Public safety.....	528,705
Education.....	517,759
Public works.....	1,574,103
Human services.....	14,986
Culture and recreation.....	274,040
Community development.....	38,364

Total depreciation expense - governmental activities..... \$ 3,213,882

Business-Type Activities:

Water and Sewer.....	\$ 1,601,641
Golf.....	57,363
Electric light.....	8,018,581

Total depreciation expense - business-type activities..... \$ 9,677,585

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2014, the Town has an interfund receivable/payable totaling \$1,861,998 which exists between the general fund and highway improvements fund. The purpose of this balance is to cover short-term cash needs that will be funded by future grant proceeds.

Interfund transfers for the year ended June 30, 2014, are summarized as follows:

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

- (1) Represents transfers from the general fund to the nonmajor special revenue fund to establish the workers compensation trust. Also represents transfers to the water and sewer and golf enterprise funds for collective bargaining and \$200,000 to the golf enterprise fund to fund operations.
- (2) Represents budgeted transfers to the general fund from various nonmajor special revenue funds to fund the 2014 operating budget. Also represents transfers within the nonmajor governmental funds.
- (3) Represents budgeted transfers from water and sewer and golf enterprise funds to the general fund for administration.
- (4) Represents the Payment in Lieu of Tax payment from the Braintree Electric Light Department.

NOTE 6 – LEASES

Capital Leases

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

Asset:	Governmental Activities
Machinery and equipment.....	\$ 1,733,302
Less: accumulated depreciation.....	<u>(1,344,398)</u>
Total.....	<u>\$ 388,904</u>

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

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

The BELD entered into a capitalized lease for cable and light division equipment expiring through 2017. The assets and liabilities under the capital lease are recorded at the present value of the minimum lease payments. The assets are depreciated over the life of the equipment.

The following schedule presents the future minimum lease payments as of December 31, 2013:

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

Operating Leases

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

The future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2015.....	\$ 305,836
2016.....	<u>305,836</u>
Total.....	<u>\$ 611,672</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, 2014, totaled approximately \$35,000.

The future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Business-Type Activities</u>
2015.....	\$ 35,268
2016.....	35,268
2017.....	35,268
2018.....	<u>35,268</u>
 Total.....	 \$ <u><u>141,072</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, 2014, and the debt service requirements are as follows:

Bonds and Notes Payable Schedule – Governmental Funds

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

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

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

Bonds and Notes Payable Schedule – Water and Sewer Enterprise Fund

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

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

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

Bonds and Notes Payable Schedule – Electric Light Enterprise Fund

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

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

Calendar Year Ended	Principal	Interest	Total
2014.....	\$ 4,630,000	\$ 4,583,794	\$ 9,213,794
2015.....	4,855,000	4,352,294	9,207,294
2016.....	5,085,000	4,123,194	9,208,194
2017.....	5,335,000	3,875,944	9,210,944
2018.....	5,600,000	3,610,244	9,210,244
2019.....	5,875,000	3,330,244	9,205,244
2020.....	6,175,000	3,036,494	9,211,494
2021.....	6,480,000	2,727,744	9,207,744
2022.....	6,810,000	2,403,744	9,213,744
2023.....	7,150,000	2,063,244	9,213,244
2024.....	7,510,000	1,705,744	9,215,744
2025.....	7,855,000	1,354,844	9,209,844
2026.....	8,245,000	962,094	9,207,094
2027.....	7,930,000	549,844	8,479,844
2028.....	3,505,000	153,344	3,658,344
Total.....	\$ 93,040,000	\$ 38,832,810	\$ 131,872,810

Authorized and unissued debt

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2014, the Town had the following authorized and unissued debt:

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

Changes in Long-term Liabilities

During the year ended June 30, 2014, the following changes occurred in long-term liabilities:

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

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

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as part of the 2012 reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The Town's highest level of decision making is made by Town Council.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

In accordance with Statement No. 54, the stabilization funds have been reported in the general fund. At year end the balance of the general stabilization fund is \$944,572 and the balance of the capital stabilization fund is \$1,000,000.

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

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

NOTE 10 – RISK FINANCING

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

The Town is self-insured for its health and workers’ compensation insurance activities. Health insurance activities are accounted for in the internal service fund where revenues are recorded when earned and expenses are

recorded when the liability is incurred. Workers' compensation claims are administered by a third party administrator and are funded on a pay-as-you-go basis from annual appropriations.

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

(a) *Health Insurance*

The estimate of IBNR claims is based on management's best estimate of claims history. The Town purchases individual stop loss insurance for claims in excess of the coverage provided by the Town in the amount of \$100,000 per claim. At June 30, 2014, the amount of the liability for health insurance claims totaled \$1,252,000 which is the best estimate based on available information. Changes in the reported liability since July 1, 2012 are as follows:

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

(b) *Workers' Compensation*

The estimated future workers' compensation liability is based on history and injury type. The Town purchases individual workers' compensation insurance for claims in excess of the coverage provided by the Town in the amounts ranging between \$300,000 and \$500,000 per claim. At June 30, 2014, the amount of the liability for workers' compensation claims totaled \$451,562. Changes in the reported liability since July 1, 2012 are as follows:

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

The BELD participates in the Massachusetts Municipal Self-Insurance Trust (the Trust) with 17 other municipal light departments for the purpose of sharing excess liability and directors' and officers' liability risks. Through the Trust, BELD is commercially insured for \$25,000,000 per occurrence, with a \$500,000 deductible that would be paid by the Trust. Each of the participating light department's contributes to the Trust based on its share of the group's total kilowatt-hour sales. Payments for claims under the deductible limit are funded by trust assets or, if required, additional contributions from the participants. The BELD considers its share of potential losses to be immaterial to its financial statements as of December 31, 2013.

NOTE 11 – PENSION PLAN

Plan Description - The Town contributes to the System, a cost-sharing, multiple-employer defined benefit pension plan administered by the Braintree Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$13,718,000 for the year ended June 30, 2014, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth’s state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Braintree Contributory Retirement Board and are borne by the System. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth’s PERAC. That report may be obtained by contacting the System located at 74 Pond Street, Braintree, Massachusetts, 02184.

At December 31, 2013, the System’s membership consists of the following:

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

Funding Policy - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The current and two preceding years apportionment of the annual pension cost between the two employers required the Town to contribute 98.5% of the total. Chapter 32 of the MGL governs the contributions of plan members and the Town.

Annual Pension Cost - The Town contributions to the System for the years ended June 30, 2014, 2013, and 2012 were \$7,956,604, \$7,455,924 and \$7,201,414, which equaled its required contribution for each year. At June 30, 2014, the Town did not have a net pension obligation. The required contribution was determined as part of the January 1, 2014, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included a 7.75% investment rate of return and projected salary and inflation increases of 4.0% per year. The actuarial value of the System’s assets was determined using the fair value of the assets. The System’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at January 1, 2014, was 19 years. The general fund and the enterprise funds each pay their respective portions of the total pension expense annually.

Schedule of Funding Progress (dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/14	\$ 159,452	\$ 242,397	\$ 82,945	65.8%	\$ 38,444	215.8%
1/1/12	137,542	220,508	82,966	62.4%	36,453	227.6%
1/1/10	137,153	202,777	65,624	67.6%	35,051	187.2%
1/1/08	141,346	189,266	47,920	74.7%	33,894	141.4%
1/1/06	119,722	167,313	47,591	71.6%	30,861	154.2%
1/1/04	103,345	151,324	47,979	68.3%	29,450	162.9%

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

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members, including teachers. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Plan. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim Health Care, and Tufts Health Plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

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

Current retirees, beneficiaries, and dependents.....	658
Current active members.....	<u>1,235</u>
Total.....	<u><u>1,893</u></u>

Funding Policy – Contributions requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. Retired plan members and beneficiaries currently receiving benefits are required to contribute between 33% and 50% of the cost of benefits provided depending on the plan they choose. The Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town contributed approximately \$5.8 million including a pre-funding contribution of approximately \$704,000 during 2014 and the BELD contributed approximately \$950,000 including a pre-funding contribution of \$520,000 during calendar year 2013 towards these benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish the Postemployment Benefits Trust Fund and to begin pre-funding its OPEB liabilities. Through June 30, 2014, the Town has accumulated approximately \$3,206,000 towards these future liabilities.

Annual OPEB Costs and Net OPEB Obligation – The Town’s annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the Town’s and the BELD’s annual OPEB cost for the periods, the amount actually contributed to the plan, and changes in the net OPEB obligation are summarized in the following table:

Annual required contribution.....	\$	16,108,388
Interest on net OPEB obligation.....		2,054,642
Adjustments to annual required contribution.....		<u>(2,480,194)</u>
Annual OPEB cost/expense.....		15,682,836
Contributions made.....		<u>(6,726,454)</u>
Increase/(Decrease) in net OPEB obligation.....		8,956,382
Net OPEB obligation - beginning of year.....		<u>55,976,328</u>
Net OPEB obligation - end of year.....	\$	<u><u>64,932,710</u></u>

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

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

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

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/2014	\$ 2,943,163	\$ 188,740,599	\$ 185,797,436	1.6%	\$ 71,715,774	259.07%
1/1/2012	652,936	189,802,014	189,149,078	0.3%	68,300,737	276.94%
1/1/2010	-	192,200,348	192,200,348	0%	61,475,231	312.65%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements,

presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

Actuarial Methods:

Valuation date.....	1/1/2014
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.25%, per year over 30 years at transition
Remaining amortization period.....	24 years at January 1, 2014, closed
Asset valuation method.....	Market value

Actuarial Assumptions:

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

NOTE 13 – COMMITMENTS

Under the terms of an Administrative Consent Order (ACO) from the Commonwealth’s Department of Environmental Protection, the Town is obligated to make various repairs and improvements to its sewer and drainage system. Accordingly, the Town has expended over \$13.5 million on improvements to the system over the last 12 years to comply with the ACO.

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

The BELD has entered into a Power Sales Agreement (PSA), as a participant in Nuclear Project No. 5, with Massachusetts Municipal Wholesale Electric Company (MMWEC) for a share of the power supply capability of Seabrook Unit 1. BELD effectively participates in a 0.6% (7 MW) share of Seabrook Unit 1. Under the terms of the PSA, the BELD is obligated to pay for its share of MMWEC’s actual operating and capital costs, including decommissioning, interest and financing costs related to this generating unit. Seabrook Unit 1 began commercial operations in 1990, and its operating license expires in 2030. The BELD’s obligations to pay are not contingent on the future operation of the unit. The BELD’s total principal obligation, excluding operating and maintenance, interest and decommissioning expenses associated with its share of MMWEC’s Seabrook Unit 1 outstanding debt, is approximately \$7,159,000 at December 31, 2013.

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

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

NOTE 14 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2014, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

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

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2014, cannot be ascertained, management believes any resulting liability should not materially affect the financial statements at June 30, 2014.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2014, the following GASB pronouncements were implemented:

- GASB Statement #65, *Items Previously Reported as Assets and Liabilities*. Financial statement changes include deferred outflows and inflows being presented in the Statement of Net Position. Notes to the basic financial statements were changed to provide additional disclosure on deferred outflows of resources and deferred inflows of resources.
- GASB Statement #70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The implementation of this pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in future years:

- The GASB issued Statement #67, *Financial Reporting for Pension Plans*, which is required to be implemented in 2015.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in 2015.
- The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented in 2015.
- The GASB issued Statement #71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which is required to be implemented simultaneously with GASB Statement #68 in 2015.

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

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Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2014

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

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

(Continued)

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

YEAR ENDED JUNE 30, 2014

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

(Continued)

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

YEAR ENDED JUNE 30, 2014

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

See notes to required supplementary information.

(Concluded)

Retirement System Schedules of Funding Progress and Employer Contributions

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

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

BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/14	\$ 159,452	\$ 242,397	\$ 82,945	65.8%	\$ 38,444	215.8%
1/1/12	137,542	220,508	82,966	62.4%	36,453	227.6%
1/1/10	137,153	202,777	65,624	67.6%	35,051	187.2%
1/1/08	141,346	189,266	47,920	74.7%	33,894	141.4%
1/1/06	119,722	167,313	47,591	71.6%	30,861	154.2%
1/1/04	103,345	151,324	47,979	68.3%	29,450	162.9%
1/1/02	91,927	132,850	40,923	69.2%	28,775	142.2%
1/1/00	89,822	117,318	27,496	76.6%	24,276	113.3%

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

See notes to required supplementary information.

BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS

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

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

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

The Schedule of Employer Contributions compares, over time, the Annual Required Contributions to the Actual Contributions made.

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

OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/2014	\$ 2,943,163	\$ 188,740,599	\$ 185,797,436	1.6%	\$ 71,715,774	259.07%
1/1/2012	652,936	189,802,014	189,149,078	0.3%	68,300,737	276.94%
1/1/2010	-	192,200,348	192,200,348	0%	61,475,231	312.65%
1/1/2007	-	158,006,080	158,006,080	0%	73,735,316	214.29%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage of the ARC Contributed
6/30/2014	\$ 16,108,388	\$ 6,726,454	42%
6/30/2013	15,326,220	6,237,184	41%
6/30/2012	15,278,511	6,763,783	44%
6/30/2011	17,392,724	5,820,239	33%
6/30/2010	16,760,687	5,357,220	32%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFITS PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

Valuation date.....	1/1/2014
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.25%, per year over 30 years at transition
Remaining amortization period.....	24 years at January 1, 2014, closed
Asset valuation method.....	Market value

Actuarial Assumptions:

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

Plan Membership:

Current retirees, beneficiaries, and dependents.....	658
Current active members.....	<u>1,235</u>
 Total.....	 <u><u>1,893</u></u>

See notes to required supplementary information.

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

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

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

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

Generally, expenditures may not exceed the legal level of spending (program and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Town Council and written approval from the Massachusetts Department of Revenue.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2014 approved budget authorized approximately \$115 million in appropriations and other amounts to be raised, including \$2.1 million in amounts carried over from previous years. During 2014, the Town Council also approved supplemental appropriations totaling approximately \$2.0 million. These supplemental appropriations mainly consisted of \$375,000 appropriated for fire suppression, \$838,000 appropriated for education, and \$664,000 was for snow and ice. Town Council also approved supplemental transfers mainly to and from stabilization funds.

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

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2014, is presented below:

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

C. Appropriation Deficits

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

NOTE B – PENSION PLAN

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

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

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

Actuarial Methods and Assumptions:

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

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

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

The Town currently finances its other postemployment benefits (OPEB) on a combined pre-funded and pay-as-you-go basis. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 1.6%. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

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

Other Supplementary Information

Combining and Individual Fund Statements

The combining and individual fund financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than permanent funds or capital project funds) that are restricted by law or administrative action to expenditures for specified purposes.

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

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

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

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

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

Capital Project Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or improvement of major capital assets (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants.

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

Permanent Funds

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

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

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

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2014

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

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

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

YEAR ENDED JUNE 30, 2014

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

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

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Agency Fund

Fund Description

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

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2014

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

Statistical Section



Sunset Lake

Statistical Section

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

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the audited financial reports for the relevant year or our Official Statements.

Net Position By Component

Last Ten Years

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

Changes in Net Position

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government.....	\$ 4,748,448	\$ 4,362,423	\$ 4,610,401	\$ 4,554,086	\$ 5,734,392	\$ 5,547,521	\$ 6,219,480	\$ 6,120,306	\$ 6,793,916	\$ 6,286,240
Public safety.....	17,699,899	19,978,932	20,274,993	22,301,233	22,235,903	23,103,086	22,731,221	22,644,632	23,907,018	24,515,683
Education.....	61,636,873	66,563,400	69,958,696	76,732,757	79,763,519	82,719,562	85,120,589	87,632,097	91,537,391	96,438,899
Public works.....	3,958,571	5,142,253	4,766,713	5,787,762	6,576,806	6,004,346	7,075,816	6,258,439	6,903,790	8,158,789
Sanitation.....	1,521,317	1,529,887	1,556,431	1,597,784	1,654,683	1,531,123	1,421,972	1,734,699	1,614,505	1,504,893
Community preservation.....	148,258	27,002	249,447	104,793	35,109	41,392	76,049	168,276	133,513	187,852
Human services.....	1,121,171	1,093,133	1,056,047	1,273,880	978,727	980,215	1,064,014	1,108,036	1,269,546	1,228,698
Culture and recreation.....	2,760,733	3,234,716	3,299,641	3,532,149	3,508,767	3,504,511	3,733,359	3,685,605	3,856,790	3,638,147
Interest.....	359,592	422,825	357,055	444,173	367,644	543,891	620,316	668,246	594,798	471,412
Total governmental activities expenses.....	93,954,862	102,354,571	106,129,424	116,328,617	120,855,550	123,975,647	128,062,816	130,020,336	136,611,267	142,430,613
Business-type activities:										
Water and Sewer.....	10,127,709	10,907,670	11,751,499	11,993,133	12,234,294	12,357,150	12,992,288	12,960,228	13,759,942	13,732,799
Golf.....	978,575	1,045,810	1,123,675	1,258,562	1,282,255	1,105,535	1,400,980	1,510,491	1,547,221	1,576,338
Electric.....	47,687,729	51,616,634	61,409,672	62,262,396	65,563,538	71,421,238	72,454,533	70,895,924	66,409,996	68,036,931
Total business-type activity expenses.....	58,794,013	63,570,114	74,284,846	75,514,091	79,080,087	84,883,923	86,847,801	85,366,643	81,717,159	83,346,068
Total primary government expenses.....	\$ 152,748,875	\$ 165,924,685	\$ 180,414,270	\$ 191,842,708	\$ 199,935,637	\$ 208,859,570	\$ 214,910,617	\$ 215,386,979	\$ 218,328,426	\$ 225,776,681
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 759,576	\$ 721,928	\$ 749,484	\$ 654,663	\$ 613,460	\$ 596,828	\$ 517,136	\$ 616,829	\$ 757,713	\$ 863,484
Public safety.....	2,858,475	2,821,158	3,210,084	2,930,799	3,784,281	2,144,216	2,280,546	2,378,405	2,208,455	1,823,403
Education.....	4,843,321	5,510,661	5,763,417	2,663,710	2,597,937	2,443,837	2,368,375	2,017,758	2,287,988	2,226,802
Public works.....	331,467	248,130	236,047	559,293	609,110	334,823	471,878	553,002	627,466	1,160,134
Sanitation.....	1,412,272	1,778,699	2,176,617	1,600,028	1,593,698	1,613,247	1,568,749	1,548,721	1,401,085	1,387,356
Human services.....	132,320	161,380	204,551	151,360	142,817	24,205	25,792	31,332	33,119	32,811
Culture and recreation.....	494,674	456,502	477,168	345,587	393,249	379,560	396,823	361,811	377,596	384,999
Operating grants and contributions.....	20,224,583	19,559,212	23,943,924	24,465,441	28,083,776	30,924,968	33,221,854	33,518,827	34,800,674	35,660,762
Capital grants and contributions.....	2,096,024	1,813,873	1,073,666	1,898,266	927,140	1,127,450	3,793,516	4,773,929	3,146,209	662,210
Total government activities program revenues.....	33,152,712	33,071,543	37,834,958	35,269,147	38,745,468	39,589,134	44,645,169	45,800,614	45,640,305	44,201,961
Business-type activities:										
Charges for services:										
Water and Sewer.....	10,508,277	11,380,011	12,081,357	13,675,011	12,580,294	12,561,820	13,208,817	12,932,512	13,830,066	14,980,596
Golf.....	976,813	945,430	1,101,047	1,211,206	1,174,675	1,172,533	1,329,340	1,404,095	1,347,448	1,398,978
Electric.....	49,167,046	51,521,575	60,497,429	63,700,105	65,900,014	73,443,746	75,896,314	70,762,137	70,718,807	71,671,791
Operating grants and contributions.....	91,186	33,402	37,736	32,443	-	-	215,783	-	-	-
Capital grants and contributions.....	-	225,000	-	-	-	-	-	281,643	142,560	-
Total business-type activities program revenues.....	60,743,322	64,105,418	73,717,569	78,618,765	79,654,983	87,178,099	90,650,254	85,380,387	86,038,881	88,051,365
Total primary government program revenues.....	\$ 93,896,034	\$ 97,176,961	\$ 111,552,527	\$ 113,887,912	\$ 118,400,451	\$ 126,767,233	\$ 135,295,423	\$ 131,181,001	\$ 131,679,186	\$ 132,253,326
Net (Expense)/Revenue										
Governmental activities.....	\$ (60,802,150)	\$ (69,283,028)	\$ (68,294,466)	\$ (81,059,470)	\$ (82,110,082)	\$ (84,386,513)	\$ (83,417,647)	\$ (84,219,722)	\$ (90,970,962)	\$ (98,228,652)
Business-type activities.....	1,949,309	535,304	(567,277)	3,104,674	574,896	2,294,176	3,802,453	13,744	4,321,722	4,705,297
Total primary government net expense.....	\$ (58,852,841)	\$ (68,747,724)	\$ (68,861,743)	\$ (77,954,796)	\$ (81,535,186)	\$ (82,092,337)	\$ (79,615,194)	\$ (84,205,978)	\$ (86,649,240)	\$ (93,523,355)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate, personal property taxes and tax liens, net of tax refunds payable.....	\$ 53,281,088	\$ 54,950,810	\$ 57,664,837	\$ 59,616,548	\$ 62,714,975	\$ 65,822,590	\$ 68,085,843	\$ 69,679,306	\$ 74,746,576	\$ 76,783,315
Tax liens.....	131,573	246,461	172,271	195,258	102,402	-	-	-	-	-
Motor vehicle and other excise taxes.....	4,486,604	4,608,617	4,230,104	4,641,332	4,021,318	4,067,074	4,284,625	4,039,432	5,175,048	5,087,519
Hotel/motel tax.....	759,466	868,033	854,486	735,915	768,355	745,319	718,452	784,781	1,141,705	1,324,541
Meals tax.....	-	-	-	-	-	-	-	-	-	807,740
Community preservation tax.....	432,367	459,792	474,210	455,258	551,133	530,249	558,590	559,244	590,915	607,219
Penalties and interest on taxes.....	230,204	458,484	310,116	332,155	297,882	345,208	417,749	371,394	381,757	475,877
Payments in lieu of taxes.....	892,969	906,189	918,556	1,049,810	1,049,817	2,193,890	116,425	118,112	211,386	24,854
Grants and contributions not restricted to specific programs.....	6,618,722	6,674,487	7,426,676	7,163,431	6,619,494	5,072,674	4,949,885	4,989,211	4,885,456	5,434,532
Unrestricted investment income.....	499,383	817,046	1,390,441	716,560	530,782	486,914	267,612	215,677	243,114	216,968
Gain on sale of land.....	10,972	-	656,876	-	-	-	-	-	-	-
Affordable housing development fees.....	-	-	-	-	-	1,800,000	-	-	-	-
Miscellaneous.....	474,864	104,033	401,646	551,830	91,623	77,800	69,345	70,051	42,380	38,317
Transfers.....	149,317	107,428	110,555	99,004	154,634	291,230	2,284,796	2,289,778	2,404,634	1,820,664
Total governmental activities.....	67,967,529	70,201,380	74,610,774	75,557,101	76,902,415	81,432,948	81,753,322	83,116,986	89,822,971	92,621,546
Business-type activities:										
Unrestricted investment income.....	-	149,718	308,420	1,070,076	47,445	51,737	244,779	55,743	126,607	74,085
Claims and judgments.....	-	-	675,365	-	-	-	-	-	-	-
Transfers.....	(149,317)	(107,428)	(110,555)	(99,004)	(154,634)	(291,230)	(2,284,796)	(2,289,778)	(2,404,634)	(1,820,664)
Total business-type activities.....	(149,317)	42,290	873,230	971,072	(107,189)	(239,493)	(2,040,017)	(2,234,035)	(2,278,027)	(1,746,579)
Total primary government.....	\$ 67,818,212	\$ 70,243,670	\$ 75,484,004	\$ 76,528,173	\$ 76,795,226	\$ 81,193,455	\$ 79,713,305	\$ 80,882,951	\$ 87,544,944	\$ 90,874,967
Changes in Net Position										
Governmental activities.....	\$ 7,165,379	\$ 918,352	\$ 6,316,308	\$ (5,502,369)	\$ (5,207,667)	\$ (2,953,565)	\$ (1,664,325)	\$ (1,102,736)	\$ (1,147,991)	\$ (5,607,106)
Business-type activities.....	1,799,992	577,594	305,953	4,075,746	467,707	2,054,683	1,762,436	(2,220,291)	2,043,695	2,958,718
Total primary government.....	\$ 8,965,371	\$ 1,495,946	\$ 6,622,261	\$ (1,426,623)	\$ (4,739,960)	\$ (898,882)	\$ 98,111	\$ (3,323,027)	\$ 895,704	\$ (2,648,388)

Fund Balances, Governmental Funds

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved.....	\$ 1,454,741	\$ 508,261	\$ 865,705	\$ 760,035	\$ 281,374	\$ 895,787	\$ -	\$ -	\$ -	\$ -
Unreserved.....	4,161,475	3,414,564	3,790,923	3,088,264	7,287,516	9,178,146	-	-	-	-
Committed.....	-	-	-	-	-	-	-	-	988,955	2,049,917
Assigned.....	-	-	-	-	-	-	1,250,576	1,140,720	1,140,211	1,164,142
Unassigned.....	-	-	-	-	-	-	13,160,254	15,847,651	17,880,465	16,356,370
Total general fund.....	\$ 5,616,216	\$ 3,922,825	\$ 4,656,628	\$ 3,848,299	\$ 7,568,890	\$ 10,073,933	\$ 14,410,830	\$ 16,988,371	\$ 20,009,631	\$ 19,570,429
All Other Governmental Funds										
Reserved.....	\$ 2,594,497	\$ 2,586,848	\$ 2,513,808	\$ 2,505,157	\$ 2,606,133	\$ 2,506,133	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	6,738,874	6,592,674	8,672,575	6,583,933	8,102,411	9,599,385	-	-	-	-
Capital projects funds.....	34,599	(1,374,542)	1,094,496	(494,856)	1,322,865	2,825,324	-	-	-	-
Permanent funds.....	5,574,522	5,829,563	6,742,763	6,979,609	6,157,529	7,857,627	-	-	-	-
Nonspendable.....	-	-	-	-	-	-	2,507,881	2,564,886	2,564,886	2,564,529
Restricted.....	-	-	-	-	-	-	21,726,183	20,110,956	18,293,846	21,958,212
Total all other governmental funds.....	\$ 14,942,492	\$ 13,634,543	\$ 19,023,642	\$ 15,573,843	\$ 18,188,938	\$ 22,788,469	\$ 24,234,064	\$ 22,675,842	\$ 20,858,732	\$ 24,522,741

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

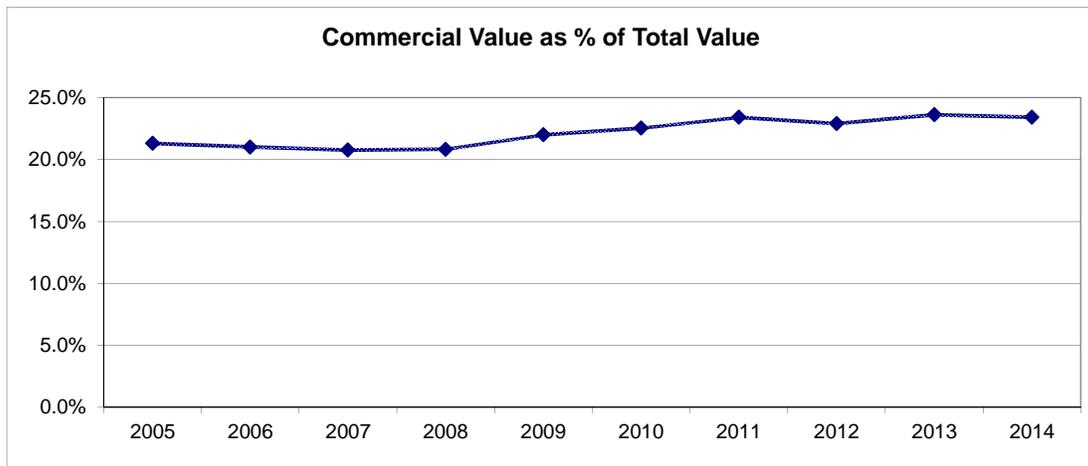
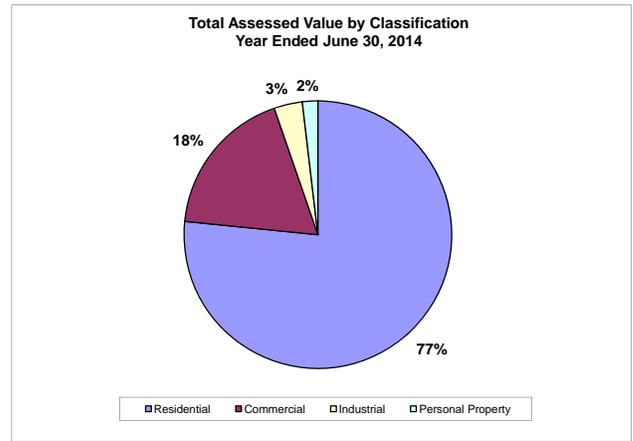
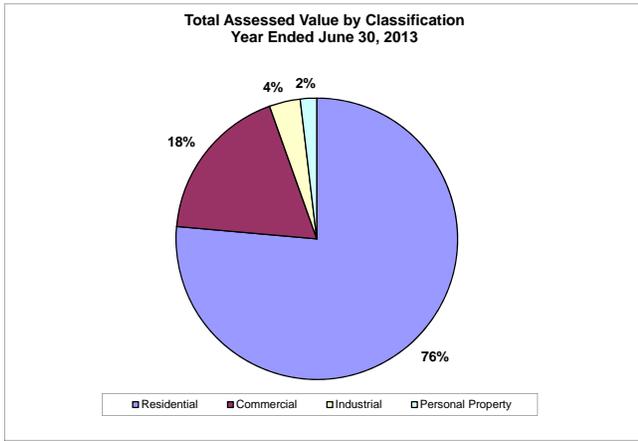
Changes in Fund Balances, Governmental Funds

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Real estate, personal property taxes and tax liens, net of tax refunds.....	\$ 52,961,468	\$ 55,158,554	\$ 57,768,689	\$ 59,497,459	\$ 62,755,355	\$ 65,496,774	\$ 67,862,201	\$ 69,729,818	\$ 73,976,466	\$ 75,918,774
Tax Liens.....	52,311	231,598	172,271	63,809	76,974	57,843	81,120	77,774	45,681	407,348
Motor vehicle and other excise taxes.....	4,685,843	4,281,453	4,201,636	4,611,877	4,165,414	3,985,784	4,306,011	4,081,969	4,962,622	5,259,928
Hotel/Motel tax.....	759,466	868,033	854,486	735,915	768,355	745,319	718,452	784,781	1,141,705	1,324,541
Meals tax.....	-	-	-	-	-	-	-	-	-	807,740
Penalties and interest on taxes.....	230,204	458,484	310,116	332,155	297,882	345,208	417,749	371,394	381,757	475,877
Payments in lieu of taxes.....	892,969	906,189	918,556	1,049,810	1,049,817	2,193,890	116,425	118,112	211,386	24,854
Intergovernmental.....	25,198,861	25,775,357	28,812,244	30,601,263	34,012,768	35,740,583	38,999,975	41,528,233	39,456,201	42,450,485
Departmental and other.....	7,689,484	7,563,960	9,027,969	10,250,943	10,450,639	7,761,742	7,788,136	8,085,761	8,208,065	8,268,293
Community preservation.....	432,367	459,792	474,210	455,258	551,133	530,249	558,590	559,244	592,836	607,219
Affordable housing development fees.....	-	-	-	-	-	1,800,000	-	-	-	-
Contributions.....	231,500	367,149	768,016	366,096	1,071,110	640,918	364,569	453,433	932,928	530,070
Investment income.....	1,165,574	1,263,802	2,460,899	369,561	(201,774)	995,846	1,325,987	153,004	319,712	384,831
Claims and judgments.....	-	-	-	-	-	-	-	-	-	450,000
Miscellaneous.....	207,040	323,687	301,176	514,828	91,623	69,100	49,524	17,564	42,380	38,310
Total Revenue.....	94,507,087	97,658,058	106,070,268	108,848,974	115,089,296	120,363,256	122,588,739	125,961,087	130,271,739	136,948,270
Expenditures:										
General government.....	3,056,052	3,623,271	3,859,688	4,018,166	4,287,338	5,603,583	4,349,148	5,298,068	4,575,307	4,057,574
Public safety.....	12,990,781	13,751,123	14,157,997	15,134,523	14,323,808	14,560,325	15,180,496	17,182,357	17,446,204	17,556,255
Education.....	45,611,005	50,871,069	50,932,438	54,203,401	54,471,474	57,170,086	60,004,947	64,003,984	63,450,712	66,876,797
Public works.....	5,464,382	6,266,787	5,444,425	5,404,878	5,863,834	6,567,757	7,986,879	7,570,889	7,916,317	8,055,291
Sanitation services.....	1,446,446	1,523,236	1,549,913	1,590,363	1,647,010	1,522,144	1,412,691	1,726,367	1,607,190	1,498,193
Community development.....	148,258	568,182	376,126	1,799,290	14,977	41,392	76,049	643,366	325,972	247,083
Human services.....	779,780	818,353	849,053	876,798	708,984	748,949	792,326	817,714	896,262	941,115
Culture and recreation.....	2,437,864	2,508,150	2,892,558	2,863,866	2,447,161	2,544,523	2,626,796	2,883,715	3,219,004	2,952,668
Pension benefits-Town.....	3,742,770	4,019,936	4,138,193	4,306,969	4,442,266	4,759,946	4,808,035	5,046,381	5,255,971	5,705,325
Pension benefits-School.....	7,656,294	8,168,218	8,869,092	9,962,702	10,994,534	11,884,275	12,219,339	12,736,422	13,272,469	13,718,462
Property and liability insurance.....	418,507	475,422	483,391	406,416	419,313	402,567	368,027	428,125	439,651	433,381
Employee benefits.....	5,776,019	6,274,307	7,204,764	7,392,728	7,802,047	7,833,635	8,459,804	8,840,249	9,551,401	10,508,381
State and county charges.....	2,741,801	3,100,048	3,534,187	3,593,911	3,798,662	4,158,266	3,883,609	3,571,252	3,567,251	3,636,782
Debt service										
Principal.....	1,380,000	1,365,000	1,630,000	1,645,000	1,480,000	1,910,000	2,432,000	2,200,000	2,451,000	2,360,000
Interest.....	351,740	413,209	354,814	445,990	351,879	524,464	590,897	686,619	752,290	740,756
Total Expenditures.....	94,001,699	103,746,311	106,276,639	113,645,001	113,053,287	120,231,912	125,191,043	133,635,508	134,727,001	139,288,063
Excess of revenues over (under) expenditures.....	505,388	(6,088,253)	(206,371)	(4,796,027)	2,036,009	131,344	(2,602,304)	(7,674,421)	(4,455,262)	(2,339,793)
Other Financing Sources (Uses)										
Issuance of long-term debt.....	32,340	2,800,000	2,100,000	10,508,381	3,600,000	6,782,000	6,100,000	5,286,000	3,140,000	3,519,000
Premium from issuance of bonds and notes.....	-	-	169,060	379,762	445,043	-	-	369,204	114,778	224,936
Issuance of refunding bonds.....	-	-	1,055,000	-	-	-	-	-	-	-
Payment to refunded bond escrow agent.....	-	-	(1,045,217)	-	-	-	-	-	-	-
Capital lease financing.....	-	179,485	400,000	-	-	-	-	246,395	-	-
Proceeds from the sale of land.....	13,193	-	739,875	-	-	-	-	-	-	-
Transfers in.....	1,725,580	1,235,622	1,211,438	1,446,885	620,955	981,424	2,935,526	2,695,872	3,471,562	3,084,925
Transfers out.....	(1,576,263)	(1,128,194)	(1,100,883)	(1,288,748)	(466,321)	(690,194)	(650,730)	(406,094)	(1,066,928)	(1,264,261)
Total other financing sources (uses).....	194,850	3,086,913	3,529,273	11,046,280	4,199,677	7,073,230	8,384,796	8,191,377	5,659,412	5,564,600
Net change in fund balance.....	\$ 700,238	\$ (3,001,340)	\$ 3,322,902	\$ 6,250,253	\$ 6,235,686	\$ 7,204,574	\$ 5,782,492	\$ 516,956	\$ 1,204,150	\$ 3,224,807
Debt service as a percentage of noncapital expenditures.....	1.93%	1.87%	1.97%	1.93%	1.65%	2.14%	2.55%	2.37%	2.51%	2.30%

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates
Last Ten Years

Year	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
2005	\$3,816,730,562	\$8.38	\$803,790,978	\$171,059,625	\$974,850,603	\$21.30	\$58,953,330	\$21.24	\$11.13	\$4,850,534,495
2006	\$4,398,266,375	\$7.65	\$914,089,440	\$192,596,650	\$1,106,686,090	\$19.17	\$63,261,160	\$19.11	\$10.07	\$5,568,213,625
2007	\$4,440,944,260	\$8.14	\$906,688,005	\$191,245,200	\$1,097,933,205	\$18.92	\$66,247,340	\$18.87	\$10.38	\$5,605,124,805
2008	\$4,435,836,632	\$8.67	\$907,253,337	\$189,911,800	\$1,097,165,137	\$18.97	\$70,461,720	\$18.91	\$10.82	\$5,603,463,489
2009	\$4,318,764,733	\$9.06	\$933,566,836	\$193,093,000	\$1,126,659,836	\$20.18	\$91,904,620	\$20.11	\$11.51	\$5,537,329,189
2010	\$4,151,406,685	\$9.67	\$932,243,691	\$192,792,100	\$1,125,035,791	\$21.72	\$83,075,790	\$21.65	\$12.39	\$5,359,518,266
2011	\$3,998,205,703	\$10.20	\$937,402,065	\$192,184,900	\$1,129,586,965	\$23.29	\$93,061,520	\$23.17	\$13.26	\$5,220,854,188
2012	\$4,069,650,840	\$10.45	\$932,748,073	\$181,064,400	\$1,113,812,473	\$23.65	\$95,068,610	\$23.53	\$13.47	\$5,278,531,923
2013	\$3,929,047,295	\$11.11	\$934,953,167	\$182,850,700	\$1,117,803,867	\$25.44	\$97,088,850	\$25.31	\$14.49	\$5,143,940,012
2014	\$3,983,279,285	\$11.42	\$942,124,005	\$179,476,200	\$1,121,600,205	\$26.06	\$96,048,240	\$25.93	\$14.85	\$5,200,927,730



(1) Weighted average direct tax rate, calculated as weighted average of residential, commercial and personal property tax rates.
Source: Assessor's Department, Town of Braintree and Official Statements.
All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Principal Taxpayers

Current Year and Nine Years Ago

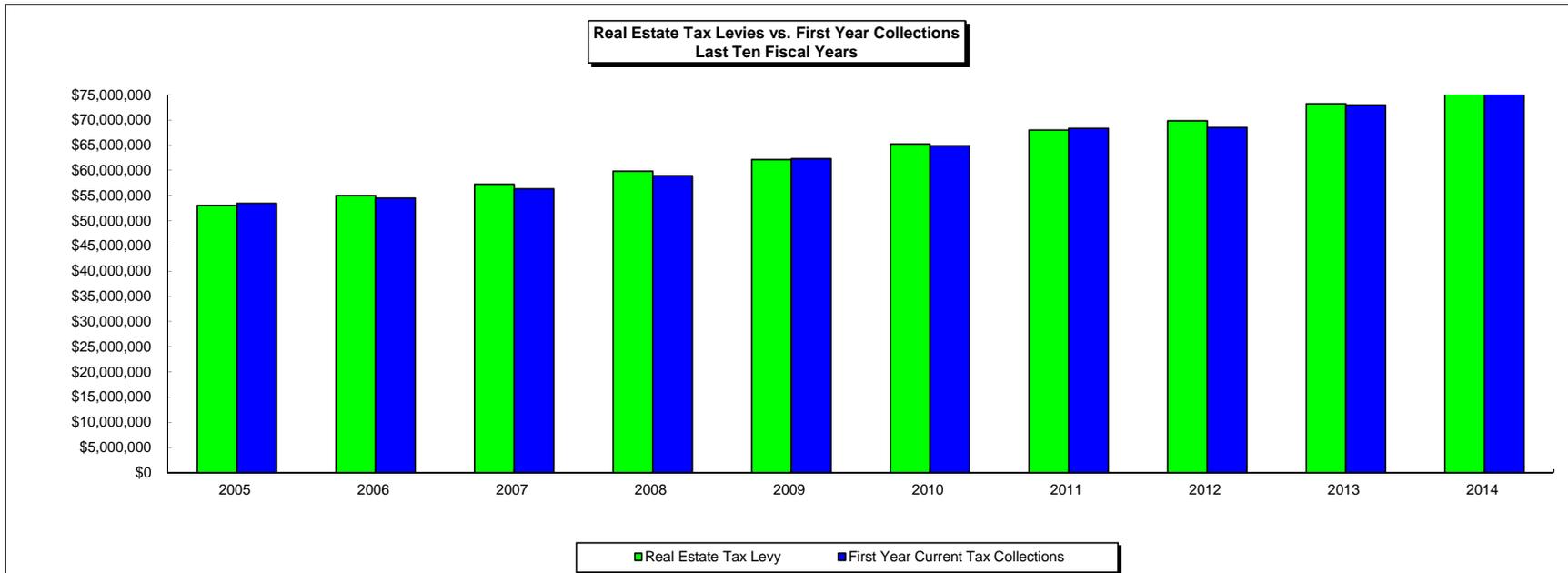
Name	Nature of Business	2014			2005		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Braintree Property Associates	Malls	\$ 252,064,808	1	4.85%	\$ 189,770,400	1	3.91%
Messina, Francis X. (et al)	Developer/Real Estate	106,326,900	2	2.04%	66,167,900	3	1.36%
Braintree Hill Office Park, LLC	Office Park	58,202,600	3	1.12%	-	-	-
Lenox Farms LTD Partnership	Developer/Real Estate	56,129,900	4	1.08%	-	-	-
AMB Property LP	Retail Clothing	27,510,000	5	0.53%	37,546,300	4	0.77%
EQR-Lincoln Braintree LLC	Developer/Real Estate	27,480,000	6	0.53%	29,369,700	6	0.61%
Ridge at Blue Hills LTD Partnership	Developer/Real Estate	23,684,400	7	0.46%	-	-	-
WBF Braintree Equity Partnership LLC	Retail	23,564,700	8	0.45%	-	-	-
TRT Braintree LLC DCX	Malls	18,683,000	9	0.36%	-	-	-
Flatley, John (et al)	Real Estate	17,701,700	10	0.34%	68,181,100	2	1.41%
Flatley Family Trust	Developer/Real Estate	-	-	-	31,646,100	5	0.65%
The Flatley Company	Developer/Real Estate	-	-	-	18,924,900	7	0.39%
Federated Dept. Stores, Inc.	Retail	-	-	-	17,800,200	8	0.37%
Tedeschi Realty Corp	Mall	-	-	-	17,658,200	9	0.36%
Sheraton Braintree Hotel	Hotel	-	-	-	17,617,400	10	0.36%
Totals \$		<u>611,348,008</u>		<u>11.75%</u>	<u>\$ 494,682,200</u>		<u>10.20%</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)
2005	\$53,947,300	\$905,342	\$53,041,958	98.32%	\$53,432,258	100.74%	\$256,505	\$53,688,763	101.22%
2006	\$56,006,448	\$992,187	\$55,014,261	98.23%	\$54,476,389	99.02%	\$1,234,211	\$55,710,600	101.27%
2007	\$58,111,612	\$893,219	\$57,218,393	98.46%	\$56,345,257	98.47%	\$1,904,192	\$58,249,449	101.80%
2008	\$60,537,365	\$695,318	\$59,842,047	98.85%	\$58,896,572	98.42%	\$1,900,328	\$60,796,900	101.60%
2009	\$63,634,439	\$1,480,050	\$62,154,389	97.67%	\$62,315,590	100.26%	\$1,320,308	\$63,635,898	102.38%
2010	\$66,301,452	\$1,089,175	\$65,212,277	98.36%	\$64,882,825	99.49%	\$1,486,604	\$66,369,429	101.77%
2011	\$69,110,686	\$1,100,000	\$68,010,686	98.41%	\$68,362,146	100.52%	\$549,201	\$68,911,347	101.32%
2012	\$70,972,549	\$1,123,064	\$69,849,485	98.42%	\$68,511,310	98.08%	\$870,848	\$69,382,158	99.33%
2013	\$74,404,156	\$1,152,260	\$73,251,896	98.45%	\$72,999,903	99.66%	\$533,026	\$73,532,929	100.38%
2014	\$77,063,779	\$1,094,569	\$75,969,210	98.58%	\$75,806,678	99.79%	\$0	\$75,806,678	99.79%



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

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

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

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

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

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2014

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

Source: Treasurer's Office, Town of Braintree

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

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the Town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

Computation of Legal Debt Margin

Last Ten Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Equalized Valuation.....	\$ 4,894,372,100	\$ 5,878,650,200	\$ 5,878,650,200	\$ 6,103,206,100	\$ 6,103,206,100	\$ 5,803,418,500	\$ 5,803,418,500	\$ 5,627,043,400	\$ 5,627,043,400	\$ 5,566,017,100
Debt Limit - 5% of Equalized Valuation.....	\$ 244,718,605	\$ 293,932,510	\$ 293,932,510	\$ 305,160,305	\$ 305,160,305	\$ 290,170,925	\$ 290,170,925	\$ 281,352,170	\$ 281,352,170	\$ 278,300,855
Less:										
Outstanding debt applicable to limit.....	8,105,000	9,540,000	10,065,000	11,911,000	129,166,500	122,688,000	119,186,500	115,619,000	111,805,000	107,493,000
Authorized and unissued debt.....	<u>13,931,485</u>	<u>101,272,800</u>	<u>106,696,485</u>	<u>121,696,485</u>	<u>5,609,485</u>	<u>4,017,485</u>	<u>7,254,622</u>	<u>10,452,483</u>	<u>12,394,683</u>	<u>12,391,200</u>
Legal debt margin.....	<u>\$ 222,682,120</u>	<u>\$ 183,119,710</u>	<u>\$ 177,171,025</u>	<u>\$ 171,552,820</u>	<u>\$ 170,384,320</u>	<u>\$ 163,465,440</u>	<u>\$ 163,729,803</u>	<u>\$ 155,280,687</u>	<u>\$ 157,152,487</u>	<u>\$ 158,416,655</u>
Total debt applicable to the limit as a percentage of the limit.....	9.00%	37.70%	39.72%	43.78%	44.17%	43.67%	43.57%	44.81%	44.14%	43.08%

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

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2005	33,873	\$ 1,050,273,934	\$ 31,006	40	5,252	4.50%
2006	33,681	\$ 1,086,093,568	\$ 32,246	40	5,229	4.70%
2007	34,185	\$ 1,146,439,624	\$ 33,536	40	5,325	4.20%
2008	34,422	\$ 1,200,563,244	\$ 34,878	40	5,443	5.00%
2009	35,294	\$ 1,280,215,743	\$ 36,273	40	5,441	7.80%
2010	35,296	\$ 1,312,199,392	\$ 37,177	40	5,557	8.20%
2011	35,744	\$ 1,382,008,876	\$ 38,664	40	5,565	7.20%
2012	35,981	\$ 1,446,817,954	\$ 40,211	40	5,601	6.00%
2013	35,744	\$ 1,437,289,231	\$ 40,211	40	5,678	5.60%
2014	36,218	\$ 1,514,600,544	\$ 41,819	40	5,734	5.40%

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

Principal Employers
Current Year and Nine Years Ago

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

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

Full-time Equivalent Town Employees by Function

Last Ten Years

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

Source: Town personnel records and various Town departments.

Operating Indicators by Function/Program

Last Ten Years

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

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

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Number of buildings.....	4	4	4	4	4	8	8	8	8	8
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	3	3	3	3	3	3	3	3	3	3
Number of vehicles.....	17	17	17	17	17	17	17	17	17	17
Education										
Number of elementary schools.....	6	6	6	6	6	6	6	6	6	6
Number of middle schools.....	2	2	2	2	2	2	2	2	2	2
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Number of other buildings.....	5	5	5	5	5	5	5	5	5	5
Public Works										
Water mains (miles).....	161	161	161	161	161	161	161	161	161	161
Fire hydrants.....	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211
Sanitary sewers (miles).....	138	138	138	138	138	138	138	138	138	138
Number of wells.....	1	1	1	1	1	1	1	1	1	1
Number of water storage tanks.....	5	5	5	5	5	4	4	4	4	4
Number of pump stations.....	15	15	15	15	15	15	15	15	15	15
Human Services										
Senior center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation building.....	1	1	1	1	1	1	1	1	1	1
Library.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments



Watson Park and Splash Pad



Locke Lord Edwards
111 Huntington Avenue
Boston, MA 02199
Telephone: 617-239-0100
Fax: 617-227-4420
www.lockelord.com

(Date of Delivery)

Barbara Walls, Treasurer-Collector
Town of Braintree
Braintree, Massachusetts

\$5,343,000
Town of Braintree, Massachusetts
General Obligation Municipal Purpose Loan of 2015 Bonds
Dated June 25, 2015

We have acted as bond counsel to the Town of Braintree, Massachusetts (the "Town") in connection with the issuance by the Town of the above-referenced bonds (the "Bonds"). In such capacity, we have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon representations and covenants of the Town contained in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and binding general obligations of the Town and, except to the extent they are paid from other sources, the principal of and interest on the Bonds are payable from taxes which may be levied upon all taxable property in the Town, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

2. Interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes. In addition, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. In rendering the opinions set forth in this paragraph, we have assumed compliance by the Town with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with all such requirements. Failure by the Town to comply with certain of such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We

express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

3. Interest on the Bonds is exempt from Massachusetts personal income taxes and the Bonds are exempt from Massachusetts personal property taxes. We express no opinion regarding any other Massachusetts tax consequences arising with respect to the Bonds or any tax consequences arising with respect to the Bonds under the laws of any state other than Massachusetts.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holders of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

LOCKE LORD LLP

AM 50632635.1

**PROPOSED FORM OF
CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Town of Braintree, Massachusetts (the “Issuer”) in connection with the issuance of its \$5,343,000 General Obligation Municipal Purpose Loan of 2015 Bonds dated June 25, 2015 (the “Bonds”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 2. Definitions. For purposes of this Disclosure Certificate the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board as established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate. Filing information relating to the MSRB is set forth in Exhibit A attached hereto.

“Owners of the Bonds” shall mean the registered owners, including beneficial owners, of the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, not later than 270 days after the end of each fiscal year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted when available separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB, in substantially the form attached as Exhibit B.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) quantitative information for the preceding fiscal year of the type presented in the Issuer's Official Statement dated June 16, 2015 relating to the Bonds regarding (i) the revenues and expenditures of the Issuer relating to its operating budget, (ii) capital expenditures, (iii) fund balances, (iv) property tax information, (v) outstanding indebtedness and overlapping debt of the Issuer, (vi) pension obligations of the Issuer, and (vii) other post-employment benefits liability of the Issuer, and

(b) the most recently available audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles, with certain exceptions permitted by the Massachusetts Uniform Municipal Accounting System promulgated by the Department of Revenue of the Commonwealth. If audited financial statements for the preceding fiscal year are not available when the Annual Report is submitted, the Annual Report will include unaudited financial statements for the preceding fiscal year and audited financial statements for such fiscal year shall be submitted when available.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which (i) are available to the public on the MSRB internet website or (ii) have been filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer shall give notice, in accordance with the provisions of this Section 5, of the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of the Owners of the Bonds, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.*
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Upon the occurrence of a Listed Event, the Issuer shall, in a timely manner not in excess of ten (10) business days after the occurrence of the event, file a notice of such occurrence with the MSRB.

SECTION 6. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived if such amendment or waiver is permitted by the Rule, as

* As noted in the Rule, this event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

evidenced by an opinion of counsel expert in federal securities law (which may include bond counsel to the Issuer), to the effect that such amendment or waiver would not cause the Disclosure Certificate to violate the Rule. The first Annual Report filed after enactment of any amendment to or waiver of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of information being provided in the Annual Report.

If the amendment provides for a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Owner of the Bonds may seek a court order for specific performance by the Issuer of its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not constitute a default with respect to the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action for specific performance of the Issuer's obligations hereunder and not for money damages in any amount.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Owners of the Bonds from time to time, and shall create no rights in any other person or entity.

Date: June 25, 2015

TOWN OF BRAINTREE,
MASSACHUSETTS

By _____
Treasurer

Mayor

[EXHIBIT A: Filing Information for the MSRB]
[EXHIBIT B: Form of Notice of Failure to File Annual Report]