

TOWN OF BURLINGTON, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Year Ended June 30, 2015

On the cover:

The Marion Tavern at Grand View Farm is a modernized replica of the 19th Century barn, acquired by the Town in 2001 to establish a self-sustaining legacy for the benefit and enjoyment of the citizens and future generations.



The Town Hall Annex was originally constructed in 1966. The building was used by the Police Department prior to a 1997 renovation which included the addition of a second floor. This facility currently houses the Department of Public Works Administration as well as the Building, Conservation, and Planning Departments.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015



Prepared by:

Accounting Department

TOWN OF BURLINGTON, MASSACHUSETTS

Comprehensive Annual Financial Report For the Year ended June 30, 2015

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Introductory Section



World War I Memorial, erected by the Town of Burlington in 1954, in honor of those of Burlington who gave their lives during the war. The five service flags were dedicated during a 2013 ceremony by members of the respective service organizations.

Introductory Section



TOWN OF BURLINGTON

Board of Selectmen/Town Administrator's Office

John Petrin, Town Administrator

Betty McDonough, Office Manager

Letter of Transmittal

December 10, 2015

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 accounting. 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, 2015 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.

The Town of Burlington's financial statements have been audited by Powers and Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Burlington for the year ended June 30, 2015 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, 2015 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.

The following CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory Section contains this transmittal letter with a Town profile, local economic conditions and outlook, and highlights of financial and general management initiatives. The Financial Section contains a Management's Discussion and Analysis (MD&A). GAAP standards require management to 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. The Statistical Section contains, in most cases, a ten-year history of trends of both financial and demographic data.

Profile of the Town

The Town of Burlington is located in Middlesex County, approximately 14 miles from Boston. It is bordered in the west by the Town of Bedford, on the northwest by 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 2015 census conducted by the Burlington Town Clerk, Burlington is home to a population of approximately 25,190.

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 in grade kindergarten through 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 rail and 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 there's a direct correlation between a diverse growing commercial sector, and the Town of Burlington's ability to engage in infrastructure upgrades, allow for modest increases in real estate taxes, and maintain a high level of services for residents. While it is not uncommon in the State to have a 95% residential to 5% commercial ratio on property taxes, the Town of Burlington currently maintains a unique 39% residential to 61% commercial ratio. With this tax ratio, the Town collects \$57.9 million in commercial property taxes compared to \$37.6 million from residential.

During 2015, the Town of Burlington continued a trend of increased commercial development. The Town has a strong appeal to businesses, a very high occupancy rate, and is considered a premier alternative to downtown Boston. The Town of Burlington has been said to serve as the "economic capitol" for the 128 belt. The Town

welcomed the opening of Keurig's Headquarters and a new Wegmans facility this past year, as well as many new restaurants. A September 2015 article in *The Boston Globe* called Burlington dining "chic" and stated that it is "now the new alternative to the Boston dining experience". The New England Executive Park, now 'The District' has been approved for a new hotel and restaurants.

The Town of Burlington does not just settle on the present, as the Planning Board is currently in the middle of a master planning process for the future of the Town. 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 seek financial stability in way of budgeting and tax levy. As noted above, the commercial base that we enjoy has afforded us the opportunity to be fiscally conservative while maintaining a high level of service. The Town has been fortunate to be able to maintain services at the level we do without having to impose higher property taxes or onerous fees. We have not had to consider layoffs or a reduction of services as many Massachusetts communities have. We continue to forecast all expected revenues very conservatively while moderating the growth of our overall budget. This past year, our overall growth in the budget was 3.97% while our tax levy increased at 3.76%. The increase to the average single-family tax bill was 2.49%. The Town of Burlington increased its unused taxing capacity to \$4.3 million in 2015. We have a Stabilization Fund of \$7.2 million with an additional Other Postemployment Benefits Fund of \$3.9 million. Our Free Cash was certified at over \$9 million for June 30, 2014. Our bond rating was increased to AAA by Standard & Poors to acknowledge the status of our finances.

During 2012, the Town created the position of budget analyst which added to our capacity to develop, maintain and monitor financial plans. Over the years, the Town has developed financial and capital plans that guide decision making at budget time. We regularly meet with the Board of Selectmen, School Committee and Ways and Means Committee to develop guidelines so that direction is properly set by our elected and appointed officials.

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

Budgetary Controls

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

The level of budgetary control is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department salary and expense level. The Town Accountant is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. During the year, the Ways and Means Committee, upon request of the Town Administrator, may approve a transfer from a reserve fund previously established by Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

Acknowledgements

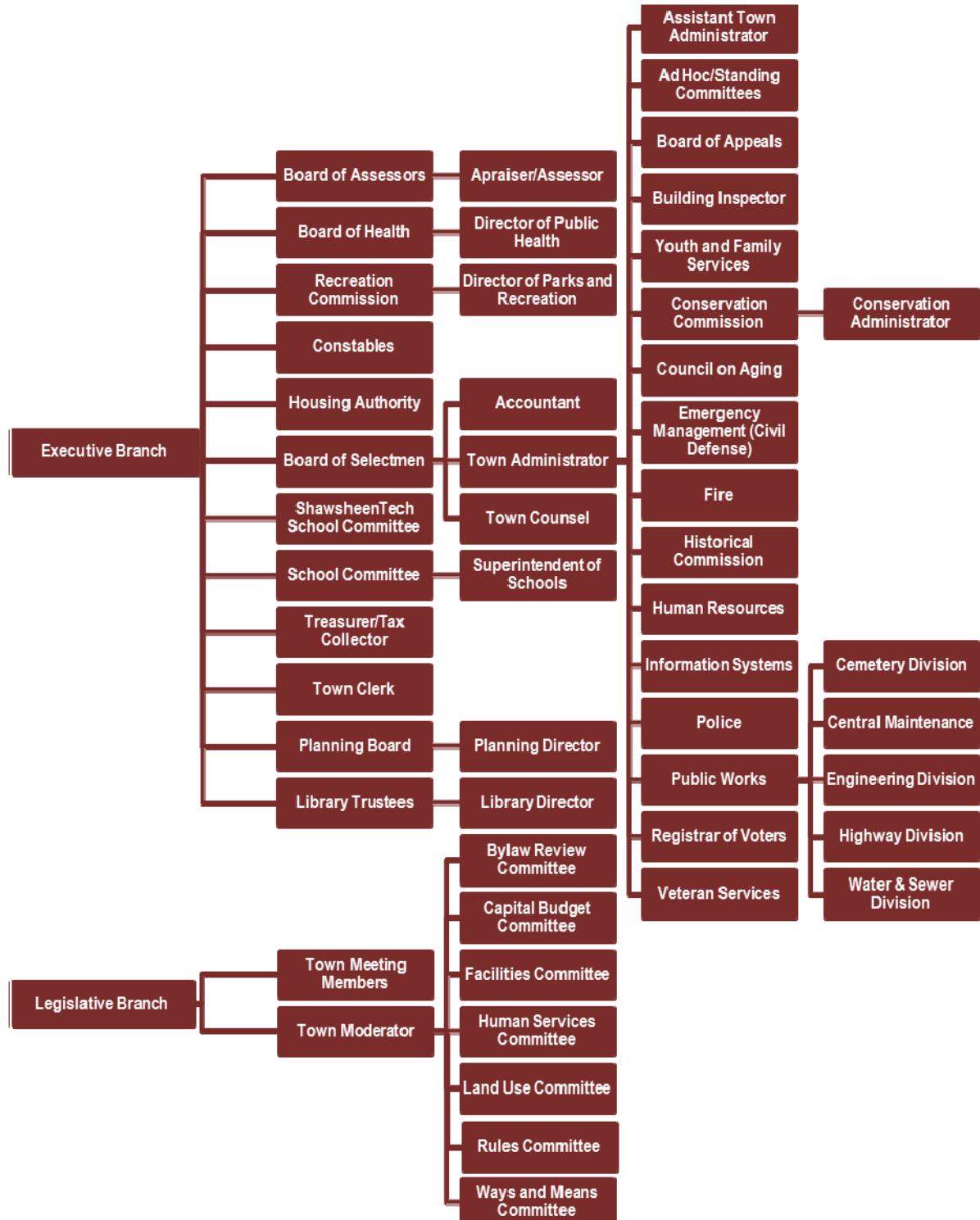
We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Selectmen and Audit Committee for their unfailing support for maintaining the highest standards of professionalism 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	Michael S. Runyan, Chair Christopher Hartling, Vice Chair Daniel J Grattan Robert C. Hogan Joseph E. Morandi	2018 2016 2017 2016 2018
Moderator	Sally Willard	2016
Town Clerk	Amy E. Warfield	2016
Assessors	Louise Crocker Catherine O'Neil Paul Sheehan	2017 2016 2018
Treasurer/Collector	Brian Curtin	2016
School Committee	Christine Monaco, Chair Stephen A. Nelson, Vice Chair Thomas Murphy, Jr. Kristin A. Russo Martha A. Simon	2016 2017 2016 2017 2018

Appointed Officials

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

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Financial Section



The Mill Pond Conservation Area is the Town's largest and most visited conservation property, consisting of 140 beautifully forested acres which surrounds the Mill Pond Reservoir.

Financial Section

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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Burlington, Massachusetts

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type 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, 2015, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Burlington, Massachusetts, as of June 30, 2015, 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 financial statements 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 10, 2015 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 10, 2015

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, 2015. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

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

Financial Highlights

- The assets and deferred outflows of resources of the Town of Burlington's exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$43.6 million (net position).
- As required by GASB Statement #68, in 2015 the Town recognized their total net pension liability of \$98.1 million along with a deferred outflow of resources related to pensions of \$331,000 on the statement of net position for the first time. Beginning of year net position has been restated as part of this implementation. Additional disclosures and schedules have been added to the notes to the basic financial statements and required supplementary information.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$33.6 million, a decrease of \$756,000 in comparison with the prior year. Total fund balance represents 26.2% of total general fund expenditures. Approximately \$24.1 million of this total amount is available for appropriation at the government's discretion, \$2.7 million is committed for capital articles approved by Town Meeting and \$6.9 million is assigned for encumbrances carried forward to the subsequent year.
- The Town's total debt (short-term and long-term combined) was \$55 million at year end, a net decrease of \$6.5 million during the current year.
- The Town's other postemployment employee benefit (OPEB) liability increased by \$1.3 million. The Town also made a contribution of \$1 million to the OPEB trust fund.
- The Town received \$345,000 in Massachusetts School Building Authority (MSBA) reimbursements for the Marshall Simonds Middle School.

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).

Both of the government-wide financial statements distinguish functions that are primarily supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, education, public works, 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 is provided in the form of combining statements elsewhere in this report.

In accordance with accounting standards, the Town reports fund balance components as nonspendable, restricted, committed, assigned and unassigned. Additionally, the Town's stabilization fund is reported within the general fund as unassigned. The Town of Burlington adopts an annual appropriated budget for its general fund.

A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. The budgetary comparison statement is presented as Required Supplementary Information after the notes to the financial statements.

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

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses internal service funds to account for health insurance activities and worker's compensation benefits. Because these services primarily benefit governmental rather than business-type activities, they 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 2015 in comparison to 2014.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Burlington, government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$43.6 million at the close of 2015.

Net position of \$117.1 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 \$2.4 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 \$75.8 million deficit, due to the cumulative effect of recording \$20.2 million of other postemployment benefit liabilities through June 20, 2015 along with the first year recognition of a net pension liability of \$98.1 million.

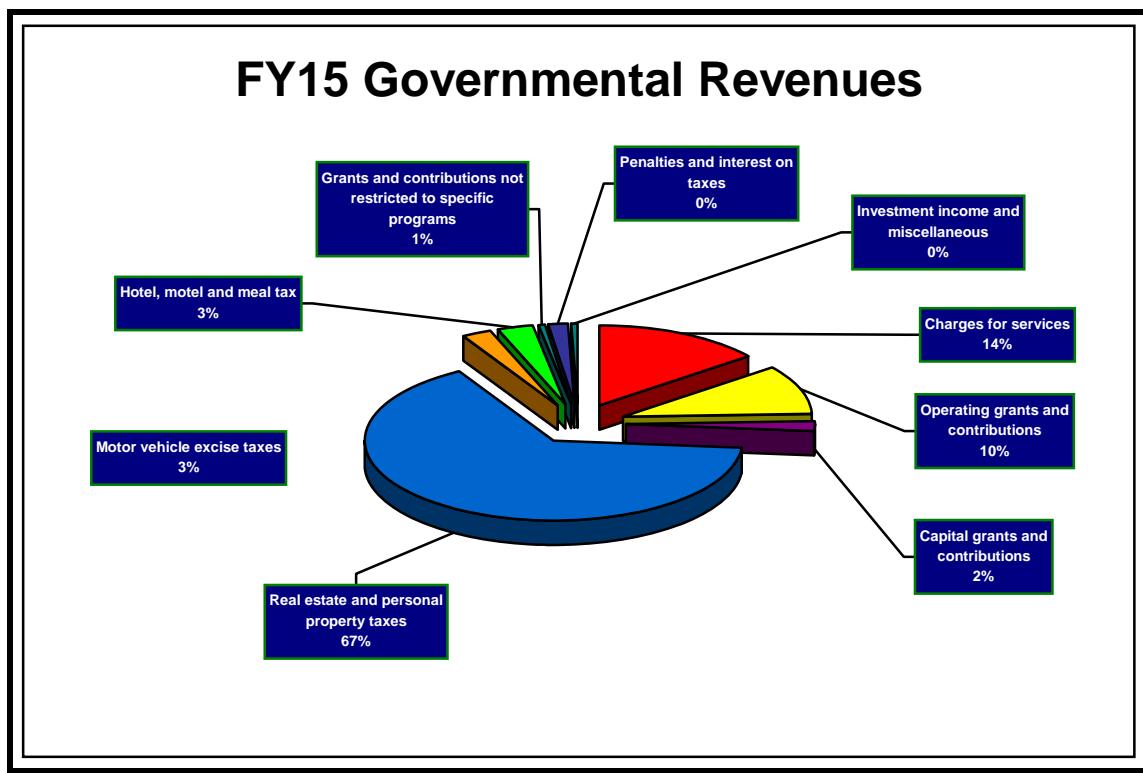
The financial analysis of the Town's governmental activities is presented on the following pages.

Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For governmental activities, assets exceeded liabilities by \$43.6 million at the close of 2015.

		(As Revised)
	Balance at June 30, 2015	Balance at June 30, 2014
Assets:		
Current assets.....	\$ 65,785,195	\$ 63,449,374
Noncurrent assets (excluding capital).....	518,000	773,000
Capital assets.....	168,417,813	169,302,597
Total assets.....	234,721,008	233,524,971
Deferred outflows of resources.....	331,133	-
Liabilities:		
Current liabilities (excluding debt).....	13,731,859	14,884,381
Noncurrent liabilities (excluding debt).....	122,624,639	118,194,367
Current debt.....	5,247,243	15,111,506
Noncurrent debt.....	49,760,814	46,406,057
Total liabilities.....	191,364,555	194,596,311
Total deferred inflows of resources.....	59,331	26,276
Net Position:		
Net investment in capital assets.....	117,056,689	112,419,808
Restricted.....	2,365,972	959,629
Unrestricted.....	(75,794,406)	(74,474,053)
Total net position.....	\$ 43,628,255	\$ 38,905,384
Program revenues:		
Charges for services.....	\$ 20,770,246	\$ 19,988,380
Operating grants and contributions.....	14,584,113	20,108,510
Capital grants and contributions.....	3,047,454	3,686,648
General Revenues:		
Real estate and personal property taxes.....	94,505,632	91,085,231
Motor vehicle excise taxes.....	3,636,722	3,554,381
Nonrestricted grants.....	2,446,724	2,389,509
Unrestricted investment income.....	236,962	273,217
Other revenues.....	5,578,419	5,217,713
Total revenues.....	144,806,272	146,303,589
Expenses:		
General government.....	8,657,177	8,933,778
Public safety.....	22,379,342	20,004,254
Education.....	77,578,174	81,817,139
Public works.....	13,331,433	10,966,318
Water and sewer.....	9,239,696	8,838,002
Human services.....	2,177,276	2,098,766
Culture and recreation.....	5,271,687	5,293,996
Interest.....	1,448,616	1,823,582
Total expenses.....	140,083,401	139,775,835
Change in net position.....	4,722,871	6,527,754
Net position - beginning of year (as revised).....	38,905,384	32,377,630
Net position - end of year.....	\$ 43,628,255	\$ 38,905,384

- The beginning net position of governmental activities has been revised to reflect the implementation of GASB Statements #68 and #71. To reflect this change, the Town has recorded a net pension liability and a deferred outflow of resources, which has resulted in the revision of the June 30, 2014, balance of the governmental activities by \$96.4 million. Previously reported net position of \$135.3 million has been revised to \$38.9 million.
- The governmental activities net position increased by \$4.2 million during the current year. The increase in net position is primarily due to the receipt of capital grants \$3.1 million, and better than anticipated revenue collections of approximately \$4.6 million. These positives were offset by an increase in the liability relating to OPEB and pension expense by \$1.3 million and \$1.7 million, respectively.
- Charges for services represent about 14% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Board of Selectmen are included in this category.
- Operating grants and contributions account for 10% of the governmental activities resources. Most of these resources apply to education operations.
- Capital grants and contributions account for 2% of the governmental activities resources. Most of these resources apply to roadway improvements.



- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 67% of all resources. Real estate and personal property tax collections increased 4% from the prior year. In Massachusetts, proposition 2 1/2 allows municipalities to increase tax rates up to 2 1/2 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% of the governmental activities resources. These primarily include excise taxes, hotel motel and meals tax, nonrestricted grants, and investment earnings.

- Education is by far the largest governmental activity of the Town with 55% of total governmental expenses. Program revenues of \$17.3 million provided direct support to education and \$60.2 million in taxes and other general revenue were needed to cover the remaining 2015 operating expenses.
- Public safety and public works are the second and third largest activities of the Town. Approximately \$18.5 million and \$9.9 million, respectively, of taxes and other revenue were needed to cover their 2015 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 \$42 million and increase of \$11.2 million from the prior year. The majority of the increase is reported in both the public works capital projects fund and nonmajor funds due the receipt of \$7.7 million in bond proceeds and transfers from the general fund to finance Town and School construction projects.

The general fund is the chief operating fund of the Town of Burlington. The general fund balance decreased by \$756,000 during the current year. This change is mainly the result of the planned use of reserves built up in the fund from prior years and transfers out to the public works capital project fund and nonmajor funds.

The Town also maintains a stabilization fund, which has been classified within the unassigned general fund balance in the governmental funds financial statements to remain compliant with GASB 54. The stabilization fund has a year-end balance of \$7.3 million which represents 5.7% of general fund expenditures. The funds can be used for general or capital purposes upon Town Meeting approval.

At the end of the current year, unassigned fund balance of the general fund totaled \$24.1 million, while total fund balance totaled \$33.6 million. The \$2.7 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$6.9 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 18.7% of total general fund expenditures, while total fund balance represents 26.2% of that same amount.

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. During the year the Town issued \$2 million in long-term bonds to fund the construction projects and received a transfer in from the general fund in the amount of \$4.5 million. At the end of the current year the fund has a fund balance of \$2.6 million, an increase of \$4.5 million from the prior year. The public works capital projects are being funded by a combination of local revenues, grants and bonds.

General Fund Budgetary Highlights

The final general fund budget appropriations, including transfers, were approximately \$1.9 million higher than the original budget primarily due to increase public safety, public works, employee benefits, and state and county charges.

General fund revenues came in over budget by \$4.6 million. The majority of this surplus \$1.9 million (41%) was generated from licenses and permits, \$956,000 (21%) was generated from hotel, motel and meals tax, \$451,000 (10%) was generated from water charges, and \$412,000 (9%) was generated from motor vehicle excise taxes.

Actual general fund expenditures, including carryovers, were less than budgeted amounts by \$1.3 million or 1%.

Capital Asset and Debt Administration

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

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

The Town has an "AAA" bond rating from Standard and Poor's Ratings Services. The Town continues to maintain strong market access for both note and bond sales. At the end of the year the Town had total bonded debt outstanding of \$53.4 million of which \$29.1 million is related to school projects, \$6.2 million is related to the water treatment facility, \$3.2 million relates to road construction, \$8.2 million related to water and sewer construction, \$600,000 relates to the Town Hall remodeling, and the balance of \$6.1 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, 2015 the Town is scheduled to receive approximately \$773,000 of future reimbursements for approved construction costs.

Under a new reimbursement program, the MSBA offers a construction grant which pays the Town the State's share of approved school construction costs and therefore eliminates the need for the Town to fund the State's share through long-term debt. The Memorial Elementary School and Marshall Simonds Middle School projects were being funded by this grant program at eligible costs rates of 52.11% and 54.01%. During 2014 the Memorial Elementary School received their final payment and during the current year, approximately \$345,000 of such assistance was received for the Marshall Simonds School project. The Memorial Elementary School and Marshall Simonds School projects are complete and all reimbursements have been received.

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

Requests for Information

This financial report is designed to provide a general overview of the Town of Burlington's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, 29 Center Street, Burlington, MA 01803.

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Basic Financial Statements

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STATEMENT OF NET POSITION

JUNE 30, 2015

	Governmental Activities
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 53,331,222
Investments.....	4,473,578
Receivables, net of allowance for uncollectibles:	
Real estate and personal property taxes.....	905,441
Tax liens.....	1,933,214
Motor vehicle excise taxes.....	170,886
Water and sewer fees.....	2,878,455
Departmental and other.....	251,709
Intergovernmental.....	1,636,886
Working capital deposit.....	98,027
Other assets.....	13,935
Tax foreclosures.....	91,842
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Intergovernmental.....	518,000
Capital assets:	
Nondepreciable.....	23,382,582
Depreciable (net of accumulated depreciation).....	<u>145,035,231</u>
TOTAL ASSETS	<u>234,721,008</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions.....	<u>331,133</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	2,657,221
Accrued payroll.....	3,320,944
Health claims payable.....	1,091,820
Tax refunds payable.....	2,245,000
Accrued interest.....	669,454
Other liabilities.....	902,175
Capital lease obligations.....	347,792
Compensated absences.....	2,087,000
Workers' compensation.....	355,000
Unamortized premiums on bonds payable.....	55,453
Notes payable.....	1,618,000
Bonds payable.....	3,629,243
NONCURRENT:	
Capital lease obligations.....	1,117,689
Compensated absences.....	2,663,000
Other postemployment benefits.....	20,217,676
Net pension liability.....	98,053,205
Unamortized premiums on bonds payable.....	573,069
Bonds payable.....	<u>49,760,814</u>
TOTAL LIABILITIES	<u>191,364,555</u>
DEFERRED INFLOWS OF RESOURCES:	
Advance collections.....	<u>59,331</u>
NET POSITION	
Net investment in capital assets.....	117,056,689
Restricted for:	
Permanent funds:	
Expendable.....	686,775
Nonexpendable.....	37,000
Other purposes.....	1,642,197
Unrestricted.....	<u>(75,794,406)</u>
TOTAL NET POSITION	<u>\$ 43,628,255</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

Functions/Programs	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 8,657,177	\$ 1,839,348	\$ 12,699	\$ 950,000	\$ (5,855,130)
Public safety.....	22,379,342	3,800,655	114,611	-	(18,464,076)
Education.....	77,578,174	3,378,914	13,950,025	-	(60,249,235)
Public works.....	13,331,433	1,075,942	276,789	2,097,454	(9,881,248)
Water and sewer.....	9,239,696	9,463,040	-	-	223,344
Human services.....	2,177,276	224,013	172,670	-	(1,780,593)
Culture and recreation.....	5,271,687	988,334	37,417	-	(4,245,936)
Interest.....	1,448,616	-	19,902	-	(1,428,714)
Total Governmental Activities.....	<u>140,083,401</u>	<u>20,770,246</u>	<u>14,584,113</u>	<u>3,047,454</u>	(101,681,588)
Total Primary Government.....	<u>\$ 140,083,401</u>	<u>\$ 20,770,246</u>	<u>\$ 14,584,113</u>	<u>\$ 3,047,454</u>	\$ (101,681,588)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (Continued)

YEAR ENDED JUNE 30, 2015

	<u>Primary Government</u>
	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue from previous page.....	\$ (101,681,588)
<i>General revenues:</i>	
Real estate and personal property taxes, net of tax refunds payable.....	94,505,632
Tax liens.....	281,302
Motor vehicle excise taxes.....	3,636,722
Hotel, motel and meal tax.....	4,255,813
Penalties and interest on taxes.....	255,365
Payments in lieu of taxes.....	521,090
Grants and contributions not restricted to specific programs.....	2,446,724
Unrestricted investment income.....	236,962
Miscellaneous.....	<u>264,849</u>
 Total general revenues.....	 <u>106,404,459</u>
 Change in net position.....	 4,722,871
<i>Net Position:</i>	
Beginning of year (as revised).....	<u>38,905,384</u>
End of year.....	\$ <u>43,628,255</u>

(Concluded)

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2015

ASSETS	General	Public Works	Nonmajor	Total
		Capital	Governmental	Governmental
Cash and cash equivalents.....	\$ 37,060,956	\$ 4,635,831	\$ 5,325,733	\$ 47,022,520
Investments.....	4,216,497	-	257,081	4,473,578
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	905,441	-	-	905,441
Tax liens.....	1,933,214	-	-	1,933,214
Motor vehicle excise taxes.....	170,886	-	-	170,886
Water fees.....	1,005,710	-	-	1,005,710
Sewer fees.....	1,872,745	-	-	1,872,745
Departmental and other.....	251,709	-	-	251,709
Intergovernmental.....	773,000	-	1,381,886	2,154,886
Due from other funds.....	-	-	383,661	383,661
Other assets.....	13,935	-	-	13,935
Tax foreclosures.....	91,842	-	-	91,842
TOTAL ASSETS.....	\$ 48,295,935	\$ 4,635,831	\$ 7,348,361	\$ 60,280,127
LIABILITIES				
Warrants payable.....	\$ 1,790,954	\$ 709,569	\$ 156,698	\$ 2,657,221
Accrued payroll.....	3,312,313	-	8,631	3,320,944
Tax refunds payable.....	2,245,000	-	-	2,245,000
Other liabilities.....	492,459	-	-	492,459
Due to other funds.....	-	-	383,661	383,661
Notes payable.....	-	1,280,000	338,000	1,618,000
TOTAL LIABILITIES.....	7,840,726	1,989,569	886,990	10,717,285
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues.....	6,784,787	-	812,288	7,597,075
Advance collections.....	59,331	-	-	59,331
TOTAL DEFERRED INFLOWS OF RESOURCES.....	6,844,118	-	812,288	7,656,406
FUND BALANCES				
Nonspendable.....	-	-	563,430	563,430
Restricted.....	-	2,646,262	5,087,832	7,734,094
Committed.....	2,692,084	-	-	2,692,084
Assigned.....	6,861,393	-	-	6,861,393
Unassigned.....	24,057,614	-	(2,179)	24,055,435
TOTAL FUND BALANCES.....	33,611,091	2,646,262	5,649,083	41,906,436
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 48,295,935	\$ 4,635,831	\$ 7,348,361	\$ 60,280,127

See notes to basic financial statements.

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

JUNE 30, 2015

Total governmental fund balances.....	\$ 41,906,436
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	168,417,813
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....	7,597,075
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions.....	331,133
Internal service funds are used by management to account for retirees' health insurance and workers' compensation activities.	
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	4,905,193
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(669,454)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable.....	(53,390,057)
Unamortized premiums on bonds payable.....	(628,522)
Capital lease obligations.....	(1,465,481)
Workers compensation.....	(355,000)
Compensated absences.....	(4,750,000)
Net pension liability.....	(98,053,205)
Other postemployment benefits.....	<u>(20,217,676)</u>
Net effect of reporting long-term liabilities.....	<u>(178,859,941)</u>
Net position of governmental activities.....	<u>\$ 43,628,255</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes,				
net of tax refunds.....	\$ 94,364,342	\$ -	\$ -	\$ 94,364,342
Tax liens.....	173,535	-	-	173,535
Motor vehicle excise taxes.....	3,654,777	-	-	3,654,777
Hotel, motel and meal tax.....	4,255,813	-	-	4,255,813
Ambulance.....	691,362	-	-	691,362
Water and sewer charges.....	10,164,519	-	-	10,164,519
Penalties and interest on taxes.....	255,365	-	-	255,365
Fees and rentals.....	504,411	-	-	504,411
Payments in lieu of taxes.....	521,090	-	-	521,090
Licenses and permits.....	2,878,533	-	-	2,878,533
Intergovernmental.....	13,721,533	247,517	4,750,225	18,719,275
Departmental and other.....	838,841	150,000	5,438,197	6,427,038
Contributions.....	-	-	1,002,596	1,002,596
Investment income.....	211,305	-	18,859	230,164
Miscellaneous.....	262,052	-	240,671	502,723
 TOTAL REVENUES.....	 132,497,478	 397,517	 11,450,548	 144,345,543
EXPENDITURES:				
Current:				
General government.....	5,183,566	-	2,745,641	7,929,207
Public safety.....	14,802,744	-	236,563	15,039,307
Education.....	55,283,884	-	6,070,033	61,353,917
Public works.....	9,219,882	2,397,220	800,723	12,417,825
Water and sewer.....	3,540,479	-	-	3,540,479
MWRA assessment.....	4,962,214	-	-	4,962,214
Human services.....	1,445,435	-	137,183	1,582,618
Culture and recreation.....	2,901,826	-	1,019,417	3,921,243
Pension benefits.....	12,701,305	-	-	12,701,305
Employee benefits and insurance.....	12,461,960	-	-	12,461,960
State and county charges.....	639,045	-	-	639,045
Debt service:				
Principal.....	3,631,506	-	55,000	3,686,506
Interest.....	1,732,170	-	27,108	1,759,278
Payments to bond escrow agent.....	-	-	793,918	793,918
 TOTAL EXPENDITURES.....	 128,506,016	 2,397,220	 11,885,586	 142,788,822
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....				
	3,991,462	(1,999,703)	(435,038)	1,556,721
OTHER FINANCING SOURCES (USES):				
Issuance of bonds.....	-	1,960,000	5,752,000	7,712,000
Premium from issuance of bonds and notes.....	81,885	-	-	81,885
Capital lease financing.....	-	-	1,800,000	1,800,000
Transfers in.....	-	4,485,000	344,186	4,829,186
Transfers out.....	(4,829,186)	-	-	(4,829,186)
 TOTAL OTHER FINANCING SOURCES (USES).....	 (4,747,301)	 6,445,000	 7,896,186	 9,593,885
 NET CHANGE IN FUND BALANCES.....	 (755,839)	 4,445,297	 7,461,148	 11,150,606
 FUND BALANCES AT BEGINNING OF YEAR.....	 34,366,930	 (1,799,035)	 (1,812,065)	 30,755,830
 FUND BALANCES AT END OF YEAR.....	 \$ 33,611,091	 \$ 2,646,262	 \$ 5,649,083	 \$ 41,906,436

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, 2015

Net change in fund balances - total governmental funds.....	\$ 11,150,606
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay.....	5,488,898
Depreciation expense.....	<u>(8,173,682)</u>

Net effect of reporting capital assets.....	(2,684,784)
---	-------------

Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.....

	453,931
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The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Capital lease financing.....	1,800,000
Proceeds from bonds and notes.....	<u>(7,712,000)</u>
Payment to bond escrow agent.....	793,918
Debt service principal payments.....	<u>3,686,506</u>

Net effect of reporting long-term debt.....	(1,431,576)
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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.....	284,000
Net change in accrued interest on long-term debt.....	54,579
Net change in workers compensation.....	<u>(42,000)</u>
Net change in capital lease obligations.....	<u>(1,115,618)</u>
Amortization of bond premiums.....	58,465
Net change in other postemployment benefit accrual.....	<u>(1,300,648)</u>
Net change in deferred outflow/(inflow) of resources related to pensions.....	331,133
Net change in net pension liability.....	<u>(1,686,602)</u>

Net effect of recording long-term liabilities and amortizing deferred losses.....	(3,416,691)
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Internal service funds are used by management to account for health insurance and workers' compensation activities.

The net activity of internal service funds is reported with Governmental Activities.....	<u>651,385</u>
Change in net position of governmental activities.....	<u>\$ 4,722,871</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2015

	Governmental Activities - Internal Service Funds
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 6,308,702
Working capital deposit.....	<u>98,027</u>
Total current assets.....	<u>6,406,729</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	409,716
Health claims payable.....	<u>1,091,820</u>
TOTAL LIABILITIES.....	<u>1,501,536</u>
NET POSITION	
Unrestricted.....	\$ <u>4,905,193</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Funds
<u>OPERATING REVENUES:</u>	
Employee contributions	\$ 3,638,061
Employer contributions	<u>8,455,675</u>
 TOTAL OPERATING REVENUES	 <u>12,093,736</u>
<u>OPERATING EXPENSES:</u>	
Employee benefits	<u>11,449,149</u>
 OPERATING INCOME (LOSS).....	 644,587
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Investment income.....	<u>6,798</u>
 CHANGE IN NET POSITION.....	 651,385
 NET POSITION AT BEGINNING OF YEAR.....	 <u>4,253,808</u>
 NET POSITION AT END OF YEAR.....	 <u>\$ 4,905,193</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

	Governmental Activities - Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from interfund services provided.....	\$ 12,093,736
Payments for interfund services used.....	<u>(11,292,313)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>801,423</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Investment income.....	<u>6,798</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	808,221
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>5,500,481</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 6,308,702</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ 644,587
Adjustments to reconcile operating income (loss) to net	
Changes in assets and liabilities:	
Departmental and other.....	215,263
Working capital deposit.....	(98,027)
Warrants payable.....	409,715
Health claims payable.....	<u>(370,115)</u>
Total adjustments.....	<u>156,836</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 801,423</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2015

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 41	\$ 64,202	\$ 726,303
Investments.....	3,072,685	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	187,533
TOTAL ASSETS.....	<u>3,072,726</u>	<u>64,202</u>	<u>913,836</u>
LIABILITIES			
Payroll liabilities.....	-	-	21,302
Liabilities due depositors.....	-	-	892,534
TOTAL LIABILITIES.....	<u>-</u>	<u>-</u>	<u>913,836</u>
NET POSITION			
Held in trust for OPEB benefits and other purposes.....	\$ <u>3,072,726</u>	\$ <u>64,202</u>	\$ <u>-</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2015

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<u>ADDITIONS:</u>		
Contributions:		
Employer.....	\$ 1,000,000	\$ -
Other.....	- <hr/>	<hr/> 98,711
Total contributions.....	<hr/> 1,000,000	<hr/> 98,711
Net investment income (loss):		
Investment income.....	<hr/> 67,767	<hr/> 43
TOTAL ADDITIONS.....	1,067,767	98,754
<u>DEDUCTIONS:</u>		
Educational scholarships.....	- <hr/>	<hr/> 101,041
CHANGE IN NET POSITION.....	1,067,767	(2,287)
NET POSITION AT BEGINNING OF YEAR.....	<hr/> 2,004,959	<hr/> 66,489
NET POSITION AT END OF YEAR.....	\$ 3,072,726	\$ 64,202

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, account groups, 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 2015 assessment was \$1,772,786. The School issues a publicly 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.

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 projects 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.

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. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

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

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed. Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

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

Motor Vehicle Excise Taxes

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

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

Water and Sewer Fees

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

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

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

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

Departmental and Other

Departmental and other receivables consist primarily of police and fire details, and ambulance fees are recorded as receivables in the year accrued. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

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

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

F. 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.

G. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

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

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

All purchases and construction costs in excess of \$25,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

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

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

Governmental Fund Financial Statements

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

H. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents 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.

I. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

J. Interfund Transfers

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

K. 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.

"Other purposes" 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 Town Meeting vote, 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.

L. 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.

M. 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.

N. Investment Income

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

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

O. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

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

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

Q. Total Column*Government-Wide Financial Statements*

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

Fund Financial Statements

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

NOTE 2 - CASH AND INVESTMENTS

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

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 \$53,790,529 and the bank balance totaled \$56,906,300. Of the bank balance, \$8,456,717 was covered by Federal Depository Insurance, \$4,948,816 was covered by SIF insurance, \$8,156,626 was covered by DIF insurance and \$35,344,141 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, 2015, the Town of Burlington had the following investments:

Investment Type	Fair Value	Maturity				Rating
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years	
Debt Securities						
Federal Home Loan Mortgage Corp.....	\$ 225,865	\$ -	\$ -	\$ -	\$ 225,865	AA+
Federal Home Loan Bank.....	99,360	-	99,360	-	-	AA+
Federal National Mortgage Assoc.....	1,264,853	-	-	-	1,264,853	AA+
Corporate Bonds.....	2,795,852	360,448	2,215,479	219,925	-	BB to AA+
Municipal Bonds.....	<u>87,648</u>	<u>-</u>	<u>87,648</u>	<u>-</u>	<u>-</u>	BBB-
Total Debt Securities.....	<u>4,473,578</u>	<u>\$ 360,448</u>	<u>\$ 2,402,487</u>	<u>\$ 219,925</u>	<u>\$ 1,490,718</u>	
Other Investments						
MMDT.....	331,239					
PRIT.....	<u>3,072,685</u>					
Total Investments.....	<u>\$ 7,877,502</u>					

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 total custodial credit risk exposure for investments totals \$4,473,578 which consists of investments of \$1,590,078 in governmental securities, \$2,795,852 in corporate bonds, and \$87,648 in municipal bonds, because the related securities are uninsured, unregistered and held by the counterparty.

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, 2015, the Town had more than 5% of its investments in the following securities:

Issuer	Percentage of total Investments
Morgan Stanley.....	11%
General Electric Capital Corp.....	11%
Royal Bank of Scotland.....	7%
Barclays Bank PLC.....	7%
Citigroup Inc.....	18%

NOTE 3 - RECEIVABLES

At June 30, 2015, 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
Receivables:			
Real estate and personal property taxes.....	\$ 1,146,236	\$ (240,795)	\$ 905,441
Tax liens.....	1,933,214	-	1,933,214
Motor vehicle excise taxes.....	425,214	(254,328)	170,886
Water fees.....	1,005,710	-	1,005,710
Sewer fees.....	1,872,745	-	1,872,745
Departmental and other.....	449,481	(197,772)	251,709
Intergovernmental.....	2,154,886	-	2,154,886
 Total.....	 \$ 8,987,486	 \$ (692,895)	 \$ 8,294,591

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	Nonmajor Governmental Funds	Total
Receivables and other asset types:			
Real estate and personal property taxes.....	\$ 745,014	\$ -	\$ 745,014
Tax liens.....	1,933,213	-	1,933,213
Motor vehicle excise taxes.....	170,885	-	170,885
Water and sewer fees.....	2,878,455	-	2,878,455
Departmental and other.....	251,709	-	251,709
Intergovernmental.....	773,000	812,288	1,585,288
Tax foreclosure.....	91,842	-	91,842
 Total.....	 \$ 6,844,118	 \$ 812,288	 \$ 7,656,406

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 18,595,910	\$ -	\$ -	\$ 18,595,910
Construction in progress.....	3,373,448	3,213,724	(1,800,500)	4,786,672
Total capital assets not being depreciated.....	21,969,358	3,213,724	(1,800,500)	23,382,582
<u>Capital assets being depreciated:</u>				
Land improvements.....	7,707,561	90,406	-	7,797,967
Buildings.....	93,932,538	452,926	-	94,385,464
Building improvements.....	33,597,158	175,545	-	33,772,703
Equipment.....	9,082,505	2,303,841	-	11,386,346
Vehicles.....	8,122,516	444,162	(139,820)	8,426,858
Infrastructure.....	117,442,024	2,408,794	-	119,850,818
Total capital assets being depreciated.....	269,884,302	5,875,674	(139,820)	275,620,156
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,471,934)	(284,973)	-	(2,756,907)
Buildings.....	(31,471,100)	(1,698,477)	-	(33,169,577)
Building improvements.....	(14,239,222)	(1,245,805)	-	(15,485,027)
Equipment.....	(5,476,471)	(1,510,710)	-	(6,987,181)
Vehicles.....	(4,114,203)	(489,353)	139,820	(4,463,736)
Infrastructure.....	(64,778,133)	(2,944,364)	-	(67,722,497)
Total accumulated depreciation.....	(122,551,063)	(8,173,682)	139,820	(130,584,925)
Total capital assets being depreciated, net.....	147,333,239	(2,298,008)	-	145,035,231
Total governmental activities capital assets, net.....	\$ 169,302,597	\$ 915,716	\$ (1,800,500)	\$ 168,417,813

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

Governmental Activities:

General government.....	\$ 433,783
Public safety.....	508,483
Education.....	3,413,348
Public works.....	3,397,543
Human services.....	11,108
Culture and recreation.....	<u>409,417</u>
 Total increases to accumulated depreciation - governmental activities.....	<u>\$ 8,173,682</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables between funds at June 30, 2015, are summarized as follows:

Receivable Fund	Payable Fund	Amount
Federal Grants Fund.....	State and Local Grant Fund.....	\$ <u>383,661</u> (1)

(1) Represents advances between funds to meet temporary cash flow needs.

Interfund transfers for the year ended June 30, 2015, are summarized as follows:

Transfers Out:	Transfers In:		
	Public Works Capital Projects Funds	Nonmajor Governmental Funds	Total
General Fund.....	\$ <u>4,485,000</u>	\$ <u>344,186</u>	\$ <u>4,829,186</u> (1)

(1) Represents budgeted transfers out of the general fund to the public works capital project fund, a transfer of \$189,186 to the memorial school capital projects fund, and \$155,000 to the mini bus special revenue fund.

NOTE 6 – CAPITAL LEASES

The Town has entered into lease agreements as lessees for new 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:

<u>Asset:</u>	<u>Governmental Activities</u>
Equipment.....	\$ 2,646,868
Less: accumulated depreciation.....	<u>(1,869,251)</u>
 Total.....	 <u>\$ 777,617</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Years Ending</u> <u>June 30</u>	<u>Governmental Activities</u>
2016.....	388,320
2017.....	300,000
2018.....	300,000
2019.....	300,000
2020.....	<u>300,000</u>
 Total minimum lease payments.....	 1,588,320
Less: amounts representing interest.....	<u>(122,839)</u>
 Present value of minimum lease payments.....	 <u>\$ 1,465,481</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, 2015, are as follows:

Type	Purpose	Interest Rate (%)	Due Date	Balance at June 30, 2014	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2015
BAN	Municipal Purpose.....	1.25	7/25/14	\$ 9,430,000	\$ -	\$ 9,430,000	\$ -
BAN	Municipal Purpose.....	0.30	7/25/14	1,995,000	-	1,995,000	-
BAN	Municipal Purpose.....	1.00	7/24/15	-	9,330,000	7,712,000	1,618,000
	Total.....			\$ 11,425,000	\$ 9,330,000	\$ 19,137,000	\$ 1,618,000

On July 24, 2015, the Town rolled \$7,712,000 of BANs outstanding into an \$11,270,000 long-term bond. The \$7,712,000 has been recorded as long-term debt as of year-end. Of the remaining BANs outstanding \$750,000 rolled into a new BAN with an interest rate of .40% due on July 22, 2016. The remaining BANs of \$868,000 were paid down after 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 indebtedness at June 30, 2015, and the debt service requirements are as follows:

Bonds Payable Schedule – Governmental Funds

Issue	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Municipal Purpose Bonds of 1996.....	2016	\$ 5,755,000	5.90	\$ 535,000	\$ -	\$ 270,000	\$ 265,000
Municipal Purpose Bonds of 1998.....	2018	10,000,000	4.70	2,000,000	-	500,000	1,500,000
Municipal Purpose Bonds of 2001.....	2019	2,150,000	5.43	535,000	-	115,000	420,000
Municipal Purpose Bonds of 2006.....	2025	4,867,000	4.23	2,805,000	-	255,000	2,550,000
MCWT Bonds of 2007.....	2027	7,797,482	2.00	5,424,257	-	369,032	5,055,225
MCWT Bonds of 2008.....	2028	300,000	2.00	222,561	-	13,914	208,647
Municipal Purpose Bonds of 2008.....	2027	3,321,000	4-5	1,910,000	-	230,000	1,680,000
Municipal Purpose Bonds of 2010.....	2030	6,100,000	1.5-4.1	4,335,000	-	1,160,000	3,175,000
Municipal Purpose Bonds of 2011.....	2036	8,800,000	3-5	7,320,000	-	490,000	6,830,000
MWRA Bonds of 2011.....	2016	81,675	0.00	32,670	-	16,335	16,335
Municipal Purpose Bonds of 2012.....	2042	12,200,000	2-5	11,010,000	-	590,000	10,420,000
MWRA Bonds of 2012.....	2017	169,125	0.00	101,475	-	33,825	67,650
Municipal Purpose Bonds of 2013.....	2042	13,976,000	2-4	13,665,000	-	320,000	13,345,000
MWRA Bonds of 2013.....	2018	242,000	0.00	193,600	-	48,400	145,200
Municipal Purpose Bonds of 2015.....	2036	11,270,000	2-5	-	7,712,000	-	7,712,000
Total Future Debt Service Requirements.....				50,089,563	7,712,000	4,411,506	53,390,057
Unamortized Premium on Bonds.....				686,987	-	58,465	628,522
Total Governmental Bonds Payable.....				\$ 50,776,550	\$ 7,712,000	\$ 4,469,971	\$ 54,018,579

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

Year	Principal	Interest	Total
2016.....	\$ 3,629,243	\$ 1,732,443	\$ 5,361,686
2017.....	3,812,800	1,776,405	5,589,205
2018.....	3,705,027	1,647,796	5,352,823
2019.....	3,174,842	1,507,960	4,682,802
2020.....	3,068,222	1,384,725	4,452,947
2021.....	2,751,772	1,265,993	4,017,765
2022.....	2,665,495	1,156,644	3,822,139
2023.....	2,584,394	1,058,536	3,642,930
2024.....	2,603,473	966,615	3,570,088
2025.....	2,622,735	877,307	3,500,042
2026.....	2,287,184	793,421	3,080,605
2027.....	2,271,824	715,450	2,987,274
2028.....	1,708,046	645,162	2,353,208
2029.....	1,700,000	582,634	2,282,634
2030.....	1,705,000	524,290	2,229,290
2031.....	1,435,000	466,939	1,901,939
2032.....	1,435,000	413,068	1,848,068
2033.....	1,420,000	357,112	1,777,112
2034.....	1,415,000	300,621	1,715,621
2035.....	1,440,000	245,180	1,685,180
2036.....	1,205,000	196,036	1,401,036
2037.....	785,000	159,918	944,918
2038.....	810,000	131,221	941,221
2039.....	835,000	101,158	936,158
2040.....	855,000	69,896	924,896
2041.....	885,000	37,759	922,759
2042.....	<u>580,000</u>	<u>26,129</u>	<u>606,129</u>
Total.....	<u>\$ 53,390,057</u>	<u>\$ 19,140,418</u>	<u>\$ 72,530,475</u>

During the current year the Town received a gift of \$950,000 which allowed the Town to defease \$793,918 of general obligation bonds by placing the capital contribution in an irrevocable trust to provide for all future debt service payments. As a result, the refunded bonds are considered defeased and the liability has been removed from the statement of net position.

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, 2015, the outstanding principal amount of these loans totaled \$229,185.

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 2015, approximately \$259,000 of such assistance was received. Approximately \$776,000 will be received in future years. Of this amount, \$4,000 represents reimbursement of long-term interest costs, and \$773,000 represents reimbursement of approved construction

costs. Accordingly, a \$773,000 intergovernmental receivable and corresponding unavailable revenue have been reported in governmental fund financial statements. The annual change in revenue has been recognized as revenue in the conversion to the government-wide financial statements.

The MSBA offers a construction grant program which pays the Town the State's share of approved school construction costs and therefore eliminates the need for the Town to fund the State's share through long-term debt. The Marshall Simonds Middle School project is being funded by this grant program at an eligible cost rate of 54.01%. The Marshall Simonds Middle School was completed in 2014. To date there has been \$28,443,000 spent on the project and with the Town's reimbursement rate of 54.01% a reimbursement of \$15,362,000 was expected. As of June 30, 2015, this project has been completely reimbursed.

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, 2015, the Town had the following authorized and unissued debt:

Purpose	Amount
Water Storage Tank Repairs.....	\$ 265,000
Marshall Simonds Middle School.....	4,556,072
Parking Lot & Roadway Paving.....	500,000
Water Main Upgrades.....	500,000
Sewer.....	900,000
Building Design - 33 Center Street.....	250,000
Parking Lot & Roadway Paving.....	1,500,000
Water Main.....	<u>500,000</u>
 Total.....	 <u>\$ 8,971,072</u>

Changes in Long-term Liabilities

During the year ended June 30, 2015, the following changes occurred in long-term liabilities:

	Balance at June 30, 2014	Long-Term Bonds Issued	Long-Term Bonds Redeemed	Other Net Increase (Decrease)	Balance at June 30, 2015	Current Portion
Governmental Activities:						
Long-term bonds.....	\$ 50,089,563	\$ 7,712,000	\$ (4,411,506)	\$ -	\$ 53,390,057	\$ 3,629,243
Unamortized premium.....	686,987	-	-	(58,465)	628,522	55,453
Capital lease obligations.....	349,863	-	-	1,115,618	1,465,481	347,792
Compensated absences.....	5,034,000	-	-	(284,000)	4,750,000	2,087,000
Workers' compensation.....	313,000	-	-	42,000	355,000	355,000
Other postemployment benefits.....	18,917,028	-	-	1,300,648	20,217,676	-
Net pension liability.....	96,366,603	-	-	1,686,602	98,053,205	-
 Total.....	 <u>\$ 171,757,044</u>	 <u>\$ 7,712,000</u>	 <u>\$ (4,411,506)</u>	 <u>\$ 3,802,403</u>	 <u>\$ 178,859,941</u>	 <u>\$ 6,474,488</u>

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Types Definitions*, as part of its 2011 reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classification and the constraints imposed on the uses of those resources.

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

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

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

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

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to or appropriations from the fund required a two-thirds vote of the legislative body. At year end the balance of the General Stabilization fund is \$7,271,000 and is reported as unassigned fund balance within the General Fund.

As of June 30, 2015, the governmental fund balances consisted of the following:

<u>GOVERNMENTAL FUNDS</u>					
	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds	
FUND BALANCES					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ 563,430	\$ 563,430	
Restricted for:					
Public Works Capital Projects.....	- 2,646,262	-	-	2,646,262	
Town revolving funds.....	- -	1,331,557	1,331,557	1,331,557	
Town gift funds.....	- -	355,219	355,219	355,219	
School gift funds.....	- -	51,106	51,106	51,106	
School revolving funds.....	- -	917,637	917,637	917,637	
School activity funds.....	- -	611,321	611,321	611,321	
Federal grants.....	- -	117,389	117,389	117,389	
State and local grants.....	- -	978,510	978,510	978,510	
Town special purpose funds.....	- -	487,417	487,417	487,417	
Town capital projects.....	- -	35,086	35,086	35,086	
School capital projects.....	- -	40,066	40,066	40,066	
Town libraries.....	- -	824	824	824	
Cemetery perpetual care.....	- -	161,700	161,700	161,700	
Committed to:					
General government.....	209,718	-	-	209,718	
Public safety.....	51,264	-	-	51,264	
Education.....	1,103,483	-	-	1,103,483	
Public works.....	1,260,396	-	-	1,260,396	
Human Services.....	39,963	-	-	39,963	
Culture and recreation.....	27,260	-	-	27,260	
Assigned to:					
General government.....	321,972	-	-	321,972	
Public safety.....	93,081	-	-	93,081	
Education.....	769,370	-	-	769,370	
Public works.....	191,416	-	-	191,416	
Human Services.....	496	-	-	496	
Culture and recreation.....	9,627	-	-	9,627	
Employee benefits.....	218,897	-	-	218,897	
Free cash used to fund the FY16 capital budget.....	5,256,534	-	-	5,256,534	
Unassigned.....	<u>24,057,614</u>	<u>-</u>	<u>(2,179)</u>	<u>24,055,435</u>	
TOTAL FUND BALANCES.....	\$ 33,611,091	\$ 2,646,262	\$ 5,649,083	\$ 41,906,436	

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 www.middlesexretirement.org or www.mass.gov/perac/.

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, 2014. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$5,226,008 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 \$75,221,631 as of the measurement date.

Benefits Provided

Both Systems provides retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

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

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

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the System a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2014 was \$7,511,305 and 25.71% 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, 2015, the Town reported a liability of \$98,053,205 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportionate share of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2014, the Town's proportion was 8.162%, which did not change from its proportion measured at December 31, 2013.

Pension Expense

For the year ended June 30, 2015, the Town recognized a negative pension expense of \$8,866,774. At June 30, 2015, the Town reported deferred outflows of resources related to pensions of \$331,133, from the net difference between projected and actual investment earnings on pension plan investments. Since the system performs an actuarial valuation bi-annually, there are no reported differences between expected and actual experience or a change of assumptions as of December 31, 2014.

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

Year ended June 30:

2016.....	\$ 82,783
2017.....	82,783
2018.....	82,783
2019.....	<u>82,784</u>
Total.....	<u>\$ 331,133</u>

Actuarial Assumptions

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

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

Investment policy

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

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

investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2014 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Asset Allocation
Domestic equity.....	6.60%	19.60%
International developed markets equity.....	7.10%	15.60%
International emerging markets equity.....	9.40%	6.50%
Core fixed income.....	2.20%	15.30%
High-yield fixed income.....	4.70%	8.30%
Real estate.....	4.40%	9.90%
Commodities.....	4.40%	3.90%
Short-term government money market.....	1.80%	0.00%
Hedge fund, GTAA, risk parity.....	3.90%	9.80%
Private equity.....	11.70%	11.10%

Rate of return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 7.54%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amount actually invested.

Discount rate

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

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

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

	1% Decrease (6.875%)	Current Discount (7.875%)	1% Increase (8.875%)
The Town's proportionate share of the net pension liability.....	\$ 118,567,099	\$ 98,053,205	\$ 80,587,970

Pension plan fiduciary net position

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

NOTE 11 - RISK FINANCING

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

The Town is self-insured for approximately 90% of its health insurance and 100% of its workers' compensation activities. The self-insured health insurance activities are accounted for in the Internal Service Fund. Workers' compensation activities are accounted for in the General Fund where revenues are recorded when earned and expenses are recorded when the liability is incurred. The approximate 10% of health insurance coverage that is premium based is accounted for in the General Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR) that includes non-incremental claims adjustments. The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends, and other economic and social factors.

(a) *Health Insurance*

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

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2015.....	\$ 1,065,172	\$ 11,901,135	\$ (11,874,487)	\$ 1,091,820
2014.....	1,017,198	11,081,613	(11,033,639)	1,065,172
2013.....	1,197,743	9,734,011	(9,914,556)	1,017,198

(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, 2015, the amount of the liability for workers' compensation claims totaled \$355,000. 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
2015.....	\$ 313,000	\$ 431,061	\$ (389,061)	\$ 355,000
2014.....	385,000	209,405	(281,405)	313,000
2013.....	113,000	289,000	(17,000)	385,000

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

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

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

Annual required contribution.....	\$ 5,687,328
Interest on existing net OPEB obligation.....	1,466,070
Adjustments to annual required contribution.....	<u>(1,005,947)</u>
Annual OPEB cost (expense).....	6,147,451
Contributions made.....	<u>(4,846,803)</u>
Increase/Decrease in net OPEB obligation.....	1,300,648
Net OPEB obligation - beginning of year.....	<u>18,917,028</u>
Net OPEB obligation - end of year.....	\$ <u>20,217,676</u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 was as follows:

Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 6,147,451	79%	\$ 20,217,676
6/30/2014	7,605,955	67%	18,917,028
6/30/2013	7,276,365	66%	16,375,897

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

The Town established an OPEB trust in 2012, reported as a fiduciary fund, and in 2015 made a contribution of \$1,000,000.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

NOTE 13 - COMMITMENTS

The Town has been authorized to borrow approximately \$8,971,000 primarily to cover the costs of various school construction projects, paving projects, sewer and water related projects, and other various projects around Town.

The Town has an MSBA funded school construction project, the Marshall Simonds Middle School. This project was completed in 2014. To date there has been \$28,443,000 spent on the project and with the Town's reimbursement rate of 54.01% a reimbursement of \$15,362,000 was expected. As of June 30, 2015, this project has been completely reimbursed.

NOTE 14 - CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2015, 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, 2015, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2015.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 10, 2015, which is the date the financial statements were available to be issued. On July 24, 2015, the Town rolled \$7,712,000 of BANs outstanding into an \$11,270,000 long-term bond. The \$7,712,000 has been recorded as long-term debt as of year-end. Of the remaining BANs outstanding \$750,000 rolled into a new BAN with an interest rate of .40% due on July 22, 2016. The remaining BANs of \$868,000 were paid down after year-end.

NOTE 16 – REVISION OF STATEMENT OF NET POSITION

The beginning net position of governmental activities has been revised to reflect the implementation of GASB Statements #67, #68, and #71. To reflect this change, the Town has recorded a net pension liability, which has resulted in the June 30, 2014, balance of the governmental activities to be revised by \$96,366,603, respectively. Previously reported governmental activities net position of \$135,271,987 has been revised to \$38,905,384.

NOTE 17 - IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2015, the following GASB pronouncements were implemented:

- GASB Statement #67, Financial Reporting for Pension Plans; GASB Statement #68, Accounting and Financial Reporting for Pensions; and GASB Statement #71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Financial statement changes include the recognition of a net pension liability, pension expense and deferred outflows/inflows of resources depending on the nature of the change each year. The financial statements also recognized a restatement of the beginning net position to reflect the net pension liability at the beginning of the year. The notes to the basic financial statements and the required supplementary information were expanded to include additional required schedules and disclosures.
- GASB Statement #69, Governmental Combinations and Disposals of Government Operations. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #72, Fair Value Measurement and Application, which is required to be implemented in 2016.
- The GASB issued Statement #73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The provisions of this Statement are effective for 2016—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which is required to be implemented in 2017.
- The GASB issued Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, which is required to be implemented in 2017.
- The GASB issued Statement #75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which is required to be implemented in 2018.
- The GASB issued Statement #76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which is required to be implemented in 2016.
- The GASB issued Statement #77, Tax Abatement Disclosures, which is required to be implemented in 2017.

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

Required Supplementary Information

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General Fund

Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 93,459,230	\$ 94,618,308	\$ 95,022,071	\$ -	\$ 403,763
Tax liens.....	-	173,535	-	-	173,535
Motor vehicle excise taxes.....	3,235,000	3,242,865	3,654,777	-	411,912
Hotel, motel, and meals tax.....	3,300,000	3,300,000	4,255,813	-	955,813
Ambulance.....	600,000	600,000	691,362	-	91,362
Water charges.....	2,975,000	2,975,000	3,425,516	-	450,516
Penalties and interest on taxes.....	320,000	320,000	255,365	-	(64,635)
Fees and rentals.....	400,000	400,000	504,411	-	104,411
Payments in lieu of taxes.....	520,000	520,000	521,090	-	1,090
Licenses and permits.....	1,000,000	1,000,000	2,878,533	-	1,878,533
Intergovernmental.....	8,488,807	8,488,807	8,495,533	-	6,726
Departmental and other.....	790,000	790,000	838,841	-	48,841
Investment income.....	75,000	75,000	152,287	-	77,287
Miscellaneous.....	210,000	210,000	262,052	-	52,052
TOTAL REVENUES.....	115,373,037	116,539,980	121,131,186	-	4,591,206
EXPENDITURES:					
GENERAL GOVERNMENT					
TOWN MEETING & REPORTS					
Salaries.....	2,481	2,518	2,355	-	163
Expenses.....	12,575	12,575	12,380	-	195
TOTAL.....	15,056	15,093	14,735	-	356
MODERATOR					
Salaries.....	190	150	-	150	-
WAYS AND MEANS					
Salaries.....	2,800	2,882	2,579	-	303
Expenses.....	268	268	-	-	268
TOTAL.....	3,068	3,150	2,579	-	571
CAPITAL BUDGET COMMITTEE					
Salaries.....	800	812	314	-	498
TOWN ADMINISTRATION/SELECTMEN					
Salaries.....	481,513	491,821	491,821	-	-
Expenses.....	13,782	13,782	12,456	-	1,326
Special accounts.....	17,424	17,424	17,408	-	16
Capital articles.....	27,750	27,750	5,000	-	22,750
TOTAL.....	540,469	550,777	526,685	-	24,092
ACCOUNTING					
Salaries.....	307,434	312,031	301,185	-	10,846
Expenses.....	7,885	7,885	3,347	-	4,538
TOTAL.....	315,319	319,916	304,532	-	15,384
ASSESSORS					
Salaries.....	267,229	270,047	266,255	-	3,792
Expenses.....	109,900	109,900	76,856	32,550	494
Capital articles.....	126,735	126,735	12,213	114,522	-
TOTAL.....	503,864	506,682	355,324	147,072	4,286
TREASURER/COLLECTOR					
Salaries.....	625,452	628,609	621,178	-	7,431
Expenses.....	22,510	22,510	22,091	-	419
Special accounts.....	100	100	-	-	100
TOTAL.....	648,062	651,219	643,269	-	7,950
CENTRAL ADMINISTRATION					
Central supply.....	113,530	113,530	114,825	155	(1,450)
Central machines.....	25,658	25,658	20,295	2,136	3,227
Town insurance.....	750,000	750,000	750,000	-	-
Financial audit.....	70,000	70,000	47,482	1,492	21,026
Capital articles.....	10,000	10,000	9,678	322	-
TOTAL.....	969,188	969,188	942,280	4,105	22,803
LEGAL					
Legal expenses.....	200,982	200,982	156,409	12,954	31,619

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
HUMAN RESOURCES					
Salaries.....	106,283	110,316	108,796	-	1,520
Expenses.....	2,085	2,085	1,614	-	471
Special accounts.....	13,250	13,250	4,966	140	8,144
TOTAL	121,618	125,651	115,376	140	10,135
MANAGEMENT INFORMATION SYSTEMS					
Salaries.....	292,658	300,060	291,254	-	8,806
Expenses.....	261,360	261,360	244,524	1,769	15,067
Capital articles.....	37,369	37,369	37,369	-	-
TOTAL	591,387	598,789	573,147	1,769	23,873
TOWN CLERK					
Salaries.....	252,089	256,078	254,770	-	1,308
Expenses.....	19,017	19,017	16,050	-	2,967
Special accounts.....	59,351	59,351	49,515	-	9,836
Capital articles.....	25,000	25,000	18,069	-	6,931
TOTAL	355,457	359,446	338,404	-	21,042
REGISTRAR OF VOTERS					
Salaries.....	1,150	1,150	1,150	-	-
Expenses.....	7,100	7,100	6,787	-	313
TOTAL	8,250	8,250	7,937	-	313
CONSERVATION					
Salaries.....	193,956	197,610	189,262	-	8,348
Expenses.....	3,265	3,265	2,905	-	360
Special accounts.....	13,000	13,000	12,961	-	39
TOTAL	210,221	213,875	205,128	-	8,747
PLANNING BOARD					
Salaries.....	260,971	266,465	260,477	77	5,911
Expenses.....	24,922	24,922	16,813	5,923	2,186
Capital articles.....	163,380	163,380	65,078	94,874	3,428
TOTAL	449,273	454,767	342,368	100,874	11,525
BOARD OF APPEALS					
Salaries.....	11,897	12,075	12,075	-	-
Expenses.....	250	250	236	-	14
Special accounts.....	6,213	6,213	4,698	1,515	-
TOTAL	18,360	18,538	17,009	1,515	14
NEGOTIATED SETTLEMENTS	798,650	508,083	244,972	263,111	-
Total General Government	5,750,214	5,505,368	4,790,468	531,689	183,211
PUBLIC SAFETY					
POLICE DEPARTMENT					
Salaries.....	6,741,012	6,744,240	6,618,164	42,625	83,451
Expenses.....	593,876	593,876	560,703	24,787	8,386
Special accounts.....	276,055	276,055	274,140	1,387	528
Capital articles.....	35,000	35,000	35,000	-	-
TOTAL	7,645,943	7,649,171	7,488,007	68,799	92,365
FIRE DEPARTMENT					
Salaries.....	5,759,612	5,955,235	5,955,235	-	-
Expenses.....	454,537	454,537	420,030	9,283	25,224
Special accounts.....	165,319	165,320	135,778	6,145	23,398
Capital articles.....	47,440	47,440	15,148	29,732	2,560
TOTAL	6,426,908	6,622,532	6,526,191	45,159	51,182
BUILDING DEPARTMENT					
Salaries.....	518,663	521,876	516,468	-	5,408
Expenses.....	34,075	34,085	31,901	-	2,184
Capital articles.....	21,532	21,532	-	21,532	-
TOTAL	574,270	577,493	548,369	21,532	7,592
SEALER OF WEIGHTS					
Expenses.....	7,800	7,800	7,800	-	-
EMERGENCY MANAGEMENT SERVICE					
Salaries.....	10,002	10,002	10,002	-	-
Expenses.....	13,600	13,600	4,432	8,855	313
TOTAL	23,602	23,602	14,434	8,855	313
Total Public Safety	14,678,523	14,880,597	14,584,801	144,345	151,451

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
EDUCATION					
PUBLIC SCHOOLS					
Salaries and expenditures.....	57,500,303	57,500,303	53,699,632	3,768,745	31,926
Capital articles.....	1,308,906	1,308,906	187,016	1,103,483	18,407
TOTAL.....	<u>58,809,209</u>	<u>58,809,209</u>	<u>53,886,648</u>	<u>4,872,228</u>	<u>50,333</u>
SHAWSHEEN VALLEY TECH	1,775,591	1,775,591	1,772,786	-	2,805
Total Education.....	<u>60,584,800</u>	<u>60,584,800</u>	<u>55,659,434</u>	<u>4,872,228</u>	<u>53,138</u>
PUBLIC WORKS					
Salaries.....	4,484,547	4,503,074	4,479,773	-	23,301
Expenses.....	3,413,080	3,404,577	3,254,581	125,264	24,732
Special accounts.....	444,958	444,958	436,568	9,328	(938)
Capital articles.....	2,797,062	2,887,062	1,626,666	1,260,396	-
TOTAL.....	<u>11,139,647</u>	<u>11,239,671</u>	<u>9,797,588</u>	<u>1,394,988</u>	<u>47,095</u>
SNOW AND ICE					
Expenses.....	350,000	350,000	993,993	-	(643,993)
RUBBISH AND GARBAGE					
Expenses.....	1,770,564	1,770,564	1,704,315	364	65,885
STREET LIGHT					
Expenses.....	400,338	400,338	343,879	56,459	-
DEP DRINKING WATER					
Expenses.....	15,000	15,000	8,702	-	6,298
Total Public Works.....	<u>13,675,549</u>	<u>13,775,573</u>	<u>12,848,477</u>	<u>1,451,811</u>	<u>(524,715)</u>
HEALTH AND HUMAN SERVICES					
BOARD OF HEALTH					
Salaries.....	408,404	412,491	366,913	-	45,578
Expenses.....	60,489	60,489	55,047	182	5,260
Special accounts.....	101,661	101,661	74,172	-	27,489
Capital articles.....	10,294	10,294	331	9,963	-
TOTAL.....	<u>580,848</u>	<u>584,935</u>	<u>496,463</u>	<u>10,145</u>	<u>78,327</u>
COUNCIL ON AGING					
Salaries.....	274,411	277,089	258,896	-	18,193
Expenses.....	7,830	7,830	4,032	-	3,798
Special accounts.....	7,442	7,442	6,942	-	500
TOTAL.....	<u>289,683</u>	<u>292,361</u>	<u>269,870</u>	-	22,491
VETERANS' SERVICES					
Salaries.....	140,683	142,983	142,983	-	-
Expenses.....	2,995	2,995	2,382	-	613
Special accounts.....	128,000	128,000	101,670	-	26,330
TOTAL.....	<u>271,678</u>	<u>273,978</u>	<u>247,035</u>	-	26,943
YOUTH AND FAMILY SERVICES					
Salaries.....	395,251	404,859	404,859	-	-
Expenses.....	25,326	25,326	24,493	314	519
Capital articles.....	30,000	30,000	-	30,000	-
TOTAL.....	<u>450,577</u>	<u>460,185</u>	<u>429,352</u>	<u>30,314</u>	<u>519</u>
DISABILITY ACCESS					
Salaries.....	2,417	2,453	2,352	-	101
Expenses.....	400	400	363	-	37
TOTAL.....	<u>2,817</u>	<u>2,853</u>	<u>2,715</u>	-	138
Total health and Human Services.....	<u>1,595,603</u>	<u>1,614,313</u>	<u>1,445,435</u>	<u>40,459</u>	<u>128,419</u>

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
CULTURE AND RECREATION					
PUBLIC LIBRARY					
Salaries.....	1,096,212	1,100,914	1,086,985	-	13,929
Expenses.....	161,845	161,845	164,834	-	(2,989)
Special accounts.....	159,000	159,000	159,022	-	(22)
TOTAL	1,417,057	1,421,759	1,410,841	-	10,918
RECREATION DIRECTOR					
Salaries.....	553,987	559,088	539,931	-	19,157
Expenses.....	42,391	42,391	38,313	-	4,078
Special accounts.....	16,140	16,140	12,893	-	3,247
TOTAL	612,518	617,619	591,137	-	26,482
RECREATION MAINTENANCE					
Salaries.....	739,506	743,744	564,177	-	179,567
Expenses.....	221,863	221,863	186,605	9,627	25,631
Capital articles.....	136,250	171,250	140,887	27,260	3,103
TOTAL	1,097,619	1,136,857	891,669	36,887	208,301
HISTORICAL COMMISSION					
Expenses.....	9,700	9,700	8,179	-	1,521
Total Culture and Recreation	3,136,894	3,185,936	2,901,826	36,887	247,223
PENSION BENEFITS					
County retirement.....	7,475,305	7,475,305	7,475,305	-	-
EMPLOYEE BENEFITS					
Health insurance.....	11,733,010	12,233,010	11,456,707	203,000	573,303
Medicare tax.....	898,132	898,132	887,899	-	10,233
Unemployment compensation.....	140,404	140,404	117,354	15,897	7,153
TOTAL	12,771,546	13,271,546	12,461,960	218,897	590,689
CAPITAL IMPROVEMENTS	300,000	300,000	300,000	-	-
RESERVE FUND	200,000	300,000	-	-	300,000
STATE AND COUNTY ASSESSMENTS	-	666,080	639,045	-	27,035
DEBT SERVICE PRINCIPAL	3,533,759	3,533,759	3,532,946	-	813
DEBT SERVICE INTEREST	2,011,200	2,011,200	1,840,170	-	171,030
TOTAL EXPENDITURES	125,713,393	127,104,477	118,479,867	7,296,317	1,328,294
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURE	(10,340,356)	(10,564,497)	2,651,319	(7,296,317)	5,919,500
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	-	-	81,885	-	81,885
Transfers in.....	655,000	745,000	745,000	-	-
Transfers out.....	(3,479,187)	(3,979,187)	(3,982,346)	-	(3,159)
TOTAL OTHER FINANCING SOURCES (USES)	(2,824,187)	(3,234,187)	(3,155,461)	-	78,726
NET CHANGE IN FUND BALANCE	(13,164,543)	(13,798,684)	(504,142)	(7,296,317)	5,998,226
BUDGETARY FUND BALANCE, Beginning of year	27,230,254	27,230,254	27,230,254	-	-
BUDGETARY FUND BALANCE, End of year \$	14,065,711 \$	13,431,570 \$	26,726,112 \$	(7,296,317) \$	5,998,226 \$

See Note A in required supplementary information.

(Concluded)

Pension Plan Schedules - Town

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

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

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

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

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

	December 31, 2014
Town's proportion of the net pension liability (asset).....	8.162%
Town's proportionate share of the net pension liability (asset).....	\$ 98,053,205
Town's covered employee payroll (*).....	\$ 29,210,227
Net pension liability as a percentage of covered-employee payroll.....	335.68%
Plan fiduciary net position as a percentage of the total pension liability.....	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.

*Covered employee payroll as reported in the January 1, 2014 funding
valuation report.

See notes to required supplementary information.

SCHEDULE OF TOWN'S CONTRIBUTIONS
MIDDLESEX COUNTY CONTRIBUTORY RETIREMENT SYSTEM

	December 31, 2014
Actuarially determined contribution (a).....	\$ 7,511,305
Contributions in relation to the actuarially determined contribution.....	<u>7,511,305</u>
Contribution deficiency (excess).....	<u>\$ -</u>
Covered-employee payroll (*).....	\$ 29,210,227
Contributions as a percentage of covered- employee payroll.....	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.

(a) Based on the results of the January 1, 2012 actuarial
valuation (including assumptions and methods) which
determined budgeted appropriations for fiscal 2015.

*Covered employee payroll as reported in the January 1, 2014
funding valuation report.

See notes to required supplementary information.

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

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

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

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

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

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

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

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

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

YEAR ENDED JUNE 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
12/31/2014	\$ 2,024,351	\$ 75,528,350	\$ 73,503,999	2.68%	\$ 67,304,810	109.2%
12/31/2012	755,021	102,278,451	101,523,430	0.74%	60,761,981	167.1%
12/31/2010	-	128,054,188	128,054,188	0.00%	58,507,552	218.9%
12/31/2007	-	137,797,088	137,797,088	0.00%	54,104,138	254.7%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage of the ARC Contributed
2015	\$ 5,687,328	\$ 4,846,803	85%
2014	7,371,981	5,064,824	69%
2013	7,077,925	4,789,300	68%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

YEAR ENDED JUNE 30, 2015

Actuarial Methods:

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

Actuarial Assumptions:

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

Plan Membership:

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

See notes to required supplementary information.

NOTE A - BUDGETARY BASIS OF ACCOUNTING

1. Budgetary Information

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

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires majority Town Meeting approval via a supplemental appropriation.

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

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by majority vote of Town Meeting.

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original 2015 approved budget for the General Fund authorized approximately \$129.2 million in appropriations and other amounts to be raised and \$7.8 million in encumbrances and appropriations carried over from previous years. During 2015, the Town increased the original budget by \$1.9 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, 2015, is presented below:

Net change in fund balance - budgetary basis.....	\$ (504,142)
<u>Basis of accounting differences:</u>	
Net change in revenue accruals.....	(657,729)
Increase in revenue due to on-behalf payments.....	5,226,000
Increase in expenditures due to on-behalf payments.....	(5,226,000)
Net change in expenditure accruals.....	260,625
<u>Perspective difference:</u>	
Perspective differences in reporting of sewer fund activities.....	(326,771)
Activity of the stabilization fund recorded in the general fund for GAAP	472,178
Net change in fund balance - GAAP basis.....	<u>\$ (755,839)</u>

3. Excess of Expenditures over Appropriations

For the year ended June 30, 2015, actual expenditures exceeded appropriations for general government central administration budget, public works snow and ice and special accounts budget, and culture and recreation public library budget. These over-expenditures will be raised and funded through available funds during 2016.

NOTE B – PENSION PLAN

Pension Plan Schedules - Town

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

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

B. Schedule of Town's Contributions

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

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

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

D. Changes in Assumptions – None

E. Changes in Plan Provisions – None

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

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

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 2.68%. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

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

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

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

Combining and Individual Fund Statements

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Capital Projects

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

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

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

Permanent Funds

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

YEAR ENDED JUNE 30, 2015

	Special Revenue Funds						
	Town Revolving Funds	School Revolving Funds	Town Gifts	School Gifts	School Activity Programs	Federal Grants	State & Local Grants
ASSETS							
Cash and cash equivalents.....	\$ 1,398,655	\$ 910,001	\$ 359,040	\$ 51,106	\$ 635,718	\$ -	\$ 598,084
Investments.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Intergovernmental.....	-	20,923	-	-	-	548,675	812,288
Due from other funds.....	-	-	-	-	-	-	383,661
TOTAL ASSETS	\$ 1,398,655	\$ 930,924	\$ 359,040	\$ 51,106	\$ 635,718	\$ 548,675	\$ 1,794,033
LIABILITIES							
Warrants payable.....	\$ 58,638	\$ 13,287	\$ 3,821	\$ -	\$ 24,397	\$ 47,625	\$ 3,064
Accrued payroll.....	8,460	-	-	-	-	-	171
Due to other funds.....	-	-	-	-	-	383,661	-
Notes payable.....	-	-	-	-	-	-	-
TOTAL LIABILITIES	67,098	13,287	3,821	-	24,397	431,286	3,235
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues.....	-	-	-	-	-	-	812,288
FUND BALANCES							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	1,331,557	917,637	355,219	51,106	611,321	117,389	978,510
Unassigned.....	-	-	-	-	-	-	-
TOTAL FUND BALANCES	1,331,557	917,637	355,219	51,106	611,321	117,389	978,510
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,398,655	\$ 930,924	\$ 359,040	\$ 51,106	\$ 635,718	\$ 548,675	\$ 1,794,033

Special Revenue Funds		Capital Project Funds				Permanent Funds				Total Nonmajor Governmental Funds
Town Special Purposes Funds	Subtotal	Town Capital Projects	School Capital Projects	Subtotal	Town Libraries	Cemetery Perpetual Care	Conservation	Subtotal		
493,252	\$ 4,445,856	\$ 35,117	\$ 378,066	\$ 413,183	\$ 5,321	\$ 460,347	\$ 1,026	\$ 466,694	\$ 5,325,733	
-	-	-	-	-	-	257,081	-	257,081	257,081	
-	1,381,886	-	-	-	-	-	-	-	1,381,886	
-	383,661	-	-	-	-	-	-	-	383,661	
<u>493,252</u>	<u>\$ 6,211,403</u>	<u>\$ 35,117</u>	<u>\$ 378,066</u>	<u>\$ 413,183</u>	<u>\$ 5,321</u>	<u>\$ 717,428</u>	<u>\$ 1,026</u>	<u>\$ 723,775</u>	<u>\$ 7,348,361</u>	
5,835	\$ 156,667	\$ 31	\$ -	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ 156,698	
-	8,631	-	-	-	-	-	-	-	8,631	
-	383,661	-	-	-	-	-	-	-	383,661	
-	-	-	338,000	338,000	-	-	-	-	338,000	
5,835	548,959	31	338,000	338,031	-	-	-	-	886,990	
-	812,288	-	-	-	-	-	-	-	812,288	
-	-	-	-	-	4,497	555,728	3,205	563,430	563,430	
487,417	4,850,156	35,086	40,066	75,152	824	161,700	-	162,524	5,087,832	
-	-	-	-	-	-	-	(2,179)	(2,179)	(2,179)	
<u>487,417</u>	<u>4,850,156</u>	<u>35,086</u>	<u>40,066</u>	<u>75,152</u>	<u>5,321</u>	<u>\$ 717,428</u>	<u>\$ 1,026</u>	<u>\$ 723,775</u>	<u>\$ 5,649,083</u>	
<u>493,252</u>	<u>\$ 6,211,403</u>	<u>\$ 35,117</u>	<u>\$ 378,066</u>	<u>\$ 413,183</u>	<u>\$ 5,321</u>	<u>\$ 717,428</u>	<u>\$ 1,026</u>	<u>\$ 723,775</u>	<u>\$ 7,348,361</u>	

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

YEAR ENDED JUNE 30, 2015

	Special Revenue Funds						
	Town Revolving Funds	School Revolving Funds	Town Gifts	School Gifts	School Activity Programs	Federal Grants	State & Local Grants
REVENUES:							
Intergovernmental.....	\$ 4,301	\$ 50,000	\$ -	\$ -	\$ -	\$ 3,159,925	\$ 1,535,999
Departmental and other.....	1,203,060	2,097,748	126,664	27,225	1,050,552	-	750,607
Contributions.....	-	-	950,050	2,830	-	-	-
Investment income.....	126	-	-	-	-	-	-
Miscellaneous.....	-	-	-	-	-	-	7,500
TOTAL REVENUES.....	1,207,487	2,147,748	1,076,714	30,055	1,050,552	3,159,925	2,294,106
EXPENDITURES:							
Current:							
General government.....	218,356	-	6,424	-	-	-	600,966
Public safety.....	4,200	-	680	-	-	17,159	165,429
Education.....	-	2,332,076	-	16,034	928,094	2,657,769	-
Public works.....	28,054	-	-	-	-	109,867	652,015
Human services.....	12,589	-	21,824	-	-	-	73,247
Culture and recreation.....	954,206	-	47,955	-	-	-	17,256
Debt service:							
Principal.....	-	-	55,000	-	-	-	-
Interest.....	-	-	27,108	-	-	-	-
Payments to bond escrow agent.....	-	-	793,918	-	-	-	-
TOTAL EXPENDITURES.....	1,217,405	2,332,076	952,909	16,034	928,094	2,784,795	1,508,913
EXCESS (DEFICIENCY) OF REVENUES							
OVER EXPENDITURES.....	(9,918)	(184,328)	123,805	14,021	122,458	375,130	785,193
OTHER FINANCING SOURCES (USES):							
Proceeds from bonds and notes.....	-	-	-	-	-	-	-
Capital lease financing.....	-	-	-	-	-	-	-
Transfers in.....	155,000	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)...	155,000	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	145,082	(184,328)	123,805	14,021	122,458	375,130	785,193
FUND BALANCES AT BEGINNING OF YEAR.....	1,186,475	1,101,965	231,414	37,085	488,863	(257,741)	193,317
FUND BALANCES AT END OF YEAR.....	\$ 1,331,557	\$ 917,637	\$ 355,219	\$ 51,106	\$ 611,321	\$ 117,389	\$ 978,510

Special Revenue Funds		Capital Projects Funds				Permanent Funds				Total Nonmajor Governmental Funds
Town Special Purposes Funds	Subtotal	Town Capital Projects	School Capital Projects	Subtotal	Town Libraries	Cemetery Perpetual Care	Conservation	Subtotal		
-	\$ 4,750,225	\$ 5,438,161	36	\$ 36	-	-	-	-	\$ 4,750,225	
182,305									5,438,197	
-	952,880	-	-	-	-	49,716	-	49,716	1,002,596	
360	486	-	-	-	14	18,356	3	18,373	18,859	
233,171	240,671	-	-	-	-	-	-	-	240,671	
415,836	11,382,423	36	-	36	14	68,072	3	68,089	11,450,548	
59,507	885,253	1,860,388	-	1,860,388	-	-	-	-	2,745,641	
49,095	236,563	-	-	-	-	-	-	-	236,563	
-	5,933,973	-	136,060	136,060	-	-	-	-	6,070,033	
10,787	800,723	-	-	-	-	-	-	-	800,723	
29,523	137,183	-	-	-	-	-	-	-	137,183	
-	1,019,417	-	-	-	-	-	-	-	1,019,417	
-	55,000	-	-	-	-	-	-	-	55,000	
-	27,108	-	-	-	-	-	-	-	27,108	
-	793,918	-	-	-	-	-	-	-	793,918	
148,912	9,889,138	1,860,388	136,060	1,996,448	-	-	-	-	11,885,586	
266,924	1,493,285	(1,860,352)	(136,060)	(1,996,412)	14	68,072	3	68,089	(435,038)	
-	2,695,000	3,057,000	5,752,000	-	-	-	-	-	5,752,000	
-	1,800,000	-	1,800,000	-	-	-	-	-	1,800,000	
-	155,000	-	189,186	189,186	-	-	-	-	344,186	
-	155,000	4,495,000	3,246,186	7,741,186	-	-	-	-	7,896,186	
266,924	1,648,285	2,634,648	3,110,126	5,744,774	14	68,072	3	68,089	7,461,148	
220,493	3,201,871	(2,599,562)	(3,070,060)	(5,669,622)	5,307	649,356	1,023	655,686	(1,812,065)	
487,417	\$ 4,850,156	\$ 35,086	\$ 40,066	\$ 75,152	\$ 5,321	\$ 717,428	\$ 1,026	\$ 723,775	\$ 5,649,083	

Agency Fund

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

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2015

	Agency Funds June 30, 2014	Additions	Deletions	Agency Funds June 30, 2015
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 405,417	\$ 2,764,038	\$ (2,443,152)	\$ 726,303
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	384,749	187,533	(384,749)	187,533
TOTAL ASSETS	\$ 790,166	\$ 2,951,571	\$ (2,827,901)	\$ 913,836
LIABILITIES				
Payroll liabilities.....	\$ 20,842	\$ 19,917	\$ (19,457)	\$ 21,302
Liabilities due depositors.....	769,324	1,196,929	(1,073,719)	892,534
TOTAL LIABILITIES	\$ 790,166	\$ 1,216,846	\$ (1,093,176)	\$ 913,836

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Statistical Section



Pictured above is an office complex located on Network Drive. The Town's bustling retail sector and convenient location at the junction of Routes 128 & 3 have made it a popular corporate address for a wide range of businesses.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<hr/>										
Governmental activities:										
Net Investment in capital assets.....	\$ 66,576,038	\$ 62,233,320	\$ 66,576,624	\$ 67,532,644	\$ 73,581,193	\$ 82,470,226	\$ 96,639,005	\$ 106,844,287	\$ 112,419,808	\$ 117,056,689
Restricted.....	2,172,556	998,810	2,188,153	1,358,679	1,963,823	2,515,660	2,998,905	1,313,764	959,629	2,365,972
Unrestricted.....	15,915,276	21,166,210	19,228,121	16,893,182	11,172,692	13,749,367	19,910,758	20,586,182	(74,474,053)	(75,794,406)
Total governmental activities net position.....	<u>\$ 84,663,870</u>	<u>\$ 84,398,340</u>	<u>\$ 87,992,898</u>	<u>\$ 85,784,505</u>	<u>\$ 86,717,708</u>	<u>\$ 98,735,253</u>	<u>\$ 119,548,668</u>	<u>\$ 128,744,233</u>	<u>\$ 38,905,384</u>	<u>\$ 43,628,255</u>
Business-type activities:										
Net Investment in capital assets.....	555,731	705,676	834,672	971,347	1,108,685	-	-	-	-	-
Unrestricted.....	247,063	190,357	234,363	31,505	19,782	-	-	-	-	-
Total business-type activities net position.....	<u>\$ 802,794</u>	<u>\$ 896,033</u>	<u>\$ 1,069,035</u>	<u>\$ 1,002,852</u>	<u>\$ 1,128,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government:										
Net Investment in capital assets.....	67,131,769	62,938,996	67,411,296	68,503,991	74,689,878	82,470,226	96,639,005	106,844,287	112,419,808	117,056,689
Restricted.....	2,172,556	998,810	2,188,153	1,358,679	1,963,823	2,515,660	2,998,905	1,313,764	959,629	2,365,972
Unrestricted.....	16,162,339	21,356,567	19,462,484	16,924,687	11,192,474	13,749,367	19,910,758	20,586,182	(74,474,053)	(75,794,406)
Total primary government net position.....	<u>\$ 85,466,664</u>	<u>\$ 85,294,373</u>	<u>\$ 89,061,933</u>	<u>\$ 86,787,357</u>	<u>\$ 87,846,175</u>	<u>\$ 98,735,253</u>	<u>\$ 119,548,668</u>	<u>\$ 128,744,233</u>	<u>\$ 38,905,384</u>	<u>\$ 43,628,255</u>

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.

Town of Burlington, Massachusetts

Changes in Net Position

Last Ten Years

	Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government.....	\$ 5,446,957	\$ 7,849,363	\$ 7,548,256	\$ 8,459,662	\$ 7,813,766	\$ 8,385,657	\$ 8,234,335	\$ 8,973,916	\$ 8,933,778	\$ 8,657,177
Public safety.....	15,206,915	14,676,456	17,197,170	18,431,272	19,775,102	19,983,723	19,886,936	21,329,943	20,004,254	22,379,342
Education.....	55,467,444	58,544,715	58,489,359	65,300,541	66,909,094	70,186,700	73,899,689	74,101,607	81,817,139	77,578,174
Public works.....	9,196,334	8,539,972	9,177,761	9,662,429	10,134,929	9,708,911	9,530,650	10,678,127	10,966,318	13,331,433
Water and sewer.....	5,502,142	6,635,964	7,393,229	7,944,289	8,327,213	8,405,199	9,226,171	9,250,784	8,838,002	9,239,696
Human services.....	1,564,442	1,553,910	1,731,666	1,992,081	1,851,921	2,075,523	2,090,245	2,124,869	2,098,766	2,177,676
Culture and recreation.....	3,957,192	3,366,966	4,379,119	4,590,373	4,793,427	4,889,380	5,085,224	5,154,268	5,293,996	5,271,687
Interest.....	928,988	1,226,467	1,104,857	1,047,441	959,569	1,285,155	1,223,790	1,917,491	1,823,582	1,448,616
Total government activities expenses.....	97,270,414	102,393,813	107,021,417	117,428,088	120,565,021	124,920,248	129,177,040	133,531,005	139,775,835	140,083,401
Business-type activities:										
Ice Palace.....	556,877	624,671	591,237	731,015	64,543	59,588	-	-	-	-
Total primary government expenses.....	\$ 97,827,291	\$ 103,018,484	\$ 107,612,654	\$ 118,159,103	\$ 120,629,564	\$ 124,979,836	\$ 129,177,040	\$ 133,531,005	\$ 139,775,835	\$ 140,083,401
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 2,974,715	\$ 1,844,477	\$ 1,572,380	\$ 1,750,051	\$ 2,326,499	\$ 2,500,576	\$ 3,055,634	\$ 2,871,218	\$ 3,160,902	\$ 3,378,914
Public Safety charges for services.....	2,245,813	2,302,360	1,797,960	1,951,849	1,742,183	2,020,420	2,160,275	2,583,570	3,477,953	3,800,655
Water and sewer charges for services.....	5,463,771	5,528,441	7,197,018	7,754,170	5,605,736	9,879,275	8,795,125	8,701,323	9,335,360	9,463,040
Other charges for services.....	2,962,554	2,829,231	2,856,133	2,960,232	3,102,622	3,264,617	3,346,047	3,160,184	4,014,165	4,127,637
Operating grants and contributions.....	12,621,138	15,255,811	15,894,900	17,012,906	18,700,912	17,694,926	19,797,276	20,362,729	20,108,510	14,584,113
Capital grant and contributions.....	1,001,550	-	2,206,646	404,336	3,318,410	8,551,819	18,489,036	5,714,298	3,686,648	3,047,454
Total government activities program revenues.....	27,269,541	27,760,320	31,525,037	31,833,544	34,796,362	43,911,633	55,643,393	43,393,322	43,783,538	38,401,813
Business-type activities:										
Charges for services.....	696,563	710,891	758,470	662,860	190,158	135,693	-	-	-	-
Total primary government program revenues.....	\$ 27,966,104	\$ 28,471,211	\$ 32,283,507	\$ 32,496,404	\$ 34,986,520	\$ 44,047,326	\$ 55,643,393	\$ 43,393,322	\$ 43,783,538	\$ 38,401,813
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (70,000,873)	\$ (74,633,493)	\$ (75,496,380)	\$ (85,594,544)	\$ (85,768,659)	\$ (81,008,615)	\$ (73,533,647)	\$ (90,137,683)	\$ (95,992,297)	\$ (101,681,588)
Business-type activities.....	139,686	86,220	167,233	(68,155)	125,615	76,105	-	-	-	-
Total primary government net (expense)/program revenue.....	\$ (69,861,187)	\$ (74,547,273)	\$ (75,329,147)	\$ (85,662,699)	\$ (85,643,044)	\$ (80,932,510)	\$ (73,533,647)	\$ (90,137,683)	\$ (95,992,297)	\$ (101,681,588)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 61,403,810	\$ 64,634,263	\$ 68,910,879	\$ 74,149,116	\$ 78,024,335	\$ 81,198,186	\$ 83,728,004	\$ 87,525,940	\$ 91,085,231	\$ 94,505,632
Tax liens.....	37,027	31,676	138,283	204,413	461,580	210,130	559,358	371,618	567,733	281,302
Motor vehicle excise taxes.....	2,990,842	2,906,393	3,126,512	2,913,520	2,886,060	3,166,382	3,139,309	3,468,964	3,554,381	3,636,722
Hotel, motel and meals taxes.....	1,049,991	1,344,911	1,432,492	1,308,835	1,287,634	1,871,735	3,349,317	3,636,393	3,657,526	4,255,813
Penalties and interest on taxes.....	518,505	387,565	390,611	323,433	300,476	334,113	338,128	383,922	291,353	255,365
Payment in lieu of taxes.....	554,672	541,071	548,314	547,878	548,087	521,092	520,000	520,347	520,000	521,090
Grants and contributions not restricted to specific programs.....	2,982,155	3,313,286	3,379,354	3,042,580	2,424,372	2,331,313	2,328,361	2,366,346	2,389,509	2,446,724
Unrestricted investment income.....	665,784	1,208,798	680,300	460,915	252,090	239,593	199,527	335,618	273,217	236,962
Gain or sale of capital assets.....	-	-	-	-	-	605,316	-	521,600	-	-
Miscellaneous.....	-	-	484,193	435,461	517,228	1,343,728	185,058	202,500	181,101	264,849
Transfers.....	-	-	-	-	1,204,572	-	-	-	-	-
Total governmental activities.....	70,202,786	74,367,963	79,090,938	83,386,151	86,701,862	93,026,160	94,347,062	99,333,248	102,520,051	106,404,459
Business-type activities:										
Unrestricted investment income.....	1,391	7,019	5,769	1,972	-	(1,204,572)	-	-	-	-
Transfers.....	-	-	-	-	-	-	-	-	-	-
Total business-type activities.....	1,391	7,019	5,769	1,972	-	(1,204,572)	-	-	-	-
Total primary government general revenues and other changes in net position.....	\$ 70,204,177	\$ 74,374,982	\$ 79,096,707	\$ 83,388,123	\$ 86,701,862	\$ 91,821,588	\$ 94,347,062	\$ 99,333,248	\$ 102,520,051	\$ 106,404,459
Changes in Net Position										
Governmental activities.....	\$ 201,913	\$ (265,530)	\$ 3,594,558	\$ (2,206,421)	\$ 933,203	\$ 12,017,545	\$ 20,813,415	\$ 9,195,565	\$ 6,527,754	\$ 4,722,871
Business-type activities.....	141,077	93,239	173,002	(66,183)	125,615	(1,128,467)	-	-	-	-
Total primary government changes in net position.....	\$ 342,990	\$ (172,291)	\$ 3,767,560	\$ (2,272,604)	\$ 1,058,818	\$ 10,889,078	\$ 20,813,415	\$ 9,195,565	\$ 6,527,754	\$ 4,722,871

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.

Town of Burlington, Massachusetts

Fund Balances, Governmental Funds

Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<hr/>										
General Fund										
Committed.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,197,206	\$ 2,445,246	\$ 2,635,593	\$ 1,705,171	\$ 2,692,084
Assigned.....	905,756	2,029,012	1,733,658	2,362,290	1,834,572	3,002,537	3,892,016	5,238,888	7,624,521	6,861,393
Unassigned.....	<u>7,208,962</u>	<u>7,449,414</u>	<u>8,266,587</u>	<u>8,828,675</u>	<u>10,179,879</u>	<u>16,235,802</u>	<u>18,150,496</u>	<u>21,765,606</u>	<u>25,037,238</u>	<u>24,057,614</u>
Total general fund.....	<u>\$ 8,114,718</u>	<u>\$ 9,478,426</u>	<u>\$ 10,000,245</u>	<u>\$ 11,190,965</u>	<u>\$ 12,014,451</u>	<u>\$ 20,435,545</u>	<u>\$ 24,487,758</u>	<u>\$ 29,640,087</u>	<u>\$ 34,366,930</u>	<u>\$ 33,611,091</u>
<hr/>										
All Other Governmental Funds										
Reserved.....	\$ 4,382,968	\$ 4,755,276	\$ 4,307,500	\$ 4,181,921	\$ 3,669,686	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	2,304,243	2,898,304	3,179,680	2,417,335	3,139,071	-	-	-	-	-
Capital projects funds.....	(225,105)	3,118,051	857,097	(935,224)	3,365,397	-	-	-	-	-
Permanent funds.....	69,258	70,322	86,260	111,767	124,569	-	-	-	-	-
Nonspendable.....	-	-	-	-	-	413,880	488,630	482,459	570,480	563,430
Restricted.....	-	-	-	-	-	6,982,974	8,772,669	5,679,557	3,303,818	7,734,094
Unassigned.....	-	-	-	-	-	(260,739)	(281,552)	(1,624,076)	(7,485,398)	(2,179)
Total all other governmental funds.....	<u>\$ 6,531,364</u>	<u>\$ 10,841,953</u>	<u>\$ 8,430,537</u>	<u>\$ 5,775,799</u>	<u>\$ 10,298,723</u>	<u>\$ 7,136,115</u>	<u>\$ 8,979,747</u>	<u>\$ 4,537,940</u>	<u>\$ (3,611,100)</u>	<u>\$ 8,295,345</u>

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 61,454,026	\$ 64,800,315	\$ 68,838,117	\$ 73,940,044	\$ 78,080,006	\$ 81,079,532	\$ 83,917,539	\$ 87,511,573	\$ 91,419,009	\$ 94,364,342
Tax liens.....	52,306	115,510	82,568	35,813	77,469	213,009	249,692	281,902	218,654	173,535
Motor vehicle excise taxes.....	3,127,822	2,822,105	3,123,333	3,088,661	2,850,959	3,026,761	3,123,877	3,525,991	3,612,156	3,654,777
Hotel, motel and meals taxes.....	1,049,991	1,344,911	1,432,492	1,308,835	1,287,634	1,871,735	3,349,317	3,636,393	3,657,526	4,255,813
Charges for service.....	1,030,984	738,394	788,792	545,845	522,563	475,101	618,487	743,470	659,605	691,362
Water and sewer charges.....	5,271,526	5,590,497	6,060,638	7,200,057	7,012,986	9,310,898	8,878,775	9,240,758	10,007,241	10,164,519
Penalties and interest on taxes.....	518,505	387,565	390,611	323,433	300,476	334,113	338,128	383,922	291,353	255,365
Fees and rentals.....	261,720	274,651	263,653	388,618	404,593	441,306	430,100	342,461	453,264	504,411
Payment in lieu of taxes.....	554,672	541,071	548,314	547,878	548,087	521,092	520,000	520,347	520,000	521,090
Licenses and permits.....	1,842,060	1,823,565	1,352,798	1,450,119	1,253,915	1,411,288	1,293,115	2,046,545	2,772,859	2,878,533
Intergovernmental.....	16,161,008	19,090,491	20,670,124	20,963,142	24,278,648	29,101,027	39,567,666	30,078,008	24,583,703	18,719,275
Departmental and other.....	3,863,700	4,934,401	3,878,102	4,245,845	4,912,444	5,322,845	6,815,023	5,535,692	6,044,841	6,427,038
Contributions.....	4,675	3,263	7,479	13,017	28,016	15,709	46,174	26,489	1,501,903	1,002,596
Investment income.....	572,109	1,099,686	604,587	428,623	240,167	233,569	196,172	330,339	267,563	230,164
Miscellaneous.....	47,273	7,149	336,451	512,677	474,972	874,808	271,503	255,126	228,519	502,723
Total Revenue.....	95,812,377	103,573,574	108,378,059	114,992,607	122,272,935	134,232,793	149,615,568	144,459,016	146,238,196	144,345,543
Expenditures:										
General government.....	4,152,915	3,867,680	4,280,871	5,880,994	5,352,889	5,692,875	5,893,759	6,394,853	6,511,826	7,802,938
Public safety.....	11,207,804	11,124,011	12,384,267	12,160,737	13,249,192	13,347,165	12,833,413	13,488,718	13,733,599	14,870,137
Education.....	45,729,324	47,564,580	42,490,307	46,208,782	45,927,698	49,475,780	51,719,838	53,328,943	58,699,538	57,398,922
Public works.....	5,410,641	9,201,967	7,006,444	6,189,351	6,467,606	5,986,086	5,627,985	6,342,475	6,568,070	11,487,236
Water and sewer.....	2,691,948	2,922,669	2,908,367	3,093,945	3,631,069	3,205,804	3,719,362	3,754,705	3,200,730	3,528,114
MWRA assessment.....	3,440,952	3,713,295	3,880,156	4,158,552	3,988,371	4,468,551	4,744,850	4,745,864	4,865,690	4,962,214
Human services.....	1,201,137	1,167,627	1,221,699	1,388,888	1,352,605	1,439,541	1,491,404	1,504,393	1,503,817	1,582,618
Culture and recreation.....	3,371,008	2,937,764	3,165,457	3,344,486	3,476,835	3,450,315	3,536,753	3,864,371	3,797,414	3,625,733
Pension benefits.....	4,325,931	4,856,218	13,724,677	15,138,019	15,821,783	16,495,297	17,333,291	18,235,052	18,916,521	12,701,305
Employee benefits and insurance.....	8,225,761	9,009,841	9,642,611	9,963,571	9,964,115	10,277,959	12,168,672	12,080,516	11,850,607	12,461,960
State and county charges.....	514,253	518,033	531,620	606,387	629,368	578,764	587,147	601,693	624,546	639,045
Capital outlay.....	2,699,181	7,302,652	7,082,129	6,070,157	13,645,746	25,856,866	32,941,925	16,789,218	13,344,606	5,488,898
Debt service:										
Principal.....	2,496,034	2,688,711	2,936,044	3,049,436	2,966,147	2,790,482	3,165,380	3,801,490	4,099,923	3,686,506
Interest.....	893,220	1,251,988	1,245,337	1,125,265	1,106,719	1,284,304	1,642,702	1,801,458	2,043,937	1,759,278
Payment to bond escrow agent.....	-	-	-	-	-	-	-	-	-	793,918
Total Expenditures.....	96,360,109	108,127,036	112,499,986	118,378,570	127,580,143	144,349,789	157,406,481	146,733,749	149,760,824	142,788,822
Excess of revenues over (under) expenditures.....	(547,732)	(4,553,462)	(4,121,927)	(3,385,963)	(5,307,208)	(10,116,996)	(7,790,913)	(2,274,733)	(3,522,628)	1,556,721
Other Financing Sources (Uses)										
Issuance of bonds and notes.....	-	9,897,482	1,763,000	1,900,000	10,480,000	14,801,675	13,145,125	1,242,000	-	7,712,000
Premium from issuance of bonds.....	102,176	30,277	69,330	21,945	173,618	567,177	541,633	374,786	100,431	81,885
Sale of capital assets.....	-	-	-	-	-	-	-	521,600	-	-
Capital lease financing.....	-	-	-	-	-	-	-	846,869	-	1,800,000
Transfers in.....	2,541,022	2,819,185	2,340,898	2,487,961	2,055,818	1,139,655	1,641,477	1,507,562	375,443	4,829,186
Transfers out.....	(2,541,022)	(2,519,185)	(1,940,898)	(2,487,961)	(2,055,818)	(1,133,025)	(1,641,477)	(1,507,562)	(375,443)	(4,829,186)
Total other financing sources (uses).....	102,176	10,227,759	2,232,330	1,921,945	10,653,618	15,375,482	13,686,758	2,985,255	100,431	9,593,885
Net change in fund balance.....	\$ (445,556)	\$ 5,674,297	\$ (1,889,597)	\$ (1,464,018)	\$ 5,346,410	\$ 5,258,486	\$ 5,895,845	\$ 710,522	\$ (3,422,197)	\$ 11,150,606
Debt service as a percentage of noncapital expenditures.....	3.62%	3.91%	3.97%	3.72%	3.57%	3.44%	3.86%	4.31%	4.50%	3.97%

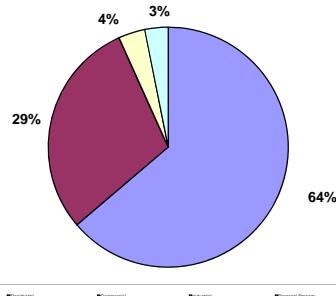
Town of Burlington, Massachusetts

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

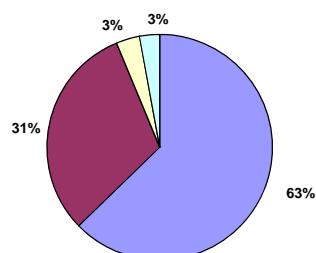
Last Ten Years

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
2006 (1)	\$3,006,687,085	\$9.00	\$937,510,580	\$224,742,100	\$110,817,230	\$1,273,069,910	\$27.40	29.7%	\$14.47	\$4,279,756,995
2007	\$3,153,355,610	\$9.20	\$1,021,337,885	\$230,982,000	\$109,074,580	\$1,361,394,465	\$26.00	30.2%	\$14.27	\$4,514,750,075
2008	\$3,100,676,555	\$9.60	\$1,204,863,610	\$190,844,300	\$115,680,810	\$1,511,388,720	\$26.30	32.8%	\$15.07	\$4,612,065,275
2009 (1)	\$3,101,128,425	\$9.90	\$1,383,575,400	\$202,918,400	\$132,268,300	\$1,718,762,100	\$25.90	35.7%	\$15.61	\$4,819,890,525
2010	\$2,938,363,015	\$10.90	\$1,267,650,950	\$176,476,500	\$136,843,360	\$1,580,970,810	\$29.70	35.0%	\$17.48	\$4,519,333,825
2011	\$2,880,926,535	\$11.50	\$1,276,438,427	\$173,181,200	\$138,221,020	\$1,587,840,647	\$30.80	35.5%	\$18.36	\$4,468,767,182
2012 (1)	\$2,948,417,550	\$11.55	\$1,340,593,248	\$178,475,200	\$131,561,270	\$1,650,629,718	\$30.95	35.9%	\$18.51	\$4,599,047,268
2013	\$2,981,261,150	\$11.85	\$1,366,644,948	\$177,084,100	\$138,298,620	\$1,682,027,668	\$31.70	36.1%	\$19.01	\$4,663,288,818
2014	\$3,040,672,350	\$12.00	\$1,405,152,603	\$171,648,200	\$149,821,880	\$1,726,622,683	\$32.24	36.2%	\$19.33	\$4,767,295,033
2015 (1)	\$3,318,511,275	\$11.35	\$1,641,350,579	\$177,610,700	\$152,236,170	\$1,971,197,449	\$29.40	37.3%	\$18.08	\$5,289,708,724

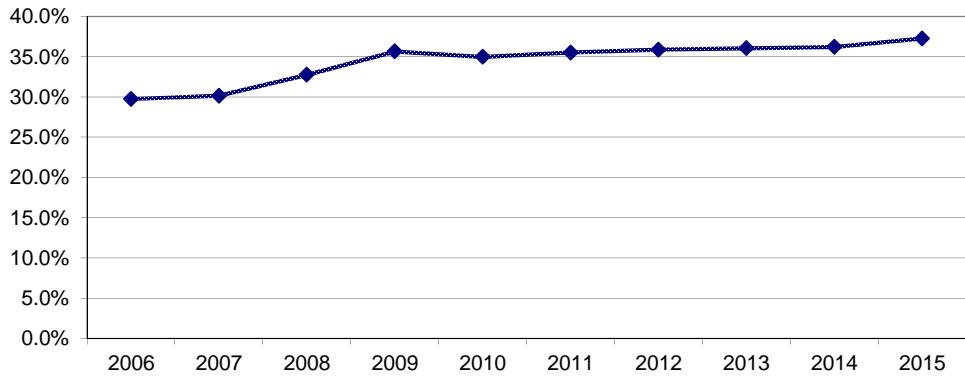
Total Assessed Value by Classification
Fiscal Year Ended June 30, 2014



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



Commercial Value as % of Total Value



(1) Revaluation year.

Source: Assessor's Department, Town of Burlington

All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

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

Town of Burlington, Massachusetts

Principal Taxpayers

Current Year and Nine Years Ago

Name	Nature of Business	2015			2006		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Bellwether Property Of Mass	Office Building	\$ 201,254,600	1	6.3%		-	
Network Drive Owner LLC	Office Building	\$ 153,333,300	2	5.2%		-	
N. E. Executive	Office Building	\$ 128,289,700	3	3.8%	\$ 84,984,500	3	2.0%
Nordblom	Office Building	\$ 98,615,100	4	3.2%	\$ 85,024,200	2	2.0%
Gutierrez/Auburn-Oxford	Office/Real Estate Development	\$ 87,347,000	5	2.1%		-	
Wayside Commons Invest.	Office Building/Retail	\$ 66,209,600	6	2.0%		-	
Burlington Mall FB-1 LLC	Office Building/Retail	\$ 63,493,600	7	1.4%	\$ 154,811,700	1	3.6%
Burlington Centre Owner LLC	Office Building	\$ 57,373,400	8	1.3%		-	
Oracle USA Inc	Computer Network Systems	\$ 50,654,900	9	1.2%		-	
Piedmont 5 & 15 Wayside LLC	Office Building	\$ 36,959,300	10	1.1%		-	
E&A Northeast LP	Office Building	-			\$ 48,415,400	4	1.1%
Hekimian & Finard	Office/Real Estate Development	-			\$ 47,230,800	5	1.1%
Sun Micro	Computer Network Systems	-			\$ 39,093,100	6	0.9%
Corp Dr. Corp Tr.	Office Building	-			\$ 37,689,100	7	0.9%
Ma 25 Mall Office LLC	Office Building	-			\$ 25,087,600	8	0.6%
Auburn Oxford Trust	Office/Real Estate Development	-			\$ 29,378,300	9	0.7%
One Wheeler Rd Assoc.	Office/Real Estate Development	_____	_____	_____	\$ 19,487,800	10	0.5%
		Totals	\$943,530,500	27.6%	\$571,202,500	13.4%	

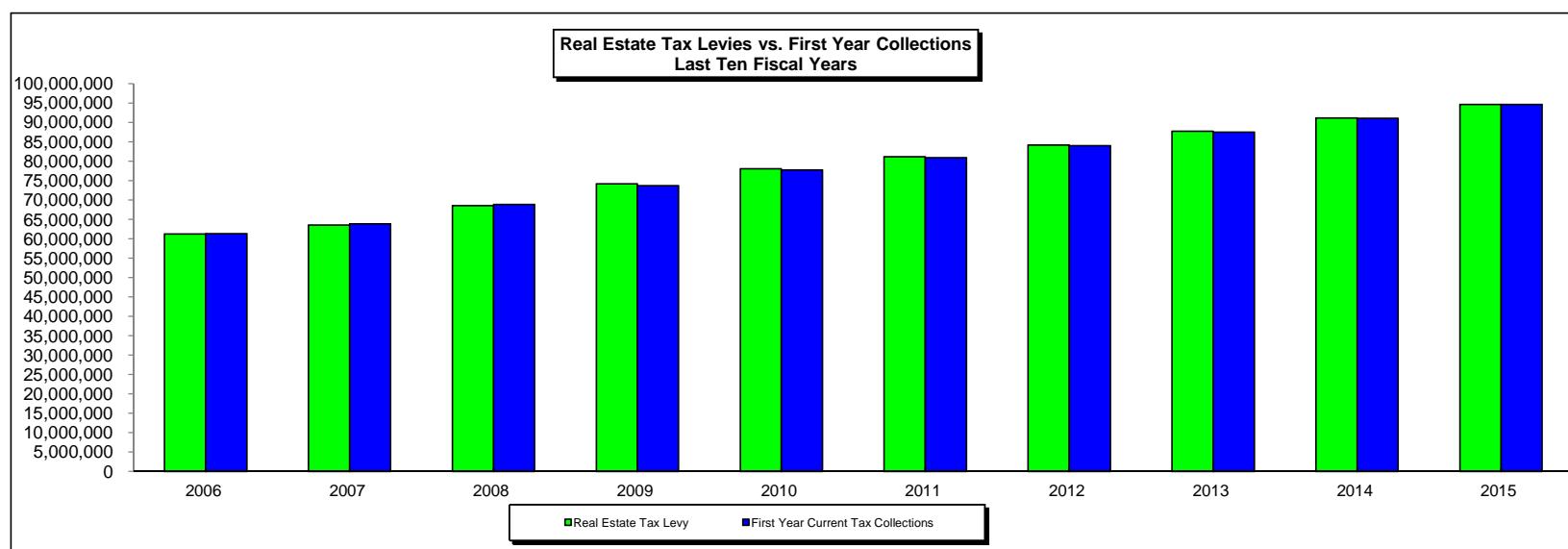
Source: Town of Burlington, Assessor Department

Town of Burlington, Massachusetts

Property Tax Levies and Collections

Last Ten Years

Year	Total Tax Levy	Less Allowance for Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2006	\$61,942,299	\$741,565	\$61,200,734	98.80%	\$61,314,889	100.19%	\$486,981	\$61,801,870	100.98%
2007	\$64,407,127	\$868,365	\$63,538,762	98.65%	\$63,881,114	100.54%	\$519,722	\$64,400,836	101.36%
2008	\$69,516,018	\$1,021,024	\$68,494,994	98.53%	\$68,806,312	100.45%	\$490,909	\$69,297,221	101.17%
2009	\$75,217,111	\$1,033,640	\$74,183,471	98.63%	\$73,662,038	99.30%	\$564,922	\$74,226,960	100.06%
2010	\$78,982,990	\$955,024	\$78,027,966	98.79%	\$77,751,205	99.65%	\$496,723	\$78,247,928	100.28%
2011	\$82,036,147	\$933,064	\$81,103,083	98.86%	\$80,860,884	99.70%	\$427,237	\$81,288,121	100.23%
2012	\$85,136,212	\$1,001,805	\$84,134,407	98.82%	\$84,009,338	99.85%	\$403,897	\$84,413,235	100.33%
2013	\$88,648,222	\$950,000	\$87,698,222	98.93%	\$87,445,667	99.71%	\$410,312	\$87,855,979	100.18%
2014	\$92,154,384	\$1,020,328	\$91,134,056	98.89%	\$91,020,060	99.87%	\$400,915	\$91,420,975	100.31%
2015	\$95,618,308	\$1,000,000	\$94,618,308	98.95%	\$94,591,684	99.97%	\$0	\$94,591,684	99.97%



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	Governmental Activities Debt							
	Population Estimates	Personal Income	Assessed Value	General Obligation Bonds (2)	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2006	23,424	\$655,239,552	\$4,279,756,995	\$23,107,895	\$ -	\$987	3.53%	0.54%
2007	23,223	\$684,706,932	\$4,514,750,045	\$32,066,665	\$ -	\$1,381	4.68%	0.71%
2008	23,299	\$718,075,180	\$4,612,065,275	\$31,593,621	\$ -	\$1,356	4.40%	0.69%
2009	24,895	\$752,053,055	\$4,819,890,565	\$28,994,185	\$ -	\$1,165	3.86%	0.60%
2010	24,498	\$796,797,450	\$4,519,333,825	\$35,258,038	\$ 1,200,000	\$1,488	4.58%	0.81%
2011	24,985	\$878,422,630	\$4,468,767,182	\$46,769,231	\$ 900,000	\$1,908	5.43%	1.07%
2012	24,708	\$851,635,344	\$4,599,047,268	\$56,748,976	\$ 586,500	\$2,321	6.73%	1.25%
2013	25,008	\$870,103,344	\$4,663,288,818	\$54,189,486	\$ 921,476	\$2,204	6.33%	1.18%
2014	25,176	\$902,383,368	\$4,767,295,033	\$50,089,563	\$ 349,863	\$2,003	5.59%	1.06%
2015	25,190	\$867,266,510	\$5,289,708,724	\$54,018,579	\$ 1,465,481	\$2,203	6.40%	1.05%

Year	Total Primary Government			
	General Obligation Bonds (2)	Total Debt Outstanding	Per Capita	Percentage of Personal Income
				Percentage of Assessed Value

2006	\$832,817	\$23,940,712	\$1,022	3.65%	0.56%
2007	\$660,923	\$32,727,588	\$1,409	4.78%	0.72%
2008	\$489,763	\$32,083,384	\$1,377	4.47%	0.70%
2009	\$310,923	\$29,305,108	\$1,177	3.90%	0.61%
2010	\$131,421	\$36,589,459	\$1,494	4.59%	0.81%
2011	\$ -	\$47,669,231	\$1,908	5.43%	1.07%
2012	\$ -	\$57,335,476	\$2,321	6.73%	1.25%
2013	\$ -	\$55,110,962	\$2,204	6.33%	1.18%
2014	\$ -	\$50,439,426	\$2,003	5.59%	1.06%
2015	\$ -	\$55,484,060	\$2,203	6.40%	1.05%

(1) Enterprise funds dissolved in 2011

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

Source: Audited Financial Statements, U. S. Census

Town of Burlington, Massachusetts

Direct and Overlapping Governmental Activities Debt

As of June 30, 2015

<u>Town of Burlington, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Shawsheen Valley Technical Vocational School.....	\$ 2,010,000	7.92%	\$ 159,179
MWRA.....	3,797,261,000	1.12%	42,605,268
Subtotal, overlapping debt.....			42,764,447
Direct debt:			
Capital Lease Obligations.....			1,465,481
(1) General Governmental Debt.....			54,018,579
Town total direct debt.....			55,484,060
Total direct and overlapping debt.....			\$ 98,248,507

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

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

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

Town of Burlington, Massachusetts

Computation of Legal Debt Margin

Last Ten Years

	Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equalized Valuation.....	\$ 4,563,513,000	\$ 4,563,513,000	\$ 5,138,693,700	\$ 5,138,693,700	\$ 4,963,154,800	\$ 4,963,154,800	\$ 4,948,189,000	\$ 4,948,189,000	\$ 5,185,943,200	\$ 5,185,943,200
Debt Limit -5% of Equalized Valuation.....	\$ 228,175,650	\$ 228,175,650	\$ 256,934,685	\$ 256,934,685	\$ 248,157,740	\$ 248,157,740	\$ 247,409,450	\$ 247,409,450	\$ 259,297,160	\$ 259,297,160
Less:										
Outstanding debt applicable to limit.....	\$ 22,357,895	\$ 29,566,665	\$ 28,393,621	\$ 14,437,346	\$ 16,691,200	\$ 16,777,475	\$ 26,269,865	\$ 38,037,305	\$ 35,290,745	\$ 32,150,185
Authorized and unissued debt.....	\$ 37,552,000	\$ 38,752,000	\$ 30,954,518	\$ 46,894,762	\$ 77,210,034	\$ 60,675,442	\$ 39,697,256	\$ 23,595,526	\$ 29,631,288	\$ 15,926,977
Legal debt margin.....	\$ 168,265,755	\$ 159,856,985	\$ 197,586,546	\$ 195,602,577	\$ 154,256,506	\$ 170,704,823	\$ 181,442,329	\$ 185,776,619	\$ 194,375,127	\$ 211,219,998
Total debt applicable to the limit as a percentage of debt limit.....	26.26%	29.94%	23.10%	23.87%	37.84%	31.21%	26.66%	24.91%	25.04%	18.54%

Source: Town of Burlington, Treasurer's Department

Town of Burlington, Massachusetts

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2006	23,424	\$ 655,239,552	\$ 27,973	41.0	3,551	3.8%
2007	23,223	\$ 684,706,932	\$ 29,484	41.0	3,528	3.0%
2008	23,299	\$ 718,075,180	\$ 30,820	41.0	3,686	4.8%
2009	24,895	\$ 752,053,055	\$ 30,209	41.0	3,650	6.9%
2010	24,498	\$ 796,797,450	\$ 32,525	42.0	3,711	6.3%
2011	24,985	\$ 878,422,630	\$ 35,158	42.0	3,652	5.9%
2012	24,708	\$ 851,635,344	\$ 34,468	42.0	3,626	5.0%
2013	25,008	\$ 870,103,344	\$ 34,793	42.0	3,606	4.8%
2014	25,176	\$ 902,383,368	\$ 35,843	42.0	3,579	4.9%
2015	25,190	\$ 867,266,510	\$ 34,429	42.0	3,799	3.8%

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	2015			Percentage of Total Town Employment	2006			Percentage of Total Town Employment
		Employees	Rank	Employees		Employees	Rank		
Lahey Clinic	Hospital	5,040	1		40%	4,025	1		35%
Oracle/Sun*	Computer Network Systems	2,300	2		18%	-	-		-
Siemens-Nixdorph	Information Technology & Electronics	1,000	3		8%	1,800	3		16%
Avid Tech	Software Systems (Video)	800	4		6%	-	-		-
Burlington Mall	Retail	750	5		6%	550	6		5%
Keurig Green Mountain	Retail	750	6		6%	-	-		-
Wegmans	Retail	630	7		5%	-	-		-
Nuance Systems	Software/Communications	525	8		4%	-	-		-
ONE Communications	Telecom	420	9		3%	-	-		-
Federal Aviatin Admin.	Government	385	10		3%	385	9		3%
Sun Microsystems*	Computer Network Systems	-			-	1,950	2		17%
Oracle*	Computer Network Systems	-			-	1,050	4		9%
Raytheon	Research & Development	-			-	400	5		4%
M/A - Com	Research & Development	-			-	450	7		4%
EG & G Dynatrend	Research & Development	-			-	425	8		4%
SAP Systems Software	Computer Network Systems	-			-	350	10		3%
Total		<u>12,600</u>		<u>100%</u>		<u>11,385</u>		<u>100%</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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
General government.....	40	40	39	39	38	38	38	42	43	43
Public Safety.....	142	143	143	144	144	144	144	144	144	146
Education.....	510	516	517	524	530	527	512	544	564	570
Public works.....	62	62	62	61	61	61	58	58	58	61
Human services.....	18	20	20	20	20	20	20	20	20	20
Culture and recreation.....	28	29	29	29	29	29	29	29	29	26
Total	800	810	810	817	822	819	801	837	858	866

Source: Town personnel records and various Town departments.

Town of Burlington, Massachusetts

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Population.....	23,424	23,223	23,299	24,895	24,498	24,985	24,708	25,008	25,176	25,190
Registered Voters, Annual Town Election.....	13,811	13,980	14,384	14,956	1,861	14,835	15,160	15,652	15,230	15,065
Town Clerk										
Births.....	265	271	282	302	293	305	305	282	296	252
Marriages.....	125	115	118	128	132	126	119	125	106	130
Deaths.....	775	788	735	842	882	840	848	875	907	1,040
Dogs licensed.....	N/A	N/A	1,876	2,020	2,067	2,097	2,182	2,213	2,216	2,314
Police										
Documented calls for police services.....	24,798	25,587	22,523	20,753	23,287	22,950	26,820	31,524	30,305	21,186
Uniform crimes reported.....	1,067	956	883	962	934	768	818	605	573	489
Arrests.....	273	313	322	267	238	237	256	232	243	175
Traffic citations issued.....	4,549	5,723	5,862	4,051	3,598	2,746	3,367	4,258	3,974	3,176
False burglary alarms.....	1,651	2,139	2,083	1,787	1,804	1,871	1,749	1,622	1,636	1,365
Total number of animal complaints.....	372	462	451	369	478	381	368	389	454	325
Fire										
Inspections.....	1,013	1,034	1,055	780	719	766	762	783	789	763
Plan reviews.....	346	305	311	262	225	235	305	268	319	315
Permits/certificates issued.....	663	668	740	658	561	650	765	736	800	785
Emergency responses.....	6,087	6,526	6,601	6,173	6,261	6,327	6,477	6,394	6,650	6,662
Building Department										
Permits issued.....	3,134	2,858	2,678	2,323	2,704	3,185	3,176	3,454	3,492	2,726
Education										
Public school enrollment.....	3,551	2,528	3,686	3,650	3,711	3,652	3,626	3,606	3,579	3,499
Public Works										
Cemetery										
Lots sold.....	80	40	66	58	46	49	48	54	53	54
Interments.....	142	133	152	132	151	144	139	148	150	148
Recycling/tons.....	1,553	1,461	1,519	1,592	2,161	2,212	2,183	2,040	1,980	2,297
Human Services										
Board of Health										
Permits issued.....	639	689	716	614	738	746	660	617	462	294
Inspections.....	1,458	1,400	1,315	1,202	1,237	1,382	1,101	1,191	1,071	809
Libraries										
Volumes in collection.....	100,886	103,467	106,723	109,287	111,850	112,140	113,663	111,713	113,487	115,599
Circulation.....	362,557	350,986	369,485	384,798	391,072	374,225	363,747	331,618	311,460	285,019
Program attendance.....	9,097	9,556	3,828	10,625	7,543	7,443	10,878	9,233	9,214	9,010
Visits.....	146,880	143,257	145,733	142,198	163,898	182,089	177,578	163,047	162,113	150,292
Hours of operation.....	3,017	2,962	3,017	3,020	3,049	2,956	2,977	2,989	2,888	2,992
Youth & Family Services										
Misc resident clinical consultation hours.....	369	340	360	387	413	349	314	410	320	339
Recreation										
Participants.....	N/A	25,735	35,909	27,762	28,684	30,679	28,438	30,126	39,568	39,809

NA: Information not available
Source: Various Town Departments

Town of Burlington, Massachusetts

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Number of Buildings.....	13	13	13	13	13	13	13	13	13	14
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Police personnel and officers.....	71	72	72	73	73	73	73	73	73	75
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Fire personnel and officers.....	65	65	65	65	65	65	65	65	65	65
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.....	277	280	286	296	293	288	283	300	295	299
Number of students.....	3,551	3,528	3,686	3,650	3,711	3,652	3,626	3,606	3,579	3,799
Public Works										
Water mains (miles).....	149	149	149	149	149	149	149	149	149	149
Sanitary sewers (miles).....	121	121	121	121	121	121	121	121	121	121
Storm sewers (miles).....	117	117	117	117	117	117	117	117	117	117
Human Services										
Senior Center Facility.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Libraries.....	1	1	1	1	1	1	1	1	1	1
Conservation land (acreage).....	277	277	277	277	277	277	283	283	283	283

Source: Various Town Departments