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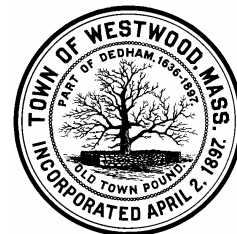
**THE TOWN OF WESTWOOD, MASSACHUSETTS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR  
JULY 1, 2006 – JUNE 30, 2007**



**WESTWOOD TOWN HALL**



**The Town of  
Westwood, Massachusetts**



**Comprehensive  
Annual Financial Report**

**For the Fiscal Year  
July 1, 2006 through June 30, 2007**

**Board of Selectmen**

**Patrick J. Ahearn, Chairman  
Nancy Hyde  
Anthony J. Antonellis**

**Prepared by:  
Pamela Dukeman, Finance Director**

**Town of Westwood, Massachusetts**  
**Comprehensive Annual Financial Report**  
*For the Year Ended June 30, 2007*

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# *Introductory Section*

*Transmittal Letter*

*A Few Words About Westwood*

*Directory of Officials*

*Organization Chart*

*Certificate of Achievement*



*Finance Director Pamela Dukeman and Finance Team Receiving  
FY06 CAFR Award from Board of Selectmen.*

Pictured from left to right: Finance Commission Administrator Sheila Nee, Town Accountant Marie O'Leary, Selectman Patrick Ahearn, Finance Director Pamela Dukeman, Selectman Nancy Hyde, and Assistant Treasurer Patricia Conley.



## Town of Westwood

Commonwealth of Massachusetts

### **Office of the Finance Director**

580 High Street, Westwood, MA 02090

(781) 320-1010

Email:

PDukeman@Townhall.Westwood.MA.US

#### Letter of Transmittal

December 11, 2007

To the Honorable Board of Selectmen and Citizens of the Town of Westwood:

State law requires the Town of Westwood to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principals generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Westwood, Massachusetts, for the fiscal year ending June 30, 2007 for your review.

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and credit raters as well as residents and taxpayers of Westwood.

This report consists of management's representations concerning the finances of the Town of Westwood. 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 Westwood's financial statements have been audited by Powers & Sullivan, 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 Westwood for the fiscal year ended June 30, 2007, 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 principals 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 unqualified opinion that the Town of Westwood's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Westwood 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 Westwood's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is

designed to compliment MD&A and should be read in conjunction with it. The Town of Westwood's MD&A can be found immediately following the report of the independent auditors.

### ***Profile of the Town***

Westwood was incorporated as a Town in 1897. With a population of approximately 15,000, Westwood is located in eastern Massachusetts, 13 miles south of Boston, with a land area of 11 square miles. Situated at the junction of Routes 95/128 and 93, Westwood provides an excellent location for its residents and its businesses. The Town offers the further convenience of two commuter rail lines, full MBTA bus service on some major routes, and Amtrak high speed rail access to Boston and New York.

Westwood is known throughout the state for its high quality school system and beautiful open space. Westwood students consistently score in the top percentiles on national tests, and the overwhelming majority of students graduating from the High School go on to higher education. The recent completion of a brand new state of the art High School will continue to ensure a top quality education for our students.

Westwood is recognized throughout the state for its attractive open space and rambling New England stone walls.

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

The Town operates under a Board of Selectmen/Open Town Meeting/Town Administrator form of government. The elected, three-member Board of Selectmen makes policy decisions. The Town Administrator is responsible for carrying out the policies and direction of the Board of Selectmen and for managing the day-to-day operations of the Town.

An elected, five-member School Committee appoints a School Superintendent who administers the public school system of the Town. School Committee members, like the Board of Selectmen, are elected at-large to three-year staggered terms.

### ***Factors Affecting Financial Condition***

The Town of Westwood continues to reflect a strong local economic condition. The per capita income continues to rise and is significantly higher than state averages. The Town also has an extremely low unemployment rate.

The Town remains a very desirable community and this is reflected in the strong residential sales market. The Town offers a unique mix of proximity to Boston and major highways and transportation, while maintaining a desirable residential community. The Town offers a broad range of high quality services, outstanding public education, and an attractive quality of life.

The Town is currently facing a major, positive change in commercial property value. In order to improve commercial development, the Town has taken steps over the last few years to enhance the desirability of its major commercial area. Formerly known as University Avenue Park, the commercial area is situated in a far corner of the Town's geographical area, bordering major highways and a commuter rail system with connections to Boston as well as Amtrak service to Providence, Rhode Island and New York City.



Since the passage of these steps, including zoning and permitting changes, a major developer has assembled 17 parcels, totaling 137 acres. They have begun developing a master plan for the area which contemplates 4.5 million square feet of mixed use development including residential, commercial, and retail components. The development will be known as *Westwood Station*.



Although many local and state approvals will be required for a project of this magnitude, the Town expects that the resulting significant new revenue will outweigh the additional service costs. The overall goal is to achieve a redevelopment project that mitigates any transportation and environmental concerns, provides for an enhanced and stable commercial tax base, and maintains the quality of the community.

A major step forward occurred on November 2, 2007 when the development was approved by the Massachusetts Environmental Protection Agency (MEPA). Westwood Station's development plans have undergone a comprehensive review by local permitting authorities and a Special Permit is expected to be issued in November, 2007.

With a groundbreaking targeted for December 2007, the project has enjoyed an exciting amount of retail interest.

On the Town's operating side, the stabilization of the state budget has had a positive impact on the state aid received by the Town. After several years of level funding, actual state aid increased in FY07 and will again increase for FY08. While not a major source of revenue for the Town, increases in state aid lessen the burden on property taxes.

The recent major change to the state school construction program has also had a major, positive financial impact on the Town. In FY06, the Town received significant state funds for the new High School project. In FY07, the state has now committed to stabilized annual payments of approximately \$3M which are directly applied to the school relevant debt, thereby limiting the burden on the taxpayers. The change in the state program eliminates the uncertainty that existed in prior years.

The Town continues to manage its financial affairs in a prudent manner, primarily through considerable long term planning and strong financial policies. It has maintained its "**excellent**" bond rating of Aa1 even with the overall unsettled economy. It has been able to do so by incorporating long range planning tools such as a five-year Capital Improvement Program; maintaining reserve balances despite tight budgets; investing in technology to ensure efficient operations; and maintaining an aggressive pay as you go financing strategy for capital improvements. The Town's long-term policies will preserve its strong financial position for the foreseeable future.

In FY07, the Town continued to demonstrate its commitment to the Financial Policy of maintaining and building an appropriate reserve account. Despite a tight budget process, the Town did not use any funding from the Stabilization Fund and in fact continued towards building the account to the policy goal level, which is 4% of general fund net operating revenues.

The Town has remained dedicated to an aggressive retirement of debt policy. Debt is issued for shorter time periods than allowed, typically ten years. In FY06, the Town aggressively pursued and received state funding to retire a \$5M short-term ban for the High School project. The Town monitors and schedules retirement and issuance of debt to ensure that debt service does not exceed 10% of operating budget to ensure availability of resources for ongoing operations.



The Town has also enhanced its revenue flexibility by establishing an enterprise fund for sewer operations. This has allowed the Town to shift one hundred percent of the operating cost and capital improvements to the users of sewer services so that no tax support goes towards providing these services. All sewer related debt is related to the sewer infrastructure and is funded through sewer user fees. By doing so the Town is able to provide the maximum tax dollars available to all other services.

In FY07, the Town completed the new High School and recreational sports field complex. This new facility, opened to students in April, 2005, offers enhanced education facilities as well as new recreational facilities and programs for the entire community.



Major initiatives for FY08 will include centering efforts on the Westwood Station project, ensuring that this exciting new development proceeds appropriately and impacts the community in a positive manner. Particular focus will be given to ensuring that new revenue from this project strengthens the reserve and capital accounts according to the Town's Financial Policies as well as enhancing delivery of current services.

## **Financial and Management Systems**

### **Internal Controls**

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

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

### **Budgetary Controls**

The Town Administrator is responsible for preparing and presenting 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 Finance Commission reviews the budget and makes recommendations to Town Meeting.

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. The Finance Commission, upon request by the Board of Selectmen, may approve during the year a transfer from a reserve fund established at Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

### **Cash Management**

Cash management is handled by the Town Treasurer. The Town Treasurer monitors the Town's cash flow and provides for the investment of Town funds. The Treasurer seeks to maximize the return on Town funds while maintaining adequate protection and liquidity of funds.

Quarterly tax billings and excellent collection rates have eliminated the need to borrow on a short term basis to maintain cash flow. The Town's investment options are governed by Massachusetts General Laws and focus on safety, liquidity and yield.

### **Risk Management**

The Town is exposed to various risks of loss related to general liability, property and casualty, workers' compensation and unemployment compensation claims.

Buildings and property are fully insured against fire, theft and natural disaster to the extent that losses exceed \$1,000 per incident.

The Town is a member of the Massachusetts Interlocal Insurance Association ("MIIA"), a public entity risk pool currently operating as a common risk management and insurance program for workers' compensation benefits for employees other than uniformed police and fire personnel. MIIA is self-sustaining through member premiums and reinsures through commercial companies for stop loss insurance. The total premiums assessed by MIIA to the Town in 2007 were approximately \$182,000 and were recorded in the General Fund.

The Town takes specific measures to reduce all risk exposure. The Town has an Employee Safety Committee which meets bi-monthly to review claims and accidents, and develops and implements safety programs.

### **Debt Administration**

The Town Treasurer has oversight of all Town debt. The Town's credit rating was reaffirmed as an Aa1 rating in 2007, a strong reflection on the financial condition and management of the Town.

The Town seeks to maintain a ten year repayment policy whenever possible. This policy has worked very well in structuring a smooth debt schedule. In addition, this policy permits the Town to continually address capital needs through debt replacement programs.

It is the Town's policy for sewer debt to be paid through sewer receipts. In addition, the Town has issued sewer debt through a state program with resulting interest rates of 1.26%.

As of June 30, 2007, the Town has outstanding long-term debt of \$44,947,828, of which \$3,022,828 is sewer construction debt. Bonds issued for road and school improvements were approved as debt exclusions to Proposition 2 ½. The additional tax payments for the bonds will end when the bonds are repaid. The school related debt qualifies for state programs that will pay for 59% of the total principal and interest costs.

The Town has authorized and unissued debt of \$2,425,000 for school expansion, \$1,195,000 for public works projects and \$245,000 for land acquisition projects. Total authorized and unissued debt as of June 30, 2007 is \$3,865,000.

### ***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Westwood for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. Westwood has received this award annually since FY97.

In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.



In FY2006, FY00, FY99 and FY98 the Town received the GFOA Distinguished Budget Award. This award is the highest form of recognition in governmental budgeting and is a significant achievement for the Town and the financial staff. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, finance, financial planning and organization.

In August 2005 Money Magazine ranked Westwood 13<sup>th</sup> on its list of America's 100 "Best Places to Live". The initial database included over 400,000 different places. Westwood ranked highest among the four Massachusetts communities. Our highest marks were in the crime and education categories.

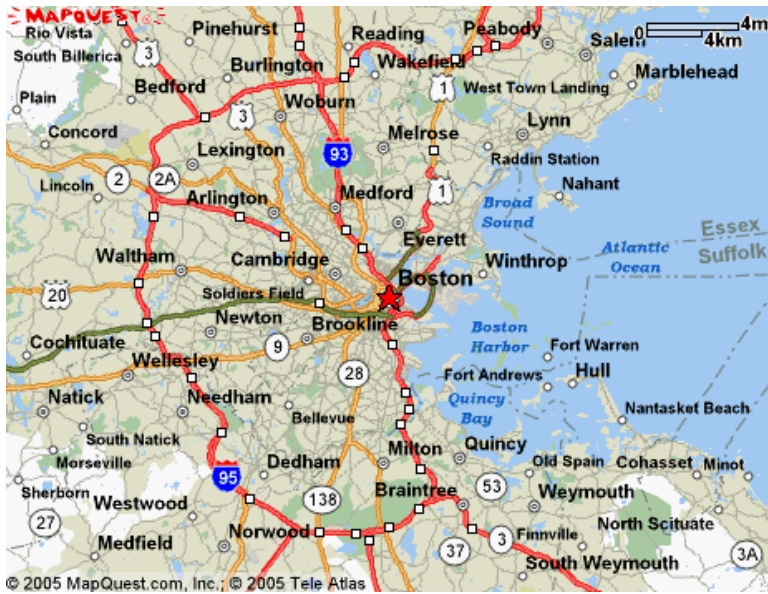
This report represents significant effort by the entire financial team of the Town, whose dedicated efforts have significantly improved the financial operations of the Town. I particularly would like to acknowledge the efforts of Sheila Nee, whose assistance was invaluable in the preparation of this Comprehensive Annual Financial Report. I would also like to thank the Town's management team for their recognition of the importance of the CAFR and the encouragement given to the financial departments.

Respectfully submitted,

A handwritten signature in cursive script that reads "Pamela Dukeman".

Pamela Dukeman  
Finance Director

# A Few Words About Westwood....



Westwood was incorporated as a town in 1897 and has a current population of approximately 14,626. The town is located in eastern Massachusetts, 13 miles south of its capital city of Boston. One major attraction of Westwood is its location in relation to Boston and major roadways. The commuter rail has four convenient stops within five minutes of town, one of which doubles as an Amtrak station. The Amtrak station provides connections originating in Boston and continuing to Providence, Rhode Island and New York City.

Westwood is recognized for the quality of its schools. Students consistently score in the top percentile on national tests, and the overwhelming majority of students graduating from the High School go on to higher education.

Westwood operates under a Board of Selectmen/Open Town Meeting/Town Administrator form of government. The elected, three-member Board of Selectmen makes policy decisions. The Town Administrator is responsible for carrying out the policies and direction of the Board of Selectmen and for managing the day-to-day operations of the town. An elected, five-member School Committee appoints a School Superintendent who administers the town's public school system. School Committee members, like the Board of Selectmen, are elected at-large to three-year staggered terms.

The town maintains many recreational areas and facilities, including numerous conservation areas, playgrounds, ball fields and an indoor pool facility. The town has two libraries, a senior center and numerous community-sponsored events for residents.

From a natural perspective, the town works very hard to conserve land. It is the hope of preservation workers that Westwood can create its own emerald necklace with its conservation land and walking paths. Hale Reservation is one of the town's hidden gems. With 1,200 acres of wooded area and a large pond, Hale is an active part of the community. During the summer, Hale's membership beach attracts over 500 families. Hale Reservation is the largest summer day camp in the nation with 2,025 students.

The formation of Westwood has been influenced by a number of factors. Character, community, and location are just three of its most admirable traits.

**Town of Westwood,  
Massachusetts**

**Principal Officials**

***Board of Selectmen***

Anthony J. Antonellis, Chairman  
Patrick J. Ahearn  
Nancy C. Hyde

Town Administrator – Michael Jaillet  
Finance Director – Pamela Dukeman  
School Superintendent – John Antonucci  
Town Treasurer – James Gavin  
Police Chief – William Chase  
Fire Chief – William Scoble  
DPW Director – Timothy Walsh

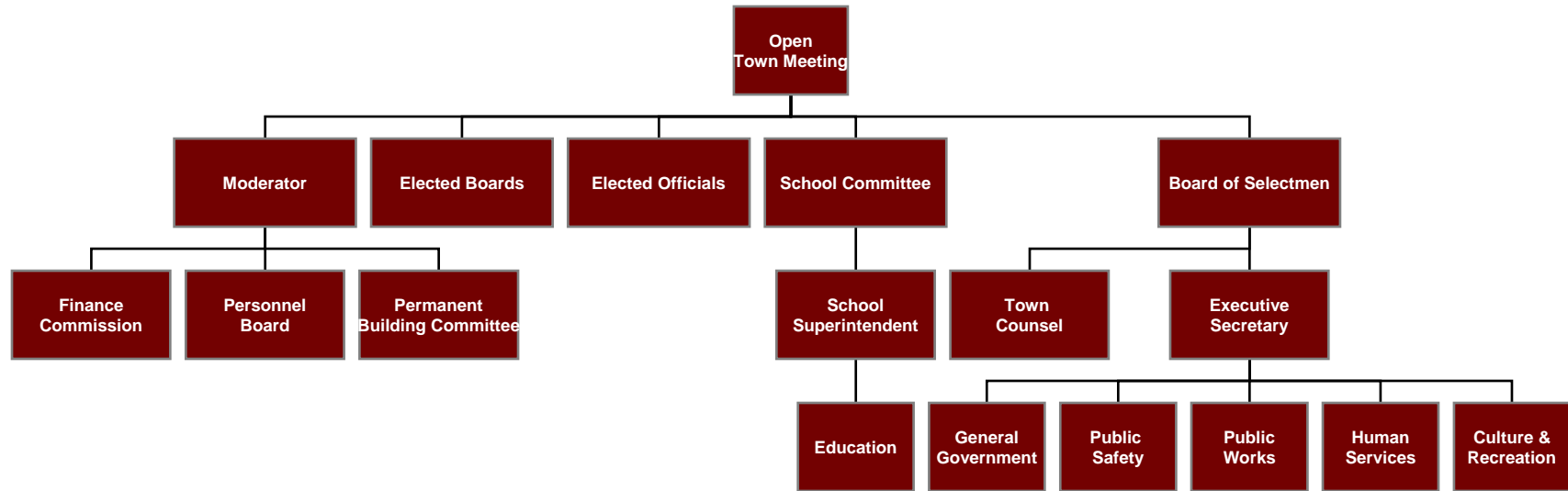
## **Town of Westwood, Massachusetts**

### **Total Budget Salaries of Principal Officials June 30, 2007**

<b>Position</b>	<b>Salary</b>
School Superintendent	\$141,625
Assistant School Superintendent	\$122,070
Town Administrator	\$121,076
Police Chief	\$111,590
Fire Chief	\$111,322
Department of Public Works Director	\$109,920
Finance Director	\$ 94,487
Library Director	\$ 84,282
Town Counsel	\$ 81,607
Information Systems Director	\$ 78,398
Town Accountant	\$ 74,024
Recreation Director	\$ 72,402
Health Director	\$ 68,038
Town Clerk (Elected)	\$ 68,409
Building Commissioner	\$ 67,915
Council on Aging Director	\$ 66,188
Youth Director	\$ 62,758
Assistant Treasurer	\$ 52,936
Board of Selectmen (Elected)	\$ 2,000
Board of Assessors (Elected)	\$ 1,800
Treasurer (Elected)	\$ 4,000
Tax Collector (Elected)	\$ 4,000



# The Town of Westwood



## Elected Boards

Regional Vocational School Rep.  
 Housing Authority  
 Library Trustees  
 Planning Board  
 Assessors

## Elected Officials

Town Clerk  
 Town Collector  
 Town Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Westwood  
Massachusetts

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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# *Financial Section*

*Independent Auditors' Report*

*General Purpose Financial Statements*

*Combining Individual Fund and Account  
Group Financial Statements and Schedules*

*Westwood's New High School*



*Opening Day April 26, 2005*



At Special Town Meetings in 2000 and 2002, Westwood residents reaffirmed their commitment to education by approving a total of \$44 million for the construction of a new high school and recreational sports fields. In April, 2005 the new high school was opened for students.



100 Quannapowitt Parkway  
Suite 101  
Wakefield, MA 01880  
T. 781-914-1700  
F. 781-914-1701  
[www.powersandsullivan.com](http://www.powersandsullivan.com)

## Independent Auditors' Report

To the Honorable Board of Selectmen  
Town of Westwood, Massachusetts

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 Westwood, Massachusetts, as of and for the fiscal year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Westwood, Massachusetts' management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Westwood, Massachusetts, as of June 30, 2007, and the respective changes in financial position and cash flows where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 6, the Town has retroactively reported all major general infrastructure assets acquired prior to July 1, 2003, as allowed by the provisions of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended and interpreted, as of June 30, 2007.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2007, on our consideration of the Town of Westwood, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement 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* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The combining and individual fund statements and schedules, as listed in the table of contents, are presented for the purpose of supplementary analysis and are not a required part of the financial statements of the Town of Westwood, Massachusetts. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Management's discussion and analysis, located on the following pages, and the schedule of revenues, expenditures and changes in fund balance – general fund – budgetary basis, located after the notes to the basic financial statements, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The introductory section and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in cursive script that reads "Bowers + Sullivan".

December 11, 2007



## Management's Discussion and Analysis

As management of the Town of Westwood, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2007. 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 principals (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 Westwood'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 Westwood has enjoyed an unqualified opinion on its financial statements since the fiscal year ended June 30, 1984.

### Financial Highlights

- The governmental assets of the Town of Westwood exceeded it's liabilities at the close of the most recent fiscal year by \$107.4 million (net assets).
- Of this amount, 6% or \$7 million (unrestricted net assets) may be used to meet the government's on-going obligations to citizens and creditors.
- The Town reported general infrastructure assets acquired prior to the implementation of GASB 34 for the first time in fiscal year 2007. This resulted in a beginning net asset adjustment of \$41 million.
- At the close of the current fiscal year, the Town of Westwood's general fund reported an ending fund balance of \$3.2 million, a decrease of \$477,000 in comparison with the prior year. Total fund balance represents 5.3% of total general fund expenditures. Approximately \$1.3 million of this total amount is available for appropriation at the government's discretion and \$1.1 million was appropriated to balance the subsequent year's budget.
- The Town of Westwood's total governmental debt decreased by \$1.1 million during the current fiscal year. This was the effect of principal payments on long-term debt of \$4.2 million and new BAN issues of \$3.4 million.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Westwood's basic financial statements. The Town of Westwood's 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 Towns' 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 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 the Town of Westwood's finances, in a manner similar to private-sector business.

The statement of net assets presents information on all of the Town of Westwood's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town of Westwood is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing or 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 fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

**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. The Town of Westwood, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Westwood 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 and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town of Westwood adopts an annual appropriated budget for its general fund. A budgetary comparison schedule is included as required supplementary information for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** The Town maintains one type of propriety fund.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its sewer operations.

**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 of Westwood's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to 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.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Westwood, assets exceeded liabilities by \$123.9 million at the close of the fiscal year 2007

Net assets of \$111.8 million (90%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Westwood's net assets \$2.5 million (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$9.7 million (8%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Westwood is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

### Comparative Financial Data – Governmental Activities

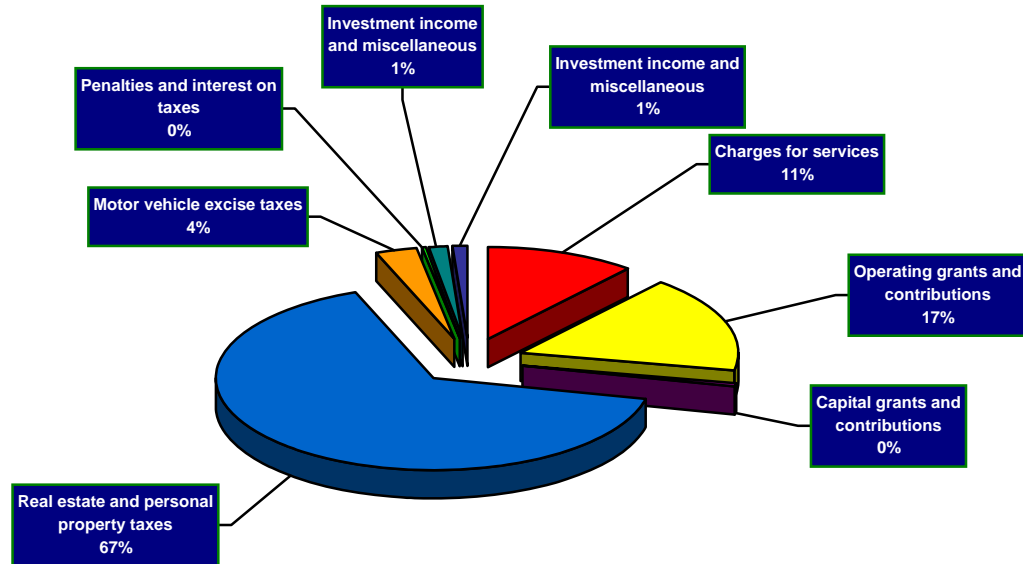
<i><b>Governmental Activities:</b></i>	Balance at June 30, 2007	Balance at June 30, 2006
<b>Assets:</b>		
Current assets.....	\$ 18,552,059	\$ 20,038,447
Noncurrent assets (excluding capital).....	21,917,000	23,745,000
Capital assets, not being depreciated.....	50,862,255	49,830,679
Capital assets, net of accumulated depreciation.....	66,217,523	67,238,506
<b>Total assets.....</b>	<b>157,548,837</b>	<b>160,852,632</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	4,175,707	6,576,134
Noncurrent liabilities (excluding debt).....	630,252	483,000
Current debt.....	7,555,000	4,440,000
Noncurrent debt.....	37,760,000	41,925,000
<b>Total liabilities.....</b>	<b>50,120,959</b>	<b>53,424,134</b>
<b>Net Assets:</b>		
Capital assets net of related debt.....	98,291,275	98,408,025
Restricted.....	2,460,440	1,964,324
Unrestricted.....	6,676,163	7,056,149
<b>Total net assets.....</b>	<b>\$ 107,427,878</b>	<b>\$ 107,428,498</b>

**Governmental activities.** The governmental activities net assets remained consistent during the current fiscal year. This indicates that the financial condition of the Town neither deteriorated nor improved.

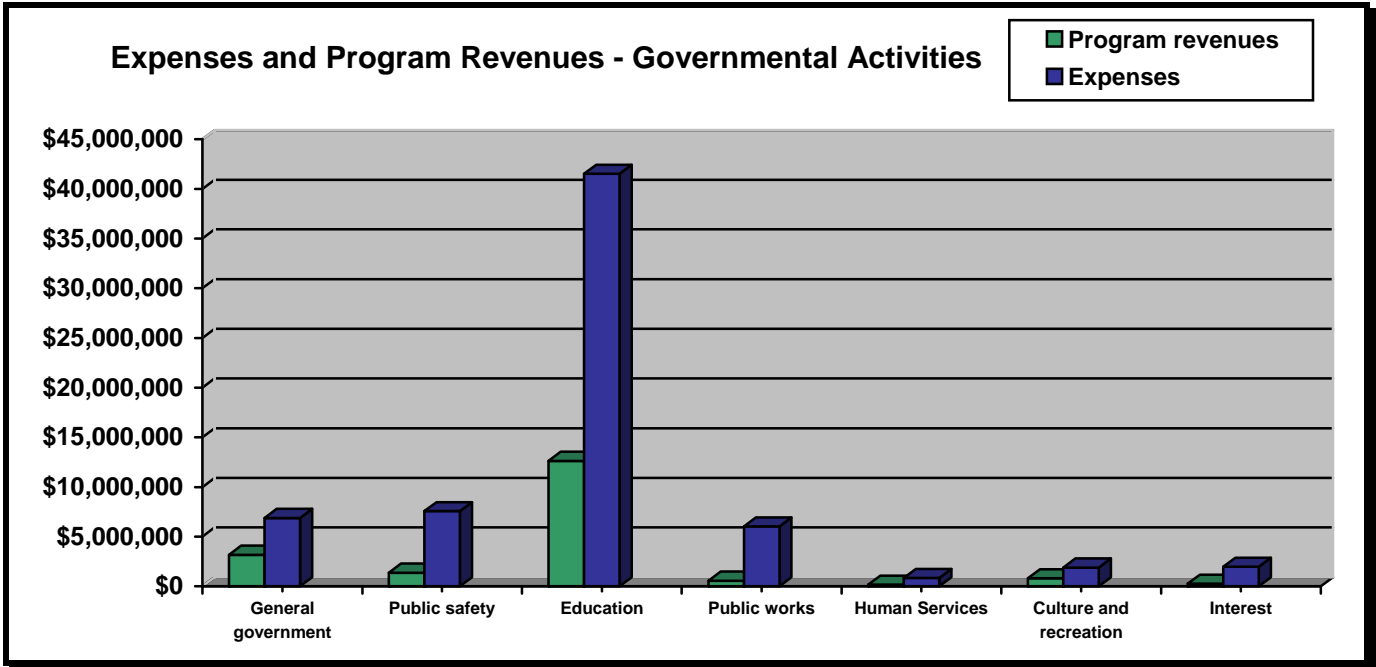
<b>Governmental Activities:</b>	Fiscal Year Ended June 30, 2007	Fiscal Year Ended June 30, 2006
	<u>2007</u>	<u>2006</u>
<b>Program revenues:</b>		
Charges for services.....	\$ 7,412,474	\$ 4,919,386
Operating grants and contributions.....	11,341,858	11,286,009
Capital grants and contributions.....	255,834	3,890,753
<b>General revenues:</b>		
Real estate and personal property taxes.....	43,748,150	41,634,700
Motor vehicle excise taxes.....	2,138,434	2,226,361
Nonrestricted grants and contributions.....	945,762	789,487
Unrestricted investment income.....	707,268	688,030
Miscellaneous revenues.....	136,770	125,002
<b>Total revenues.....</b>	<b><u>66,686,550</u></b>	<b><u>65,559,728</u></b>
<b>Expenses:</b>		
General government.....	6,876,348	4,050,919
Public safety.....	7,571,002	6,681,974
Education.....	41,522,952	40,436,635
Public works.....	6,025,150	6,870,792
Human services.....	844,529	676,238
Culture and recreation.....	1,880,631	1,476,621
Interest.....	1,966,558	2,115,474
<b>Total expenses.....</b>	<b><u>66,687,170</u></b>	<b><u>62,308,653</u></b>
<b>Change in net assets.....</b>	<b>\$ (620)</b>	<b>\$ 3,251,075</b>

- Charges for services represent about 11% 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. General Government Charges for Services for fiscal year 2007 includes approximately \$2.2 million in non-recurring fees collected for the Westwood Station Project to provide for the employment of outside consultants.
- Operating and capital grants and contributions account for 17% of the governmental activities resources. Most of these resources apply to education operations. These resources offset cost within the school department in addition to their General Fund operating budget.
- Property taxes are by far the most significant revenue source for the Town’s governmental activities. They comprise 67% of all resources.
- Motor vehicle excise taxes comprise 4% of the governmental activities resources.

## FY07 Governmental Revenues



- Education is by far the largest governmental activity of the Town at 62%. Program revenues of \$12.6 million provided direct support to education and \$28.9 million in taxes and other general revenue were needed to cover the remaining FY 2007 operating expenses.
- Public safety and public works are significant activities of the Town. Program revenues for public safety of \$1.4 million and \$575 thousand in public works directly supported \$7.6 million and \$6.0 million of operating expenses respectively. Taxes and other general revenue of \$11.7 million were needed to cover the remaining FY 2007 operating expenses. Combined, they represent 20% of governmental activity expenses.



**Business-type activities.** For sewer business-type activities assets exceeded liabilities by \$16.5 million at the close of fiscal year 2007. Capital assets net of related debt was \$13.5 million (81%) while unrestricted net assets was \$3.1 million (19%). There was an increase of \$96 thousand in net assets reported in connection with the sewer enterprise. This relative small change in net assets reflects management’s goal of maintaining the system while only charging users for the cost of operations.

**Comparative Revenues & Expenses – Business-type**

	Fiscal Year Ended June 30, 2007	Fiscal Year Ended June 30, 2006
<b>Program revenues:</b>		
Charges for services.....	\$ 3,788,725	\$ 3,512,966
Operating grants and contributions.....	72,022	76,158
Capital grants and contributions.....	180,440	169,507
<b>Total revenues.....</b>	<b>4,041,187</b>	<b>3,758,631</b>
<b>Expenses:</b>		
Sewer.....	<b>3,944,791</b>	<b>3,472,503</b>
<b>Change in net assets.....</b>	<b>\$ 96,396</b>	<b>\$ 286,128</b>



**Comparative Assets, Liabilities and Net Assets – Business-type**

	Balance at June 30, 2007	Balance at June 30, 2006
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Current assets.....	\$ 2,657,737	\$ 2,676,228
Noncurrent assets (excluding capital).....	486,151	526,193
Capital assets, not being depreciated.....	350,850	350,850
Capital assets, net of accumulated depreciation.....	<u>16,143,804</u>	<u>16,381,010</u>
<b>Total assets.....</b>	<b><u>19,638,542</u></b>	<b><u>19,934,281</u></b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	75,960	50,425
Current debt.....	421,953	417,670
Noncurrent debt.....	<u>2,600,875</u>	<u>3,022,828</u>
<b>Total liabilities.....</b>	<b><u>3,098,788</u></b>	<b><u>3,490,923</u></b>
<b>Net Assets:</b>		
Capital assets net of related debt.....	13,471,826	13,291,362
Unrestricted.....	<u>3,067,928</u>	<u>3,151,996</u>
<b>Total net assets.....</b>	<b><u>\$ 16,539,754</u></b>	<b><u>\$ 16,443,358</u></b>

**Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$8.4 million, a decrease of \$1.9 million from the prior year. Half of the decrease is attributable to the net change in the New High School major fund. Of the remaining decrease, approximately \$477 thousand is attributable to the general fund and approximately \$515 thousand is attributable to other nonmajor funds which includes a \$444 thousand decrease in the capital projects related to facilities renovations.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2.4 million, while total fund balance was \$3.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 3.9% of total general fund expenditures, while total fund balance represents 5.3% of that same amount.

The fund balance of the general fund decreased by \$477 thousand. The decrease was expected as the Town budgeted prior year fund balance to support current operations.

The Town also maintains a stabilization fund, which management has classified as a major governmental fund. The stabilization fund has a year end balance of \$969 thousand which represents 1.6% of general fund expenditures. These funds can be used for general or capital purposes upon Town Meeting approval. Please refer to Note 11 for additional information on the Town's stabilization fund.

The New High School Fund is used to account for the construction of a new High School facility. At June 30, 2007, the New High School Fund's temporary deficit of (\$1.5) million is comprised of \$469 thousand of unspent funds and \$1.9 million outstanding payables. The fund deficit will increase as the cash is spent to complete the project and the deficit will be funded through additional borrowing. The students moved into the new facility in February 2005. The remaining site work and demolition of the old high school have continued while the school was occupied and are in the final stages of completion.

### **General Fund Budgetary Highlights**

Actual general fund revenues exceeded the final budget amount by 1%, primarily occurring in the licenses and permits and investment income accounts. Building permitting receipts continued to be strong, reflecting a strong residential housing market and commitment of residents to remain in Town.

Investment income exceeded budget by 153% due to conservative budgeting and high interest rates.

Actual general fund expenditures are lower than final budget by 3%, with the majority of the variance occurring in unused appropriations of the reserve fund and employee benefits.

The reserve account varied from budget by approximately \$205,000, as reserve funds were not fully required to fund unanticipated events.

The general fund employee benefits expenditures were lower than the final budget by approximately \$80,000.

The \$164 thousand increase between the original budget and the final amended budget was due to supplementary appropriations to fund the stabilization fund (\$25,000), the school department budget (\$118,000) and the council on aging budget (\$21,000).

This was funded through the Town's available fund balance in the general fund as well as the release of funds that were previously reserved for tax abatements.

### **Capital Assets and Debt Management**

In conjunction with the operating budget, the Town annually prepares a capital budget which includes detailed information concerning those capital requests for the upcoming fiscal year as well as summary information for the following four fiscal years to identify current projections of what level of capital outlay will be required in future years.

As part of the capital plan the Town has historically financed the acquisition of some capital assets from current revenue. As noted above, this policy will continue to improve the financial position as net assets will increase by the amount of acquisitions less the current depreciation.

Major capital assets are funded by the issuance of long and short-term debt and capital grants. The effect on net assets during the construction phase of the project is neutral for assets acquired with debt since the Town increases its assets and associated liability by the same amount. In subsequent years the net assets will be reduced through depreciation and will be increased by the revenues raised to support the debt principal payments. Net assets are increased for assets acquired with grant funds since there is no corresponding liability incurred.

Outstanding long-term debt of the general government, as of June 30, 2007, totaled \$41,925,000, of which, \$39,012,000 is related to school projects, leaving a balance of only \$2,913,000 for other non-school related projects.

Outstanding short-term debt of the general government, as of June 30, 2007, totaled \$3,390,000. This consisted of a \$245,000 BAN for the acquisition of East Street Land which was renewed subsequent to year end, a \$1,000,000 BAN for High Street construction, a \$195,000 BAN for street lights, and a \$1,950,000 BAN for the High School Construction project.

The enterprise fund has \$3,022,828 in sewer enterprise debt that is fully supported by the rates and do not rely on a general fund subsidy.

The Town's major capital project is used to account for the Town's new high school construction project which is anticipated to cost approximately \$46 million. To fund the project, the Town has issued long term debt, used a capital grant from the Massachusetts Building Authority and has additional authorization to borrow for the remainder of the project. The Massachusetts School Building Authority is committed to provide assistance in the form of a capital grant of 59% of up to \$40 million of the cost of the project through the state's school building assistance program. The Town has recorded approximately \$23 million of capital grants equal to 59% the allowable capital expenses incurred each year.

Please refer to notes 6, 7, 8 and 9 to the financial statements for further discussion of the Town's major capital and debt activity.

**CAPITAL ASSETS**

<b>Governmental activities:</b>	Cost of Capital Assets Capital Assets of year	Accumulated Depreciation at end of year	Capital Assets, net
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Land.....	\$ 5,858,382	\$ -	\$ 5,858,382
Construction in progress.....	45,003,873	-	45,003,873
Buildings and improvements.....	39,331,926	(17,793,129)	21,538,797
Vehicles.....	5,520,819	(3,644,383)	1,876,436
Machinery and equipment.....	5,745,501	(4,408,557)	1,336,944
Furniture and fixtures.....	261,123	(166,756)	94,367
Infrastructure.....	<u>80,996,808</u>	<u>(39,625,829)</u>	<u>41,370,979</u>
 Total governmental activities.....	 <u>182,718,432</u>	 <u>(65,638,654)</u>	 <u>117,079,778</u>
 <b>Business-type activities:</b>			
Land.....	350,850	-	350,850
Plant and infrastructure.....	25,653,132	(13,299,151)	12,353,981
Other buildings and improvements...	5,955,061	(2,378,846)	3,576,215
Vehicles.....	248,354	(190,591)	57,763
Machinery and equipment.....	297,676	(141,831)	155,845
Furniture and fixtures.....	<u>35,323</u>	<u>(35,323)</u>	<u>-</u>
 Total business-type activities.....	 <u>32,540,396</u>	 <u>(16,045,742)</u>	 <u>16,494,654</u>
 Total capital assets.....	 <u>\$ 215,258,828</u>	 <u>\$ (81,684,396)</u>	 <u>\$ 133,574,432</u>

### GOVERNMENTAL BONDS PAYABLE

Project	Interest Rate (%)	Outstanding at June 30, 2006	Issued	Redeemed	Outstanding at June 30, 2007
Middle school/gym.....	3.50-4.00	\$ 705,000	\$ -	\$ 235,000	\$ 470,000
Middle school/gym.....	3.50-4.00	165,000	-	55,000	110,000
Land acquisition.....	3.50-4.00	120,000	-	40,000	80,000
Senior center.....	3.50-4.00	72,000	-	24,000	48,000
School fields.....	3.50-4.00	57,000	-	19,000	38,000
Middle school/gym completion.....	3.50-4.00	45,000	-	15,000	30,000
Middle school/gym completion.....	3.50-4.00	21,000	-	7,000	14,000
Martha Jones School construction.....	3.90-5.00	4,320,000	-	720,000	3,600,000
Downey School construction.....	3.90-5.00	3,780,000	-	630,000	3,150,000
Striar land purchase.....	3.90-5.00	780,000	-	130,000	650,000
Cemetery land purchase.....	3.90-5.00	180,000	-	30,000	150,000
School planning.....	2.50-5.38	33,575,000	-	1,975,000	31,600,000
Public building.....	3.00-5.00	2,080,000	-	260,000	1,820,000
Public building.....	3.00-5.00	190,000	-	25,000	165,000
Total governmental bonds payable.....		<u>\$ 46,090,000</u>	<u>\$ -</u>	<u>\$ 4,165,000</u>	<u>\$ 41,925,000</u>

### ENTERPRISE BONDS PAYABLE

Project	Interest Rate (%)	Outstanding at June 30, 2006	Issued	Redeemed	Outstanding at June 30, 2007
Sewer.....	3.50-4.00	\$ 240,000	\$ -	\$ 80,000	\$ 160,000
Sewer.....	3.50-4.00	120,000	-	40,000	80,000
Sewer (WPAT).....	388.00%	2,180,498	-	147,670	2,032,828
Sewer.....	3.90-5.00	900,000	-	150,000	750,000
Total enterprise bonds payable.....		<u>\$ 3,440,498</u>	<u>\$ -</u>	<u>\$ 417,670</u>	<u>\$ 3,022,828</u>

The Town of Westwood maintains an "AA+" rating from Standard & Poor's and an AA1 from Moody's for general obligation debt.

## **Economic Factors and Next Year's Budget and Rates**

- The Commonwealth of Massachusetts has stabilized its financial condition. The increases will come primarily in the categories of education. The Town has benefited from a change in the educational distribution formula. The Town has budgeted an increase of \$540,000 or 17% for local aid for FY08 based on the final state budget.
- The operating budget increased by \$4.8 million (8.4%) over the FY07 budget. This increase is attributable to Town appropriations increasing by \$492 thousand (3.7%), school increases of \$3.5 million (12.9%), a (.7%) decrease of \$40 thousand in debt service, and a \$551 thousand (7.6%) increase in employee health insurance and other benefit costs.
- The FY08 budget also includes a \$225,000 energy reserve account to provide for potential significant increases in energy and utility costs in FY08.
- The FY08 tax levy includes an additional \$2.7 million voter approval override of proposition 2 ½ for school budget increases.

All these factors were considered in preparing the Town of Westwood's budget for fiscal year 2008.

The official tax rates for FY08 have been set. The Town's residential tax rate is \$11.74, which increased by 9.4% from the FY07 rate. The tax rate increase is primarily due to the voter approved tax override to support the school budget.

Sewer rates will increase by 4.5% for fiscal year 2008 primarily due to the increase in the assessment charged by the Massachusetts Water Resource Authority (MWRA).

## **Requests for Information**

This financial report is designed to provide a general overview of the Town of Westwood's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Town Hall, 580 High Street, Westwood, Massachusetts 02090



# ***Basic Financial Statements***

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**STATEMENT OF NET ASSETS**

JUNE 30, 2007

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 14,584,006	\$ 692,370	\$ 15,276,376
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	441,834	-	441,834
Tax liens.....	128,741	-	128,741
Motor vehicle excise taxes.....	133,333	-	133,333
User charges.....	-	1,925,325	1,925,325
Departmental and other.....	80,882	-	80,882
Special assessments.....	324	-	324
Intergovernmental.....	3,182,939	40,042	3,222,981
<b>Total Current Assets.....</b>	<b>18,552,059</b>	<b>2,657,737</b>	<b>21,209,796</b>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	21,917,000	486,151	22,403,151
Capital assets, not being depreciated.....	50,862,255	350,850	51,213,105
Capital assets, net of accumulated depreciation.....	66,217,523	16,143,804	82,361,327
<b>Total Noncurrent Assets.....</b>	<b>138,996,778</b>	<b>16,980,805</b>	<b>155,977,583</b>
<b>TOTAL ASSETS.....</b>	<b>157,548,837</b>	<b>19,638,542</b>	<b>177,187,379</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	1,656,311	38,111	1,694,422
Accrued payroll.....	885,666	4,382	890,048
Tax refunds payable.....	7,200	-	7,200
Accrued interest.....	201,670	21,467	223,137
Other liabilities.....	349,490	-	349,490
Capital lease obligations.....	56,370	-	56,370
Compensated absences.....	1,019,000	12,000	1,031,000
Bonds and notes payable.....	7,555,000	421,953	7,976,953
<b>Total Current Liabilities.....</b>	<b>11,730,707</b>	<b>497,913</b>	<b>12,228,620</b>
<b>NONCURRENT:</b>			
Capital lease obligations.....	129,252	-	129,252
Compensated absences.....	501,000	-	501,000
Bonds and notes payable.....	37,760,000	2,600,875	40,360,875
<b>Total Noncurrent Liabilities.....</b>	<b>38,390,252</b>	<b>2,600,875</b>	<b>40,991,127</b>
<b>TOTAL LIABILITIES.....</b>	<b>50,120,959</b>	<b>3,098,788</b>	<b>53,219,747</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt.....	98,291,275	13,471,826	111,763,101
Restricted for:			
Permanent funds:			
Expendable.....	205,104	-	205,104
Nonexpendable.....	292,110	-	292,110
Gifts.....	242,498	-	242,498
Grants.....	1,720,728	-	1,720,728
Unrestricted.....	6,676,163	3,067,928	9,744,091
<b>TOTAL NET ASSETS.....</b>	<b>\$ 107,427,878</b>	<b>\$ 16,539,754</b>	<b>\$ 123,967,632</b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 6,876,348	\$ 3,039,575	\$ 146,620	\$ -	\$ (3,690,153)
Public safety.....	7,571,002	1,032,522	338,196	-	(6,200,284)
Education.....	41,522,952	2,281,378	10,365,296	-	(28,876,278)
Public works.....	6,025,150	317,927	1,419	255,834	(5,449,970)
Human services.....	844,529	77,114	84,338	-	(683,077)
Culture and recreation.....	1,880,631	663,958	141,960	-	(1,074,713)
Interest.....	1,966,558	-	264,029	-	(1,702,529)
<b>Total Governmental Activities.....</b>	<b>66,687,170</b>	<b>7,412,474</b>	<b>11,341,858</b>	<b>255,834</b>	<b>(47,677,004)</b>
<i>Business-Type Activities:</i>					
Sewer.....	3,944,791	3,788,725	72,022	180,440	96,396
<b>Total Primary Government.....</b>	<b>\$ 70,631,961</b>	<b>\$ 11,201,199</b>	<b>\$ 11,413,880</b>	<b>\$ 436,274</b>	<b>\$ (47,580,608)</b>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net assets:</b>			
Net (expense) revenue from previous page.....	\$ <b>(47,677,004)</b>	\$ <b>96,396</b>	\$ <b>(47,580,608)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	43,748,150	-	43,748,150
Motor vehicle excise taxes.....	2,138,434	-	2,138,434
Penalties and interest on taxes.....	67,239	-	67,239
Grants and contributions not restricted to specific programs.....	945,762	-	945,762
Unrestricted investment income.....	707,268	-	707,268
Miscellaneous.....	69,531	-	69,531
Total general revenues and transfers.....	<u>47,676,384</u>	<u>-</u>	<u>47,676,384</u>
Change in net assets.....	(620)	96,396	95,776
<i>Net Assets:</i>			
Beginning of year, as restated for infrastructure.....	<u>107,428,498</u>	<u>16,443,358</u>	<u>123,871,856</u>
End of year.....	\$ <u><u>107,427,878</u></u>	\$ <u><u>16,539,754</u></u>	\$ <u><u>123,967,632</u></u>

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2007

<b>ASSETS</b>	General	Stabilization	New High School	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 5,420,916	\$ 968,827	\$ 469,311	\$ 7,724,952	\$ 14,584,006
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	441,834	-	-	-	441,834
Tax liens.....	128,741	-	-	-	128,741
Motor vehicle excise taxes.....	133,333	-	-	-	133,333
Departmental and other.....	9,135	-	-	71,747	80,882
Special assessments.....	324	-	-	-	324
Intergovernmental.....	24,009,000	-	-	1,090,939	25,099,939
<b>TOTAL ASSETS.....</b>	<b>\$ 30,143,283</b>	<b>\$ 968,827</b>	<b>\$ 469,311</b>	<b>\$ 8,887,638</b>	<b>\$ 40,469,059</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Warrants payable.....	\$ 1,096,115	\$ -	\$ 3,286	\$ 556,910	\$ 1,656,311
Accrued payroll.....	885,666	-	-	-	885,666
Tax refunds payable.....	7,200	-	-	-	7,200
Other liabilities.....	349,490	-	-	-	349,490
Deferred revenues.....	24,625,365	-	-	1,162,686	25,788,051
Notes payable.....	-	-	1,950,000	1,440,000	3,390,000
<b>TOTAL LIABILITIES.....</b>	<b>26,963,836</b>	<b>-</b>	<b>1,953,286</b>	<b>3,159,596</b>	<b>32,076,718</b>
<b>FUND BALANCES:</b>					
Reserved for:					
Encumbrances and continuing appropriations.....	795,859	-	-	-	795,859
Perpetual permanent funds.....	-	-	-	292,110	292,110
Unreserved:					
Designated for subsequent year's expenditures.....	1,106,648	-	-	-	1,106,648
Undesignated, reported in:					
General fund.....	1,276,940	-	-	-	1,276,940
Special revenue funds.....	-	968,827	-	4,433,734	5,402,561
Capital projects funds.....	-	-	(1,483,975)	797,094	(686,881)
Permanent funds.....	-	-	-	205,104	205,104
<b>TOTAL FUND BALANCES.....</b>	<b>3,179,447</b>	<b>968,827</b>	<b>(1,483,975)</b>	<b>5,728,042</b>	<b>8,392,341</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 30,143,283</b>	<b>\$ 968,827</b>	<b>\$ 469,311</b>	<b>\$ 8,887,638</b>	<b>\$ 40,469,059</b>

See notes to basic financial statements.

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

JUNE 30, 2007

Total governmental fund balances.....		\$ 8,392,341
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		117,079,778
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		25,788,051
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(201,670)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds and notes payable.....	(41,925,000)	
Capital lease obligations.....	(185,622)	
Compensated absences.....	<u>(1,520,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(43,630,622)</u>
Net assets of governmental activities.....		<u>\$ 107,427,878</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2007

	General	Stabilization	New High School	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 43,390,323	\$ -	\$ -	\$ -	\$ 43,390,323
Motor vehicle excise taxes.....	2,135,754	-	-	-	2,135,754
Charges for services.....	-	-	-	4,126,579	4,126,579
Penalties and interest on taxes.....	67,239	-	-	-	67,239
Fees and rentals.....	310,687	-	-	-	310,687
Licenses and permits.....	438,345	-	-	-	438,345
Fines and forfeitures.....	20,030	-	-	-	20,030
Intergovernmental.....	11,564,211	-	-	2,640,617	14,204,828
Departmental and other.....	609,175	-	-	2,594,215	3,203,390
Special assessments.....	219	-	-	-	219
Contributions.....	-	-	-	209,027	209,027
Investment income.....	707,268	39,743	-	128,764	875,775
<b>TOTAL REVENUES.....</b>	<b>59,243,251</b>	<b>39,743</b>	<b>-</b>	<b>9,699,202</b>	<b>68,982,196</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	2,201,667	-	-	3,393,459	5,595,126
Public safety.....	5,422,500	-	-	140,656	5,563,156
Education.....	27,559,834	-	967,655	5,484,678	34,012,167
Public works.....	4,068,829	-	-	235,407	4,304,236
Human services.....	566,943	-	-	104,769	671,712
Culture and recreation.....	1,153,346	-	-	443,967	1,597,313
Pension benefits.....	6,521,911	-	-	-	6,521,911
Property and liability insurance.....	335,255	-	-	-	335,255
Employee benefits.....	4,349,031	-	-	-	4,349,031
State and county charges.....	508,634	-	-	-	508,634
Capital outlay.....	1,448,482	-	-	2,850	1,451,332
Debt service:					
Principal.....	4,165,000	-	-	-	4,165,000
Interest.....	1,988,350	-	-	-	1,988,350
<b>TOTAL EXPENDITURES.....</b>	<b>60,289,782</b>	<b>-</b>	<b>967,655</b>	<b>9,805,786</b>	<b>71,063,223</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(1,046,531)</b>	<b>39,743</b>	<b>(967,655)</b>	<b>(106,584)</b>	<b>(2,081,027)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Capital lease financing.....	185,622	-	-	-	185,622
Transfers in.....	408,671	25,000	-	-	433,671
Transfers out.....	(25,000)	-	-	(408,671)	(433,671)
<b>TOTAL OTHER FINANCING SOURCES (USES).</b>	<b>569,293</b>	<b>25,000</b>	<b>-</b>	<b>(408,671)</b>	<b>185,622</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(477,238)</b>	<b>64,743</b>	<b>(967,655)</b>	<b>(515,255)</b>	<b>(1,895,405)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>3,656,685</b>	<b>904,084</b>	<b>(516,320)</b>	<b>6,243,297</b>	<b>10,287,746</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 3,179,447</b>	<b>\$ 968,827</b>	<b>\$ (1,483,975)</b>	<b>\$ 5,728,042</b>	<b>\$ 8,392,341</b>

See notes to basic financial statements.



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

FISCAL YEAR ENDED JUNE 30, 2007

Net change in fund balances - total governmental funds..... \$ (1,895,405)

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.....	4,163,245
Depreciation expense.....	<u>(4,152,652)</u>

Net effect of reporting capital assets..... 10,593

Revenues in the Statement of Activities that do not provide current financial resources are fully deferred 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 deferred revenue..... (2,295,646)

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 assets. 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 payments.....	245,668
Capital lease financing.....	(185,622)
Debt service principal payments.....	<u>4,165,000</u>

Net effect of reporting long-term debt..... 4,225,046

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.....	(67,000)
Net change in accrued interest on long-term debt.....	<u>21,792</u>

Net effect of recording long-term liabilities..... (45,208)

Change in net assets of governmental activities..... \$ (620)

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF NET ASSETS

JUNE 30, 2007

	<u>Business-type Sewer Enterprise</u>
<b>ASSETS</b>	
CURRENT:	
Cash and cash equivalents.....	\$ 692,370
Receivables, net of allowance for uncollectibles:	
User fees.....	1,925,325
Intergovernmental.....	<u>40,042</u>
Total current assets.....	<u>2,657,737</u>
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Intergovernmental.....	486,151
Capital assets, not being depreciated.....	350,850
Capital assets, net of accumulated depreciation.....	<u>16,143,804</u>
Total noncurrent assets.....	<u>16,980,805</u>
TOTAL ASSETS.....	<u>19,638,542</u>
<b>LIABILITIES</b>	
CURRENT:	
Warrants payable.....	38,111
Accrued payroll.....	4,382
Accrued interest.....	21,467
Compensated absences.....	12,000
Bonds and notes payable.....	<u>421,953</u>
Total current liabilities.....	<u>497,913</u>
NONCURRENT:	
Bonds and notes payable.....	<u>2,600,875</u>
Total noncurrent liabilities.....	<u>2,600,875</u>
TOTAL LIABILITIES.....	<u>3,098,788</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt.....	13,120,976
Unrestricted.....	<u>3,418,778</u>
TOTAL NET ASSETS.....	<u>\$ 16,539,754</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2007

	Business-type Sewer Enterprise
<b>OPERATING REVENUES:</b>	
Charges for services .....	\$ 3,788,725
Sewer betterments.....	180,440
TOTAL OPERATING REVENUES .....	3,969,165
<b>OPERATING EXPENSES:</b>	
Cost of services and administration .....	1,153,574
MWRA Assessment.....	1,973,685
Depreciation.....	671,976
TOTAL OPERATING EXPENSES .....	3,799,235
OPERATING INCOME (LOSS).....	169,930
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Interest expense.....	(145,556)
Intergovernmental.....	72,022
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(73,534)
CHANGE IN NET ASSETS.....	96,396
NET ASSETS AT BEGINNING OF YEAR.....	16,443,358
NET ASSETS AT END OF YEAR.....	\$ 16,539,754

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2007

	<u>Business-type Sewer Enterprise</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	
Receipts from customers and users.....	\$ 4,010,490
Payments to vendors.....	(2,803,993)
Payments to employees.....	<u>(293,281)</u>
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b><u>913,216</u></b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>	
Acquisition and construction of capital assets.....	(434,770)
Principal payments on bonds and notes.....	(382,863)
Interest expense.....	<u>(77,984)</u>
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b><u>(895,617)</u></b>
<b>NET CHANGE IN CASH EQUIVALENTS.....</b>	<b>17,599</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b><u>674,771</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ <u><u>692,370</u></u></b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u></b>	
Operating income (loss).....	\$ <u>169,930</u>
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation.....	671,976
Changes in assets and liabilities:	
User fees.....	41,325
Warrants payable.....	29,603
Accrued payroll.....	4,382
Accrued compensated absences.....	<u>(4,000)</u>
Total adjustments.....	<u>743,286</u>
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ <u><u>913,216</u></u></b>
<b><u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u></b>	
Intergovernmental Debt Service Subsidy.....	\$ <u><u>106,829</u></u>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2007

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 339,016	\$ 324,125
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	-	72,120
<b>TOTAL ASSETS</b> .....	<u>339,016</u>	<u>396,245</u>
<b>LIABILITIES</b>		
Warrants payable.....	-	1,798
Liabilities due depositors.....	-	394,447
<b>TOTAL LIABILITIES</b> .....	<u>-</u>	<u>396,245</u>
<b>NET ASSETS</b> .....	<u>\$ 339,016</u>	<u>\$ -</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2007

	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS:</u>	
Contributions:	
Private donations.....	\$ 62,025
Net investment income:	
Interest.....	<u>14,842</u>
TOTAL ADDITIONS.....	<u>76,867</u>
<u>DEDUCTIONS:</u>	
Educational scholarships.....	<u>92,100</u>
CHANGE IN NET ASSETS.....	(15,233)
NET ASSETS AT BEGINNING OF YEAR.....	<u>354,249</u>
NET ASSETS AT END OF YEAR.....	<u>\$ 339,016</u>

See notes to basic financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

A. Reporting Entity

An elected three-member Board of Selectmen governs the Town.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town’s 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 did not identify any component units requiring inclusion in the basic financial statements.

Joint Ventures

The Town has entered into a joint venture with the Towns of Avon, Canton, Dedham, Braintree, Holbrook, Milton, Norwood, and Randolph to pool resources and share the costs, risks and rewards of providing vocational education through the Blue Hills Regional Technical School District (District). As of June 30, 2007, the District has no significant unreserved fund balance and has approximately \$850 thousand in outstanding long-term bonds related to capital improvements. The following is the address where the District’s financial statements are available, its purpose, and the assessment paid by the Town during fiscal year 2007.

<u>Joint venture and address</u>	<u>Purpose</u>	<u>2007 Assessment</u>
Blue Hills Regional Technical School District 800 Randolph Street, Canton, MA 02021	To provide vocational education	<u>\$ 136,932</u>

The Town has no equity interest in the District.

Jointly Governed Organizations

The Board of Selectmen is responsible for appointing three of the six-member Board of Water Commissioners of the Dedham-Westwood Water District. The Town’s accountability for this organization does not extend beyond making these appointments.

B. Government-Wide and Fund Financial Statements

*Government-Wide Financial Statements*

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

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

#### *Fund Financial Statements*

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

#### *Major Fund Criteria*

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

- If the total assets, liabilities, 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 fund of that category or type (total governmental or total enterprise funds), *and*
- If the total assets, liabilities, 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.

Fiduciary funds are reported by fund type.

#### C. Measurement Focus, Basis of Accounting and Basis of 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 fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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



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

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

#### *Fund Financial Statements*

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

Real estate and personal property tax revenues are considered available if they are collected within 60 days after fiscal 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 *stabilization fund* is used to account for the accumulation of resources to provide general and/or capital reserves.

The *new high school fund* is used to account for financial resources to expand and upgrade the high school facilities.

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

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise 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 major proprietary fund is reported:

The *sewer enterprise fund* is used to account for the sewer activities.

**Fiduciary** fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting except for the agency fund, which have no measurement focus. 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 *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

The *agency fund* is used to account for assets held in a purely custodial capacity. The Town's agency fund consists primarily of public safety and custodial details worked by Town employees.

#### *Government-Wide and Fund Financial Statements*

For the enterprise funds, all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or prior to November 30, 1989, are applied, unless those pronouncements conflict with or contradict GASB pronouncements.

#### D. Cash and Investments

##### *Government-Wide and Fund Financial Statements*

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

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

## E. Accounts Receivable

### *Government-Wide and Fund Financial Statements*

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

### ***Real Estate, Personal Property Taxes and Tax Liens***

Real estate and personal property taxes are levied and based on values assessed on January 1<sup>st</sup> of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> and are subject to penalties and interest if they are not paid by the respective due date. Real estate tax liens are processed annually on delinquent properties. Real estate and personal property taxes levied are recorded as receivables in the fiscal year of the levy and are recorded under the modified accrual basis of accounting.

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 fiscal 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 and are recorded as receivables in the fiscal 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.

### ***User Charges***

Sewer charges are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Sewer liens are processed in October of every year and included as a lien on the property owner's tax bill. Sewer charges are recorded as receivables in the fiscal year of the levy and are recorded under the full accrual basis of accounting.

### ***Departmental and Other***

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

**Special Assessments**

Special assessments consist of street, construction and particular apportioned betterments. These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

**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

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the basic financial statements and therefore are not reported.

G. Capital Assets

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

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

The Town has included all general infrastructure assets regardless of their acquisition date or amount. The town was able to estimate the historical cost for the initial reporting of these assets through backtracking.

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings and improvements.....	7-40
Vehicles.....	5-10
Machinery and equipment.....	5-50
Furniture and fixtures.....	5-20
Infrastructure.....	5-50

## H. Interfund Transfers

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*

Transfers between and within governmental funds and are eliminated from the governmental activities in the statement of net assets. 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.

## I. Net Assets and Fund Equity

### *Government-Wide Financial Statements (Net Assets)*

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

Net assets have been "restricted for" the following:

"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.

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

"Gifts and Grants" – represents restrictions placed on assets from outside parties.

### *Fund Financial Statements (Fund Balances)*

Fund balances are reserved for amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Designations of fund balance represent tentative management plans that are subject to change.

Fund balances have been "reserved for" the following:

"Encumbrances and continuing appropriations" represents amounts obligated under purchase orders, contracts and other commitments for expenditures that are being carried over to the ensuing fiscal year.

"Perpetual permanent funds" represents the permanently restricted portion of amounts held in trust which stipulate that only earnings may be used for purposes that support governmental programs.

Fund balances have been “designated for” the following:

“Subsequent year’s expenditures” represents amounts appropriated for the fiscal year 2008 operating budget.

#### J. 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 assets. 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.

#### K. 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.

#### L. 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.

#### M. Post Retirement Benefits

##### *Government-Wide and Fund Financial Statements*

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer’s 50-60% share of insurance premiums in the general fund in the fiscal year paid. For the fiscal year ended June 30, 2007, this expenditure totaled \$1,042,056. There were 286 participants eligible to receive benefits at June 30, 2007.

## N. 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 fiscal year. Actual results could vary from estimates that were used.

## O. Total Column

### *Government-Wide Financial Statements*

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

### *Fund Financial Statements*

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

## **NOTE 2 – CASH AND INVESTMENTS**

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

The Town follows internal investment policies as well as investment policies established under Massachusetts General Laws. The Commonwealth's statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). Additionally, they allow the Town to invest trust funds in trust companies incorporated under the laws of the Commonwealth, banking companies incorporated under the laws of the Commonwealth which are members of the Federal Deposit Insurance Corporation (FDIC), national banks, in participation units in combined investment funds, in paid-up shares and accounts of and in cooperative banks, in shares of savings and loan associations, in shares or savings deposits of federal savings and loan associations doing business in the Commonwealth to an amount not exceeding one hundred thousand dollars, and in bonds or notes which are legal investments for savings banks. Municipalities having trust funds in the custody of the treasurer in an aggregate amount in excess of two hundred and fifty thousand dollars may also invest trust funds in securities, other than mortgages and collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth provided that not more than fifteen percent of any such trust funds shall be invested in bank stocks and insurance company stocks, nor shall more than one and one-half percent of such funds be invested in the stock of any one bank or insurance company.

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 of Massachusetts who serves as Trustee. The fair value of the position 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 to it. The Town's deposit and investment policy allows for unlimited investments in MMDT, U.S. Treasuries and Agencies that will be held to maturity with maturities up to one year from the date of purchase, and bank accounts and Certificates of Deposit with maturities up to one year which are fully collateralized or fully insured by FDIC or the Depository Insurance Fund. Additionally, the Town's policy allows for investments in unsecured bank deposits such as checking, savings, money market or Certificates of Deposit with maturities up to three months. Unsecured deposits are limited to no more than 5% of an institution's assets and no more than 20% of the Town's total cash. At fiscal year-end, the carrying amount of deposits totaled \$6,791,831 and the bank balance totaled \$7,532,252. Of the bank balance, \$728,266 was covered by Federal Depository Insurance, \$372,430 was covered by the Depositors Insurance Fund, \$5,481,610 was collateralized and \$949,946 was subject to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2007, the Town had the following investments:

Equity Mutual Funds.....	\$	12,576
Money Market Mutual Funds.....		108,518
MMDT.....		<u>9,026,592</u>
Total Investments.....	\$	<u><u>9,147,686</u></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 the outside party. At June 30, 2007, the Town does not have any custodial credit risk exposure for its investments since open-end mutual funds and MMDT deposits are not subject to custodial credit risk. In addition to the deposit and investment restrictions listed above, the Town's investment policies allow for trust funds to be invested in any instruments allowed by the Legal List issued by the Banking Commissioner each July. Stabilization funds may be invested in National Banks, Savings Banks, Cooperative banks or trust companies organized under Massachusetts laws, Securities legal for savings banks (i.e. those included in the Legal List issued annually by the Banking Commissioner), Federal Savings and Loan Associations situated in the Commonwealth and the MMDT.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect the fair value of the Town's investments. The Town manages its exposure to fair value losses arising from increasing interest rates by limiting the allowable maturities of investments. The Town's investment policy limits the maturities of investments in U.S. Treasuries, U.S. Agencies and secured Certificates of Deposit to a maximum of one year from the date of purchase. Negotiable Certificates of Deposit are limited to a maximum of three months. The Town had no debt securities during fiscal year 2007.



Credit Risk

The Town’s policy for Credit Risk requires all brokerage houses and broker/dealers wishing to do business with the Town to supply the Treasurer with audited financial statements, proof of National Association of Security Dealers certification, a statement that the dealer has read the Town’s investment policy and will comply with it and proof of credit worthiness with minimum standards of at least five years in operation and a minimum capital of \$10 million. All of the Town’s investments are unrated.

Concentration of Credit Risk

The Town limits the amount that may be invested in any one issuer, except for MMDT as mentioned earlier, to no more than 5% of an institution’s assets and no more than 30% of the Town’s total investments. At June 30, 2007, the Town did not have more than 5% of the Town’s investments in with any one issuer.

**NOTE 3 – RECEIVABLES**

At June 30, 2007, receivables for the individual major governmental funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 441,834	\$ -	\$ 441,834
Tax liens.....	128,741	-	128,741
Motor vehicle excise taxes.....	174,533	(41,200)	133,333
Departmental and other.....	147,582	(66,700)	80,882
Special assessments.....	324	-	324
Intergovernmental.....	<u>25,099,939</u>	<u>-</u>	<u>25,099,939</u>
 Total.....	 <u>\$ 25,992,953</u>	 <u>\$ (107,900)</u>	 <u>\$ 25,885,053</u>

At June 30, 2007, receivables for the fiduciary funds consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Details.....	<u>\$ 72,120</u>	<u>\$ -</u>	<u>\$ 72,120</u>

At June 30, 2007, receivables for the enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Sewer fees.....	\$ 1,925,325	\$ -	\$ 1,925,325
Intergovernmental.....	526,193	-	526,193
Total.....	<u>\$ 2,451,518</u>	<u>\$ -</u>	<u>\$ 2,451,518</u>

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

	General Fund	Nonmajor Governmental Funds	Total
<u>Receivable type:</u>			
Real estate and personal property taxes.....	\$ 344,832	\$ -	\$ 344,832
Tax liens.....	128,741	-	128,741
Motor vehicle excise taxes.....	133,333	-	133,333
Departmental and other.....	9,135	71,747	80,882
Special assessments.....	324	-	324
Intergovernmental.....	24,009,000	1,090,939	25,099,939
Total.....	<u>\$ 24,625,365</u>	<u>\$ 1,162,686</u>	<u>\$ 25,788,051</u>

**NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2007, there were no interfund receivables or payables.

Interfund transfers in for the fiscal year ended June 30, 2007, are summarized as follows:

Transfers Out:	Transfers In:			
	General Fund	Stabilization	Total	
General Fund.....	\$ -	\$ 25,000	\$ 25,000	(A)
Nonmajor Governmental Fund.....	10,000	-	10,000	(B)
Nonmajor Governmental Fund.....	344,850	-	344,850	(C)
Nonmajor Governmental Fund.....	17,000	-	17,000	(D)
Nonmajor Governmental Fund.....	36,821	-	36,821	(E)
Total.....	<u>\$ 408,671</u>	<u>\$ 25,000</u>	<u>\$ 433,671</u>	

- (A) - General Fund funding of the Stabilization Fund
- (B) - Transfer of Cemetery Permanent Fund amount to support cemetery expenditures
- (C) - Transfer of Special Revenue Ambulance Receipts to fund ambulance expenditures
- (D) - Transfer from Special Revenue Conservation Fund to fund conservation expenditures
- (E) - Transfer from Special Revenue Bond Premiums for debt service expenditures

**NOTE 5 – PENSION PLAN**

*Plan Description* - The Town contributes to the Norfolk Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the Norfolk County Retirement Board. Substantially all employees of the Town are members of the System, except for public school teachers and certain administrators who are members of the Commonwealth of Massachusetts’ Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$4,659,000 for the fiscal year ended June 30, 2007, and, accordingly, are reported in the General Fund as Intergovernmental Revenues and Pension Expenditures.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth’s state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Norfolk County Contributory Retirement Board and are borne by the System. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth’s Public Employee Retirement Administration Commission. That report may be obtained by contacting the System located at 480 Neponset Street, Building 15, Canton, MA, 02021.

*Funding Policy* - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. The contributions of plan members and the Town are governed by Chapter 32 of the MGL.

*Annual Pension Cost* - The Town's contributions to the System for the fiscal years ended June 30, 2007, 2006 and 2005 were \$1,810,830, \$1,590,774 and \$1,349,590 respectively, which equaled its required contribution for each fiscal year.

*Noncontributory Retirement Allowance* - The Town pays the entire retirement allowance for certain retirees who are eligible for noncontributory benefits and are not members of the System. The general fund expenditure for fiscal year 2007 totaled approximately \$51,600.

**NOTE 6 – CAPITAL ASSETS**

The Town retroactively reported general infrastructure assets acquired prior to the initial year of implementation of GASB Statement #34. Accordingly, the value of capital assets and net assets of governmental activities, as of June 30, 2006, were restated by increasing the amounts previously reported by \$41,143,439.

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 5,858,382	\$ -	\$ -	\$ 5,858,382
Construction in progress.....	43,972,297	1,031,576	-	45,003,873
Total capital assets not being depreciated.....	49,830,679	1,031,576	-	50,862,255
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	38,040,924	1,291,002	-	39,331,926
Vehicles.....	5,308,814	303,485	(91,480)	5,520,819
Machinery and equipment.....	5,261,453	484,048	-	5,745,501
Furniture and fixtures.....	215,173	45,950	-	261,123
Infrastructure.....	79,989,624	1,007,184	-	80,996,808
Total capital assets being depreciated.....	128,815,988	3,131,669	(91,480)	131,856,177
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(16,820,147)	(972,982)	-	(17,793,129)
Vehicles.....	(3,309,778)	(426,085)	91,480	(3,644,383)
Machinery and equipment.....	(3,794,449)	(614,108)	-	(4,408,557)
Furniture and fixtures.....	(143,768)	(22,988)	-	(166,756)
Infrastructure.....	(37,509,340)	(2,116,489)	-	(39,625,829)
Total accumulated depreciation.....	(61,577,482)	(4,152,652)	91,480	(65,638,654)
Total capital assets being depreciated, net.....	67,238,506	(1,020,983)	-	66,217,523
Total governmental activities capital assets, net.....	\$ 117,069,185	\$ 10,593	\$ -	\$ 117,079,778

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 350,850	\$ -	\$ -	\$ 350,850
<u>Capital assets being depreciated:</u>				
Plant and infrastructure.....	25,653,132	-	-	25,653,132
Other buildings and improvements.....	5,564,646	390,415	-	5,955,061
Vehicles.....	238,630	25,654	(15,930)	248,354
Machinery and equipment.....	278,975	18,701	-	297,676
Furniture and fixtures.....	35,323	-	-	35,323
Total capital assets being depreciated.....	<u>31,770,706</u>	<u>434,770</u>	<u>(15,930)</u>	<u>32,189,546</u>
<u>Less accumulated depreciation for:</u>				
Plant and infrastructure.....	(12,776,656)	(522,495)	-	(13,299,151)
Other buildings and improvements.....	(2,261,546)	(117,300)	-	(2,378,846)
Vehicles.....	(180,140)	(26,381)	15,930	(190,591)
Machinery and equipment.....	(136,031)	(5,800)	-	(141,831)
Furniture and fixtures.....	(35,323)	-	-	(35,323)
Total accumulated depreciation.....	<u>(15,389,696)</u>	<u>(671,976)</u>	<u>15,930</u>	<u>(16,045,742)</u>
Total capital assets being depreciated, net.....	<u>16,381,010</u>	<u>(237,206)</u>	<u>-</u>	<u>16,143,804</u>
Total business-type activities capital assets, net.....	<u>\$ 16,731,860</u>	<u>\$ (237,206)</u>	<u>\$ -</u>	<u>\$ 16,494,654</u>

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

**Governmental Activities:**

General government.....	\$ 176,982
Public safety.....	375,324
Education.....	1,155,891
Public works.....	2,398,448
Human services.....	25,505
Culture and recreation.....	<u>20,502</u>

Total depreciation expense - governmental activities..... \$ 4,152,652

**Business-Type Activities:**

Sewer.....	<u>\$ 671,976</u>
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**NOTE 7 – CAPITAL LEASES**

During fiscal 2007 the Town has entered into a lease agreement for financing the acquisition of four relocatable classroom buildings with a down payment of \$350,000. 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>
Buildings and improvements.....	\$ 535,622
Accumulated depreciation.....	<u>(13,391)</u>
 Total.....	 \$ <u><u>522,231</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2007, were as follows:

<u>Fiscal Years Ending June 30</u>	<u>Governmental Activities</u>
2008.....	\$ 69,384
2009.....	69,384
2010.....	<u>69,384</u>
 Total minimum lease payments.....	 208,152
 Less: amounts representing interest.....	 <u>(22,530)</u>
 Present value of minimum lease payments.....	 \$ <u><u>185,622</u></u>

**NOTE 8 – SHORT-TERM FINANCING**

The Town is authorized to borrow on a temporary basis 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).
- Federal and state aided capital projects and other program expenditures prior to receiving reimbursement through issuance of federal and state aid anticipation notes (FANS and SANS).

Short-term loans are general obligations of the Town and carry maturity dates that are limited by statute. Interest expenditures for short-term borrowings are accounted for in the General Fund and Sewer Enterprise Fund.

Details related to the Town's outstanding short-term indebtedness at June 30, 2007, and the debt service requirements follow.

Type	Purpose	Issue Date	Maturity Date	Interest Rate (%)	Outstanding at June 30, 2006	Issued	Retired	Outstanding at June 30, 2007
BAN	East Street land acquisition....	9/15/05	09/14/06	3.39	\$ 275,000	\$ -	\$ 275,000	\$ -
BAN	East Street land acquisition....	9/14/06	09/13/07	4.00	-	245,000	-	245,000
BAN	High Street construction.....	2/14/07	02/14/08	3.62	-	1,000,000	-	1,000,000
BAN	Street lights.....	2/14/07	02/14/08	3.62	-	195,000	-	195,000
BAN	High School construction.....	2/14/07	02/14/08	3.62	-	1,950,000	-	1,950,000
Total.....					\$ 275,000	\$ 3,390,000	\$ 275,000	\$ 3,390,000

Subsequent to year end, the East Street land acquisition BAN was reissued with an interest rate of 3.90% and a maturity date of February 14, 2008.

**NOTE 9 – LONG-TERM DEBT**

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5% of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, however, a Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

Details related to the Town's outstanding general obligation indebtedness at June 30, 2007, and the debt service requirements follow.

Project	Interest Rate (%)	Outstanding at June 30, 2006	Issued	Redeemed	Outstanding at June 30, 2007
Middle school/gym.....	3.50-4.00	\$ 705,000	\$ -	\$ 235,000	\$ 470,000
Middle school/gym.....	3.50-4.00	165,000	-	55,000	110,000
Land acquisition.....	3.50-4.00	120,000	-	40,000	80,000
Senior center.....	3.50-4.00	72,000	-	24,000	48,000
School fields.....	3.50-4.00	57,000	-	19,000	38,000
Middle school/gym completion.....	3.50-4.00	45,000	-	15,000	30,000
Middle school/gym completion.....	3.50-4.00	21,000	-	7,000	14,000
Martha Jones School construction.....	3.90-5.00	4,320,000	-	720,000	3,600,000
Downey School construction.....	3.90-5.00	3,780,000	-	630,000	3,150,000
Striar land purchase.....	3.90-5.00	780,000	-	130,000	650,000
Cemetery land purchase.....	3.90-5.00	180,000	-	30,000	150,000
School planning.....	2.50-5.38	33,575,000	-	1,975,000	31,600,000
Public building.....	3.00-5.00	2,080,000	-	260,000	1,820,000
Public building.....	3.00-5.00	190,000	-	25,000	165,000
<b>Total governmental bonds payable.....</b>		<b>46,090,000</b>	<b>-</b>	<b>4,165,000</b>	<b>41,925,000</b>
Sewer.....	3.50-4.00	240,000	-	80,000	160,000
Sewer.....	3.50-4.00	120,000	-	40,000	80,000
Sewer (WPAT).....	3.88	2,180,498	-	147,670	2,032,828
Sewer.....	3.90-5.00	900,000	-	150,000	750,000
<b>Total enterprise bonds payable.....</b>		<b>3,440,498</b>	<b>-</b>	<b>417,670</b>	<b>3,022,828</b>
<b>Total general obligation bonds and notes payable.....</b>		<b>\$ 49,530,498</b>	<b>\$ -</b>	<b>\$ 4,582,670</b>	<b>\$ 44,947,828</b>



Debt service requirements for principal and interest for bonds payable in the general fund in future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008.....	\$ 4,165,000	\$ 1,835,447	\$ 6,000,447
2009.....	4,165,000	1,693,057	5,858,057
2010.....	3,770,000	1,523,055	5,293,055
2011.....	3,770,000	1,370,367	5,140,367
2012.....	3,770,000	1,215,793	4,985,793
2013.....	2,255,000	1,036,731	3,291,731
2014.....	2,255,000	923,981	3,178,981
2015.....	1,975,000	811,231	2,786,231
2016.....	1,975,000	712,481	2,687,481
2017.....	1,975,000	629,531	2,604,531
2018.....	1,975,000	523,375	2,498,375
2019.....	1,975,000	436,475	2,411,475
2020.....	1,975,000	347,600	2,322,600
2021.....	1,975,000	258,725	2,233,725
2022.....	1,975,000	167,875	2,142,875
2023.....	1,975,000	83,938	2,058,938
Total.....	\$ <u>41,925,000</u>	\$ <u>13,569,662</u>	\$ <u>55,494,662</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008.....	\$ 421,953	\$ 130,043	\$ 551,996
2009.....	425,750	111,708	537,458
2010.....	309,838	91,336	401,174
2011.....	314,687	82,051	396,738
2012.....	319,700	58,112	377,812
2013.....	90,300	136,660	226,960
2014.....	176,300	48,124	224,424
2015.....	181,600	42,279	223,879
2016.....	187,100	32,554	219,654
2017.....	192,800	23,516	216,316
2018.....	198,500	10,451	208,951
2019.....	204,300	5,108	209,408
Total.....	\$ <u>3,022,828</u>	\$ <u>771,942</u>	\$ <u>3,794,770</u>

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$526,193 and interest costs for \$449,642. Thus, net MWPAT loan repayments including interest are scheduled to be \$1,724,641. Since the Town is legally obligated for the total amount of the debt, such amounts have been recorded in the accompanying basic financial statements. The fiscal year 2007 principal and interest subsidy totaled approximately \$34,807 and \$72,022, respectively.

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and debt interest and borrowing costs. During fiscal year 2007, approximately \$3,193,029 of such assistance was received. Approximately \$31,676,000 will be received in future fiscal years. Of this amount, approximately \$7,667,000 represents reimbursement of long-term interest costs, and approximately \$24,009,000 represents reimbursement of approved construction costs. Accordingly, \$24,009,000 intergovernmental receivable and corresponding deferred revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2007, the Town had the following authorized and unissued debt:

Purpose	Date Voted	Article	Amount Authorized	Amount Unissued
Land Acquisition.....	ATM 5/2001	15	\$ 300,000	\$ 245,000
High Street Construction.....	ATM 5/2005	17	1,000,000	1,000,000
High Street Street Lights.....	ATM 5/2006	10	195,000	195,000
High School Supplement.....	ATM 5/2006	11	1,950,000	1,950,000
High School Fields.....	ATM 6/2007	9	475,000	475,000
Total.....			<u>\$ 3,920,000</u>	<u>\$ 3,865,000</u>

Changes in Long-Term Liabilities

During the fiscal year ended June 30, 2007, the following changes occurred in long-term liabilities:

	Balance at June 30, 2006	Additions	Retirements and Other	Balance at June 30, 2007	Current Portion
<b>Governmental Activities:</b>					
Long-Term Bonds and Notes.....	\$ 46,090,000	\$ -	\$ (4,165,000)	\$ 41,925,000	\$ 4,165,000
Capital Lease Obligations.....	245,668	185,622	(245,668)	185,622	56,370
Compensated Absences.....	1,453,000	1,037,000	(970,000)	1,520,000	1,019,000
Total Governmental Activities.....	<u>47,788,668</u>	<u>1,222,622</u>	<u>(5,380,668)</u>	<u>43,630,622</u>	<u>5,240,370</u>
<b>Business-Type Activities:</b>					
Long-Term Bonds and Notes.....	3,440,498	-	(417,670)	3,022,828	421,953
Compensated Absences.....	16,000	12,000	(16,000)	12,000	12,000
Total Business-Type Activities.....	<u>3,456,498</u>	<u>12,000</u>	<u>(433,670)</u>	<u>3,034,828</u>	<u>433,953</u>
Total.....	<u>\$ 51,245,166</u>	<u>\$ 1,234,622</u>	<u>\$ (5,814,338)</u>	<u>\$ 46,665,450</u>	<u>\$ 5,674,323</u>

Compensated absence liabilities related to both governmental and business-type activities are normally paid from the general fund and sewer enterprise funds, respectively. Compensated absences are reported in the governmental funds only if they have matured.

#### **NOTE 10 – RISK FINANCING**

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

The Town provides health insurance to its employees through its participation in the West Suburban Health Group (the Group), a non-profit trust comprised of eleven towns, one school district and two educational collaboratives. The Group is self-sustaining through member premiums. The Town recognizes the cost of providing health insurance by recording its 60% share of insurance premiums paid to the Group in the general fund in the fiscal year paid. The purpose of the Group is to pay medical claims of its members' employees and their covered dependents. In the event the group is terminated, the Town is obligated to pay its prorated share of a deficit, should one exist.

The Town is a member of the Massachusetts Interlocal Insurance Association (MIIA), a public entity risk pool currently operating as a common risk management and insurance program for workers' compensation benefits for employees other than uniformed police and fire personnel. MIIA is self-sustaining through member premiums and reinsures through commercial companies for stop loss insurance. The total premiums assessed by MIIA to the Town during fiscal year 2007 totaled \$182,000 and are recorded in the general fund.

The Town is self-insured for the workers' compensation claims of police officers and firefighters and are paid on a pay-as-you-go basis from the General Fund. The estimated liability for workers' compensation claims is based on history and injury type. The Town's liability is not material at June 30, 2007, and therefore is not reported.

The Town is self-insured for unemployment compensation. During fiscal year 2007, the Town appropriated \$87,000 to provide for anticipated costs of unemployment benefits. During fiscal year 2007, claims related to unemployment compensation totaled \$68,000. The liability for unemployment compensation was not material at June 30, 2007, and therefore is not reported.

#### **NOTE 11 – STABILIZATION FUND**

The Town has \$968,827 in a stabilization fund classified as a major governmental fund in the fund-based statements. The stabilization fund may be used for general and/or capital purposes upon Town Meeting approval. During fiscal year 2007, the stabilization fund earned investment income of approximately \$40,000.

#### **NOTE 12 – COMMITMENTS**

The Town is currently permitting a major new commercial development, known as Westwood Station. This project is a 4.5 million square foot mixed use development including residential, commercial, and retail components. The development will be sited on the Town's former industrial park known as University Ave Park. This new development, which has received state and local approval, has the potential to significantly enhance the Town's tax base.

**NOTE 13 – CONTINGENCIES**

The Town participates in a number of federal award programs. Although the Town grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2007, 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 the Town expects such amounts, if any, to be immaterial.

Various legal actions and claims are pending against the Town. 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, 2007, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2007.

**NOTE 14 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During fiscal year 2007, the following GASB pronouncements were implemented:

- The GASB issued Statement #48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* which is required to be implemented in FY2008. Management has elected to implement this GASB early. The basic financial statements were not impacted by this GASB.
- The GASB issued Statement #49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which is required to be implemented in fiscal year 2008. Management has elected to implement this GASB early. The basic financial statements were not impacted by the GASB.
- The GASB issued Statement #51, *Accounting and Financial Reporting for Intangible Assets*, which is required to be implemented in fiscal year 2010. Management has elected to implement this GASB early. The basic financial statements were not impacted by this GASB.

**Future Implementation of GASB Pronouncements**

- The GASB issued Statement #43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The standards in this statement do not apply to the Town, however, a related statement (Statement #45), addresses new standards for the Town related to Other Postemployment Benefits.
- The GASB issued Statement #45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which is required to be implemented in fiscal year 2009. Management anticipates that this statement will materially impact the Town's financial statements.
- The GASB issued Statement #50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*, which is required to be implemented in fiscal year 2008. This GASB will change the disclosures related to pensions.

- The GASB issued Statement #52, Land and Other Real Estate Held as Investments by Endowments, which is required to be implemented in fiscal year 2009. The standards in this statement require all investments in land and real estate in permanent and similar funds to be reported at fair value. Management does not expect this pronouncement to impact the basic financial statements.

# *Required Supplementary Information*

# *General Fund Budgetary Comparison Schedule*

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

FISCAL YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 43,431,916	\$ 43,431,916	\$ 43,495,523	\$ -	\$ 63,607
Motor vehicle excise taxes.....	2,250,000	2,250,000	2,135,754	-	(114,246)
Penalties and interest on taxes.....	50,000	50,000	67,239	-	17,239
Fees.....	212,041	212,041	310,687	-	98,646
Licenses and permits.....	338,000	338,000	438,345	-	100,345
Fines and forfeitures.....	15,000	15,000	20,030	-	5,030
Intergovernmental.....	6,881,034	6,881,034	6,904,725	-	23,691
Departmental and other.....	517,142	517,142	609,175	-	92,033
Special assessments.....	200	200	219	-	19
Investment income.....	280,100	280,100	707,268	-	427,168
<b>TOTAL REVENUES.....</b>	<b>53,975,433</b>	<b>53,975,433</b>	<b>54,688,965</b>	<b>-</b>	<b>713,532</b>
<b>EXPENDITURES:</b>					
<b>SELECTMEN</b>					
Salaries.....	348,672	348,672	348,622	-	50
Expenditures.....	51,700	56,715	53,636	-	3,079
<b>TOTAL.....</b>	<b>400,372</b>	<b>405,387</b>	<b>402,258</b>	<b>-</b>	<b>3,129</b>
<b>FINANCE COMMISSION</b>					
Salaries.....	30,791	31,791	31,768	-	23
Expenditures.....	20,614	27,579	26,980	220	379
<b>TOTAL.....</b>	<b>51,405</b>	<b>59,370</b>	<b>58,748</b>	<b>220</b>	<b>402</b>
<b>ACCOUNTING</b>					
Salaries.....	143,782	143,782	143,687	-	95
Expenditures.....	5,700	5,700	3,272	-	2,428
<b>TOTAL.....</b>	<b>149,482</b>	<b>149,482</b>	<b>146,959</b>	<b>-</b>	<b>2,523</b>
<b>AUDIT-SCHOOL &amp; MUNICIPAL FINANCIALS</b>					
Professional Services.....	46,000	46,000	45,990	-	10
<b>ASSESSORS</b>					
Salaries.....	150,899	150,899	150,863	-	36
Expenditures.....	23,504	23,504	23,319	-	185
<b>TOTAL.....</b>	<b>174,403</b>	<b>174,403</b>	<b>174,182</b>	<b>-</b>	<b>221</b>
<b>TREASURER</b>					
Salaries.....	68,950	68,950	68,731	-	219
Expenditures.....	15,130	15,130	5,579	-	9,551
<b>TOTAL.....</b>	<b>84,080</b>	<b>84,080</b>	<b>74,310</b>	<b>-</b>	<b>9,770</b>
<b>COLLECTOR</b>					
Salaries.....	90,947	90,947	90,145	-	802
Expenditures.....	62,150	62,150	61,986	-	164
<b>TOTAL.....</b>	<b>153,097</b>	<b>153,097</b>	<b>152,131</b>	<b>-</b>	<b>966</b>
<b>LEGAL</b>					
Salaries.....	81,607	81,607	81,528	-	79
Expenditures.....	56,500	56,500	56,483	-	17
<b>TOTAL.....</b>	<b>138,107</b>	<b>138,107</b>	<b>138,011</b>	<b>-</b>	<b>96</b>

(Continued)



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

FISCAL YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
<b>PERSONNEL BOARD</b>					
Salaries.....	85,316	85,316	82,633	-	2,683
Expenditures.....	4,175	4,175	3,398	-	777
<b>TOTAL.....</b>	<b>89,491</b>	<b>89,491</b>	<b>86,031</b>	<b>-</b>	<b>3,460</b>
<b>INFORMATION SYSTEMS</b>					
Salaries.....	190,395	190,395	190,033	-	362
Expenditures.....	202,510	202,510	199,958	-	2,552
<b>TOTAL.....</b>	<b>392,905</b>	<b>392,905</b>	<b>389,991</b>	<b>-</b>	<b>2,914</b>
<b>TOWN CLERK</b>					
Salaries.....	133,666	138,166	138,103	-	63
Expenditures.....	54,172	56,394	55,380	-	1,014
<b>TOTAL.....</b>	<b>187,838</b>	<b>194,560</b>	<b>193,483</b>	<b>-</b>	<b>1,077</b>
<b>CONSERVATION COMMISSION</b>					
Salaries.....	38,941	38,941	35,546	-	3,395
Expenditures.....	2,819	2,819	2,464	-	355
<b>TOTAL.....</b>	<b>41,760</b>	<b>41,760</b>	<b>38,010</b>	<b>-</b>	<b>3,750</b>
<b>PLANNING BOARD</b>					
Salaries.....	72,859	72,859	72,698	-	161
Expenditures.....	3,230	3,230	2,583	-	647
<b>TOTAL.....</b>	<b>76,089</b>	<b>76,089</b>	<b>75,281</b>	<b>-</b>	<b>808</b>
<b>ZONING BOARD OF APPEALS</b>					
Salaries.....	20,818	20,818	20,784	-	34
Expenditures.....	3,361	3,361	1,060	191	2,110
<b>TOTAL.....</b>	<b>24,179</b>	<b>24,179</b>	<b>21,844</b>	<b>191</b>	<b>2,144</b>
<b>ECONOMIC DEVELOPMENT TASK FORCE</b>					
Salaries.....	51,666	51,666	51,662	-	4
Expenditures.....	5,300	7,841	4,645	-	3,196
<b>TOTAL.....</b>	<b>56,966</b>	<b>59,507</b>	<b>56,307</b>	<b>-</b>	<b>3,200</b>
<b>OUTSIDE PROFESSIONAL SERVICES</b>					
Expenditures.....	35,000	35,000	31,196	2,750	1,054
<b>MASS HOUSING PARTNERSHIP</b>					
Expenditures.....	1,800	1,800	1,800	-	-
<b>HOUSING AUTHORITY</b>					
Expenditures.....	1,000	1,000	1,000	-	-
<b>OFFICE COMMUNICATIONS</b>					
Expenditures.....	118,650	118,650	111,204	1,576	5,870
<b>TRAINING</b>					
Expenditures.....	4,000	4,000	2,931	-	1,069
Reserve Fund.....	625,000	205,535	-	-	205,535
<b>Total General Government.....</b>	<b>2,851,624</b>	<b>2,454,402</b>	<b>2,201,667</b>	<b>4,737</b>	<b>247,998</b>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
<b>PUBLIC SAFETY</b>					
<b>POLICE DEPARTMENT</b>					
Salaries.....	2,356,212	2,401,912	2,393,372	6,661	1,879
Expenditures.....	166,150	166,150	165,510	-	640
<b>TOTAL.....</b>	<b>2,522,362</b>	<b>2,568,062</b>	<b>2,558,882</b>	<b>6,661</b>	<b>2,519</b>
<b>CAREER INCENTIVE PROGRAM.....</b>					
	139,759	139,759	139,759	-	-
Salaries.....	30,430	30,430	30,430	-	-
Expenditures.....	6,650	6,650	5,117	1,493	40
<b>TOTAL.....</b>	<b>37,080</b>	<b>37,080</b>	<b>35,547</b>	<b>1,493</b>	<b>40</b>
<b>CROSSING GUARDS</b>					
Salaries.....	92,234	92,234	92,234	-	-
Expenditures.....	2,800	2,800	667	-	2,133
<b>TOTAL.....</b>	<b>95,034</b>	<b>95,034</b>	<b>92,901</b>	<b>-</b>	<b>2,133</b>
<b>FIRE DEPARTMENT</b>					
Salaries.....	2,181,653	2,181,653	2,181,424	-	229
Expenditures.....	162,265	169,265	168,624	-	641
<b>TOTAL.....</b>	<b>2,343,918</b>	<b>2,350,918</b>	<b>2,350,048</b>	<b>-</b>	<b>870</b>
<b>BUILDING INSPECTION</b>					
Salaries.....	221,163	221,163	220,996	-	167
Expenditures.....	24,100	24,100	23,963	-	137
<b>TOTAL.....</b>	<b>245,263</b>	<b>245,263</b>	<b>244,959</b>	<b>-</b>	<b>304</b>
<b>CIVIL DEFENSE.....</b>	<b>2,000</b>	<b>2,000</b>	<b>404</b>	<b>-</b>	<b>1,596</b>
<b>Total Public Safety.....</b>	<b>5,385,416</b>	<b>5,438,116</b>	<b>5,422,500</b>	<b>8,154</b>	<b>7,462</b>
<b>EDUCATION</b>					
<b>PUBLIC SCHOOLS</b>					
Salaries and expenditures.....	27,677,013	27,935,013	27,105,908	822,364	6,741
<b>BLUE HILLS REGIONAL.....</b>	<b>136,932</b>	<b>136,932</b>	<b>134,870</b>	<b>-</b>	<b>2,062</b>
<b>Total Education.....</b>	<b>27,813,945</b>	<b>28,071,945</b>	<b>27,240,778</b>	<b>822,364</b>	<b>8,803</b>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
<b>PUBLIC WORKS</b>					
<b>DEPARTMENT OF PUBLIC WORKS</b>					
Salaries-admin.....	158,075	158,075	157,984	-	91
Salaries-operations.....	1,165,093	1,165,093	1,143,026	21,630	437
Expenditures.....	363,388	376,788	370,857	4,126	1,805
<b>TOTAL.....</b>	<b>1,686,556</b>	<b>1,699,956</b>	<b>1,671,867</b>	<b>25,756</b>	<b>2,333</b>
<b>BUILDING MAINTENANCE</b>					
Expenditures.....	527,275	533,475	502,548	6,351	24,576
<b>MUNICIPAL &amp; SCHOOL FIELD MAINTENANCE</b>					
Expenditures.....	85,000	85,000	84,999	-	1
<b>SNOW &amp; ICE</b>					
Expenditures.....	141,200	216,200	216,191	-	9
<b>STREET LIGHTING</b>					
Expenditures.....	105,000	111,000	102,320	6,000	2,680
<b>WASTE/COLLECTION/DISPOSAL</b>					
Expenditures.....	1,517,000	1,517,000	1,490,904	-	26,096
<b>Total Public Works.....</b>	<b>4,062,031</b>	<b>4,162,631</b>	<b>4,068,829</b>	<b>38,107</b>	<b>55,695</b>
<b>HEALTH AND HUMAN SERVICES</b>					
<b>HEALTH DIVISION</b>					
Salaries.....	149,456	153,456	153,374	-	82
Expenditures.....	10,126	10,126	9,683	398	45
<b>TOTAL.....</b>	<b>159,582</b>	<b>163,582</b>	<b>163,057</b>	<b>398</b>	<b>127</b>
<b>OUTSIDE HEALTH AGENCIES</b>					
Expenditures.....	14,316	14,316	12,796	-	1,520
<b>DISABILITY COMMISSION</b>					
Expenditures.....	500	500	-	-	500
<b>COUNCIL ON AGING</b>					
Salaries.....	144,083	165,083	164,989	-	94
Expenditures.....	19,385	20,385	19,394	-	991
<b>TOTAL.....</b>	<b>163,468</b>	<b>185,468</b>	<b>184,383</b>	<b>-</b>	<b>1,085</b>
<b>YOUTH COMMISSION</b>					
Salaries.....	140,910	140,910	140,845	-	65
Expenditures.....	15,698	15,698	13,291	1,148	1,259
<b>TOTAL.....</b>	<b>156,608</b>	<b>156,608</b>	<b>154,136</b>	<b>1,148</b>	<b>1,324</b>
<b>VETERANS SERVICES</b>					
Salaries.....	22,902	22,902	22,870	-	32
Expenditures.....	32,691	32,691	29,701	346	2,644
<b>TOTAL.....</b>	<b>55,593</b>	<b>55,593</b>	<b>52,571</b>	<b>346</b>	<b>2,676</b>
<b>Total Health and Human Services.....</b>	<b>550,067</b>	<b>576,067</b>	<b>566,943</b>	<b>1,892</b>	<b>7,232</b>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
<b>CULTURE AND RECREATION</b>					
<b>RECREATION</b>					
Salaries.....	222,469	222,469	222,468	-	1
Expenditures.....	41,550	41,550	41,140	-	410
<b>TOTAL.....</b>	<b>264,019</b>	<b>264,019</b>	<b>263,608</b>	<b>-</b>	<b>411</b>
<b>PUBLIC LIBRARY</b>					
Salaries.....	683,622	683,622	680,369	1,875	1,378
Expenditures.....	207,020	207,020	205,551	-	1,469
<b>TOTAL.....</b>	<b>890,642</b>	<b>890,642</b>	<b>885,920</b>	<b>1,875</b>	<b>2,847</b>
<b>MEMORIAL DAY</b>					
Expenditures.....	4,250	4,250	3,818	-	432
<b>Total Culture and Recreation.....</b>	<b>1,158,911</b>	<b>1,158,911</b>	<b>1,153,346</b>	<b>1,875</b>	<b>3,690</b>
<b>PENSION BENEFITS</b>					
Contributory Pension.....	1,810,827	1,810,827	1,810,827	-	-
Non-Contributory Pension.....	51,598	51,598	51,598	-	-
<b>Total Pension Benefits.....</b>	<b>1,862,425</b>	<b>1,862,425</b>	<b>1,862,425</b>	<b>-</b>	<b>-</b>
<b>INSURANCE</b>					
General Liability.....	371,000	371,000	335,255	-	35,745
<b>CAPITAL OUTLAY.....</b>	<b>1,914,894</b>	<b>2,013,816</b>	<b>1,380,736</b>	<b>628,228</b>	<b>4,852</b>
<b>EMPLOYEE BENEFITS.....</b>	<b>4,429,004</b>	<b>4,429,004</b>	<b>4,349,031</b>	<b>150</b>	<b>79,823</b>
<b>STATE AND COUNTY ASSESSMENTS.....</b>	<b>510,423</b>	<b>510,423</b>	<b>508,634</b>	<b>-</b>	<b>1,789</b>
<b>DEBT SERVICE PRINCIPAL.....</b>	<b>4,165,000</b>	<b>4,165,000</b>	<b>4,165,000</b>	<b>-</b>	<b>-</b>
<b>DEBT SERVICE INTEREST.....</b>	<b>1,999,592</b>	<b>1,999,592</b>	<b>1,988,350</b>	<b>-</b>	<b>11,242</b>
<b>TOTAL EXPENDITURES.....</b>	<b>57,074,332</b>	<b>57,213,332</b>	<b>55,243,494</b>	<b>1,505,507</b>	<b>464,331</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(3,098,899)</b>	<b>(3,237,899)</b>	<b>(554,529)</b>	<b>(1,505,507)</b>	<b>1,177,863</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....	387,671	408,671	408,671	-	-
Transfers out.....	-	(25,000)	(25,000)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>387,671</b>	<b>383,671</b>	<b>383,671</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(2,711,228)</b>	<b>(2,854,228)</b>	<b>(170,858)</b>	<b>(1,505,507)</b>	<b>1,177,863</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>4,187,952</b>	<b>4,187,952</b>	<b>4,187,952</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ 1,476,724</b>	<b>\$ 1,333,724</b>	<b>\$ 4,017,094</b>	<b>\$ (1,505,507)</b>	<b>\$ 1,177,863</b>

See notes to required supplementary information.

(Concluded)

**NOTE A – BUDGETARY BASIS OF ACCOUNTING**

1. Budgetary Information

Municipal Law requires the Town to adopt a balanced budget that is approved by Town Meeting. The Finance Committee 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 Special Town Meeting approval via a special article.

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

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original fiscal year 2007 approved budget for the General Fund authorized \$55,840,459 in appropriations and other amounts to be raised and \$1,258,829 in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2007, the Town also approved supplemental appropriations totaling \$139,000.

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

2. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts (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 fiscal year ended June 30, 2007, is presented below:

Net change in fund balance - budgetary basis.....	\$	(170,858)
<u>Basis of accounting differences:</u>		
Net change in recording 60-day receipts accrual.....		(117,000)
Net change in recording tax refunds payable.....		11,800
Net change in expenditure accruals.....		(201,180)
Recognition of revenue for on-behalf payments.....		(4,659,486)
Recognition of expenditures for on-behalf payments.....		<u>4,659,486</u>
Net change in fund balance - GAAP basis.....	\$	<u>(477,238)</u>

# *Other Supplementary Information*

# *Combining and Individual Fund Statements and Schedules*

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*

## Fund Description

### **Special Revenue Funds**

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

- **School Lunch Fund** – accounts for the operations of the public school lunch program.
- **Ambulance Fund** – accounts for the fees collected for ambulance services which can legally only be appropriated for costs to provide the service, such as Emergency Medical Technician firefighter stipend and ambulance supplies.
- **Departmental Grants/Other Revolving Funds** – accounts for various grants and legally restricted revenues for special programs administered by Town departments.
- **Educational Grants/Other Revolving Funds** – accounts for all educational programs specially financed by grants and other restricted revenues.
- **Expendable Governmental Trusts** – accounts for contributions where both principal and investment earnings may be spent to support the government.
- **Highway Improvement Fund** – accounts for funds received from the State Highway Department which are used for construction, reconstruction and improvements of roadways.

### **Capital Projects Funds**

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

- **Roadway Improvements** – accounts for construction, reconstruction and improvements of roadways, streets and sidewalks. Funding is provided primarily by bond proceeds, various grants and legally restricted revenues for special programs administered by Town departments.
- **School Building Renovations** – accounts for renovation, improvements and capital equipment associated with public school buildings.
- **Facilities Renovations** – accounts for renovation, improvements and capital equipment associated with town buildings and facilities.



### ***Permanent Funds***

Permanent Funds are 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 reporting government's programs.

- ***Cemetery Fund*** – accounts for contributions associated with cemetery care and maintenance.
- ***Other Nonexpendable Trust Funds*** – accounts for various contributions associated with the public library, schools and veterans services.

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

JUNE 30, 2007

ASSETS	Special Revenue Funds							Sub-total
	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants/ Other Revolving	Expendable Governmental Trusts	Highway Improvement		
Cash and cash equivalents.....	\$ 156,764	\$ 784,329	\$ 1,492,433	\$ 2,376,625	\$ 88,088	\$ 92,405	\$ 4,990,644	
Receivables, net of uncollectibles:								
Departmental and other.....	-	68,747	1,950	-	-	-	70,697	
Intergovernmental.....	-	-	-	-	-	1,090,939	1,090,939	
<b>TOTAL ASSETS.....</b>	<b>\$ 156,764</b>	<b>\$ 853,076</b>	<b>\$ 1,494,383</b>	<b>\$ 2,376,625</b>	<b>\$ 88,088</b>	<b>\$ 1,183,344</b>	<b>\$ 6,152,280</b>	
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES:</b>								
Warrants payable.....	\$ 18,216	\$ -	\$ 9,543	\$ 529,151	\$ -	\$ -	\$ 556,910	
Deferred revenues.....	-	68,747	1,950	-	-	1,090,939	1,161,636	
Notes payable.....	-	-	-	-	-	-	-	
<b>TOTAL LIABILITIES.....</b>	<b>18,216</b>	<b>68,747</b>	<b>11,493</b>	<b>529,151</b>	<b>-</b>	<b>1,090,939</b>	<b>1,718,546</b>	
<b>FUND BALANCES:</b>								
Reserved for:								
Perpetual permanent funds.....	-	-	-	-	-	-	-	
Unreserved:								
Undesignated, reported in:								
Special revenue funds.....	138,548	784,329	1,482,890	1,847,474	88,088	92,405	4,433,734	
Capital projects funds.....	-	-	-	-	-	-	-	
Permanent funds.....	-	-	-	-	-	-	-	
<b>TOTAL FUND BALANCES.....</b>	<b>138,548</b>	<b>784,329</b>	<b>1,482,890</b>	<b>1,847,474</b>	<b>88,088</b>	<b>92,405</b>	<b>4,433,734</b>	
<b>TOTAL LIABILITIES AND FUND BALANCES...</b>	<b>\$ 156,764</b>	<b>\$ 853,076</b>	<b>\$ 1,494,383</b>	<b>\$ 2,376,625</b>	<b>\$ 88,088</b>	<b>\$ 1,183,344</b>	<b>\$ 6,152,280</b>	

Capital Projects Funds				Permanent Funds			Total Nonmajor Governmental Funds
Roadway Improvements	School Building Renovations	Facilities Renovations	Sub-total	Cemetery	Other Nonexpendable Trust Funds	Sub-total	
\$ 517,665	\$ 55,733	\$ 1,663,696	\$ 2,237,094	\$ 310,297	\$ 186,917	\$ 497,214	\$ 7,724,952
-	-	-	-	1,050	-	1,050	71,747
-	-	-	-	-	-	-	1,090,939
<u>\$ 517,665</u>	<u>\$ 55,733</u>	<u>\$ 1,663,696</u>	<u>\$ 2,237,094</u>	<u>\$ 311,347</u>	<u>\$ 186,917</u>	<u>\$ 498,264</u>	<u>\$ 8,887,638</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 556,910
-	-	-	-	1,050	-	1,050	1,162,686
-	-	1,440,000	1,440,000	-	-	-	1,440,000
-	-	1,440,000	1,440,000	1,050	-	1,050	3,159,596
-	-	-	-	292,110	-	292,110	292,110
-	-	-	-	-	-	-	4,433,734
517,665	55,733	223,696	797,094	-	-	-	797,094
-	-	-	-	18,187	186,917	205,104	205,104
<u>517,665</u>	<u>55,733</u>	<u>223,696</u>	<u>797,094</u>	<u>310,297</u>	<u>186,917</u>	<u>497,214</u>	<u>5,728,042</u>
<u>\$ 517,665</u>	<u>\$ 55,733</u>	<u>\$ 1,663,696</u>	<u>\$ 2,237,094</u>	<u>\$ 311,347</u>	<u>\$ 186,917</u>	<u>\$ 498,264</u>	<u>\$ 8,887,638</u>

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

FISCAL YEAR ENDED JUNE 30, 2007

	<b>Special Revenue Funds</b>						
	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants/ Other Revolving	Expendable Governmental Trusts	Highway Improvement	Sub-total
<b>REVENUES:</b>							
Charges for services.....	\$ 833,282	\$ 500,949	\$ 515,129	\$ 2,277,219	\$ -	\$ -	\$ 4,126,579
Intergovernmental.....	78,834	-	201,755	2,104,194	-	255,834	2,640,617
Departmental and other.....	-	-	2,594,215	-	-	-	2,594,215
Contributions.....	-	-	100,177	100,725	-	-	200,902
Investment income.....	-	-	-	-	9,656	-	9,656
<b>TOTAL REVENUES.....</b>	<b>912,116</b>	<b>500,949</b>	<b>3,411,276</b>	<b>4,482,138</b>	<b>9,656</b>	<b>255,834</b>	<b>9,571,969</b>
<b>EXPENDITURES:</b>							
Current:							
General government.....	-	-	3,023,760	-	-	-	3,023,760
Public safety.....	-	-	140,656	-	-	-	140,656
Education.....	800,979	-	-	4,683,699	-	-	5,484,678
Public works.....	-	-	15	-	-	216,127	216,142
Human services.....	-	-	40,849	-	-	-	40,849
Culture and recreation.....	-	-	443,120	-	-	-	443,120
Capital outlay.....	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>800,979</b>	<b>-</b>	<b>3,648,400</b>	<b>4,683,699</b>	<b>-</b>	<b>216,127</b>	<b>9,349,205</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>111,137</b>	<b>500,949</b>	<b>(237,124)</b>	<b>(201,561)</b>	<b>9,656</b>	<b>39,707</b>	<b>222,764</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers out.....	-	(344,850)	(53,821)	-	-	-	(398,671)
<b>TOTAL OTHER FINANCING SOURCES (USES)...</b>	<b>-</b>	<b>(344,850)</b>	<b>(53,821)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(398,671)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>111,137</b>	<b>156,099</b>	<b>(290,945)</b>	<b>(201,561)</b>	<b>9,656</b>	<b>39,707</b>	<b>(175,907)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>27,411</b>	<b>628,230</b>	<b>1,773,835</b>	<b>2,049,035</b>	<b>78,432</b>	<b>52,698</b>	<b>4,609,641</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 138,548</b>	<b>\$ 784,329</b>	<b>\$ 1,482,890</b>	<b>\$ 1,847,474</b>	<b>\$ 88,088</b>	<b>\$ 92,405</b>	<b>\$ 4,433,734</b>

Capital Projects Funds				Permanent Funds			Total Nonmajor Governmental Funds
Roadway Improvements	School Building Renovations	Facilities Renovations	Sub-total	Cemetery	Other Nonexpendable Trust Funds	Sub-total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,126,579
-	-	-	-	-	-	-	2,640,617
-	-	-	-	-	-	-	2,594,215
-	-	-	-	8,125	-	8,125	209,027
-	-	-	-	10,062	109,046	119,108	128,764
-	-	-	-	18,187	109,046	127,233	9,699,202
-	-	369,699	369,699	-	-	-	3,393,459
-	-	-	-	-	-	-	140,656
-	-	-	-	-	-	-	5,484,678
11,790	-	7,475	19,265	-	-	-	235,407
-	-	63,920	63,920	-	-	-	104,769
-	-	-	-	-	847	847	443,967
-	-	2,850	2,850	-	-	-	2,850
11,790	-	443,944	455,734	-	847	847	9,805,786
(11,790)	-	(443,944)	(455,734)	18,187	108,199	126,386	(106,584)
-	-	-	-	(10,000)	-	(10,000)	(408,671)
-	-	-	-	(10,000)	-	(10,000)	(408,671)
(11,790)	-	(443,944)	(455,734)	8,187	108,199	116,386	(515,255)
529,455	55,733	667,640	1,252,828	302,110	78,718	380,828	6,243,297
\$ 517,665	\$ 55,733	\$ 223,696	\$ 797,094	\$ 310,297	\$ 186,917	\$ 497,214	\$ 5,728,042

# *Agency Fund*

## Fund Description

The Agency Fund is used to account for assets held in a purely custodial capacity. The Town's agency fund consists primarily of public safety and custodial details worked by Town employees and student activities.

**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2007</u>
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 322,895	\$ 887,800	\$ (886,570)	\$ 324,125
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	<u>74,184</u>	<u>350,425</u>	<u>(352,489)</u>	<u>72,120</u>
<b>TOTAL ASSETS.....</b>	<b>\$ <u>397,079</u></b>	<b>\$ <u>1,238,225</u></b>	<b>\$ <u>(1,239,059)</u></b>	<b>\$ <u>396,245</u></b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 1,215	\$ 1,798	\$ (1,215)	\$ 1,798
Liabilities due depositors - Student Activities.....	189,154	441,524	(441,178)	189,500
Liabilities due depositors - Planning Deposits.....	<u>206,710</u>	<u>443,247</u>	<u>(445,010)</u>	<u>204,947</u>
<b>TOTAL LIABILITIES.....</b>	<b>\$ <u>397,079</u></b>	<b>\$ <u>886,569</u></b>	<b>\$ <u>(887,403)</u></b>	<b>\$ <u>396,245</u></b>

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# *Statistical Section*

*Financial Trends*

*Revenue Capacity*

*Debt Capacity*

*Demographic and Economic Information*

*Operating Information*

*General Information*



*Carby Street Municipal Office Building*

At the 2001 Annual Town Meeting, residents approved \$2.6 M to construct a new municipal office building. The building opened in the summer of 2004 and houses all Land Use Departments and the Department of Public Works administrative offices.

# *Statistical Section*

This part of the Town of Westwood 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 comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

**Net Assets By Component**

**Last Five Fiscal Years**

	<b>Fiscal Year</b>				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental activities:</b>					
Invested in capital assets, net of related debt.....	\$ 79,937,570	\$ 92,686,112	\$ 95,230,650	\$ 98,408,025	\$ 98,291,275
Restricted.....	1,982,394	2,396,038	2,040,497	1,964,324	2,460,440
Unrestricted.....	<u>6,972,221</u>	<u>8,079,192</u>	<u>6,906,276</u>	<u>7,056,149</u>	<u>6,676,163</u>
<b>Total governmental activities net assets.....</b>	<b><u>\$ 88,892,185</u></b>	<b><u>\$ 103,161,342</u></b>	<b><u>\$ 104,177,423</u></b>	<b><u>\$ 107,428,498</u></b>	<b><u>\$ 107,427,878</u></b>
<b>Business-type activities:</b>					
Invested in capital assets, net of related debt.....	11,777,013	12,576,170	13,031,429	13,291,362	13,471,826
Unrestricted.....	<u>4,048,154</u>	<u>3,674,751</u>	<u>3,125,801</u>	<u>3,151,996</u>	<u>3,067,928</u>
<b>Total business-type activities net assets.....</b>	<b><u>\$ 15,825,167</u></b>	<b><u>\$ 16,250,921</u></b>	<b><u>\$ 16,157,230</u></b>	<b><u>\$ 16,443,358</u></b>	<b><u>\$ 16,539,754</u></b>
<b>Primary government:</b>					
Invested in capital assets, net of related debt.....	91,714,583	105,262,282	108,262,079	111,699,387	111,763,101
Restricted.....	1,982,394	2,396,038	2,040,497	1,964,324	2,460,440
Unrestricted.....	<u>11,020,375</u>	<u>11,753,943</u>	<u>10,032,077</u>	<u>10,208,145</u>	<u>9,744,091</u>
<b>Total primary government net assets.....</b>	<b><u>\$ 104,717,352</u></b>	<b><u>\$ 119,412,263</u></b>	<b><u>\$ 120,334,653</u></b>	<b><u>\$ 123,871,856</u></b>	<b><u>\$ 123,967,632</u></b>

Changes in Net Assets

Last Five Fiscal Years

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
Governmental activities:					
General government.....	\$ 3,462,155	\$ 3,635,830	\$ 3,637,013	\$ 4,050,919	\$ 6,876,348
Public safety.....	5,979,119	6,932,516	6,788,670	6,681,974	7,571,002
Education.....	33,748,282	33,726,237	37,194,249	40,436,635	41,522,952
Public works.....	6,047,156	6,497,815	7,106,772	6,870,792	6,025,150
Human services.....	657,325	686,770	769,618	676,238	844,529
Culture and recreation.....	1,470,450	1,660,585	1,714,349	1,476,621	1,880,631
Interest.....	1,300,036	2,887,074	2,280,112	2,115,474	1,966,558
Total government activities expenses.....	<u>52,664,523</u>	<u>56,026,827</u>	<u>59,490,783</u>	<u>62,308,653</u>	<u>66,687,170</u>
Business-type activities:					
Sewer.....	3,531,101	3,346,728	3,670,564	3,472,503	3,944,791
Total primary government expenses.....	<u>\$ 56,195,624</u>	<u>\$ 59,373,555</u>	<u>\$ 63,161,347</u>	<u>\$ 65,781,156</u>	<u>\$ 70,631,961</u>
<b>Program Revenues</b>					
Governmental activities:					
Education charges for services.....	\$ 938,178	\$ 1,362,860	\$ 1,570,591	\$ 2,266,074	\$ 2,281,378
Public Safety charges for services.....	719,892	824,255	1,117,709	978,855	1,032,522
Other charges for services.....	738,635	745,324	897,929	1,674,457	4,098,574
Operating grants and contributions.....	9,583,746	10,228,691	10,538,810	11,286,009	11,341,858
Capital grant and contributions.....	8,850,868	10,228,896	206,689	3,890,753	255,834
Total government activities program revenues.....	<u>20,831,319</u>	<u>23,390,026</u>	<u>14,331,728</u>	<u>20,096,148</u>	<u>19,010,166</u>
Business-type activities:					
Charges for services.....	3,673,919	3,657,703	3,402,779	3,682,473	3,788,725
Operating grants and contributions.....	130,477	114,779	174,094	76,158	72,022
Total business-type activities program revenues.....	<u>3,804,396</u>	<u>3,772,482</u>	<u>3,576,873</u>	<u>3,758,631</u>	<u>3,860,747</u>
Total primary government program revenues.....	<u>\$ 24,635,715</u>	<u>\$ 27,162,508</u>	<u>\$ 17,908,601</u>	<u>\$ 23,854,779</u>	<u>\$ 22,870,913</u>
<b>Net (Expense)/Program Revenue</b>					
Governmental activities.....	\$ (29,874,293)	\$ (30,677,590)	\$ (43,199,844)	\$ (40,253,294)	\$ (47,677,004)
Business-type activities.....	<u>273,295</u>	<u>425,754</u>	<u>(93,691)</u>	<u>286,128</u>	<u>96,396</u>
Total primary government net (expense)/program revenue...	<u>\$ (29,600,998)</u>	<u>\$ (30,251,836)</u>	<u>\$ (43,293,535)</u>	<u>\$ (39,967,166)</u>	<u>\$ (47,580,608)</u>
<b>General Revenues and other Changes in Net Assets</b>					
Governmental activities:					
Real estate and personal property taxes, net of tax refunds payable.....	\$ 37,137,655	\$ 42,923,460	\$ 42,580,416	\$ 41,634,700	\$ 43,748,150
Motor vehicle excise taxes.....	2,417,791	2,167,086	2,401,439	2,226,361	2,138,434
Penalties and interest on taxes.....	965,211	109,524	80,853	55,045	67,239
Grants and contributions not restricted to specific programs.....	724,330	700,468	703,263	789,487	945,762
Unrestricted investment income.....	731,824	494,065	402,355	688,030	707,268
Miscellaneous.....	473,967	511,355	6,810	69,957	69,531
Transfers.....	212,000	-	-	-	-
Total governmental activities.....	<u>42,662,778</u>	<u>46,905,958</u>	<u>46,175,136</u>	<u>45,463,580</u>	<u>47,676,384</u>
Business-type activities:					
Transfers.....	(212,000)	-	-	-	-
Total primary government general revenues and other changes in net assets.....	<u>\$ 42,450,778</u>	<u>\$ 46,905,958</u>	<u>\$ 46,175,136</u>	<u>\$ 45,463,580</u>	<u>\$ 47,676,384</u>
<b>Changes in Net Assets</b>					
Governmental activities.....	\$ 12,788,485	\$ 16,228,368	\$ 2,975,292	\$ 5,210,286	\$ (620)
Business-type activities.....	<u>61,295</u>	<u>425,754</u>	<u>(93,691)</u>	<u>286,128</u>	<u>96,396</u>
Total primary government changes in net assets.....	<u>\$ 12,849,780</u>	<u>\$ 16,654,122</u>	<u>\$ 2,881,601</u>	<u>\$ 5,496,414</u>	<u>\$ 95,776</u>

**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Fund</b>										
Reserved.....	\$ 619,896	\$ 419,256	\$ 748,400	\$ 1,276,601	\$ 1,103,884	\$ 972,309	\$ 1,363,820	\$ 919,078	\$ 545,225	\$ 795,859
Unreserved.....	2,961,102	2,830,282	3,136,746	2,958,707	2,416,165	2,464,039	3,576,642	2,845,975	3,111,460	2,383,588
<b>Total general fund.....</b>	<b>\$ 3,580,998</b>	<b>\$ 3,249,538</b>	<b>\$ 3,885,146</b>	<b>\$ 4,235,308</b>	<b>\$ 3,520,049</b>	<b>\$ 3,436,348</b>	<b>\$ 4,940,462</b>	<b>\$ 3,765,053</b>	<b>\$ 3,656,685</b>	<b>\$ 3,179,447</b>
<b>All Other Governmental Funds</b>										
Reserved.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282,479	\$ 260,154	\$ 264,878	\$ 276,663	\$ 292,110
Unreserved, reported in:										
Special revenue funds.....	1,904,972	2,153,385	2,154,458	2,757,204	3,600,812	5,007,313	5,275,639	5,113,969	5,513,725	5,402,561
Capital projects funds.....	(2,535,627)	236,598	(1,285,729)	(11,688,102)	(2,119,012)	21,943,519	6,064,002	(687,108)	736,508	(686,881)
Permanent funds.....	-	-	-	-	-	188,960	219,535	96,550	104,165	205,104
<b>Total all other governmental funds...</b>	<b>\$ (630,655)</b>	<b>\$ 2,389,983</b>	<b>\$ 868,729</b>	<b>\$ (8,930,898)</b>	<b>\$ 1,481,800</b>	<b>\$ 27,422,271</b>	<b>\$ 11,819,330</b>	<b>\$ 4,788,289</b>	<b>\$ 6,631,061</b>	<b>\$ 5,212,894</b>

Fiscal years 1998 through 2002 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

**Changes in Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 25,374,757	\$ 27,138,931	\$ 29,203,012	\$ 30,989,110	\$ 33,058,505	\$ 37,231,915	\$ 42,985,534	\$ 42,597,265	\$ 41,656,689	\$ 43,390,323
Motor vehicle and excise taxes.....	1,778,859	1,684,385	1,881,612	2,034,010	2,130,210	2,268,563	2,273,692	2,309,888	2,298,852	2,135,754
Charges for Service.....	4,100,589	4,049,877	4,564,588	4,709,200	5,347,532	2,136,492	2,651,950	3,117,619	3,935,558	4,126,579
Penalties and interest on taxes.....	128,440	103,236	91,956	105,016	80,919	95,211	109,524	80,853	55,045	67,239
Fees and rentals.....	264,627	325,700	327,887	323,616	157,769	194,161	193,562	139,377	159,315	310,687
Licenses and permits.....	248,370	262,963	390,777	302,049	402,773	389,218	390,896	488,924	563,180	438,345
Fines and forfeitures.....	27,438	21,322	16,921	18,505	20,968	22,131	20,103	19,535	20,233	20,030
Intergovernmental.....	4,490,372	5,311,408	5,638,337	6,063,531	10,384,817	9,538,368	9,278,949	11,003,129	18,939,179	14,204,828
Departmental and other.....	601,108	761,993	814,420	666,298	448,278	824,161	315,548	510,053	1,118,943	3,203,390
Special assessments.....	-	-	-	350,074	302,343	2,635	2,279	2,196	227	219
Contributions.....	274,283	331,355	108,497	339,225	101,472	254,579	292,751	198,012	278,475	209,027
Payment in lieu of taxes.....	134,044	195,832	-	-	-	-	-	-	-	-
Investment income.....	417,220	500,551	871,423	1,136,865	603,882	764,835	526,102	462,815	737,541	875,775
<b>Total Revenue.....</b>	<b>37,840,107</b>	<b>40,687,553</b>	<b>43,909,430</b>	<b>47,037,499</b>	<b>53,039,468</b>	<b>53,722,269</b>	<b>59,040,890</b>	<b>60,929,666</b>	<b>69,763,237</b>	<b>68,982,196</b>
<b>Expenditures:</b>										
General government.....	1,764,063	2,178,962	1,945,303	2,023,982	2,714,855	2,409,292	2,375,437	2,325,420	2,772,522	5,491,831
Public safety.....	4,019,515	4,375,431	4,611,266	4,419,718	5,156,328	5,048,020	5,553,718	5,319,769	5,532,508	5,864,064
Education.....	18,642,937	20,080,024	21,646,822	23,362,862	26,054,543	26,417,335	27,272,432	29,837,234	31,290,271	32,129,154
Public works.....	3,344,459	4,114,487	3,617,940	4,163,417	4,673,091	3,624,461	3,826,652	4,371,327	4,160,299	3,259,828
Human services.....	400,514	451,433	470,191	458,134	494,694	583,656	553,891	591,063	542,579	679,913
Culture and recreation.....	1,152,375	1,030,684	1,064,374	1,136,346	1,352,756	1,320,645	1,387,503	1,426,902	1,226,874	1,607,006
Pension benefits.....	-	-	-	-	4,527,122	4,623,294	4,914,630	5,532,520	6,087,190	6,521,911
Property and liability insurance.....	-	-	-	-	194,098	241,297	273,966	298,824	324,298	335,255
Employee benefits.....	2,659,014	2,759,375	3,008,991	3,186,542	2,465,611	2,872,277	3,073,485	3,318,828	3,962,780	4,349,031
State and MWRA assessments.....	2,065,711	1,959,361	2,276,877	2,230,095	2,154,608	538,506	513,867	496,131	496,993	508,634
Capital outlay.....	4,467,371	6,721,897	6,095,441	12,651,562	7,058,760	18,893,055	19,309,906	8,895,320	5,327,301	4,163,245
Debt service.....										
Principal.....	1,519,077	1,748,285	2,808,273	3,439,008	2,140,102	2,360,000	4,028,000	4,415,000	4,165,000	4,165,000
Interest.....	-	-	-	-	1,052,316	834,458	3,258,430	2,307,778	2,140,218	1,988,350
<b>Total Expenditures.....</b>	<b>40,035,036</b>	<b>45,419,939</b>	<b>47,545,478</b>	<b>57,071,666</b>	<b>60,038,884</b>	<b>69,766,296</b>	<b>76,341,917</b>	<b>69,136,116</b>	<b>68,028,833</b>	<b>71,063,222</b>
Excess of revenues over (under) expenditures.....	(2,194,929)	(4,732,386)	(3,636,048)	(10,034,167)	(6,999,416)	(16,044,027)	(17,301,027)	(8,206,450)	1,734,404	(2,081,026)
<b>Other Financing Sources (Uses)</b>										
Issuance of debt.....	-	7,269,070	2,315,700	-	16,600,000	39,841,000	2,262,000	-	-	-
Premium from issuance of bonds.....	-	-	-	-	-	-	511,354	-	-	-
Capital lease financing.....	-	-	-	-	-	869,865	428,846	-	-	185,622
Transfers in.....	366,843	506,219	807,778	1,613,135	1,200,917	1,202,728	1,197,433	1,523,180	543,198	433,671
Transfers out.....	(361,880)	(353,725)	(373,076)	(1,028,433)	(1,104,062)	(990,728)	(1,197,433)	(1,523,180)	(543,198)	(433,671)
<b>Total other financing sources (uses).....</b>	<b>4,963</b>	<b>7,421,564</b>	<b>2,750,402</b>	<b>584,702</b>	<b>16,696,855</b>	<b>40,922,865</b>	<b>3,202,200</b>	<b>-</b>	<b>-</b>	<b>185,622</b>
<b>Net change in fund balance.....</b>	<b>\$ (2,189,966)</b>	<b>\$ 2,689,178</b>	<b>\$ (885,646)</b>	<b>\$ (9,449,465)</b>	<b>\$ 9,697,439</b>	<b>\$ 24,878,838</b>	<b>\$ (14,098,827)</b>	<b>\$ (8,206,450)</b>	<b>\$ 1,734,404</b>	<b>\$ (1,895,404)</b>
Debt service as a percentage of noncapital expenditures...	4.27%	4.52%	6.78%	7.74%	6.03%	6.28%	12.78%	11.16%	10.06%	9.20%

**Notes:**

Fiscal years 1998 through 2002 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

In fiscal year 2002, the on-behalf payments by the Commonwealth for teachers pension benefits were reported for the first time.

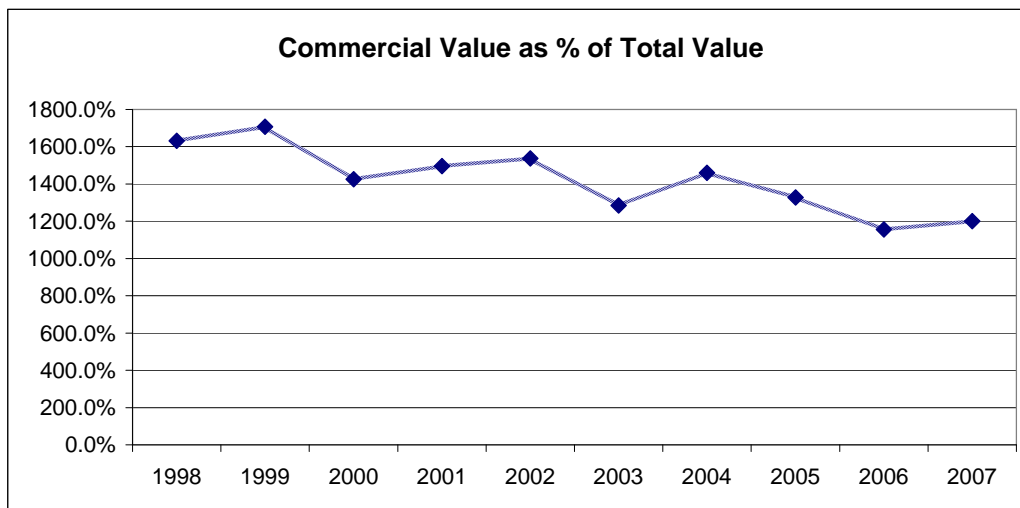
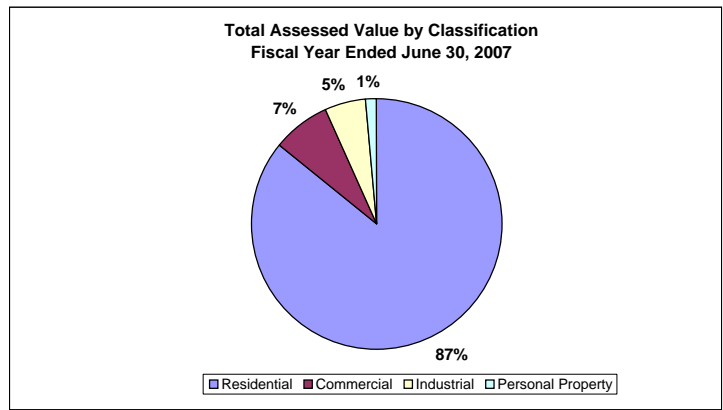
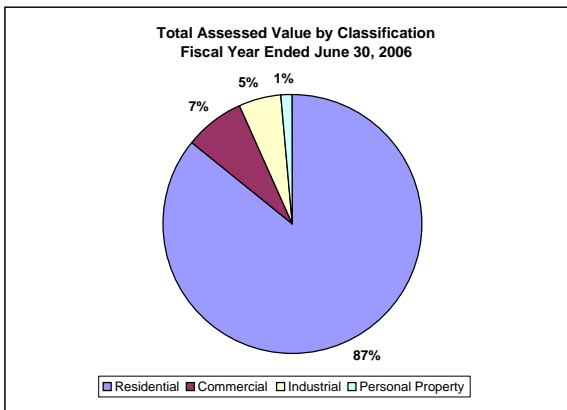
In fiscal year 2003, sewer charges for services were reclassified to the Sewer Enterprise Fund which was established in accordance with GASB 34.

Debt service interest and principal expenditures from 1998 through 2001 are combined.

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

Last Ten Fiscal Years

Fiscal 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	Total Direct Rate	Total Town Value
1998	\$1,301,083,000	\$14.05	\$111,953,750	\$127,527,300	\$18,123,340	\$257,604,390	\$27.72	\$16.31	\$1,558,687,390
1999	\$1,330,319,200	\$14.75	\$112,066,200	\$128,531,800	\$21,639,140	\$262,237,140	\$28.85	\$17.07	\$1,592,556,340
2000 (1)	\$1,685,949,500	\$12.66	\$171,721,300	\$190,194,000	\$29,756,990	\$391,672,290	\$21.09	\$14.25	\$2,077,621,790
2001	\$1,709,699,250	\$13.37	\$162,673,650	\$191,446,000	\$31,531,378	\$385,651,028	\$21.99	\$14.96	\$2,095,350,278
2002	\$1,731,760,550	\$13.87	\$205,967,250	\$185,038,900	\$32,480,313	\$423,486,463	\$21.52	\$15.37	\$2,155,247,013
2003 (1)	\$2,471,698,300	\$11.45	\$217,111,450	\$186,762,200	\$28,226,499	\$432,100,149	\$20.80	\$12.84	\$2,903,798,449
2004	\$2,485,356,400	\$12.96	\$220,942,100	\$190,054,500	\$55,705,658	\$466,702,258	\$23.36	\$14.60	\$2,952,058,658
2005	\$2,777,182,391	\$11.97	\$257,451,131	\$175,306,750	\$36,935,683	\$469,693,564	\$20.97	\$13.27	\$3,246,875,955
2006 (1)	\$3,135,347,507	\$10.37	\$270,425,345	\$192,667,650	\$50,618,745	\$513,711,740	\$18.85	\$11.56	\$3,649,059,247
2007	\$3,147,514,446	\$10.73	\$271,807,104	\$190,849,800	\$51,962,800	\$514,619,704	\$19.81	\$12.01	\$3,662,134,150



(1) Revaluation year.

Source: Assessor's Department, Town of Westwood

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 fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

**Principal Taxpayers**  
**Current Year and Nine Years Ago**

Name	Nature of Business	2007			1998		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
CFRI/Doherty	Office Building/Warehouse	\$118,850,800	1	3.2%	-	-	-
Nstar	Office Building	\$52,712,200	2	1.4%	-	-	-
Medical Information Tech Inc.	Office Building/Medical Information	\$52,617,450	3	1.4%	\$5,858,000	6	0.6%
Foxhill	Residential Community	\$80,748,000	4	2.2%	\$52,190,000	1	2.9%
GR-Highland/Westwood Glen LP	Residential Community	\$36,482,800	5	1.0%	-	-	-
CRP Holdings	Office building/Research & Development	\$17,406,750	6	0.5%	-	-	-
J L Rappaport & J F Aserkoff Trs	Office Building	\$9,399,850	7	0.3%	-	-	-
Clair Limited Partnership	Auto Sales	\$9,387,950	8	0.3%	-	-	-
Glacier Limited Partnership	Office Building	\$9,227,500	9	0.3%	-	-	-
346 University LLC	Office Building	\$8,745,600	10	0.2%	-	-	-
Beacon Properties, LP	Office Building/Financial & Professional	-	-	-	\$14,630,000	2	1.6%
Dean Witter Realty Income	Office/Research & Development	-	-	-	\$6,023,000	3	0.7%
Klinnoc Realty (GMAC Parts Dept.)	Warehouse Facility	-	-	-	\$8,663,500	4	0.9%
Westwood Executive Center	Office Building/Financial & Professional	-	-	-	\$26,690,000	5	2.9%
Perry and Walker	Office Building/Financial Services	-	-	-	\$27,300,000	7	3.0%
Saraceno, D.J.	Office/Research & Development	-	-	-	\$11,362,100	8	1.2%
Uniave One Ltd. Partnership	Office/Research & Development	-	-	-	\$8,829,000	9	0.7%
Mortimer B. Zuckerman	Office/Warehouse	-	-	-	\$8,129,000	10	0.9%
<b>Totals</b>		<u>\$395,578,900</u>		<u>10.8%</u>	<u>\$169,674,600</u>		<u>15.4%</u>
Source: Town of Westwood, Assessor Department							

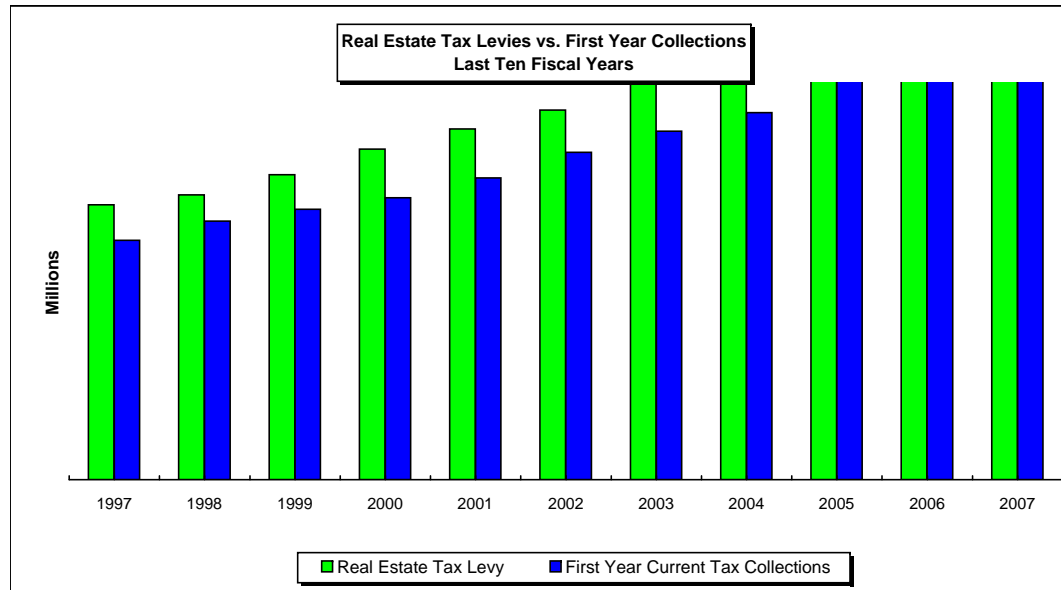


Town of Westwood, Massachusetts

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	(2) Net Tax Levy	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
1998	\$25,291,715	\$25,015,911	98.91%	\$269,891	\$25,285,802	99.98%
1999	\$27,073,576	\$26,784,772	98.93%	\$287,300	\$27,072,072	99.99%
2000 (1)	\$29,335,741	\$29,058,196	99.05%	\$263,045	\$29,321,241	99.95%
2001	\$31,137,780	\$30,935,846	99.35%	\$182,650	\$31,118,496	99.94%
2002	\$32,816,808	\$32,592,848	99.32%	\$200,000	\$32,792,848	99.93%
2003 (1)	\$37,159,982	\$37,036,617	99.67%	\$96,832	\$37,133,449	99.93%
2004	\$42,808,208	\$42,644,456	99.62%	\$73,971	\$42,718,427	99.79%
2005	\$42,693,664	\$42,455,987	99.44%	\$13,692	\$42,469,679	99.48%
2006 (1)	\$41,704,814	\$41,549,899	99.63%	\$207,375	\$41,757,274	100.13%
2007	\$43,431,916	\$43,236,824	99.55%	\$0	\$43,236,824	99.55%



(1) Revaluation year.

(2) Includes tax liens.

(3) Source: Town of Westwood Collectors Department and Town Records

Town of Westwood, Massachusetts

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Fiscal Years

Fiscal Year	Population Estimates	Personal Income	Assessed Value	Governmental Activities Debt				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
1998	14,114	409,560,188	\$1,558,687,390	\$3,495,000	\$0	\$248	0.85%	0.22%
1999	14,347	438,233,036	\$1,592,556,340	\$7,335,700	\$0	\$511	1.67%	0.46%
2000	14,626	470,268,598	\$2,077,621,790	\$6,445,000	\$0	\$441	1.37%	0.31%
2001	14,745	499,047,153	\$2,095,350,278	\$5,145,000	\$0	\$349	1.03%	0.25%
2002	14,807	527,521,635	\$2,155,247,013	\$18,955,000	\$0	\$1,280	3.59%	0.88%
2003	14,885	588,211,056	\$2,903,798,449	\$16,595,000	\$0	\$1,115	2.82%	0.57%
2004	15,165	598,643,683	\$2,952,058,658	\$54,670,000	\$869,865	\$3,662	9.28%	1.88%
2005	15,229	632,810,637	\$3,246,875,955	\$50,255,000	\$605,479	\$3,340	8.04%	1.57%
2006	15,418	642,302,797	\$3,649,059,247	\$46,090,000	\$245,668	\$3,005	7.21%	1.27%
2007	15,485	651,937,339	\$3,662,134,150	\$41,925,000	\$185,622	\$2,719	6.46%	1.15%

Fiscal Year	Business-type Activities (1)		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
1998	\$3,717,284	\$0	\$7,212,284	\$511	1.76%	0.46%
1999	\$5,947,640	\$0	\$13,283,340	\$926	3.03%	0.83%
2000	\$7,030,548	\$0	\$13,475,548	\$921	2.87%	0.65%
2001	\$6,114,568	\$0	\$11,259,568	\$764	2.26%	0.54%
2002	\$6,786,885	\$0	\$25,741,885	\$1,738	4.88%	1.19%
2003	\$5,805,810	\$0	\$22,400,810	\$1,505	3.81%	0.77%
2004	\$4,823,582	\$0	\$60,363,447	\$3,980	10.08%	2.04%
2005	\$3,854,664	\$0	\$54,715,143	\$3,593	8.65%	1.69%
2006	\$3,440,498	\$0	\$49,776,166	\$3,228	7.75%	1.36%
2007	\$3,022,828	\$0	\$45,133,450	\$2,915	6.92%	1.23%

(1) Sewer Fund

Source: Audited Financial Statements, U. S. Census

**Town of Westwood, Massachusetts**  
**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2007**

<u>Town of Westwood, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Norfolk County..... \$	1,200,000	3.4%	\$ 40,524
Blue Hills Regional Vocational School District.....	850,000	1.2%	<u>10,200</u>
Subtotal, overlapping debt.....			50,724
Town direct debt.....			<u>41,925,000</u>
Total direct and overlapping debt.....			<u>\$ 41,975,724</u>

Source: Town of Westwood, Finance Department

Town of Westwood, Massachusetts

Computation of Legal Debt Margin

Last Ten Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Equalized Valuation.....	\$1,701,499,600	\$1,701,499,600	\$2,218,233,000	\$2,218,233,000	\$2,795,016,900	\$2,795,016,900	\$3,415,448,600	\$3,415,448,600	\$3,834,008,100	\$3,834,008,100
Debt Limit -5% of Equalized Valuation.....	\$ 85,074,980	\$ 85,074,980	\$ 110,911,650	\$ 110,911,650	\$ 139,750,845	\$ 139,750,845	\$ 170,772,430	\$ 170,772,430	\$ 191,700,405	\$ 191,700,405
Less:										
Outstanding debt applicable to limit.....	\$ 7,212,284	\$ 13,283,340	\$ 13,103,972	\$ 11,259,568	\$ 25,741,858	\$ 22,400,810	\$ 59,493,582	\$ 54,109,664	\$ 49,530,498	\$ 44,947,828
Authorized and unissued debt.....	\$ 11,490,201	\$ 11,323,110	\$ 55,006,500	\$ 56,702,000	\$ 47,986,340	\$ 9,183,640	\$ 5,833,340	\$ 7,023,340	\$ 3,445,000	\$ 3,865,000
Legal debt margin.....	<u>\$66,372,495</u>	<u>\$60,468,530</u>	<u>\$42,801,178</u>	<u>\$42,950,082</u>	<u>\$66,022,647</u>	<u>\$108,166,395</u>	<u>\$105,445,508</u>	<u>\$109,639,426</u>	<u>\$138,724,907</u>	<u>\$142,887,577</u>
Total debt applicable to the limit as a percentage of debt limit.....	21.98%	28.92%	61.41%	61.28%	52.76%	22.60%	38.25%	35.80%	27.63%	25.46%

Source: Town of Westwood, Finance Department

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

<b>Fiscal Year</b>	<b>Population Estimates</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
1998	14,114	409,560,188	\$29,018	39.3	2,299	1.8%
1999	14,347	438,233,036	\$30,545	39.3	2,488	1.6%
2000	14,626	470,268,598	\$32,153	41.0	2,562	1.5%
2001	14,745	499,047,153	\$33,845	41.0	2,556	2.7%
2002	14,807	527,521,635	\$35,627	41.0	2,698	3.4%
2003	14,885	558,211,056	\$37,502	41.0	2,761	3.6%
2004	15,165	598,643,683	\$39,475	41.0	2,830	2.1%
2005	15,229	632,810,637	\$41,553	41.0	2,867	3.3%
2006	15,418	642,302,797	\$41,659	41.0	2,915	2.7%
2007	15,485	651,937,339	\$42,101	41.0	3,023	3.0%

Source: U. S. Census, Division of Local Services  
 Median age is based on most recent census data  
 MA Department of Education  
 School and Town Clerk Departments, Town of Westwood  
 MA Office of Workforce Development

**Principal Employers (excluding Town)**

**Current Year and Nine Years Ago**

Employer	Nature of Business	2007			1998		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Nstar	Power Company	1115	1	17%	-		-
State Street Bank	Financial Services	700	2	11%	1000	1	15%
Meditech, Inc.	Medical Information	435	3	7%	400	4	6%
New York Life Insurance	Life Insurance	325	4	5%	-		-
Roche Bros.	Supermarkets	280	5	4%	390	6	6%
Turnbine, Inc	Video Games	250	6	4%	-		-
ADE Corporation	Measurement Technology	200	7	3%	-		-
MIB	Medical Information	176	8	3%	200	9	3%
Northrop Grumman	electronics	150	9	2%	-		-
Clair Motors	Car dealer	111	10	2%	-		-
LTX Corporation	Test Equipment for Computer Components	-		-	500	3	7%
Analog Devices	Electronic Control Devices	-		-	1000	2	15%
Cellular One	Communications	-		-	400	5	6%
F.W. Fazon Co., Inc	Library Subscription Agency	-		-	300	7	4%
Computer Associates	Software Development	-		-	250	8	4%
Universal Press	Printing Company	-		-	200	10	3%

Source: Massachusetts Workplace Development

**Full-time Equivalent Town Employees by Function**

**Last Ten Fiscal Years**

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government.....	18	18	18	19	19	19	18	20	20	21
Public Safety.....	66	68	68	68	68	68	68	68	66	68
Education.....	364	388	347	345	367	391	379	396	431	488
Public works.....	24	25	26	28	29	29	28	28	28	28
Human services.....	5	5	6	6	6	6	6	6	6	6
Culture and recreation.....	8	8	8	8	9	9	9	9	9	9
<b>Total .....</b>	<b>485</b>	<b>512</b>	<b>473</b>	<b>474</b>	<b>498</b>	<b>522</b>	<b>508</b>	<b>527</b>	<b>560</b>	<b>620</b>

Source: Town Records

**Operating Indicators by Function/Program**

**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>General Government</b>										
Population.....	14,077	14,114	14,347	14,626	14,745	14,807	14,885	15,196	15,418	15,485
Registered Voters, Annual Town Election.....	9,016	9,004	8,852	9,247	9,212	9,000	9,032	8,999	9,323	9,353
<b>Town Clerk</b>										
Births.....	180	176	190	193	180	173	176	152	135	158
Marriages.....	80	62	74	61	56	46	49	41	53	44
Deaths.....	169	144	156	165	161	142	153	141	146	145
Dogs licensed.....	1,045	983	979	692	989	963	997	1,109	1,000	1,138
<b>Police</b>										
Documented calls for police services.....	15,124	15,670	16,628	16,579	13,909	15,088	15,408	15,858	15,300	15,993
Uniform crimes reported.....	205	225	155	139	164	177	210	262	214	238
Arrests.....	167	154	167	134	126	105	147	262	126	155
Traffic citations issued.....	1,140	3,101	1,889	1,930	1,148	1,081	1,804	NA	1,666	2,042
Parking tickets issued.....	124	112	52	77	208	144	343	356	82	129
False burglary alarms.....	1,582	1,734	2,328	2,448	2,121	1,371	1,261	1,245	1,135	1,091
Total number of animal complaints.....	806	977	876	1,030	991	883	888	861	621	572
<b>Fire</b>										
Inspections.....	720	876	783	817	826	818	840	852	839	-
Plan reviews.....	124	118	115	132	118	NA	NA	NA	NA	NA
Permits/certificates issued.....	569	562	580	621	507	371	563	547	408	-
Emergency responses.....	2,457	2,539	2,686	2,927	3,178	2,819	2,658	2,793	2,798	-
<b>Building Department</b>										
Permits issued.....	1,849	1,703	1,572	1,788	1,631	1,736	1,764	1,782	1,784	1,992
<b>Education</b>										
Public school enrollment.....	2,191	2,299	2,488	2,562	2,556	2,698	2,573	2,720	2,867	3,023
<b>Public Works</b>										
<b>Cemetery</b>										
Lots sold.....	59	52	40	61	46	43	26	47	60	36
interments.....	66	66	53	63	65	61	52	68	68	62
Recycling/tons.....	895	1,324	1,352	1,460	1,490	1,709	1,840	1,807	1,764	1,656
Hazardous Waste Day Participants.....	NA	290	256	311	353	567	360	479	513	336
<b>Human Services</b>										
<b>Board of Health</b>										
Permits issued.....	279	322	355	358	362	353	348	359	343	354
Inspections.....	296	334	390	319	450	496	475	427	426	505
Complaints investigated.....	27	50	24	34						
<b>Council on Aging</b>										
Home delivered meals served.....	15,600	16,220	17,890	17,890	15,759	16,987	15,040	14,625	15,898	19,603
Medical-van trips.....	3,280	3,156	3,040	4,321	1,980	3,186	2,832	2,945	2,347	4,182
<b>Libraries</b>										
Volumes in collection.....	105,742	106,820	108,604	99,071	97,566	104,078	112,017	119,325	109,304	111,646
Circulation.....	204,349	203,695	211,666	220,452	239,114	241,796	235,300	247,321	243,811	235,964
Program attendance.....	10,582	10,660	8,538	9,402	13,364	13,351	12,500	14,907	12,274	11,217
<b>Youth &amp; Family Services</b>										
Misc resident clinical consultation hours.....	700	950	950	910	900	1,397	1,268	1,320	1,500	683
<b>Recreation</b>										
Participants.....	5,694	6,319	6,271	7,032	6,982	6,711	7,105	6,832	6,950	7,967

\* Estimate

NA Information not available

Source: Various Town Departments



**Capital Asset Statistics by Function/Program**

**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Government										
Number of Buildings.....	1	1	1	1	1	1	3	3	3	3
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Education										
Number of elementary schools.....	5	5	5	5	5	5	5	5	5	5
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
Human Services										
Senior Center Facility.....	-	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Libraries.....	2	2	2	2	2	2	2	2	2	2
Conservation land (acreage).....	583	654	738	760	N/A	N/A	N/A	N/A	N/A	700

Source: Various Town Departments

## How Does Westwood Compare with Other Communities?

In determining the list of communities with which to compare Westwood, three factors were considered: location, population, and per capita equalized valuation (EQV).

**Location** - Communities within a 30 mile radius of Westwood were considered.

**Population** - Towns with a population significantly smaller than Westwood probably do not have similar service demands; one larger in population will have increased service delivery demands.

**Per Capita Equalized Valuation (EQV)** - This factor measures the relative "wealth" of a community by dividing property valuations by population. Per capita valuation is directly related to the amount of revenue that a community can raise via the property tax. It offers some comparison of a community's "ability to pay."

Source: MA Department of Revenue

Municipality	Miles from Westwood	2004 Estimated U.S. Census	2004 EQV Per Capita	2000 Income Per Capita
Canton	8	21,505	\$164,732	\$33,510
Concord	24	16,919	\$285,814	\$51,477
Holliston	14	13,919	\$133,628	\$32,116
Medfield	6	12,397	\$169,463	\$42,891
Sharon	9	17,847	\$147,209	\$41,323
Sudbury	21	17,164	\$218,708	\$53,285
Wayland	17	13,063	\$231,391	\$52,717
Weston	15	11,595	\$401,644	\$79,640
<b>Westwood</b>		<b>14,020</b>	<b>243,613</b>	<b>41,553</b>

Fiscal Year 2007				
Municipality	Residential Tax Rate	Commercial Tax Rate	Tax Levy	Taxes As % of Total Revenue
Canton	8.88	17.94	\$45,760,358	62.66
Concord	10.56	10.56	\$56,065,720	79.83
Holliston	13.35	13.35	\$29,356,767	56.80
Medfield	12.27	12.27	\$29,706,074	63.79
Sharon	14.16	14.16	\$42,463,818	68.46
Sudbury	13.12	20.29	\$57,246,758	74.29
Wayland	13.82	13.82	\$46,081,060	78.55
Weston	10.26	10.26	\$51,442,333	70.04
<b>Westwood</b>	<b>10.73</b>	<b>19.81</b>	<b>\$43,967,446</b>	<b>72.65</b>

Municipality	Fiscal Year 2007			Fiscal Year 2006	2006
	Average Single Family Tax Bill	State Hi-Lo Rank	Free Cash	Stabilization Fund	Moody's Bond Rating*
Canton	\$4,509	84	\$1,571,013	\$2,102,590	Aa2
Concord	\$9,740	6	\$5,730,609	\$2,213	Aaa
Holliston	\$5,810	43	\$1,094,909	\$313,188	A1
Medfield	\$7,635	17	\$1,605,738	\$1,709,604	Aa2
Sharon	\$7,025	25	\$926,507	\$108,269	Aa3
Sudbury	\$9,221	8	\$1,916,902	\$1,597,992	Aa1
Wayland	\$9,548	7	\$2,293,518	\$163,344	Aaa
Weston	\$13,739	1	\$2,366,638	\$16,974	Aaa
<b>Westwood</b>	<b>\$7,005</b>	<b>26</b>	<b>\$1,266,415</b>	<b>\$904,084</b>	<b>Aa1</b>

## Some Facts About Westwood

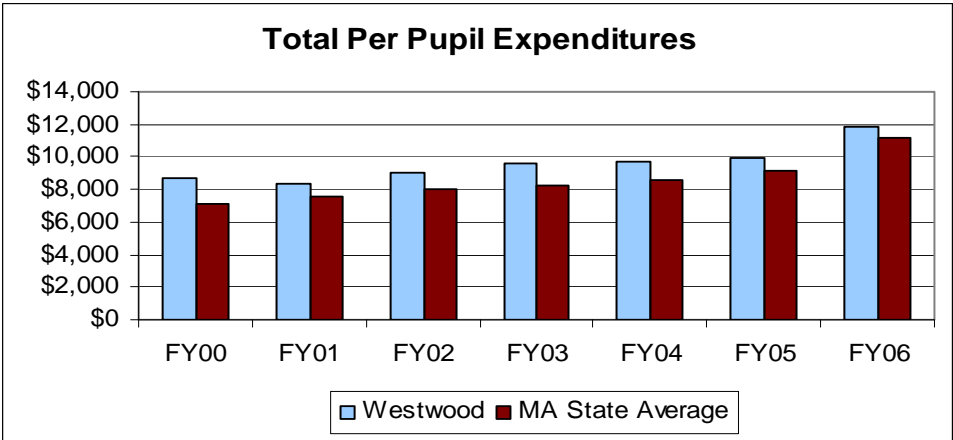
<b>Form of Government</b>	Board of Selectmen, Town Administrator, Open Town Meeting			
<b>Population Trends</b>	<b>1990</b>		<b>2000</b>	
	12,557		14,626	
<b>Registered Voters (2007)</b>	<b>Total</b>	<b>Democrats</b>	<b>Republicans</b>	<b>Unenrolled/Other</b>
	9,584	2,701	1,765	5,118

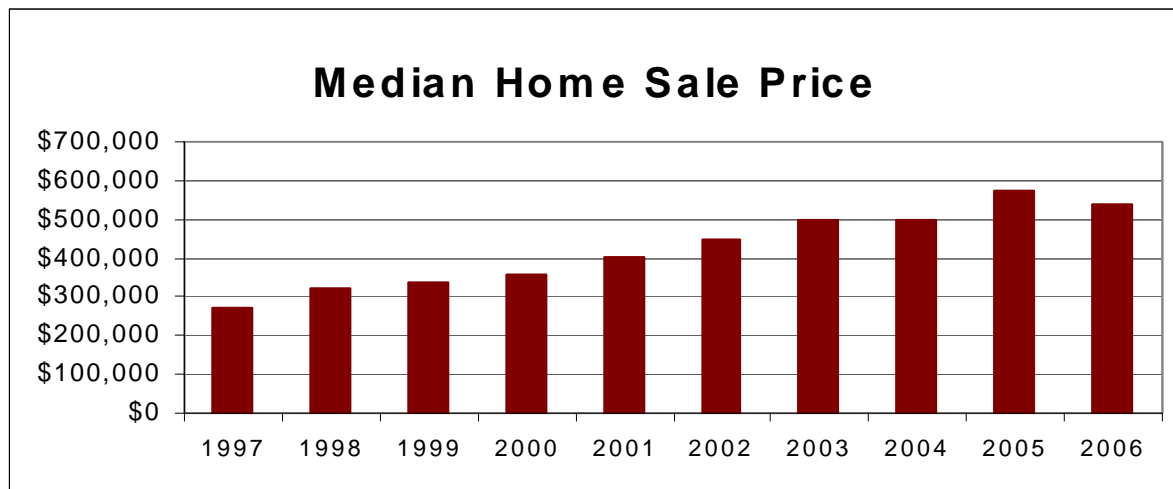
### Westwood Schools

At Town Meetings in 2000, 2002, and 2006, Westwood residents reaffirmed their commitment to education by approving a total of \$46.2 million for the construction of a new high school and recreational sports fields. In April, 2005 the new high school was opened for students. The new school features beautiful classroom facilities, a state of the art media center, and a new performing arts facility.



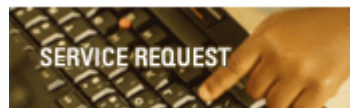
***Westwood's New High School***





Important Links...

- About Westwood
- Address & Phone Directory
- Community Resources Links
- Employment Opportunities
- Forms, Documents, Minutes
- How Do I?
- New Residents
- News and Announcements
- Photo Gallery
- Traffic Updates
- Upcoming Events



Questions/Comments?  
Contact us online....

Sources: MA Department of Revenue  
MA Department of Education  
U. S. Census  
Board of Assessors – Town of Westwood