

# **TOWN OF BURLINGTON, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**For the Year Ended June 30, 2018**

**On the cover:**

*Pictured on the cover is the Town Common in August 2018, as photographed by Leroy Wong, a Technology Instructor at Burlington High School.*



*Pictured above is an updated image of the Town Common prior to the implementation of its current layout, as designed in the 1960's.*



# TOWN OF BURLINGTON, MASSACHUSETTS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018



Prepared by:

Accounting Department

# **TOWN OF BURLINGTON, MASSACHUSETTS**

## ***Comprehensive Annual Financial Report For the Year ended June 30, 2018***

### **TABLE OF CONTENTS**

<b>Introductory Section.....</b>	<b>i</b>
Letter of Transmittal .....	ii
Organizational Chart .....	vi
Principal Town Officials.....	vii
Certificate of Achievement for Excellence in Financial Reporting .....	viii
<b>Financial Section .....</b>	<b>1</b>
Independent Auditor's Report .....	3
Management's Discussion and Analysis .....	5
Basic Financial Statements.....	14
Statement of Net Position.....	15
Statement of Activities .....	16
Governmental Funds – Balance Sheet .....	18
Reconciliation of the Governmental Balance Sheet Total Fund Balances to Statement of Net Position .....	19
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances .....	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Proprietary Funds – Statement of Net Position.....	22
Proprietary Funds – Statement of Revenues, Expenses and Changes in Fund Net Position .....	23
Proprietary Funds – Statement of Cash Flows .....	24
Fiduciary Funds – Statement of Fiduciary Net Position .....	25
Fiduciary Funds – Statement of Changes in Fiduciary Net Position.....	26
Notes to Basic Financial Statements .....	27
Required Supplementary Information .....	64
General Fund Budgetary Comparison Schedule .....	66
Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget and Actual ..	67
Pension Plan Schedules .....	71
Schedule of the Town's Proportionate Share of the Net Pension Liability .....	73
Schedule of the Town's Contributions .....	74
Schedule of Special Funding Amounts of the Net Pension Liability.....	75
Other Postemployment Benefits Plan Schedules .....	76
Schedule of the Town's net OPEB Liability and Related Ratios .....	77

Schedule of the Town's Contributions .....	78
Schedule of Investment Returns .....	79
Notes to Required Supplementary Information .....	80
Combining and Individual Fund Statements .....	85
Nonmajor Governmental Funds .....	86
Nonmajor Governmental Funds – Combining Balance Sheet.....	88
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	90
Agency Fund .....	92
Agency Fund – Statement of Changes in Assets and Liabilities .....	93
<b>Statistical Section.....</b>	<b>95</b>
Net Position by Component – Last Ten Years .....	96
Changes in Net Position – Last Ten Years .....	97
Fund Balances, Governmental Funds – Last Ten Years .....	99
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	100
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates–Last Ten Years .....	101
Principal Taxpayers – Current year and Nine Years Ago .....	102
Property Tax Levies and Collections – Last Ten Years .....	103
Ratios of Outstanding Debt and General Bonded Debt – Last Ten Years .....	104
Direct and Overlapping Governmental Activities Debt.....	105
Computation of Legal Debt Margin – Last Ten Years .....	106
Demographic and Economic Statistics – Last Ten Years .....	107
Principal Employers – Current Year and Nine Years Ago .....	108
Full-Time Equivalent Town Employees by Function – Last Ten Years .....	109
Operating Indicators by Function/Program – Last Ten Years.....	110
Capital Asset Statistics by Function/Program – Last Ten Years.....	111

# *Introductory Section*



*The Kent House was built in 1850 for John Kent, an affluent brewer from Charlestown. It is now privately owned.*

# ***Introductory Section***



# TOWN OF BURLINGTON

## *Board of Selectmen/Town Administrator's Office*

*John Petrin, Town Administrator*

*Betty McDonough, Office Manager*

### **Letter of Transmittal**

December 21, 2018

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, 2018, 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 & 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, 2018, 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, 2018, 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 on 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 2018 census conducted by the Burlington Town Clerk, Burlington is home to a population of approximately 25,600.

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 \$66.1 million in property taxes from commercial property owners as compared to \$40.8 million from residential homeowners.

During 2018, the Town of Burlington continued a trend of commercial development. Burlington has a very high occupancy rate and a strong appeal to businesses, particularly in regard to rental space for offices. The Town is considered the premier alternative to downtown Boston and Cambridge. With the amenities we provide, Burlington is seen as a prime location for the entire state. It has been stated that Burlington serves as the “economic capitol” for the 128 belt and is a main cog in the economic engine for the State. There has been a lot of recent recognition of that in this area. As an example, Millipore/Sigma opened their new headquarters in 2017, and is readying to open an addition that has begun several years sooner than originally predicted. They will provide an anchor for the life/science sector in Burlington. We see future possibilities that will thrive with them as an anchor. Our commercial growth continues to be at an all-time high. New restaurants continue to open with several additional openings expected into 2019. The redevelopment of the former New England Executive Park into “The District” is nearly complete 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 the opening of a new hotel, restaurant, fitness center and housing. 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. The Simon Company has begun its renovations at the Burlington Mall which will add retail/restaurant space for the future. They continue to change their approach for the future while thriving today as the highest producing mall in New England.

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 4.39% while the tax levy increased at 5%. The increase to the average single-family tax bill was 2.78%. The Town of Burlington increased its unused taxing capacity to \$10.3 million in 2018 and currently has a Stabilization Fund of \$8.8 million with an additional Other Postemployment Benefits Fund of \$6.7 million. Free Cash was certified at over \$11.6 million for June 30, 2018, 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 and not jeopardize the rating. 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 \$6.7 million to that reserve over the last six 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.

### ***Budgetary Controls***

The Town Accountant is responsible for preparing the budget and reviewing it with the various departments, boards and committees. This budget is 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, 2017. Fiscal year ended June 30, 2018, is the third 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.

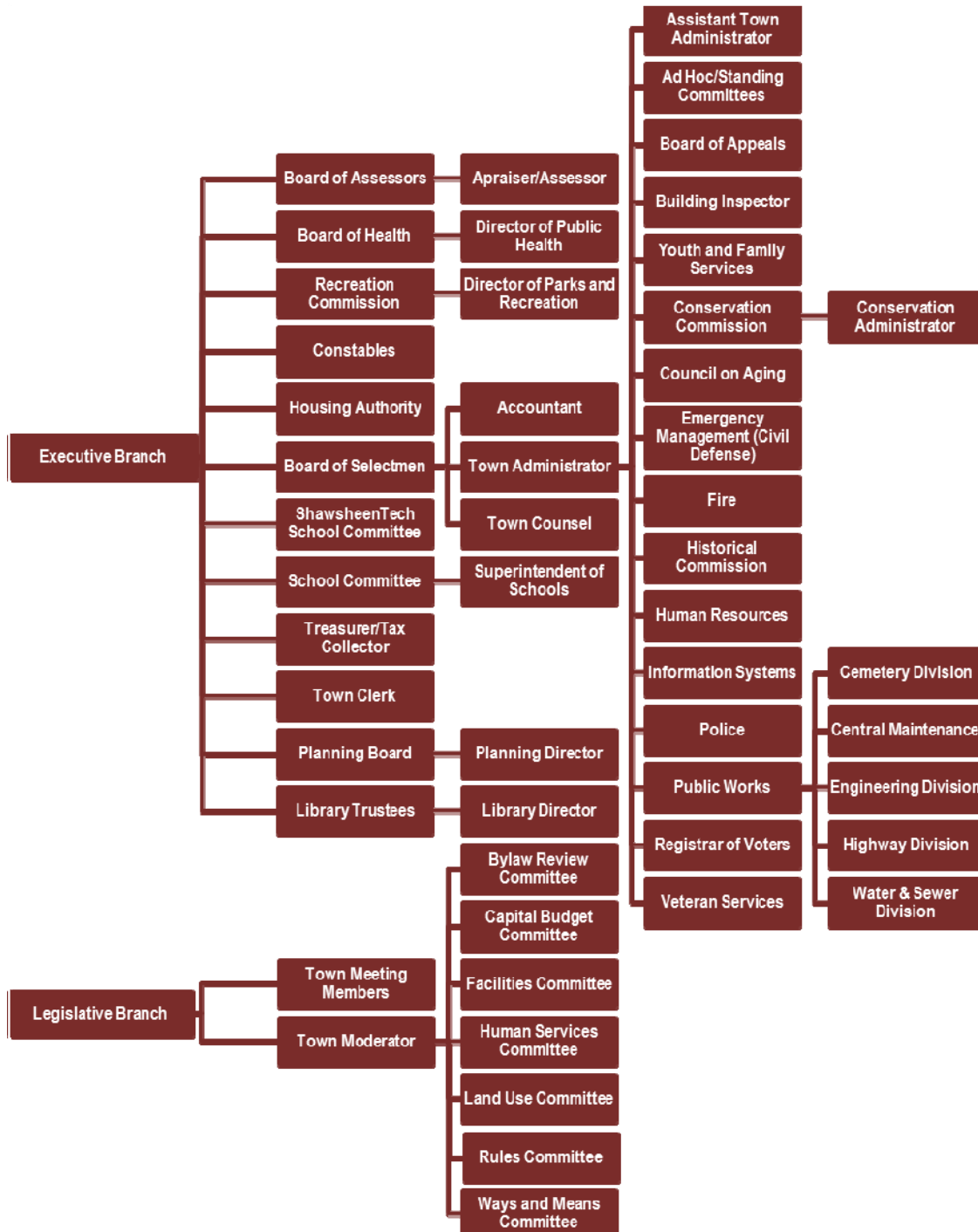
We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Selectmen and Audit Committee for their unfailing support for maintaining the highest standards of professionalism 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	2021
	Robert C. Hogan, Vice Chair	2019
	Joseph E. Morandi	2019
	Jim Tigges	2020
	Michael S. Runyan	2021
Moderator	William Beyer	2019
Town Clerk	Amy E. Warfield	2021
Assessors	Louise Crocker	2020
	Catherine O'Neil	2019
	Paul Sheehan	2021
Treasurer/Collector	Brian Curtin	2019
School Committee	Kristin A. Russo, Chair	2020
	Thomas Murphy, Jr, Vice Chair	2019
	Christine Monaco	2019
	Stephen A. Nelson	2020
	Martha A. Simon	2021

## 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, 2017**

*Christopher P. Morill*

Executive Director/CEO

# *Financial Section*



*The West School was originally built in 1794 on the grounds of Simonds Park. It was moved to its current location in the 1830's, and is now part of a museum complex operated by the Burlington Historical Society.*

# ***Financial Section***



This page intentionally left blank.



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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 21, 2018 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 21, 2018

# ***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, 2018. 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 liabilities and deferred inflows of resources of the Town of Burlington exceeded its assets and deferred outflows of resources at the close of the most recent year by \$16.3 million (net position).
- The Town recognized their total net pension liability of \$117.4 million along with a deferred outflow and (inflow) of resources related to pension of \$13.3 million and (\$4.8 million), respectively on the statement of net position.
- Beginning net position of the governmental activities and the business-type activities have been revised to reflect the implementation of GASB Statement #75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". The implementation of this standard required the calculation of the OPEB liability to be revised due to the use of different methods and assumptions as previously required by GASB Statement #45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*". Accordingly, the Town's net position as of June 30 2017, has been revised to reflect these changes. (See Note 16 for further details regarding the revised balances).
- At the close of the current year, the Town's general fund reported an ending fund balance of \$41.7 million, an increase of \$1.7 million in comparison with the prior year. Total fund balance represents 28% of total general fund expenditures. Approximately \$29.4 million of this total amount is available for appropriation at the government's discretion, \$2.4 million is committed for capital articles approved by Town Meeting and \$9.9 million is assigned for encumbrances carried forward to the subsequent year.
- The Town's total debt (short-term and long-term combined) was \$59.8 million at year end, a net increase of \$5.3 million during the current year.

### **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 two major governmental funds that are 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 are 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 2018 in comparison to 2017.

### ***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 liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$16.3 million at the close of 2018.

Net position of \$128.3 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 \$1.3 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 \$145.9 million deficit, due to the cumulative effect of recording \$117.4 million net pension liability and \$93.6 million of net OPEB liability through June 30, 2018.

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

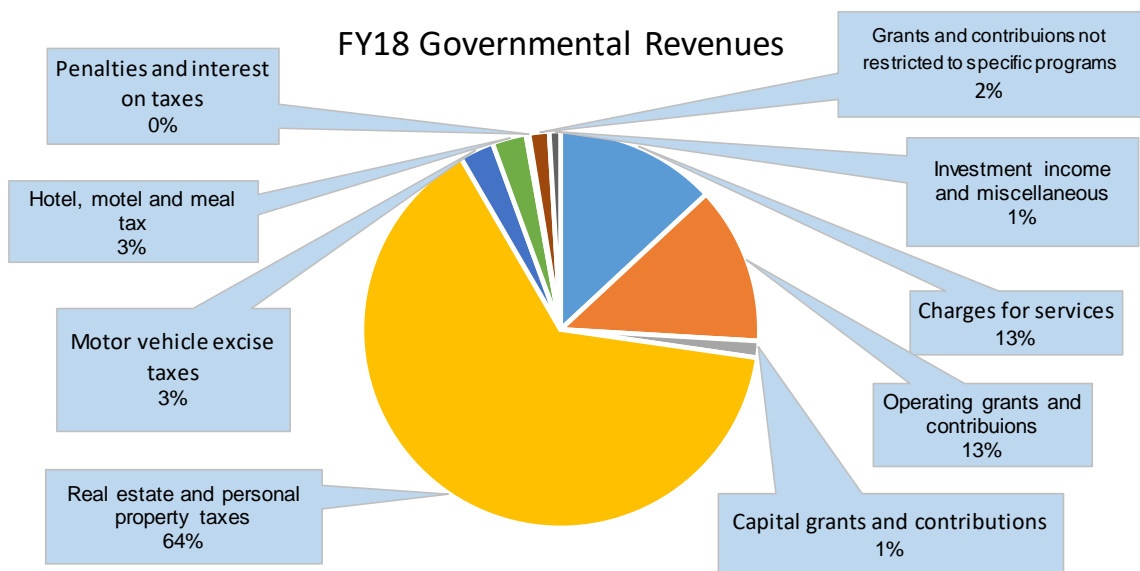
## Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For governmental activities, liabilities exceeded assets by \$16.3 million at the close of 2018.

	June 30, 2018	Revised June 30, 2017
<b>Assets:</b>		
Current assets.....	\$ 85,782,579	\$ 79,874,003
Capital assets, non depreciable.....	33,951,892	29,928,702
Capital assets, net of accumulated depreciation.....	141,603,799	140,012,722
<b>Total assets.....</b>	<b>261,338,270</b>	<b>249,815,427</b>
<b>Deferred outflows of resources.....</b>	<b>18,746,145</b>	<b>16,969,623</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	15,939,450	16,428,469
Noncurrent liabilities (excluding debt).....	214,086,839	208,862,409
Current debt.....	5,770,400	9,211,964
Noncurrent debt.....	54,586,733	45,302,293
<b>Total liabilities.....</b>	<b>290,383,422</b>	<b>279,805,135</b>
<b>Deferred inflows of resources.....</b>	<b>6,047,450</b>	<b>788,372</b>
<b>Net position:</b>		
Net investment in capital assets.....	128,322,641	121,730,037
Restricted.....	1,261,514	3,345,429
Unrestricted.....	(145,930,612)	(138,883,923)
<b>Total net position.....</b>	<b>\$ (16,346,457)</b>	<b>\$ (13,808,457)</b>
<b>Program Revenues:</b>		
Charges for services.....	\$ 21,980,753	\$ 20,816,154
Operating grants and contributions.....	21,612,082	20,566,651
Capital grants and contributions.....	2,283,589	2,234,822
<b>General Revenues:</b>		
Real estate and personal property taxes, net of tax refunds payable.....	107,849,572	102,423,648
Tax and other liens.....	339,317	170,429
Motor vehicle and other excise taxes.....	4,701,101	4,371,621
Hotel/motel tax.....	4,653,341	4,406,850
Penalties and interest on taxes.....	415,121	450,170
Payments in lieu of taxes.....	521,086	521,088
Grants and contributions not restricted to specific programs.....	2,755,822	2,638,838
Unrestricted investment income.....	756,072	687,963
Miscellaneous.....	272,599	311,448
<b>Total revenues.....</b>	<b>168,140,455</b>	<b>159,599,682</b>
<b>Expenses:</b>		
General government.....	10,436,272	9,265,395
Public safety.....	27,413,036	25,710,669
Education.....	96,626,764	91,342,349
Public works.....	15,331,714	13,994,668
Human services.....	2,800,110	2,757,820
Water and sewer.....	9,778,407	9,405,607
Culture and recreation.....	6,531,690	6,496,889
Interest.....	1,760,462	1,633,845
<b>Total expenses.....</b>	<b>170,678,455</b>	<b>160,607,242</b>
<b>Change in net position.....</b>	<b>(2,538,000)</b>	<b>(1,007,560)</b>
<b>Net position, beginning of year (as revised).....</b>	<b>(13,808,457)</b>	<b>(12,800,897)</b>
<b>Net position, end of year.....</b>	<b>\$ (16,346,457)</b>	<b>\$ (13,808,457)</b>



- The governmental activities net position decreased by \$2.5 million during the current year. The decrease in net position is primarily due to the increase in the liability relating to OPEB and pension expense by \$3.1 million and \$2.4 million, a net change of (\$2.4 million) in deferred outflows/(inflows) of resources related to pensions, and a net change of \$100 thousand in deferred outflows/(inflows) of resources related to OPEB. These changes were offset by better than anticipated revenues.
- Charges for services represent about 13.1% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Board of Selectmen are included in this category.
- Operating grants and contributions account for 12.9% 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 64% 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 8.6% 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 \$24.8 million provided direct support to education and \$71.8 million in taxes and other general revenue were needed to cover the remaining 2018 operating expenses.
- Public safety and public works are the second and third largest activities of the Town. Approximately \$22.6 million and \$12.4 million, respectively, of taxes and other revenue were needed to cover their 2018 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 \$58.3 million an increase of \$10.3 million from the prior year. This increase is due to a \$1.7 million increase in the general fund, \$2.9 million increase in the public works capital project fund due to the timing of construction projects, an increase in the nonmajor funds of \$5.7 million from timing differences between the receipt and expenditures of grant funds.

The general fund is the chief operating fund of the Town of Burlington. The general fund balance increased by \$1.7 million during the current year. This increase is due to stronger than expected collections in practically all revenue categories. Another contributing factor was, with the exception of education and 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 \$8.8 million which represents 5.8% 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 \$6.3 million on construction projects, reported a transfer in of \$2.8 million from the general fund, and recorded bond proceeds of \$4.4 million. At the end of the current year, the fund had a fund balance surplus of \$4.8 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 \$29.4 million, while total fund balance totaled \$41.7 million. The \$2.4 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$9.9 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% of total general fund expenditures, while total fund balance represents 28% of that same amount.

## **General Fund Budgetary Highlights**

The final general fund budget appropriations, including transfers, were approximately \$2.2 million higher than the original budget primarily due to increases in public safety, education, and state and county charges.

General fund revenues came in over budget by \$4.7 million. The majority of this surplus \$2.3 million (49%) was generated from licenses and permits, \$866,000 (18%) was generated from motor vehicle excise taxes, and \$428,000 (9%) was generated from hotel, motel and meals tax.

Actual general fund expenditures, including carryovers, were less than budgeted amounts by \$1.1 million or less than 1%. The public schools overspent their budgeted appropriations by \$667,000 which were raised subsequent to year-end.

## **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 \$12,860,000 in general obligation bonds and paid down \$3.9 million in principal payments. At the end of the year the Town had total bonded debt outstanding of \$56.6 million of which \$23.7 million is related to school projects, \$4.1 million is related to the water treatment facility, \$3.3 million relates to road construction, \$7.3 million related to water and sewer construction, \$8.5 million relates to the fire station remodeling, and the balance of \$9.6 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, 2018, the Town received approximately \$259,000 of reimbursements for approved construction costs, this was the final MSBA payment.

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.

This page intentionally left blank.

## ***Basic Financial Statements***

**STATEMENT OF NET POSITION**

JUNE 30, 2018

	Governmental Activities
<b>ASSETS</b>	
<b>CURRENT:</b>	
Cash and cash equivalents.....	\$ 70,341,098
Investments.....	8,709,798
Receivables, net of allowance for uncollectibles:	
Real estate and personal property taxes.....	721,997
Tax liens.....	1,513,061
Motor vehicle and other excise taxes.....	391,397
Water and Sewer fees.....	2,626,655
Departmental and other.....	243,578
Intergovernmental.....	1,143,153
Tax foreclosures.....	91,842
<b>Total current assets.....</b>	<b>85,782,579</b>
<b>NONCURRENT:</b>	
Capital assets, nondepreciable.....	33,951,892
Capital assets, net of accumulated depreciation.....	141,603,799
<b>Total noncurrent assets.....</b>	<b>175,555,691</b>
<b>TOTAL ASSETS.....</b>	<b>261,338,270</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions.....	13,279,470
Deferred outflows related to other postemployment benefits.....	5,466,675
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>18,746,145</b>
<b>LIABILITIES</b>	
<b>CURRENT:</b>	
Warrants payable.....	4,406,927
Accrued payroll.....	4,122,396
Health claims payable.....	1,269,182
Tax refunds payable.....	1,430,000
Accrued interest.....	995,048
Other liabilities.....	751,897
Capital lease obligations.....	283,306
Compensated absences.....	2,454,000
Workers' compensation.....	510,000
Notes payable.....	1,620,000
Bonds payable.....	3,867,094
<b>Total current liabilities.....</b>	<b>21,709,850</b>
<b>NONCURRENT:</b>	
Capital lease obligations.....	291,533
Compensated absences.....	3,108,000
Net pension liability.....	117,368,093
Net OPEB liability.....	93,610,746
Bonds payable.....	54,295,200
<b>Total noncurrent liabilities.....</b>	<b>268,673,572</b>
<b>TOTAL LIABILITIES.....</b>	<b>290,383,422</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Taxes paid in advance.....	1,043,721
Deferred inflows related to pensions.....	4,792,488
Deferred inflows related to other postemployment benefits.....	211,241
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>6,047,450</b>
<b>NET POSITION</b>	
Net investment in capital assets.....	128,322,641
Restricted for:	
Permanent funds:	
Expendable.....	174,510
Nonexpendable.....	678,191
Gifts and grants.....	408,813
Unrestricted.....	(145,930,612)
<b>TOTAL NET POSITION.....</b>	<b>\$ (16,346,457)</b>

See notes to basic financial statements.



# STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
Primary Government:						
Governmental Activities:						
General government.....	\$ 10,436,272	\$ 2,271,647	\$ 10,563	\$ -	\$ (8,154,062)	
Public safety.....	27,413,036	4,390,332	421,866	-	(22,600,838)	
Education.....	96,626,764	4,073,689	20,735,823	-	(71,817,252)	
Public works.....	15,331,714	611,353	71,205	2,283,589	(12,365,567)	
Human services.....	2,800,110	357,302	175,487	-	(2,267,321)	
Water and sewer.....	9,778,407	9,219,351	-	-	(559,056)	
Culture and recreation.....	6,531,690	1,057,079	197,138	-	(5,277,473)	
Interest.....	1,760,462	-	-	-	(1,760,462)	
Total Primary Government.....	\$ 170,678,455	\$ 21,980,753	\$ 21,612,082	\$ 2,283,589	\$ (124,802,031)	

See notes to basic financial statements.

(Continued)

# STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	Primary Government
	Governmental Activities
<b>Changes in net position:</b>	
Net (expense) revenue from previous page.....	\$ <b>(124,802,031)</b>
<i>General revenues:</i>	
Real estate and personal property taxes, net of tax refunds payable.....	107,849,572
Tax and other liens.....	339,317
Motor vehicle and other excise taxes.....	4,701,101
Hotel/motel tax.....	4,653,341
Penalties and interest on taxes.....	415,121
Payments in lieu of taxes.....	521,086
Grants and contributions not restricted to specific programs.....	2,755,822
Unrestricted investment income.....	756,072
Miscellaneous.....	272,599
Total general revenues and transfers.....	122,264,031
Change in net position.....	(2,538,000)
<i>Net position:</i>	
Beginning of year, as revised.....	(13,808,457)
End of year.....	\$ <b>(16,346,457)</b>
See notes to basic financial statements.	(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2018

	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 46,321,649	\$ 6,829,911	\$ 12,335,070	\$ 65,486,630
Investments.....	4,004,801	-	402,539	4,407,340
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	721,997	-	-	721,997
Tax liens.....	1,513,061	-	-	1,513,061
Motor vehicle and other excise taxes.....	391,397	-	-	391,397
Water and sewer fees.....	2,626,655	-	-	2,626,655
Departmental and other.....	205,025	-	4,060	209,085
Intergovernmental.....	-	-	1,143,153	1,143,153
Tax foreclosures.....	91,842	-	-	91,842
<b>TOTAL ASSETS.....</b>	<b>\$ 55,876,427</b>	<b>\$ 6,829,911</b>	<b>\$ 13,884,822</b>	<b>\$ 76,591,160</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 1,870,088	\$ 397,113	\$ 2,139,155	\$ 4,406,356
Accrued payroll.....	4,120,721	-	1,675	4,122,396
Tax refunds payable.....	1,430,000	-	-	1,430,000
Other liabilities.....	399,395	-	-	399,395
Notes payable.....	-	1,620,000	-	1,620,000
<b>TOTAL LIABILITIES.....</b>	<b>7,820,204</b>	<b>2,017,113</b>	<b>2,140,830</b>	<b>11,978,147</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Taxes paid in advance.....	1,043,721	-	-	1,043,721
Unavailable revenue.....	5,300,940	-	4,060	5,305,000
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>6,344,661</b>	<b>-</b>	<b>4,060</b>	<b>6,348,721</b>
<b>FUND BALANCES</b>				
Nonspendable.....	-	-	678,191	678,191
Restricted.....	-	4,812,798	11,087,682	15,900,480
Committed.....	2,433,344	-	-	2,433,344
Assigned.....	9,851,474	-	-	9,851,474
Unassigned.....	29,426,744	-	(25,941)	29,400,803
<b>TOTAL FUND BALANCES.....</b>	<b>41,711,562</b>	<b>4,812,798</b>	<b>11,739,932</b>	<b>58,264,292</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 55,876,427</b>	<b>\$ 6,829,911</b>	<b>\$ 13,884,822</b>	<b>\$ 76,591,160</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, 2018

Total governmental fund balances.....	\$ 58,264,292
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	175,555,691
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	5,305,000
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....	13,742,416
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	7,569,164
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(995,048)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(58,162,294)
Net pension liability.....	(117,368,093)
Net OPEB liability.....	(93,610,746)
Capital lease obligations.....	(574,839)
Workers' compensation.....	(510,000)
Compensated absences.....	(5,562,000)
Net effect of reporting long-term liabilities.....	<u>(275,787,972)</u>
Net position of governmental activities.....	<u>\$ (16,346,457)</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Real estate and personal property taxes, net of tax refunds.....	\$ 108,152,059	\$ -	\$ -	\$ 108,152,059
Tax liens.....	269,043	-	-	269,043
Motor vehicle and other excise taxes.....	4,676,730	-	-	4,676,730
Hotel/motel tax.....	4,653,341	-	-	4,653,341
Water and sewer charges.....	9,536,910	-	-	9,536,910
Ambulance.....	861,949	-	-	861,949
Penalties and interest on taxes.....	415,121	-	-	415,121
Fees and rentals.....	442,342	-	-	442,342
Payments in lieu of taxes.....	521,086	-	-	521,086
Licenses and permits.....	3,330,137	-	-	3,330,137
Intergovernmental - Teachers Retirement.....	11,939,000	-	-	11,939,000
Intergovernmental.....	9,191,724	2,109,208	5,179,719	16,480,651
Departmental and other.....	904,649	-	6,240,166	7,144,815
Contributions and donations.....	-	-	57,261	57,261
Investment income.....	519,010	-	736	519,746
Miscellaneous.....	272,599	-	668,701	941,300
<b>TOTAL REVENUES.....</b>	<b>155,685,700</b>	<b>2,109,208</b>	<b>12,146,583</b>	<b>169,941,491</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	5,666,823	-	1,196,344	6,863,167
Public safety.....	16,072,677	-	2,310,428	18,383,105
Education.....	64,593,165	-	6,668,189	71,261,354
Public works.....	8,774,048	6,279,268	2,939,234	17,992,550
Water and sewer.....	10,329,274	46,204	60,977	10,436,455
Human services.....	1,512,643	-	256,812	1,769,455
Culture and recreation.....	3,312,576	-	1,238,336	4,550,912
Pension benefits.....	8,841,933	-	-	8,841,933
Pension benefits - Teachers Retirement.....	11,939,000	-	-	11,939,000
Employee benefits.....	14,079,015	-	-	14,079,015
State and county charges.....	697,443	-	-	697,443
Debt service:				
Principal.....	3,849,542	-	-	3,849,542
Interest.....	1,799,403	-	8,736	1,808,139
<b>TOTAL EXPENDITURES.....</b>	<b>151,467,542</b>	<b>6,325,472</b>	<b>14,679,056</b>	<b>172,472,070</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>4,218,158</b>	<b>(4,216,264)</b>	<b>(2,532,473)</b>	<b>(2,530,579)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds.....	-	4,360,000	8,500,000	12,860,000
Transfers in.....	310,751	2,750,000	50,000	3,110,751
Transfers out.....	(2,800,000)	(4,056)	(306,695)	(3,110,751)
<b>TOTAL OTHER FINANCING SOURCES (USES)....</b>	<b>(2,489,249)</b>	<b>7,105,944</b>	<b>8,243,305</b>	<b>12,860,000</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>1,728,909</b>	<b>2,889,680</b>	<b>5,710,832</b>	<b>10,329,421</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>39,982,653</b>	<b>1,923,118</b>	<b>6,029,100</b>	<b>47,934,871</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 41,711,562</b>	<b>\$ 4,812,798</b>	<b>\$ 11,739,932</b>	<b>\$ 58,264,292</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, 2018

Net change in fund balances - total governmental funds.....	\$ 10,329,421
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.....	14,318,811
Depreciation expense.....	<u>(8,704,544)</u>
Net effect of reporting capital assets.....	5,614,267
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 differ between the two statements. This amount represents the net change in unavailable revenue.....	
	(2,037,361)
The issuance of long-term debt 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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.	
Principal payments on capital leases.....	275,310
Issuance of bonds.....	(12,860,000)
Net amortization of premium from issuance of bonds.....	232,421
Debt service principal payments.....	<u>3,849,542</u>
Net effect of reporting long-term debt.....	(8,502,727)
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.....	(224,000)
Net change in accrued interest on long-term debt.....	(184,744)
Net change in deferred outflow/(inflow) of resources related to pensions.....	(2,412,389)
Net change in net pension liability.....	(2,438,419)
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	(99,684)
Net change in net OPEB liability.....	(3,149,850)
Net change in workers' compensation liability.....	<u>(100,000)</u>
Net effect of recording long-term liabilities.....	(8,609,086)
The net activity of internal service funds is reported with Governmental Activities.....	<u>667,486</u>
Change in net position of governmental activities.....	<u>\$ (2,538,000)</u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF NET POSITION

JUNE 30, 2018

	Governmental Activities - Internal Service Fund
<b>ASSETS</b>	
CURRENT:	
Cash and cash equivalents.....	\$ 4,854,468
Investments.....	4,302,458
Receivables, net of allowance for uncollectibles:	
Departmental and other.....	<u>34,493</u>
TOTAL ASSETS.....	<u>9,191,419</u>
<b>LIABILITIES</b>	
CURRENT:	
Warrants payable.....	353,073
Health claims payable.....	<u>1,269,182</u>
TOTAL LIABILITIES.....	<u>1,622,255</u>
<b>NET POSITION</b>	
Unrestricted.....	<u>\$ 7,569,164</u>

See notes to basic financial statements.



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

YEAR ENDED JUNE 30, 2018

	Governmental Activities - Internal Service Fund
<u>OPERATING REVENUES:</u>	
Employee contributions.....	\$ 4,046,136
Employer contributions.....	<u>9,362,125</u>
 TOTAL OPERATING REVENUES .....	 <u>13,408,261</u>
<u>OPERATING EXPENSES:</u>	
Employee benefits.....	<u>12,977,101</u>
 OPERATING INCOME (LOSS).....	 431,160
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Investment income.....	<u>236,326</u>
 CHANGE IN NET POSITION.....	 667,486
 NET POSITION AT BEGINNING OF YEAR.....	 <u>6,901,678</u>
 NET POSITION AT END OF YEAR.....	 \$ <u><u>7,569,164</u></u>

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

	Governmental Activities - Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from interfund services provided.....	\$ 13,408,261
Payments for interfund services used.....	(12,801,644)
NET CASH FROM OPERATING ACTIVITIES.....	<u>606,617</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Proceeds from sales and maturities of investments.....	(8,310)
Investment income.....	<u>236,326</u>
NET CASH FROM INVESTING ACTIVITIES.....	<u>228,016</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	834,633
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>4,019,835</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 4,854,468</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>	
<u>FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ <u>431,160</u>
Adjustments to reconcile operating income to net cash from operating activities:	
Changes in assets and liabilities:	
Departmental and other.....	261,692
Warrants payable.....	(75,829)
Health claims payable.....	<u>(10,406)</u>
Total adjustments.....	<u>175,457</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 606,617</u>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ -	\$ 32,085	\$ 668,319
Investments:			
Investments in Pension Reserve Investment Trust.....	6,653,905	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	268,178
<b>TOTAL ASSETS.....</b>	<b>6,653,905</b>	<b>32,085</b>	<b>936,497</b>
<b>LIABILITIES</b>			
Warrants payable.....	-	-	22,717
Accrued payroll.....	-	-	11,343
Liabilities due depositors.....	-	-	902,437
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>936,497</b>
<b>NET POSITION</b>			
Restricted for other postemployment benefits.....	6,653,905	-	-
Held in trust for other purposes.....	-	32,085	-
<b>TOTAL NET POSITION.....</b>	<b>\$ 6,653,905</b>	<b>\$ 32,085</b>	<b>\$ -</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS:</b>		
Contributions:		
Employer contributions.....	\$ 597,325	\$ -
Employer contributions for other postemployment benefit payments.....	4,869,350	-
Private donations.....	-	9,122
	<u>5,466,675</u>	<u>9,122</u>
Total contributions.....		
	<u>5,466,675</u>	<u>9,122</u>
Net investment income:		
Investment income.....	565,625	16
	<u>565,625</u>	<u>16</u>
TOTAL ADDITIONS.....	6,032,300	9,138
<b>DEDUCTIONS:</b>		
Other postemployment benefit payments.....	4,869,350	-
Educational scholarships.....	-	218
	<u>4,869,350</u>	<u>218</u>
TOTAL DEDUCTIONS.....	4,869,350	218
	<u>4,869,350</u>	<u>218</u>
NET INCREASE (DECREASE) IN NET POSITION.....	1,162,950	8,920
	<u>1,162,950</u>	<u>8,920</u>
NET POSITION AT BEGINNING OF YEAR.....	5,490,955	23,165
	<u>5,490,955</u>	<u>23,165</u>
NET POSITION AT END OF YEAR.....	\$ 6,653,905	\$ 32,085
	<u>\$ 6,653,905</u>	<u>\$ 32,085</u>

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 2018 assessment was \$2,345,972. 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:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	20
Buildings.....	40
Buildings and improvements.....	20-40
Machinery and 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 OPEB and 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 OPEB, 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 .15 to 16.31 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 \$68,868,483 and the bank balance totaled \$71,499,446. Of the bank balance, \$8,314,845 was covered by Federal Depository Insurance, \$1,336,707 was covered by SIF insurance, \$31,881,453 was covered by DIF insurance and \$29,966,441 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, 2018, the Town of Burlington had the following investments:

Investment Type	Fair value	Maturities			
		Under 1 Year	1-5 Years	6-10 Years	
<u>Debt securities:</u>					
U.S. treasury bonds.....	\$ 1,771,421	\$ 230,309	\$ 1,193,544	\$ 347,568	AAA
Government sponsored enterprises.....	1,657,347	325,090	1,082,473	249,784	AAA to BAA
Corporate bonds.....	968,785	25,429	680,782	262,574	BBB+ to A+
Total debt securities.....	4,397,553	\$ 580,828	\$ 2,956,799	\$ 859,926	
<u>Other investments:</u>					
Equity securities.....	3,750,556				
Fixed income.....	561,689				
Pension Reserve Investment Trust (PRIT).....	6,653,905				
MMDT - Cash portfolio.....	2,173,019				
Total investments.....	\$ 17,536,722				

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 \$1,657,347 in government sponsored enterprises, \$1,771,421 in U.S. treasury notes, \$968,785 in corporate bonds, and \$3,750,556 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, 2018, the Town had more than 5% of its investments in the following securities:

<u>Issuer</u>	<u>Percentage of Total Investments</u>
US Treasury Note.....	12%
Federal National Mortgage Assn.....	5%

Fair 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, 2018:

Investment Type	June 30, 2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments measured at fair value:</b>				
<u>Debt securities:</u>				
U.S. treasury bonds.....	\$ 1,771,421	\$ 1,771,421	\$ -	\$ -
Government sponsored enterprises.....	1,657,347	1,657,347	-	-
Corporate bonds.....	968,785	-	968,785	-
Total debt securities.....	4,397,553	3,428,768	968,785	-
<u>Other investments:</u>				
Equity securities.....	3,750,556	3,750,556	-	-
Fixed income.....	561,689	561,689	-	-
Total other investments.....	4,312,245	4,312,245	-	-
Total investments measured at fair value.....	8,709,798	\$ 7,741,013	\$ 968,785	\$ -
<b>Investments measured at amortized cost:</b>				
MMDT - Cash portfolio.....	2,173,019			
<b>Investments measured at net asset value:</b>				
Pension Reserve Investment Trust (PRIT).....	6,653,905			
Total investments.....	\$ 17,536,722			

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, 2018, 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.....	\$ 1,010,457	\$ (288,460)	\$ 721,997
Tax liens.....	1,513,061	-	1,513,061
Motor vehicle and other excise taxes.....	642,123	(250,726)	391,397
Water and sewer fees.....	2,626,655	-	2,626,655
Departmental and other.....	370,176	(161,091)	209,085
Intergovernmental - other.....	1,143,153	-	1,143,153
Total.....	<u>\$ 7,305,625</u>	<u>\$ (700,277)</u>	<u>\$ 6,605,348</u>

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:</u>			
Real estate and personal property taxes.....	\$ 1,516,681	\$ -	\$ 1,516,681
Tax liens.....	1,513,061	-	1,513,061
Motor vehicle and other excise taxes.....	391,397	-	391,397
Water and sewer fees.....	2,626,655	-	2,626,655
Departmental and other.....	205,025	4,060	209,085
Tax foreclosures.....	91,842	-	91,842
Total.....	<u>\$ 6,344,661</u>	<u>\$ 4,060</u>	<u>\$ 6,348,721</u>

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018, 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.....	11,332,792	12,176,412	(8,153,222)	15,355,982
Total capital assets not being depreciated.....	29,928,702	12,176,412	(8,153,222)	33,951,892
<u>Capital assets being depreciated:</u>				
Land improvements.....	7,796,874	110,000	-	7,906,874
Buildings.....	93,766,400	-	-	93,766,400
Buildings and improvements.....	37,182,967	1,068,942	-	38,251,909
Machinery and equipment.....	11,457,860	769,794	(405,691)	11,821,963
Vehicles.....	10,253,550	591,393	(191,756)	10,653,187
Infrastructure.....	126,292,145	7,755,492	-	134,047,637
Total capital assets being depreciated.....	286,749,796	10,295,621	(597,447)	296,447,970
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(3,326,022)	(280,398)	-	(3,606,420)
Buildings.....	(36,575,241)	(1,693,519)	-	(38,268,760)
Buildings and improvements.....	(18,545,673)	(1,455,161)	-	(20,000,834)
Machinery and equipment.....	(9,014,820)	(1,361,697)	405,691	(9,970,826)
Vehicles.....	(5,591,917)	(693,535)	191,756	(6,093,696)
Infrastructure.....	(73,683,401)	(3,220,234)	-	(76,903,635)
Total accumulated depreciation.....	(146,737,074)	(8,704,544)	597,447	(154,844,171)
Total capital assets being depreciated, net.....	140,012,722	1,591,077	-	141,603,799
Total governmental activities capital assets, net.....	\$ 169,941,424	\$ 13,767,489	\$ (8,153,222)	\$ 175,555,691

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

<b>Governmental Activities:</b>	
General government.....	\$ 996,812
Public safety.....	607,691
Education.....	2,865,872
Public works.....	3,834,369
Health and human services.....	13,897
Culture and recreation.....	385,903
Total depreciation expense - governmental activities.....	\$ 8,704,544

**NOTE 5 – INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2018, are summarized as follows:

Transfers Out:	Transfers In:				
	General fund	Public Works Capital Projects	Nonmajor governmental funds	Total	
General fund.....	\$ -	\$ 2,750,000	\$ 50,000	\$ 2,800,000	(1)
Public Works Capital Projects.....	4,056	-	-	4,056	(2)
Nonmajor governmental funds.....	306,695	-	-	306,695	(3)
Total.....	\$ 310,751	\$ 2,750,000	\$ 50,000	\$ 3,110,751	

(1) Represents budgeted transfers of \$2,750,000 from the general fund to the public works capital project fund and a transfer of \$50,000 to the mini bus special revenue fund.

(2) Represents budgeted transfer of \$4,056 from public works capital project fund to the stabilization fund.

(3) 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
Machinery and equipment.....	\$ 2,646,868
Less: accumulated depreciation.....	(1,652,941)
Total.....	\$ 993,927

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

Years ending June 30:	Governmental Activities
2019.....	\$ 300,000
2020.....	<u>300,000</u>
Total minimum lease payments.....	600,000
Less: amounts representing interest.....	<u>(25,161)</u>
Present value of minimum lease payments.....	<u>\$ 574,839</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, 2018, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2017	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2018
BAN	Municipal Purpose.....	1.05%	07/01/17	\$ 4,400,000	\$ -	\$ (4,400,000)	\$ -
BAN	Municipal Purpose.....	1.60%	07/21/17	730,000	-	(730,000)	-
BAN	Municipal Purpose.....	1.60%	07/20/18	-	730,000	(730,000)	-
BAN	Municipal Purpose.....	2.00%	07/20/18	-	13,750,000	(12,130,000)	1,620,000
Total Governmental Funds.....				<u>\$ 5,130,000</u>	<u>\$ 14,480,000</u>	<u>\$ (17,990,000)</u>	<u>\$ 1,620,000</u>

On the scheduled due date of July 20, 2018, \$12,860,000 of BANS were converted to long-term debt and have been presented as such in these financial statements. The remaining \$1.6 million was paid down subsequent to year-end.



**NOTE 8 - LONG-TERM DEBT**

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

Details related to the outstanding general obligation indebtedness at June 30, 2018, and the debt service requirements are as follows:

**Bonds Payable Schedule – Governmental Funds**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2017	Issued	Redeemed	Outstanding at June 30, 2018
Municipal Purpose Bonds of 1998.....	2018	\$ 10,000,000	4.70	\$ 500,000	\$ -	\$ 500,000	\$ -
Municipal Purpose Bonds of 2001.....	2019	2,150,000	5.43	210,000	-	105,000	105,000
MWPAT 2007.....	2027	7,797,482	2.00	4,294,644	-	391,853	3,902,791
MWPAT 2008.....	2028	300,000	2.00	179,970	-	14,774	165,196
Municipal Purpose Bonds of 2008.....	2027	3,321,000	4.00 - 5.00	1,225,000	-	145,000	1,080,000
Municipal Purpose Bonds of 2010.....	2030	6,100,000	1.50 - 4.00	2,415,000	-	380,000	2,035,000
Municipal Purpose Bonds of 2011.....	2036	8,800,000	3.00 - 5.00	5,850,000	-	490,000	5,360,000
Municipal Purpose Bonds of 2012.....	2042	12,200,000	2.00 - 5.00	9,240,000	-	585,000	8,655,000
MWRA 2013.....	2018	242,000	0.00	48,400	-	48,400	-
Municipal Purpose Bonds of 2013.....	2042	13,976,000	2.00 - 4.00	12,685,000	-	340,000	12,345,000
Municipal Purpose Bonds of 2016.....	2036	11,270,000	2.00 - 5.00	10,485,000	-	780,000	9,705,000
MWRA 2016.....	2021	235,200	0.00	188,160	-	47,040	141,120
MWRA 2017.....	2027	224,750	0.00	224,750	-	22,475	202,275
Municipal Purpose Bonds of 2018.....	2047	12,860,000	3.00 - 5.00	-	12,860,000	-	12,860,000
Total Bonds Payable.....				47,545,924	12,860,000	3,849,542	56,556,382
Add: Unamortized premium on bonds.....				1,838,333	-	232,421	1,605,912
Total Bonds Payable, net.....				\$ 49,384,257	\$ 12,860,000	\$ 4,081,963	\$ 58,162,294

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

Year	Principal	Interest	Total
2019.....	\$ 3,649,357	\$ 1,814,332	\$ 5,463,689
2020.....	3,547,737	1,929,855	5,477,592
2021.....	3,241,287	1,788,445	5,029,732
2022.....	3,112,970	1,656,172	4,769,142
2023.....	3,041,869	1,534,888	4,576,757
2024.....	3,070,948	1,419,545	4,490,493
2025.....	3,100,210	1,306,434	4,406,644
2026.....	2,809,659	1,198,409	4,008,068
2027.....	2,769,299	1,095,812	3,865,111
2028.....	2,198,046	1,001,024	3,199,070
2029.....	2,135,000	915,121	3,050,121
2030.....	2,150,000	835,402	2,985,402
2031.....	1,890,000	759,451	2,649,451
2032.....	1,815,000	691,355	2,506,355
2033.....	1,810,000	623,437	2,433,437
2034.....	1,820,000	554,190	2,374,190
2035.....	1,865,000	485,668	2,350,668
2036.....	1,650,000	422,954	2,072,954
2037.....	1,245,000	372,505	1,617,505
2038.....	1,290,000	328,621	1,618,621
2039.....	1,330,000	282,864	1,612,864
2040.....	1,370,000	235,096	1,605,096
2041.....	1,430,000	185,548	1,615,548
2042.....	1,145,000	155,979	1,300,979
2043.....	585,000	111,214	696,214
2044.....	615,000	91,875	706,875
2045.....	630,000	72,013	702,013
2046.....	655,000	51,451	706,451
2047.....	585,000	39,551	624,551
Total.....	\$ <u>56,556,382</u>	\$ <u>21,959,211</u>	\$ <u>78,515,593</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, 2018, the outstanding principal amount of these loans totaled \$343,395.

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 2018, approximately \$259,000 of such assistance was received. This was the final payment for the approved school construction assistance program.

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, 2018, the Town had the following authorized and unissued debt:

Purpose	Amount
Fire Station Construction.....	\$ 225,000
Mill Pond Automated Sludge Removal.....	1,270,000
MWRA.....	5,300,000
DPW/Recreation Facility.....	16,500,000
Total.....	<u>\$ 23,295,000</u>

### Changes in Long-term Liabilities

During the year ended June 30, 2018, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>							
Long-term bonds payable.....	\$ 47,545,924	\$ 12,860,000	\$ (3,849,542)	\$ -	\$ -	\$ 56,556,382	\$ 3,649,357
Add: Unamortized premium on bonds..	1,838,333	-	(232,421)	-	-	1,605,912	217,737
Total bonds payable.....	49,384,257	12,860,000	(4,081,963)	-	-	58,162,294	3,867,094
Capital lease obligations.....	850,149	-	-	-	(275,310)	574,839	283,306
Compensated absences.....	5,338,000	-	-	2,665,000	(2,441,000)	5,562,000	2,454,000
Workers' compensation.....	410,000	-	-	510,000	(410,000)	510,000	510,000
Net pension liability.....	114,929,674	-	-	16,167,160	(13,728,741)	117,368,093	-
Net other postemployment benefits.....	90,460,896	-	-	9,104,157	(5,954,307)	93,610,746	-
Total governmental activity							
long-term liabilities.....	<u>\$ 261,372,976</u>	<u>\$ 12,860,000</u>	<u>\$ (4,081,963)</u>	<u>\$ 28,446,317</u>	<u>\$ (22,809,358)</u>	<u>\$ 275,787,972</u>	<u>\$ 7,114,400</u>

**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 \$8.8 million and is reported as unassigned fund balance within the General Fund.

As of June 30, 2018, the governmental fund balances consisted of the following:

	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 678,191	\$ 678,191
Restricted for:				
Public works capital projects.....	-	4,812,798	-	4,812,798
Town revolving funds.....	-	-	1,756,844	1,756,844
School revolving funds.....	-	-	491,204	491,204
Town gifts.....	-	-	335,073	335,073
School gifts.....	-	-	31,264	31,264
School activity programs.....	-	-	769,940	769,940
Federal grants.....	-	-	68,417	68,417
Special purposes funds.....	-	-	769,145	769,145
Town capital projects.....	-	-	6,651,219	6,651,219
School capital projects.....	-	-	40,066	40,066
Town libraries.....	-	-	896	896
Cemetery perpetual care.....	-	-	173,609	173,609
Committed to:				
Articles and continuing appropriations:				
Ways and means.....	3,944	-	-	3,944
Assessors.....	95,000	-	-	95,000
Town clerk.....	80,000	-	-	80,000
Conservation.....	19,227	-	-	19,227
Planning board.....	6,231	-	-	6,231
Police department.....	178,085	-	-	178,085
Fire department.....	260,000	-	-	260,000
Building department.....	88,853	-	-	88,853
Education.....	347,303	-	-	347,303
Public works.....	1,338,251	-	-	1,338,251
Health and human services.....	9,963	-	-	9,963
Recreation.....	6,487	-	-	6,487
Assigned to:				
Encumbrances:				
General government.....	388	-	-	388
Accounting.....	500	-	-	500
Assessors.....	5,695	-	-	5,695
Treasurer/Collector.....	99	-	-	99
Central administration.....	7,571	-	-	7,571
Human resources.....	498	-	-	498
Management information systems.....	72,448	-	-	72,448
Registrar of voters.....	15	-	-	15
Conservation.....	302	-	-	302
Planning board.....	6,840	-	-	6,840
Negotiated settlements.....	811,431	-	-	811,431
Police department.....	46,013	-	-	46,013
Fire department.....	98,079	-	-	98,079
Emergency management service.....	754	-	-	754
Education.....	1,034,678	-	-	1,034,678
Public works.....	362,916	-	-	362,916
Snow and ice.....	390	-	-	390
Rubbish and garbage.....	23,581	-	-	23,581
Street light.....	129,094	-	-	129,094
Health and human services.....	152	-	-	152
Council on aging.....	110	-	-	110
Veterans services.....	1,171	-	-	1,171
Recreation.....	168	-	-	168
Historical commission.....	1,659	-	-	1,659
Employee benefits.....	146,595	-	-	146,595
FY19 capital budget.....	7,100,327	-	-	7,100,327
Unassigned.....	29,426,744	-	(25,941)	29,400,803
Total Fund Balances.....	\$ 41,711,562	\$ 4,812,798	\$ 11,739,927	\$ 58,264,287

**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, 2017. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$11,938,746 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 \$114,385,482 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, 2018 was \$8,877,933 and 26.57% 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, 2018, the Town reported a liability of \$117,368,093 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. 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, 2017, the Town's proportion was 8.270%, which was an increase of 0.159% from the last measurement date.

*Pension Expense*

For the year ended June 30, 2018, the Town recognized a pension expense of \$13,728,741. At June 30, 2018, the Town reported deferred outflows and (inflows) of resources related to pensions of \$13,279,470 and (\$4,792,488), respectively, from the net difference between projected and actual investment earnings on pension plan investments.

The balances of deferred outflows and inflows at June 30, 2018, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 395,797	\$ (599,377)	\$ (203,580)
Difference between projected and actual earnings.....	-	(3,187,938)	(3,187,938)
Changes in assumptions.....	11,218,990	-	11,218,990
Changes in proportion and proportionate share of contributions.....	1,664,683	(1,005,173)	659,510
Total deferred outflows/(inflows) of resources.....	\$ 13,279,470	\$ (4,792,488)	\$ 8,486,982

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

Year ended June 30:

2019.....	\$	3,221,494
2020.....		3,137,616
2021.....		2,011,235
2022.....		<u>116,637</u>
Total.....	\$	<u>8,486,982</u>

### Actuarial Assumptions

The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2017.

Valuation date.....	January 1, 2018
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, 2018, 1 year remaining for 2002 ERI liability, 2 years remaining for 2003 ERI liability, 4 years remaining for 2010 ERI liability, and 17 years for remaining unfunded liability.
Asset valuation method.....	Market value for GASB 67. For funding purposes, 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.....	3.25% (previously 3.5%).
Projected salary increases.....	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4.
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).
Cost of living adjustments.....	3.0% of the first \$14,000 of retirement income.
Mortality rates:	
Pre-Retirement.....	The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017.
Healthy Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017.
Disabled Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2017.
Investment rate of return/Discount rate.....	7.50%, net of pension plan investment expense, including inflation previously 7.75%



*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, 2018, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	17.50%	6.15%
International developed markets equity...	15.50%	7.11%
International emerging markets equity.....	6.00%	9.41%
Core fixed income.....	12.00%	1.68%
High-yield fixed income.....	10.00%	4.13%
Real estate.....	10.00%	4.90%
Commodities.....	4.00%	4.71%
Hedge funds, GTAA, Risk parity.....	13.00%	3.94%
Private equity.....	12.00%	10.28%
Total.....	100.00%	

*Rate of return*

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 17.25%. 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 7.50%. 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 7.50% as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
The Town's proportionate share of the net pension liability.....	\$ 144,049,756	\$ 117,368,093	\$ 94,871,935

*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 mortality tables for healthy participants were changed from the RP-2000 Employee and Healthy Annuitant Mortality Tables projected generationally using Scale BB2D from 2009 to the RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017.
- The mortality tables for disabled participants were changed from the RP-2000 Healthy Annuitant Mortality Table projected generationally using Scale BB2D from 2015 to the RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward 1 year projected generationally using Scale MP-2017.
- The long-term salary increase assumption was lowered by 0.25%, to 4.00% for Group 1 participants, 4.25% for Group 2 participants, and 4.50% for Group 4 participants.
- The investment rate of return assumption was reduced from 7.75% to 7.50%.
- The inflation rate was reduced to 3.25% from the previous rate of 3.50%.

*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. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Except for the internal service fund, all other claims, judgement and other similar liabilities are liquidated by the general fund.

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 and represents approximately 1.3 months of average claims experience.

	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
2018.....	1,279,588	13,137,813	(13,148,219)	1,269,182

(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, 2018, the amount of the liability for workers' compensation claims totaled \$510,000. 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	Current Portion
2017.....	\$ 511,000	\$ 234,747	\$ (335,747)	\$ 410,000	\$ 410,000
2018.....	410,000	495,681	(395,681)	510,000	510,000

## 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% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving

benefits contribute 20% of their premium costs. For the year ended June 30, 2018, the Town contributed approximately \$5.5 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 2018, the Town pre-funded future OPEB liabilities totaling \$597,000 by contributing funds to the OPEB trust fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Fund financial statements. As of June 30, 2018, the net position of the OPEB trust fund totaled \$6.7 million.

*Investment policy* – The Town's policy in regard to the allocation of invested assets is established and may be amended by the Board of Selectmen by a majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy.

#### ***GASB Statement #74 – OPEB Employer Financial Reporting***

*Employees Covered by Benefit Terms* – The following table represents the Plan's membership at June 30, 2018:

Active members.....	619
Inactive members currently receiving benefits.....	<u>821</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, 2018:

Total OPEB liability.....	\$ 103,744,269
Less: OPEB plan's fiduciary net position.....	<u>(6,653,905)</u>
Net OPEB liability.....	<u><u>\$ 97,090,364</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	6.41%

*Significant Actuarial Methods and Assumptions* – The total OPEB liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2018.

Valuation date.....	December 31, 2016
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset valuation method.....	Market Value
Investment rate of return.....	7.50%
Discount rate.....	7.50%
Inflation rate.....	3.50%
Projected salary increases.....	6.0% 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.
Mortality rates.....	Pre-Retirement (Non-Teachers): RP-2000 Employee Mortality Table projected generationally with Scale BB2D from 2009. Healthy (Non-Teachers): RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB2D from 2009. Healthy (Non-Teachers): RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB2D from 2015. Pre-Retirement (Teachers): RP-2014 Employee Mortality Table projected generationally with Scale BB2D from 2014. Healthy (Teachers): RP-2014 Healthy Annuitant Mortality Table projected generationally with Scale BB2D from 2014. Disabled (Teachers): RP-2014 Healthy Annuitant Mortality Table set forward 4 years projected generationally with Scale BB2D from 2014.

*Rate of return* – For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 9.37%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 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 of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The Plan's expected future real rate of return is added to the expected inflation to produce the long-term expected nominal rate of return. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018 are summarized in the table on the following page.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	17.50%	6.15%
International developed markets equities..	15.50%	7.11%
International emerging markets equities..	6.00%	9.41%
Core fixed income.....	12.00%	1.68%
High-yield fixed income.....	10.00%	4.13%
Real estate.....	10.00%	4.90%
Commodities.....	4.00%	4.71%
Hedge fund, GTAA, Risk parity.....	13.00%	3.94%
Private equity.....	12.00%	10.28%
Total.....	100.00%	

**Discount rate** – The discount rate used to measure the total OPEB liability was 7.50% as of June 30, 2018, and June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members. Therefore the long-term expected rate of return on the OPEB plan assets was applied to projected future benefits payments.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 7.50%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net OPEB liability.....	\$ 108,182,513	\$ 97,090,364	\$ 85,149,459

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend** – The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate of 7.0%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease (6.00%)	Current Trend (7.00%)	1% Increase (8.00%)
Net OPEB liability.....	\$ 83,056,523	\$ 97,090,364	\$ 111,024,872

**Changes of Assumptions** – None.

**Changes in Plan Provisions** – None.

**GASB Statement #75 – OPEB Employer Financial Reporting**

*Summary of Significant Accounting Policies* – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

*Measurement Date* – GASB Statement #75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The plan membership and actuarial assumptions are consistent with those used for GASB Statement #74, since the same actuarial valuation was used.

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 rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018, are summarized on 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 equities..	16.00%	7.40%
International emerging markets equities..	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.....	<u>100.00%</u>	

*Discount rate* – The discount rate used to measure the total OPEB liability was 7.50% as of June 30, 2017, and 7.75% as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members.

*Changes in the Net OPEB Liability*

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Measurement date at June 30, 2016.....	\$ 94,506,162	\$ 4,045,266	\$ 90,460,896
Changes for the year:			
Service cost.....	2,029,964	-	2,029,964
Interest.....	7,074,193	-	7,074,193
Contributions - employer.....	-	5,355,117	(5,355,117)
Net investment income.....	-	599,190	(599,190)
Benefit payments.....	(4,508,617)	(4,508,617)	-
Net change.....	4,595,540	1,445,690	3,149,850
Measurement date at June 30, 2017.....	\$ 99,101,702	\$ 5,490,956	\$ 93,610,746

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate* – The following table presents the net other postemployment benefit liability, calculated using the discount rate of 7.50%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net OPEB liability.....	\$ 104,438,706	\$ 93,610,746	\$ 82,158,257

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following table presents the net other postemployment benefit liability, calculated using the current healthcare trend rate of 5.00%, as well as what the net other postemployment benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 80,941,786	\$ 93,610,746	\$ 106,147,126



*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* – For the year ended June 30, 2017, the GASB Statement #75 measurement date, the Town recognized OPEB expense of \$8.5 million. At June 30, 2018, the Town reported \$5.5 million of deferred outflows related to contributions subsequent to the measurement date which will be reported as a component of OPEB expense in fiscal year 2019 and \$211,000 of deferred inflows of resources related to the difference between projected and actual earnings which will be recognized in OPEB expense as follows:

<u>Measurement date year ended June 30:</u>	
2019.....	\$ (52,810)
2020.....	(52,810)
2021.....	(52,810)
2022.....	<u>(52,811)</u>
Subtotal amortized deferred inflows of resources.....	<u>(211,241)</u>
Contributions made subsequent to the measurement date.....	<u>5,466,675</u>
Total.....	<u>\$ 5,255,434</u>

#### *Changes of Assumptions*

The discount rate was reduced from 7.75% to 7.50%.

*Changes in Plan Provisions* – None.

#### **NOTE 13 - COMMITMENTS**

The Town is committed to expend \$23,295,000 for the various projects listed below:

<u>Purpose</u>	<u>Amount</u>
Fire Station Construction.....	\$ 225,000
Mill Pond Automated Sludge Removal.....	1,270,000
MWRA.....	5,300,000
DPW/Recreation Facility.....	<u>16,500,000</u>
Total.....	<u>\$ 23,295,000</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, 2018, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2018.

**NOTE 15 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 21, 2018, which is the date the financial statements were available to be issued.

**NOTE 16 – REVISION OF NET POSITION PREVIOUSLY REPORTED**

Beginning net position of the governmental activities has been revised to reflect the implementation of GASB Statement #75. To reflect this change, the Town has revised the net other postemployment liability (OPEB), which has resulted in the revision of the June 30, 2017, balance of the governmental activities by \$61,263,088. Accordingly, previously reported net position, which was \$47,454,631, has been revised and is in a deficit position of \$13,808,457.

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

During 2018, the following GASB pronouncements were implemented:

- GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement.
- GASB Statement #81, *Irrevocable Split-Interest Agreements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #85, *Omnibus 2017*. This pronouncement did not impact the basic financial statements.
- GASB Statement #86, *Certain Debt Extinguishment Issues*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- 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 2019.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.
- The GASB issued Statement #88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is required to be implemented in 2019.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2021.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2020.

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

# *Required Supplementary Information*

This page intentionally left blank.

# ***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, 2018

	Budgeted Amounts		Actual	Amounts	Variance
	Original	Final	Budgetary	Carried Forward	to Final
	Budget	Budget	Amounts	To Next Year	Budget
<b>REVENUES:</b>					
Real estate and personal property taxes,					
net of tax refunds.....	\$ 105,978,090	\$ 105,921,270	\$ 106,064,118	\$ -	\$ 142,848
Tax liens.....	-	-	269,043	-	269,043
Motor vehicle and other excise taxes.....	3,775,637	3,810,405	4,676,730	-	866,325
Hotel, motel, and meals tax.....	4,250,000	4,225,000	4,653,341	-	428,341
Ambulance.....	725,000	725,000	861,949	-	136,949
Water charges.....	3,425,000	3,425,000	3,396,149	-	(28,851)
Penalties and interest on taxes.....	400,000	375,000	415,121	-	40,121
Fees and rentals.....	375,000	375,000	442,342	-	67,342
Payments in lieu of taxes.....	520,000	520,000	521,086	-	1,086
Licenses and permits.....	1,050,000	1,000,000	3,330,137	-	2,330,137
Intergovernmental.....	8,899,093	9,183,330	9,191,724	-	8,394
Departmental and other.....	975,000	925,000	904,649	-	(20,351)
Investment income.....	200,000	225,000	637,494	-	412,494
Miscellaneous.....	185,000	210,000	272,599	-	62,599
<b>TOTAL REVENUES.....</b>	<b>130,757,820</b>	<b>130,920,005</b>	<b>135,636,482</b>	<b>-</b>	<b>4,716,477</b>
<b>EXPENDITURES:</b>					
<b>GENERAL GOVERNMENT</b>					
<b>TOWN MEETING &amp; REPORTS</b>					
Salaries.....	3,333	3,333	1,897	388	1,048
Expenses.....	12,575	12,575	12,442	-	133
<b>TOTAL.....</b>	<b>15,908</b>	<b>15,908</b>	<b>14,339</b>	<b>388</b>	<b>1,181</b>
<b>MODERATOR</b>					
Salaries.....	150	150	-	-	150
<b>WAYS AND MEANS</b>					
Salaries.....	4,256	4,256	2,275	-	1,981
Expenses.....	273	273	-	-	273
Capital Articles.....	-	150,000	146,056	3,944	-
<b>TOTAL.....</b>	<b>4,529</b>	<b>154,229</b>	<b>148,331</b>	<b>3,944</b>	<b>2,254</b>
<b>CAPITAL BUDGET COMMITTEE</b>					
Salaries.....	838	838	510	-	328
<b>TOWN ADMINISTRATION/ SELECTMEN</b>					
Salaries.....	524,764	533,677	505,486	-	28,191
Expenses.....	12,500	12,500	11,850	-	650
Special accounts.....	17,500	17,500	16,380	-	1,120
Capital Articles.....	15,000	31,427	31,427	-	-
<b>TOTAL.....</b>	<b>569,764</b>	<b>595,104</b>	<b>565,143</b>	<b>-</b>	<b>29,961</b>
<b>ACCOUNTING</b>					
Salaries.....	342,852	349,295	336,312	-	12,983
Expenses.....	5,291	5,291	3,309	500	1,482
<b>TOTAL.....</b>	<b>348,143</b>	<b>354,586</b>	<b>339,621</b>	<b>500</b>	<b>14,465</b>
<b>ASSESSORS</b>					
Salaries.....	282,458	285,188	261,413	600	23,175
Expenses.....	138,896	138,896	126,550	5,095	7,251
Capital Articles.....	116,522	116,522	21,522	95,000	-
<b>TOTAL.....</b>	<b>537,876</b>	<b>540,606</b>	<b>409,485</b>	<b>100,695</b>	<b>30,426</b>
<b>TREASURER/ COLLECTOR</b>					
Salaries.....	653,392	662,066	651,533	99	10,434
Expenses.....	23,638	24,868	23,218	-	1,650
Capital Articles.....	200	200	-	-	200
<b>TOTAL.....</b>	<b>677,230</b>	<b>687,134</b>	<b>674,751</b>	<b>99</b>	<b>12,284</b>
<b>CENTRAL ADMINISTRATION</b>					
Central supply.....	117,436	117,436	112,312	5,124	-
Central machines.....	34,158	34,158	30,263	-	3,895
Town insurance.....	1,045,266	1,030,266	990,477	2,447	37,342
Financial audit.....	70,000	70,000	54,580	-	15,420
<b>TOTAL.....</b>	<b>1,266,860</b>	<b>1,251,860</b>	<b>1,187,632</b>	<b>7,571</b>	<b>56,657</b>
<b>LEGAL</b>					
Legal expenses.....	203,200	203,200	199,184	-	4,016

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>HUMAN RESOURCES</b>					
Salaries.....	119,798	122,793	122,810	-	(17)
Expenses.....	4,250	4,250	3,692	-	558
Special accounts.....	14,500	14,500	10,590	498	3,412
<b>TOTAL.....</b>	<b>138,548</b>	<b>141,543</b>	<b>137,092</b>	<b>498</b>	<b>3,953</b>
<b>MANAGEMENT INFORMATION SYSTEMS</b>					
Salaries.....	322,619	326,814	330,450	-	(3,636)
Expenses.....	164,490	164,490	92,042	72,448	-
Capital Articles.....	85,500	85,500	85,052	-	448
<b>TOTAL.....</b>	<b>572,609</b>	<b>576,804</b>	<b>507,544</b>	<b>72,448</b>	<b>(3,188)</b>
<b>TOWN CLERK</b>					
Salaries.....	292,290	295,859	293,732	-	2,127
Expenses.....	18,200	18,200	18,072	-	128
Special accounts.....	30,946	30,946	29,888	-	1,058
Capital Articles.....	80,000	80,000	-	80,000	-
<b>TOTAL.....</b>	<b>421,436</b>	<b>425,005</b>	<b>341,692</b>	<b>80,000</b>	<b>3,313</b>
<b>REGISTRAR OF VOTERS</b>					
Salaries.....	1,200	1,200	1,200	-	-
Expenses.....	7,000	7,000	6,948	15	37
<b>TOTAL.....</b>	<b>8,200</b>	<b>8,200</b>	<b>8,148</b>	<b>15</b>	<b>37</b>
<b>CONSERVATION</b>					
Salaries.....	211,928	215,557	210,531	193	4,833
Expenses.....	8,470	8,470	2,981	109	5,380
Special accounts.....	18,800	18,800	10,858	-	7,942
Capital Articles.....	20,000	20,000	773	19,227	-
<b>TOTAL.....</b>	<b>259,198</b>	<b>262,827</b>	<b>225,143</b>	<b>19,529</b>	<b>18,155</b>
<b>PLANNING BOARD</b>					
Salaries.....	286,852	292,259	290,268	-	1,991
Expenses.....	43,166	39,738	8,889	6,840	24,009
Special accounts.....	-	3,428	3,428	-	-
Capital Articles.....	66,786	66,786	49,268	6,231	11,287
<b>TOTAL.....</b>	<b>396,804</b>	<b>402,211</b>	<b>351,853</b>	<b>13,071</b>	<b>37,287</b>
<b>BOARD OF APPEALS</b>					
Salaries.....	13,981	18,281	16,328	-	1,953
Expenses.....	250	250	250	-	-
<b>TOTAL.....</b>	<b>14,231</b>	<b>18,531</b>	<b>16,578</b>	<b>-</b>	<b>1,953</b>
<b>NEGOTIATED SETTLEMENTS.....</b>	<b>1,209,334</b>	<b>875,065</b>	<b>63,634</b>	<b>811,431</b>	<b>-</b>
<b>Total General Government.....</b>	<b>6,644,858</b>	<b>6,514,101</b>	<b>5,190,680</b>	<b>1,110,189</b>	<b>213,232</b>
<b>PUBLIC SAFETY</b>					
<b>POLICE DEPARTMENT</b>					
Salaries.....	7,483,309	7,738,621	7,680,314	45,000	13,307
Expenses.....	562,746	561,991	557,456	1,013	3,522
Special accounts.....	111,232	106,232	93,611	-	12,621
Capital Articles.....	183,155	183,155	5,070	178,085	-
<b>TOTAL.....</b>	<b>8,340,442</b>	<b>8,589,999</b>	<b>8,336,451</b>	<b>224,098</b>	<b>29,450</b>
<b>FIRE DEPARTMENT</b>					
Salaries.....	6,948,000	6,886,262	6,383,203	50,000	453,059
Expenses.....	477,145	502,842	456,423	26,097	20,322
Special accounts.....	188,161	230,327	200,431	21,982	7,914
Capital Articles.....	23,788	283,788	23,554	260,000	234
<b>TOTAL.....</b>	<b>7,637,094</b>	<b>7,903,219</b>	<b>7,063,611</b>	<b>358,079</b>	<b>481,529</b>
<b>BUILDING DEPARTMENT</b>					
Salaries.....	589,424	629,338	629,338	-	-
Expenses.....	36,871	47,121	35,608	-	11,513
Capital Articles.....	130,000	130,000	41,147	88,853	-
<b>TOTAL.....</b>	<b>756,295</b>	<b>806,459</b>	<b>706,093</b>	<b>88,853</b>	<b>11,513</b>
<b>SEALER OF WEIGHTS</b>					
Expenses.....	7,800	7,800	7,500	-	300

(Continued)



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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Amounts	Variance
	Original	Final	Budgetary	Carried Forward	to Final
	Budget	Budget	Amounts	To Next Year	Budget
<b>EMERGENCY MANAGEMENT SERVICE</b>					
Salaries.....	12,029	12,029	10,039	-	1,990
Expenses.....	7,190	7,190	7,190	-	-
Special accounts.....	4,850	4,850	4,096	754	-
TOTAL.....	24,069	24,069	21,325	754	1,990
Total Public Safety.....	16,765,700	17,331,546	16,134,980	671,784	524,782
<b>EDUCATION</b>					
<b>PUBLIC SCHOOLS</b>					
Salaries and expenditures.....	63,293,226	64,163,229	60,276,184	4,554,688	(667,643)
Capital articles.....	1,411,285	1,411,285	984,082	347,303	79,900
	64,704,511	65,574,514	61,260,266	4,901,991	(587,743)
REGIONAL SCHOOL ASSESSMENTS.....	2,437,847	2,437,847	2,400,326	-	37,521
Total Education.....	67,142,358	68,012,361	63,660,592	4,901,991	(550,222)
<b>PUBLIC WORKS</b>					
Salaries.....	4,883,797	4,896,578	4,890,128	-	6,450
Expenses.....	3,640,967	3,717,967	3,233,729	287,834	196,404
Special accounts.....	473,082	473,082	388,139	75,082	9,861
Capital Articles.....	3,970,493	4,059,859	2,638,565	1,338,251	83,043
TOTAL.....	12,968,339	13,147,486	11,150,561	1,701,167	295,758
SNOW AND ICE					
Expenses.....	350,000	350,000	825,582	390	(475,972)
RUBBISH AND GARBAGE					
Expenses.....	1,741,295	1,741,295	1,708,111	23,581	9,603
STREET LIGHT					
Expenses.....	383,721	383,721	248,052	129,094	6,575
DEP DRINKING WATER					
Expenses.....	15,000	15,000	9,701	-	5,299
Total Public Works.....	15,458,355	15,637,502	13,942,007	1,854,232	(158,737)
<b>HUMAN SERVICES</b>					
<b>BOARD OF HEALTH</b>					
Salaries.....	493,448	497,583	454,749	50	42,784
Expenses.....	33,151	33,151	30,469	102	2,580
Special accounts.....	78,193	78,193	62,868	-	15,325
Capital Articles.....	9,963	9,963	-	9,963	-
TOTAL.....	614,755	618,890	548,086	10,115	60,689
<b>COUNCIL ON AGING</b>					
Salaries.....	323,349	325,519	316,437	-	9,082
Expenses.....	7,750	7,750	4,796	110	2,844
Special accounts.....	7,442	7,442	6,942	-	500
TOTAL.....	338,541	340,711	328,175	110	12,426
<b>VETERANS' SERVICES</b>					
Salaries.....	114,499	116,171	114,924	-	1,247
Expenses.....	4,929	4,929	3,747	1,171	11
Special accounts.....	114,000	114,000	91,127	-	22,873
TOTAL.....	233,428	235,100	209,798	1,171	24,131
<b>YOUTH AND FAMILY SERVICES</b>					
Salaries.....	404,336	413,181	407,618	-	5,563
Expenses.....	24,256	24,256	18,213	-	6,043
Capital Articles.....	715	715	-	-	715
TOTAL.....	429,307	438,152	425,831	-	12,321
<b>DISABILITY ACCESS</b>					
Salaries.....	2,086	2,086	353	-	1,733
Expenses.....	400	400	400	-	-
TOTAL.....	2,486	2,486	753	-	1,733
Total Human Services.....	1,618,517	1,635,339	1,512,643	11,396	111,300

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Amounts	Variance
	Original	Final	Budgetary	Carried Forward	to Final
	Budget	Budget	Amounts	To Next Year	Budget
<b>CULTURE AND RECREATION</b>					
<b>PUBLIC LIBRARY</b>					
Salaries.....	1,243,341	1,246,126	1,246,126	-	-
Expenses.....	70,395	70,395	70,395	-	-
Special accounts.....	151,000	151,000	151,000	-	-
TOTAL.....	1,464,736	1,467,521	1,467,521	-	-
<b>RECREATION DEPARTMENT</b>					
Salaries.....	1,414,343	1,416,665	1,320,542	-	96,123
Expenses.....	292,583	292,583	269,910	168	22,505
Special accounts.....	19,045	19,045	14,489	-	4,556
Capital Articles.....	303,676	303,676	236,041	6,487	61,148
TOTAL.....	2,029,647	2,031,969	1,840,982	6,655	184,332
<b>HISTORICAL COMMISSION</b>					
Expenses.....	10,215	10,215	4,073	1,659	4,483
Total Culture and Recreation.....	3,504,598	3,509,705	3,312,576	8,314	188,815
<b>PENSION BENEFITS</b>					
County retirement.....	8,841,933	8,841,933	8,841,933	-	-
<b>EMPLOYEE BENEFITS</b>					
Health insurance.....	13,719,945	13,676,571	13,086,628	146,595	443,348
Medicare tax.....	1,093,599	1,093,599	1,017,248	-	76,351
TOTAL.....	14,813,544	14,770,170	14,103,876	146,595	519,699
<b>CAPITAL IMPROVEMENTS.....</b>	<b>300,000</b>	<b>300,000</b>	<b>299,978</b>	<b>-</b>	<b>22</b>
<b>RESERVE FUND.....</b>	<b>200,000</b>	<b>223,000</b>	<b>-</b>	<b>-</b>	<b>223,000</b>
<b>STATE AND COUNTY ASSESSMENTS.....</b>	<b>-</b>	<b>703,924</b>	<b>697,443</b>	<b>-</b>	<b>6,481</b>
Debt service:					
Principal.....	3,731,627	3,731,627	3,731,627	-	-
Interest.....	1,813,145	1,813,145	1,830,559	-	(17,414)
TOTAL EXPENDITURES.....	140,834,635	143,024,353	133,258,894	8,704,501	1,060,958
<b>EXCESS (DEFICIENCY) OF REVENUES</b>					
<b>OVER (UNDER) EXPENDITURES.....</b>	<b>(10,076,815)</b>	<b>(12,104,348)</b>	<b>2,377,588</b>	<b>(8,704,501)</b>	<b>5,777,435</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Premium from issuance of bonds.....	-	-	31,156	-	31,156
Transfers in.....	350,000	350,000	656,695	-	306,695
Transfers out.....	(2,000,000)	(2,000,000)	(2,800,000)	-	(800,000)
TOTAL OTHER FINANCING					
SOURCES (USES).....	(1,650,000)	(1,650,000)	(2,112,149)	-	(462,149)
NET CHANGE IN FUND BALANCE.....	(11,726,815)	(13,754,348)	265,439	(8,704,501)	5,315,286
BUDGETARY FUND BALANCE, Beginning of year.....	34,182,954	34,182,954	34,182,954	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 22,456,139	\$ 20,428,606	\$ 34,448,393	\$ (8,704,501)	\$ 5,315,286

(Concluded)

See notes to required supplementary information.

## ***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.

This page intentionally left blank.

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

<u>Year</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered- payroll</u>	<u>Net pension liability as a percentage of covered- payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2017.....	8.270%	\$ 117,368,093	\$ 32,393,793	362.32%	49.27%
December 31, 2016.....	8.111%	114,929,674	31,361,657	366.47%	45.49%
December 31, 2015.....	8.105%	104,556,462	30,378,636	344.18%	46.13%
December 31, 2014.....	8.162%	98,053,205	29,210,227	335.68%	47.65%

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 THE TOWN'S CONTRIBUTIONS  
MIDDLESEX COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- payroll</u>	<u>Contributions as a percentage of covered- payroll</u>
June 30, 2018.....	\$ 8,877,933	\$ (8,877,933)	- \$	33,409,166	26.57%
June 30, 2017.....	8,404,267	(8,404,267)	-	31,361,657	26.80%
June 30, 2016.....	7,895,297	(7,895,297)	-	30,378,636	25.99%
June 30, 2015.....	7,511,305	(7,511,305)	-	29,210,227	25.71%

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. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Year</u>	<u>Commonwealth's 100% Share of the Associated Net Pension Liability</u>	<u>Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2018.....	\$ 114,385,482	\$ 11,938,746	54.25%
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***

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

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

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



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

	June 30, 2017	June 30, 2018
<b>Total OPEB Liability</b>		
Service Cost.....	\$ 2,029,964	\$ 2,101,013
Interest.....	7,074,192	7,410,905
Benefit payments.....	(4,508,617)	(4,869,350)
Net change in total OPEB liability.....	4,595,539	4,642,568
Total OPEB liability - beginning.....	94,506,162	99,101,701
Total OPEB liability - ending (a).....	\$ <u>99,101,701</u>	\$ <u>103,744,269</u>
<b>Plan fiduciary net position</b>		
Employer contributions.....	\$ 846,500	\$ 597,325
Employer contributions for OPEB payments.....	4,508,617	4,869,350
Net investment income.....	599,190	565,625
Benefit payments.....	(4,508,617)	(4,869,350)
Net change in plan fiduciary net position.....	1,445,690	1,162,950
Plan fiduciary net position - beginning of year.....	4,045,265	5,490,955
Plan fiduciary net position - end of year (b).....	\$ <u>5,490,955</u>	\$ <u>6,653,905</u>
<b>Net OPEB liability - ending (a)-(b).....</b>	<b>\$ <u>93,610,746</u></b>	<b>\$ <u>97,090,364</u></b>
Plan fiduciary net position as a percentage of the total OPEB liability.....	5.54%	6.41%
Covered-employee payroll.....	\$ 59,098,583	\$ 61,874,961
Net OPEB liability as a percentage of covered-employee payroll.....	158.40%	156.91%

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

See notes to required supplementary information.

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

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2018.....	\$ 7,600,044	\$ (5,466,675)	\$ 2,133,369	\$ 61,874,961	8.84%
June 30, 2017.....	6,294,020	(5,355,117)	938,903	59,098,583	9.06%

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**

---

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2018.....	9.37%
June 30, 2017.....	19.84%

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.

**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 2018 approved budget for the General Fund authorized approximately \$142.8 million in appropriations and other amounts to be raised and \$8.9 million in encumbrances and appropriations carried over from previous years. During 2018, the Town increased the original budget by \$2.2 million.

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, 2018, is presented on the following page:

Net change in fund balance - budgetary basis.....	\$	265,439
<u>Perspective differences:</u>		
Perspective differences in reporting of sewer fund activities.....		714,283
Activity of the stabilization fund recorded in the recorded in the general fund for GAAP.....		(118,484)
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....		2,048,000
Net change in recording 60 day receipts.....		39,941
Net change in recording accrued expenditures.....		(987,644)
Net change in recording accrued payroll.....		(232,626)
Recognition of revenue for on-behalf payments.....		11,939,000
Recognition of expenditures for on-behalf payments.....		(11,939,000)
Net change in fund balance - GAAP basis.....	\$	<u>1,728,909</u>

### 3. Excess of Expenditures over Appropriations

For the year ended June 30, 2018, actual expenditures exceeded appropriations for management information systems, education, and public works snow and ice budget. These over-expenditures will be raised and funded through available funds during 2019

## **NOTE B – PENSION PLAN**

### ***Pension Plan Schedules***

#### 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 mortality tables for healthy participants were changed from the RP-2000 Employee and Healthy Annuitant Mortality Tables projected generationally using Scale BB2D from 2009 to the RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017.
- The mortality tables for disabled participants were changed from the RP-2000 Healthy Annuitant Mortality Table projected generationally using Scale BB2D from 2015 to the RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward 1 year projected generationally using Scale MP-2017.
- The long-term salary increase assumption was lowered by 0.25%, to 4.00% for Group 1 participants, 4.25% for Group 2 participants, and 4.50% for Group 4 participants.
- The investment rate of return assumption was reduced from 7.75% to 7.50%.

- The inflation rate was reduced to 3.25% from the previous rate of 3.50%.

#### Changes in Plan Provisions

None.

### **NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

The Town administers a single-employer defined benefit healthcare plan (“The Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state.

#### **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 covered-employee payroll. Actuarially contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are reported on the following page.

Valuation date.....	December 31, 2016
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset valuation method.....	Market Value
Investment rate of return.....	7.50%
Discount rate.....	7.50%
Inflation rate.....	3.50%
Projected salary increases.....	6.0% 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.
Mortality rates.....	<p>Pre-Retirement (Non-Teachers): RP-2000 Employee Mortality Table projected generationally with Scale BB2D from 2009. Healthy</p> <p>(Non-Teachers): RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB2D from 2009. Healthy</p> <p>(Non-Teachers): RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB2D from 2015. Pre-</p> <p>Retirement (Teachers): RP-2014 Employee Mortality Table projected generationally with Scale BB2D from 2014. Healthy</p> <p>(Teachers): RP-2014 Healthy Annuitant Mortality Table projected generationally with Scale BB2D from 2014. Disabled</p> <p>(Teachers): RP-2014 Healthy Annuitant Mortality Table set forward 4 years projected generationally with Scale BB2D from 2014.</p>

#### Schedule of Investment Returns

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

#### Changes of Assumptions

The discount rate was reduced from 7.75% to 7.50%.

#### Changes in Provisions

None.

This page intentionally left blank.



# ***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

JUNE 30, 2018

	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.....	\$ 1,789,110	\$ 509,658	\$ 340,724	\$ 31,344	\$ 771,903	\$ 68,417	\$ 513,177
Investments.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Departmental and other.....	4,060	-	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-	-	1,143,153
<b>TOTAL ASSETS.....</b>	<b>\$ 1,793,170</b>	<b>\$ 509,658</b>	<b>\$ 340,724</b>	<b>\$ 31,344</b>	<b>\$ 771,903</b>	<b>\$ 68,417</b>	<b>\$ 1,656,330</b>
<b>LIABILITIES</b>							
Warrants payable.....	\$ 30,887	\$ 18,454	\$ 5,651	\$ 80	\$ 1,963	\$ -	\$ 1,681,975
Accrued payroll.....	1,379	-	-	-	-	-	296
<b>TOTAL LIABILITIES.....</b>	<b>32,266</b>	<b>18,454</b>	<b>5,651</b>	<b>80</b>	<b>1,963</b>	<b>-</b>	<b>1,682,271</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue.....	4,060	-	-	-	-	-	-
<b>FUND BALANCES</b>							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	1,756,844	491,204	335,073	31,264	769,940	68,417	-
Unassigned.....	-	-	-	-	-	-	(25,941)
<b>TOTAL FUND BALANCES.....</b>	<b>1,756,844</b>	<b>491,204</b>	<b>335,073</b>	<b>31,264</b>	<b>769,940</b>	<b>68,417</b>	<b>(25,941)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 1,793,170</b>	<b>\$ 509,658</b>	<b>\$ 340,724</b>	<b>\$ 31,344</b>	<b>\$ 771,903</b>	<b>\$ 68,417</b>	<b>\$ 1,656,330</b>

		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		
\$ 800,589	\$ 4,824,922	\$ 7,019,920	\$ 40,066	\$ 7,059,986	\$ 5,393	\$ 443,729	\$ 1,040	\$ 450,162	\$ 12,335,070	
-	-	-	-	-	-	402,539	-	402,539	402,539	
-	4,060	-	-	-	-	-	-	-	4,060	
-	1,143,153	-	-	-	-	-	-	-	1,143,153	
<u>\$ 800,589</u>	<u>\$ 5,972,135</u>	<u>\$ 7,019,920</u>	<u>\$ 40,066</u>	<u>\$ 7,059,986</u>	<u>\$ 5,393</u>	<u>\$ 846,268</u>	<u>\$ 1,040</u>	<u>\$ 852,701</u>	<u>\$ 13,884,822</u>	
\$ 31,444	\$ 1,770,454	\$ 368,701	\$ -	\$ 368,701	\$ -	\$ -	\$ -	\$ -	\$ 2,139,155	
-	1,675	-	-	-	-	-	-	-	1,675	
<u>31,444</u>	<u>1,772,129</u>	<u>368,701</u>	<u>-</u>	<u>368,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,140,830</u>	
-	4,060	-	-	-	-	-	-	-	4,060	
-	-	-	-	-	4,497	672,659	1,035	678,191	678,191	
769,145	4,221,887	6,651,219	40,066	6,691,285	896	173,609	5	174,510	11,087,682	
-	(25,941)	-	-	-	-	-	-	-	(25,941)	
<u>769,145</u>	<u>4,195,946</u>	<u>6,651,219</u>	<u>40,066</u>	<u>6,691,285</u>	<u>5,393</u>	<u>846,268</u>	<u>1,040</u>	<u>852,701</u>	<u>11,739,932</u>	
<u>\$ 800,589</u>	<u>\$ 5,972,135</u>	<u>\$ 7,019,920</u>	<u>\$ 40,066</u>	<u>\$ 7,059,986</u>	<u>\$ 5,393</u>	<u>\$ 846,268</u>	<u>\$ 1,040</u>	<u>\$ 852,701</u>	<u>\$ 13,884,822</u>	

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

YEAR ENDED JUNE 30, 2018

	<b>Special Revenue Funds</b>						
	Town Revolving Funds	School Revolving Funds	Town Gifts	School Gifts	School Activity Programs	Federal Grants	State & Local Grants
<b>REVENUES:</b>							
Intergovernmental - other.....	\$ 165,765	\$ -	\$ -	\$ -	\$ -	\$ 1,249,230	\$ 3,764,724
Departmental and other.....	1,479,121	2,131,349	113,015	25,133	1,715,282	-	686,649
Contributions and donations.....	17,885	-	250	11,795	-	-	-
Investment income.....	279	-	-	-	-	-	-
Miscellaneous.....	-	-	-	-	-	-	-
<b>TOTAL REVENUES.....</b>	<b>1,663,050</b>	<b>2,131,349</b>	<b>113,265</b>	<b>36,928</b>	<b>1,715,282</b>	<b>1,249,230</b>	<b>4,451,373</b>
<b>EXPENDITURES:</b>							
Current:							
General government.....	143,326	-	9,669	-	-	-	686,701
Public safety.....	9,500	-	424	-	-	259,342	217,100
Education.....	-	2,273,839	-	63,582	1,629,466	1,010,173	1,691,129
Public works.....	1,978	-	-	-	-	-	2,937,256
Health and human services.....	125,288	-	16,460	-	-	-	96,887
Water and sewer.....	60,977	-	-	-	-	-	-
Culture and recreation.....	1,173,122	-	19,562	-	-	-	45,652
Debt service:							
Interest.....	8,736	-	-	-	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>1,522,927</b>	<b>2,273,839</b>	<b>46,115</b>	<b>63,582</b>	<b>1,629,466</b>	<b>1,269,515</b>	<b>5,674,725</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>140,123</b>	<b>(142,490)</b>	<b>67,150</b>	<b>(26,654)</b>	<b>85,816</b>	<b>(20,285)</b>	<b>(1,223,352)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Issuance of bonds.....	-	-	-	-	-	-	-
Transfers in.....	50,000	-	-	-	-	-	-
Transfers out.....	(303,830)	-	-	-	-	(1,877)	(988)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(253,830)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,877)</b>	<b>(988)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(113,707)</b>	<b>(142,490)</b>	<b>67,150</b>	<b>(26,654)</b>	<b>85,816</b>	<b>(22,162)</b>	<b>(1,224,340)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</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>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 1,756,844</b>	<b>\$ 491,204</b>	<b>\$ 335,073</b>	<b>\$ 31,264</b>	<b>\$ 769,940</b>	<b>\$ 68,417</b>	<b>\$ (25,941)</b>

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	
\$ -	\$ 5,179,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,179,719
82,530	6,233,079	7,087	-	7,087	-	-	-	-	6,240,166
-	29,930	-	-	-	-	27,331	-	27,331	57,261
428	707	-	-	-	24	-	5	29	736
668,701	668,701	-	-	-	-	-	-	-	668,701
751,659	12,112,136	7,087	-	7,087	24	27,331	5	27,360	12,146,583
356,648	1,196,344	-	-	-	-	-	-	-	1,196,344
167,359	653,725	1,656,703	-	1,656,703	-	-	-	-	2,310,428
-	6,668,189	-	-	-	-	-	-	-	6,668,189
-	2,939,234	-	-	-	-	-	-	-	2,939,234
18,177	256,812	-	-	-	-	-	-	-	256,812
-	60,977	-	-	-	-	-	-	-	60,977
-	1,238,336	-	-	-	-	-	-	-	1,238,336
-	8,736	-	-	-	-	-	-	-	8,736
542,184	13,022,353	1,656,703	-	1,656,703	-	-	-	-	14,679,056
209,475	(910,217)	(1,649,616)	-	(1,649,616)	24	27,331	5	27,360	(2,532,473)
-	-	8,500,000	-	8,500,000	-	-	-	-	8,500,000
-	50,000	-	-	-	-	-	-	-	50,000
-	(306,695)	-	-	-	-	-	-	-	(306,695)
-	(256,695)	8,500,000	-	8,500,000	-	-	-	-	8,243,305
209,475	(1,166,912)	6,850,384	-	6,850,384	24	27,331	5	27,360	5,710,832
559,670	5,362,858	(199,165)	40,066	(159,099)	5,369	818,937	1,035	825,341	6,029,100
\$ 769,145	\$ 4,195,946	\$ 6,651,219	\$ 40,066	\$ 6,691,285	\$ 5,393	\$ 846,268	\$ 1,040	\$ 852,701	\$ 11,739,932

# *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 FUND**  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2018

	June 30, 2017	Additions	Deletions	June 30, 2018
<b>ASSETS</b>				
CURRENT:				
Cash and cash equivalents.....	\$ 556,916	\$ 3,055,656	\$ (2,944,253)	\$ 668,319
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	248,799	268,178	(248,799)	268,178
TOTAL ASSETS.....	\$ 805,715	\$ 3,323,834	\$ (3,193,052)	\$ 936,497
<b>LIABILITIES</b>				
Warrants payable.....	\$ -	\$ 321,118	\$ (298,401)	\$ 22,717
Payroll liabilities.....	-	11,343	-	11,343
Liabilities due depositors.....	805,715	2,991,373	(2,894,651)	902,437
TOTAL LIABILITIES.....	\$ 805,715	\$ 3,323,834	\$ (3,193,052)	\$ 936,497

This page intentionally left blank.

# *Statistical Section*



*The Union School was built in 1897 to consolidate the Town's School population. Since then it has seen a number of renovations and occupants. Since 1992, it has been home to the 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**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Net Investment in capital assets.....	\$ 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	\$ 128,322,641
Restricted.....	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	1,261,514
Unrestricted.....	16,893,182	11,172,692	13,749,367	19,910,758	20,586,182	(74,474,053)	(75,794,406)	(73,402,091)	(138,883,923)	(145,930,612)
Total governmental activities net position.....	<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>\$ (13,808,457)</u>	<u>\$ (16,346,457)</u>
Business-type activities:										
Net Investment in capital assets.....	971,347	1,108,685	-	-	-	-	-	-	-	-
Unrestricted.....	31,505	19,782	-	-	-	-	-	-	-	-
Total business-type activities net position.....	<u>\$ 1,002,852</u>	<u>\$ 1,128,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government:										
Net Investment in capital assets.....	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	128,322,641
Restricted.....	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	1,261,514
Unrestricted.....	16,924,687	11,192,474	13,749,367	19,910,758	20,586,182	(74,474,053)	(75,794,406)	(73,402,091)	(138,883,923)	(145,930,612)
Total primary government net position.....	<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>\$ (13,808,457)</u>	<u>\$ (16,346,457)</u>

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

The Town implemented GASB 75 and recorded their OPEB Liability for the first time in 2018 and adjusted 2017 for the beginning balance change.

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 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	\$ 10,436,272
Public safety.....	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	27,413,036
Education.....	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	96,626,764
Public works.....	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	15,331,714
Water and sewer.....	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	9,778,407
Human services.....	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	2,800,110
Culture and recreation.....	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	6,531,690
Interest.....	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	1,760,462
Total government activities expenses.....	<u>117,428,088</u>	<u>120,565,021</u>	<u>124,920,248</u>	<u>129,177,040</u>	<u>133,531,005</u>	<u>139,775,835</u>	<u>140,083,401</u>	<u>149,344,016</u>	<u>158,607,242</u>	<u>170,678,455</u>
Business-type activities:										
Ice Palace.....	731,015	64,543	59,588	-	-	-	-	-	-	-
Total primary government expenses.....	<u>\$ 118,159,103</u>	<u>\$ 120,629,564</u>	<u>\$ 124,979,836</u>	<u>\$ 129,177,040</u>	<u>\$ 133,531,005</u>	<u>\$ 139,775,835</u>	<u>\$ 140,083,401</u>	<u>\$ 149,344,016</u>	<u>\$ 158,607,242</u>	<u>\$ 170,678,455</u>
<b>Program Revenues</b>										
Governmental activities:										
Education charges for services.....	\$ 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	\$ 4,073,689
Public Safety charges for services.....	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	4,390,332
Water and sewer charges for services.....	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	9,219,351
Other charges for services.....	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	4,297,381
Operating grants and contributions.....	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	21,612,082
Capital grant and contributions.....	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	2,283,589
Total government activities program revenues.....	<u>31,833,544</u>	<u>34,796,362</u>	<u>43,911,633</u>	<u>55,643,393</u>	<u>43,393,322</u>	<u>43,783,538</u>	<u>38,401,813</u>	<u>40,785,132</u>	<u>43,617,627</u>	<u>45,876,424</u>
Business-type activities:										
Charges for services.....	662,860	190,158	135,693	-	-	-	-	-	-	-
Total primary government program revenues.....	<u>\$ 32,496,404</u>	<u>\$ 34,986,520</u>	<u>\$ 44,047,326</u>	<u>\$ 55,643,393</u>	<u>\$ 43,393,322</u>	<u>\$ 43,783,538</u>	<u>\$ 38,401,813</u>	<u>\$ 40,785,132</u>	<u>\$ 43,617,627</u>	<u>\$ 45,876,424</u>
<b>Net (Expense)/Program Revenue</b>										
Governmental activities.....	\$ (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)	\$ (124,802,031)
Business-type activities.....	(68,155)	125,615	76,105	-	-	-	-	-	-	-
Total primary government net (expense)/program revenue.....	<u>\$ (85,662,699)</u>	<u>\$ (85,643,044)</u>	<u>\$ (80,932,510)</u>	<u>\$ (73,533,647)</u>	<u>\$ (90,137,683)</u>	<u>\$ (95,992,297)</u>	<u>\$ (101,681,588)</u>	<u>\$ (108,558,884)</u>	<u>\$ (114,989,615)</u>	<u>\$ (124,802,031)</u>

(Continued)

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

	Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Real estate and personal property taxes,										
net of tax refunds payable.....	\$ 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	\$ 107,849,572
Tax liens.....	204,413	461,580	210,130	559,358	371,618	567,733	281,302	265,140	170,429	339,317
Motor vehicle excise taxes.....	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	4,701,101
Hotel, motel and meals taxes.....	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	4,653,341
Penalties and interest on taxes.....	323,433	300,476	334,113	338,128	383,922	291,353	255,365	502,940	462,059	415,121
Payment in lieu of taxes.....	547,878	548,087	521,092	520,000	520,347	520,000	521,090	521,090	521,088	521,086
Grants and contributions not restricted to										
specific programs.....	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	2,755,822
Unrestricted investment income.....	460,915	252,090	239,593	199,527	335,618	273,217	236,962	746,779	687,963	756,072
Gain of sale of capital assets.....	-	-	605,316	-	521,600	-	-	-	-	-
Miscellaneous.....	435,461	517,228	1,343,728	185,058	202,500	181,101	264,849	252,221	311,448	272,599
Transfers.....	-	-	1,204,572	-	-	-	-	-	-	-
Total governmental activities.....	83,386,151	86,701,862	93,026,160	94,347,062	99,333,248	102,520,051	106,404,459	111,392,820	115,982,055	122,264,031
Business-type activities:										
Unrestricted investment income.....	1,972	-	-	-	-	-	-	-	-	-
Transfers.....	-	-	(1,204,572)	-	-	-	-	-	-	-
Total business-type activities.....	1,972	-	(1,204,572)	-	-	-	-	-	-	-
Total primary government general revenues and other										
changes in net position.....	\$ 83,388,123	\$ 86,701,862	\$ 91,821,588	\$ 94,347,062	\$ 99,333,248	\$ 102,520,051	\$ 106,404,459	\$ 111,392,820	\$ 115,982,055	\$ 122,264,031
<b>Changes in Net Position</b>										
Governmental activities.....	\$ (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	\$ (2,538,000)
Business-type activities.....	(66,183)	125,615	(1,128,467)	-	-	-	-	-	-	-
Total primary government changes in net position.....	\$ (2,272,604)	\$ 1,058,818	\$ 10,889,078	\$ 20,813,415	\$ 9,195,565	\$ 6,527,754	\$ 4,722,871	\$ 2,833,936	\$ 992,440	\$ (2,538,000)

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.

The Town implemented GASB 75 and recorded their OPEB Liability for the first time in 2018.

(Concluded)

**Town of Burlington, Massachusetts**  
**Fund Balances, Governmental Funds**  
**Last Ten Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Committed.....	\$ -	\$ -	\$ 1,197,206	\$ 2,445,246	\$ 2,635,593	\$ 1,705,171	\$ 2,692,084	\$ 2,642,772	\$ 3,273,982	\$ 2,433,344
Assigned.....	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	9,851,474
Unassigned.....	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	29,426,744
Total general fund.....	\$ 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	\$ 41,711,562
All Other Governmental Funds										
Reserved.....	\$ 4,181,921	\$ 3,669,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	2,417,335	3,139,071	-	-	-	-	-	-	-	-
Capital projects funds.....	(935,224)	3,365,397	-	-	-	-	-	-	-	-
Permanent funds.....	111,767	124,569	-	-	-	-	-	-	-	-
Nonspendable.....	-	-	413,880	488,630	482,459	570,480	561,251	588,055	622,860	678,191
Restricted.....	-	-	6,982,974	8,772,669	5,679,557	3,303,818	7,734,094	9,707,085	7,528,523	15,900,480
Unassigned.....	-	-	(260,739)	(281,552)	(1,624,076)	(7,485,398)	-	-	(199,165)	(25,941)
Total all other governmental funds.....	\$ 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	\$ 16,552,730

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

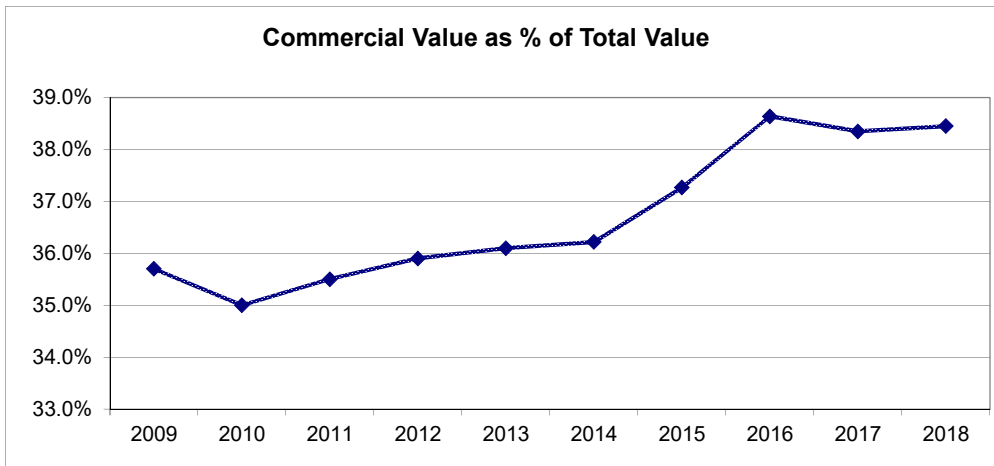
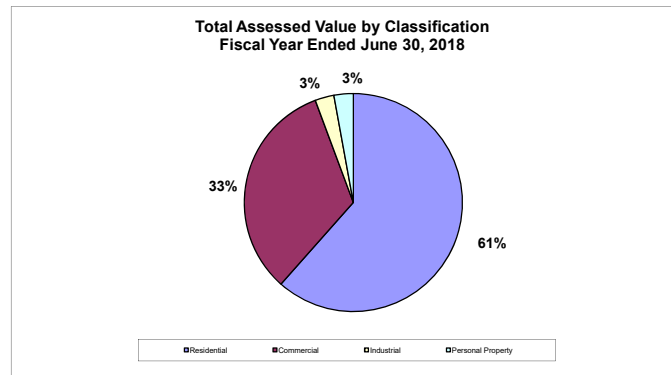
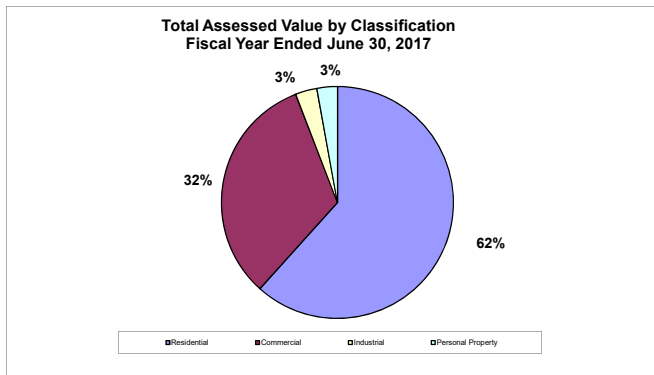


**Town of Burlington, Massachusetts**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Real estate and personal property taxes,										
net of tax refunds.....	\$ 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	\$ 108,152,059
Tax liens.....	35,813	77,469	213,009	249,692	281,902	218,654	173,535	597,682	302,047	269,043
Motor vehicle excise taxes.....	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	4,676,730
Hotel, motel and meals taxes.....	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	4,653,341
Ambulance.....	545,845	522,563	475,101	618,487	743,470	659,605	691,362	854,582	883,701	861,949
Water and sewer charges.....	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	9,536,910
Penalties and interest on taxes.....	323,433	300,476	334,113	338,128	383,922	291,353	255,365	502,940	462,059	415,121
Fees and rentals.....	388,618	404,593	441,306	430,100	342,461	453,264	504,411	599,641	427,463	442,342
Payment in lieu of taxes.....	547,878	548,087	521,092	520,000	520,347	520,000	521,090	521,090	521,088	521,086
Licenses and permits.....	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	3,330,137
Intergovernmental.....	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	28,419,651
Departmental and other.....	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	7,144,815
Contributions.....	13,017	28,016	15,709	46,174	26,489	1,501,903	1,002,596	38,742	38,548	57,261
Investment income.....	428,623	240,167	233,569	196,172	330,339	267,563	230,164	561,453	503,844	519,746
Miscellaneous.....	512,677	474,972	874,808	271,503	255,126	228,519	502,723	474,277	387,817	941,300
<b>Total Revenue.....</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>169,941,491</b>
<b>Expenditures:</b>										
General government.....	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	6,658,485
Public safety.....	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	16,412,994
Education.....	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	70,225,351
Public works.....	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	8,707,745
Water and sewer.....	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	9,000,519
MWRA assessment.....	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.....	1,388,888	1,352,605	1,439,541	1,491,404	1,504,393	1,503,817	1,582,618	1,746,801	1,799,828	1,769,455
Culture and recreation.....	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	4,163,638
Pension benefits.....	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	20,780,933
Employee benefits and insurance.....	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	14,079,015
State and county charges.....	606,387	629,368	578,764	587,147	601,693	624,546	639,045	669,535	704,531	697,443
Capital outlay.....	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	14,318,811
Debt service:										
Principal.....	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	3,849,542
Interest.....	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	1,808,139
Payment to bond escrow agent.....	-	-	-	-	-	-	793,918	-	-	-
<b>Total Expenditures.....</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>172,472,070</b>
<b>Excess of revenues over (under) expenditures.....</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>(2,530,579)</b>
<b>Other Financing Sources (Uses)</b>										
Issuance of bonds and notes.....	1,900,000	10,480,000	14,801,675	13,145,125	1,242,000	-	7,712,000	1,735,200	224,750	12,860,000
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.....	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.....	2,487,961	2,055,818	1,139,655	1,641,477	1,507,562	375,443	4,829,186	2,397,772	4,205,304	3,110,751
Transfers out.....	(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)	(3,110,751)
<b>Total other financing sources (uses).....</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>12,860,000</b>
<b>Net change in fund balance.....</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>	<b>\$ 10,329,421</b>
Debt service as a percentage of noncapital expenditures....	3.72%	3.57%	3.44%	3.86%	4.31%	4.50%	3.97%	3.90%	3.89%	3.58%

**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
2009	\$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	\$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	\$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	\$165,475,930	\$2,241,969,831	\$28.10	38.3%	\$17.59	\$5,846,327,455
2018	\$3,841,090,234	\$10.62	\$2,046,022,312	\$176,191,636	\$177,237,860	\$2,399,451,808	\$27.56	38.4%	\$17.13	\$6,240,542,042



Source: Assessor's Department, Town of Burlington  
All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

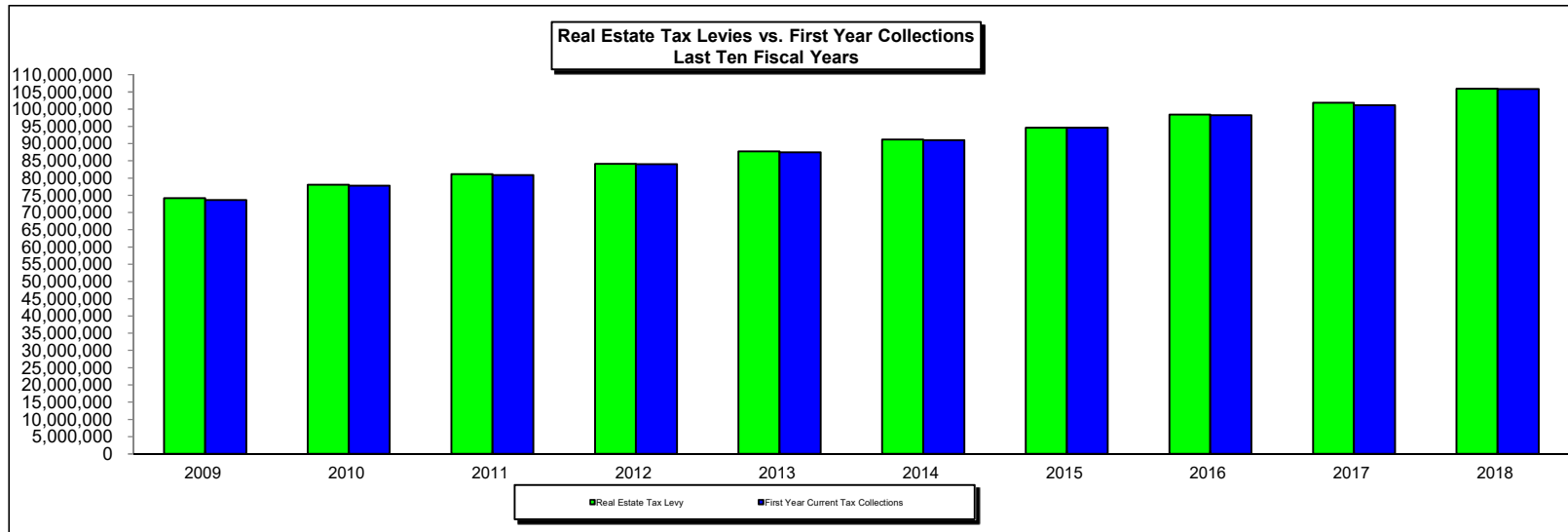
Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax 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.

### Current Year and Nine Years Ago

## Comprehensive Annual Financial Report

**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
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%	\$ 428,419	\$87,874,086	100.20%
2014	\$92,154,384	\$ 1,020,328	\$91,134,056	98.89%	\$91,020,060	99.87%	\$ 462,247	\$91,482,307	100.38%
2015	\$95,618,308	\$ 1,000,000	\$94,618,308	98.95%	\$94,591,684	99.97%	\$ 370,640	\$94,962,324	100.36%
2016	\$99,399,287	\$ 1,000,000	\$98,399,287	98.99%	\$98,252,845	99.85%	\$ 593,764	\$98,846,609	100.45%
2017	\$102,863,547	\$ 1,000,000	\$101,863,547	99.03%	\$101,149,845	99.30%	\$ 515,612	\$101,665,457	99.81%
2018	\$106,921,270	\$ 1,000,000	\$105,921,270	99.06%	\$105,840,850	99.92%	-	\$105,840,850	99.92%



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
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	\$49,384,257	\$1,892	4.64%	0.81%
2018	25,920	\$1,109,005,000	\$6,240,542,042	\$58,162,294	\$1,686	3.94%	0.70%

Year	Total Governmental Activity				
	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
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	\$ 319,863	\$50,409,426	\$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	\$50,234,406	\$1,926	4.72%	0.83%
2018	\$ 574,839	\$58,737,133	\$1,708	3.99%	0.71%

Source: Audited Financial Statements, U. S. Census

**Town of Burlington, Massachusetts**

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2018**

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<u>Town of Burlington, Massachusetts</u>			
Debt repaid with property taxes			
Shawsheen Valley Technical Vocational School.....	\$ 6,763,900	8.38%	\$ 566,815
MWRA.....	3,449,020,000	1.14%	39,433,309
Subtotal, overlapping debt.....			<u>40,000,124</u>
Direct debt:			
Capital Lease Obligations.....			574,839
General Governmental Debt.....			<u>58,162,294</u>
Town total direct debt.....			<u>58,737,133</u>
Total direct and overlapping debt.....			<u><u>\$ 98,737,257</u></u>

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

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

**Town of Burlington, Massachusetts**

**Computation of Legal Debt Margin**

**Last Ten Years**

	<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>	<u>2018</u>
Equalized Valuation.....	\$ 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	\$ 7,011,898,700
Debt Limit -5% of Equalized Valuation.....	\$ 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	\$ 350,594,935
Less:										
Outstanding debt applicable to limit.....	\$ 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	\$ 32,073,395
Authorized and unissued debt.....	\$ 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	\$ 23,295,000
Legal debt margin.....	<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>\$ 275,018,430</u>	<u>\$ 295,226,540</u>
Total debt applicable to the limit as a percentage of debt limit.....	23.87%	37.84%	31.21%	26.66%	24.91%	25.04%	18.54%	17.50%	11.16%	15.79%

Source: Town of Burlington, Treasurer's Department

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

<b>Year</b>	<b>Population Estimates</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
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%
2018	25,392	\$ 1,109,005,000	\$ 43,154	47.0	3,520	2.9%

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	2018			2009		
		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%	1,200	4	9%
Avid Tech	Software Systems (Video)	800	4	6%	-		-
Burlington Mall	Retail	750	5	5%	750	5	6%
Keurig Green Mountain	Retail	750	6	5%	-		-
Wegmans	Retail	630	7	5%	-		-
Nuance Systems	Software/Communications	525	8	4%	400	7	-
ONE Communications	Telecom	420	9	3%	-		-
Federal Aviation Admin.	Government	385	10	3%	385	9	3%
Sun Microsystems*	Computer Network Systems	-		-	1,800	2	13%
Oracle*	Computer Network Systems	-		-	1,250	3	9%
NE Communications	Retail	-		-	400	6	3%
I Robot	Research & Development	-		-	300	8	2%
SAP Systems	Software Systems	-		-	350	10	3%
Total		<u>12,600</u>		<u>90%</u>	<u>11,335</u>		<u>81%</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**

	<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>	<u>2018</u>
Function										
General government.....	39	38	38	38	42	43	43	43	43	43
Public Safety.....	144	144	144	144	144	144	146	147	152	157
Education.....	524	530	527	512	544	564	570	576	578	594
Public works.....	61	61	61	58	58	58	61	64	64	64
Human services.....	20	20	20	20	20	20	20	20	20	21
Culture and recreation.....	29	29	29	29	29	29	26	31	32	32
Total .....	<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>888</u>	<u>909</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>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>2018</b>
<b>General Government</b>										
Population.....	24,895	24,498	24,985	24,708	25,008	25,176	25,190	25,463	25,128	25,392
Registered Voters, Annual Town Election.....	14,956	1,861	14,835	15,160	15,652	15,230	15,065	15,776	16,196	16,022
Town Clerk										
Births.....	302	293	305	305	282	296	252	201	278	288
Marriages.....	128	132	126	119	125	106	130	103	115	145
Deaths.....	842	882	840	848	875	907	1,040	776	1,023	1,039
Dogs licensed.....	2,020	2,067	2,097	2,182	2,213	2,216	2,314	2,365	2,431	2,427
<b>Police</b>										
Documented calls for police services.....	20,753	23,287	22,950	26,820	31,524	30,305	21,186	27,629	28,971	27,756
Uniform crimes reported.....	962	934	768	818	605	573	489	592	586	544
Arrests.....	267	238	237	256	232	243	175	225	202	200
Traffic citations issued.....	4,051	3,598	2,746	3,367	4,258	3,974	3,176	4,332	6,033	3,426
Parking tickets issued.....										
False burglary alarms.....	1,787	1,804	1,871	1,749	1,622	1,636	1,365	1,558	1,625	1,624
Total number of animal complaints.....	369	478	381	368	389	454	325	411	395	410
<b>Fire</b>										
Inspections.....	780	719	766	762	783	789	763	774	728	961
Plan reviews.....	262	225	235	305	268	319	315	268	211	280
Permits/certificates issued.....	658	561	650	765	736	800	785	980	639	636
Emergency responses.....	6,173	6,261	6,327	6,477	6,394	6,650	6,662	7,436	7,581	7,450
<b>Building Department</b>										
Permits issued.....	2,323	2,704	3,185	3,176	3,454	3,492	2,726	3,632	5,174	3,242
<b>Education</b>										
Public school enrollment.....	3,650	3,711	3,652	3,626	3,606	3,579	3,499	3,508	3,521	3,520
<b>Public Works</b>										
Cemetery										
Lots sold.....	58	46	49	48	54	53	54	51	59	54
interments.....	132	151	144	139	148	150	148	144	167	158
Recycling/tons.....	1,592	2,161	2,212	2,183	2,040	1,980	2,297	2,392	2,409	2,287
<b>Human Services</b>										
Board of Health										
Permits issued.....	614	738	746	660	617	462	294	430	335	334
Inspections.....	1,202	1,237	1,382	1,101	1,191	1,071	809	1,357	800	1,116
Volumes in collection.....	109,287	111,850	112,140	113,663	111,713	113,487	115,599	111,892	117,750	130,482
Circulation.....	384,798	391,072	374,225	363,747	331,618	311,460	285,019	277,987	276,372	249,475
Program attendance.....	10,625	7,543	7,443	10,878	9,233	9,214	9,010	9,578	11,123	10,761
Visits.....	142,198	163,898	182,089	177,578	163,047	162,113	150,292	148,694	153,331	149,561
Hours of operation.....	3,020	3,049	2,956	2,977	2,989	2,888	2,992	2,993	3,009	3,016
<b>Youth &amp; Family Services</b>										
Misc resident clinical consultation hours.....	387	413	349	314	410	320	339	503	514	684
<b>Recreation</b>										
Participants.....	27,762	28,684	30,679	28,438	30,126	39,568	39,809	29,374	37,478	50,139

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>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>	<b><u>2018</u></b>
General Government										
Number of Buildings.....	13	13	13	13	13	13	14	14	14	14
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Police personnel and officers.....	73	73	73	73	73	73	75	75	76	77
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	66	70	74
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.....	296	293	288	283	300	295	299	299	308	322
Number of students.....	3,650	3,711	3,652	3,626	3,606	3,579	3,799	3,508	3,521	3,520
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	283	283	283	283	283	283	283

Source: Various Town Departments