

TOWN OF BURLINGTON, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Year Ended June 30, 2016

On the cover:

Pictured on the cover is the Veterans Section of Pine Haven Cemetery, located on Bedford Street. The Town of Burlington honors its veterans buried here by flying the Stars and Stripes all year long on the grave of each veteran.

(Photographer: Terri Keene, Burlington DPW)



The Mill Pond Water Treatment Plant has the capacity to treat up to 6 million gallons of water per day from the Mill Pond Reservoir. The Mill Pond Water Treatment Plant and the Reservoir are located in the northeast corner of the Town adjacent to the Towns of Wilmington and Woburn. The Town of Burlington has produced water for its residents since 1949.

(Photographer: Terri Keene, Burlington DPW)

TOWN OF BURLINGTON, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2016



Prepared by:

Accounting Department

TOWN OF BURLINGTON, MASSACHUSETTS

Comprehensive Annual Financial Report For the Year ended June 30, 2016

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Introductory Section



Firefighter William Toland of the Burlington Fire Department waves to bystanders as Tower One makes its way toward Winn Street during Burlington's Fourth of July Parade on Cambridge Street.

The Fourth of July Parade had been dormant for 12 years, prior to its resurrection in 2006. The Burlington Fourth of July Committee, a group of volunteers, is responsible for organizing the festivities.

(Photographer: Terri Keene, Burlington DPW)

Introductory Section



TOWN OF BURLINGTON

Board of Selectmen/Town Administrator's Office

John Petrin, Town Administrator

Betty McDonough, Office Manager

Letter of Transmittal

December 23, 2016

To the Honorable Members of the Board of Selectmen and citizens of the Town of Burlington:

State law requires the Town of Burlington 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, I hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Burlington, Massachusetts, for the year ending June 30, 2016 for your review.

The CAFR is intended for use by elected and appointed Town officials, as well as any other party with an interest in the management, development, and progress of the Town, such as, financial institutions, credit rating agencies, bond analysts, and the residents and tax payers of the Town of Burlington. The report is designed to present complex financial data in a manner that is easy for the user to review and interpret.

This report consists of management's representations concerning the finances of the Town of Burlington. 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.

Because the cost of internal controls should not outweigh their benefits, the Town of Burlington'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.

The Town of Burlington's financial statements have been audited by Powers and 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 Burlington for the year ended June 30, 2016 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 Burlington's financial statements for the year ended June 30, 2016 are fairly presented in conformity with GAAP. The independent auditors 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 Burlington was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Burlington's separately issued Single Audit Report.

Generally accepted accounting principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement, and should be read in conjunction with, the MD&A. The Town's MD&A can be found immediately following the independent auditor's report from Powers & Sullivan, LLC.

Profile of the Town

The Town of Burlington is located in Middlesex County, approximately 14 miles from Boston. It is bordered in the west by the Town of Bedford, on the north and northeast by the Town of Billerica and the Town of Wilmington, and on the south and southeast by the City of Woburn and the Town of Lexington. Established as a Town in 1799, Burlington occupies a land area of 11.88 square miles. According to the 2016 census conducted by the Burlington Town Clerk, Burlington is home to a population of approximately 25,463.

Government is by representative Town Meeting and a five member Board of Selectmen assisted by a Town Administrator. Local school affairs are administered by a School Committee of five persons, elected for three years on a staggered basis. Local taxes are assessed by a Board of Assessors elected for staggered three-year terms.

The Town of Burlington provides general government services for the territory within its boundaries, including police and fire protection, disposal of garbage, public education for kindergarten through grade twelve, sewer services, street maintenance, public libraries, parks and recreational facilities. The principal services provided by the Commonwealth are jails and houses of correction and registries of deeds and probate.

The Shawsheen Valley Regional Technical-Vocational School District provides vocational technical education for the Town.

The Burlington Housing Authority provides housing for eligible low-income families and handicapped persons. The Massachusetts Bay Transportation Authority provides a bus service to the Town and the Minibus (Burlington B-Line) serves the Town locally. The Town of Burlington has its own wells and water treatment system, and is a member of Massachusetts Water Resource Authority (MWRA) for sewer services only.

Local Economy

Upon its completion in 1954, Route 128 acted as a catalyst for commercial expansion in the Town of Burlington. Economic Development continues to be a priority for the Board and Administration as we understand the direct correlation between a healthy, diverse and growing commercial sector and its impact on the Town's ability to engage in infrastructure upgrades, modest increases in real estate taxes for our residents, and a consistent delivery services. Our tax structure in Burlington is very unique with one of the highest ratios of commercial to residential property value in the State. In many communities, it is not uncommon to have a ratio of 95% residential to 5% commercial on property taxes. In Burlington, that ratio is 39% residential to 61% commercial. This results in a property tax levy consisting of \$60.5 million in property taxes from commercial property owners as compared to \$38.9 million from residential homeowners.

During 2016, the Town of Burlington continued a trend of increased commercial development in Burlington. Burlington has a very high occupancy rate and a strong appeal to businesses. Many of the open offices spaces in Town have been filled. The Town is considered the premier alternative to downtown Boston. With the amenities we provide, Burlington is seen as a prime location for the entire state. It has been stated that Burlington serves as the “economic capitol” for the 128 belt and is a main cog in the economic engine for the State. There has been a lot of recent recognition of that in this area. Millipore/Sigma is currently building their new headquarters and our commercial growth is at an all-time high. New restaurants continue to open with several additional openings expected in 2017. The redevelopment of the former New England Executive Park into “The District” is proceeding with additional office space, a new hotel, and restaurants. These changes will enhance its retail appeal. In a September 2015 article, the Boston Globe called Burlington dining “chic” and stated that it is the new alternative to the Boston dining experience.

With an eye on the future, the Planning Board is in the middle of leading the Town in the creation of a new master plan. We look forward to the insight and decisions that will be developed through this process.

Long Term Financial Health

The Town of Burlington has performed admirably when it comes to financial stability, and will continue to employ a conservative methodology in managing its budgeting and tax levy. As noted above, the commercial base that the Town enjoys has afforded it the opportunity to be fiscally conservative while maintaining a high level of service. The Town has been fortunate to be able to maintain services at the levels without having to impose higher property taxes or onerous fees. Unlike many Massachusetts communities, layoffs or reductions in services have been avoided. The Town will continue to forecast all expected revenues very conservatively while moderating the growth of our overall budget. This past year, our overall growth in the budget was 4.14% while our tax levy increased at 3.95%. The increase to the average single-family tax bill was 1.64%. The Town of Burlington increased its unused taxing capacity to \$6.2 million in 2016 and currently has a Stabilization fund of \$7.6 million with an additional Other Postemployment Benefits Fund of \$4 million. Free cash was certified at over \$9 million for June 30, 2016 and the Town’s bond rating remains at the highest possible level at AAA by Standard & Poor’s which is reflective of the status of our finances.

The Town created the position of budget analyst in 2012, which continues to add to its capacity to develop, maintain and monitor financial plans. Over the years, the Town has developed financial and capital plans that guide decision making during the budget process. The finance team regularly meets with the Board of Selectmen, School Committee and Ways and Means Committee to develop guidelines so that direction is properly set by our elected and appointed officials.

During 2012, the Town began its funding of Other Postemployment Benefits and has contributed over \$4 million to that reserve over the last four years. A policy has been developed and discussed at length which sets a target to fully fund the liability over a thirty year period.

Budgetary Controls

The Town Accountant is responsible for preparing the budget and reviewing it with the various departments, boards and committees. This budget is then presented to the Town Administrator who, in turn, after review, presents the budget to the Board of Selectmen. The Selectmen review all requests and Town-wide issues and present a budget to Town Meeting for approval. A fifteen-member Ways and Means Committee made up of citizen volunteers appointed by the Town Moderator reviews the budget and makes recommendations to Town Meeting. A separate Capital Committee made up of seven citizen volunteers appointed by the Town Moderator reviews capital expenditure plans.

The level of budgetary control is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department salary and expense 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 at subsequent Town Meetings. During the year, the Ways and Means Committee, upon request of the Town Administrator, may approve a transfer from a reserve fund previously established by Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Burlington for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the first award for the Town. In order to achieve this prestigious award, a government must publish an easily readable and efficiency organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

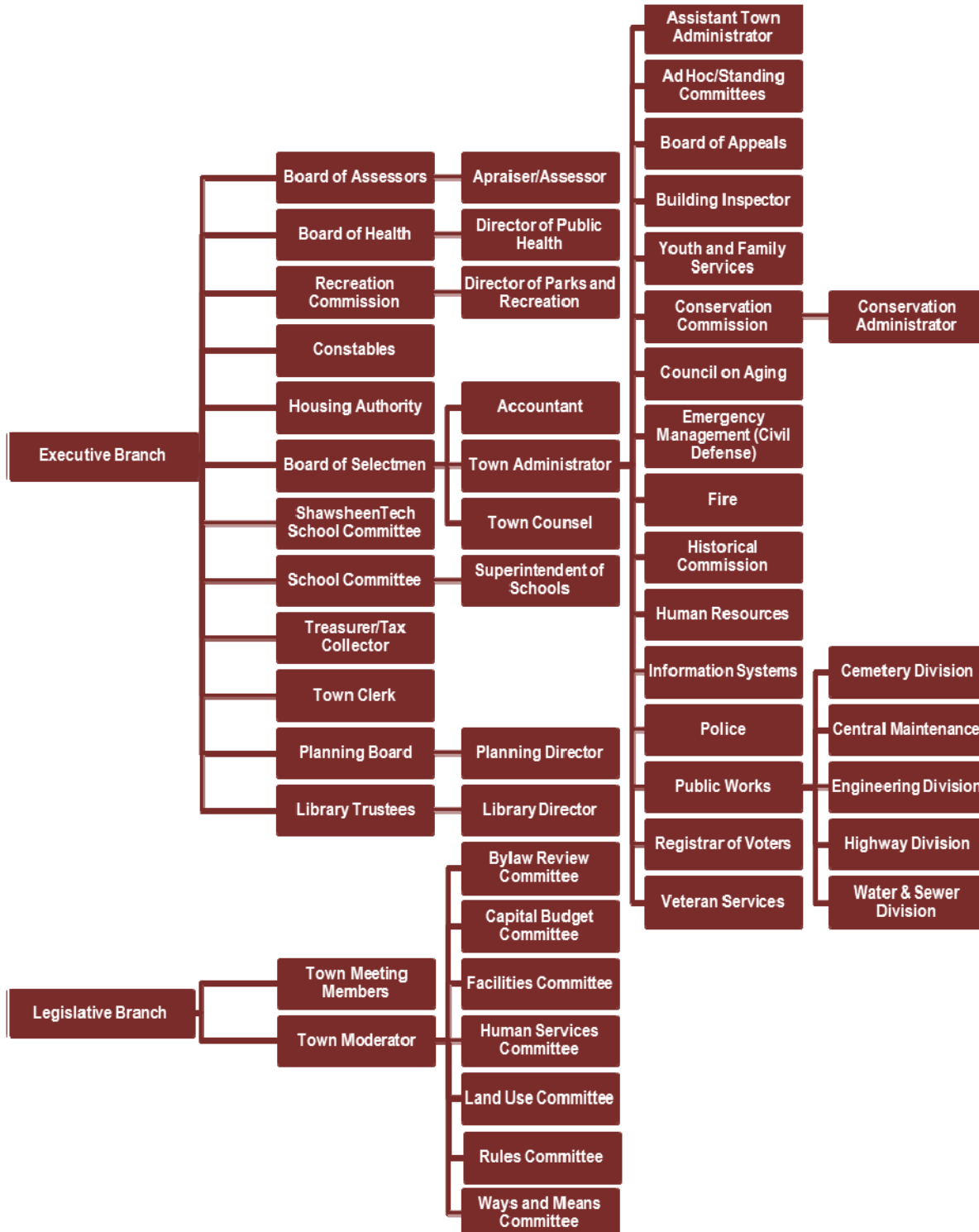
We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Selectmen and Audit Committee for their unfailing support for maintaining the highest standards of professionalism in the management of the Town, including its finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'John Petrin', with a stylized flourish at the end.

John Petrin
Town Administrator

The Town of Burlington



Principal Town Officials

Elected Officials

Term Expires

Board of Selectmen	Michael S. Runyan, Chair	2018
	Christopher Hartling, Vice Chair	2019
	Daniel J Grattan	2017
	Robert C. Hogan	2019
	Joseph E. Morandi	2018
Moderator	Sally Willard	2017
Town Clerk	Amy E. Warfield	2021
Assessors	Louise Crocker	2017
	Catherine O'Neil	2019
	Paul Sheehan	2018
Treasurer/Collector	Brian Curtin	2019
School Committee	Christine Monaco, Chair	2019
	Stephen A. Nelson, Vice Chair	2017
	Thomas Murphy, Jr.	2019
	Kristin A. Russo	2017
	Martha A. Simon	2018

Appointed Officials

Town Administrator	John Petrin
Assistant Town Administrator/	
Town Accountant	Paul Sagarino, Jr.
Superintendent of Schools	Eric M. Conti
Assistant Superintendent of Schools	Patrick E. Larkin
Assessor	James Doherty



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Burlington
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Financial Section



The Town of Burlington is a center of economic development within the Massachusetts economy.

The former New England Executive Park has undergone a major transformation and was rebranded as 'The District Burlington' to reflect additional amenities supporting new collaborative and connected work space and open space.

The District Burlington is located just off of Route 128 in a prime location with many existing walkable amenities such as the Burlington Mall, Tuscan Kitchen and Market, Tavern on the Square and other surrounding retailers. The planned redevelopment has introduced new amenities that include a hotel, restaurants, retail and a 350 car parking garage, and will also include upgrades and renovations for select buildings to create new state of the art workplace.

(Photo: DistrictBurlington.com)

Financial Section

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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Burlington, Massachusetts

100 Quannapowitt Parkway
Suite 101

Wakefield, MA 01880

T. 781-914-1700

F. 781-914-1701

www.powersandsullivan.com

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Burlington, Massachusetts, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Burlington, Massachusetts, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financials statement that collectively comprise the Town of Burlington, 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 related 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 23, 2016 on our consideration of the Town of Burlington, 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 Burlington, Massachusetts' internal control over financial reporting and compliance.



December 23, 2016

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Burlington, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2016. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

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

Financial Highlights

- The assets and deferred outflows of resources of the Town of Burlington's exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$46.5 million (net position).
- The Town recognized their total net pension liability of \$104.6 million along with a deferred outflow and (inflow) of resources related to pension of \$5.3 million and (\$683,000), respectively on the statement of net position.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$38.6 million, an increase of \$5 million in comparison with the prior year. Total fund balance represents 28.7% of total general fund expenditures. Approximately \$28 million of this total amount is available for appropriation at the government's discretion, \$2.6 million is committed for capital articles approved by Town Meeting and \$8 million is assigned for encumbrances carried forward to the subsequent year.
- The Town's total debt (short-term and long-term combined) was \$54 million at year end, a net decrease of \$1.6 million during the current year.
- The Town's other postemployment employee benefit (OPEB) liability increased by \$1.4 million. The Town also made a contribution of \$900,000 to the OPEB trust fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Burlington'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. This report also contains other required 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 of the Town's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two 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 the 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 (i.e. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements report functions that are primarily supported by taxes and intergovernmental revenues (governmental activities). The governmental activities include general government, public safety, education, public works, water and sewer, human services, culture and recreation, and interest.

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 is useful in assessing the Town of Burlington's near-term 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

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 info 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 is reporting one major governmental fund that is presented separately in the governmental fund financial statements. The remaining non-major funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

In accordance with accounting standards, the Town reports fund balance components as nonspendable, restricted, committed, assigned and unassigned. Additionally, the Town's stabilization fund is reported within the general fund as unassigned. The Town of Burlington 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 budgetary comparison statement is presented as Required Supplementary Information after the notes to the financial statements.

Proprietary funds. The Town of Burlington maintains one proprietary fund.

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 and worker's compensation benefits. These services have been included within governmental activities in the government-wide financial statements.

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. The following pages provide financial highlights of the government-wide financial statements for 2016 in comparison to 2015.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Burlington, government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$46.5 million at the close of 2016.

Net position of \$116.6 million reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, vehicles and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Burlington's net position totaling \$3.2 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 \$73.4 million deficit, due to the cumulative effect of recording \$104.6 million net pension liability and \$21.6 million of other postemployment benefit liabilities through June 30, 2016.

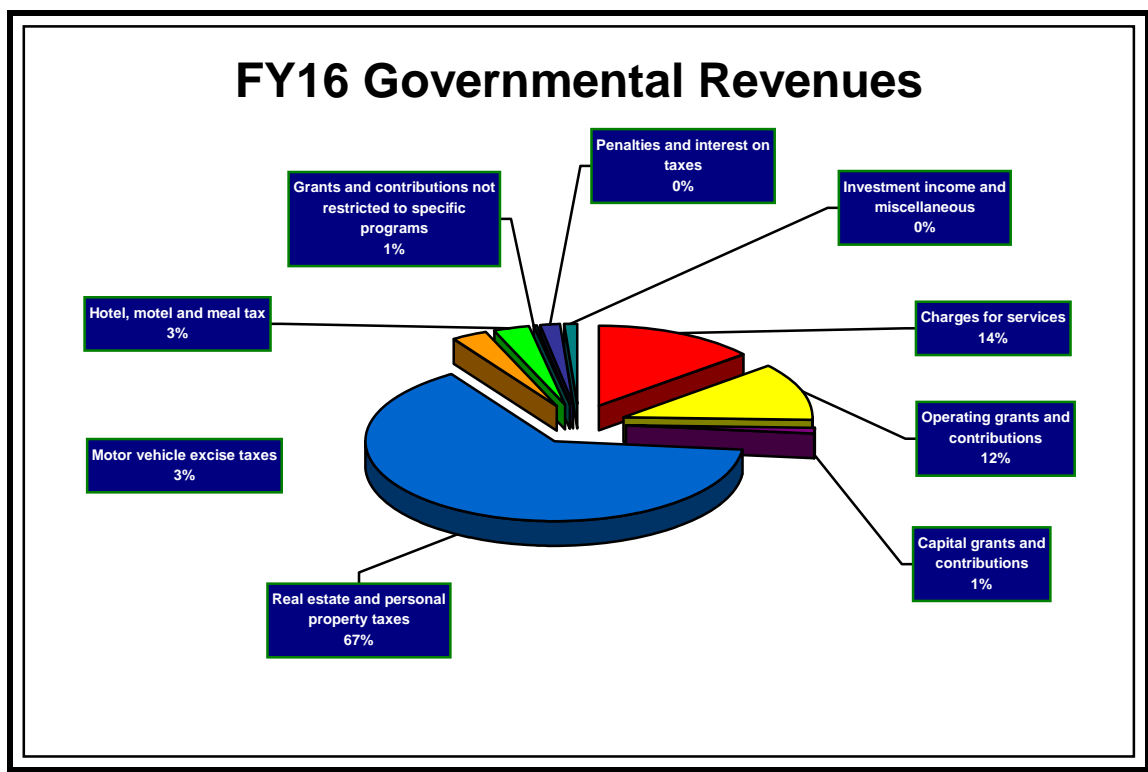
The financial analysis of the Town's governmental activities is presented on the following pages.

Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For governmental activities, assets exceeded liabilities by \$46.5 million at the close of 2016.

	Balance at June 30, 2016	Balance at June 30, 2015
Assets:		
Current assets.....	\$ 75,839,129	\$ 65,785,195
Noncurrent assets (excluding capital).....	259,000	518,000
Capital assets.....	166,507,471	168,417,813
Total assets.....	242,605,600	234,721,008
Deferred outflows of resources.....	5,331,574	331,133
Liabilities:		
Current liabilities (excluding debt).....	16,331,888	13,731,859
Noncurrent liabilities (excluding debt).....	129,891,362	122,624,639
Current debt.....	4,828,115	5,247,243
Noncurrent debt.....	49,159,507	49,760,814
Total liabilities.....	200,210,872	191,364,555
Total deferred inflows of resources.....	1,264,111	59,331
Net Position:		
Net investment in capital assets.....	116,649,672	117,056,689
Restricted.....	3,214,610	2,365,972
Unrestricted.....	(73,402,091)	(75,794,406)
Total net position.....	\$ 46,462,191	\$ 43,628,255
Program revenues:		
Charges for services.....	\$ 21,042,797	\$ 20,770,246
Operating grants and contributions.....	17,655,199	14,584,113
Capital grants and contributions.....	2,087,136	3,047,454
General Revenues:		
Real estate and personal property taxes.....	97,533,719	94,505,632
Motor vehicle excise taxes.....	4,569,562	3,636,722
Nonrestricted grants.....	2,448,330	2,446,724
Unrestricted investment income.....	746,779	236,962
Other revenues.....	6,094,430	5,578,419
Total revenues.....	152,177,952	144,806,272
Expenses:		
General government.....	8,635,518	8,657,177
Public safety.....	23,631,927	22,379,342
Education.....	83,728,960	77,578,174
Public works.....	14,849,928	13,331,433
Water and sewer.....	8,216,296	9,239,696
Human services.....	2,489,924	2,177,276
Culture and recreation.....	5,791,638	5,271,687
Interest.....	1,999,825	1,448,616
Total expenses.....	149,344,016	140,083,401
Change in net position.....	2,833,936	4,722,871
Net position - beginning of year.....	43,628,255	38,905,384
Net position - end of year.....	\$ 46,462,191	\$ 43,628,255

- The governmental activities net position increased by \$2.8 million during the current year. The increase in net position is primarily due to the receipt of capital grants \$2.1 million, a \$5 million surplus in the general fund budgetary activity, and a \$4.3 million net change in deferred outflows/(inflows) of resources related to pensions. These positives were offset by an increase in the liability relating to OPEB and pension expense by \$1.4 million and \$6.5 million, respectively.
- Charges for services represent about 14% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Board of Selectmen are included in this category.
- Operating grants and contributions account for 12% of the governmental activities resources. Most of these resources apply to education operations.
- Capital grants and contributions account for 1% of the governmental activities resources. Most of these resources apply to roadway improvements.



- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 64% of all resources. Real estate and personal property tax collections increased 3.2% from the prior year. In Massachusetts, proposition 2 ½ allows municipalities to increase tax levies up to 2 ½ percent of the prior levy limit adjusted for new construction and certain approved debt service. Other taxes and other revenues comprised a total of 9% of the governmental activities resources. These primarily include excise taxes, hotel motel and meals tax, penalties and interest on taxes, and investment earnings.
- Education is by far the largest governmental activity of the Town with 56% of total governmental expenses. Program revenues of \$20.2 million provided direct support to education and \$63.5 million in taxes and other general revenue were needed to cover the remaining 2016 operating expenses.

- Public safety and public works are the second and third largest activities of the Town. Approximately \$19.2 million and \$12.3 million, respectively, of taxes and other revenue were needed to cover their 2016 operating expenses.

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, the Town's governmental funds reported combined ending fund balances of \$48.9 million and increase of \$7 million from the prior year. This increase is due to a \$5.1 million general fund budgetary surplus combined with a \$2 million increase in the nonmajor funds that is due to timing differences between the receipt and expenditure of grant funds and capital project expenditures and funding sources.

The general fund is the chief operating fund of the Town of Burlington. The general fund balance increased by \$5 million during the current year. This increase is due to stronger than expected collections in all revenue categories. Another contributing factor was, with the exception of snow and ice, budgetary turn backs of appropriations by departments.

The Town also maintains a stabilization fund, which has been classified within the unassigned general fund balance in the governmental funds financial statements to remain compliant with GASB 54. The stabilization fund has a year-end balance of \$7.6 million which represents 5.6% of general fund expenditures. The funds can be used for general or capital purposes upon Town Meeting approval.

At the end of the current year, unassigned fund balance of the general fund totaled \$28 million, while total fund balance totaled \$38.6 million. The \$2.6 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$8 million of assigned fund balance represents amounts that have been encumbered at year end to meet contractual obligations at year end. 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 20.8% of total general fund expenditures, while total fund balance represents 28.7% of that same amount.

General Fund Budgetary Highlights

The final general fund budget appropriations, including transfers, were approximately \$800,000 higher than the original budget primarily due to increases in state and county charges and the reserve fund.

General fund revenues came in over budget by \$6.4 million. The majority of this surplus \$2.1 million (33%) was generated from licenses and permits, \$1.1 million (18%) was generated from motor vehicle excise taxes, \$778,000 (12%) was generated from hotel, motel and meals tax, and \$520,000 (8%) was generated from water charges.

Actual general fund expenditures, including carryovers, were less than budgeted amounts by \$1.9 million or 1.4%.

Capital Asset and Debt Administration

Major capital additions during the period included building improvements, purchase of vehicles and equipment, water and sewer projects, and various infrastructure improvements.

In conjunction with the annual operating budget the Town annually prepares a capital budget for the upcoming year and a five year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

The Town has an “AAA” bond rating from Standard and Poor’s Ratings Services. The Town continues to maintain strong market access for both note and bond sales. At the end of the year the Town had total bonded debt outstanding of \$53.2 million of which \$27.3 million is related to school projects, \$5.5 million is related to the water treatment facility, \$4.3 million relates to road construction, \$7.9 million related to water and sewer construction, \$400,000 relates to the Town Hall remodeling, and the balance of \$7.8 million relates to other capital projects. The entire amount is classified as general obligation debt and is backed by the full faith and credit of the Town.

The Commonwealth of Massachusetts is obligated to provide school construction assistance for previously approved school projects. The assistance is paid annually to support the debt service payments over time. At June 30, 2016 the Town is scheduled to receive approximately \$518,000 of future reimbursements for approved construction costs.

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

Requests for Information

This financial report is designed to provide a general overview of the Town of Burlington’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 Town Accountant, 29 Center Street, Burlington, MA 01803.

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Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental Activities
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 58,736,600
Investments.....	8,616,562
Receivables, net of allowance for uncollectibles:	
Real estate and personal property taxes.....	992,233
Tax liens.....	1,591,817
Motor vehicle excise taxes.....	295,432
Water and sewer fees.....	2,881,804
Departmental and other.....	179,300
Intergovernmental.....	2,154,875
Other assets.....	298,664
Tax foreclosures.....	91,842
Total Current Assets.....	75,839,129
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Intergovernmental.....	259,000
Capital assets:	
Nondepreciable.....	27,878,859
Depreciable (net of accumulated depreciation).....	138,628,612
Total Noncurrent Assets.....	166,766,471
TOTAL ASSETS.....	242,605,600
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions.....	5,331,574
LIABILITIES	
CURRENT:	
Warrants payable.....	2,991,814
Accrued payroll.....	3,530,928
Health claims payable.....	1,196,120
Tax refunds payable.....	3,532,000
Accrued interest.....	845,271
Other liabilities.....	1,198,215
Capital lease obligations.....	267,540
Compensated absences.....	2,259,000
Workers' compensation.....	511,000
Notes payable.....	750,000
Bonds payable.....	4,078,115
Total Current Liabilities.....	21,160,003
NONCURRENT:	
Capital lease obligations.....	850,149
Compensated absences.....	2,884,000
Other postemployment benefits.....	21,600,751
Net pension liability.....	104,556,462
Bonds payable.....	49,159,507
Total Noncurrent Liabilities.....	179,050,869
TOTAL LIABILITIES.....	200,210,872
DEFERRED INFLOWS OF RESOURCES:	
Advance collections.....	581,095
Deferred inflows of resources related to pensions.....	683,016
Total Deferred Inflows of Resources.....	1,264,111
NET POSITION	
Net investment in capital assets.....	116,649,672
Restricted for:	
Permanent funds:	
Expendable.....	195,767
Nonexpendable.....	588,055
Gifts and grants.....	2,430,788
Unrestricted.....	(73,402,091)
TOTAL NET POSITION.....	\$ 46,462,191

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government:						
<i>Governmental Activities:</i>						
General government.....	\$ 8,635,518	\$ 1,982,034	\$ 2,815	\$ -	\$ (6,650,669)	
Public safety.....	23,631,927	3,916,389	551,743	-	(19,163,795)	
Education.....	83,728,960	3,627,629	16,578,104	-	(63,523,227)	
Public works.....	14,849,928	344,201	112,690	2,087,136	(12,305,901)	
Water and sewer.....	8,216,296	9,812,063	-	-	1,595,767	
Human services.....	2,489,924	287,617	352,478	-	(1,849,829)	
Culture and recreation.....	5,791,638	1,072,864	37,467	-	(4,681,307)	
Interest.....	1,999,825	-	19,902	-	(1,979,923)	
Total Primary Government.....	\$ 149,344,016	\$ 21,042,797	\$ 17,655,199	\$ 2,087,136	\$ (108,558,884)	

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

	Primary Government
	Governmental Activities
Changes in net position:	
Net (expense) revenue from previous page.....	\$ (108,558,884)
<i>General revenues:</i>	
Real estate and personal property taxes, net of tax refunds payable.....	97,533,719
Tax liens.....	265,140
Motor vehicle excise taxes.....	4,569,562
Hotel, motel and meal tax.....	4,553,039
Penalties and interest on taxes.....	502,940
Payments in lieu of taxes.....	521,090
Grants and contributions not restricted to specific programs.....	2,448,330
Unrestricted investment income.....	746,779
Miscellaneous.....	252,221
Total general revenues.....	111,392,820
Change in net position.....	2,833,936
<i>Net Position:</i>	
Beginning of year.....	43,628,255
End of year.....	\$ 46,462,191

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2016

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents.....	\$ 42,361,400	\$ 11,113,421	\$ 53,474,821
Investments.....	5,543,227	572,115	6,115,342
Receivables, net of uncollectibles:			
Real estate and personal property taxes.....	992,233	-	992,233
Tax liens.....	1,591,817	-	1,591,817
Motor vehicle excise taxes.....	295,432	-	295,432
Water fees.....	1,021,689	-	1,021,689
Sewer fees.....	1,860,115	-	1,860,115
Departmental and other.....	176,390	2,910	179,300
Intergovernmental.....	518,000	1,895,875	2,413,875
Other assets.....	298,664	-	298,664
Tax foreclosures.....	91,842	-	91,842
TOTAL ASSETS.....	\$ 54,750,809	\$ 13,584,321	\$ 68,335,130
LIABILITIES			
Warrants payable.....	\$ 1,902,018	\$ 1,089,797	\$ 2,991,815
Accrued payroll.....	3,527,043	3,885	3,530,928
Tax refunds payable.....	3,532,000	-	3,532,000
Other liabilities.....	236,655	-	236,655
Notes payable.....	-	750,000	750,000
TOTAL LIABILITIES.....	9,197,716	1,843,682	11,041,398
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues.....	6,348,986	1,445,499	7,794,485
Advance collections.....	581,095	-	581,095
TOTAL DEFERRED INFLOWS OF RESOURCES.....	6,930,081	1,445,499	8,375,580
FUND BALANCES			
Nonspendable.....	-	588,055	588,055
Restricted.....	-	9,707,085	9,707,085
Committed.....	2,642,772	-	2,642,772
Assigned.....	8,017,447	-	8,017,447
Unassigned.....	27,962,793	-	27,962,793
TOTAL FUND BALANCES.....	38,623,012	10,295,140	48,918,152
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 54,750,809	\$ 13,584,321	\$ 68,335,130

See notes to basic financial statements.

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

JUNE 30, 2016

Total governmental fund balances.....	\$ 48,918,152
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	166,507,471
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....	7,794,485
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions.....	4,648,558
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.....	5,605,320
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(845,271)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable.....	(53,237,622)
Capital lease obligations.....	(1,117,689)
Workers compensation.....	(511,000)
Compensated absences.....	(5,143,000)
Net pension liability.....	(104,556,462)
Other postemployment benefits.....	(21,600,751)
Net effect of reporting long-term liabilities.....	<u>(186,166,524)</u>
Net position of governmental activities.....	<u>\$ 46,462,191</u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2016

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Real estate and personal property taxes, net of tax refunds.....	\$ 97,422,787	\$ -	\$ 97,422,787
Tax liens.....	597,682	-	597,682
Motor vehicle excise taxes.....	4,445,017	-	4,445,017
Hotel, motel and meal tax.....	4,553,039	-	4,553,039
Ambulance.....	854,582	-	854,582
Water and sewer charges.....	9,857,220	-	9,857,220
Penalties and interest on taxes.....	502,940	-	502,940
Fees and rentals.....	599,641	-	599,641
Payments in lieu of taxes.....	521,090	-	521,090
Licenses and permits.....	3,100,402	-	3,100,402
Intergovernmental.....	16,616,975	4,963,631	21,580,606
Departmental and other.....	960,792	5,724,946	6,685,738
Contributions.....	-	38,742	38,742
Investment income.....	536,764	24,689	561,453
Miscellaneous.....	252,271	222,006	474,277
TOTAL REVENUES.....	140,821,202	10,974,014	151,795,216
EXPENDITURES:			
Current:			
General government.....	4,998,269	1,004,679	6,002,948
Public safety.....	15,286,091	671,606	15,957,697
Education.....	57,995,067	6,038,977	64,034,044
Public works.....	8,651,924	3,973,991	12,625,915
Water and sewer.....	3,406,007	-	3,406,007
MWRA assessment.....	4,930,668	-	4,930,668
Human services.....	1,474,650	272,151	1,746,801
Culture and recreation.....	3,162,453	1,000,243	4,162,696
Pension benefits.....	15,818,297	-	15,818,297
Employee benefits and insurance.....	12,823,927	-	12,823,927
State and county charges.....	669,535	-	669,535
Debt service:			
Principal.....	3,629,243	-	3,629,243
Interest.....	1,826,655	-	1,826,655
TOTAL EXPENDITURES.....	134,672,786	12,961,647	147,634,433
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	6,148,416	(1,987,633)	4,160,783
OTHER FINANCING SOURCES (USES):			
Issuance of bonds.....	-	1,735,200	1,735,200
Issuance of refunding bonds.....	2,058,000	-	2,058,000
Premium from issuance of bonds and notes.....	1,091,629	-	1,091,629
Premium from issuance of refunding bonds.....	313,910	-	313,910
Payments to bond escrow agent.....	(2,347,806)	-	(2,347,806)
Transfers in.....	72,772	2,325,000	2,397,772
Transfers out.....	(2,325,000)	(72,772)	(2,397,772)
TOTAL OTHER FINANCING SOURCES (USES).....	(1,136,495)	3,987,428	2,850,933
NET CHANGE IN FUND BALANCES.....	5,011,921	1,999,795	7,011,716
FUND BALANCES AT BEGINNING OF YEAR.....	33,611,091	8,295,345	41,906,436
FUND BALANCES AT END OF YEAR.....	\$ 38,623,012	\$ 10,295,140	\$ 48,918,152

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, 2016

Net change in fund balances - total governmental funds.....	\$	7,011,716
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay.....	7,630,493	
Depreciation expense.....	<u>(9,540,835)</u>	

Net effect of reporting capital assets.....		(1,910,342)
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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.....

197,410

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 deferred and amortized in the Statement of Activities.

Issuance of bonds and notes.....	(3,793,200)	
Payment to bond escrow agent.....	2,347,806	
Debt service principal payments.....	<u>3,629,243</u>	

Net effect of reporting long-term debt.....		2,183,849
---------------------------------------------	--	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in compensated absences accrual.....	(393,000)	
Net change in accrued interest on long-term debt.....	(228,623)	
Net change in workers compensation.....	(156,000)	
Net change in capital lease obligations.....	347,792	
Net change in amortization of bond premiums.....	(1,350,086)	
Net change in other postemployment benefit accrual.....	(1,383,075)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	4,317,425	
Net change in net pension liability.....	<u>(6,503,257)</u>	

Net effect of recording long-term liabilities and amortizing deferred losses.....		(5,348,824)
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Internal service funds are used by management to account for health insurance and workers' compensation activities.

The net activity of internal service funds is reported with Governmental Activities.....		<u>700,127</u>
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Change in net position of governmental activities.....	\$	<u><u>2,833,936</u></u>
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See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental Activities - Internal Service Funds
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 5,261,779
Investments.....	2,501,220
	<hr/>
Total current assets.....	7,762,999
	<hr/>
LIABILITIES	
CURRENT:	
Warrants payable.....	961,559
Health claims payable.....	1,196,120
	<hr/>
TOTAL LIABILITIES.....	2,157,679
	<hr/>
NET POSITION	
Unrestricted.....	\$ 5,605,320
	<hr/> <hr/>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2016

	Governmental Activities - Internal Service Funds
<u>OPERATING REVENUES:</u>	
Employee contributions	\$ 3,736,972
Employer contributions	<u>8,690,140</u>
TOTAL OPERATING REVENUES	<u>12,427,112</u>
<u>OPERATING EXPENSES:</u>	
Employee benefits	<u>11,912,311</u>
OPERATING INCOME (LOSS).....	514,801
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Investment income.....	<u>185,326</u>
CHANGE IN NET POSITION.....	700,127
NET POSITION AT BEGINNING OF YEAR.....	<u>4,905,193</u>
NET POSITION AT END OF YEAR.....	<u>\$ 5,605,320</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2016

	Governmental Activities - Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from interfund services provided.....	\$ 12,427,112
Payments for interfund services used.....	<u>(11,158,141)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>1,268,971</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of investments.....	(2,501,220)
Investment income.....	<u>185,326</u>
NET CASH FROM INVESTING ACTIVITIES.....	<u>(2,315,894)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(1,046,923)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>6,308,702</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 5,261,779</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ <u>514,801</u>
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Working capital deposit.....	98,027
Warrants payable.....	551,843
Health claims payable.....	<u>104,300</u>
Total adjustments.....	<u>754,170</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 1,268,971</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2016

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ -	\$ 93,172	\$ 332,164
Investments:			
PRIT.....	4,045,266	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	503,264
TOTAL ASSETS.....	4,045,266	93,172	835,428
LIABILITIES			
Warrants payable.....	-	-	336
Payroll liabilities.....	-	-	38,833
Liabilities due depositors.....	-	-	796,259
TOTAL LIABILITIES.....	-	-	835,428
NET POSITION			
Held in trust for OPEB benefits and other purposes.....	\$ 4,045,266	\$ 93,172	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2016

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<u>ADDITIONS:</u>		
Contributions:		
Employer.....	\$ 900,000	\$ -
Other.....	-	89,416
Total contributions.....	900,000	89,416
Net investment income (loss):		
Investment income.....	72,540	36
TOTAL ADDITIONS.....	972,540	89,452
<u>DEDUCTIONS:</u>		
Educational scholarships.....	-	60,482
CHANGE IN NET POSITION.....	972,540	28,970
NET POSITION AT BEGINNING OF YEAR.....	3,072,726	64,202
NET POSITION AT END OF YEAR.....	\$ 4,045,266	\$ 93,172

See notes to basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Burlington, Massachusetts (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 Town's significant accounting policies are described herein.

A. Reporting Entity

The Town of Burlington, Massachusetts is a municipal corporation that is governed by an elected Board of Selectmen. As required by GAAP, these basic financial statements present the government and its component units, entities for which the Town is considered to be financially accountable.

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. The Town has no component units that require inclusion in these basic financial statements.

Joint Ventures

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town is a member of the Shawsheen Valley Technical High School that serves the members' students seeking an education in academic, technical and agriculture studies. Shawsheen Valley Technical High School is governed by a nine member school committee consisting of two voting appointed representatives from the Town of Burlington. The members' share in the operations of the Shawsheen Valley Technical High School and each member is responsible for its proportionate share of the operational and capital cost of the Shawsheen Technical High School, which are paid in the form of assessments. The Town does not have an equity interest in the Shawsheen Technical High School and the 2016 assessment was \$1,921,279. The School issues a publically available audited financial report that may be obtained by contacting the School located at 100 Cook Street, Billerica, MA 01821.

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. *Governmental activities* are primarily supported by taxes, charges for services and intergovernmental revenues. The Town does not report any *business-type activities* since the user fees charged are not designed to recover all the costs of providing these services.

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 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, liabilities, 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. 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 funds are 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.

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 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 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. The Town accounts for its risk financing activities related to health insurance in the internal service fund.

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 *other postemployment benefit trust fund* is used to accumulate resources to provide funding for future other postemployment benefits (OPEB) 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 trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts 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 consists primarily of student activity funds, planning deposits, and police and fire details.

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.

E. Fair Value Measurements

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

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

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

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

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

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

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

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds 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 tax liens are processed by the last day in September following the last billing cycle on delinquent properties. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed. 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 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.

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

Water and Sewer Fees

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 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.

The revenue generated by the water rates is designed to cover all operation and maintenance costs associated with the production of water, maintenance of water facilities and operation and maintenance of the water main infrastructure. The revenue generated by the sewer rates is designed to cover the costs of the Massachusetts Water Resources Authority (MWRA) assessment.

Both water and sewer capital costs are funded through other General fund revenues.

Departmental and Other

Departmental and other receivables consist primarily of police and fire details, and ambulance fees are recorded as receivables in the year accrued. The allowance of 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 recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

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

G. Inventories*Government-Wide and Fund Financial Statements*

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

H. Capital Assets*Government-Wide 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 government-wide 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 \$25,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

Capital Asset Type	Estimated Useful Life (in years)
Land improvements.....	20
Buildings.....	40
Building improvements.....	20-40
Equipment.....	5-10
Vehicles.....	5-20
Infrastructure.....	20-50

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town recorded deferred inflows of resources related to pensions and advance tax collections in this category.

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 assets 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 and advance tax collections as deferred inflows of resources in the governmental funds balance sheet.

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. 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:

"Permanent funds – nonexpendable" represents the endowment portion of donor restricted trusts that support governmental programs.

“Permanent funds – expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

“Gifts and grants” represents restrictions placed on assets from outside parties such as gifts, and state and federal grants.

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 balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are 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. Town Meeting is the high level of decision making authority that can, by adoption of a Town Meeting warrant article, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by management and exist until the purpose of the assignment has either been satisfied or management removes the assignment.

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

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

M. Long-term debt*Government-Wide and Proprietary Fund Financial Statements*

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

Governmental Fund Financial Statements

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

N. Pensions

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

O. Investment Income

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

Investment income from proprietary funds is voluntarily assigned and transferred to the general fund.

P. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

Q. Use of Estimates*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets

and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

R. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 - CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined 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 (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 Massachusetts General Laws.

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 assets in the Pool is the same as the value of the Pool shares.

The effective weighted duration rate for PRIT investments ranged from .14 to 24.23 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. At year-end, the carrying amount of deposits totaled \$57,918,708 and the bank balance totaled \$58,755,635. Of the bank balance, \$9,269,264 was covered by Federal Depository Insurance, \$3,762,991 was covered by SIF insurance, \$17,120,054 was covered by DIF insurance and \$28,603,326 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town has not adopted a formal investment policy related to custodial credit risk of deposits.

Investments

As of June 30, 2016, the Town of Burlington had the following investments:

Investment Type	Fair Value	Maturity				Rating
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years	
<u>Debt Securities</u>						
Federal Home Loan Mortgage Corp.....	\$ 490,460	\$ -	\$ 238,543	\$ -	\$ 251,917	AA+
Federal Home Loan Bank.....	126,658	76,522	50,136	-	-	AA+
Federal National Mortgage Assoc. (FNMA)....	1,339,943	25,086	152,622	-	1,162,235	AA+
US Treasury Notes.....	811,041	-	589,995	221,046	-	AA+
Corporate Bonds.....	4,131,874	322,531	3,567,055	242,288	-	BB+ to AA+
Municipal Bonds.....	43,500	-	43,500	-	-	BB
Total Debt Securities.....	6,943,476	\$ 424,139	\$ 4,641,851	\$ 463,334	\$ 1,414,152	
<u>Other Investments</u>						
MMDT.....	1,243,228					
PRIT.....	4,045,266					
Equity Securities.....	1,673,086					
Total Investments.....	\$ 13,905,056					

Investments in MMDT are unrated.

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 Towns of investments of \$617,118 in government sponsored enterprises, \$1,339,943 in FNMA securities, \$811,041 in U.S. treasury notes, \$4,131,874 in corporate bonds, and \$43,500 in municipal bonds, and 1,673,086 in equity securities all have custodial credit risk exposure because the related securities are uninsured, unregistered and are not held in the Town's name.

The Town has not adopted a formal investment policy related to custodial credit risk for investments.

Interest Rate Risk

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

The Town's investment policy regarding repurchase agreements is as follows; utilize repurchase agreements only on a limited basis and then only with major Massachusetts financial institutions when no other more favorable action is possible and then only of a duration of no more than three days.

Credit Risk

The Town's formal investment policy regarding credit risk states the Treasurer shall subscribe to information reports from a recognized bank rating company. Direct investment in an institution shall be restricted to those ranked in the upper half of rating categories utilized by said company unless the Treasurer obtains additional adequate security for the investment or otherwise determines and documents in writing that the rating provided does not properly reflect the strength of the institution. Maintenance of disbursement or other types of accounts at institutions below a mid-range rating shall be limited, to the maximum extent possible, to a balance below

\$100,000. When the rating falls to a “warning stage” or when more than one-half of an institution’s capital and surplus has been lost in a 12-month period, any accounts shall be closed forthwith.

Concentration of Credit Risk

The Town has adopted a policy on the amount that may be invested in any one issuer. The policy is as follows; investment in a single institution may not exceed 10% of the institution’s capital and surplus position as of the most recent quarterly data available to the Treasurer, nor may any investment in a single institution (other than MMDT) exceed 35% of the Treasurer’s cash balance at any time. Up to 100% of available cash may be invested in the State’s Treasurer’s pooled fund.

The Town places no limit on the amount the Town may invest in any on issuer. As of June 30, 2016, the Town had more than 5% of its investments in the following securities:

<u>Issuer</u>	<u>Percentage of total Investments</u>
CitiGroup Inc.....	12%
General Electric.....	8%
Goldman Sachs.....	16%
JP Morgan Chase.....	6%
Morgan Stanley.....	6%
Morgan Stanley DW & Co.....	7%
Santander UK.....	12%
Toronto Dominion Bank.....	6%

Fair Market Value of Investments

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

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

The Town has the following recurring fair value measurements as of June 30, 2016:

Investment Type	6/30/16	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Debt Securities:</u>				
Federal Home Loan Mortgage Corp.....	\$ 490,460	\$ 490,460	\$ -	\$ -
Federal Home Loan Bank.....	126,658	126,658	-	-
Federal National Mortgage Assoc.....	1,339,943	1,339,943	-	-
US Treasury Notes.....	811,041	811,041	-	-
Corporate Bonds.....	4,131,874	-	4,131,874	-
Municipal Bonds.....	43,500	-	43,500	-
Total debt securities.....	6,943,476	2,768,102	4,175,374	-
<u>Other investments:</u>				
Equity securities.....	1,673,086	1,673,086	-	-
Total investments measured at fair value.....	\$ 8,616,562	\$ 4,441,188	\$ 4,175,374	\$ -
Investments measured at net asset value (NAV)				
PRIT.....	4,045,266			
Investments measured at amortized cost				
MMDT.....	1,243,228			
Total investments.....	\$ 13,905,056			

Government sponsored enterprises, U.S. treasury notes, and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds and municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town does not have investments classified in Level 3.

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

MMDT investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

NOTE 3 - RECEIVABLES

At June 30, 2016, receivables for the individual major governmental funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 1,277,049	\$ (284,816)	\$ 992,233
Tax liens.....	1,591,817	-	1,591,817
Motor vehicle excise taxes.....	570,339	(274,907)	295,432
Water fees.....	1,021,689	-	1,021,689
Sewer fees.....	1,860,115	-	1,860,115
Departmental and other.....	317,893	(138,593)	179,300
Intergovernmental.....	2,413,875	-	2,413,875
Total.....	\$ 9,052,777	\$ (698,316)	\$ 8,354,461

Governmental funds report *unavailable revenues* 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 revenues* reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
<u>Receivables and other asset types:</u>			
Real estate and personal property taxes.....	\$ 1,374,796	\$ -	\$ 1,374,796
Tax liens.....	1,591,817	-	1,591,817
Motor vehicle excise taxes.....	295,432	-	295,432
Water and sewer fees.....	2,881,804	-	2,881,804
Departmental and other.....	176,390	2,910	179,300
Intergovernmental.....	518,000	1,442,589	1,960,589
Tax foreclosure.....	91,842	-	91,842
Total.....	\$ 6,930,081	\$ 1,445,499	\$ 8,375,580

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 18,595,910	\$ -	\$ -	\$ 18,595,910
Construction in progress.....	5,261,822	5,998,336	(1,977,209)	9,282,949
Total capital assets not being depreciated.....	23,857,732	5,998,336	(1,977,209)	27,878,859
<u>Capital assets being depreciated:</u>				
Land improvements.....	7,797,967	24,000	(25,093)	7,796,874
Buildings.....	93,925,538	-	(159,138)	93,766,400
Building improvements.....	34,232,629	1,186,776	(32,017)	35,387,388
Equipment.....	11,386,346	580,092	(446,831)	11,519,607
Vehicles.....	8,426,858	1,351,246	(66,278)	9,711,826
Infrastructure.....	119,375,668	467,252	(850,349)	118,992,571
Total capital assets being depreciated.....	275,145,006	3,609,366	(1,579,706)	277,174,666
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,756,907)	(285,773)	25,093	(3,017,587)
Buildings.....	(33,169,577)	(1,871,283)	159,138	(34,881,722)
Building improvements.....	(15,485,027)	(1,684,941)	32,017	(17,137,951)
Equipment.....	(6,987,181)	(1,283,858)	446,831	(7,824,208)
Vehicles.....	(4,463,736)	(625,657)	66,278	(5,023,115)
Infrastructure.....	(67,722,497)	(3,789,323)	850,349	(70,661,471)
Total accumulated depreciation.....	(130,584,925)	(9,540,835)	1,579,706	(138,546,054)
Total capital assets being depreciated, net.....	144,560,081	(5,931,469)	-	138,628,612
Total governmental activities capital assets, net.....	\$ 168,417,813	\$ 66,867	\$ (1,977,209)	\$ 166,507,471

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

Governmental Activities:

General government.....	\$ 769,510
Public safety.....	605,983
Education.....	3,830,079
Public works.....	3,876,453
Human services.....	12,371
Culture and recreation.....	446,439

Total increases to accumulated depreciation - governmental activities..... \$ 9,540,835

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016, are summarized as follows:

Transfers Out:	Transfers In:		
	General Fund	Nonmajor Governmental Funds	Total
General Fund.....	\$ -	\$ 2,325,000	\$ 2,325,000 (1)
Nonmajor Governmental Funds.....	72,772	-	72,772 (2)
Total.....	\$ 72,772	\$ 2,325,000	\$ 2,397,772

- (1) Represents budgeted transfers of \$2,180,000 from the general fund to the public works capital project fund and a transfer of \$145,000 to the mini bus special revenue fund.
 (2) Represents budgeted transfers to close out unexpended grant funds.

NOTE 6 – CAPITAL LEASES

The Town has entered into lease agreements as lessees for a Town wide computer network and School equipment. These 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 assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Equipment.....	\$ 2,646,868
Less: accumulated depreciation.....	(2,333,690)
Total.....	\$ 313,178

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016, were as follows:

<u>Years Ending June 30</u>	<u>Governmental Activities</u>
2017.....	\$ 300,000
2018.....	300,000
2019.....	300,000
2020.....	<u>300,000</u>
Total minimum lease payments.....	1,200,000
Less: amounts representing interest.....	<u>(82,311)</u>
Present value of minimum lease payments.....	<u>\$ 1,117,689</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 respectively.

Details related to the short-term debt activity for the year ended June 30, 2016, are as follows:

<u>Type</u>	<u>Purpose</u>	<u>Interest Rate (%)</u>	<u>Due Date</u>	<u>Balance at June 30, 2015</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance at June 30, 2016</u>
BAN	Municipal Purpose.....	1.00	7/24/15	\$ 1,618,000	\$ -	\$ 1,618,000	\$ -
BAN	Municipal Purpose.....	1.25	7/22/16	-	750,000	-	750,000
	Total.....			<u>\$ 1,618,000</u>	<u>\$ 750,000</u>	<u>\$ 1,618,000</u>	<u>\$ 750,000</u>

On July 22, 2016, the Town paid down \$500,000 of the BANS outstanding and the remaining \$250,000 was rolled into a \$4,400,000 BAN with an interest rate of 2% due on July 21, 2017.

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 outstanding general obligation indebtedness at June 30, 2016, and the debt service requirements are as follows:

Bonds Payable Schedule – Governmental Funds

Issue	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2015	Issued	Redeemed	Outstanding at June 30, 2016
Municipal Purpose Bonds of 1996.....	2016	\$ 5,755,000	5.90	\$ 265,000	\$ -	\$ 265,000	\$ -
Municipal Purpose Bonds of 1998.....	2018	10,000,000	4.70	1,500,000	-	500,000	1,000,000
Municipal Purpose Bonds of 2001.....	2019	2,150,000	5.43	420,000	-	105,000	315,000
Municipal Purpose Bonds of 2006.....	2025	4,867,000	4.23	2,550,000	-	2,550,000	-
MCWT Bonds of 2007.....	2027	7,797,482	2.00	5,055,225	-	376,488	4,678,737
MCWT Bonds of 2008.....	2028	300,000	2.00	208,647	-	14,195	194,452
Municipal Purpose Bonds of 2008.....	2027	3,321,000	4-5	1,680,000	-	230,000	1,450,000
Municipal Purpose Bonds of 2010.....	2030	6,100,000	1.5-4.1	3,175,000	-	380,000	2,795,000
Municipal Purpose Bonds of 2011.....	2036	8,800,000	3-5	6,830,000	-	490,000	6,340,000
MWRA Bonds of 2011.....	2016	81,675	0.00	16,335	-	16,335	-
Municipal Purpose Bonds of 2012.....	2042	12,200,000	2-5	10,420,000	-	590,000	9,830,000
MWRA Bonds of 2012.....	2017	169,125	0.00	67,650	-	33,825	33,825
Municipal Purpose Bonds of 2013.....	2042	13,976,000	2-4	13,345,000	-	325,000	13,020,000
MWRA Bonds of 2013.....	2018	242,000	0.00	145,200	-	48,400	96,800
Municipal Purpose Bonds of 2015.....	2036	7,712,000	2-5	7,712,000	-	-	7,712,000
Municipal Purpose Bonds of 2016.....	2031	1,500,000	2-5	-	1,500,000	-	1,500,000
Municipal Purpose Refunding of 2016.....	2025	2,058,000	2-5	-	2,058,000	-	2,058,000
MWRA Bonds of 2016.....	2021	235,200	0.00	-	235,200	-	235,200
Total Future Debt Service Requirements.....				53,390,057	3,793,200	5,924,243	51,259,014
Unamortized Premium on Bonds.....				628,522	1,405,539	55,453	1,978,608
Total Governmental Bonds Payable.....				\$ 54,018,579	\$ 5,198,739	\$ 5,979,696	\$ 53,237,622

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

Year	Principal	Interest	Total
2017..... \$	3,937,840	\$ 1,849,178	\$ 5,787,018
2018.....	3,827,067	1,718,551	5,545,618
2019.....	3,296,882	1,572,033	4,868,915
2020.....	3,190,262	1,442,243	4,632,505
2021.....	2,873,812	1,317,083	4,190,895
2022.....	2,740,495	1,201,434	3,941,929
2023.....	2,654,394	1,097,151	3,751,545
2024.....	2,673,473	999,308	3,672,781
2025.....	2,692,735	904,197	3,596,932
2026.....	2,387,184	814,921	3,202,105
2027.....	2,371,824	731,950	3,103,774
2028.....	1,808,046	656,662	2,464,708
2029.....	1,800,000	590,134	2,390,134
2030.....	1,805,000	528,790	2,333,790
2031.....	1,535,000	468,439	2,003,439
2032.....	1,435,000	413,068	1,848,068
2033.....	1,420,000	357,112	1,777,112
2034.....	1,415,000	300,621	1,715,621
2035.....	1,440,000	245,180	1,685,180
2036.....	1,205,000	196,036	1,401,036
2037.....	785,000	159,918	944,918
2038.....	810,000	131,221	941,221
2039.....	835,000	101,158	936,158
2040.....	855,000	69,896	924,896
2041.....	885,000	37,759	922,759
2042.....	580,000	26,129	606,129
Total..... \$	<u>51,259,014</u>	<u>\$ 17,930,172</u>	<u>\$ 69,189,186</u>

In order to take advantage of favorable interest rates, the Town issued \$2,058,000 of General Obligation Refunding Bonds on July 23, 2015. \$2,295,000 of General Obligation bonds were refunded by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. This refunding was undertaken to reduce total debt service payments over the next 10 years by \$241,385 and resulted in an economic gain of \$212,893. At June 30, 2016, approximately \$2,295,000 of bonds outstanding from the refunding is considered defeased.

The Massachusetts Water Resource Authority (MWRA) operates an Infiltration/Inflow Financial Assistance Program for community owned collection systems. For each community approved for the project, financial assistance received from the MWRA consists of a grant and non-interest bearing loan. The loan portion is payable in five equal annual installments. At June 30, 2016, the outstanding principal amount of these loans totaled \$365,825.

The Commonwealth has approved school construction assistance to the Town. The assistance program, which is administered by the Massachusetts School Building Authority, provides resources for future debt service of general obligation school bonds outstanding. During year 2016, approximately \$259,000 of such assistance was received. Approximately \$518,000 will be received in future years. Of this amount, \$518,000 represents

reimbursement of approved construction costs. Accordingly, a \$518,000 intergovernmental receivable and corresponding unavailable revenue have been reported in governmental fund financial statements. The annual change in revenue has been recognized as revenue in the conversion to the government-wide financial statements.

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, 2016, the Town had the following authorized and unissued debt:

Purpose	Amount
Sewer (MWRA).....	\$ 669,600
Planning (Human Services Building).....	250,000
Water Mains.....	1,000,000
Sewer.....	912,200
Street Light LED Conversion.....	850,000
Meadowbrook School HVAC Upgrade.....	730,000
Human Services Building Renovation.....	3,300,000
Fire Station #2.....	8,500,000
Salt Shed - Grant Avenue.....	1,100,000
Total.....	\$ <u>17,311,800</u>

Changes in Long-term Liabilities

During the year ended June 30, 2016, the following changes occurred in long-term liabilities:

	Balance at June 30, 2015	Additions	Retirements and Other	Balance at June 30, 2016	Current Portion
Governmental Activities:					
Long-term bonds.....	\$ 53,390,057	\$ 3,793,200	\$ (5,924,243)	\$ 51,259,014	\$ 3,937,840
Unamortized premium.....	628,522	1,405,539	(55,453)	1,978,608	140,275
Capital lease obligations.....	1,465,481	-	(347,792)	1,117,689	267,540
Compensated absences.....	4,750,000	2,480,000	(2,087,000)	5,143,000	2,259,000
Workers' compensation.....	355,000	389,597	(233,597)	511,000	511,000
Other postemployment benefits.....	20,217,676	6,452,597	(5,069,522)	21,600,751	-
Net pension liability.....	98,053,205	15,412,703	(8,909,446)	104,556,462	-
Total.....	\$ <u>178,859,941</u>	\$ <u>29,933,636</u>	\$ <u>(22,627,053)</u>	\$ <u>186,166,524</u>	\$ <u>7,115,655</u>

Compensated absence liabilities, pension and other postemployment benefit liabilities are normally paid from the general fund.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town has adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Types Definitions*. 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 classification and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balance, 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 balances, 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.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Town'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.

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 changes to the purpose of the fund along with any additions to or appropriations from the fund required a two-thirds vote of the legislative body. At year end the balance of the General Stabilization fund is \$7,567,370 and is reported as unassigned fund balance within the General Fund.

As of June 30, 2016, the governmental fund balances consisted of the following:

	General	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES			
Nonspendable:			
Permanent fund principal..... \$	- \$	588,055 \$	588,055
Restricted for:			
Town revolving funds.....	-	1,568,689	1,568,689
Town gift funds.....	-	311,466	311,466
School gift funds.....	-	55,928	55,928
School revolving funds.....	-	952,996	952,996
School activity funds.....	-	769,983	769,983
Federal grants.....	-	94,798	94,798
State and local grants.....	-	1,127,269	1,127,269
Town special purpose funds.....	-	650,677	650,677
Town capital projects.....	-	3,939,446	3,939,446
School capital projects.....	-	40,066	40,066
Town libraries.....	-	848	848
Cemetery perpetual care.....	-	194,919	194,919
Committed to:			
Assessor.....	124,722	-	124,722
Planning board.....	97,006	-	97,006
Police department.....	17,555	-	17,555
Fire department.....	360,547	-	360,547
Building department.....	13,877	-	13,877
Education.....	320,143	-	320,143
Public works.....	1,647,323	-	1,647,323
Board of health.....	9,963	-	9,963
Youth and family services.....	1,284	-	1,284
Recreation maintenance.....	50,352	-	50,352
Assigned to:			
Moderator.....	150	-	150
Ways and means.....	114	-	114
Selectmen.....	1,029	-	1,029
Assessor.....	3,825	-	3,825
Treasurer/collector.....	710	-	710
Central administration.....	88,121	-	88,121
Management information systems.....	20,225	-	20,225
Town clerk.....	1,000	-	1,000
Planning board.....	7,248	-	7,248
Negotiated settlements.....	467,095	-	467,095
Police department.....	22,609	-	22,609
Fire department.....	56,252	-	56,252
Education.....	653,062	-	653,062
Public works.....	299,165	-	299,165
Street lights.....	66,273	-	66,273
Board of health.....	598	-	598
Youth and family services.....	113	-	113
Public library.....	3,937	-	3,937
Recreation director.....	3,649	-	3,649
Recreation maintenance.....	12,927	-	12,927
Health insurance.....	218,900	-	218,900
FY17 capital budget.....	6,090,445	-	6,090,445
Unassigned.....	27,962,793	-	27,962,793
TOTAL FUND BALANCES..... \$	38,623,012 \$	10,295,140 \$	48,918,152

NOTE 10 - PENSION PLAN*Plan Descriptions*

The Town is a member of the Middlesex County Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the member units. The system is administered by the Middlesex Retirement Board (the "Board") on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://middlesexretirement.org>.

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

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2015. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$7,958,562 is reported in the general fund as intergovernmental revenue and pension expense in the current year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$98,121,938 as of the measurement date.

Benefits Provided

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

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

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System. There were no changes in pension benefits since the last measurement date.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the System a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2015 was \$7,895,297 and 25.99% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2016, the Town reported a liability of \$104,556,462 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportionate share of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2015, the Town's proportion was 8.105%, which was a decrease of 0.57% from the last measurement date.

Pension Expense

For the year ended June 30, 2016, the Town recognized a pension expense of \$10,081,127. At June 30, 2016, the Town reported deferred outflows and (inflows) of resources related to pensions of \$5,331,574 and (\$683,016), respectively, from the net difference between projected and actual investment earnings on pension plan investments. Since the system performs an actuarial valuation bi-annually, there are no reported differences between expected and actual experience or changes of assumptions as of December 31, 2015.

The balances of deferred outflows and inflows at June 30, 2016 consist of the following:

<u>Deferred category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Difference between projected and actual earnings.....	\$ 5,331,574	\$ -	\$ 5,331,574
Changes in proportionate share of contributions.....	-	(683,016)	(683,016)
Total Deferred Outflows/(Inflows) of Resources.....	<u>\$ 5,331,574</u>	<u>\$ (683,016)</u>	<u>\$ 4,648,558</u>

The Town's net deferred inflows (outflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017.....	\$ 1,182,691
2018.....	1,182,691
2019.....	1,182,691
2020.....	<u>1,100,485</u>
Total.....	<u>\$ 4,648,558</u>

Actuarial Assumptions

The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2015:

Valuation date.....	January 1, 2014
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Prior year's total contribution increased by 6.5% for fiscal 2016 through fiscal 2020, and thereafter the remaining unfunded liability will be amortized on a 4.0% annual increasing basis; ERI liability amortized in level payments.
Remaining amortization period.....	As of July 1, 2014, 5 years remaining for 2002 ERI liability, 6 years remaining for 2003 ERI liability, 8 years remaining for 2010 ERI liability and 21 years for remaining unfunded liability.
Asset valuation method.....	The difference between the expected return and the actual investment return on a market value basis is recognized over a five-year period. Asset value is adjusted as necessary to be within 20% of the market value.
Inflation rate.....	4.00%
Projected salary increases.....	Varies by length of service with ultimate rates of 4.25% for Group 1, 4.50% for Group 2, and 4.75% for Group 4. (previously, 4.75% for group 1 and 5.25% for group 4).
Cost of living adjustments.....	3.0% of first \$14,000 of retirement income.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.
Rates of disability.....	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).
Mortality Rates:	
Pre-Retirement.....	The RP-2000 Employee Mortality Table projected 22 years with Scale AA.
Post-Retirement.....	The RP-2000 Employee Annuitant Mortality Table projected 17 years with Scale AA.
Disabled Retiree.....	The RP-2000 Healthy Annuitant Mortality Table set forward three years projected 17 years with Scale AA.
Investment rate of return/Discount rate.....	7.875%, net of pension plan investment expense, including inflation previously 8.0%

Investment policy

The pension plan's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

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

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Asset Allocation
Domestic equity.....	6.49%	19.60%
International developed markets equity.....	7.16%	15.60%
International emerging markets equity.....	9.46%	6.50%
Core fixed income.....	1.68%	15.30%
High-yield fixed income.....	4.76%	8.30%
Real estate.....	4.37%	9.90%
Commodities.....	4.13%	3.90%
Short-term government money market.....	1.11%	0.00%
Hedge fund, GTAA, risk parity.....	3.60%	9.80%
Private equity.....	11.04%	11.10%
		100.00%

Rate of return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 0.61%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amount actually invested.

Discount rate

The discount rate used to measure the total pension liability was 7.875%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net position liability to changes in the discount rate

The following presents the net position liability, calculated using the discount rate of 7.875%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.875%) or 1-percentage-point higher (8.875%) than the current rate:

	1% Decrease (6.875%)	Current Discount (7.875%)	1% Increase (8.875%)
The Town's proportionate share of the net pension liability.....	\$ 125,552,590	\$ 104,556,462	\$ 86,676,800

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Middlesex County Retirement System financial report.

NOTE 11 - 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 approximately 90% of its health insurance and 100% of its workers' compensation activities. The self-insured health insurance activities are accounted for in the Internal Service Fund. Workers' compensation activities are accounted for in the General Fund where revenues are recorded when earned and expenses are recorded when the liability is incurred. The approximate 10% of health insurance coverage that is premium based is accounted for in the General Fund. 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) that includes non-incremental claims adjustments. 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

Approximately 10% of the Town's health insurance activities are premium based plans. The remaining 90% of employee health insurance claims are administered by a third party administrator and were funded from the Town's Internal Service Fund. The Town purchases individual stop loss insurance for claims in excess of the \$100,000 coverage. The estimate of IBNR claims is based on a historical trend analysis and recent trends.

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2016.....	\$ 1,091,820	\$ 12,055,990	\$ (11,951,690)	\$ 1,196,120
2015.....	1,065,172	11,901,135	(11,874,487)	1,091,820

(b) *Workers' Compensation*

Workers' compensation claims are administered by a third party administrator and are funded on a pay-as-you-go basis from annual appropriations. The Town estimates its IBNR claims based on history and injury type. At June 30, 2016, the amount of the liability for workers' compensation claims totaled \$511,000. Changes in the reported liability are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2016.....	\$ 355,000	\$ 389,597	\$ (233,597)	\$ 511,000
2015.....	313,000	431,061	(389,061)	355,000

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town of Burlington administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy – Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 80 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 20 percent of their premium costs.

Annual OPEB Cost and Net OPEB Obligation – The Town's annual other postemployment benefit (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 the 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 annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation are summarized in the following table:

Annual required contribution.....	\$ 5,981,702
Interest on existing net OPEB obligation.....	1,566,870
Adjustments to annual required contribution.....	<u>(1,095,975)</u>
Annual OPEB cost (expense).....	6,452,597
Contributions made.....	<u>(5,069,522)</u>
Increase/Decrease in net OPEB obligation.....	1,383,075
Net OPEB obligation - beginning of year.....	<u>20,217,676</u>
Net OPEB obligation - end of year.....	<u>\$ 21,600,751</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 was as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2016	\$ 6,452,597	79%	\$ 21,600,751
6/30/2015	6,147,451	79%	20,217,676
6/30/2014	7,605,955	67%	18,917,028

Funded Status and Funding Progress – As of December 31, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$75.5 million, the actuarial value of assets was approximately \$2 million, and the remaining \$73.5 million was unfunded; resulting in a funded ratio of 2.68%. The covered payroll (annual payroll of active employees covered by the plan) was \$67.3 million, and the ratio of the UAAL to the covered payroll was 109.2 percent.

The Town established an OPEB trust in 2012, reported as a fiduciary fund, and in 2016 made a contribution of \$900,000. The OPEB trust fund totaled \$4,045,266 at June 30, 2016.

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

In the December 31, 2014 actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a discount rate of 7.75%, a 7.75% asset return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date, and an annual medical/drug cost trend rate of 9% initially, decreasing by 0.5% to an ultimate level of 5% and included a 4% inflation assumption. Assets are valued at market value. The UAAL is being amortized over a 30 year closed period, with amortization payments increasing at 4% per year. The remaining amortization period at December 31, 2015 is 29 years.

NOTE 13 - COMMITMENTS

The Town is committed to expend \$17,311,800 for the various projects listed below:

Purpose	Amount
Sewer (MWRA).....	\$ 669,600
Planning (Human Services Building).....	250,000
Water Mains.....	1,000,000
Sewer.....	912,200
Street Light LED Conversion.....	850,000
Meadowbrook School HVAC Upgrade.....	730,000
Human Services Building Renovation.....	3,300,000
Fire Station #2.....	8,500,000
Salt Shed - Grant Avenue.....	1,100,000
Total.....	\$ <u>17,311,800</u>

NOTE 14 - CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

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, 2016, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2016.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 23, 2016, which is the date the financial statements were available to be issued. On July 22, 2016, the Town paid down \$500,000 of the BANs outstanding and the remaining \$250,000 was rolled into a \$4,400,000 BAN with an interest rate of 2% due on July 21, 2017.

NOTE 16 - IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2016, the following GASB pronouncements were implemented:

- *GASB Statement #72, Fair Value Measurement and Application.* Notes to the basic financial statements were changed to provide additional disclosure on fair value measurement.
- *GASB Statement #73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* This pronouncement did not impact the basic financial statements.
- *GASB Statement #76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* This pronouncement did not impact the basic financial statements.
- *GASB Statement #79, Certain External Investment Pools and Pool Participants.* The basic financial statements and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- The GASB issued *Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in 2017.
- The GASB issued *Statement #75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued *Statement #77, Tax Abatement Disclosures*, which is required to be implemented in 2017.
- The GASB issued *Statement #78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which is required to be implemented in 2017.
- The GASB issued *Statement #80, Blending Requirements for Certain Component Units – an amendment of GASB Statement #14*, which is required to be implemented in 2017.
- The GASB issued *Statement #81, Irrevocable Split-Interest Agreements*, which is required to be implemented in 2018.
- The GASB issued *Statement #82, Pension Issues – an amendment of GASB Statements #67, #68, and #73*, which is required to be implemented in 2018.

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

Required Supplementary Information

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General Fund

Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for all the 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, 2016

	Budgeted Amounts			Actual	Amounts	
	Original	Final		Budgetary	Carried Forward	Variance to
	Budget	Budget		Amounts	To Next Year	Final Budget
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 98,443,041	\$ 98,399,287	\$	98,724,153	\$ -	\$ 324,866
Tax liens.....	-	-		597,682	-	597,682
Motor vehicle excise taxes.....	3,250,002	3,319,302		4,445,017	-	1,125,715
Hotel, motel, and meals tax.....	3,650,000	3,775,000		4,553,039	-	778,039
Ambulance.....	625,000	625,000		854,582	-	229,582
Water charges.....	3,100,000	3,100,000		3,619,977	-	519,977
Penalties and interest on taxes.....	300,000	300,000		502,940	-	202,940
Fees and rentals.....	425,000	425,000		599,641	-	174,641
Payments in lieu of taxes.....	520,000	520,000		521,090	-	1,090
Licenses and permits.....	1,000,000	1,000,000		3,100,402	-	2,100,402
Intergovernmental.....	8,627,359	8,656,556		8,657,975	-	1,419
Departmental and other.....	850,000	820,000		960,792	-	140,792
Investment income.....	100,000	100,000		240,614	-	140,614
Miscellaneous.....	210,000	210,000		252,271	-	42,271
TOTAL REVENUES.....	121,100,402	121,250,145		127,630,175	-	6,380,030
EXPENDITURES:						
GENERAL GOVERNMENT						
TOWN MEETING & REPORTS						
Salaries.....	2,518	3,797		3,797	-	-
Expenses.....	12,575	13,775		13,700	-	75
TOTAL.....	15,093	17,572		17,497	-	75
MODERATOR						
Salaries.....	300	300		150	150	-
WAYS AND MEANS						
Salaries.....	3,654	3,682		2,733	114	835
Expenses.....	268	273		273	-	-
TOTAL.....	3,922	3,955		3,006	114	835
CAPITAL BUDGET COMMITTEE						
Salaries.....	812	821		567	-	254
TOWN ADMINISTRATION/SELECTMEN						
Salaries.....	499,624	489,341		461,584	-	27,757
Expenses.....	12,500	12,500		10,668	-	1,832
Special accounts.....	17,500	17,500		16,144	1,029	327
Capital articles.....	15,322	15,322		15,322	-	-
TOTAL.....	544,946	534,663		503,718	1,029	29,916
ACCOUNTING						
Salaries.....	313,125	317,336		308,561	-	8,775
Expenses.....	4,720	4,720		4,123	-	597
TOTAL.....	317,845	322,056		312,684	-	9,372
ASSESSORS						
Salaries.....	266,877	269,751		251,729	-	18,022
Expenses.....	145,840	144,340		135,879	3,825	4,636
Capital articles.....	114,522	124,722		-	124,722	-
TOTAL.....	527,239	538,813		387,608	128,547	22,658
TREASURER/COLLECTOR						
Salaries.....	625,967	630,921		630,921	-	-
Expenses.....	22,673	22,673		21,963	710	-
Special accounts.....	100	100		-	-	100
TOTAL.....	648,740	653,694		652,884	710	100
CENTRAL ADMINISTRATION						
Central supply.....	110,155	110,155		104,661	5,339	155
Central machines.....	27,794	25,658		17,380	8,278	-
Town insurance.....	825,000	826,492		761,988	64,504	-
Financial audit.....	66,492	67,136		53,713	10,000	3,423
TOTAL.....	1,029,441	1,029,441		937,742	88,121	3,578
LEGAL						
Legal expenses.....	214,954	214,954		145,938	-	69,016

(Continued)

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

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
HUMAN RESOURCES					
Salaries.....	112,019	114,727	113,734	-	993
Expenses.....	4,185	4,185	3,882	-	303
Special accounts.....	14,840	14,840	9,166	-	5,674
TOTAL.....	131,044	133,752	126,782	-	6,970
MANAGEMENT INFORMATION SYSTEMS					
Salaries.....	300,329	317,618	317,618	-	-
Expenses.....	249,069	249,069	212,428	20,225	16,416
TOTAL.....	549,398	566,687	530,046	20,225	16,416
TOWN CLERK					
Salaries.....	262,740	264,784	263,818	-	966
Expenses.....	17,650	17,650	16,441	1,000	209
Special accounts.....	40,632	40,632	39,430	-	1,202
TOTAL.....	321,022	323,066	319,689	1,000	2,377
REGISTRAR OF VOTERS					
Salaries.....	1,150	1,150	1,000	-	150
Expenses.....	7,100	7,100	6,029	-	1,071
TOTAL.....	8,250	8,250	7,029	-	1,221
CONSERVATION					
Salaries.....	191,822	198,219	181,342	-	16,877
Expenses.....	3,345	3,345	3,318	-	27
Special accounts.....	14,000	14,000	14,000	-	-
TOTAL.....	209,167	215,564	198,660	-	16,904
PLANNING BOARD					
Salaries.....	271,443	275,129	249,739	574	24,816
Expenses.....	24,259	24,259	13,791	6,674	3,794
Capital articles.....	159,874	147,781	50,775	97,006	-
TOTAL.....	455,576	447,169	314,305	104,254	28,610
BOARD OF APPEALS					
Salaries.....	12,000	18,429	17,549	-	880
Expenses.....	250	250	228	-	22
Special accounts.....	2,015	2,015	196	-	1,819
TOTAL.....	14,265	20,694	17,973	-	2,721
NEGOTIATED SETTLEMENTS.....	613,111	541,328	74,233	467,095	-
Total General Government.....	5,605,125	5,572,779	4,550,511	811,245	211,023
PUBLIC SAFETY					
POLICE DEPARTMENT					
Salaries.....	6,904,275	6,905,850	6,860,434	-	45,416
Expenses.....	576,957	576,957	530,721	22,144	24,092
Special accounts.....	290,747	290,747	289,923	465	359
Capital articles.....	74,340	74,340	56,785	17,555	-
TOTAL.....	7,846,319	7,847,894	7,737,863	40,164	69,867
FIRE DEPARTMENT					
Salaries.....	6,099,086	6,102,348	6,071,247	-	31,101
Expenses.....	457,763	457,763	384,732	35,492	37,539
Special accounts.....	154,205	154,205	122,722	20,760	10,723
Capital articles.....	742,732	742,732	382,185	360,547	-
TOTAL.....	7,453,786	7,457,048	6,960,886	416,799	79,363
BUILDING DEPARTMENT					
Salaries.....	530,425	561,131	561,131	-	-
Expenses.....	36,456	45,856	45,498	-	358
Capital articles.....	21,532	21,532	7,655	13,877	-
TOTAL.....	588,413	628,519	614,284	13,877	358
SEALER OF WEIGHTS					
Expenses.....	7,800	7,800	7,800	-	-

(Continued)

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

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
EMERGENCY MANAGEMENT SERVICE					
Salaries.....	10,000	10,040	10,040	-	-
Expenses.....	21,457	21,457	20,677	-	780
Special Accounts.....	1,000	1,000	1,000	-	-
TOTAL.....	32,457	32,497	31,717	-	780
Total Public Safety.....	15,928,775	15,973,758	15,352,550	470,841	150,367
EDUCATION					
PUBLIC SCHOOLS					
Salaries and expenditures.....	58,414,583	58,414,585	54,668,628	3,742,201	3,756
Capital articles.....	2,198,578	2,198,578	1,775,323	320,143	103,112
TOTAL.....	60,613,161	60,613,163	56,443,951	4,062,344	106,868
SHAWSHEEN VALLEY TECH	1,921,279	1,921,279	1,921,279	-	-
Total Education.....	62,534,440	62,534,442	58,365,230	4,062,344	106,868
PUBLIC WORKS					
Salaries.....	4,654,746	4,665,719	4,549,752	-	115,967
Expenses.....	3,437,379	3,460,520	3,131,457	245,782	83,281
Special accounts.....	405,438	405,438	342,277	53,383	9,778
Capital articles.....	3,272,396	3,284,488	1,540,336	1,647,323	96,829
TOTAL.....	11,769,959	11,816,166	9,563,822	1,946,488	305,855
SNOW AND ICE					
Expenses.....	350,000	350,000	523,601	-	(173,601)
RUBBISH AND GARBAGE					
Expenses.....	1,749,164	1,749,164	1,749,164	-	-
STREET LIGHT					
Expenses.....	426,959	426,959	359,959	66,273	727
DEP DRINKING WATER					
Expenses.....	15,000	15,000	9,144	-	5,856
Total Public Works.....	14,311,082	14,357,289	12,205,690	2,012,761	138,837
HEALTH AND HUMAN SERVICES					
BOARD OF HEALTH					
Salaries.....	411,423	415,204	405,213	-	9,991
Expenses.....	61,232	61,232	47,313	598	13,321
Special accounts.....	84,236	84,236	67,721	-	16,515
Capital articles.....	9,963	9,963	-	9,963	-
TOTAL.....	566,854	570,635	520,247	10,561	39,827
COUNCIL ON AGING					
Salaries.....	292,592	297,056	285,105	-	11,951
Expenses.....	7,830	7,830	6,401	-	1,429
Special accounts.....	7,442	7,442	7,217	-	225
TOTAL.....	307,864	312,328	298,723	-	13,605
VETERANS' SERVICES					
Salaries.....	135,369	102,859	102,839	-	20
Expenses.....	2,995	2,995	2,901	-	94
Special accounts.....	118,000	118,000	103,778	-	14,222
TOTAL.....	256,364	223,854	209,518	-	14,336
YOUTH AND FAMILY SERVICES					
Salaries.....	395,363	401,814	394,577	-	7,237
Expenses.....	25,428	25,428	21,497	113	3,818
Capital articles.....	30,000	30,000	28,716	1,284	-
TOTAL.....	450,791	457,242	444,790	1,397	11,055
DISABILITY ACCESS					
Salaries.....	2,453	2,478	972	-	1,506
Expenses.....	400	400	400	-	-
TOTAL.....	2,853	2,878	1,372	-	1,506
Total Health and Human Services.....	1,584,726	1,566,937	1,474,650	11,957	80,330

(Continued)

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

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
CULTURE AND RECREATION					
PUBLIC LIBRARY					
Salaries.....	1,185,887	1,176,742	1,169,600	-	7,142
Expenses.....	69,162	69,162	63,790	1,897	3,475
Special accounts.....	149,700	149,700	147,660	2,040	-
TOTAL.....	1,404,749	1,395,604	1,381,050	3,937	10,617
RECREATION DIRECTOR					
Salaries.....	559,728	562,801	562,801	-	-
Expenses.....	50,917	41,290	35,146	2,234	3,910
Special accounts.....	18,820	18,820	10,350	1,415	7,055
TOTAL.....	629,465	622,911	608,297	3,649	10,965
RECREATION MAINTENANCE					
Salaries.....	737,642	739,910	648,444	-	91,466
Expenses.....	220,725	230,352	206,544	12,927	10,881
Capital articles.....	362,260	362,260	311,908	50,352	-
TOTAL.....	1,320,627	1,332,522	1,166,896	63,279	102,347
HISTORICAL COMMISSION					
Expenses.....	10,015	10,015	6,210	-	3,805
Total Culture and Recreation.....	3,364,856	3,361,052	3,162,453	70,865	127,734
PENSION BENEFITS					
County retirement.....	7,895,297	7,868,242	7,859,297	-	8,945
EMPLOYEE BENEFITS					
Health insurance.....	12,621,130	12,621,130	11,840,484	218,900	561,746
Medicare tax.....	994,707	994,707	918,492	-	76,215
Unemployment compensation.....	142,896	142,897	64,951	-	77,946
TOTAL.....	13,758,733	13,758,734	12,823,927	218,900	715,907
CAPITAL IMPROVEMENTS.....	300,000	300,000	300,000	-	-
RESERVE FUND.....	200,000	300,000	-	-	300,000
STATE AND COUNTY ASSESSMENTS.....	-	656,975	669,535	-	(12,560)
DEBT SERVICE PRINCIPAL.....	3,530,683	3,530,683	3,530,683	-	-
DEBT SERVICE INTEREST.....	1,866,212	1,866,212	1,826,655	-	39,557
TOTAL EXPENDITURES.....	130,879,929	131,647,103	122,121,181	7,658,914	1,867,008
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(9,779,527)	(10,396,958)	5,508,994	(7,658,914)	8,247,038
OTHER FINANCING SOURCES (USES):					
Issuance of refunding bonds.....	-	-	2,058,000	-	2,058,000
Premium from issuance of bonds.....	-	-	1,091,629	-	1,091,629
Premium from issuance of refunding bonds.....	-	-	313,910	-	313,910
Payments to bond escrow agent.....	-	-	(2,347,806)	-	(2,347,806)
Transfers in.....	700,000	700,000	772,772	-	72,772
Transfers out.....	(2,325,000)	(2,325,000)	(2,325,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	(1,625,000)	(1,625,000)	(436,495)	-	1,188,505
NET CHANGE IN FUND BALANCE.....	(11,404,527)	(12,021,958)	5,072,499	(7,658,914)	9,435,543
BUDGETARY FUND BALANCE, Beginning of year.....	26,726,111	26,726,111	26,726,111	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 15,321,584	\$ 14,704,154	\$ 31,798,610	\$ (7,658,914)	\$ 9,435,543

See Note A in required supplementary information.

(Concluded)

Pension Plan Schedules - Town

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

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

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

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

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

	December 31, 2014	December 31, 2015
Town's proportion of the net pension liability (asset).....	8.162%	8.105%
Town's proportionate share of the net pension liability (asset).....	\$ 98,053,205	\$ 104,556,462
Town's covered employee payroll.....	\$ 29,210,227	\$ 30,378,636
Net pension liability as a percentage of covered-employee payroll.....	335.68%	344.18%
Plan fiduciary net position as a percentage of the total pension liability.....	47.65%	46.13%

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

See notes to required supplementary information.

**SCHEDULE OF TOWN'S CONTRIBUTIONS
MIDDLESEX COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015
Actuarially determined contribution.....	\$ 7,511,305	\$ 7,895,297
Contributions in relation to the actuarially determined contribution.....	<u>(7,511,305)</u>	<u>(7,895,297)</u>
Contribution deficiency (excess).....	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll.....	\$ 29,210,277	\$ 30,378,636
Contributions as a percentage of covered- employee payroll.....	25.71%	25.99%

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

See notes to required supplementary information.

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

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

Year	Commonwealth's 100% Share of the Net Pension Liability Associated with the Town	Town's Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2016.....	\$ 98,121,938	\$ 7,958,562	55.38%
2015.....	75,221,631	5,226,008	61.64%

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

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

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

The Schedule of Employer Contributions presents the employer's required and actual contributions to the plan as well as the total contributions to the plan.

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

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

YEAR ENDED JUNE 30, 2016

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)
12/31/2014	\$ 2,024,351	\$ 75,528,350	\$ 73,503,999	2.68%	\$ 67,304,810	109.2%
12/31/2012	755,021	102,278,451	101,523,430	0.74%	60,761,981	167.1%
12/31/2010	-	128,054,188	128,054,188	0.00%	58,507,552	218.9%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage of the ARC Contributed
2016	\$ 5,981,702	\$ 5,069,522	85%
2015	5,687,328	4,846,803	85%
2014	7,371,981	5,064,824	69%
2013	7,077,925	4,789,300	68%
2012	8,263,053	5,259,794	64%
2011	8,131,431	4,313,542	53%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

YEAR ENDED JUNE 30, 2016

Actuarial Methods:

Valuation date.....	December 31, 2014
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Payment increasing at 4.0%
Remaining amortization period.....	30 years closed (previously 30 years open)
Asset valuation method.....	Market value

Actuarial Assumptions:

Discount rate.....	7.75% (previously 5.50%)
Inflation rate.....	4.00%
Asset rate of return.....	7.75%
Medical/drug cost trend rate.....	9.00% decreasing by 0.50% for 8 years to to an ultimate level of 5.00%
Non-Medicare cost trend rate.....	8.00% decreasing by 0.50% for 6 years to an ultimate level of 5.00%
Administrative expense increase rate.....	3.00%
Part B premium.....	5.00% (previously 6.00%)

Plan Membership:

Current retirees, beneficiaries, and dependents.....	806
Current active members.....	<u>591</u>
Total.....	<u><u>1,397</u></u>

See notes to required supplementary information.

NOTE A - BUDGETARY BASIS OF ACCOUNTING**1. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved by Town Meeting. The Finance and Advisory Board presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Town Meeting, which has full authority to amend 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 Meeting approval via a supplemental appropriation.

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 (salaries, expenses and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, 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 majority vote of Town Meeting.

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original 2016 approved budget for the General Fund authorized approximately \$133.2 million in appropriations and other amounts to be raised and \$7.3 million in encumbrances and appropriations carried over from previous years. During 2016, the Town increased the original budget by \$800,000.

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

2. 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, 2016, is presented below:

Net change in fund balance - budgetary basis.....	\$	5,072,499
<u>Basis of accounting differences:</u>		
Net change in revenue accruals.....		(1,301,366)
Increase in revenue due to on-behalf payments.....		7,959,000
Increase in expenditures due to on-behalf payments.....		(7,959,000)
Net change in expenditure accruals.....		436,623
<u>Perspective difference:</u>		
Perspective differences in reporting of sewer fund activities.....		508,015
Activity of the stabilization fund recorded in the general fund for GAAP.....		296,150
Net change in fund balance - GAAP basis.....	\$	<u>5,011,921</u>

3. Excess of Expenditures over Appropriations

For the year ended June 30, 2016, actual expenditures exceeded appropriations for public works snow and ice and state and county assessments budget. These over-expenditures will be raised and funded through available funds during 2017.

NOTE B – PENSION PLAN

Pension Plan Schedules - Town

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

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

B. Schedule of Town's Contributions

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

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

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

D. Changes in Assumptions:

None.

E. Changes in Plan Provisions:

None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

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

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 2.68%. 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 multi-year 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 Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

Combining and Individual Fund Statements

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

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

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than permanent funds or capital project funds) that are restricted by law or administrative action to expenditures for specified purposes. The Town's special revenue funds are grouped into the following categories:

Town Revolving Fund – This fund is used to account for various municipal programs such as affordable housing monitoring, recreation activities, and wetland protection.

School Revolving Fund – This fund is used to account for various school programs, such as operation of public school lunch program, athletic receipts, and tuition costs.

Town Gifts Fund – This fund is used to account for gifts which have been accepted by the Town to be used for the purpose specified by the donor.

School Gifts Fund – This fund is used to account for gifts which have been accepted by the School Department to be used for the purpose specified by the donor.

School Activity Programs Fund – This fund is used to account for school activity, such as operation of after school programs, summer programs, and integrated preschool.

Federal Grant Fund – This fund is used to account for all federal grants used for Town and School related projects and activities.

State and Local Grant Fund – This fund is used to account for all state and local grants used for Town and School related projects and activities.

Town Special Purpose Funds - These funds are used to account for specific revenues that are legally restricted, such as insurance recoveries, sale of graves and real estate, and handicap fines.

Capital Projects

Capital project funds are used to account for financial resources used in the acquisition or construction of major capital facilities (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The Town's grouping for non-major capital project funds is as described as follows:

Town Capital Projects Fund – This fund is used to account for and report financial resources for the acquisition or construction of non-school capital facilities and other capital assets of the governmental funds

School Capital Projects Fund – This fund is used to account for and report financial resources for the acquisition or construction of school capital facilities.

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.

Town Libraries Fund – These funds are used to account for all contributions received to support the public library.

Cemetery Perpetual Care Fund – These funds are used to account for all contributions associated with cemetery care and maintenance.

Conservation Fund – These funds are used to account for all contributions associated supporting the land conservation within the Town.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

YEAR ENDED JUNE 30, 2016

	Special Revenue Funds						
	Town Revolving Funds	School Revolving Funds	Town Gifts	School Gifts	School Activity Programs	Federal Grants	State & Local Grants
ASSETS							
Cash and cash equivalents.....	\$ 1,641,241	\$ 986,347	\$ 319,081	\$ 55,928	\$ 771,509	\$ 100,351	\$ 1,184,582
Investments.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Departmental and other.....	2,910	-	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-	-	1,895,875
TOTAL ASSETS.....	\$ 1,644,151	\$ 986,347	\$ 319,081	\$ 55,928	\$ 771,509	\$ 100,351	\$ 3,080,457
LIABILITIES							
Warrants payable.....	\$ 70,943	\$ 33,351	\$ 7,615	\$ -	\$ 1,526	\$ 5,553	\$ 509,758
Accrued payroll.....	1,609	-	-	-	-	-	841
Notes payable.....	-	-	-	-	-	-	-
TOTAL LIABILITIES.....	72,552	33,351	7,615	-	1,526	5,553	510,599
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues.....	2,910	-	-	-	-	-	1,442,589
FUND BALANCES							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	1,568,689	952,996	311,466	55,928	769,983	94,798	1,127,269
TOTAL FUND BALANCES.....	1,568,689	952,996	311,466	55,928	769,983	94,798	1,127,269
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 1,644,151	\$ 986,347	\$ 319,081	\$ 55,928	\$ 771,509	\$ 100,351	\$ 3,080,457

Special Revenue Funds		Capital Project Funds			Permanent Funds				Total Nonmajor Governmental Funds
Town Special Purposes Funds	Subtotal	Town Capital Projects	School Capital Projects	Subtotal	Town Libraries	Cemetery Perpetual Care	Conservation	Subtotal	
\$ 652,121	\$ 5,711,160	\$ 5,150,488	\$ 40,066	\$ 5,190,554	\$ 5,345	\$ 205,332	\$ 1,030	\$ 211,707	\$ 11,113,421
-	-	-	-	-	-	572,115	-	572,115	572,115
-	2,910	-	-	-	-	-	-	-	2,910
-	1,895,875	-	-	-	-	-	-	-	1,895,875
<u>\$ 652,121</u>	<u>\$ 7,609,945</u>	<u>\$ 5,150,488</u>	<u>\$ 40,066</u>	<u>\$ 5,190,554</u>	<u>\$ 5,345</u>	<u>\$ 777,447</u>	<u>\$ 1,030</u>	<u>\$ 783,822</u>	<u>\$ 13,584,321</u>
\$ 9	\$ 628,755	\$ 461,042	\$ -	\$ 461,042	\$ -	\$ -	\$ -	\$ -	\$ 1,089,797
1,435	3,885	-	-	-	-	-	-	-	3,885
-	-	750,000	-	750,000	-	-	-	-	750,000
<u>1,444</u>	<u>632,640</u>	<u>1,211,042</u>	<u>-</u>	<u>1,211,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,843,682</u>
-	1,445,499	-	-	-	-	-	-	-	1,445,499
-	-	-	-	-	4,497	582,528	1,030	588,055	588,055
650,677	5,531,806	3,939,446	40,066	3,979,512	848	194,919	-	195,767	9,707,085
<u>650,677</u>	<u>5,531,806</u>	<u>3,939,446</u>	<u>40,066</u>	<u>3,979,512</u>	<u>5,345</u>	<u>777,447</u>	<u>1,030</u>	<u>783,822</u>	<u>10,295,140</u>
<u>\$ 652,121</u>	<u>\$ 7,609,945</u>	<u>\$ 5,150,488</u>	<u>\$ 40,066</u>	<u>\$ 5,190,554</u>	<u>\$ 5,345</u>	<u>\$ 777,447</u>	<u>\$ 1,030</u>	<u>\$ 783,822</u>	<u>\$ 13,584,321</u>

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

YEAR ENDED JUNE 30, 2016

	Special Revenue Funds						
	Town Revolving Funds	School Revolving Funds	Town Gifts	School Gifts	School Activity Programs	Federal Grants	State & Local Grants
REVENUES:							
Intergovernmental.....	\$ 4,801	\$ 57,608	\$ 300	\$ -	\$ -	\$ 3,110,795	\$ 1,107,327
Departmental and other.....	1,288,946	2,180,929	134,067	28,467	1,195,200	-	750,046
Contributions.....	-	-	130	2,503	-	-	-
Investment income.....	101	-	-	-	-	-	-
Miscellaneous.....	-	-	-	-	-	-	-
TOTAL REVENUES.....	1,293,848	2,238,537	134,497	30,970	1,195,200	3,110,795	1,857,373
EXPENDITURES:							
Current:							
General government.....	235,390	-	86,516	-	-	-	586,325
Public safety.....	9,200	-	931	-	-	321,771	309,500
Education.....	-	2,203,178	-	26,148	1,036,538	2,759,495	13,618
Public works.....	20,868	-	-	-	-	-	629,202
Human services.....	13,481	-	27,149	-	-	-	150,958
Culture and recreation.....	922,777	-	63,654	-	-	-	13,812
TOTAL EXPENDITURES.....	1,201,716	2,203,178	178,250	26,148	1,036,538	3,081,266	1,703,415
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	92,132	35,359	(43,753)	4,822	158,662	29,529	153,958
OTHER FINANCING SOURCES (USES):							
Issuance of bonds and notes.....	-	-	-	-	-	-	-
Transfers in.....	145,000	-	-	-	-	-	-
Transfers out.....	-	-	-	-	-	(52,120)	(5,199)
TOTAL OTHER FINANCING SOURCES (USES)...	145,000	-	-	-	-	(52,120)	(5,199)
NET CHANGE IN FUND BALANCES.....	237,132	35,359	(43,753)	4,822	158,662	(22,591)	148,759
FUND BALANCES AT BEGINNING OF YEAR.....	1,331,557	917,637	355,219	51,106	611,321	117,389	978,510
FUND BALANCES AT END OF YEAR.....	\$ 1,568,689	\$ 952,996	\$ 311,466	\$ 55,928	\$ 769,983	\$ 94,798	\$ 1,127,269

Special Revenue Funds		Capital Projects Funds			Permanent Funds				Total Nonmajor Governmental Funds
Town Special Purposes Funds	Subtotal	Town Capital Projects	School Capital Projects	Subtotal	Town Libraries	Cemetery Perpetual Care	Conservation	Subtotal	
\$ -	\$ 4,280,831	\$ 682,800	\$ -	\$ 682,800	\$ -	\$ -	\$ -	\$ -	\$ 4,963,631
146,996	5,724,651	295	-	295	-	-	-	-	5,724,946
-	2,633	-	-	-	-	36,109	-	36,109	38,742
650	751	-	-	-	24	23,910	4	23,938	24,689
222,006	222,006	-	-	-	-	-	-	-	222,006
369,652	10,230,872	683,095	-	683,095	24	60,019	4	60,047	10,974,014
80,172	988,403	16,276	-	16,276	-	-	-	-	1,004,679
30,204	671,606	-	-	-	-	-	-	-	671,606
-	6,038,977	-	-	-	-	-	-	-	6,038,977
-	650,070	3,323,921	-	3,323,921	-	-	-	-	3,973,991
80,563	272,151	-	-	-	-	-	-	-	272,151
-	1,000,243	-	-	-	-	-	-	-	1,000,243
190,939	9,621,450	3,340,197	-	3,340,197	-	-	-	-	12,961,647
178,713	609,422	(2,657,102)	-	(2,657,102)	24	60,019	4	60,047	(1,987,633)
-	-	1,735,200	-	1,735,200	-	-	-	-	1,735,200
-	145,000	2,180,000	-	2,180,000	-	-	-	-	2,325,000
(15,453)	(72,772)	-	-	-	-	-	-	-	(72,772)
(15,453)	72,228	3,915,200	-	3,915,200	-	-	-	-	3,987,428
163,260	681,650	1,258,098	-	1,258,098	24	60,019	4	60,047	1,999,795
487,417	4,850,156	2,681,348	40,066	2,721,414	5,321	717,428	1,026	723,775	8,295,345
\$ 650,677	\$ 5,531,806	\$ 3,939,446	\$ 40,066	\$ 3,979,512	\$ 5,345	\$ 777,447	\$ 1,030	\$ 783,822	\$ 10,295,140

Agency Fund

The Agency Fund is used to account for assets held in a purely custodial capacity. The Town's agency fund consists primarily of student activities and planning deposits.

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2016

	Agency Funds June 30, 2015	Additions	Deletions	Agency Funds June 30, 2016
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 726,303	\$ 4,110,540	\$ (4,504,679)	\$ 332,164
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	187,533	503,264	(187,533)	503,264
TOTAL ASSETS.....	<u>\$ 913,836</u>	<u>\$ 4,613,804</u>	<u>\$ (4,692,212)</u>	<u>\$ 835,428</u>
LIABILITIES				
Warrants payable.....	-	15,982	(15,646)	\$ 336
Payroll liabilities.....	\$ 21,302	\$ 38,833	\$ (21,302)	38,833
Liabilities due depositors.....	892,534	4,558,989	(4,655,264)	796,259
TOTAL LIABILITIES.....	<u>\$ 913,836</u>	<u>\$ 4,613,804</u>	<u>\$ (4,692,212)</u>	<u>\$ 835,428</u>

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Statistical Section



Burlington's Fourteenth Annual Municipal Truck Day at the Town Common held annually in September. This event has proven to be a favorite amongst the community and attendance continues to grow each year.

(Photo: Burlington Recreation Department)

Statistical Section

This part of the Town of Burlington'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 Town's financial reports for the relevant year.

Town of Burlington, Massachusetts

Net Position By Component

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net Investment in capital assets.....	\$ 62,233,320	\$ 66,576,624	\$ 67,532,644	\$ 73,581,193	\$ 82,470,226	\$ 96,639,005	\$ 106,844,287	\$ 112,419,808	\$ 117,056,689	\$ 116,649,672
Restricted.....	998,810	2,188,153	1,358,679	1,963,823	2,515,660	2,998,905	1,313,764	959,629	2,365,972	3,214,610
Unrestricted.....	<u>21,166,210</u>	<u>19,228,121</u>	<u>16,893,182</u>	<u>11,172,692</u>	<u>13,749,367</u>	<u>19,910,758</u>	<u>20,586,182</u>	<u>(74,474,053)</u>	<u>(75,794,406)</u>	<u>(73,402,091)</u>
Total governmental activities net position.....	<u>\$ 84,398,340</u>	<u>\$ 87,992,898</u>	<u>\$ 85,784,505</u>	<u>\$ 86,717,708</u>	<u>\$ 98,735,253</u>	<u>\$ 119,548,668</u>	<u>\$ 128,744,233</u>	<u>\$ 38,905,384</u>	<u>\$ 43,628,255</u>	<u>\$ 46,462,191</u>
Business-type activities:										
Net Investment in capital assets.....	705,676	834,672	971,347	1,108,685	-	-	-	-	-	-
Unrestricted.....	<u>190,357</u>	<u>234,363</u>	<u>31,505</u>	<u>19,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities net position.....	<u>\$ 896,033</u>	<u>\$ 1,069,035</u>	<u>\$ 1,002,852</u>	<u>\$ 1,128,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government:										
Net Investment in capital assets.....	62,938,996	67,411,296	68,503,991	74,689,878	82,470,226	96,639,005	106,844,287	112,419,808	117,056,689	116,649,672
Restricted.....	998,810	2,188,153	1,358,679	1,963,823	2,515,660	2,998,905	1,313,764	959,629	2,365,972	3,214,610
Unrestricted.....	<u>21,356,567</u>	<u>19,462,484</u>	<u>16,924,687</u>	<u>11,192,474</u>	<u>13,749,367</u>	<u>19,910,758</u>	<u>20,586,182</u>	<u>(74,474,053)</u>	<u>(75,794,406)</u>	<u>(73,402,091)</u>
Total primary government net position.....	<u>\$ 85,294,373</u>	<u>\$ 89,061,933</u>	<u>\$ 86,787,357</u>	<u>\$ 87,846,175</u>	<u>\$ 98,735,253</u>	<u>\$ 119,548,668</u>	<u>\$ 128,744,233</u>	<u>\$ 38,905,384</u>	<u>\$ 43,628,255</u>	<u>\$ 46,462,191</u>

The Town discontinued the operation of the Ice Palace Enterprise fund in 2011.

The Town implemented GASB 68 and recorded their Net Pension Liability for the first time in 2015 and adjusted 2014 for the beginning balance change.

Town of Burlington, Massachusetts
Changes in Net Position
Last Ten Years

	Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government.....	\$ 7,849,363	\$ 7,548,256	\$ 8,459,662	\$ 7,813,766	\$ 8,385,657	\$ 8,234,335	\$ 8,973,916	\$ 8,933,778	\$ 8,657,177	\$ 8,635,518
Public safety.....	14,676,456	17,197,170	18,431,272	19,775,102	19,983,723	19,886,936	21,329,943	20,004,254	22,379,342	23,631,927
Education.....	58,544,715	58,489,359	65,300,541	66,909,094	70,186,700	73,899,689	74,101,607	81,817,139	77,578,174	83,728,960
Public works.....	8,539,972	9,177,761	9,662,429	10,134,929	9,708,911	9,530,650	10,678,127	10,966,318	13,331,433	14,849,928
Water and sewer.....	6,635,964	7,393,229	7,944,289	8,327,213	8,405,199	9,226,171	9,250,784	8,838,002	9,239,696	8,216,296
Human services.....	1,553,910	1,731,666	1,992,081	1,851,921	2,075,523	2,090,245	2,124,869	2,098,766	2,177,276	2,489,924
Culture and recreation.....	3,366,966	4,379,119	4,590,373	4,793,427	4,889,380	5,085,224	5,154,268	5,293,996	5,271,687	5,791,638
Interest.....	1,226,467	1,104,857	1,047,441	959,569	1,285,155	1,223,790	1,917,491	1,823,582	1,448,616	1,999,825
Total government activities expenses.....	<u>102,393,813</u>	<u>107,021,417</u>	<u>117,428,088</u>	<u>120,565,021</u>	<u>124,920,248</u>	<u>129,177,040</u>	<u>133,531,005</u>	<u>139,775,835</u>	<u>140,083,401</u>	<u>149,344,016</u>
Business-type activities:										
Ice Palace.....	624,671	591,237	731,015	64,543	59,588	-	-	-	-	-
Total primary government expenses.....	<u>\$ 103,018,484</u>	<u>\$ 107,612,654</u>	<u>\$ 118,159,103</u>	<u>\$ 120,629,564</u>	<u>\$ 124,979,836</u>	<u>\$ 129,177,040</u>	<u>\$ 133,531,005</u>	<u>\$ 139,775,835</u>	<u>\$ 140,083,401</u>	<u>\$ 149,344,016</u>
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 1,844,477	\$ 1,572,380	\$ 1,750,051	\$ 2,326,499	\$ 2,500,576	\$ 3,055,634	\$ 2,871,218	\$ 3,160,902	\$ 3,378,914	\$ 3,627,629
Public Safety charges for services.....	2,302,360	1,797,960	1,951,849	1,742,183	2,020,420	2,160,275	2,583,570	3,477,953	3,800,655	3,916,389
Water and sewer charges for services.....	5,528,441	7,197,018	7,754,170	5,605,736	9,879,275	8,795,125	8,701,323	9,335,360	9,463,040	9,812,063
Other charges for services.....	2,829,231	2,856,133	2,960,232	3,102,622	3,264,617	3,346,047	3,160,184	4,014,165	4,127,637	3,686,716
Operating grants and contributions.....	15,255,811	15,894,900	17,012,906	18,700,912	17,694,926	19,797,276	20,362,729	20,108,510	14,584,113	17,655,199
Capital grant and contributions.....	-	2,206,646	404,336	3,318,410	8,551,819	18,489,036	5,714,298	3,686,648	3,047,454	2,087,136
Total government activities program revenues.....	<u>27,760,320</u>	<u>31,525,037</u>	<u>31,833,544</u>	<u>34,796,362</u>	<u>43,911,633</u>	<u>55,643,393</u>	<u>43,393,322</u>	<u>43,783,538</u>	<u>38,401,813</u>	<u>40,785,132</u>
Business-type activities:										
Charges for services.....	710,891	758,470	662,860	190,158	135,693	-	-	-	-	-
Total primary government program revenues.....	<u>\$ 28,471,211</u>	<u>\$ 32,283,507</u>	<u>\$ 32,496,404</u>	<u>\$ 34,986,520</u>	<u>\$ 44,047,326</u>	<u>\$ 55,643,393</u>	<u>\$ 43,393,322</u>	<u>\$ 43,783,538</u>	<u>\$ 38,401,813</u>	<u>\$ 40,785,132</u>
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (74,633,493)	\$ (75,496,380)	\$ (85,594,544)	\$ (85,768,659)	\$ (81,008,615)	\$ (73,533,647)	\$ (90,137,683)	\$ (95,992,297)	\$ (101,681,588)	\$ (108,558,884)
Business-type activities.....	<u>86,220</u>	<u>167,233</u>	<u>(68,155)</u>	<u>125,615</u>	<u>76,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government net (expense)/program revenue.....	<u>\$ (74,547,273)</u>	<u>\$ (75,329,147)</u>	<u>\$ (85,662,699)</u>	<u>\$ (85,643,044)</u>	<u>\$ (80,932,510)</u>	<u>\$ (73,533,647)</u>	<u>\$ (90,137,683)</u>	<u>\$ (95,992,297)</u>	<u>\$ (101,681,588)</u>	<u>\$ (108,558,884)</u>

(Continued)

Town of Burlington, Massachusetts
Changes in Net Position
Last Ten Years

	Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes,										
net of tax refunds payable.....	\$ 64,634,263	\$ 68,910,879	\$ 74,149,116	\$ 78,024,335	\$ 81,198,186	\$ 83,728,004	\$ 87,525,940	\$ 91,085,231	\$ 94,505,632	\$ 97,533,719
Tax liens.....	31,676	138,283	204,413	461,580	210,130	559,358	371,618	567,733	281,302	265,140
Motor vehicle excise taxes.....	2,906,393	3,126,512	2,913,520	2,886,060	3,166,382	3,139,309	3,468,964	3,554,381	3,636,722	4,569,562
Hotel, motel and meals taxes.....	1,344,911	1,432,492	1,308,835	1,287,634	1,871,735	3,349,317	3,636,393	3,657,526	4,255,813	4,553,039
Penalties and interest on taxes.....	387,565	390,611	323,433	300,476	334,113	338,128	383,922	291,353	255,365	502,940
Payment in lieu of taxes.....	541,071	548,314	547,878	548,087	521,092	520,000	520,347	520,000	521,090	521,090
Grants and contributions not restricted to										
specific programs.....	3,313,286	3,379,354	3,042,580	2,424,372	2,331,313	2,328,361	2,366,346	2,389,509	2,446,724	2,448,330
Unrestricted investment income.....	1,208,798	680,300	460,915	252,090	239,593	199,527	335,618	273,217	236,962	746,779
Gain of sale of capital assets.....	-	-	-	-	605,316	-	521,600	-	-	-
Miscellaneous.....	-	484,193	435,461	517,228	1,343,728	185,058	202,500	181,101	264,849	252,221
Transfers.....	-	-	-	-	1,204,572	-	-	-	-	-
Total governmental activities.....	<u>74,367,963</u>	<u>79,090,938</u>	<u>83,386,151</u>	<u>86,701,862</u>	<u>93,026,160</u>	<u>94,347,062</u>	<u>99,333,248</u>	<u>102,520,051</u>	<u>106,404,459</u>	<u>111,392,820</u>
Business-type activities:										
Unrestricted investment income.....	7,019	5,769	1,972	-	-	-	-	-	-	-
Transfers.....	-	-	-	-	(1,204,572)	-	-	-	-	-
Total business-type activities.....	<u>7,019</u>	<u>5,769</u>	<u>1,972</u>	<u>-</u>	<u>(1,204,572)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government general revenues and other										
changes in net position.....	<u>\$ 74,374,982</u>	<u>\$ 79,096,707</u>	<u>\$ 83,388,123</u>	<u>\$ 86,701,862</u>	<u>\$ 91,821,588</u>	<u>\$ 94,347,062</u>	<u>\$ 99,333,248</u>	<u>\$ 102,520,051</u>	<u>\$ 106,404,459</u>	<u>\$ 111,392,820</u>
Changes in Net Position										
Governmental activities.....	\$ (265,530)	\$ 3,594,558	\$ (2,206,421)	\$ 933,203	\$ 12,017,545	\$ 20,813,415	\$ 9,195,565	\$ 6,527,754	\$ 4,722,871	\$ 2,833,936
Business-type activities.....	<u>93,239</u>	<u>173,002</u>	<u>(66,183)</u>	<u>125,615</u>	<u>(1,128,467)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government changes in net position.....	<u>\$ (172,291)</u>	<u>\$ 3,767,560</u>	<u>\$ (2,272,604)</u>	<u>\$ 1,058,818</u>	<u>\$ 10,889,078</u>	<u>\$ 20,813,415</u>	<u>\$ 9,195,565</u>	<u>\$ 6,527,754</u>	<u>\$ 4,722,871</u>	<u>\$ 2,833,936</u>

The Town discontinued the operation of the Ice Palace Enterprise fund in 2011.

The Town implemented GASB 68 and recorded their Net Pension Liability for the first time in 2015.

(Concluded)

Town of Burlington, Massachusetts

Fund Balances, Governmental Funds

Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Committed.....\$	-	-	-	-	1,197,206	2,445,246	2,635,593	1,705,171	2,692,084	2,642,772
Assigned.....	2,029,012	1,733,658	2,362,290	1,834,572	3,002,537	3,892,016	5,238,888	7,624,521	6,861,393	8,017,447
Unassigned.....	7,449,414	8,266,587	8,828,675	10,179,879	16,235,802	18,150,496	21,765,606	25,037,238	24,057,614	27,962,793
Total general fund.....\$	<u>9,478,426</u>	<u>10,000,245</u>	<u>11,190,965</u>	<u>12,014,451</u>	<u>20,435,545</u>	<u>24,487,758</u>	<u>29,640,087</u>	<u>34,366,930</u>	<u>33,611,091</u>	<u>38,623,012</u>
All Other Governmental Funds										
Reserved.....\$	4,755,276	4,307,500	4,181,921	3,669,686	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds.....	2,898,304	3,179,680	2,417,335	3,139,071	-	-	-	-	-	-
Capital projects funds.....	3,118,051	857,097	(935,224)	3,365,397	-	-	-	-	-	-
Permanent funds.....	70,322	86,260	111,767	124,569	-	-	-	-	-	-
Nonspendable.....	-	-	-	-	413,880	488,630	482,459	570,480	561,251	588,055
Restricted.....	-	-	-	-	6,982,974	8,772,669	5,679,557	3,303,818	7,734,094	9,707,085
Unassigned.....	-	-	-	-	(260,739)	(281,552)	(1,624,076)	(7,485,398)	-	-
Total all other governmental funds.....\$	<u>10,841,953</u>	<u>8,430,537</u>	<u>5,775,799</u>	<u>10,298,723</u>	<u>7,136,115</u>	<u>8,979,747</u>	<u>4,537,940</u>	<u>(3,611,100)</u>	<u>8,295,345</u>	<u>10,295,140</u>

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

Town of Burlington, Massachusetts

Changes in Fund Balances, Governmental Funds

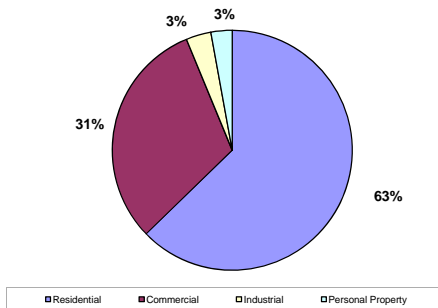
Last Ten Fiscal Years

	Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Real estate and personal property taxes,										
net of tax refunds.....	\$ 64,800,315	\$ 68,838,117	\$ 73,940,044	\$ 78,080,006	\$ 81,079,532	\$ 83,917,539	\$ 87,511,573	\$ 91,419,009	\$ 94,364,342	\$ 97,422,787
Tax liens.....	115,510	82,568	35,813	77,469	213,009	249,692	281,902	218,654	173,535	597,682
Motor vehicle excise taxes.....	2,822,105	3,123,333	3,088,661	2,850,959	3,026,761	3,123,877	3,525,991	3,612,156	3,654,777	4,445,017
Hotel, motel and meals taxes.....	1,344,911	1,432,492	1,308,835	1,287,634	1,871,735	3,349,317	3,636,393	3,657,526	4,255,813	4,553,039
Charges for service.....	738,394	788,792	545,845	522,563	475,101	618,487	743,470	659,605	691,362	854,582
Water and sewer charges.....	5,590,497	6,060,638	7,200,057	7,012,986	9,310,898	8,878,775	9,240,758	10,007,241	10,164,519	9,857,220
Penalties and interest on taxes.....	387,565	390,611	323,433	300,476	334,113	338,128	383,922	291,353	255,365	502,940
Fees and rentals.....	274,651	263,653	388,618	404,593	441,306	430,100	342,461	453,264	504,411	599,641
Payment in lieu of taxes.....	541,071	548,314	547,878	548,087	521,092	520,000	520,347	520,000	521,090	521,090
Licenses and permits.....	1,823,565	1,352,798	1,450,119	1,253,915	1,411,288	1,293,115	2,046,545	2,772,859	2,878,533	3,100,402
Intergovernmental.....	19,090,491	20,670,124	20,963,142	24,278,648	29,101,027	39,567,666	30,078,008	24,583,703	18,719,275	21,580,606
Departmental and other.....	4,934,401	3,878,102	4,245,845	4,912,444	5,322,845	6,815,023	5,535,692	6,044,841	6,427,038	6,685,738
Contributions.....	3,263	7,479	13,017	28,016	15,709	46,174	26,489	1,501,903	1,002,596	38,742
Investment income.....	1,099,686	604,587	428,623	240,167	233,569	196,172	330,339	267,563	230,164	561,453
Miscellaneous.....	7,149	336,451	512,677	474,972	874,808	271,503	255,126	228,519	502,723	474,277
Total Revenue.....	103,573,574	108,378,059	114,992,607	122,272,935	134,232,793	149,615,568	144,459,016	146,238,196	144,345,543	151,795,216
Expenditures:										
General government.....	3,867,680	4,280,871	5,880,994	5,352,889	5,692,875	5,893,759	6,394,853	6,511,826	7,802,938	5,804,651
Public safety.....	11,124,011	12,384,267	12,160,737	13,249,192	13,347,165	12,833,413	13,488,718	13,733,599	14,870,137	14,721,094
Education.....	47,564,580	42,490,307	46,208,782	45,927,698	49,475,780	51,719,838	53,328,943	58,699,538	57,398,922	60,331,384
Public works.....	9,201,967	7,006,444	6,189,351	6,467,606	5,986,086	5,627,985	6,342,475	6,568,070	11,487,236	11,196,412
Water and sewer.....	2,922,669	2,908,367	3,093,945	3,631,069	3,205,804	3,719,362	3,754,705	3,200,730	3,528,114	2,617,549
MWRA assessment.....	3,713,295	3,880,156	4,158,552	3,988,371	4,468,551	4,744,850	4,745,864	4,865,690	4,962,214	4,930,668
Human services.....	1,167,627	1,221,699	1,388,888	1,352,605	1,439,541	1,491,404	1,504,393	1,503,817	1,582,618	1,746,801
Culture and recreation.....	2,937,764	3,165,457	3,344,486	3,476,835	3,450,315	3,536,753	3,864,371	3,797,414	3,625,733	3,887,724
Pension benefits.....	4,856,218	13,724,677	15,138,019	15,821,783	16,495,297	17,333,291	18,235,052	18,916,521	12,701,305	15,818,297
Employee benefits and insurance.....	9,009,841	9,642,611	9,963,571	9,964,115	10,277,959	12,168,672	12,080,516	11,850,607	12,461,960	12,823,927
State and county charges.....	518,033	531,620	606,387	629,368	578,764	587,147	601,693	624,546	639,045	669,535
Capital outlay.....	7,302,652	7,082,129	6,070,157	13,645,746	25,856,866	32,941,925	16,789,218	13,344,606	5,488,898	7,630,493
Debt service:										
Principal.....	2,688,711	2,936,044	3,049,436	2,966,147	2,790,482	3,165,380	3,801,490	4,099,923	3,686,506	3,629,243
Interest.....	1,251,988	1,245,337	1,125,265	1,106,719	1,284,304	1,642,702	1,801,458	2,043,937	1,759,278	1,826,655
Payment to bond escrow agent.....	-	-	-	-	-	-	-	-	793,918	-
Total Expenditures.....	108,127,036	112,499,986	118,378,570	127,580,143	144,349,789	157,406,481	146,733,749	149,760,824	142,788,822	147,634,433
Excess of revenues over (under) expenditures.....	(4,553,462)	(4,121,927)	(3,385,963)	(5,307,208)	(10,116,996)	(7,790,913)	(2,274,733)	(3,522,628)	1,556,721	4,160,783
Other Financing Sources (Uses)										
Issuance of bonds and notes.....	9,897,482	1,763,000	1,900,000	10,480,000	14,801,675	13,145,125	1,242,000	-	7,712,000	1,735,200
Issuance of debt refunding.....	-	-	-	-	-	-	-	-	-	2,058,000
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	-	-	313,910
Payments to refunded bond escrow agents.....	-	-	-	-	-	-	-	-	-	(2,347,806)
Premium from issuance of bonds.....	30,277	69,330	21,945	173,618	567,177	541,633	374,786	100,431	81,885	1,091,629
Sale of capital assets.....	-	-	-	-	-	-	521,600	-	-	-
Capital lease financing.....	-	-	-	-	-	-	846,869	-	1,800,000	-
Transfers in.....	2,819,185	2,340,898	2,487,961	2,055,818	1,139,655	1,641,477	1,507,562	375,443	4,829,186	2,397,772
Transfers out.....	(2,519,185)	(1,940,898)	(2,487,961)	(2,055,818)	(1,133,025)	(1,641,477)	(1,507,562)	(375,443)	(4,829,186)	(2,397,772)
Total other financing sources (uses).....	10,227,759	2,232,330	1,921,945	10,653,618	15,375,482	13,686,758	2,985,255	100,431	9,593,885	2,850,933
Net change in fund balance.....	\$ 5,674,297	\$ (1,889,597)	\$ (1,464,018)	\$ 5,346,410	\$ 5,258,486	\$ 5,895,845	\$ 710,522	\$ (3,422,197)	\$ 11,150,606	\$ 7,011,716
Debt service as a percentage of noncapital expenditures.....	3.91%	3.97%	3.72%	3.57%	3.44%	3.86%	4.31%	4.50%	3.97%	3.90%

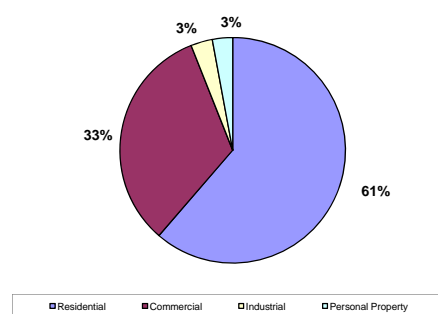
Town of Burlington, Massachusetts
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates
Last Ten Years

Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Direct Tax Rate	Total Town Value
2007	\$3,153,355,610	\$9.20	\$1,021,337,885	\$230,982,000	\$109,074,580	\$1,361,394,465	\$26.00	30.2%	\$14.27	\$4,514,750,075
2008	\$3,100,676,555	\$9.60	\$1,204,863,610	\$190,844,300	\$115,680,810	\$1,511,388,720	\$26.30	32.8%	\$15.07	\$4,612,065,275
2009 (1)	\$3,101,128,425	\$9.90	\$1,383,575,400	\$202,918,400	\$132,268,300	\$1,718,762,100	\$25.90	35.7%	\$15.61	\$4,819,890,525
2010	\$2,938,363,015	\$10.90	\$1,267,650,950	\$176,476,500	\$136,843,360	\$1,580,970,810	\$29.70	35.0%	\$17.48	\$4,519,333,825
2011	\$2,880,926,535	\$11.50	\$1,276,438,427	\$173,181,200	\$138,221,020	\$1,587,840,647	\$30.80	35.5%	\$18.36	\$4,468,767,182
2012 (1)	\$2,948,417,550	\$11.55	\$1,340,593,248	\$178,475,200	\$131,561,270	\$1,650,629,718	\$30.95	35.9%	\$18.51	\$4,599,047,268
2013	\$2,981,261,150	\$11.85	\$1,366,644,948	\$177,084,100	\$138,298,620	\$1,682,027,668	\$31.70	36.1%	\$19.01	\$4,663,288,818
2014	\$3,040,672,350	\$12.00	\$1,405,152,603	\$171,648,200	\$149,821,880	\$1,726,622,683	\$32.24	36.2%	\$19.33	\$4,767,295,033
2015 (1)	\$3,318,511,275	\$11.35	\$1,641,350,579	\$177,610,700	\$152,236,170	\$1,971,197,449	\$29.40	37.3%	\$18.08	\$5,289,708,724
2016	\$3,396,245,775	\$11.46	\$1,805,825,709	\$171,725,500	\$161,002,910	\$2,138,554,119	\$28.28	38.6%	\$17.96	\$5,534,799,894

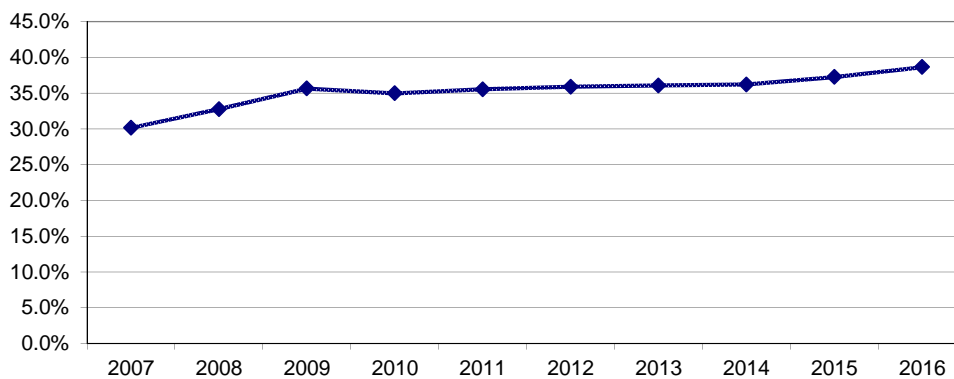
**Total Assessed Value by Classification
Fiscal Year Ended June 30, 2015**



**Total Assessed Value by Classification
Fiscal Year Ended June 30, 2016**



Commercial Value as % of Total Value



(1) Revaluation year.

Source: Assessor's Department, Town of Burlington

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.

Town of Burlington, Massachusetts

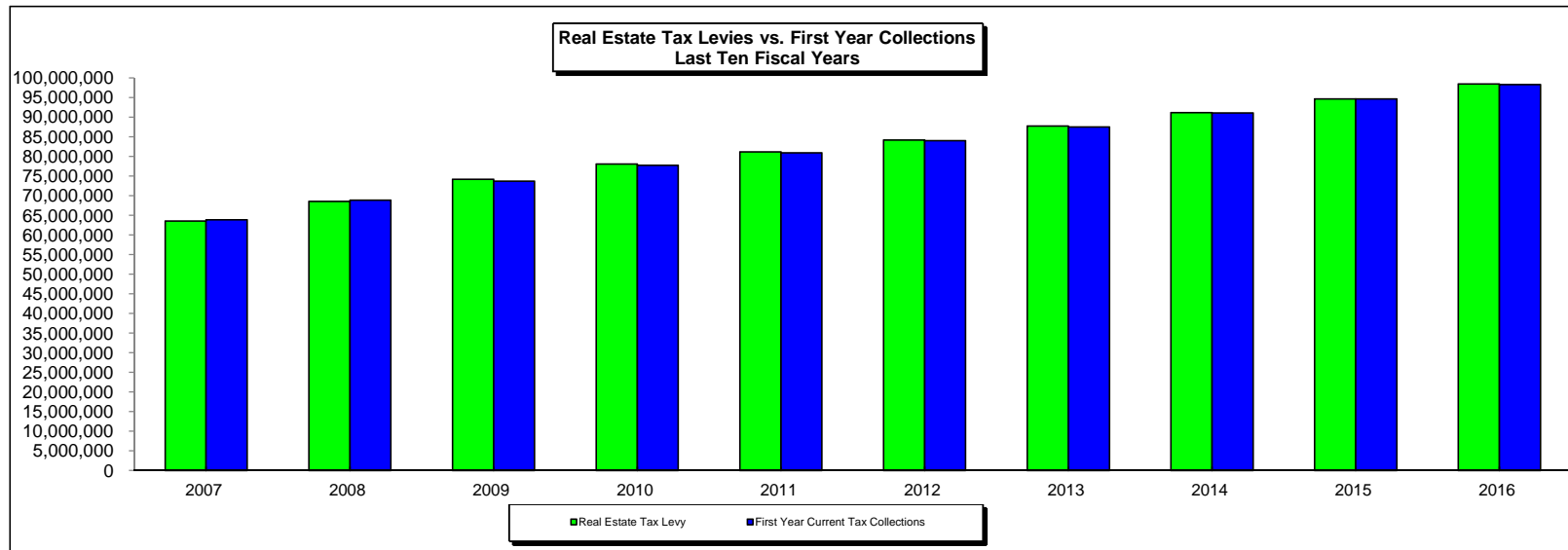
Principal Taxpayers

Current Year and Nine Years Ago

Name	Nature of Business	2016			2007		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Bellwether Property Of Mass	Office Building	\$ 203,352,700	1	3.7%	-		
Network Drive Owner LLC	Office Building	\$ 167,369,600	2	3.0%	-		
Neep Investors Holdings LLC	Office Building	\$ 140,965,300	3	2.5%	\$ 90,459,600	3	2.0%
Burlington Centre Owner LLC	Office Building	\$ 67,579,500	4	1.2%	-		
Wayside Commons Invest.	Office Building/Retail	\$ 66,209,600	5	1.2%	-		
Burlington Mall FB-1 LLC	Office Building/Retail	\$ 57,537,700	6	1.0%	\$ 169,904,600	1	3.8%
Oracle USA Inc	Computer Network Systems	\$ 54,768,600	7	1.0%	-		
Prim 25 Mall Road LLC	Office Building	\$ 43,093,700	8	0.8%	-		
Piedmont 5 & 15 Wayside LLC	Office Building	\$ 40,603,300	9	0.7%	-		
CH Rity VII-PHG H Bos Burl LLC	Office Building	\$ 39,976,600	10	0.7%	-		
Nordblom	Office Building	-			\$ 90,665,200	2	2.0%
E&A Northeast LP	Office Building	-			\$ 55,635,600	4	1.2%
Hekimian & Finard	Office/Real Estate Development	-			\$ 51,331,300	5	1.1%
Sun Micro	Computer Network Systems	-			\$ 44,697,800	6	1.0%
Gutierrez/Auburn-Oxford	Office/Real Estate Development	-			\$ 37,689,100	7	0.8%
Corporation Drive	Office Building	-			\$ 28,674,600	8	0.6%
Ma 25 Mall Office LLC	Office Building	-			\$ 26,734,600	9	0.6%
One Wheeler Road Assoc.	Office/Real Estate Development	-			\$ 22,662,800	10	0.5%
	Totals	<u>\$881,456,600</u>		<u>15.8%</u>	<u>\$618,455,200</u>		<u>13.6%</u>
Source: Town of Burlington, Assessor Department							

Town of Burlington, Massachusetts
Property Tax Levies and Collections
Last Ten Years

Year	Total Tax Levy	Less Allowance 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
2007	\$64,407,127	\$ 868,365	\$63,538,762	98.65%	\$63,881,114	100.54%	\$ 519,722	\$64,400,836	101.36%
2008	\$69,516,018	\$ 1,021,024	\$68,494,994	98.53%	\$68,806,312	100.45%	\$ 490,909	\$69,297,221	101.17%
2009	\$75,217,111	\$ 1,033,640	\$74,183,471	98.63%	\$73,662,038	99.30%	\$ 564,922	\$74,226,960	100.06%
2010	\$78,982,990	\$ 955,024	\$78,027,966	98.79%	\$77,751,205	99.65%	\$ 496,723	\$78,247,928	100.28%
2011	\$82,036,147	\$ 933,064	\$81,103,083	98.86%	\$80,860,884	99.70%	\$ 427,237	\$81,288,121	100.23%
2012	\$85,136,212	\$ 1,001,805	\$84,134,407	98.82%	\$84,009,338	99.85%	\$ 404,439	\$84,413,777	100.33%
2013	\$88,648,222	\$ 950,000	\$87,698,222	98.93%	\$87,445,667	99.71%	\$ 426,846	\$87,872,513	100.20%
2014	\$92,154,384	\$ 1,020,328	\$91,134,056	98.89%	\$91,020,060	99.87%	\$ 461,263	\$91,481,323	100.38%
2015	\$95,618,308	\$ 1,000,000	\$94,618,308	98.95%	\$94,591,684	99.97%	\$ 351,832	\$94,943,516	100.34%
2016	\$99,399,287	\$ 1,000,000	\$98,399,287	98.99%	\$98,252,845	99.85%	\$ -	\$98,252,845	99.85%



The allowance for abatements and exemptions is the tax year estimate of potential reductions of taxes. If the estimate is lower than actual then the percent of tax collections compared to the net levy can exceed 100%.

Town of Burlington, Massachusetts

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	Population Estimates	Personal Income	Assessed Value	Governmental Bonded Debt			
				General Obligation Bonds	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2007	23,223	\$684,706,932	\$4,514,750,045	\$32,727,588	\$1,409	4.78%	0.72%
2008	23,299	\$718,075,180	\$4,612,065,275	\$32,083,384	\$1,377	4.47%	0.70%
2009	24,895	\$752,053,055	\$4,819,890,565	\$29,305,108	\$1,177	3.90%	0.61%
2010	24,498	\$796,797,450	\$4,519,333,825	\$35,389,459	\$1,445	4.44%	0.78%
2011	24,985	\$878,422,630	\$4,468,767,182	\$46,769,231	\$1,872	5.32%	1.05%
2012	24,708	\$851,635,344	\$4,599,047,268	\$56,748,976	\$2,297	6.66%	1.23%
2013	25,008	\$870,103,344	\$4,663,288,818	\$54,189,486	\$2,167	6.23%	1.16%
2014	25,176	\$902,383,368	\$4,767,295,033	\$50,089,563	\$1,990	5.55%	1.05%
2015	25,190	\$867,266,510	\$5,289,708,724	\$54,018,579	\$2,144	6.23%	1.02%
2016	25,463	\$1,003,445,904	\$5,534,799,894	\$53,237,622	\$2,091	5.31%	0.96%

Year	Total Governmental Activity				
	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2007	\$ -	\$32,727,588	\$1,409	4.78%	0.72%
2008	\$ -	\$32,083,384	\$1,377	4.47%	0.70%
2009	\$ -	\$29,305,108	\$1,177	3.90%	0.61%
2010	\$ 1,200,000	\$36,589,459	\$1,494	4.59%	0.81%
2011	\$ 900,000	\$47,669,231	\$1,908	5.43%	1.07%
2012	\$ 586,500	\$57,335,476	\$2,321	6.73%	1.25%
2013	\$ 921,476	\$55,110,962	\$2,204	6.33%	1.18%
2014	\$ 349,863	\$50,439,426	\$2,003	5.59%	1.06%
2015	\$ 1,465,481	\$55,484,060	\$2,203	6.40%	1.05%
2016	\$ 1,117,689	\$54,355,311	\$2,135	5.42%	0.98%

Source: Audited Financial Statements, U. S. Census

Town of Burlington, Massachusetts

Direct and Overlapping Governmental Activities Debt

As of June 30, 2016

<u>Town of Burlington, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Shawsheen Valley Technical Vocational School..... \$	7,600,000	8.38%	\$ 636,590
MWRA.....	3,690,804,000	1.07%	39,575,880
Subtotal, overlapping debt.....			<u>40,212,470</u>
Direct debt:			
Capital Lease Obligations.....			1,117,689
General Governmental Debt.....			<u>53,237,622</u>
Town total direct debt.....			<u>54,355,311</u>
Total direct and overlapping debt.....			<u><u>\$ 94,567,781</u></u>

Source: Town of Burlington, Finance Department and related organizations.

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

Town of Burlington, Massachusetts

Computation of Legal Debt Margin

Last Ten Years

	Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Equalized Valuation.....	\$ 4,563,513,000	\$ 5,138,693,700	\$ 5,138,693,700	\$ 4,963,154,800	\$ 4,963,154,800	\$ 4,948,189,000	\$ 4,948,189,000	\$ 5,185,943,200	\$ 5,185,943,200	\$ 6,191,239,400
Debt Limit -5% of Equalized Valuation.....	\$ 228,175,650	\$ 256,934,685	\$ 256,934,685	\$ 248,157,740	\$ 248,157,740	\$ 247,409,450	\$ 247,409,450	\$ 259,297,160	\$ 259,297,160	\$ 309,561,970
Less:										
Outstanding debt applicable to limit.....	\$ 29,566,665	\$ 28,393,621	\$ 14,437,346	\$ 16,691,200	\$ 16,777,475	\$ 26,269,865	\$ 38,037,305	\$ 35,290,745	\$ 32,150,185	\$ 36,847,825
Authorized and unissued debt.....	\$ 38,752,000	\$ 30,954,518	\$ 46,894,762	\$ 77,210,034	\$ 60,675,442	\$ 39,697,256	\$ 23,595,526	\$ 29,631,288	\$ 15,926,977	\$ 17,311,800
Legal debt margin.....	<u>\$ 159,856,985</u>	<u>\$ 197,586,546</u>	<u>\$ 195,602,577</u>	<u>\$ 154,256,506</u>	<u>\$ 170,704,823</u>	<u>\$ 181,442,329</u>	<u>\$ 185,776,619</u>	<u>\$ 194,375,127</u>	<u>\$ 211,219,998</u>	<u>\$ 255,402,345</u>
Total debt applicable to the limit as a percentage of debt limit.....	29.94%	23.10%	23.87%	37.84%	31.21%	26.66%	24.91%	25.04%	18.54%	17.50%

Source: Town of Burlington, Treasurer's Department

Town of Burlington, Massachusetts
Demographic and Economic Statistics
Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2007	23,223	\$ 684,706,932	\$ 29,484	41.0	3,528	3.0%
2008	23,299	\$ 718,075,180	\$ 30,820	41.0	3,686	4.8%
2009	24,895	\$ 752,053,055	\$ 30,209	41.0	3,650	6.9%
2010	24,498	\$ 796,797,450	\$ 32,525	42.0	3,711	6.3%
2011	24,985	\$ 878,422,630	\$ 35,158	42.0	3,652	5.9%
2012	24,708	\$ 851,635,344	\$ 34,468	42.0	3,626	5.0%
2013	25,008	\$ 870,103,344	\$ 34,793	42.0	3,606	4.8%
2014	25,176	\$ 902,383,368	\$ 35,843	42.0	3,579	4.9%
2015	25,190	\$ 867,266,510	\$ 34,429	42.0	3,799	3.8%
2016	25,463	\$ 1,003,445,904	\$ 39,408	42.0	3,508	3.4%

Source: U. S. Census, Division of Local Services

Median age is based on most recent census data

MA Department of Elementary and Secondary Education

School and Town Clerk Departments, Town of Burlington

MA Office of Workforce Development

Information came from Burlington Town Report.

Town of Burlington, Massachusetts

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2016			2007		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Lahey Clinic	Hospital	5,040	1	36%	4,025	1	30%
Oracle/Sun*	Computer Network Systems	2,300	2	16%	-		-
Siemens-Nixdorff	Information Technology & Electronics	1,000	3	7%	1,800	3	13%
Avid Tech	Software Systems (Video)	800	4	6%	-		-
Burlington Mall	Retail	750	5	5%	550	5	4%
Keurig Green Mountain	Retail	750	6	5%	-		-
Wegmans	Retail	630	7	5%	-		-
Nuance Systems	Software/Communications	525	8	4%	-		-
ONE Communications	Telecom	420	9	3%	-		-
Federal Aviation Admin.	Government	385	10	3%	385	9	3%
Sun Microsystems*	Computer Network Systems	-		-	1,950	2	14%
Oracle*	Computer Network Systems	-		-	1,050	4	8%
Raytheon	Research & Development	-		-	400	6	3%
M/A - Com	Research & Development	-		-	450	7	3%
EG & G Dynatrent	Research & Development	-		-	425	8	3%
SAP Systems	Software Systems	-		-	350	10	3%
Total		<u>12,600</u>		<u>90%</u>	<u>11,385</u>		<u>84%</u>

Source: Massachusetts Workplace Development

* Oracle acquired Sun Microsystems in 2010.

Town of Burlington, Massachusetts
Full-time Equivalent Town Employees by Function
Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function										
General government.....	40	39	39	38	38	38	42	43	43	43
Public Safety.....	143	143	144	144	144	144	144	144	146	147
Education.....	516	517	524	530	527	512	544	564	570	576
Public works.....	62	62	61	61	61	58	58	58	61	64
Human services.....	20	20	20	20	20	20	20	20	20	20
Culture and recreation.....	29	29	29	29	29	29	29	29	26	31
Total	<u>810</u>	<u>810</u>	<u>817</u>	<u>822</u>	<u>819</u>	<u>801</u>	<u>837</u>	<u>858</u>	<u>866</u>	<u>879</u>

Source: Town personnel records and various Town departments.

Town of Burlington, Massachusetts
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Population.....	23,223	23,299	24,895	24,498	24,985	24,708	25,008	25,176	25,190	25,463
Registered Voters, Annual Town Election.....	13,980	14,384	14,956	1,861	14,835	15,160	15,652	15,230	15,065	15,776
Town Clerk										
Births.....	271	282	302	293	305	305	282	296	252	201
Marriages.....	115	118	128	132	126	119	125	106	130	103
Deaths.....	788	735	842	882	840	848	875	907	1,040	776
Dogs licensed.....	N/A	1,876	2,020	2,067	2,097	2,182	2,213	2,216	2,314	2,365
Police										
Documented calls for police services.....	25,587	22,523	20,753	23,287	22,950	26,820	31,524	30,305	21,186	27,629
Uniform crimes reported.....	956	883	962	934	768	818	605	573	489	592
Arrests.....	313	322	267	238	237	256	232	243	175	225
Traffic citations issued.....	5,723	5,862	4,051	3,598	2,746	3,367	4,258	3,974	3,176	4,332
False burglary alarms.....	2,139	2,083	1,787	1,804	1,871	1,749	1,622	1,636	1,365	1,558
Total number of animal complaints.....	462	451	369	478	381	368	389	454	325	411
Fire										
Inspections.....	1,034	1,055	780	719	766	762	783	789	763	774
Plan reviews.....	305	311	262	225	235	305	268	319	315	268
Permits/certificates issued.....	668	740	658	561	650	765	736	800	785	980
Emergency responses.....	6,526	6,601	6,173	6,261	6,327	6,477	6,394	6,650	6,662	7,436
Building Department										
Permits issued.....	2,858	2,678	2,323	2,704	3,185	3,176	3,454	3,492	2,726	3,632
Education										
Public school enrollment.....	2,528	3,686	3,650	3,711	3,652	3,626	3,606	3,579	3,499	3,508
Public Works										
Cemetery										
Lots sold.....	40	66	58	46	49	48	54	53	54	51
interments.....	133	152	132	151	144	139	148	150	148	144
Recycling/tons.....	1,461	1,519	1,592	2,161	2,212	2,183	2,040	1,980	2,297	2,392
Human Services										
Board of Health										
Permits issued.....	689	716	614	738	746	660	617	462	294	430
Inspections.....	1,400	1,315	1,202	1,237	1,382	1,101	1,191	1,071	809	1,357
Libraries										
Volumes in collection.....	103,467	106,723	109,287	111,850	112,140	113,663	111,713	113,487	115,599	111,892
Circulation.....	350,986	369,485	384,798	391,072	374,225	363,747	331,618	311,460	285,019	277,987
Program attendance.....	9,556	3,828	10,625	7,543	7,443	10,878	9,233	9,214	9,010	9,578
Visits.....	143,257	145,733	142,198	163,898	182,089	177,578	163,047	162,113	150,292	148,694
Hours of operation.....	2,962	3,017	3,020	3,049	2,956	2,977	2,989	2,888	2,992	2,993
Youth & Family Services										
Misc resident clinical consultation hours.....	340	360	387	413	349	314	410	320	339	503
Recreation										
Participants.....	25,735	35,909	27,762	28,684	30,679	28,438	30,126	39,568	39,809	29,374

NA: Information not available
Source: Various Town Departments

Town of Burlington, Massachusetts
Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
Number of Buildings.....	13	13	13	13	13	13	13	13	14	14
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Police personnel and officers.....	72	72	73	73	73	73	73	73	75	75
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Fire personnel and officers.....	65	65	65	65	65	65	65	65	65	66
Education										
Number of elementary schools.....	4	4	4	4	4	4	4	4	4	4
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Number of teachers.....	280	286	296	293	288	283	300	295	299	299
Number of students.....	3,528	3,686	3,650	3,711	3,652	3,626	3,606	3,579	3,799	3,508
Public Works										
Water mains (miles).....	149	149	149	149	149	149	149	149	149	149
Sanitary sewers (miles).....	121	121	121	121	121	121	121	121	121	121
Storm sewers (miles).....	117	117	117	117	117	117	117	117	117	117
Human Services										
Senior Center Facility.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Libraries.....	1	1	1	1	1	1	1	1	1	1
Conservation land (acreage).....	277	277	277	277	277	283	283	283	283	283

Source: Various Town Departments