

# **TOWN OF BURLINGTON, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



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

**On the cover:**

*Pictured on the cover is the Town Hall, a 15,000 square foot facility located at 29 Center Street and housing the following offices: Town Administrator/Board of Selectmen, Town Accountant, Town Clerk, Treasurer/Collector, Assessors, Archives as well as the Main Meeting Room for elected and appointed boards. The Town Hall was originally constructed in 1969 and was renovated in 1997 as part of large project that included the Town Hall Annex.*

*(Photographer: Terri Keene, Burlington DPW)*



*The Department of Public Works Buildings Division, in collaboration with Philips Lighting, retrofitted the outdoor post-top lamps on the Town Common with state of the art LED kits. Philips Lighting, a local Burlington business, provided the lamps free of charge to the Town, and the Buildings Division, rewired and rehabilitated the old post-top lamps.*

*(Photographer: Terri Keene, Burlington DPW)*



# TOWN OF BURLINGTON, MASSACHUSETTS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017



Prepared by:

Accounting Department

# **TOWN OF BURLINGTON, MASSACHUSETTS**

## ***Comprehensive Annual Financial Report For the Year ended June 30, 2017***

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# *Introductory Section*



*The Town Common is enjoyed by residents year round. Many community events are scheduled during the warm weather however the winter season provides many residents with peace, quiet, and serenity.*

*(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 18, 2017

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, 2017 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, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Burlington's financial statements for the year ended June 30, 2017 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 2017 census conducted by the Burlington Town Clerk, Burlington is home to a population of approximately 25,128.

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 of 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 \$63 million in property taxes from commercial property owners as compared to \$39.8 million from residential homeowners.

During 2017, the Town of Burlington continued a trend of commercial development. Burlington has a very high occupancy rate and a strong appeal to businesses. Many of the open office 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 capital” 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, the number two life science company in the world, is currently building their new U.S. headquarters within Town. This facility is set to open later in 2017. They see future possibilities as Millapore/Sigma will provide an anchor for the life/science sector in Burlington. We see future possibilities that will thrive with them as an anchor. 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 opening soon. These changes will enhance its retail appeal. The Third Avenue area continued its renewal with a new hotel, restaurant, fitness center and housing opening soon. 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 nearly complete 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 service levels without having to impose higher property taxes or onerous fees. Unlike many Massachusetts communities, layoffs or reductions in services have been avoided. The success of this past fiscal year clearly highlights the situation. This past year, the overall growth in the budget was 3.88% while the tax levy increased at 3.49%. The increase to the average single-family tax bill was 1.82%. The Town of Burlington increased its unused taxing capacity to \$8.2 million in 2017 and currently has a Stabilization Fund of \$7.7 million with an additional Other Postemployment Benefits Fund of \$5.4 million. Free Cash was certified at over \$11 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. We take a lot of pride in this financial success but also understand that we need to continue to be cognizant of maintaining a sustainable outlook in our forecasts so as to not jeopardize it. The Town will continue to forecast all expected revenues very conservatively while moderating the growth of our overall budget.

The Town created the position of budget analyst in 2012, which continues to add to its capacity to develop, maintain and monitor financial plans. The School Department just revamped their financial team and has committed to reviewing the way they have interacted with the Accounting Department. 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 the 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 \$5.4 million to that reserve over the last five years. A policy has been developed and discussed at length which sets a target to fully fund the liability over a thirty year period. We have met the goals of that plan in its first two years.

### ***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, 2016. Fiscal year ended June 30, 2017, is the second time the Town is applying for the award. 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.

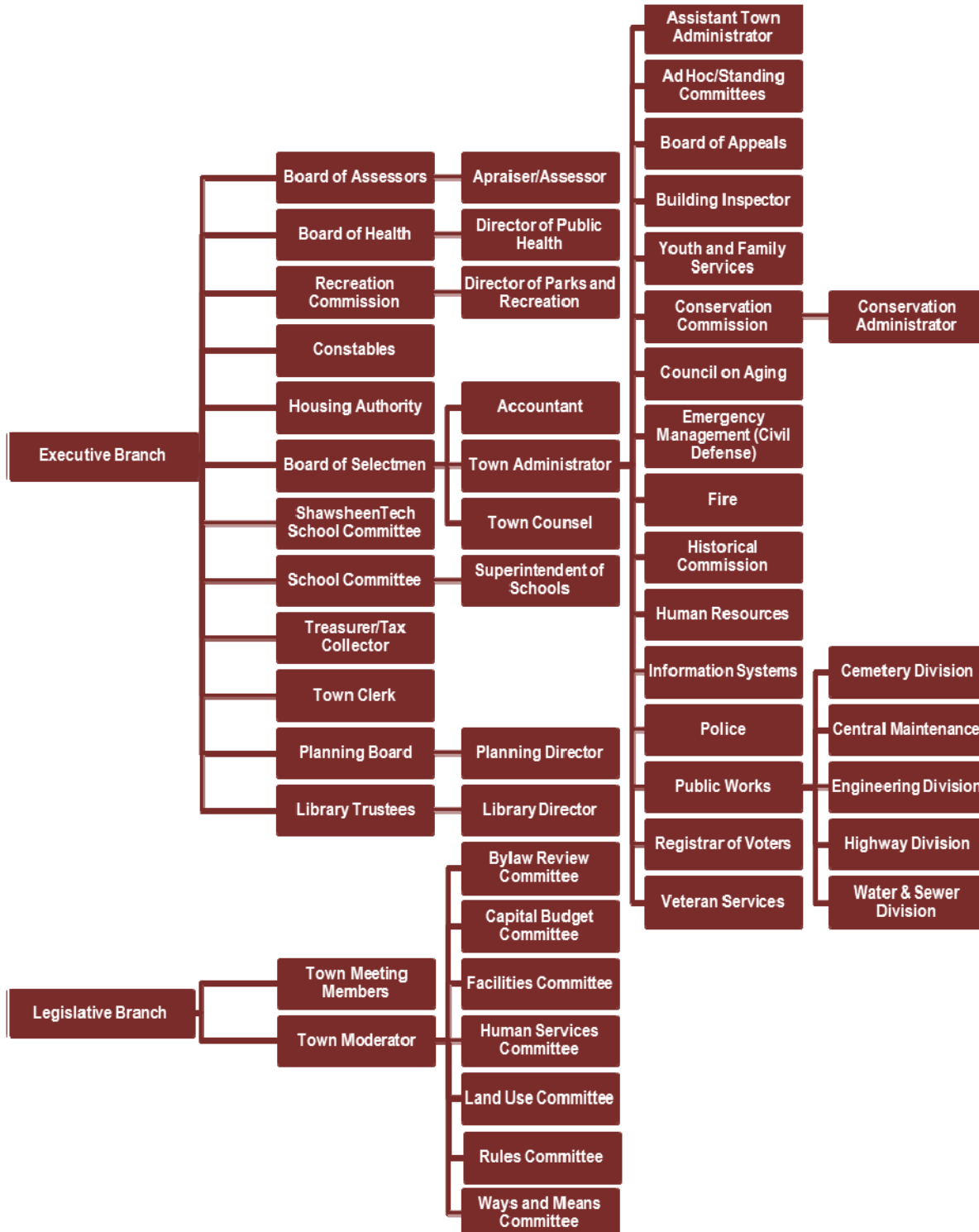
We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Selectmen and Audit Committee for their unfailing support for maintaining the highest standards of professionalism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

Respectfully submitted,



John Petrin  
Town Administrator

# The Town of Burlington





# Principal Town Officials

## Elected Officials

## Term Expires

Board of Selectmen	Christopher Hartling, Chair	2019
	Joseph E. Morandi, Vice Chair	2018
	Jim Tigges	2020
	Robert C. Hogan	2019
	Michael S. Runyan	2018
Moderator	William Beyer	2018
Town Clerk	Amy E. Warfield	2021
Assessors	Louise Crocker	2020
	Catherine O'Neil	2019
	Paul Sheehan	2018
Treasurer/Collector	Brian Curtin	2019
School Committee	Stephen A. Nelson, Chair	2020
	Thomas Murphy, Jr., Vice Chair	2019
	Christine Monaco.	2019
	Kristin A. Russo	2020
	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, 2016**

Executive Director/CEO

# *Financial Section*



*The Burlington Historical Commission has fully restored the Town's original Weights and Measures cabinet to its original beauty. The cabinet is prominently displayed in the Main Hearing Room on the second floor of Town Hall.*



*(Photo: Accounting Office Staff)*

# ***Financial Section***



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100 Quannapowitt Parkway

Suite 101

Wakefield, MA 01880

T. 781-914-1700

F. 781-914-1701

[www.powersandsullivan.com](http://www.powersandsullivan.com)

## Independent Auditor's Report

To the Honorable Board of Selectmen  
Town of Burlington, Massachusetts

## 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, 2017, 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, 2017, 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 18, 2017 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 18, 2017

# ***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, 2017. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditor's opinion. If the Town 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 \$47.5 million (net position).
- The Town recognized their total net pension liability of \$114.9 million along with a deferred outflow and (inflow) of resources related to pension of \$11.6 million and (\$715,000), 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 \$40 million, an increase of \$1.4 million in comparison with the prior year. Total fund balance represents 27.8% of total general fund expenditures. Approximately \$28.6 million of this total amount is available for appropriation at the government's discretion, \$3.3 million is committed for capital articles approved by Town Meeting and \$8.1 million is assigned for encumbrances carried forward to the subsequent year.
- The Town's total debt (short-term and long-term combined) was \$54.5 million at year end, a net increase of \$526,635 during the current year.
- The Town's other postemployment employee benefit (OPEB) liability increased by \$2.2 million. The Town also made a contribution of \$5.4 million to the OPEB trust fund.
- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions Plans*, was implemented this year. This standard added Note disclosures and Required Supplemental Information for the Town's OPEB Trust fund. Its sister standard, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment benefits Other Than Pensions*, is required to be implemented in FY2018. This standard will affect the financial statements themselves by requiring the Town to record its OPEB assets, liabilities, and deferred financial statement elements for the first time.

### **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 2017 in comparison to 2016.

### ***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 \$47.5 million at the close of 2017.

Net position of \$121.7 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 \$3.3 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position resulted in a \$77.6 million deficit, due to the cumulative effect of recording \$114.9 million net pension liability and \$23.8 million of other postemployment benefit liabilities through June 30, 2017.

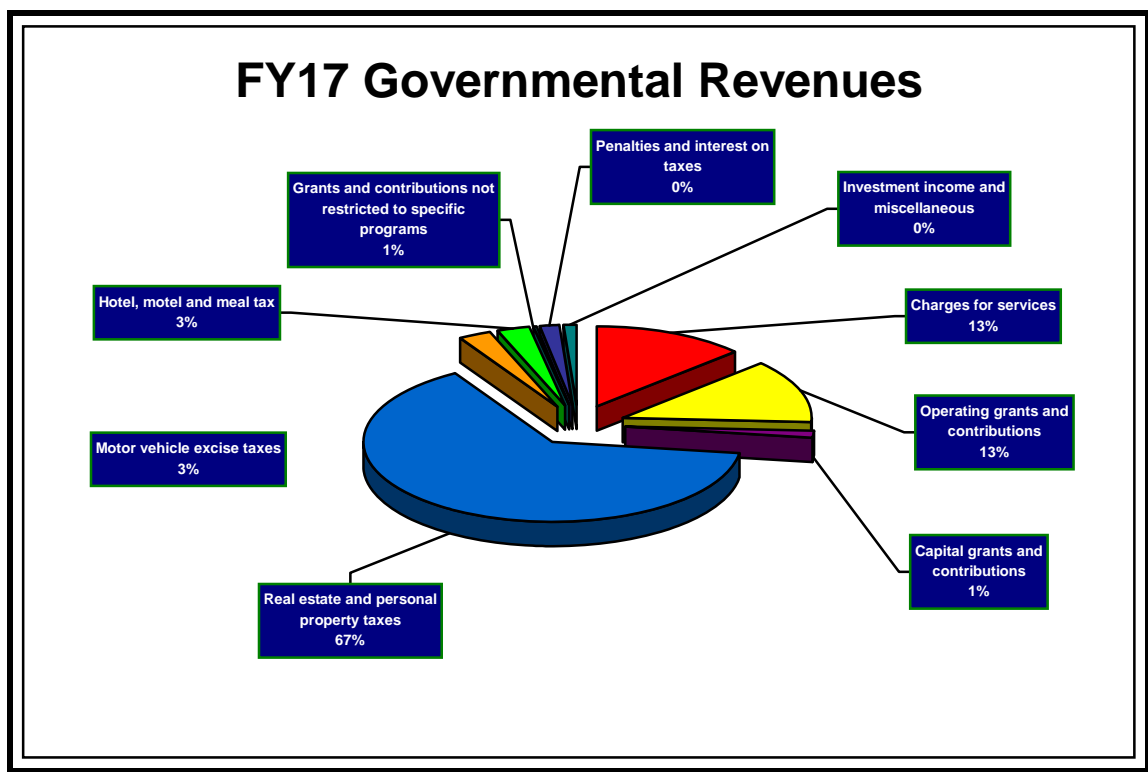
The financial analysis of the Town's governmental activities is presented on the following pages.

## 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 \$47.5 million at the close of 2017.

	Balance at June 30, 2017	Balance at June 30, 2016
<b>Assets:</b>		
Current assets.....	\$ 79,874,003	\$ 75,839,129
Noncurrent assets (excluding capital).....	-	259,000
Capital assets.....	169,941,424	166,507,471
<b>Total assets.....</b>	<b>249,815,427</b>	<b>242,605,600</b>
<b>Deferred outflows of resources.....</b>	<b>11,614,506</b>	<b>5,331,574</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	16,428,469	16,331,888
Noncurrent liabilities (excluding debt).....	142,244,204	129,891,362
Current debt.....	9,211,964	4,828,115
Noncurrent debt.....	45,302,293	49,159,507
<b>Total liabilities.....</b>	<b>213,186,930</b>	<b>200,210,872</b>
<b>Total deferred inflows of resources.....</b>	<b>788,372</b>	<b>1,264,111</b>
<b>Net Position:</b>		
Net investment in capital assets.....	121,730,037	116,649,672
Restricted.....	3,345,429	3,214,610
Unrestricted.....	(77,620,835)	(73,402,091)
<b>Total net position.....</b>	<b>\$ 47,454,631</b>	<b>\$ 46,462,191</b>
<b>Program revenues:</b>		
Charges for services.....	\$ 20,816,154	\$ 21,042,797
Operating grants and contributions.....	20,566,651	17,655,199
Capital grants and contributions.....	2,234,822	2,087,136
<b>General Revenues:</b>		
Real estate and personal property taxes.....	102,423,648	97,533,719
Motor vehicle excise taxes.....	4,371,621	4,569,562
Nonrestricted grants.....	2,626,949	2,448,330
Unrestricted investment income.....	687,963	746,779
Other revenues.....	5,871,874	6,094,430
<b>Total revenues.....</b>	<b>159,599,682</b>	<b>152,177,952</b>
<b>Expenses:</b>		
General government.....	9,065,395	8,635,518
Public safety.....	25,310,669	23,631,927
Education.....	90,342,349	83,728,960
Public works.....	13,994,668	14,849,928
Water and sewer.....	9,205,607	8,216,296
Human services.....	2,757,820	2,489,924
Culture and recreation.....	6,296,889	5,791,638
Interest.....	1,633,845	1,999,825
<b>Total expenses.....</b>	<b>158,607,242</b>	<b>149,344,016</b>
<b>Change in net position.....</b>	<b>992,440</b>	<b>2,833,936</b>
<b>Net position - beginning of year.....</b>	<b>46,462,191</b>	<b>43,628,255</b>
<b>Net position - end of year.....</b>	<b>\$ 47,454,631</b>	<b>\$ 46,462,191</b>

- The governmental activities net position increased by \$992,000 during the current year. The increase in net position is primarily due to the receipt of capital grants \$2.2 million, better than anticipated revenues of \$4.8 million, and a \$6.3 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 \$2.2 million and \$10.4 million, respectively.
- Charges for services represent about 13% 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 13% of the governmental activities resources. Most of these resources apply to education operations.
- Capital grants and contributions account for 1.4% 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 67% of all resources. Real estate and personal property tax collections increased 5% 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 8.5% 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 57% of total governmental expenses. Program revenues of \$23.8 million provided direct support to education and \$66.6 million in taxes and other general revenue were needed to cover the remaining 2017 operating expenses.

- Public safety and public works are the second and third largest activities of the Town. Approximately \$21.2 million and \$11 million, respectively, of taxes and other revenue were needed to cover their 2017 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 \$47.9 million a decrease of \$983,000 from the prior year. This decrease is due to a \$2 million decrease in the public works capital project fund due to the timing of construction projects, a decrease in the nonmajor funds of \$346,000 from timing differences between the receipt and expenditures of grant funds which are offset by \$2.4 million general fund budgetary surplus.

The general fund is the chief operating fund of the Town of Burlington. The general fund balance increased by \$1.4 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 \$7.8 million which represents 5.4% of general fund expenditures. The funds can be used for general or capital purposes upon Town Meeting approval.

The public works capital projects fund is used to account for financial resources for the construction, reconstruction, and improvements to roadways, streets, sidewalks, drainage, and other infrastructure. The fund spent \$7.2 million on construction projects and also reported a transfer in of \$3.9 million from the general fund. At the end of the current year the fund had a fund balance surplus of \$2 million. These projects are being funded by a combination of local revenues, grants and bonds.

At the end of the current year, unassigned fund balance of the general fund totaled \$28.6 million, while total fund balance totaled \$40 million. The \$3.3 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$8.1 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 19.9% of total general fund expenditures, while total fund balance represents 27.8% of that same amount.

## **General Fund Budgetary Highlights**

The final general fund budget appropriations, including transfers, were approximately \$600,000 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 \$4.8 million. The majority of this surplus \$2 million (42%) was generated from licenses and permits, \$795,000 (16%) was generated from motor vehicle excise taxes, \$507,000 (10%) was generated from hotel, motel and meals tax, and \$325,000 (7%) 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. During the current year the Town issued \$225,000 in MWRA loans and paid down \$3.9 million in principal payments. At the end of the year the Town had total bonded debt outstanding of \$47.5 million of which \$25.8 million is related to school projects, \$4.8 million is related to the water treatment facility, \$3.8 million relates to road construction, \$7.6 million related to water and sewer construction, \$200,000 relates to the Town Hall remodeling, and the balance of \$5.4 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, 2017 the Town is scheduled to receive approximately \$259,000 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, 2017

	Governmental Activities
<b>ASSETS</b>	
<b>CURRENT:</b>	
Cash and cash equivalents.....	\$ 61,076,573
Investments.....	10,942,340
Receivables, net of allowance for uncollectibles:	
Real estate and personal property taxes.....	984,554
Tax liens.....	1,452,693
Motor vehicle excise taxes.....	367,027
Water and sewer fees.....	2,592,056
Departmental and other.....	500,089
Intergovernmental.....	1,859,392
Other assets.....	7,437
Tax foreclosures.....	91,842
<b>Total Current Assets.....</b>	<b>79,874,003</b>
<b>NONCURRENT:</b>	
Capital assets:	
Nondepreciable.....	29,928,702
Depreciable (net of accumulated depreciation).....	140,012,722
<b>Total Noncurrent Assets.....</b>	<b>169,941,424</b>
<b>TOTAL ASSETS.....</b>	<b>249,815,427</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions.....	11,614,506
<b>LIABILITIES</b>	
<b>CURRENT:</b>	
Warrants payable.....	3,686,494
Accrued payroll.....	3,287,384
Health claims payable.....	1,279,588
Tax refunds payable.....	3,478,000
Accrued interest.....	810,304
Other liabilities.....	760,389
Capital lease obligations.....	275,310
Compensated absences.....	2,441,000
Workers' compensation.....	410,000
Notes payable.....	5,130,000
Bonds payable.....	4,081,964
<b>Total Current Liabilities.....</b>	<b>25,640,433</b>
<b>NONCURRENT:</b>	
Capital lease obligations.....	574,839
Compensated absences.....	2,897,000
Other postemployment benefits.....	23,842,691
Net pension liability.....	114,929,674
Bonds payable.....	45,302,293
<b>Total Noncurrent Liabilities.....</b>	<b>187,546,497</b>
<b>TOTAL LIABILITIES.....</b>	<b>213,186,930</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Advance collections.....	73,237
Deferred inflows of resources related to pensions.....	715,135
<b>Total Deferred Inflows of Resources.....</b>	<b>788,372</b>
<b>NET POSITION</b>	
Net investment in capital assets.....	121,730,037
Restricted for:	
Permanent funds:	
Expendable.....	202,481
Nonexpendable.....	622,860
Gifts and grants.....	2,520,088
Unrestricted.....	(77,620,835)
<b>TOTAL NET POSITION.....</b>	<b>\$ 47,454,631</b>

See notes to basic financial statements.

# STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government:						
Governmental Activities:						
General government.....	\$ 9,065,395	\$ 1,681,047	\$ 25,598	\$ -	\$ (7,358,750)	
Public safety.....	25,310,669	3,965,025	187,646	-	(21,157,998)	
Education.....	90,342,349	3,761,899	20,002,577	-	(66,577,873)	
Public works.....	13,994,668	672,905	103,131	2,234,822	(10,983,810)	
Water and sewer.....	9,205,607	9,282,262	-	-	76,655	
Human services.....	2,757,820	383,828	174,629	-	(2,199,363)	
Culture and recreation.....	6,296,889	1,069,188	53,168	-	(5,174,533)	
Interest.....	1,633,845	-	19,902	-	(1,613,943)	
Total Primary Government.....	\$ 158,607,242	\$ 20,816,154	\$ 20,566,651	\$ 2,234,822	\$ (114,989,615)	

See notes to basic financial statements.

(Continued)

# STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

	Primary Government
	Governmental Activities
<b>Changes in net position:</b>	
Net (expense) revenue from previous page.....	\$ <b>(114,989,615)</b>
<i>General revenues:</i>	
Real estate and personal property taxes, net of tax refunds payable.....	102,423,648
Tax liens.....	170,429
Motor vehicle excise taxes.....	4,371,621
Hotel, motel and meal tax.....	4,406,850
Penalties and interest on taxes.....	462,059
Payments in lieu of taxes.....	521,088
Grants and contributions not restricted to specific programs.....	2,626,949
Unrestricted investment income.....	687,963
Miscellaneous.....	311,448
Total general revenues.....	115,982,055
Change in net position.....	992,440
<i>Net Position:</i>	
Beginning of year.....	46,462,191
End of year.....	\$ 47,454,631

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2017

<b>ASSETS</b>	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 41,982,015	\$ 8,497,537	\$ 6,577,186	\$ 57,056,738
Investments.....	6,120,685	-	527,507	6,648,192
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	984,554	-	-	984,554
Tax liens.....	1,452,693	-	-	1,452,693
Motor vehicle excise taxes.....	367,027	-	-	367,027
Water fees.....	911,180	-	-	911,180
Sewer fees.....	1,680,876	-	-	1,680,876
Departmental and other.....	203,304	-	600	203,904
Intergovernmental.....	259,000	-	1,600,392	1,859,392
Other assets.....	7,437	-	-	7,437
Tax foreclosures.....	91,842	-	-	91,842
<b>TOTAL ASSETS.....</b>	<b>\$ 54,060,613</b>	<b>\$ 8,497,537</b>	<b>\$ 8,705,685</b>	<b>\$ 71,263,835</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 1,165,387	\$ 2,144,419	\$ 375,593	\$ 3,685,399
Accrued payroll.....	3,287,384	-	-	3,287,384
Tax refunds payable.....	3,478,000	-	-	3,478,000
Other liabilities.....	332,582	-	-	332,582
Notes payable.....	-	4,430,000	700,000	5,130,000
<b>TOTAL LIABILITIES.....</b>	<b>8,263,353</b>	<b>6,574,419</b>	<b>1,075,593</b>	<b>15,913,365</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenues.....	5,741,370	-	1,600,992	7,342,362
Advance collections.....	73,237	-	-	73,237
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>5,814,607</b>	<b>-</b>	<b>1,600,992</b>	<b>7,415,599</b>
<b>FUND BALANCES</b>				
Nonspendable.....	-	-	622,860	622,860
Restricted.....	-	1,923,118	5,605,405	7,528,523
Committed.....	3,273,982	-	-	3,273,982
Assigned.....	8,113,732	-	-	8,113,732
Unassigned.....	28,594,939	-	(199,165)	28,395,774
<b>TOTAL FUND BALANCES.....</b>	<b>39,982,653</b>	<b>1,923,118</b>	<b>6,029,100</b>	<b>47,934,871</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 54,060,613</b>	<b>\$ 8,497,537</b>	<b>\$ 8,705,685</b>	<b>\$ 71,263,835</b>

See notes to basic financial statements.

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

JUNE 30, 2017

Total governmental fund balances.....	\$ 47,934,871
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	169,941,424
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....	7,342,362
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.....	10,899,371
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.....	6,901,678
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(810,304)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable.....	(49,384,257)
Capital lease obligations.....	(850,149)
Workers compensation.....	(410,000)
Compensated absences.....	(5,338,000)
Net pension liability.....	(114,929,674)
Other postemployment benefits.....	(23,842,691)
Net effect of reporting long-term liabilities.....	<u>(194,754,771)</u>
Net position of governmental activities.....	<u>\$ 47,454,631</u>

See notes to basic financial statements.



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

YEAR ENDED JUNE 30, 2017

	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Real estate and personal property taxes, net of tax refunds.....	\$ 102,441,907	\$ -	\$ -	\$ 102,441,907
Tax liens.....	302,047	-	-	302,047
Motor vehicle excise taxes.....	4,300,023	-	-	4,300,023
Hotel, motel and meal tax.....	4,406,850	-	-	4,406,850
Ambulance.....	883,701	-	-	883,701
Water and sewer charges.....	9,951,388	-	-	9,951,388
Penalties and interest on taxes.....	462,059	-	-	462,059
Fees and rentals.....	427,463	-	-	427,463
Payments in lieu of taxes.....	521,088	-	-	521,088
Licenses and permits.....	3,028,400	-	-	3,028,400
Intergovernmental.....	20,458,442	1,104,177	3,800,477	25,363,096
Departmental and other.....	869,342	-	5,980,113	6,849,455
Contributions.....	-	-	38,548	38,548
Investment income.....	496,343	-	7,501	503,844
Miscellaneous.....	311,448	-	76,369	387,817
<b>TOTAL REVENUES.....</b>	<b>148,860,501</b>	<b>1,104,177</b>	<b>9,903,008</b>	<b>159,867,686</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	5,225,841	-	776,688	6,002,529
Public safety.....	15,435,926	-	472,973	15,908,899
Education.....	59,928,218	-	6,477,434	66,405,652
Public works.....	8,589,154	7,226,150	1,054,925	16,870,229
Water and sewer.....	4,835,134	-	-	4,835,134
MWRA assessment.....	5,101,417	-	-	5,101,417
Human services.....	1,487,188	-	312,640	1,799,828
Culture and recreation.....	3,191,696	-	1,138,743	4,330,439
Pension benefits.....	19,897,267	-	-	19,897,267
Employee benefits and insurance.....	13,472,865	-	-	13,472,865
State and county charges.....	704,531	-	-	704,531
Debt service:				
Principal.....	3,937,840	-	-	3,937,840
Interest.....	1,864,794	-	-	1,864,794
<b>TOTAL EXPENDITURES.....</b>	<b>143,671,871</b>	<b>7,226,150</b>	<b>10,233,403</b>	<b>161,131,424</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>5,188,630</b>	<b>(6,121,973)</b>	<b>(330,395)</b>	<b>(1,263,738)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds.....	-	224,750	-	224,750
Premium from issuance of bonds and notes.....	55,707	-	-	55,707
Transfers in.....	160,304	3,900,000	145,000	4,205,304
Transfers out.....	(4,045,000)	-	(160,304)	(4,205,304)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(3,828,989)</b>	<b>4,124,750</b>	<b>(15,304)</b>	<b>280,457</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>1,359,641</b>	<b>(1,997,223)</b>	<b>(345,699)</b>	<b>(983,281)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>38,623,012</b>	<b>3,920,341</b>	<b>6,374,799</b>	<b>48,918,152</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 39,982,653</b>	<b>\$ 1,923,118</b>	<b>\$ 6,029,100</b>	<b>\$ 47,934,871</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds.....	\$	(983,281)
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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.....	12,140,365	
Depreciation expense.....	<u>(8,706,412)</u>	
Net effect of reporting capital assets.....		3,433,953

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.....

(452,123)

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.....	(224,750)	
Debt service principal payments.....	<u>3,937,840</u>	
Net effect of reporting long-term debt.....		3,713,090

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.....	(195,000)	
Net change in accrued interest on long-term debt.....	34,967	
Net change in workers compensation.....	101,000	
Net change in capital lease obligations.....	267,540	
Net change in amortization of bond premiums.....	140,275	
Net change in other postemployments benefit accrual.....	(2,241,940)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	6,250,813	
Net change in net pension liability.....	<u>(10,373,212)</u>	
Net effect of recording long-term liabilities and amortizing deferred losses.....		(6,015,557)

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>1,296,358</u>
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Change in net position of governmental activities.....	\$	<u>992,440</u>
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See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF NET POSITION

JUNE 30, 2017

	Governmental Activities - Internal Service Funds
<b>ASSETS</b>	
<b>CURRENT:</b>	
Cash and cash equivalents.....	\$ 4,019,835
Investments.....	4,294,148
Departmental and other.....	<u>296,185</u>
Total current assets.....	<u>8,610,168</u>
<b>LIABILITIES</b>	
<b>CURRENT:</b>	
Warrants payable.....	428,902
Health claims payable.....	<u>1,279,588</u>
TOTAL LIABILITIES.....	<u>1,708,490</u>
<b>NET POSITION</b>	
Unrestricted.....	<u>\$ 6,901,678</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2017

	Governmental Activities - Internal Service Funds
<u>OPERATING REVENUES:</u>	
Employee contributions .....	\$ 3,869,802
Employer contributions .....	<u>8,985,457</u>
TOTAL OPERATING REVENUES .....	<u>12,855,259</u>
<u>OPERATING EXPENSES:</u>	
Employee benefits .....	<u>11,743,020</u>
OPERATING INCOME (LOSS).....	1,112,239
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Investment income.....	<u>184,119</u>
CHANGE IN NET POSITION.....	1,296,358
NET POSITION AT BEGINNING OF YEAR.....	<u>5,605,320</u>
NET POSITION AT END OF YEAR.....	\$ <u><u>6,901,678</u></u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2017

	Governmental Activities - Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from interfund services provided.....	\$ 12,855,259
Payments for interfund services used.....	<u>(12,488,394)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>366,865</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of investments.....	(1,792,928)
Investment income.....	<u>184,119</u>
NET CASH FROM INVESTING ACTIVITIES.....	<u>(1,608,809)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(1,241,944)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>5,261,779</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 4,019,835</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ <u>1,112,239</u>
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Changes in assets and liabilities:	
Departmental and other.....	(296,185)
Warrants payable.....	(532,657)
Health claims payable.....	<u>83,468</u>
Total adjustments.....	<u>(745,374)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 366,865</u>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2017

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ -	\$ 23,165	\$ 556,918
Investments:			
PRIT.....	5,490,955	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	248,799
<b>TOTAL ASSETS.....</b>	<b>5,490,955</b>	<b>23,165</b>	<b>805,717</b>
<b>LIABILITIES</b>			
Liabilities due depositors.....	-	-	805,717
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>805,717</b>
<b>NET POSITION</b>			
Restricted for OPEB benefits.....	5,490,955	-	-
Held in trust for other purposes.....	-	23,165	-
Held in trust for OPEB benefits and other purposes.....	\$ 5,490,955	\$ 23,165	\$ -

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2017

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<u>ADDITIONS:</u>		
Contributions:		
Employer contribution to the trust..... \$	846,500	\$ -
Employer contribution to pay for the OPEB benefits.....	4,508,617	-
Other.....	-	100,578
Total contributions.....	5,355,117	100,578
Net investment income (loss):		
Investment income.....	599,188	40
TOTAL ADDITIONS.....	5,954,305	100,618
<u>DEDUCTIONS:</u>		
OPEB benefits.....	4,508,617	-
Educational scholarships.....	-	170,625
TOTAL DEDUCTIONS.....	4,508,617	170,625
CHANGE IN NET POSITION.....	1,445,688	(70,007)
NET POSITION AT BEGINNING OF YEAR.....	4,045,267	93,172
NET POSITION AT END OF YEAR..... \$	5,490,955	\$ 23,165

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 2017 assessment was \$2,033,479. 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 *public works capital project fund* is used to account for financial resources for the construction, reconstruction, and improvements to roadways, streets, sidewalks, and other infrastructure.

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 1<sup>st</sup> of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> and are subject to penalties and interest if they are not paid by the respective due date. Real estate 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, construction in progress, 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; donated works of art, historical treasures, and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value.

Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$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 .45 to 22.60 years.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned. At year-end, the carrying amount of deposits totaled \$59,504,708 and the bank balance totaled \$61,179,335. Of the bank balance, \$9,582,268 was covered by Federal Depository Insurance, \$2,285,699 was covered by SIF insurance, \$24,670,615 was covered by DIF insurance and \$24,640,753 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, 2017, the Town of Burlington had the following investments:

Investment Type	Maturity					Rating
	Fair Value	Under 1 Year	1-5 Years	6-10 Years	Over 10 Years	
<u>Debt Securities</u>						
Federal Home Loan Mortgage Corp.....	\$ 694,231	\$ -	\$ 610,183	\$ -	\$ 84,048	AAA to BAA
Federal Home Loan Bank.....	133,425	50,704	-	-	82,721	AAA to BAA
Federal National Mortgage Assoc. (FNMA)....	1,181,230	100,609	251,059	285,094	544,468	AAA to BAA
US Treasury Notes.....	1,605,656	304,586	890,765	410,305	-	AAA to BAA
Corporate Bonds.....	4,239,936	955,573	3,207,797	76,566	-	BBB+ to AA- CC
Municipal Bonds.....	150,000	150,000	-	-	-	
Total Debt Securities.....	8,004,478	\$ 1,561,472	\$ 4,959,804	\$ 771,965	\$ 711,237	
<u>Other Investments</u>						
MMDT.....	2,151,947					
PRIT.....	5,490,955					
Equity Securities.....	2,937,862					
Total Investments.....	\$ 18,585,242					

Investments in MMDT and PRIT 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 Town's investments of \$827,656 in government sponsored enterprises, \$1,181,230 in FNMA securities, \$1,605,656 in U.S. treasury notes, \$4,239,936 in corporate bonds, and \$150,000 in municipal bonds, and \$2,937,862 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, 2017, 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, 2017:

Investment Type	6/30/17	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.....	\$ 694,231	\$ 694,231	\$ -	\$ -
Federal Home Loan Bank.....	133,425	133,425	-	-
Federal National Mortgage Assoc.....	1,181,230	1,181,230	-	-
US Treasury Notes.....	1,605,656	1,605,656	-	-
Corporate Bonds.....	4,239,936	-	4,239,936	-
Municipal Bonds.....	150,000	-	150,000	-
Total debt securities.....	8,004,478	3,614,542	4,389,936	-
<u>Other investments:</u>				
Equity securities.....	2,937,862	2,937,862	-	-
Total investments measured at fair value.....	10,942,340	\$ 6,552,404	\$ 4,389,936	\$ -
<b>Investments measured at net asset value (NAV)</b>				
PRIT.....	5,490,955			
<b>Investments measured at amortized cost</b>				
MMDT.....	2,151,947			
Total investments.....	\$ 18,585,242			

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, 2017, 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.....	\$ 1,260,477	\$ (275,923)	\$ 984,554
Tax liens.....	1,452,693	-	1,452,693
Motor vehicle excise taxes.....	602,165	(235,138)	367,027
Water fees.....	911,180	-	911,180
Sewer fees.....	1,680,876	-	1,680,876
Departmental and other.....	363,643	(159,739)	203,904
Intergovernmental.....	1,859,392	-	1,859,392
Total.....	\$ 8,130,426	\$ (670,800)	\$ 7,459,626

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.....	\$ 848,685	\$ -	\$ 848,685
Tax liens.....	1,452,693	-	1,452,693
Motor vehicle excise taxes.....	367,027	-	367,027
Water and sewer fees.....	2,592,056	-	2,592,056
Departmental and other.....	203,304	600	203,904
Intergovernmental.....	259,000	1,600,392	1,859,392
Tax foreclosure.....	91,842	-	91,842
Total.....	\$ 5,814,607	\$ 1,600,992	\$ 7,415,599

**NOTE 4 - CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 18,595,910	\$ -	\$ -	\$ 18,595,910
Construction in progress.....	9,282,949	9,891,487	(7,841,644)	11,332,792
Total capital assets not being depreciated.....	27,878,859	9,891,487	(7,841,644)	29,928,702
<u>Capital assets being depreciated:</u>				
Land improvements.....	7,796,874	-	-	7,796,874
Buildings.....	93,766,400	-	-	93,766,400
Building improvements.....	35,387,388	1,795,579	-	37,182,967
Equipment.....	11,519,607	356,543	(418,290)	11,457,860
Vehicles.....	9,711,826	638,826	(97,102)	10,253,550
Infrastructure.....	118,992,571	7,299,574	-	126,292,145
Total capital assets being depreciated.....	277,174,666	10,090,522	(515,392)	286,749,796
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(3,017,587)	(308,435)	-	(3,326,022)
Buildings.....	(34,881,722)	(1,693,519)	-	(36,575,241)
Building improvements.....	(17,137,951)	(1,407,722)	-	(18,545,673)
Equipment.....	(7,824,208)	(1,608,902)	418,290	(9,014,820)
Vehicles.....	(5,023,115)	(665,904)	97,102	(5,591,917)
Infrastructure.....	(70,661,471)	(3,021,930)	-	(73,683,401)
Total accumulated depreciation.....	(138,546,054)	(8,706,412)	515,392	(146,737,074)
Total capital assets being depreciated, net.....	138,628,612	1,384,110	-	140,012,722
Total governmental activities capital assets, net.....	\$ 166,507,471	\$ 11,275,597	\$ (7,841,644)	\$ 169,941,424

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

**Governmental Activities:**

General government.....	\$ 701,933
Public safety.....	566,718
Education.....	3,430,748
Public works.....	3,601,895
Human services.....	11,145
Culture and recreation.....	393,973

Total increases to accumulated depreciation - governmental activities..... \$ 8,706,412



**NOTE 5 – INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2017, are summarized as follows:

Transfers Out:	Transfers In:			
	General Fund	Public Works Capital Projects Funds	Nonmajor Governmental Funds	Total
General Fund.....	\$ -	\$ 3,900,000	\$ 145,000	\$ 4,045,000 (1)
Nonmajor Governmental Funds.....	160,304	-	-	160,304 (2)
Total.....	<u>\$ 160,304</u>	<u>\$ 3,900,000</u>	<u>\$ 145,000</u>	<u>\$ 4,205,304</u>

(1) Represents budgeted transfers of \$3,900,000 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.....	<u>(1,243,315)</u>
Total.....	<u>\$ 1,403,553</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

<u>Years Ending June 30:</u>	<u>Governmental Activities</u>
2018.....	\$ 300,000
2019.....	300,000
2020.....	<u>300,000</u>
Total minimum lease payments.....	900,000
Less: amounts representing interest.....	<u>(49,851)</u>
Present value of minimum lease payments.....	<u>\$ 850,149</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, 2017, are as follows:

<u>Type</u>	<u>Purpose</u>	<u>Interest Rate (%)</u>	<u>Due Date</u>	<u>Balance at June 30, 2016</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance at June 30, 2017</u>
BAN	Municipal Purpose.....	1.25	7/22/16	\$ 750,000	\$ -	\$ 750,000	\$ -
BAN	Municipal Purpose.....	1.05	7/21/17	-	4,400,000	-	4,400,000
BAN	Municipal Purpose.....	1.60	7/21/17	-	730,000	-	730,000
Total.....				<u>\$ 750,000</u>	<u>\$ 5,130,000</u>	<u>\$ 750,000</u>	<u>\$ 5,130,000</u>

On July 21, 2017, the Town rolled the \$730,000 BAN into a new BAN with an interest rate of 1.60% due on July 20, 2018. Part of the \$4,400,000 was paid down in the amount of \$750,000 and the remaining \$3,650,000 was rolled into a \$13,750,000 BAN with an interest rate of 2% due on July 20, 2018.

**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, 2017, 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, 2016	Issued	Redeemed	Outstanding at June 30, 2017
Municipal Purpose Bonds of 1998.....	2018	\$ 10,000,000	4.70	\$ 1,000,000	\$ -	\$ 500,000	\$ 500,000
Municipal Purpose Bonds of 2001.....	2019	2,150,000	5.43	315,000	-	105,000	210,000
MCWT Bonds of 2007.....	2027	7,797,482	2.00	4,678,737	-	384,093	4,294,644
MCWT Bonds of 2008.....	2028	300,000	2.00	194,452	-	14,482	179,970
Municipal Purpose Bonds of 2008.....	2027	3,321,000	4-5	1,450,000	-	225,000	1,225,000
Municipal Purpose Bonds of 2010.....	2030	6,100,000	1.5-4.1	2,795,000	-	380,000	2,415,000
Municipal Purpose Bonds of 2011.....	2036	8,800,000	3-5	6,340,000	-	490,000	5,850,000
Municipal Purpose Bonds of 2012.....	2042	12,200,000	2-5	9,830,000	-	590,000	9,240,000
MWRA Bonds of 2012.....	2017	169,125	0.00	33,825	-	33,825	-
Municipal Purpose Bonds of 2013.....	2042	13,976,000	2-4	13,020,000	-	335,000	12,685,000
MWRA Bonds of 2013.....	2018	242,000	0.00	96,800	-	48,400	48,400
Municipal Purpose Bonds of 2015.....	2036	7,712,000	2-5	7,712,000	-	452,000	7,260,000
Municipal Purpose Bonds of 2016.....	2031	-	2-5	1,500,000	-	100,000	1,400,000
Municipal Purpose Refunding of 2016.....	2025	-	2-5	2,058,000	-	233,000	1,825,000
MWRA Bonds of 2016.....	2021	235,200	0.00	235,200	-	47,040	188,160
MWRA Bonds of 2017.....	2027	224,750	0.00	-	224,750	-	224,750
Total Future Debt Service Requirements.....				51,259,014	224,750	3,937,840	47,545,924
Unamortized Premium on Bonds.....				1,978,608	-	140,275	1,838,333
Total Governmental Bonds Payable.....				\$ 53,237,622	\$ 224,750	\$ 4,078,115	\$ 49,384,257

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

Year	Principal	Interest	Total
2018..... \$	3,849,542	\$ 1,718,551	\$ 5,568,093
2019.....	3,319,357	1,572,033	4,891,390
2020.....	3,212,737	1,442,243	4,654,980
2021.....	2,896,287	1,317,083	4,213,370
2022.....	2,762,970	1,201,434	3,964,404
2023.....	2,676,869	1,097,151	3,774,020
2024.....	2,695,948	999,308	3,695,256
2025.....	2,715,210	904,197	3,619,407
2026.....	2,409,659	814,921	3,224,580
2027.....	2,394,299	731,950	3,126,249
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>47,545,924</u>	<u>\$ 16,080,994</u>	<u>\$ 63,626,918</u>

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, 2017, the outstanding principal amount of these loans totaled \$461,310.

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 2017, approximately \$259,000 of such assistance was received. Approximately \$259,000 will be received in future years. Of this amount, \$259,000 represents reimbursement of approved construction costs. Accordingly, a \$259,000 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, 2017, the Town had the following authorized and unissued debt:

Purpose	Amount
Planning (Human Services Building).....	\$ 250,000
Water Mains.....	500,000
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>15,230,000</u>

### Changes in Long-term Liabilities

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

	Balance at June 30, 2016	Additions	Retirements and Other	Balance at June 30, 2017	Current Portion
<b>Governmental Activities:</b>					
Long-term bonds.....	\$ 51,259,014	\$ 224,750	\$ (3,937,840)	\$ 47,545,924	\$ 3,849,542
Unamortized premium.....	1,978,608	-	(140,275)	1,838,333	232,422
Capital lease obligations.....	1,117,689	-	(267,540)	850,149	275,310
Compensated absences.....	5,143,000	2,636,000	(2,441,000)	5,338,000	2,441,000
Workers' compensation.....	511,000	234,747	(335,747)	410,000	410,000
Other postemployment benefits.....	21,600,751	7,597,057	(5,355,117)	23,842,691	-
Net pension liability.....	<u>104,556,462</u>	<u>24,141,172</u>	<u>(13,767,960)</u>	<u>114,929,674</u>	<u>-</u>
Total.....	\$ <u>186,166,524</u>	\$ <u>34,833,726</u>	\$ <u>(26,245,479)</u>	\$ <u>194,754,771</u>	\$ <u>7,208,274</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 \$7,761,151 and is reported as unassigned fund balance within the General Fund.

As of June 30, 2017, the governmental fund balances consisted of the following:

	GOVERNMENTAL FUNDS			
	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>				
Nonspendable:				
Permanent fund principal.....\$	- \$	- \$	622,860 \$	622,860
Restricted for:				
Public Works Capital Projects.....	-	1,923,118	-	1,923,118
Town revolving funds.....	-	-	1,870,551	1,870,551
Town gift funds.....	-	-	267,923	267,923
School gift funds.....	-	-	57,918	57,918
School revolving funds.....	-	-	633,694	633,694
School activity funds.....	-	-	684,124	684,124
Federal grants.....	-	-	90,579	90,579
State and local grants.....	-	-	1,198,399	1,198,399
Town special purpose funds.....	-	-	559,670	559,670
School capital projects.....	-	-	40,066	40,066
Town libraries.....	-	-	872	872
Cemetery perpetual care.....	-	-	201,609	201,609
Committed to:				
Assessor.....	116,522	-	-	116,522
Town clerk.....	80,000	-	-	80,000
Planning board.....	66,786	-	-	66,786
Police department.....	5,070	-	-	5,070
Fire department.....	23,788	-	-	23,788
Education.....	371,971	-	-	371,971
Public works.....	2,599,167	-	-	2,599,167
Board of health.....	9,963	-	-	9,963
Youth and family services.....	715	-	-	715
Assigned to:				
Ways and means.....	500	-	-	500
Assessor.....	21,306	-	-	21,306
Treasurer/collector.....	215	-	-	215
Central administration.....	59,946	-	-	59,946
Legal.....	1,200	-	-	1,200
Management information systems.....	1,740	-	-	1,740
Town clerk.....	6,306	-	-	6,306
Planning board.....	15,646	-	-	15,646
Board of appeals.....	500	-	-	500
Negotiated settlements.....	559,334	-	-	559,334
Police department.....	38,787	-	-	38,787
Fire department.....	98,029	-	-	98,029
Emergency management service.....	467	-	-	467
Education.....	798,895	-	-	798,895
Public works.....	321,875	-	-	321,875
Rubbish and garbage.....	13,295	-	-	13,295
Street lights.....	13,221	-	-	13,221
Board of health.....	1,233	-	-	1,233
Recreation department.....	163,812	-	-	163,812
Historical commission.....	200	-	-	200
Health insurance.....	234,500	-	-	234,500
FY18 capital budget.....	5,762,725	-	-	5,762,725
Unassigned.....	28,594,939	-	(199,165)	28,395,774
<b>TOTAL FUND BALANCES.....\$</b>	<b>39,982,653 \$</b>	<b>1,923,118 \$</b>	<b>6,029,100 \$</b>	<b>47,934,871</b>

**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, 2016. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$11,529,445 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 \$113,026,510 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 June 30, 2017 was \$8,404,267 and 26.80% 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, 2017, the Town reported a liability of \$114,929,674 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's 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, 2016, the Town's proportion was 8.111%, which was an increase of 0.006% from the last measurement date.

*Pension Expense*

For the year ended June 30, 2017, the Town recognized a pension expense of \$12,526,666. At June 30, 2017, the Town reported deferred outflows and (inflows) of resources related to pensions of \$11,614,506 and (\$715,135), 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, 2016.

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

<u>Deferred category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between expected and actual experience.....	\$ 517,607	\$ -	\$ 517,607
Changes of assumptions.....	6,262,112	-	6,262,112
Difference between projected and actual earnings.....	4,771,637	-	4,771,637
Changes in proportionate share of contributions.....	63,150	(715,135)	(651,985)
Total Deferred Outflows/(Inflows) of Resources.....	\$ <u>11,614,506</u>	\$ <u>(715,135)</u>	\$ <u>10,899,371</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:

2018.....	\$ 3,041,353
2019.....	3,041,353
2020.....	2,959,083
2021.....	<u>1,857,582</u>
Total.....	<u>\$ 10,899,371</u>

### Actuarial Assumptions

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

Valuation date.....	January 1, 2016
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Prior year's total contribution increased by 6.5% for fiscal 2018 through fiscal 2024, 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, 2016, 3 years remaining for 2002 ERI liability, 4 years remaining for 2003 ERI liability, 6 years remaining for 2010 ERI liability and 19 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.....	3.50%
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.
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 generationally from 2009 with Scale BB2D.
Post-Retirement.....	The RP-2000 Employee Mortality Table projected generationally from 2009 with Scale BB2D.
Disabled Retiree.....	The RP-2000 Healthy Annuitant Mortality Table projected generationally from 2015 with Scale BB2D.
Investment rate of return/Discount rate.....	7.75%, net of pension plan investment expense, including inflation previously 7.875%

*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 geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	19.50%	4.00%
International equity.....	16.80%	4.33%
Emerging markets equity.....	6.90%	6.11%
Core fixed income.....	12.30%	0.25%
Value-added fixed income.....	8.30%	3.76%
Private equity.....	11.10%	6.00%
Real estate.....	10.00%	3.00%
Timber/natural resources.....	3.60%	2.50%
Hedge funds.....	9.00%	2.98%
Liquidating portfolios.....	0.40%	2.98%
Portfolio completion strategies.....	1.10%	2.98%
Overlay.....	1.00%	2.98%
	<u>100.00%</u>	

*Rate of return*

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 7.35%. 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 7.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
The Town's proportionate share of the net pension liability.....	\$ 138,788,012	\$ 114,929,674	\$ 94,766,111

*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.

*Changes in Assumptions*

The assumed inflation rate was decreased from 4.0% to 3.5%. The investment rate of return/discount rate was decreased from 7.875% to 7.75%. The RP-2000 Employee Mortality tables were projected using Scale AA and were updated to project generationally from 2009 and 2015 with Scale BB2D.

*Changes in Plan Provisions*

None.

**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
2017.....	\$ 1,196,120	\$ 12,713,685	\$ (12,630,217)	\$ 1,279,588
2016.....	1,091,820	12,055,990	(11,951,690)	1,196,120

(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, 2017, the amount of the liability for workers' compensation claims totaled \$410,000. 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
2017.....	\$ 511,000	\$ 234,747	\$ (335,747)	\$ 410,000
2016.....	355,000	389,597	(233,597)	511,000

## 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 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. During 2017, the Town contributed approximately \$5.4 million to the plan.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to raise taxes necessary to begin pre-funding its OPEB liabilities. The Town has named the Health Care Security Board of Trustees (HCSBT) as Trustees of the OPEB Fund and as such has authorized the OPEB Trust Funds to be invested entirely in the State Retirement Benefits Trust Fund (SRBT Fund). Massachusetts General Law directs the HSCBT to invest the SRBT Fund in the Pension Reserves Investment Trust (PRIT) Fund. The Trustees have adopted a trust agreement detailing their duties and responsibilities as Trustees. The PRIT Fund is subject to oversight by the Pension Reserves Investment Management Board (PRIM) Board. A nine member Board of Trustees governs the PRIM Board. The

Board of Trustees has the authority to employ an Executive Director, outside investment managers, custodians, consultants, and others as it deems necessary to formulate policies and procedures and to take such other actions as necessary and appropriate to manage the assets of the PRIT Fund.

During 2017, the Town pre-funded future OPEB liabilities by contribution \$846,500 to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These contributions are reported within the Fiduciary Funds financial statements. As of June 30, 2017, the balance of this fund totaled \$5.5 million.

The annual money-weighted rate of return on OPEB plan investments was 19.84%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

*Plan Membership* – The following table represent the Plan's membership at June 30, 2017:

Active members.....	821
Inactive members currently receiving benefits.....	<u>619</u>
Total.....	<u><u>1,440</u></u>

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

Total OPEB Liability.....	\$ 99,101,702
Less: Plan fiduciary net position.....	<u>(5,490,956)</u>
Net OPEB liability.....	<u><u>\$ 93,610,746</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	5.54%

*Significant Actuarial Methods and Assumptions* – The Plan's total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement that was updated to June 30, 2017:

Valuation date.....	December 31, 2016
Actuarial cost method.....	Entry Age Normal Cost Method.
Investment rate of return / Discount Rate.....	7.50% (Previously, 7.75%)
Salary increase.....	6.00% decreasing to 4.25% based on service for Group 1 and Group 2, 7.5% decreasing to 4.0% based on service for Teachers, 7.0% decreasing to 4.75% based on service for Group 4.
Healthcare cost trend rate.....	Under 65 7.0% and over 65 - decreasing by 0.5% for 5 years to an ultimate level of 4.5% per year. Administrative expense 3.0%. Part B premium 4.5%.
Asset valuation method.....	Market Value
Inflation rate.....	3.50%
Pre-Retirement mortality.....	RP-2000 Employee Mortality Table projected generationally from 2009 with Scale BB2D.
Healthy mortality.....	RP-2000 Healthy Annuitant Mortality Table projected generationally from 2009 with Scale BB2D.

Disabled mortality.....	RP-2000 Healthy Annuitant Mortality Table projected generationally from 2015 with Scale BB2D.
Pre-Retirement mortality (Teachers).....	RP-2014 Employee Mortality Table projected generationally from 2015 with Scale BB2D.
Health mortality (Teachers).....	RP-2014 Healthy Annuitant Mortality Table projected generationally with Scale BB2D from 2014.
Disabled mortality (Teachers).....	RP-2014 Healthy Annuitant Mortality Table set forward 4 years projected generationally with Scale BB2D from 2014.

*Investment Policy* – The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The Town's policy in regard to the allocation of invested assets is established and may be amended by the Town Treasurer.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of returns, (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected real rate of return assumption are summarized in the following table.

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real rate of Return</u>
Domestic equity.....	18.00%	6.44%
International developed markets equity.....	16.00%	7.40%
International emerging markets equity.....	6.00%	9.42%
Core fixed income.....	13.00%	2.02%
High-yield fixed income.....	10.00%	4.43%
Real estate.....	10.00%	5.00%
Commodities.....	4.00%	4.43%
Hedge fund, GTAA, Risk parity.....	13.00%	3.75%
Private equity.....	10.00%	10.47%
Total Asset Allocation.....	100.00%	

*Sensitivity of the net OPEB liability to changes in the discount rate* – The following table presents the Plan's net OPEB liability, calculated using the discount rate of 7.5%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate.

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Net OPEB liability.....	\$ 104,438,706	\$ 93,610,745	\$ 82,158,257

*Sensitivity of the net OPEB liability to changes in the healthcare trend* — The following table presents the net other postemployment benefit liability, calculated using the healthcare trend rate if it was 1 percentage-point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Current Trend (7.0%)	1% Increase (8.0%)
Net OPEB liability.....	\$ 80,941,786	\$ 93,610,745	\$ 106,147,126

*Changes in Plan Benefits and Assumptions* – There were no changes in plan benefits. The discount rate assumption used was lowered to 7.50% from 7.75%. The funding method used in the prior valuation was the Projected Unit Credit method and the Entry Age Normal method was used in the current valuation.

*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.....	\$ 7,181,995
Interest on existing net OPEB obligation.....	1,620,056
Adjustments to annual required contribution.....	(1,204,994)
Annual OPEB cost (expense).....	7,597,057
Contributions made.....	(5,355,117)
Increase/Decrease in net OPEB obligation.....	2,241,940
Net OPEB obligation - beginning of year.....	21,600,751
Net OPEB obligation - end of year.....	\$ 23,842,691

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 was as follows:

Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2017	\$ 7,597,057	70%	\$ 23,842,691
6/30/2016	6,452,597	79%	21,600,751
6/30/2015	6,147,451	79%	20,217,676

*Funded Status and Funding Progress* – As of December 31, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$96.8 million, the actuarial value of assets was approximately \$5.1 million, and the remaining \$91.7 million was unfunded; resulting in a funded ratio of 5.22%. The covered payroll (annual payroll of active employees covered by the plan) was \$59.1 million, and the ratio of the UAAL to the covered payroll was 155.2 percent.

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, 2016 actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a discount rate of 7.5%, a 7.5% 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 7.0% initially, decreasing by 0.5% to an ultimate level of 4.5% and included a 3.5% 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, 2016 is 28 years.

#### NOTE 13 - COMMITMENTS

The Town is committed to expend \$15,230,000 for the various projects listed below:

Purpose	Amount
Planning (Human Services Building).....	\$ 250,000
Water Mains.....	500,000
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>15,230,000</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, 2017, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2017.

**NOTE 15 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 18, 2017, which is the date the financial statements were available to be issued. On July 21, 2017, the Town rolled the \$730,000 BAN into a new BAN with an interest rate of 1.60% due on July 20, 2018. The \$4,400,000 BAN was rolled into a \$13,750,000 BAN with an interest rate of 2% due on July 20, 2018.

**NOTE 16 - IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2017, the following GASB pronouncements were implemented:

- GASB Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement.
- GASB Statement #77, *Tax Abatement Disclosures*. This pronouncement did not impact the basic financial statements.
- GASB Statement #78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This pronouncement did not impact the basic financial statements.
- GASB Statement #80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement #14*. This pronouncement did not impact the basic financial statements.
- GASB Statement #82, *Pension Issues – an amendment of GASB Statements #67, #68, and #73*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

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

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

# *Required Supplementary Information*

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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, 2017

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget				
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 102,260,993	\$ 102,260,993	\$	102,377,326	\$ -	\$ 116,333
Tax liens.....	-	-		302,047	-	302,047
Motor vehicle excise taxes.....	3,504,494	3,504,494		4,300,023	-	795,529
Hotel, motel, and meals tax.....	3,900,000	3,900,000		4,406,850	-	506,850
Ambulance.....	650,000	650,000		883,701	-	233,701
Water charges.....	3,175,000	3,175,000		3,499,708	-	324,708
Penalties and interest on taxes.....	320,000	320,000		462,059	-	142,059
Fees and rentals.....	325,000	325,000		427,463	-	102,463
Payments in lieu of taxes.....	520,000	520,000		521,088	-	1,088
Licenses and permits.....	1,000,000	1,000,000		3,028,400	-	2,028,400
Intergovernmental.....	8,936,149	8,936,149		8,929,442	-	(6,707)
Departmental and other.....	845,000	845,000		869,342	-	24,342
Investment income.....	125,000	125,000		302,561	-	177,561
Miscellaneous.....	210,000	210,000		311,448	-	101,448
TOTAL REVENUES.....	125,771,636	125,771,636		130,621,458	-	4,849,822
EXPENDITURES:						
GENERAL GOVERNMENT						
TOWN MEETING & REPORTS						
Salaries.....	2,682	3,333		2,070	-	1,263
Expenses.....	12,575	12,575		10,887	-	1,688
TOTAL.....	15,257	15,908		12,957	-	2,951
MODERATOR						
Salaries.....	300	300		150		150
WAYS AND MEANS						
Salaries.....	3,796	3,870		2,266	500	1,104
Expenses.....	273	273		-	-	273
TOTAL.....	4,069	4,143		2,266	500	1,377
CAPITAL BUDGET COMMITTEE						
Salaries.....	821	838		457	-	381
TOWN ADMINISTRATION/SELECTMEN						
Salaries.....	507,791	494,408		482,644	-	11,764
Expenses.....	12,500	12,500		11,631	-	869
Special accounts.....	18,529	18,529		17,664		865
Capital articles.....	15,000	4,258		4,258	-	-
TOTAL.....	553,820	529,695		516,197	-	13,498
ACCOUNTING						
Salaries.....	319,078	334,454		334,453	-	1
Expenses.....	4,775	5,280		5,279		1
TOTAL.....	323,853	339,734		339,732	-	2
ASSESSORS						
Salaries.....	257,184	272,219		272,219	-	-
Expenses.....	119,215	119,215		90,866	21,306	7,043
Capital articles.....	124,722	124,722		8,200	116,522	-
TOTAL.....	501,121	516,156		371,285	137,828	7,043
TREASURER/COLLECTOR						
Salaries.....	615,797	649,048		649,048	-	-
Expenses.....	23,683	20,826		18,912	215	1,699
Special accounts.....	100	100		-	-	100
TOTAL.....	639,580	669,974		667,960	215	1,799
CENTRAL ADMINISTRATION						
Central supply.....	115,339	115,339		105,865	7,436	2,038
Central machines.....	33,936	33,936		19,028	8,500	6,408
Town insurance.....	970,504	970,504		840,828	39,010	90,666
Financial audit.....	75,000	75,000		51,580	5,000	18,420
TOTAL.....	1,194,779	1,194,779		1,017,301	59,946	117,532
LEGAL						
Legal expenses.....	202,000	202,000		154,086	1,200	46,714

(Continued)

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

YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>HUMAN RESOURCES</b>					
Salaries.....	115,280	118,259	118,259	-	-
Expenses.....	4,250	4,250	3,044	-	1,206
Special accounts.....	14,500	14,500	10,768	-	3,732
<b>TOTAL.....</b>	<b>134,030</b>	<b>137,009</b>	<b>132,071</b>	<b>-</b>	<b>4,938</b>
<b>MANAGEMENT INFORMATION SYSTEMS</b>					
Salaries.....	308,383	321,533	320,396	-	1,137.00
Expenses.....	265,945	265,945	262,637	1,740	1,568
<b>TOTAL.....</b>	<b>574,328</b>	<b>587,478</b>	<b>583,033</b>	<b>1,740</b>	<b>2,705</b>
<b>TOWN CLERK</b>					
Salaries.....	273,172	277,246	277,246	-	-
Expenses.....	18,750	18,750	15,931	-	2,819
Special accounts.....	67,405	77,471	66,295	6,306	4,870
Capital articles.....	80,000	80,000	-	80,000	-
<b>TOTAL.....</b>	<b>439,327</b>	<b>453,467</b>	<b>359,472</b>	<b>86,306</b>	<b>7,689</b>
<b>REGISTRAR OF VOTERS</b>					
Salaries.....	1,150	1,150	1,150	-	-
Expenses.....	7,210	7,210	7,070	-	140
<b>TOTAL.....</b>	<b>8,360</b>	<b>8,360</b>	<b>8,220</b>	<b>-</b>	<b>140</b>
<b>CONSERVATION</b>					
Salaries.....	199,826	207,646	194,908	-	12,738
Expenses.....	8,470	8,470	2,508	-	5,962
Special accounts.....	17,800	17,800	11,616	-	6,184
<b>TOTAL.....</b>	<b>226,096</b>	<b>233,916</b>	<b>209,032</b>	<b>-</b>	<b>24,884</b>
<b>PLANNING BOARD</b>					
Salaries.....	270,016	277,519	276,201	1,316	2
Expenses.....	35,510	35,510	18,907	14,330	2,273
Capital articles.....	97,006	108,294	41,508	66,786	-
<b>TOTAL.....</b>	<b>402,532</b>	<b>421,323</b>	<b>336,616</b>	<b>82,432</b>	<b>2,275</b>
<b>BOARD OF APPEALS</b>					
Salaries.....	12,620	19,027	18,074	500	453
Expenses.....	250	250	246	-	4
<b>TOTAL.....</b>	<b>12,870</b>	<b>19,277</b>	<b>18,320</b>	<b>500</b>	<b>457</b>
<b>NEGOTIATED SETTLEMENTS.....</b>	<b>1,217,095</b>	<b>660,355</b>	<b>101,020</b>	<b>559,334</b>	<b>1</b>
<b>Total General Government.....</b>	<b>6,450,238</b>	<b>5,994,712</b>	<b>4,830,175</b>	<b>930,001</b>	<b>234,536</b>
<b>PUBLIC SAFETY</b>					
<b>POLICE DEPARTMENT</b>					
Salaries.....	7,066,478	7,089,077	6,790,480	21,000	277,597
Expenses.....	577,142	577,142	537,360	8,055	31,727
Special accounts.....	288,825	289,565	267,979	9,732	11,854
Capital articles.....	54,640	54,640	49,570	5,070	-
<b>TOTAL.....</b>	<b>7,987,085</b>	<b>8,010,424</b>	<b>7,645,389</b>	<b>43,857</b>	<b>321,178</b>
<b>FIRE DEPARTMENT</b>					
Salaries.....	6,432,046	6,575,868	6,479,415	67,863	28,590
Expenses.....	479,864	455,864	350,391	30,166	75,307
Special accounts.....	172,920	231,922	187,153	-	44,769
Capital articles.....	545,345	202,083	178,294	23,788	1
<b>TOTAL.....</b>	<b>7,630,175</b>	<b>7,465,737</b>	<b>7,195,253</b>	<b>121,817</b>	<b>148,667</b>
<b>BUILDING DEPARTMENT</b>					
Salaries.....	541,762	599,761	599,760	-	1
Expenses.....	36,946	44,951	44,929	-	22
Capital articles.....	13,877	13,877	13,877	-	-
<b>TOTAL.....</b>	<b>592,585</b>	<b>658,589</b>	<b>658,566</b>	<b>-</b>	<b>23</b>
<b>SEALER OF WEIGHTS</b>					
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, 2017

	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	10,039	10,039	-	-
Expenses.....	12,602	12,602	12,417	117	68
Special Accounts.....	1,000	1,000	625	350	25
TOTAL.....	23,602	23,641	23,081	467	93
Total Public Safety.....	16,241,247	16,166,191	15,530,089	166,141	469,961
EDUCATION					
PUBLIC SCHOOLS					
Salaries and expenditures.....	60,651,790	60,651,793	56,565,514	4,086,279	-
Capital articles.....	1,457,705	1,441,057	1,069,086	371,971	-
TOTAL.....	62,109,495	62,092,850	57,634,600	4,458,250	-
REGIONAL SCHOOL ASSESSMENTS.....	2,098,479	2,098,479	2,095,372	-	3,107
Total Education.....	64,207,974	64,191,329	59,729,972	4,458,250	3,107
PUBLIC WORKS					
Salaries.....	4,647,825	4,778,806	4,778,806	-	-
Expenses.....	3,620,009	3,620,008	3,055,567	267,643	296,798
Special accounts.....	458,283	458,283	404,051	54,232	-
Capital articles.....	5,001,323	5,157,839	2,376,288	2,599,167	182,384
TOTAL.....	13,727,440	14,014,936	10,614,712	2,921,042	479,182
SNOW AND ICE					
Expenses.....	350,000	350,000	754,945	-	(404,945)
RUBBISH AND GARBAGE					
Expenses.....	1,733,000	1,733,000	1,719,705	13,295	-
STREET LIGHT					
Expenses.....	436,773	436,772	423,811	13,221	(260)
DEP DRINKING WATER					
Expenses.....	15,000	15,000	9,127	-	5,873
Total Public Works.....	16,262,213	16,549,708	13,522,300	2,947,558	79,850
HEALTH AND HUMAN SERVICES					
BOARD OF HEALTH					
Salaries.....	422,545	431,472	423,428	-	8,044
Expenses.....	61,648	61,648	52,902	601	8,145
Special accounts.....	85,061	85,061	74,094	632	10,335
Capital articles.....	9,963	9,963	-	9,963	-
TOTAL.....	579,217	588,144	550,424	11,196	26,524
COUNCIL ON AGING					
Salaries.....	299,558	308,560	303,113	-	5,447
Expenses.....	7,750	7,750	5,615	-	2,135
Special accounts.....	7,442	7,442	6,942	-	500
TOTAL.....	314,750	323,752	315,670	-	8,082
VETERANS' SERVICES					
Salaries.....	110,573	112,691	108,703	-	3,988
Expenses.....	4,619	4,619	2,000	-	2,619
Special accounts.....	119,000	119,000	104,310	-	14,690
TOTAL.....	234,192	236,310	215,013	-	21,297
YOUTH AND FAMILY SERVICES					
Salaries.....	405,815	414,441	384,074	-	30,367
Expenses.....	24,369	24,369	20,185	-	4,184
Capital articles.....	1,284	1,284	569	715	-
TOTAL.....	431,468	440,094	404,828	715	34,551
DISABILITY ACCESS					
Salaries.....	2,045	2,086	853	-	1,233
Expenses.....	400	400	400	-	-
TOTAL.....	2,445	2,486	1,253	-	1,233
Total Health and Human Services.....	1,562,072	1,590,786	1,487,188	11,911	91,687

(Continued)



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

YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>CULTURE AND RECREATION</b>					
<b>PUBLIC LIBRARY</b>					
Salaries.....	1,198,345	1,225,517	1,225,517	-	-
Expenses.....	72,127	72,126	70,674		1,452
Special accounts.....	152,840	152,840	152,784		56.00
<b>TOTAL.....</b>	<b>1,423,312</b>	<b>1,450,483</b>	<b>1,448,975</b>	<b>-</b>	<b>1,508</b>
<b>RECREATION DEPARTMENT</b>					
Salaries.....	1,325,111	1,325,111	1,260,530	6,388	58,193
Expenses.....	285,377	286,377	271,496	12,748	2,133
Special accounts.....	352,812	352,812	202,658	144,676	5,478
<b>TOTAL.....</b>	<b>1,963,300</b>	<b>1,964,300</b>	<b>1,734,684</b>	<b>163,812</b>	<b>65,804</b>
<b>HISTORICAL COMMISSION</b>					
Expenses.....	10,015	10,015	5,889	200	3,926
<b>Total Culture and Recreation.....</b>	<b>3,396,627</b>	<b>3,424,798</b>	<b>3,189,548</b>	<b>164,012</b>	<b>71,238</b>
<b>PENSION BENEFITS</b>					
County retirement.....	8,368,267	8,368,267	8,368,267	-	-
<b>EMPLOYEE BENEFITS</b>					
Health insurance.....	13,160,255	13,160,255	12,432,433	234,500	493,322
Medicare tax.....	1,068,633	1,068,633	964,429	-	104,204
Unemployment compensation.....	127,000	127,000	76,003	-	50,997
<b>TOTAL.....</b>	<b>14,355,888</b>	<b>14,355,888</b>	<b>13,472,865</b>	<b>234,500</b>	<b>648,523</b>
<b>CAPITAL IMPROVEMENTS.....</b>	<b>300,000</b>	<b>300,000</b>	<b>299,999</b>	<b>-</b>	<b>1</b>
<b>RESERVE FUND.....</b>	<b>200,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>300,000</b>
<b>STATE AND COUNTY ASSESSMENTS.....</b>	<b>-</b>	<b>678,952</b>	<b>704,531</b>	<b>-</b>	<b>(25,579)</b>
<b>DEBT SERVICE PRINCIPAL.....</b>	<b>3,808,575</b>	<b>3,808,575</b>	<b>3,808,575</b>	<b>-</b>	<b>-</b>
<b>DEBT SERVICE INTEREST.....</b>	<b>1,870,347</b>	<b>1,870,347</b>	<b>1,864,794</b>	<b>-</b>	<b>5,553</b>
<b>TOTAL EXPENDITURES.....</b>	<b>137,023,448</b>	<b>137,599,553</b>	<b>126,808,303</b>	<b>8,912,373</b>	<b>1,878,877</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(11,251,812)</b>	<b>(11,827,917)</b>	<b>3,813,155</b>	<b>(8,912,373)</b>	<b>6,728,699</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Premium from issuance of bonds.....	-	-	55,707	-	55,707
Transfers in.....	2,400,000	2,400,000	2,560,304	-	160,304
Transfers out.....	(4,045,000)	(4,045,000)	(4,045,000)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(1,645,000)</b>	<b>(1,645,000)</b>	<b>(1,428,989)</b>	<b>-</b>	<b>216,011</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(12,896,812)</b>	<b>(13,472,917)</b>	<b>2,384,166</b>	<b>(8,912,373)</b>	<b>6,944,710</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>31,798,611</b>	<b>31,798,611</b>	<b>31,798,611</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ 18,901,799</b>	<b>\$ 18,325,694</b>	<b>\$ 34,182,777</b>	<b>\$ (8,912,373)</b>	<b>\$ 6,944,710</b>

See Note A in required supplementary information.

(Concluded)

## ***Pension Plan Schedules***

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	December 31, 2016
Town's proportion of the net pension liability (asset).....	8.162%	8.105%	8.111%
Town's proportionate share of the net pension liability (asset).....	\$ 98,053,205	\$ 104,556,462	\$ 114,929,674
Town's covered employee payroll.....	\$ 29,210,227	\$ 30,378,636	\$ 31,361,657
Net pension liability as a percentage of covered-employee payroll.....	335.68%	344.18%	366.47%
Plan fiduciary net position as a percentage of the total pension liability.....	47.65%	46.13%	45.49%

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

See notes to required supplementary information.

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

	June 30, 2015	June 30, 2016	June 30, 2017
Actuarially determined contribution.....	\$ 7,511,305	\$ 7,895,297	\$ 8,404,267
Contributions in relation to the actuarially determined contribution.....	<u>(7,511,305)</u>	<u>(7,895,297)</u>	<u>(8,404,267)</u>
Contribution deficiency (excess).....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll.....	\$ 29,210,277	\$ 30,378,636	\$ 31,361,657
Contributions as a percentage of covered- employee payroll.....	25.71%	25.99%	26.80%

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

See notes to required supplementary information.

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

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

<u>Year</u>		<u>Commonwealth's 100% Share of the Net Pension Liability Associated with the Town</u>	<u>Town's Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2017.....	\$	113,026,510	\$ 11,529,445	52.73%
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*

## **GASB 74 Schedules**

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

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

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

## **GASB 45 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.

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

	<u>June 30, 2017</u>
<b>Total OPEB Liability</b>	
Service Cost.....	\$ 2,029,964
Interest.....	7,074,193
Changes of benefit terms.....	-
Differences between expected and actual experience.....	-
Changes of assumptions.....	-
Benefit payments.....	<u>(4,508,617)</u>
Net change in total OPEB liability.....	4,595,540
Total OPEB liability- beginning.....	<u>94,506,162</u>
Total OPEB liability- ending (a).....	<u><u>\$ 99,101,702</u></u>
<b>Plan fiduciary net position</b>	
Contributions- employer .....	\$ 5,355,117
Net investment income.....	599,190
Benefit payments.....	<u>(4,508,617)</u>
Net change in plan fiduciary net position.....	1,445,690
Plan fiduciary net position- beginning.....	<u>4,045,266</u>
Plan fiduciary net position- ending (b).....	<u><u>\$ 5,490,956</u></u>
<b>Town's net OPEB liability- ending (a)-(b).....</b>	<u><u>\$ 93,610,746</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	5.54%
Covered-employee payroll.....	\$ 59,098,583
Town's net OPEB liability as a percentage of covered-employee payroll.....	158%

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 CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	<u>June 30, 2017</u>
Actuarially determined contribution.....	\$ 6,294,020
Contributions in relation to the actuarially determined contribution.....	<u>(5,355,117)</u>
Contribution deficiency (excess).....	<u>\$ 938,903</u>
Covered-employee payroll.....	\$ 59,098,583
Contributions as a percentage of covered- employee payroll.....	10.65%

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

See notes to required supplementary information.

**SCHEDULE OF INVESTMENT RETURNS**  
**OTHER POSTEMPLOYMENT BENEFIT PLAN**

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June 30, 2017

Annual money-weighted rate of return, net of investment expense.....	19.84%
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The annual money-weighted rate of return has been calculated by the Pension Reserves Investment Management Board (PRIM).

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

See notes to required supplementary information.

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

YEAR ENDED JUNE 30, 2017

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)
12/31/2016	\$ 5,054,699	\$ 96,778,817	\$ 91,724,118	5.22%	\$ 59,098,583	155.2%
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%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage of the ARC Contributed
2017	\$ 7,181,995	\$ 5,355,117	75%
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%

See notes to required supplementary information.

**OTHER POSTEMPLOYMENT BENEFIT PLAN**  
**ACTUARIAL METHODS AND ASSUMPTIONS**

YEAR ENDED JUNE 30, 2017

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Actuarial Methods:

Valuation date.....	December 31, 2016
Actuarial cost method.....	Entry Age Normal - Level Percentage of Payroll
Amortization method.....	Payment increasing at 4.0%
Remaining amortization period.....	29 years closed (previously 30 years open)
Asset valuation method.....	Market value

Actuarial Assumptions:

Discount rate.....	7.5% (previously 7.750%)
Inflation rate.....	3.50%
Asset rate of return.....	7.50%
Medical/drug cost trend rate.....	9.00% decreasing by 0.50% for 9 years to to an ultimate level of 4.50%
Non-Medicare cost trend rate.....	7.00% decreasing by 0.50% for 5 years to an ultimate level of 4.50%
Administrative expense increase rate.....	3.00%
Part B premium.....	4.50% (previously 5.00%)

Plan Membership:

Current retirees, beneficiaries, and dependents.....	821
Current active members.....	<u>619</u>
Total.....	<u><u>1,440</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 2017 approved budget for the General Fund authorized approximately \$141.1 million in appropriations and other amounts to be raised and \$7.7 million in encumbrances and appropriations carried over from previous years. During 2017, the Town increased the original budget by \$600,000.

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, 2017, is presented below:

Net change in fund balance - budgetary basis.....	\$	2,384,166
<u>Basis of accounting differences:</u>		
Net change in revenue accruals.....		64,581
Increase in revenue due to on-behalf payments.....		11,529,000
Increase in expenditures due to on-behalf payments.....		(11,529,000)
Net change in expenditure accruals.....		(103,888)
<u>Perspective difference:</u>		
Perspective differences in reporting of sewer fund activities.....		(1,179,000)
Activity of the stabilization fund recorded in the general fund for GAAP.....		193,782
Net change in fund balance - GAAP basis.....	\$	<u>1,359,641</u>

### 3. Excess of Expenditures over Appropriations

For the year ended June 30, 2017, 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 2018.

## **NOTE B – PENSION PLAN**

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

#### 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.

#### 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.

#### 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.

#### Changes in Assumptions:

The assumed inflation rate was decreased from 4.0% to 3.5%. The investment rate of return/discount rate was decreased from 7.875% to 7.75%. The RP-2000 Employee Mortality tables were projected using Scale AA and were updated to project generationally from 2009 and 2015 with Scale BB2D.

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

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

Schedule of the Town's Contributions

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

Schedule of Investment Return

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

***The Town***

The Town currently finances its other postemployment benefits (OPEB) on 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.

Schedule of Funding Progress

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.

Schedule of Employer Contributions

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

Schedule of Actuarial Methods and Assumptions

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

Changes in Plan Benefits and Assumptions

There were no changes in plan benefits. The discount rate assumption used was lowered to 7.50% from 7.75%. The funding method used in the prior valuation was the Projected Unit Credit method and the Entry Age Normal method was used in the current valuation.

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# ***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, 2017

	Special Revenue Funds						
	Town Revolving Funds	School Revolving Funds	Town Gifts	School Gifts	School Activity Programs	Federal Grants	State & Local Grants
<b>ASSETS</b>							
Cash and cash equivalents.....	\$ 1,928,097	\$ 696,320	\$ 270,590	\$ 58,478	\$ 689,635	\$ 252,462	\$ 1,217,822
Investments.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Departmental and other.....	600	-	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-	-	1,600,392
<b>TOTAL ASSETS.....</b>	<b>\$ 1,928,697</b>	<b>\$ 696,320</b>	<b>\$ 270,590</b>	<b>\$ 58,478</b>	<b>\$ 689,635</b>	<b>\$ 252,462</b>	<b>\$ 2,818,214</b>
<b>LIABILITIES</b>							
Warrants payable.....	\$ 57,546	\$ 62,626	\$ 2,667	\$ 560	\$ 5,511	\$ 161,883	\$ 19,423
Notes payable.....	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>57,546</b>	<b>62,626</b>	<b>2,667</b>	<b>560</b>	<b>5,511</b>	<b>161,883</b>	<b>19,423</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues.....	600	-	-	-	-	-	1,600,392
<b>FUND BALANCES</b>							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	1,870,551	633,694	267,923	57,918	684,124	90,579	1,198,399
Unassigned.....	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>1,870,551</b>	<b>633,694</b>	<b>267,923</b>	<b>57,918</b>	<b>684,124</b>	<b>90,579</b>	<b>1,198,399</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 1,928,697</b>	<b>\$ 696,320</b>	<b>\$ 270,590</b>	<b>\$ 58,478</b>	<b>\$ 689,635</b>	<b>\$ 252,462</b>	<b>\$ 2,818,214</b>

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	
\$ 559,670	\$ 5,673,074	\$ 566,212	\$ 40,066	\$ 606,278	\$ 5,369	\$ 291,430	\$ 1,035	\$ 297,834	\$ 6,577,186
-	-	-	-	-	-	527,507	-	527,507	527,507
-	600	-	-	-	-	-	-	-	600
-	1,600,392	-	-	-	-	-	-	-	1,600,392
<u>\$ 559,670</u>	<u>\$ 7,274,066</u>	<u>\$ 566,212</u>	<u>\$ 40,066</u>	<u>\$ 606,278</u>	<u>\$ 5,369</u>	<u>\$ 818,937</u>	<u>\$ 1,035</u>	<u>\$ 825,341</u>	<u>\$ 8,705,685</u>
\$ -	\$ 310,216	\$ 65,377	\$ -	\$ 65,377	\$ -	\$ -	\$ -	\$ -	\$ 375,593
-	-	700,000	-	700,000	-	-	-	-	700,000
-	310,216	765,377	-	765,377	-	-	-	-	1,075,593
-	1,600,992	-	-	-	-	-	-	-	1,600,992
-	-	-	-	-	4,497	617,328	1,035	622,860	622,860
559,670	5,362,858	-	40,066	40,066	872	201,609	-	202,481	5,605,405
-	-	(199,165)	-	(199,165)	-	-	-	-	(199,165)
<u>559,670</u>	<u>5,362,858</u>	<u>(199,165)</u>	<u>40,066</u>	<u>(159,099)</u>	<u>5,369</u>	<u>818,937</u>	<u>1,035</u>	<u>825,341</u>	<u>6,029,100</u>
<u>\$ 559,670</u>	<u>\$ 7,274,066</u>	<u>\$ 566,212</u>	<u>\$ 40,066</u>	<u>\$ 606,278</u>	<u>\$ 5,369</u>	<u>\$ 818,937</u>	<u>\$ 1,035</u>	<u>\$ 825,341</u>	<u>\$ 8,705,685</u>

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

YEAR ENDED JUNE 30, 2017

	Special Revenue Funds						
	Town Revolving Funds	School Revolving Funds	Town Gifts	School Gifts	School Activity Programs	Federal Grants	State & Local Grants
<b>REVENUES:</b>							
Real estate and personal property taxes, Intergovernmental.....	\$ 21,739	\$ -	\$ -	\$ -	\$ -	\$ 2,514,680	\$ 1,264,058
Departmental and other.....	1,520,047	2,068,762	146,123	31,198	1,449,202	-	639,835
Contributions.....	-	-	237	3,451	-	-	-
Investment income.....	119	-	-	-	-	-	-
Miscellaneous.....	-	-	-	-	-	-	-
TOTAL REVENUES.....	1,541,905	2,068,762	146,360	34,649	1,449,202	2,514,680	1,903,893
<b>EXPENDITURES:</b>							
Current:							
General government.....	238,139	-	10,739	-	-	-	517,170
Public safety.....	9,200	-	423	-	-	10,349	194,327
Education.....	-	2,388,064	-	32,659	1,535,061	2,508,550	13,100
Public works.....	68,946	-	-	-	-	-	985,979
Human services.....	102,094	-	23,132	-	-	-	105,717
Culture and recreation.....	966,664	-	155,609	-	-	-	16,470
TOTAL EXPENDITURES.....	1,385,043	2,388,064	189,903	32,659	1,535,061	2,518,899	1,832,763
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	156,862	(319,302)	(43,543)	1,990	(85,859)	(4,219)	71,130
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in.....	145,000	-	-	-	-	-	-
Transfers out.....	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)....	145,000	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	301,862	(319,302)	(43,543)	1,990	(85,859)	(4,219)	71,130
FUND BALANCES AT BEGINNING OF YEAR.....	1,568,689	952,996	311,466	55,928	769,983	94,798	1,127,269
FUND BALANCES AT END OF YEAR.....	\$ 1,870,551	\$ 633,694	\$ 267,923	\$ 57,918	\$ 684,124	\$ 90,579	\$ 1,198,399

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	
\$ -	\$ 3,800,477	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,800,477
111,410	5,966,577	13,536	-	13,536	-	-	-	-	5,980,113
-	3,688	60	-	60	-	34,800	-	34,800	38,548
663	782	-	-	-	24	6,690	5	6,719	7,501
76,369	76,369	-	-	-	-	-	-	-	76,369
188,442	9,847,893	13,596	-	13,596	24	41,490	5	41,519	9,903,008
9,968	776,016	672	-	672	-	-	-	-	776,688
27,480	241,779	231,194	-	231,194	-	-	-	-	472,973
-	6,477,434	-	-	-	-	-	-	-	6,477,434
-	1,054,925	-	-	-	-	-	-	-	1,054,925
81,697	312,640	-	-	-	-	-	-	-	312,640
-	1,138,743	-	-	-	-	-	-	-	1,138,743
119,145	10,001,537	231,866	-	231,866	-	-	-	-	10,233,403
69,297	(153,644)	(218,270)	-	(218,270)	24	41,490	5	41,519	(330,395)
-	145,000	-	-	-	-	-	-	-	145,000
(160,304)	(160,304)	-	-	-	-	-	-	-	(160,304)
(160,304)	(15,304)	-	-	-	-	-	-	-	(15,304)
(91,007)	(168,948)	(218,270)	-	(218,270)	24	41,490	5	41,519	(345,699)
650,677	5,531,806	19,105	40,066	59,171	5,345	777,447	1,030	783,822	6,374,799
\$ 559,670	\$ 5,362,858	\$ (199,165)	\$ 40,066	\$ (159,099)	\$ 5,369	\$ 818,937	\$ 1,035	\$ 825,341	\$ 6,029,100

# *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, 2017

	Agency Funds June 30, 2016	Additions	Deletions	Agency Funds June 30, 2017
<b>ASSETS</b>				
CURRENT:				
Cash and cash equivalents.....	\$ 332,164	\$ 4,169,689	\$ (3,944,935)	\$ 556,918
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	503,264	248,799	(503,264)	248,799
TOTAL ASSETS.....	<u>\$ 835,428</u>	<u>\$ 4,418,488</u>	<u>\$ (4,448,199)</u>	<u>\$ 805,717</u>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 336	\$ 120,253	\$ (120,589)	\$ -
Payroll liabilities.....	38,833	-	(38,833)	-
Liabilities due depositors.....	796,259	4,298,235	(4,288,777)	805,717
TOTAL LIABILITIES.....	<u>\$ 835,428</u>	<u>\$ 4,418,488</u>	<u>\$ (4,448,199)</u>	<u>\$ 805,717</u>

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# *Statistical Section*



*The Burlington Police Department has long enjoyed the benefit of an onsite firearms range for training in the basement of the Police Station. Officers have the ability to train on duty above and beyond legally mandated hours which results in a high level of officer excellence in marksmanship at a much lower cost than going off site. Town Meeting recently approved funding for phase one of a two part renovation of the range that will keep it in service for the next twenty years.*

*(Photo: James Tigges, Burlington Police 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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Net Investment in capital assets.....	\$ 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	\$ 121,730,037
Restricted.....	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	3,345,429
Unrestricted.....	19,228,121	16,893,182	11,172,692	13,749,367	19,910,758	20,586,182	(74,474,053)	(75,794,406)	(73,402,091)	(77,620,835)
Total governmental activities net position.....	\$ <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>	\$ <u>47,454,631</u>
Business-type activities:										
Net Investment in capital assets.....	834,672	971,347	1,108,685	-	-	-	-	-	-	-
Unrestricted.....	234,363	31,505	19,782	-	-	-	-	-	-	-
Total business-type activities net position.....	\$ <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>	\$ <u>-</u>
Primary government:										
Net Investment in capital assets.....	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	121,730,037
Restricted.....	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	3,345,429
Unrestricted.....	19,462,484	16,924,687	11,192,474	13,749,367	19,910,758	20,586,182	(74,474,053)	(75,794,406)	(73,402,091)	(77,620,835)
Total primary government net position.....	\$ <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>	\$ <u>47,454,631</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 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	\$ 9,065,395
Public safety.....	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	25,310,669
Education.....	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	90,342,349
Public works.....	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	13,994,668
Water and sewer.....	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	9,205,607
Human services.....	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	2,757,820
Culture and recreation.....	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	6,296,889
Interest.....	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	1,633,845
Total government activities expenses.....	107,021,417	117,428,088	120,565,021	124,920,248	129,177,040	133,531,005	139,775,835	140,083,401	149,344,016	158,607,242
Business-type activities:										
Ice Palace.....	591,237	731,015	64,543	59,588	-	-	-	-	-	-
Total primary government expenses.....	\$ 107,612,654	\$ 118,159,103	\$ 120,629,564	\$ 124,979,836	\$ 129,177,040	\$ 133,531,005	\$ 139,775,835	\$ 140,083,401	\$ 149,344,016	\$ 158,607,242
<b>Program Revenues</b>										
Governmental activities:										
Education charges for services.....	\$ 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	\$ 3,761,899
Public Safety charges for services.....	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	3,965,025
Water and sewer charges for services.....	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	9,282,262
Other charges for services.....	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	3,806,968
Operating grants and contributions.....	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	20,566,651
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	2,234,822
Total government activities program revenues.....	31,525,037	31,833,544	34,796,362	43,911,633	55,643,393	43,393,322	43,783,538	38,401,813	40,785,132	43,617,627
Business-type activities:										
Charges for services.....	758,470	662,860	190,158	135,693	-	-	-	-	-	-
Total primary government program revenues.....	\$ 32,283,507	\$ 32,496,404	\$ 34,986,520	\$ 44,047,326	\$ 55,643,393	\$ 43,393,322	\$ 43,783,538	\$ 38,401,813	\$ 40,785,132	\$ 43,617,627
<b>Net (Expense)/Program Revenue</b>										
Governmental activities.....	\$ (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)	\$ (114,989,615)
Business-type activities.....	167,233	(68,155)	125,615	76,105	-	-	-	-	-	-
Total primary government net (expense)/program revenue.....	\$ (75,329,147)	\$ (85,662,699)	\$ (85,643,044)	\$ (80,932,510)	\$ (73,533,647)	\$ (90,137,683)	\$ (95,992,297)	\$ (101,681,588)	\$ (108,558,884)	\$ (114,989,615)

(Continued)

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

	Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 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	\$ 102,423,648
Tax liens.....	138,283	204,413	461,580	210,130	559,358	371,618	567,733	281,302	265,140	170,429
Motor vehicle excise taxes.....	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	4,371,621
Hotel, motel and meals taxes.....	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	4,406,850
Penalties and interest on taxes.....	390,611	323,433	300,476	334,113	338,128	383,922	291,353	255,365	502,940	462,059
Payment in lieu of taxes.....	548,314	547,878	548,087	521,092	520,000	520,347	520,000	521,090	521,090	521,088
Grants and contributions not restricted to specific programs.....	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	2,626,949
Unrestricted investment income.....	680,300	460,915	252,090	239,593	199,527	335,618	273,217	236,962	746,779	687,963
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	311,448
Transfers.....	-	-	-	1,204,572	-	-	-	-	-	-
Total governmental activities.....	<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>	<u>115,982,055</u>
Business-type activities:										
Unrestricted investment income.....	5,769	1,972	-	-	-	-	-	-	-	-
Transfers.....	-	-	-	(1,204,572)	-	-	-	-	-	-
Total business-type activities.....	<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>	<u>-</u>
Total primary government general revenues and other changes in net position.....	<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>	<u>\$ 115,982,055</u>
<b>Changes in Net Position</b>										
Governmental activities.....	\$ 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	\$ 992,440
Business-type activities.....	<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>	<u>-</u>
Total primary government changes in net position.....	<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>	<u>\$ 992,440</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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Committed.....\$	-	-	-	1,197,206	2,445,246	2,635,593	1,705,171	2,692,084	2,642,772	3,273,982
Assigned.....	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	8,113,732
Unassigned.....	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	28,594,939
Total general fund.....\$	10,000,245	11,190,965	12,014,451	20,435,545	24,487,758	29,640,087	34,366,930	33,611,091	38,623,012	39,982,653
All Other Governmental Funds										
Reserved.....\$	4,307,500	4,181,921	3,669,686	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds.....	3,179,680	2,417,335	3,139,071	-	-	-	-	-	-	-
Capital projects funds.....	857,097	(935,224)	3,365,397	-	-	-	-	-	-	-
Permanent funds.....	86,260	111,767	124,569	-	-	-	-	-	-	-
Nonspendable.....	-	-	-	413,880	488,630	482,459	570,480	561,251	588,055	622,860
Restricted.....	-	-	-	6,982,974	8,772,669	5,679,557	3,303,818	7,734,094	9,707,085	7,528,523
Unassigned.....	-	-	-	(260,739)	(281,552)	(1,624,076)	(7,485,398)	-	-	(199,165)
Total all other governmental funds.....\$	8,430,537	5,775,799	10,298,723	7,136,115	8,979,747	4,537,940	(3,611,100)	8,295,345	10,295,140	7,952,218

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**

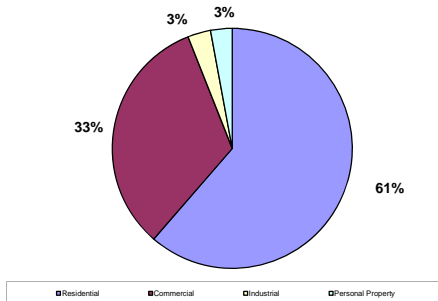
**Last Ten Fiscal Years**

	Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 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	\$ 102,441,907
Tax liens.....	82,568	35,813	77,469	213,009	249,692	281,902	218,654	173,535	597,682	302,047
Motor vehicle excise taxes.....	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	4,300,023
Hotel, motel and meals taxes.....	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	4,406,850
Charges for service.....	788,792	545,845	522,563	475,101	618,487	743,470	659,605	691,362	854,582	883,701
Water and sewer charges.....	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	9,951,388
Penalties and interest on taxes.....	390,611	323,433	300,476	334,113	338,128	383,922	291,353	255,365	502,940	462,059
Fees and rentals.....	263,653	388,618	404,593	441,306	430,100	342,461	453,264	504,411	599,641	427,463
Payment in lieu of taxes.....	548,314	547,878	548,087	521,092	520,000	520,347	520,000	521,090	521,090	521,088
Licenses and permits.....	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	3,028,400
Intergovernmental.....	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	25,363,096
Departmental and other.....	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	6,849,455
Contributions.....	7,479	13,017	28,016	15,709	46,174	26,489	1,501,903	1,002,596	38,742	38,548
Investment income.....	604,587	428,623	240,167	233,569	196,172	330,339	267,563	230,164	561,453	503,844
Miscellaneous.....	336,451	512,677	474,972	874,808	271,503	255,126	228,519	502,723	474,277	387,817
<b>Total Revenue.....</b>	<b>108,378,059</b>	<b>114,992,607</b>	<b>122,272,935</b>	<b>134,232,793</b>	<b>149,615,568</b>	<b>144,459,016</b>	<b>146,238,196</b>	<b>144,345,543</b>	<b>151,795,216</b>	<b>159,867,686</b>
<b>Expenditures:</b>										
General government.....	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	5,970,596
Public safety.....	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	15,386,842
Education.....	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	65,110,130
Public works.....	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	8,215,506
Water and sewer.....	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	3,391,154
MWRA assessment.....	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	5,101,417
Human services.....	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	1,799,828
Culture and recreation.....	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	4,138,289
Pension benefits.....	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	19,897,267
Employee benefits and insurance.....	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	13,472,865
State and county charges.....	531,620	606,387	629,368	578,764	587,147	601,693	624,546	639,045	669,535	704,531
Capital outlay.....	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	12,140,365
Debt service:										
Principal.....	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	3,937,840
Interest.....	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	1,864,794
Payment to bond escrow agent.....	-	-	-	-	-	-	-	793,918	-	-
<b>Total Expenditures.....</b>	<b>112,499,986</b>	<b>118,378,570</b>	<b>127,580,143</b>	<b>144,349,789</b>	<b>157,406,481</b>	<b>146,733,749</b>	<b>149,760,824</b>	<b>142,788,822</b>	<b>147,634,433</b>	<b>161,131,424</b>
<b>Excess of revenues over (under) expenditures.....</b>	<b>(4,121,927)</b>	<b>(3,385,963)</b>	<b>(5,307,208)</b>	<b>(10,116,996)</b>	<b>(7,790,913)</b>	<b>(2,274,733)</b>	<b>(3,522,628)</b>	<b>1,556,721</b>	<b>4,160,783</b>	<b>(1,263,738)</b>
<b>Other Financing Sources (Uses)</b>										
Issuance of bonds and notes.....	1,763,000	1,900,000	10,480,000	14,801,675	13,145,125	1,242,000	-	7,712,000	1,735,200	224,750
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.....	69,330	21,945	173,618	567,177	541,633	374,786	100,431	81,885	1,091,629	55,707
Sale of capital assets.....	-	-	-	-	-	521,600	-	-	-	-
Capital lease financing.....	-	-	-	-	-	846,869	-	1,800,000	-	-
Transfers in.....	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	4,205,304
Transfers out.....	(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)	(4,205,304)
<b>Total other financing sources (uses).....</b>	<b>2,232,330</b>	<b>1,921,945</b>	<b>10,653,618</b>	<b>15,375,482</b>	<b>13,686,758</b>	<b>2,985,255</b>	<b>100,431</b>	<b>9,593,885</b>	<b>2,850,933</b>	<b>280,457</b>
<b>Net change in fund balance.....</b>	<b>\$ (1,889,597)</b>	<b>\$ (1,464,018)</b>	<b>\$ 5,346,410</b>	<b>\$ 5,258,486</b>	<b>\$ 5,895,845</b>	<b>\$ 710,522</b>	<b>\$ (3,422,197)</b>	<b>\$ 11,150,606</b>	<b>\$ 7,011,716</b>	<b>\$ (983,281)</b>
Debt service as a percentage of noncapital expenditures....	3.97%	3.72%	3.57%	3.44%	3.86%	4.31%	4.50%	3.97%	3.90%	3.89%

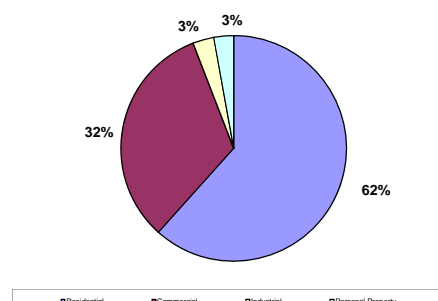
**Town of Burlington, Massachusetts**  
**Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates**  
**Last Ten Years**

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
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
2017	\$3,604,357,624	\$11.06	\$1,899,398,165	\$177,095,736	\$165,457,930	\$2,241,951,831	\$28.10	38.3%	\$17.59	\$5,846,309,455

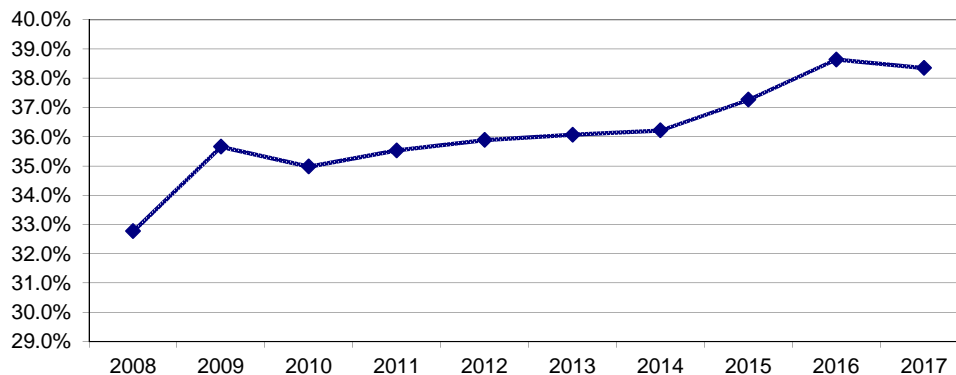
**Total Assessed Value by Classification  
Fiscal Year Ended June 30, 2016**



**Total Assessed Value by Classification  
Fiscal Year Ended June 30, 2017**



**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**

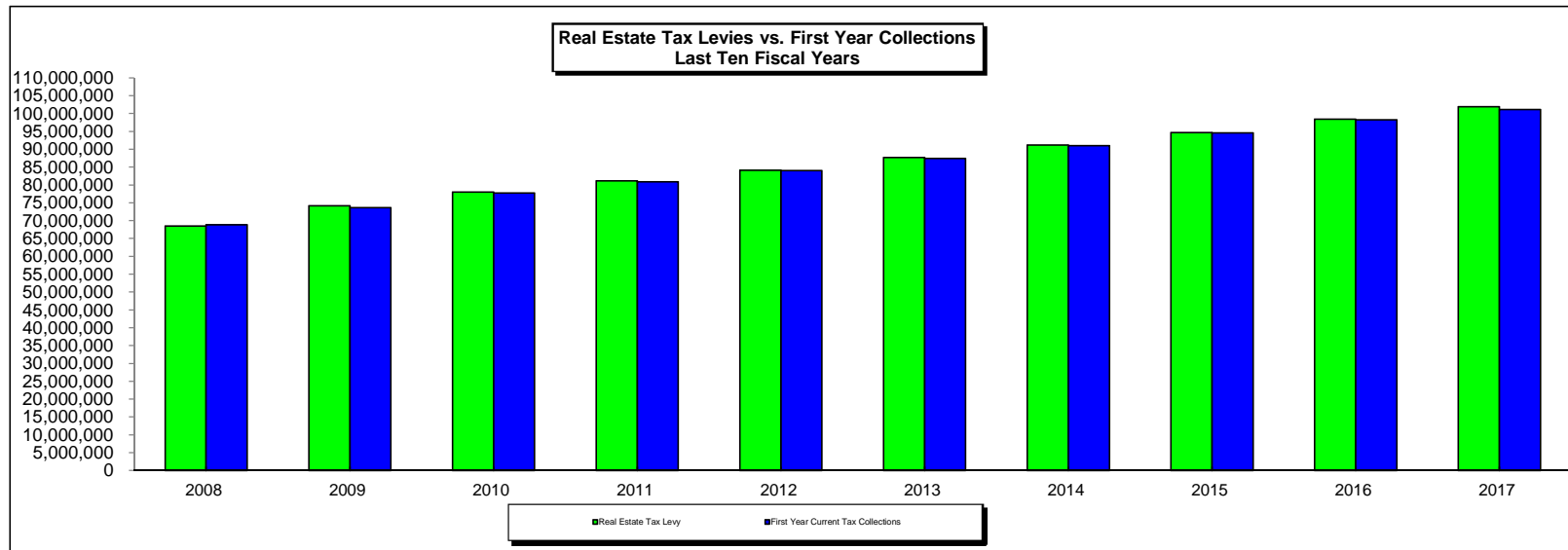
**Principal Taxpayers**

**Current Year and Nine Years Ago**

Name	Nature of Business	2017		Percentage of Total Taxable Assessed Value	2008		Percentage of Total Taxable Assessed Value
		Assessed Valuation	Rank		Assessed Valuation	Rank	
Bellwether Property Of Mass	Office Building	\$ 203,352,700	1	3.5%	-	-	-
Network Drive Owner LLC	Office Building	\$ 178,740,700	2	3.1%	-	-	-
Neep Investors Holdings LLC	Office Building	\$ 145,674,300	3	2.5%	\$ 99,230,300	3	2.2%
Burlington Centre Owner LLC	Office Building	\$ 72,853,300	4	1.2%	-	-	-
Wayside Commons Invest.	Office Building/Retail	\$ 66,209,600	5	1.1%	-	-	-
Oracle USA Inc	Computer Network Systems	\$ 61,461,700	6	1.1%	-	-	-
Burlington Mall FB-1 LLC	Office Building/Retail	\$ 57,604,500	7	1.0%	\$ 171,903,200	1	3.7%
Prim 25 Mall Road LLC	Office Building	\$ 46,393,000	8	0.8%	-	-	-
CH Rity VII-PHG H Bos Burl LLC	Office Building	\$ 43,683,900	9	0.7%	-	-	-
Piedmont 5 & 15 Wayside LLC	Office Building	\$ 43,619,200	10	0.7%	-	-	-
Nordblom	Office Building	-	-	-	\$ 93,937,400	2	2.0%
Netview Investment	Office Building	-	-	-	\$ 82,633,600	4	1.8%
E&A Northeast LP	Office Building	-	-	-	\$ 53,023,200	5	1.1%
Gutierrez/Auburn-Oxford	Office/Real Estate Development	-	-	-	\$ 33,015,000	6	0.7%
Hekimian & Finard	Office/Real Estate Development	-	-	-	\$ 30,722,700	7	0.7%
Corporation Drive	Office Building	-	-	-	\$ 30,467,700	8	0.7%
Ma 25 Mall Office LLC	Office Building	-	-	-	\$ 29,326,500	9	0.6%
One Wheeler Road Assoc.	Office/Real Estate Development	-	-	-	\$ 24,782,000	10	0.5%
<b>Totals</b>		<u>\$919,592,900</u>		<u>15.7%</u>	<u>\$649,041,600</u>		<u>14.0%</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
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%	\$ 511,071	\$98,763,916	100.37%
2017	\$102,863,547	\$ 1,000,000	\$101,863,547	99.03%	\$101,149,845	99.30%	\$ -	\$101,149,845	99.30%



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
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%
2017	25,128	\$1,025,121,888	\$5,846,327,455	\$47,545,924	\$1,892	4.64%	0.81%

Year	Total Governmental Activity				
	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
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%
2017	\$ 850,149	\$48,396,073	\$1,926	4.72%	0.83%

Source: Audited Financial Statements, U. S. Census

**Town of Burlington, Massachusetts**

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2017**

<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..... \$	7,826,350	8.38%	\$ 655,550
MWRA.....	3,572,843,000	1.13%	<u>40,423,890</u>
Subtotal, overlapping debt.....			<u>41,079,440</u>
Direct debt:			
Capital Lease Obligations.....			850,149
General Governmental Debt.....			<u>47,545,924</u>
Town total direct debt.....			<u>48,396,073</u>
Total direct and overlapping debt.....			<u>\$ 89,475,513</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**

	<b>Year</b>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Equalized Valuation.....	\$ 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	\$ 6,191,239,400
Debt Limit -5% of Equalized Valuation.....	\$ 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	\$ 309,561,970
Less:										
Outstanding debt applicable to limit.....	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	34,528,310
Authorized and unissued debt.....	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	15,230,000
Legal debt margin.....	<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>	<u>\$ 259,803,660</u>
Total debt applicable to the limit as a percentage of debt limit.....	23.10%	23.87%	37.84%	31.21%	26.66%	24.91%	25.04%	18.54%	17.50%	16.07%

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
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%
2017	25,128	\$ 1,025,121,888	\$ 40,796	47.0	3,521	3.5%

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	2017			2008		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Lahey Clinic	Hospital	5,040	1	36%	4,500	1	33%
Oracle/Sun*	Computer Network Systems	2,300	2	16%	-		-
Siemens-Nixdorff	Information Technology & Electronics	1,000	3	7%	1,500	3	11%
Avid Tech	Software Systems (Video)	800	4	6%	-		-
Burlington Mall	Retail	750	5	5%	600	5	4%
Keurig Green Mountain	Retail	750	6	5%	-		-
Wegmans	Retail	630	7	5%	-		-
Nuance Systems	Software/Communications	525	8	4%	400	8	-
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%
Wayside Commons	Retail	-		-	500	6	4%
I Robot	Research & Development	-		-	425	7	3%
SAP Systems	Software Systems	-		-	350	10	3%
Total		<u>12,600</u>		<u>90%</u>	<u>11,660</u>		<u>83%</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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
General government.....	39	39	38	38	38	42	43	43	43	43
Public Safety.....	143	144	144	144	144	144	144	146	147	152
Education.....	517	524	530	527	512	544	564	570	576	578
Public works.....	62	61	61	61	58	58	58	61	64	64
Human services.....	20	20	20	20	20	20	20	20	20	20
Culture and recreation.....	29	29	29	29	29	29	29	26	31	32
Total .....	<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>	<u>889</u>

Source: Town personnel records and various Town departments.

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

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>General Government</b>										
Population.....	23,299	24,895	24,498	24,985	24,708	25,008	25,176	25,190	25,463	25,128
Registered Voters, Annual Town Election.....	14,384	14,956	1,861	14,835	15,160	15,652	15,230	15,065	15,776	16,196
Town Clerk										
Births.....	282	302	293	305	305	282	296	252	201	278
Marriages.....	118	128	132	126	119	125	106	130	103	115
Deaths.....	735	842	882	840	848	875	907	1,040	776	1,023
Dogs licensed.....	1,876	2,020	2,067	2,097	2,182	2,213	2,216	2,314	2,365	2,431
<b>Police</b>										
Documented calls for police services.....	22,523	20,753	23,287	22,950	26,820	31,524	30,305	21,186	27,629	28,971
Uniform crimes reported.....	883	962	934	768	818	605	573	489	592	586
Arrests.....	322	267	238	237	256	232	243	175	225	202
Traffic citations issued.....	5,862	4,051	3,598	2,746	3,367	4,258	3,974	3,176	4,332	6,033
False burglary alarms.....	2,083	1,787	1,804	1,871	1,749	1,622	1,636	1,365	1,558	1,625
Total number of animal complaints.....	451	369	478	381	368	389	454	325	411	395
<b>Fire</b>										
Inspections.....	1,055	780	719	766	762	783	789	763	774	728
Plan reviews.....	311	262	225	235	305	268	319	315	268	211
Permits/certificates issued.....	740	658	561	650	765	736	800	785	980	639
Emergency responses.....	6,601	6,173	6,261	6,327	6,477	6,394	6,650	6,662	7,436	7,581
<b>Building Department</b>										
Permits issued.....	2,678	2,323	2,704	3,185	3,176	3,454	3,492	2,726	3,632	5,174
<b>Education</b>										
Public school enrollment.....	3,686	3,650	3,711	3,652	3,626	3,606	3,579	3,499	3,508	3,521
<b>Public Works</b>										
Cemetery										
Lots sold.....	66	58	46	49	48	54	53	54	51	59
interments.....	152	132	151	144	139	148	150	148	144	167
Recycling/tons.....	1,519	1,592	2,161	2,212	2,183	2,040	1,980	2,297	2,392	2,409
<b>Human Services</b>										
Board of Health										
Permits issued.....	716	614	738	746	660	617	462	294	430	335
Inspections.....	1,315	1,202	1,237	1,382	1,101	1,191	1,071	809	1,357	800
<b>Libraries</b>										
Volumes in collection.....	106,723	109,287	111,850	112,140	113,663	111,713	113,487	115,599	111,892	117,750
Circulation.....	369,485	384,798	391,072	374,225	363,747	331,618	311,460	285,019	277,987	276,372
Program attendance.....	3,828	10,625	7,543	7,443	10,878	9,233	9,214	9,010	9,578	11,123
Visits.....	145,733	142,198	163,898	182,089	177,578	163,047	162,113	150,292	148,694	153,331
Hours of operation.....	3,017	3,020	3,049	2,956	2,977	2,989	2,888	2,992	2,993	3,009
<b>Youth &amp; Family Services</b>										
Misc resident clinical consultation hours.....	360	387	413	349	314	410	320	339	503	514
<b>Recreation</b>										
Participants.....	35,909	27,762	28,684	30,679	28,438	30,126	39,568	39,809	29,374	37,478

NA: Information not available  
Source: Various Town Departments

**Town of Burlington, Massachusetts**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**

<b><u>Function/Program</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
General Government										
Number of Buildings.....	13	13	13	13	13	13	13	14	14	14
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Police personnel and officers.....	72	73	73	73	73	73	73	75	75	76
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	66	70
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.....	286	296	293	288	283	300	295	299	299	308
Number of students.....	3,686	3,650	3,711	3,652	3,626	3,606	3,579	3,799	3,508	3,521
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	283	283	283	283	283	283

Source: Various Town Departments