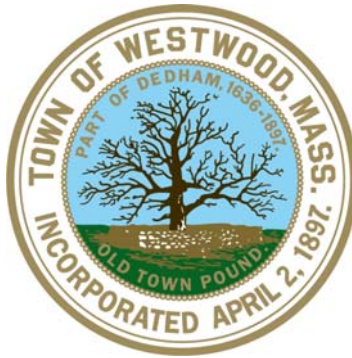


**TOWN OF  
WESTWOOD, MASSACHUSETTS**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2012**

**Westwood Public Library**



**1901**



**1969**



**2012**

**The Town of  
Westwood, Massachusetts**



**Comprehensive  
Annual Financial Report**

**For the Fiscal Year  
July 1, 2011 through June 30, 2012**

**Board of Selectmen**

**Patrick J. Ahearn, Chairman  
Nancy C. Hyde  
Philip N. Shapiro**

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

**Town of Westwood, Massachusetts**  
**Comprehensive Annual Financial Report**  
*For the Fiscal Year Ended June 30, 2012*

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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  
FY11 CAFR Award from Board of Selectmen.*

Pictured from left to right, Town Administrator Michael Jaillet, Assistant Treasurer Pat Conley, Selectman Patrick Ahearn, Finance Director Pam Dukeman, Selectmen Chairman Philip Shapiro, Town Accountant Marie O'Leary, Finance and Warrant Commission Administrator Sheila Nee, Selectman Nancy Hyde.



**Town of Westwood**  
Commonwealth of Massachusetts

**Office of the Finance Director**

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Letter of Transmittal

November 9, 2012

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 principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Westwood, Massachusetts, for the fiscal year ending June 30, 2012 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.

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.

The Town of Westwood's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Westwood for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Westwood's financial statements for the fiscal year ended June 30, 2012, 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.

This CAFR is presented in three sections: **Introductory**, **Financial** and **Statistical**. This **Introductory Section** contains this transmittal letter with economic conditions and outlook, major initiatives, and other relevant information. The **Financial Section** contains a Management's Discussion and analysis (MD&A) section. Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A where the financial analysis is now presented. The Town's MD&A can be found immediately following the independent auditor's report from Powers & Sullivan, LLC. The Town of Westwood is responsible for the accuracy of the financial statements as well as their completeness and fairness. We believe the statements are accurate in all material aspects and that they fairly set forth the financial position of the Town. The **Statistical Section** contains, in most cases, a ten-year history of trends of both financial and demographic data.

### ***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. Westwood High School was named a 2012 National Blue Ribbon School with a designation of Extremely High Performance by the U. S. Department of Education.

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.

The Finance Director is responsible for preparing and presenting the General Fund 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 and Warrant 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 and Warrant 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.

### ***Information Useful in Assessing the Town's Economic Condition***

The Town of Westwood continues to reflect a strong local economic condition through the recent fiscal crisis. The per capita income of \$49,682 continues to rise and outpace the state average of \$34,041. The Town also has an extremely low comparable unemployment rate of 4.3% compared with the state rate of 6.3%.

The Town remains a very desirable community and this is reflected in the strong residential sales market, which has risen above the pre-fiscal crisis levels. 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 poised for a major, positive change in commercial property value. In order to improve commercial development, the Town has taken steps over the last several years to enhance the desirability of its major commercial areas. 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 and Acela service to Providence, Rhode Island, New York City and Washington DC.

Since the passage of these steps, including zoning and permitting changes, a major developer has assembled 17 parcels, totaling 137 acres. The master plan for the area contemplates over two million square feet of new mixed use development including residential, commercial, hotel and retail components. The developer demolished most of the existing structures and began the installation of all utilities and layouts of the new road systems. Although local and state approvals will be required for a project of this magnitude, the project is scheduled to begin construction in the current fiscal year. The Town expects that the resulting economic benefits in creating employment opportunities for the Commonwealth and the region and significant new growth revenue will outweigh the additional service costs. For example, the developer has since obtained a \$55 million commitment from the Commonwealth to complete these infrastructure improvements. 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 and enhances the quality of the community.

The zoning encourages residential units strategically located within walking distance of the train station. The Route 128/University Park train station, which includes a 2,700 vehicle parking center, provides MBTA commuter service to the Back Bay and South Station in Downtown Boston. The station also serves as the suburban stop for the Acela high speed rail train between Boston, New York and Washington, D.C. With current and forecasted trends in the price of gasoline, these units with access to commuter service, employment opportunities and shopping and leisure activities, are expected to be extremely desirable.

In addition, the 2010 Annual Town Meeting unanimously passed a zoning bylaw amendment that created an overlay district which provided significantly more flexibility to the Planning Board in considering and approving development proposals in five of Westwood's major commercial areas. A proposed 66,000 square foot medical office development was just approved and is being constructed taking advantage of this more flexible approach.

The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden by a majority vote at a Town election. While revenue increases have been limited in recent years,



fixed costs, including health insurance and pension costs, have increased substantially. On the Town's operating side, the FY12 budgets and service level were maintained through a modest 2% increase in the operating budget. This allowed the Town to continue to provide high quality services while minimizing the impact on the property tax burden. In 2011 the municipal and School Administrations reached a joint agreement with all of their respective employees and retirees to transition health care coverage to a Rate Saver Plan requiring higher co-pays in exchange for lower premiums, which saved the Town and employees over a million dollars last year and is projected to save one point six million dollars this year.

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 a high bond rating 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 FY12, the Town continued to demonstrate its commitment to the Financial Policy of maintaining and building its reserve accounts. Despite a tight budget process the Town expanded its continued commitment to build the account to the policy goal level, which is 4% of general fund net operating revenues. The FY13 budget appropriates \$794,000 to the Stabilization Fund and \$435,000 to the OPEB Liability Account. The Town plans to continue to fund the reserves more in future years.

The Town has remained dedicated to an aggressive retirement of debt policy. Whenever possible, debt is issued for shorter time periods than allowed, typically ten years. The Town has aggressively pursued and received state funding for all school construction projects. Since FY08, the state committed to stabilized annual payments of approximately \$3M which are directly applied to the school relevant debt, thereby limiting the burden on the taxpayers. Two large school bonds were completed in FY12. The Town monitors and schedules retirement and issuance of debt to ensure that debt service does not exceed 10% of the 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 FY10, the Town approved the funding, through a debt service override of Proposition 2 1/2, for the Town's share of the cost of a new 30,000 square foot library. The Town's share of the cost is 70% with the Commonwealth funding the remaining 30% through a matching grant. Construction will be completed in 2012 and will be a significant public investment not only in library services, but in the community's central business district, as the new library will be centrally located. The Town issued a \$9.3 million bond for the library with very favorable rates in the spring of 2011. The project is proceeding on schedule for a December 2012 opening.



Major initiatives for FY13 will include centering efforts on the revisions to the University 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.

### ***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, 2011. 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 the GFOA.

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.

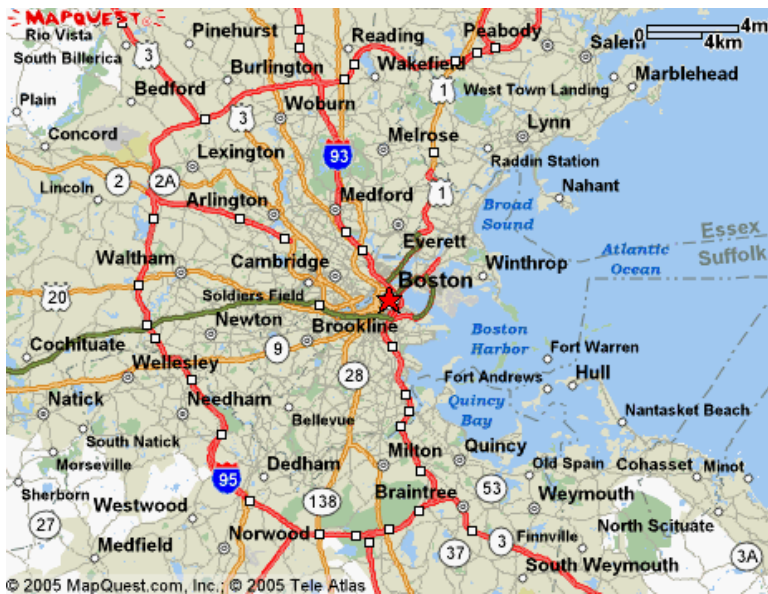
Respectfully submitted,



Pamela Dukeman  
Finance Director



# A Few Words About Westwood....



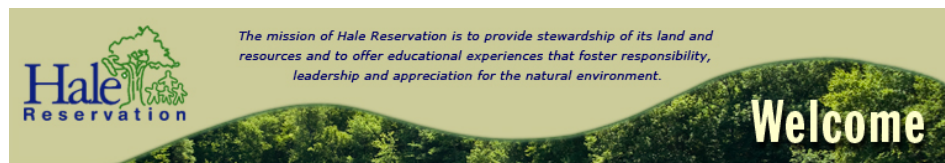
Westwood was incorporated as a town in 1897 and has a current population of approximately 14,618. The Town is located in eastern Massachusetts, 13 miles south of its capital city of Boston. One major attraction of Westwood is its location in relation to Boston and major roadways. The commuter rail has 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 Executive Secretary 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 1,100 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.



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

In March 2012, Boston Magazine selected Westwood as one of the best places to live in Massachusetts.



*The mission of Hale Reservation is to provide stewardship of its land and resources and to offer educational experiences that foster responsibility, leadership and appreciation for the natural environment.*

# Welcome

Hale Reservation is a private, non-profit educational organization that manages over 1,100 acres of woodlands, including four ponds and over twenty miles of trails in Westwood and Dover, Massachusetts. Hale is most widely recognized for its summer day camp programs which annually serve over 4,400 children from 70 communities in the Greater Boston area. Hale Reservation also offers a family program, outdoor and environmental education experiences for children and adults, and open space for casual recreational use.

The essence of Hale Reservation can be found in Robert Sever Hale's original desires for the organization he began in 1918. The current programs and land management practices are the legacy of his desire "to provide education which will develop intelligent, capable and responsible citizens" and to use the land "so long as it is charitable and benevolent in nature." The goal of today's programs is to develop intelligent leaders and environmentally educated citizens. We believe that the diversity of the natural environment must be reflected back in the diversity of the people who experience our programs and opportunities for people of any race, background, religion or economic status.

Hale operates five core programs:

[Hale Day Camp](#)

[Family Membership](#)

[Agency Camps](#)

[Education, Adventure and Outings](#)

[Stewardship](#) and [Public Access](#)



**Town of Westwood,  
Massachusetts**

**Principal Officials**

***Board of Selectmen***

Patrick J. Ahearn, Chairman  
Nancy C. Hyde  
Philip N. Shapiro

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

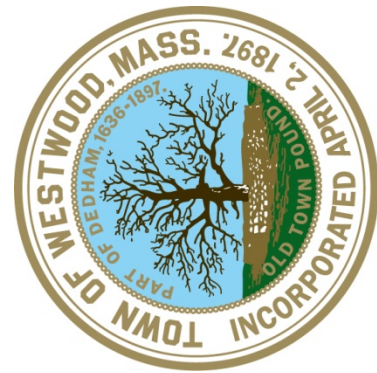
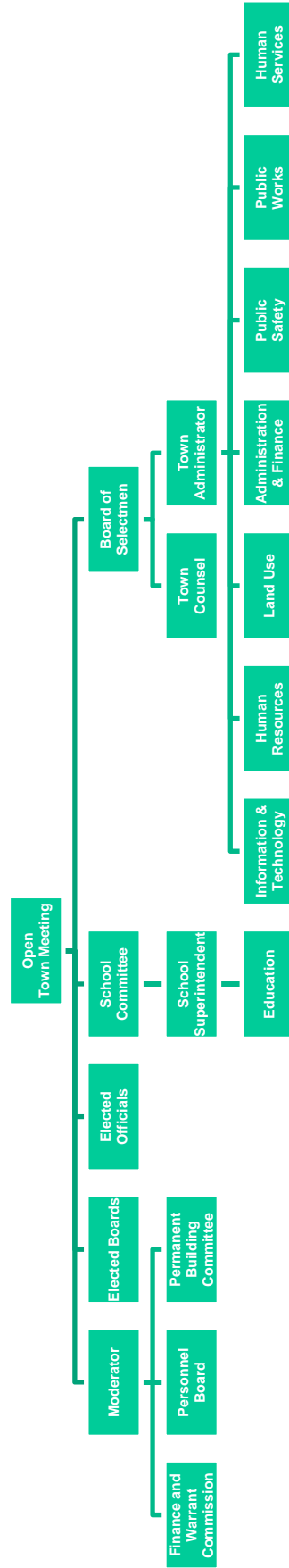
**Town of Westwood, Massachusetts**

**Total Budget Salaries of Principal Officials**

**June 30, 2012**

<b>Position</b>	<b>Salary</b>
School Superintendent	\$171,960
School Director of Business and Finance	\$120,000
Town Administrator	\$142,410
Fire Chief	\$139,626
Police Chief	\$127,690
Department of Public Works Director	\$109,695
Finance Director	\$107,519
Library Director	\$ 94,947
Town Counsel	\$ 89,260
Director of Information Technology	\$ 89,105
Town Accountant	\$ 84,482
Health Director	\$ 78,478
Council on Aging Director	\$ 77,639
Recreation Director	\$ 77,139
Building Commissioner	\$ 74,641
Assistant Treasurer	\$ 72,356
Youth Director	\$ 63,487
Town Clerk (Elected)	\$ 63,080
Tax Collector (Elected)	\$ 4,000
Treasurer (Elected)	\$ 4,000
Board of Selectmen (Elected)	\$ 2,000
Board of Assessors (Elected)	\$ 1,800

# The Town of Westwood



## Elected Boards

- Board of Selectmen
- Regional Vocational School Representative
- Housing Authority
- Library Trustees
- Planning Board
- Board of Assessors
- Sewer Commissioners
- School Committee

## Elected Officials

- Moderator
- 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, 2011

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.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director



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# *Financial Section*

*Independent Auditors' Report*

*Management's Discussion and Analysis*

*Basic Financial Statements*

*General Fund Budgetary Comparison Schedule, Retirement System Schedules, and Other Postemployment Benefit Schedules*

*Combining Individual Fund Statements and Schedules*

In the spring of 2010, residents approved borrowing \$9.3M for a new library project. In addition, the Town has been granted approximately \$4M in Massachusetts Library and Green Incentive grants. Groundbreaking occurred on April 7, 2011 and opening is expected in December, 2012.

The Library Trustees, as well as many others, worked diligently over the past decade developing the new library plans. It is anticipated the new library will provide high quality services to all ages of Westwood residents for the next forty years.



*Artist's Rendition of New Library*



*Groundbreaking April 7, 2011*



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## 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, 2012, 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2012, 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, 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westwood's basic financial statements. The combining and individual fund statements and schedules, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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 basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Powers & Sullivan LLC*

November 9, 2012

## 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, 2012. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditors' 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 its liabilities at the close of the most recent fiscal year by \$101.3 million (net assets).
- At the close of the current fiscal year, the Town of Westwood's general fund reported an ending fund balance of \$8.2 million, an increase of \$1.5 million in comparison with the prior year. Total fund balance represents 11.5% of total general fund expenditures. Approximately \$5.6 million of this total amount is available for appropriation at the government's discretion, \$1.5 million is committed for capital articles approved by Town Meeting and \$1.2 million is assigned for encumbrances carried forward to the subsequent fiscal year.
- The Town of Westwood's total governmental debt decreased by \$4.9 million during the current fiscal year. The Town advance refunded \$20,030,000 of general obligation bonds which was undertaken to reduce total debt service payments over the next 11 years by \$2,794,860 and resulted in an economic gain of \$2,542,536.

### 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 are comprised of 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 of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future 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 and interest. The business-type activities include the activities of the sewer enterprise fund.

**Fund financial statements.** A fund is a grouping of related accounts that are 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, uses 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 financial statements focus on near-term inflows and outflows, and balances of spendable resources. Such information is useful in assessing the Town of Westwood's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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.

In fiscal year 2011, the Town implemented GASB #54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The implementation of this standard changed the fund balance components into nonspendable, restricted, committed, assigned and unassigned. Additionally, under the new standard, the Town's stabilization fund is reported within the general fund as unassigned.

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 proprietary 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, government-wide assets exceeded liabilities by \$118.2 million at the close of fiscal year 2012.

Net assets of \$111.7 million (95%) 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 \$1.9 million (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$4.6 million (4%) may be used to meet the government's ongoing obligations to citizens and creditors.

<i><b>Governmental Activities:</b></i>	Balance at June 30, 2012	Balance at June 30, 2011
<b>Assets:</b>		
Current assets.....	\$ 28,427,335	\$ 32,343,871
Noncurrent assets (excluding capital).....	10,954,000	13,704,000
Capital assets, not being depreciated.....	14,797,071	8,049,747
Capital assets, net of accumulated depreciation.....	103,673,449	106,318,217
<b>Total assets.....</b>	<b>157,851,855</b>	<b>160,415,835</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	5,316,905	4,520,604
Noncurrent liabilities (excluding debt).....	14,826,299	11,661,954
Current debt.....	3,352,917	4,750,000
Noncurrent debt.....	33,049,166	36,540,000
<b>Total liabilities.....</b>	<b>56,545,287</b>	<b>57,472,558</b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt.....	99,367,799	99,380,376
Restricted.....	1,878,233	1,735,851
Unrestricted.....	60,536	1,827,050
<b>Total net assets.....</b>	<b>\$ 101,306,568</b>	<b>\$ 102,943,277</b>

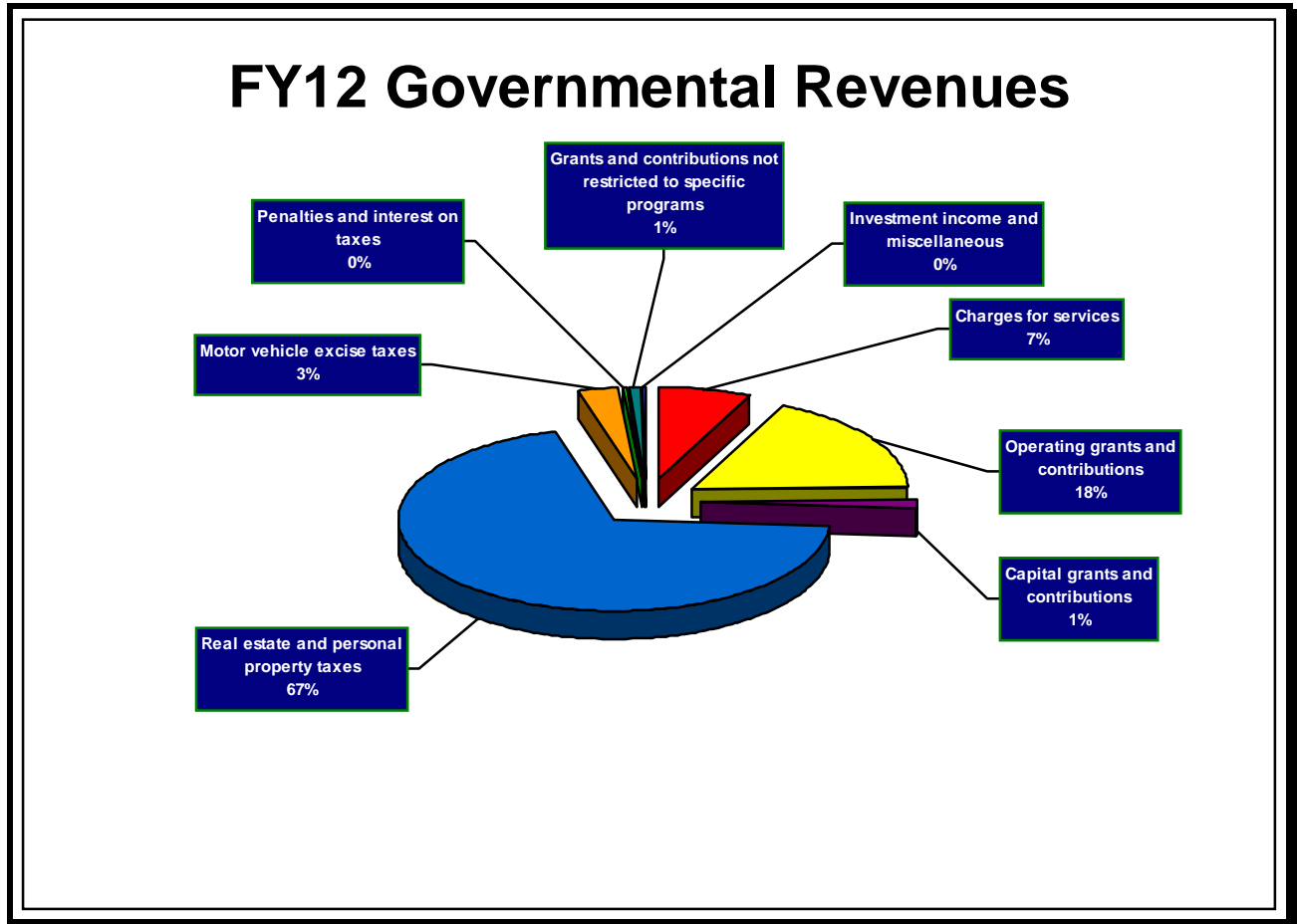
**Governmental activities.** The governmental activities net assets decreased by approximately \$1.6 million during the current fiscal year. Key factors in the decrease include the \$3.1 million increase in other postemployment benefit (OPEB) obligation liabilities which is recorded to comply with the requirements of GASB Statement #45, net of a positive result of operations in the Town's general fund of approximately \$1.5 million. The increase in the OPEB liability is also the reason for the increase in noncurrent liabilities (excluding debt).

<b>Governmental Activities:</b>	Fiscal Year Ended June 30, 2012	Fiscal Year Ended June 30, 2011
<b>Program revenues:</b>		
Charges for services.....	\$ 5,535,316	\$ 5,289,074
Operating grants and contributions.....	14,155,121	14,570,871
Capital grants and contributions.....	1,110,679	2,752,205
<b>General revenues:</b>		
Real estate and personal property taxes.....	55,088,302	53,365,772
Motor vehicle excise taxes.....	2,335,495	2,408,095
Penalties and interest on taxes.....	264,092	122,486
Nonrestricted grants and contributions.....	748,294	647,232
Unrestricted investment income.....	74,274	91,404
Gain on sale of capital assets.....	50,000	-
<b>Total revenues.....</b>	<b><u>79,361,573</u></b>	<b><u>79,247,139</u></b>
<b>Expenses:</b>		
General government.....	5,135,899	4,670,650
Public safety.....	9,391,010	8,969,089
Education.....	54,472,071	52,489,520
Public works.....	7,204,025	7,472,604
Human services.....	1,157,238	1,047,144
Culture and recreation.....	2,386,859	2,371,894
Interest.....	1,542,158	1,475,733
<b>Total expenses.....</b>	<b><u>81,289,260</u></b>	<b><u>78,496,634</u></b>
<b>Excess (Deficiency) before transfers.....</b>	<b>(1,927,687)</b>	<b>750,505</b>
<b>Transfers.....</b>	<b><u>290,978</u></b>	<b><u>290,978</u></b>
<b>Change in net assets.....</b>	<b>\$ <u>(1,636,709)</u></b>	<b>\$ <u>1,041,483</u></b>

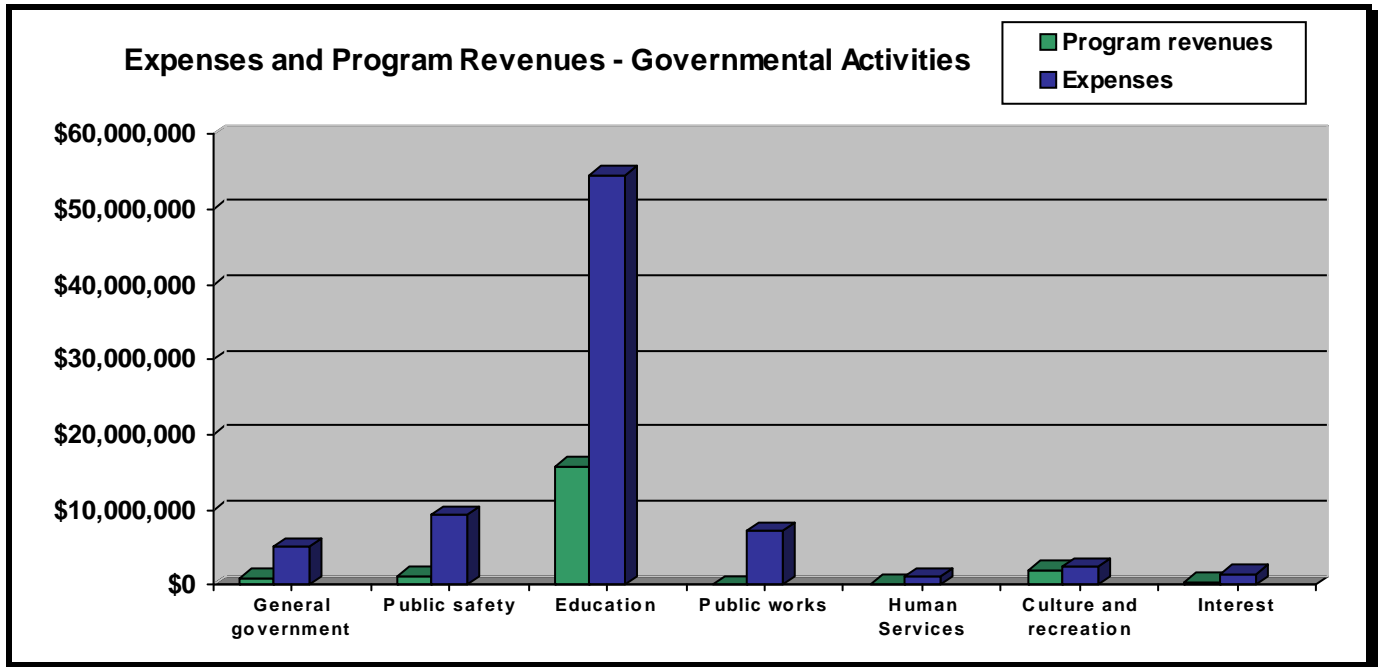
- Charges for services represent about 7% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Board of Selectmen are included in this category. Most of these resources apply to public safety and education operations, such as building permits, ambulance revenue, athletic receipts, kindergarten revenue and bus fees.
- Operating and capital grants and contributions account for 18% of the governmental activities resources. Most of these resources apply to education operations.
- In fiscal years 2011 and 2012, the Town recorded \$2.2 million and \$1.1 million, respectively, in capital grants from the state related to the construction of a new Town library.



- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 67% of all resources. Other taxes and other revenues comprised a total of 4% of the governmental activities resources. These primarily include excise taxes, nonrestricted grants, and investment earnings.



- Education is by far the largest governmental activity of the Town with 67% of total governmental expenses. Program revenues of \$15.8 million provided direct support to education and \$38.6 million in taxes and other general revenue were needed to cover the remaining fiscal year 2012 operating expenses.
- Public safety and public works are significant activities of the Town. Program revenues for public safety of \$1.3 million and \$40,000 in public works directly supported \$9.4 million and \$7.2 million of operating expenses, respectively. Taxes and other general revenue of \$15.3 million were needed to cover the remaining fiscal year 2012 operating expenses for public safety and public works. Combined, they represent 20% of governmental activity expenses.



**Business-type activities.** For sewer business-type activities, assets exceeded liabilities by \$17 million at the close of fiscal year 2012. Capital assets net of related debt totaled \$12.4 million (73%) while unrestricted net assets totaled \$4.6 million (27%). There was a net decrease of \$297,000 in net assets reported in connection with the sewer enterprise. Charges for services decreased from prior year by \$218,000 which was primarily due to decreases in sewer usage. Capital grants experienced an increase which was due to the Town receiving a MWRA capital grant of \$173,700 toward the Westwood Sewer System Rehabilitation Construction Project. The MWRA also provided \$212,300 in an interest free loan payable by the Town over the next 5 years. The total project is estimated to cost \$533,000. The sewer fund also reported an increase in its operating costs as well as an increase in its liability for other postemployment benefits totaling \$74,000, which is a result of reporting a portion of the OPEB liability in accordance with GASB Statement #45.

**Business-Type Activities:**

	Balance at June 30, 2012	Balance at June 30, 2011
<b>Assets:</b>		
Current assets.....	\$ 4,597,592	\$ 4,098,123
Noncurrent assets (excluding capital).....	296,350	296,350
Capital assets, not being depreciated.....	350,850	350,850
Capital assets, net of accumulated depreciation.....	13,463,973	14,197,856
<b>Total assets.....</b>	<b>18,708,765</b>	<b>18,943,179</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	144,230	48,446
Noncurrent liabilities (excluding debt).....	190,934	117,191
Current debt.....	132,760	319,700
Noncurrent debt.....	1,310,440	1,230,900
<b>Total liabilities.....</b>	<b>1,778,364</b>	<b>1,716,237</b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt.....	12,371,623	12,998,106
Unrestricted.....	4,558,778	4,228,836
<b>Total net assets.....</b>	<b>\$ 16,930,401</b>	<b>\$ 17,226,942</b>

<b>Business-Type Activities:</b>	Fiscal Year Ended June 30, 2012	Fiscal Year Ended June 30, 2011
	<u>2012</u>	<u>2011</u>
<b>Program revenues:</b>		
Charges for services.....	\$ 3,677,221	\$ 3,895,027
Operating grants and contributions.....	31,638	45,563
Capital grants and contributions.....	222,624	40,912
<b>Total revenues.....</b>	<b><u>3,931,483</u></b>	<b><u>3,981,502</u></b>
<b>Expenses:</b>		
Sewer.....	<b><u>3,937,046</u></b>	<b><u>3,653,546</u></b>
<b>Excess (Deficiency) before transfers.....</b>	<b>(5,563)</b>	<b>327,956</b>
<b>Transfers.....</b>	<b><u>(290,978)</u></b>	<b><u>(290,978)</u></b>
<b>Change in net assets.....</b>	<b><u>\$ (296,541)</u></b>	<b><u>\$ 36,978</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, unassigned 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 \$20.4 million, a decrease of \$4.5 million from the prior year. The majority of this decrease (\$5.6 million) is reported in the library project major fund as construction on the project progressed. The general fund reported an increase of \$1.5 million through positive budgetary results and the nonmajor governmental funds reported a decrease of \$243,000 related mainly to the timing of expenditures in grant, gift, and other capital funds.

The general fund is the Town's chief operating fund. The ending fund balance increased by \$1.5 million in comparison with prior year. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$5.6 million, while total fund balance totaled \$8.2 million. The \$1.5 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$1.2 million of assigned fund balance represents amounts that have been encumbered at year end to meet contractual obligations at year end. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.8% of total general fund expenditures, while total fund balance represents 11.5% of that same amount.

The Town also maintains a stabilization fund, which has been classified within the unassigned general fund balance in the governmental funds financial statements to remain compliant with GASB 54. The stabilization fund has a year-end balance of \$2 million which represents 2.8% 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 University Station Project fund is used to account for funds received in connection with the University Station Project. At June 30, 2012, the University Station Project fund had a year-end balance of \$58,000. This balance decreased by \$59,000 from prior year as the Town utilized funds received in prior years.

The Library Project major fund is used to account for the construction of a new Town library. During fiscal year 2012, this fund recognized \$1.1 million in capital grant revenue from a state library grant and recorded \$6.7 million in project expenditures.

### **General Fund Budgetary Highlights**

Actual general fund expenditures and encumbrances are lower than final budget by 2%, with the majority of the variance occurring in the reserve fund, which turned back \$400,000, as reserve funds were not fully required to fund unanticipated events. Additionally, the general fund employee benefits expenditures were lower than the final budget by approximately \$378,000. This is partially due to health insurance plan design changes implemented by the Town.

The \$770,600 increase between the original budget and the final amended budget was primarily supplementary appropriations from free cash to fund the Town's stabilization fund and the High School litigation fund and appropriations from the ambulance and sale of lots and graves revolving funds and from additional state aid to fund the fire department budget, the cemetery department, and salary increases. Additionally the Town voted several transfers within budgetary line items during the fiscal year.

### **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. 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, 2012, totaled \$35.5 million of which, \$8.8 million is related to library projects, \$26.3 million is related to school projects, leaving a balance of only \$370,000 for other non-school related projects.

The enterprise fund has \$1.4 million in sewer enterprise debt outstanding that is fully supported by the rates and does not rely on a general fund subsidy.

To take advantage of favorable interest rates, the Town advance refunded \$20,030,000 of general governmental bonds outstanding to reduce total future debt service payments by \$2,794,860 over the next 11 years.

The most significant capital asset additions during the year included various school building improvements, public safety and public works vehicles, school computers and equipment, and roadway improvements. Also, current year expenditures for the new library have been capitalized as construction in progress as of June 30, 2012.

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

**CAPITAL ASSETS**

	Cost of Capital Assets	Accumulated Depreciation at end of year	Capital Assets, net
<b>Governmental activities:</b>			
Land.....	\$ 5,858,382	\$ -	\$ 5,858,382
Construction in progress.....	8,938,689	-	8,938,689
Buildings and improvements.....	92,438,395	(28,261,805)	64,176,590
Vehicles.....	6,515,157	(4,510,334)	2,004,823
Machinery and equipment.....	10,637,712	(8,018,351)	2,619,361
Furniture and fixtures.....	386,986	(272,689)	114,297
Infrastructure.....	<u>85,668,825</u>	<u>(50,910,447)</u>	<u>34,758,378</u>
Total governmental activities.....	<u>210,444,146</u>	<u>(91,973,626)</u>	<u>118,470,520</u>
<b>Business-type activities:</b>			
Land.....	350,850	-	350,850
Plant and infrastructure.....	25,916,432	(15,871,244)	10,045,188
Other buildings and improvements...	6,339,070	(3,296,742)	3,042,328
Vehicles.....	506,331	(374,116)	132,215
Machinery and equipment.....	483,709	(239,467)	244,242
Furniture and fixtures.....	<u>35,323</u>	<u>(35,323)</u>	<u>-</u>
Total business-type activities.....	<u>33,631,715</u>	<u>(19,816,892)</u>	<u>13,814,823</u>
Total capital assets.....	<u>\$ 244,075,861</u>	<u>\$ (111,790,518)</u>	<u>\$ 132,285,343</u>

## GOVERNMENTAL BONDS PAYABLE

Project	Interest Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
Municipal Purpose Bonds of 2002.....	3.90 - 5.00	\$ 1,510,000	\$ -	\$ (1,510,000)	\$ -
Municipal Purpose Bonds of 2004.....	2.50 - 5.38	24,545,000	-	(22,290,000)	2,255,000
Municipal Purpose Bonds of 2008.....	3.50 - 4.00	2,785,000	-	(340,000)	2,445,000
Municipal Purpose Bonds of 2009.....	2.13 - 5.00	3,150,000	-	(175,000)	2,975,000
Municipal Purpose Bonds of 2010.....	3.25 - 4.00	9,300,000	-	(465,000)	8,835,000
Municipal Purpose Refunding Bonds of 2012....	2.00 - 4.00	-	19,095,000	(60,000)	19,035,000
Total Governmental Activities.....		\$ 41,290,000	\$ 19,095,000	\$ 24,840,000	\$ 35,545,000

## ENTERPRISE BONDS PAYABLE

Project	Interest Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
Municipal Purpose Bonds of 1998.....	3.88	\$ 1,400,600	\$ -	\$ (169,700)	\$ 1,230,900
Municipal Purpose Bonds of 2002.....	3.90 - 5.00	150,000	-	(150,000)	-
MWRA Notes of 2012.....	0.00	-	212,300	-	212,300
Total Enterprise Bonds Payable.....		\$ 1,550,600	\$ 212,300	\$ 319,700	\$ 1,443,200

The Town of Westwood has 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

For the fiscal year 2013 budget, the Town has projected modest improvement in major revenue categories over the previous year’s budget. General tax revenues are expected to increase by approximately 2.7%, and after prior years of level funding, state aid is scheduled to increase by 13%. Economic driven local receipts; such as motor vehicle excise payments and buildings permits, have also been level funded for FY13 after improved collections in FY12.

The modest revenue increases have allowed the Town to make the following conservative budget decisions:

- The Town provided for a 3% increase for the fiscal year 2013 school and municipal operating budgets.
- Favorable settlement of labor contracts allowed the Town to remain within the 3% increase while maintaining current staffing levels.
- The fiscal year 2013 budget has level funded the base capital budgets and provides for increase in capital equipment and road and roof work through a new debt authorization of \$5.3 million. The fiscal year 2013 budget provides for a \$50,000 appropriation to the stabilization reserve accounts, following a \$744,000 appropriation through one time revenue.
- The FY13 commercial and residential tax rates are not yet finalized, but are expected to increase approximately 2.15%.

## **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***



**STATEMENT OF NET ASSETS**

JUNE 30, 2012

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 24,006,777	\$ 2,811,967	\$ 26,818,744
Investments.....	12,946	-	12,946
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	619,228	-	619,228
Tax liens.....	829,242	-	829,242
Motor vehicle excise taxes.....	194,406	-	194,406
User charges.....	-	1,785,625	1,785,625
Departmental and other.....	121,636	-	121,636
Intergovernmental.....	2,643,100	-	2,643,100
<b>Total Current Assets.....</b>	<b>28,427,335</b>	<b>4,597,592</b>	<b>33,024,927</b>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	10,954,000	296,350	11,250,350
Capital assets, not being depreciated.....	14,797,071	350,850	15,147,921
Capital assets, net of accumulated depreciation.....	103,673,449	13,463,973	117,137,422
<b>Total Noncurrent Assets.....</b>	<b>129,424,520</b>	<b>14,111,173</b>	<b>143,535,693</b>
<b>TOTAL ASSETS.....</b>	<b>157,851,855</b>	<b>18,708,765</b>	<b>176,560,620</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	1,852,093	77,670	1,929,763
Accrued payroll.....	1,254,986	7,668	1,262,654
Tax refunds payable.....	365,019	-	365,019
Accrued interest.....	294,229	41,892	336,121
Other liabilities.....	500,578	-	500,578
Compensated absences.....	1,050,000	17,000	1,067,000
Bonds payable.....	3,352,917	132,760	3,485,677
<b>Total Current Liabilities.....</b>	<b>8,669,822</b>	<b>276,990</b>	<b>8,946,812</b>
<b>NONCURRENT:</b>			
Compensated absences.....	525,000	-	525,000
Other postemployment benefits.....	14,301,299	190,934	14,492,233
Bonds payable.....	33,049,166	1,310,440	34,359,606
<b>Total Noncurrent Liabilities.....</b>	<b>47,875,465</b>	<b>1,501,374</b>	<b>49,376,839</b>
<b>TOTAL LIABILITIES.....</b>	<b>56,545,287</b>	<b>1,778,364</b>	<b>58,323,651</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt.....	99,367,799	12,371,623	111,739,422
Restricted for:			
Permanent funds:			
Expendable.....	202,403	-	202,403
Nonexpendable.....	346,034	-	346,034
Gifts.....	342,080	-	342,080
Grants.....	987,716	-	987,716
Unrestricted.....	60,536	4,558,778	4,619,314
<b>TOTAL NET ASSETS.....</b>	<b>\$ 101,306,568</b>	<b>\$ 16,930,401</b>	<b>\$ 118,236,969</b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2012

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.....	\$ 5,135,899	\$ 853,775	\$ 99,423	\$ -	\$ (4,182,701)
Public safety.....	9,391,010	1,177,994	104,954	-	(8,108,062)
Education.....	54,472,071	2,455,709	13,373,053	-	(38,643,309)
Public works.....	7,204,025	29,536	8,985	1,000	(7,164,504)
Human services.....	1,157,238	66,900	133,292	-	(957,046)
Culture and recreation.....	2,386,859	951,402	43,250	1,109,679	(282,528)
Interest.....	1,542,158	-	392,164	-	(1,149,994)
<b>Total Governmental Activities.....</b>	<b>81,289,260</b>	<b>5,535,316</b>	<b>14,155,121</b>	<b>1,110,679</b>	<b>(60,488,144)</b>
<i>Business-Type Activities:</i>					
Sewer.....	3,937,046	3,677,221	31,638	222,624	(5,563)
<b>Total Primary Government.....</b>	<b>\$ 85,226,306</b>	<b>\$ 9,212,537</b>	<b>\$ 14,186,759</b>	<b>\$ 1,333,303</b>	<b>\$ (60,493,707)</b>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net assets:</b>			
Net (expense) revenue from previous page.....	\$ <b>(60,488,144)</b>	\$ <b>(5,563)</b>	\$ <b>(60,493,707)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	55,088,302	-	55,088,302
Motor vehicle excise taxes.....	2,335,495	-	2,335,495
Penalties and interest on taxes.....	264,092	-	264,092
Grants and contributions not restricted to specific programs.....	748,294	-	748,294
Unrestricted investment income.....	74,274	-	74,274
Gain on sale of capital assets.....	50,000	-	50,000
<i>Transfers, net</i> .....	290,978	(290,978)	-
Total general revenues and transfers.....	58,851,435	(290,978)	58,560,457
Change in net assets.....	(1,636,709)	(296,541)	(1,933,250)
<i>Net Assets:</i>			
Beginning of year.....	102,943,277	17,226,942	120,170,219
End of year.....	\$ <u>101,306,568</u>	\$ <u>16,930,401</u>	\$ <u>118,236,969</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2012

<b>ASSETS</b>	General	University Station Project	Library Project	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 10,978,063	\$ 57,609	\$ 4,494,656	\$ 8,476,449	\$ 24,006,777
Investments.....	-	-	-	12,946	12,946
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	619,228	-	-	-	619,228
Tax liens.....	829,242	-	-	-	829,242
Motor vehicle excise taxes.....	194,406	-	-	-	194,406
Departmental and other.....	5,837	-	-	115,799	121,636
Intergovernmental.....	13,322,000	-	-	275,100	13,597,100
Due from other funds.....	-	-	-	203,711	203,711
<b>TOTAL ASSETS.....</b>	<b>\$ 25,948,776</b>	<b>\$ 57,609</b>	<b>\$ 4,494,656</b>	<b>\$ 9,084,005</b>	<b>\$ 39,585,046</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Warrants payable.....	\$ 989,512	\$ -	\$ 804,309	\$ 58,272	\$ 1,852,093
Accrued payroll.....	1,251,413	-	-	3,573	1,254,986
Tax refunds payable.....	365,019	-	-	-	365,019
Other liabilities.....	500,578	-	-	-	500,578
Deferred revenues.....	14,600,995	-	-	390,899	14,991,894
Due to other funds.....	-	-	-	203,711	203,711
<b>TOTAL LIABILITIES.....</b>	<b>17,707,517</b>	<b>-</b>	<b>804,309</b>	<b>656,455</b>	<b>19,168,281</b>
<b>FUND BALANCES:</b>					
Nonspendable.....	-	-	-	346,034	346,034
Restricted.....	-	57,609	3,690,347	8,285,227	12,033,183
Committed.....	1,518,171	-	-	-	1,518,171
Assigned.....	1,172,866	-	-	-	1,172,866
Unassigned.....	5,550,222	-	-	(203,711)	5,346,511
<b>TOTAL FUND BALANCES.....</b>	<b>8,241,259</b>	<b>57,609</b>	<b>3,690,347</b>	<b>8,427,550</b>	<b>20,416,765</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 25,948,776</b>	<b>\$ 57,609</b>	<b>\$ 4,494,656</b>	<b>\$ 9,084,005</b>	<b>\$ 39,585,046</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, 2012

Total governmental fund balances.....		\$ 20,416,765
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		118,470,520
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		14,991,894
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(294,229)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(36,402,083)	
Other postemployment benefits.....	(14,301,299)	
Compensated absences.....	<u>(1,575,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(52,278,382)</u>
Net assets of governmental activities.....		<u>\$ 101,306,568</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2012

	General	University Station Project	Library Project	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 54,944,965	\$ -	\$ -	\$ -	\$ 54,944,965
Motor vehicle excise taxes.....	2,274,492	-	-	-	2,274,492
Charges for services.....	-	-	-	4,798,942	4,798,942
Penalties and interest on taxes.....	264,092	-	-	-	264,092
Fees and rentals.....	521,268	-	-	-	521,268
Licenses and permits.....	456,436	-	-	-	456,436
Fines and forfeitures.....	12,937	-	-	-	12,937
Intergovernmental.....	13,416,197	-	1,109,679	3,240,208	17,766,084
Departmental and other.....	246,242	-	-	652,350	898,592
Contributions.....	-	-	-	224,819	224,819
Investment income.....	77,839	-	-	902	78,741
<b>TOTAL REVENUES.....</b>	<b>72,214,468</b>	<b>-</b>	<b>1,109,679</b>	<b>8,917,221</b>	<b>82,241,368</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	2,567,325	59,244	-	751,696	3,378,265
Public safety.....	6,198,337	-	-	150,828	6,349,165
Education.....	34,133,323	-	-	6,100,290	40,233,613
Public works.....	4,153,298	-	-	1,082,125	5,235,423
Human services.....	756,107	-	-	55,454	811,561
Culture and recreation.....	1,273,148	-	6,747,324	657,467	8,677,939
Pension benefits.....	8,708,603	-	-	-	8,708,603
Property and liability insurance.....	291,839	-	-	-	291,839
Employee benefits.....	5,624,542	-	-	-	5,624,542
State and county charges.....	531,795	-	-	-	531,795
Capital outlay.....	805,568	-	-	-	805,568
Debt service:					
Principal.....	4,810,000	-	-	-	4,810,000
Interest.....	1,696,931	-	-	-	1,696,931
<b>TOTAL EXPENDITURES.....</b>	<b>71,550,816</b>	<b>59,244</b>	<b>6,747,324</b>	<b>8,797,860</b>	<b>87,155,244</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>663,652</b>	<b>(59,244)</b>	<b>(5,637,645)</b>	<b>119,361</b>	<b>(4,913,876)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Premium from issuance of bonds.....	-	-	-	110,997	110,997
Issuance of refunding bonds.....	19,095,000	-	-	-	19,095,000
Premium from issuance of refunding bonds.....	2,274,135	-	-	-	2,274,135
Payments to refunded bond escrow agent.....	(21,375,114)	-	-	-	(21,375,114)
Sale of capital assets.....	-	-	-	50,000	50,000
Transfers in.....	814,165	-	-	-	814,165
Transfers out.....	-	-	-	(523,187)	(523,187)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>808,186</b>	<b>-</b>	<b>-</b>	<b>(362,190)</b>	<b>445,996</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>1,471,838</b>	<b>(59,244)</b>	<b>(5,637,645)</b>	<b>(242,829)</b>	<b>(4,467,880)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>6,769,421</b>	<b>116,853</b>	<b>9,327,992</b>	<b>8,670,379</b>	<b>24,884,645</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 8,241,259</b>	<b>\$ 57,609</b>	<b>\$ 3,690,347</b>	<b>\$ 8,427,550</b>	<b>\$ 20,416,765</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, 2012

Net change in fund balances - total governmental funds..... \$ (4,467,880)

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.....	10,196,200
Depreciation expense.....	<u>(6,093,644)</u>

Net effect of reporting capital assets..... 4,102,556

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.....

(2,929,795)

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.

Issuance of refunding debt.....	(19,095,000)
Payment to refunding bond escrow agent.....	21,375,114
Premium from issuance of refunding bonds.....	(2,274,135)
Debt service principal payments.....	<u>4,810,000</u>

Net effect of reporting long-term debt..... 4,815,979

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.....	(60,000)
Net change in accrued interest on long-term debt.....	43,776
Net change in other postemployment benefits.....	<u>(3,141,345)</u>

Net effect of recording long-term liabilities..... (3,157,569)

Change in net assets of governmental activities..... \$ (1,636,709)

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF FUND NET ASSETS

JUNE 30, 2012

	<u>Business-type Sewer Enterprise</u>
<b>ASSETS</b>	
CURRENT:	
Cash and cash equivalents.....	\$ 2,811,967
Receivables, net of allowance for uncollectibles:	
User fees.....	<u>1,785,625</u>
Total current assets.....	<u>4,597,592</u>
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Intergovernmental.....	296,350
Capital assets, not being depreciated.....	350,850
Capital assets, net of accumulated depreciation.....	<u>13,463,973</u>
Total noncurrent assets.....	<u>14,111,173</u>
TOTAL ASSETS.....	<u>18,708,765</u>
<b>LIABILITIES</b>	
CURRENT:	
Warrants payable.....	77,670
Accrued payroll.....	7,668
Accrued interest.....	41,892
Compensated absences.....	17,000
Bonds payable.....	<u>132,760</u>
Total current liabilities.....	<u>276,990</u>
NONCURRENT:	
Other postemployment benefits.....	190,934
Bonds payable.....	<u>1,310,440</u>
Total noncurrent liabilities.....	<u>1,501,374</u>
TOTAL LIABILITIES.....	<u>1,778,364</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt.....	12,371,623
Unrestricted.....	<u>4,558,778</u>
TOTAL NET ASSETS.....	<u>\$ 16,930,401</u>

See notes to basic financial statements.



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

FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Sewer Enterprise
<u>OPERATING REVENUES:</u>	
Charges for services .....	\$ 3,677,221
<u>OPERATING EXPENSES:</u>	
Cost of services and administration .....	748,491
MWRA assessment.....	2,268,632
Depreciation.....	827,174
 TOTAL OPERATING EXPENSES .....	 3,844,297
 OPERATING INCOME (LOSS).....	 (167,076)
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Interest expense.....	(92,749)
Intergovernmental.....	205,338
 TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	 112,589
 INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS.....	 (54,487)
<u>CAPITAL CONTRIBUTIONS:</u>	
Sewer betterments.....	48,924
<u>TRANSFERS:</u>	
Transfers out.....	(290,978)
 CHANGE IN NET ASSETS.....	 (296,541)
NET ASSETS AT BEGINNING OF YEAR.....	17,226,942
NET ASSETS AT END OF YEAR.....	\$ 16,930,401

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Sewer Enterprise
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 3,685,497
Payments to vendors.....	(2,543,044)
Payments to employees.....	(339,189)
	803,264
<u>NET CASH FROM OPERATING ACTIVITIES.....</u>	
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>	
Transfers out.....	(290,978)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Proceeds from the issuance of bonds and notes.....	212,300
Acquisition and construction of capital assets.....	(93,291)
Capital receipts from other governments.....	173,700
Capital contributions.....	92,317
Principal payments on bonds and notes.....	(267,976)
Interest expense.....	(26,474)
	90,576
<u>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</u>	<u>90,576</u>
<u>NET CHANGE IN CASH EQUIVALENTS.....</u>	<u>602,862</u>
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</u>	<u>2,209,105</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</u>	<u>\$ 2,811,967</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>	
<u>FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ (167,076)
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation.....	827,174
Changes in assets and liabilities:	
User fees.....	8,276
Warrants payable.....	61,546
Accrued payroll.....	2,601
Accrued compensated absences.....	(3,000)
Other postemployment benefits.....	73,743
Total adjustments.....	970,340
<u>NET CASH FROM OPERATING ACTIVITIES.....</u>	<u>\$ 803,264</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
Intergovernmental debt service subsidy.....	\$ 83,362

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2012

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 339,418	\$ 779,338
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	-	48,902
<b>TOTAL ASSETS</b> .....	<u>339,418</u>	<u>828,240</u>
<b>LIABILITIES</b>		
Liabilities due depositors.....	-	828,240
<b>NET ASSETS</b> .....	<u>\$ 339,418</u>	<u>\$ -</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2012

	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS:</u>	
Contributions:	
Private donations.....	\$ 83,031
Net investment income:	
Interest.....	<u>3,678</u>
TOTAL ADDITIONS.....	<u>86,709</u>
<u>DEDUCTIONS:</u>	
Educational scholarships.....	<u>96,847</u>
CHANGE IN NET ASSETS.....	(10,138)
NET ASSETS AT BEGINNING OF YEAR.....	<u>349,556</u>
NET ASSETS AT END OF YEAR.....	<u>\$ 339,418</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, 2012, the District has no significant unassigned fund balance and has no outstanding long-term bonds. 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 2012.

<u>Joint venture and address</u>	<u>Purpose</u>	<u>2012 Assessment</u>
Blue Hills Regional Technical School District 800 Randolph Street, Canton, MA 02021	To provide vocational education	<u>\$ 151,228</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, and 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 *University Station Project fund* is used to account for the funds received in connection with the development and renovation of the new train station as well as residential, commercial, and retail units.

The *Library Project fund* is used to account for the funds used in the construction and development of the Town library.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

**Proprietary** fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary fund is reported:

The *sewer enterprise fund* is used to account for the Town's 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 has 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 student activities and planning deposits.

#### 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 Fees***

Sewer fees 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.

***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
Plant and infrastructure.....	7-40
Other buildings and improvements.....	7-40
Vehicles.....	5-10
Machinery and equipment.....	5-50
Furniture and fixtures.....	5-20
Infrastructure.....	5-50

**H. Interfund Receivables and Payables**

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

*Government-Wide Financial Statements*

Transactions of a buyer/seller nature between and within governmental funds 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 net assets as "internal balances".

*Fund Financial Statements*

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

I. 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.

J. Net Assets and Fund Equity*Government-Wide Financial Statements (Net Assets)*

Net assets reported as “invested in capital assets, net of related debt” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state’s school building program is not considered to be capital related debt.

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)*

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

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments’ or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision making authority that can, by Town Meeting vote, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Town’s by-laws authorize the Town Accountant to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

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

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

#### K. 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.

#### L. 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.

### M. 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.

Compensated absences are reported in the governmental funds only if they have matured.

### 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.

### P. Fund Deficits

A fund deficit existed at June 30, 2012 within the nonmajor capital project fund. This deficit will be funded through borrowing during fiscal year 2013.

## **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.

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 in each institution 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 \$21,822,890 and the bank balance totaled \$22,354,312. Of the bank balance, \$2,000,000 was covered by Federal Depository Insurance, \$2,174,378 was covered by the Depositors Insurance Fund, \$7,461,673 was covered by Transaction Account Guarantee Program, \$89,417 was covered by the Share Insurance Fund, \$4,433,981 was collateralized and \$6,194,863 was subject to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2012, the Town had the following investments:

Equity Mutual Funds.....	\$	12,946
MMDT.....		<u>6,114,610</u>
Total Investments.....	\$	<u><u>6,127,556</u></u>

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months.

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, 2012, 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 because their existence is not evidenced by securities that exist in physical or book entry form. 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 as of June 30, 2012.

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, to no more than 5% of an institution's assets and no more than 30% of the Town's total investments. At June 30, 2012, the Town did not have more than 5% of the Town's investments in with any one issuer.

**NOTE 3 – RECEIVABLES**

At June 30, 2012, receivables for the individual major governmental funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 619,228	\$ -	\$ 619,228
Tax liens.....	829,242	-	829,242
Motor vehicle excise taxes.....	259,406	(65,000)	194,406
Departmental and other.....	155,636	(34,000)	121,636
Intergovernmental.....	13,597,100	-	13,597,100
 Total.....	 \$ 15,460,612	 \$ (99,000)	 \$ 15,361,612

At June 30, 2012, receivables for the fiduciary funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Details.....	\$ 48,902	\$ -	\$ 48,902

At June 30, 2012, receivables for the enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Sewer fees.....	\$ 1,785,625	\$ -	\$ 1,785,625
Intergovernmental.....	296,350	-	296,350
 Total.....	 \$ 2,081,975	 \$ -	 \$ 2,081,975

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.....	\$ 249,510	\$ -	\$ 249,510
Tax liens.....	829,242	-	829,242
Motor vehicle excise taxes.....	194,406	-	194,406
Departmental and other.....	5,837	115,799	121,636
Intergovernmental.....	13,322,000	275,100	13,597,100
 Total.....	 \$ 14,600,995	 \$ 390,899	 \$ 14,991,894



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

Interfund receivables and payables between funds at June 30, 2012, are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Facilities Renovations	Roadway Improvements	\$ <u>203,711</u>

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

Interfund transfers for the fiscal year ended June 30, 2012, are summarized as follows:

<u>Transfers Out:</u>	<u>Transfers In:</u>	
	General Fund	
Nonmajor Governmental Fund.....	\$ 27,687	(A)
Nonmajor Governmental Fund.....	32,000	(B)
Nonmajor Governmental Fund.....	453,500	(C)
Nonmajor Governmental Fund.....	10,000	(D)
Sewer Enterprise Fund.....	<u>290,978</u>	(E)
Total.....	<u>\$ 814,165</u>	

- (A) - Transfer from Special Revenue Bond Premiums Fund to support debt service expenditures.
- (B) - Transfer from Special Revenue Conservation Fund (\$17,000), and Sale of Lots Fund (\$15,000), to support conservation and cemetery expenditures.
- (C) - Transfer from Special Revenue Ambulance Receipts for ambulance operations.
- (D) - Transfer from Cemetary Perpetual Care Fund to support cemetery expenditures.
- (E) - Transfer from Sewer Fund to the General Fund for indirect cost reimbursements.

**NOTE 5 – PENSION PLAN**

*Plan Description* - The Town contributes to the Norfolk County Contributory 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 \$6,031,000 for the fiscal year ended June 30, 2012, 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, 2012, 2011, and 2010 were \$2,619,736, \$2,417,220, and \$2,329,423, which equaled its required contribution for each fiscal year.

The schedule of funding progress, presented as required supplementary information, following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additionally, the schedule of employer contributions, presented as required supplementary information, following the notes to the basic financial statements, presents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contributions. This information is designed to be helpful for understanding the scale of the information presented relative to the Town.

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, 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.....	2,191,365	6,747,324	-	8,938,689
Total capital assets not being depreciated.....	<u>8,049,747</u>	<u>6,747,324</u>	<u>-</u>	<u>14,797,071</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	91,290,332	1,148,063	-	92,438,395
Vehicles.....	6,181,409	773,038	(439,290)	6,515,157
Machinery and equipment.....	9,976,881	660,831	-	10,637,712
Furniture and fixtures.....	357,983	29,003	-	386,986
Infrastructure.....	84,830,884	837,941	-	85,668,825
Total capital assets being depreciated.....	<u>192,637,489</u>	<u>3,448,876</u>	<u>(439,290)</u>	<u>195,647,075</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(26,004,460)	(2,257,345)	-	(28,261,805)
Vehicles.....	(4,434,595)	(515,029)	439,290	(4,510,334)
Machinery and equipment.....	(7,055,268)	(963,083)	-	(8,018,351)
Furniture and fixtures.....	(246,249)	(26,440)	-	(272,689)
Infrastructure.....	(48,578,700)	(2,331,747)	-	(50,910,447)
Total accumulated depreciation.....	<u>(86,319,272)</u>	<u>(6,093,644)</u>	<u>439,290</u>	<u>(91,973,626)</u>
Total capital assets being depreciated, net.....	<u>106,318,217</u>	<u>(2,644,768)</u>	<u>-</u>	<u>103,673,449</u>
Total governmental activities capital assets, net.....	<u>\$ 114,367,964</u>	<u>\$ 4,102,556</u>	<u>\$ -</u>	<u>\$ 118,470,520</u>

	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.....	25,823,141	93,291	-	25,916,432
Other buildings and improvements.....	6,339,070	-	-	6,339,070
Vehicles.....	506,331	-	-	506,331
Machinery and equipment.....	483,709	-	-	483,709
Furniture and fixtures.....	35,323	-	-	35,323
<b>Total capital assets being depreciated.....</b>	<b>33,187,574</b>	<b>93,291</b>	<b>-</b>	<b>33,280,865</b>
<u>Less accumulated depreciation for:</u>				
Plant and infrastructure.....	(15,353,849)	(517,395)	-	(15,871,244)
Other buildings and improvements.....	(3,100,027)	(196,715)	-	(3,296,742)
Vehicles.....	(287,990)	(86,126)	-	(374,116)
Machinery and equipment.....	(212,529)	(26,938)	-	(239,467)
Furniture and fixtures.....	(35,323)	-	-	(35,323)
<b>Total accumulated depreciation.....</b>	<b>(18,989,718)</b>	<b>(827,174)</b>	<b>-</b>	<b>(19,816,892)</b>
<b>Total capital assets being depreciated, net.....</b>	<b>14,197,856</b>	<b>(733,883)</b>	<b>-</b>	<b>13,463,973</b>
<b>Total business-type activities capital assets, net.....</b>	<b>\$ 14,548,706</b>	<b>\$ (733,883)</b>	<b>\$ -</b>	<b>\$ 13,814,823</b>

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

**Governmental Activities:**

General government.....	\$ 176,540
Public safety.....	368,585
Education.....	2,840,835
Public works.....	2,667,709
Human services.....	34,358
Culture and recreation.....	5,617

Total depreciation expense - governmental activities..... **\$ 6,093,644**

**Business-Type Activities:**

Sewer.....	\$ 827,174
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**NOTE 7 – 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.

The Town did not have any short-term debt activity during fiscal year 2012.

**NOTE 8 – 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, 2012, and the debt service requirements follow.

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
Municipal Purpose Bonds of 2002.....	2012	15,100,000	3.90 - 5.00	\$ 1,510,000	\$ -	\$ (1,510,000)	\$ -
Municipal Purpose Bonds of 2004.....	2023	42,103,000	2.50 - 5.38	24,545,000	-	(22,290,000)	2,255,000
Municipal Purpose Bonds of 2008.....	2023	3,830,000	3.50 - 4.00	2,785,000	-	(340,000)	2,445,000
Municipal Purpose Bonds of 2009.....	2029	3,500,000	2.13 - 5.00	3,150,000	-	(175,000)	2,975,000
Municipal Purpose Bonds of 2010.....	2031	9,300,000	3.25 - 4.00	9,300,000	-	(465,000)	8,835,000
Municipal Purpose Refunding Bonds of 2012....	2023	19,095,000	2.00 - 4.00	-	19,095,000	(60,000)	19,035,000
<b>Total Future Debt Service Requirements.....</b>				<b>41,290,000</b>	<b>19,095,000</b>	<b>(24,840,000)</b>	<b>35,545,000</b>
Bond premium.....				-	935,000	(77,917)	857,083
<b>Total Governmental Bonds Payable.....</b>				<b>41,290,000</b>	<b>20,030,000</b>	<b>(24,917,917)</b>	<b>36,402,083</b>
Municipal Purpose Bonds of 1998.....	2019	3,220,700	3.88	1,400,600	-	(169,700)	1,230,900
Municipal Purpose Bonds of 2002.....	2012	1,500,000	3.90 - 5.00	150,000	-	(150,000)	-
MWRA Notes 2012.....	2017	212,300	0.00	-	212,300	-	212,300
<b>Total Enterprise Bonds Payable.....</b>				<b>1,550,600</b>	<b>212,300</b>	<b>(319,700)</b>	<b>1,443,200</b>
<b>Total General Obligation Bonds Payable.....</b>				<b>\$ 42,840,600</b>	<b>\$ 20,242,300</b>	<b>\$ (25,237,617)</b>	<b>\$ 37,845,283</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>
2013.....	\$ 3,275,000	\$ 1,188,721	\$ 4,463,721
2014.....	3,275,000	1,143,697	4,418,697
2015.....	2,950,000	1,025,560	3,975,560
2016.....	2,865,000	949,865	3,814,865
2017.....	2,840,000	857,943	3,697,943
2018.....	2,675,000	752,702	3,427,702
2019.....	2,620,000	652,391	3,272,391
2020.....	2,605,000	539,391	3,144,391
2021.....	2,590,000	433,441	3,023,441
2022.....	2,555,000	347,911	2,902,911
2023.....	2,525,000	268,081	2,793,081
2024.....	640,000	187,988	827,988
2025.....	640,000	164,713	804,713
2026.....	640,000	140,276	780,276
2027.....	640,000	115,618	755,618
2028.....	640,000	89,582	729,582
2029.....	640,000	63,456	703,456
2030.....	465,000	37,200	502,200
2031.....	465,000	18,600	483,600
Total.....	\$ <u>35,545,000</u>	\$ <u>8,977,132</u>	\$ <u>44,522,132</u>

Debt service requirements for principal and interest for bonds 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>
2013.....	\$ 132,760	\$ 136,660	\$ 269,420
2014.....	218,760	48,124	266,884
2015.....	224,060	42,279	266,339
2016.....	229,560	32,554	262,114
2017.....	235,260	23,516	258,776
2018.....	198,500	10,451	208,951
2019.....	204,300	5,108	209,408
Total.....	\$ <u>1,443,200</u>	\$ <u>298,692</u>	\$ <u>1,741,892</u>

In order to take advantage of favorable interest rates, the Town issued \$19,095,000 of General Obligation Refunding Bonds on March 8, 2012. The proceeds of the refunding bonds along with the bond premiums and \$252,531 of Town funds were used to advance refund \$20,030,000 of general obligation bonds by placing the proceeds of the refunding bonds and additional Town funds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$2,794,860 and resulted in an economic gain of

\$2,542,536. At June 30, 2012, \$20,030,000 of bonds outstanding from the advance refunding are considered defeased.

The debt service payments on the refunded bonds were scheduled to be subsidized through the Massachusetts School Building Authority (MSBA). In accordance with MSBA regulations, a portion of the savings from the refunding will be allocated to the MSBA in the form of a reduction in the future interest subsidy payments totaling \$1,336,929.

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 2012, approximately \$2,760,000 of such assistance was received. Approximately \$15,414,000 will be received in future fiscal years. Of this amount, approximately \$2,092,000 represents reimbursement of long-term interest costs, and approximately \$13,322,000 represents reimbursement of approved construction costs. Accordingly, a \$13,322,000 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 scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$296,350 and interest costs for \$210,462. Thus, net MWPAT loan repayments including interest are scheduled to be \$1,022,780. 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 2012 principal and interest subsidy totaled \$51,724 and \$31,638, respectively.

The Town is a member of the Massachusetts Water Resources Authority (MWRA) which offers its members interest free loans for various purposes. The Town issued \$212,300 in loans through this program during fiscal year 2012. The imputed interest on this loan is immaterial and has not been recognized by the Town.

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, 2012, the Town had the following authorized and unissued debt:

Purpose	Date Voted	Article	Amount Authorized and Unissued
DPW Capital Improvements.....	5/2/2011	10	\$ 460,000
Brook Street Culvert.....	5/2/2011	11	450,000
Road Improvements.....	5/7/2012	13	2,400,000
DPW Capital Improvements.....	5/7/2012	14	2,000,000
Deerfield School Roof.....	5/7/2012	15	<u>935,000</u>
Total.....			<u>\$ 6,245,000</u>

Changes in Long-Term Liabilities

During the fiscal year ended June 30, 2012, the following changes occurred in long-term liabilities:

	Balance at June 30, 2011	Additions	Retirements and Other	Balance at June 30, 2012	Current Portion
<b>Governmental Activities:</b>					
Long-Term Bonds.....	\$ 41,290,000	\$ 20,030,000	\$ (24,917,917)	\$ 36,402,083	\$ 3,352,917
Other Postemployment Benefits.....	11,159,954	4,845,877	(1,704,532)	14,301,299	-
Compensated Absences.....	1,515,000	1,073,000	(1,013,000)	1,575,000	1,050,000
Total Governmental Activities.....	<u>53,964,954</u>	<u>25,948,877</u>	<u>(27,635,449)</u>	<u>52,278,382</u>	<u>4,402,917</u>
<b>Business-Type Activities:</b>					
Long-Term Bonds.....	1,550,600	212,300	(319,700)	1,443,200	132,760
Other Postemployment Benefits.....	117,191	121,037	(47,294)	190,934	-
Compensated Absences.....	20,000	17,000	(20,000)	17,000	17,000
Total Business-Type Activities.....	<u>1,687,791</u>	<u>350,337</u>	<u>(386,994)</u>	<u>1,651,134</u>	<u>149,760</u>
Total.....	<u>\$ 55,652,745</u>	<u>\$ 26,299,214</u>	<u>\$ (28,022,443)</u>	<u>\$ 53,929,516</u>	<u>\$ 4,552,677</u>

Compensated absence liabilities and other postemployment benefit liabilities related to both governmental and business-type activities are normally paid from the general fund and sewer enterprise funds, respectively.

**NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

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

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to or appropriations from the fund required a two-thirds vote of the legislative body. At fiscal year end the balance of the General Stabilization fund is \$2 million and is reported as unassigned fund balance within the General Fund.

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

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

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

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

As of June 30, 2012, the governmental fund balance consisted of the following:

	GOVERNMENTAL FUNDS				
	General	Westwood Station	Library Project	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 346,034	\$ 346,034
Restricted for:					
Westwood station.....	-	57,609	-	-	57,609
Library project.....	-	-	3,690,347	-	3,690,347
Town grants and revolving funds.....	-	-	-	2,358,553	2,358,553
School lunch.....	-	-	-	138,387	138,387
Ambulance fund.....	-	-	-	848,782	848,782
School grants and revolving funds.....	-	-	-	4,018,989	4,018,989
Highway improvement fund.....	-	-	-	122,650	122,650
Expendable governmental trusts.....	-	-	-	104,737	104,737
Roadway improvements.....	-	-	-	404,172	404,172
School building renovations.....	-	-	-	86,554	86,554
Cemetery.....	-	-	-	19,982	19,982
Other expendable trust funds.....	-	-	-	182,421	182,421
Committed to:					
General government.....	804,195	-	-	-	804,195
Public safety.....	351,960	-	-	-	351,960
Education.....	126,989	-	-	-	126,989
Public works.....	235,027	-	-	-	235,027
Assigned to:					
General government.....	77,090	-	-	-	77,090
Public safety.....	9,495	-	-	-	9,495
Education.....	1,044,795	-	-	-	1,044,795
Public works.....	39,159	-	-	-	39,159
Human services.....	772	-	-	-	772
Culture and recreation.....	571	-	-	-	571
Employee benefits.....	984	-	-	-	984
Unassigned.....	5,550,222	-	-	(203,711)	5,346,511
<b>TOTAL FUND BALANCES.....</b>	<b>\$ 8,241,259</b>	<b>\$ 57,609</b>	<b>\$ 3,690,347</b>	<b>\$ 8,427,550</b>	<b>\$ 20,416,765</b>



**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 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.

Effective for fiscal year 2012, the Town negotiated to require every employee to move to cost-saver plans offered by West Suburban Health Group and to share the cost savings with the employees. To accomplish this, the health insurance split for fiscal year 2012 was increased from 60/40 (Town/employee) to a 64/36 percent split. The percentages paid by the Town and employees will be adjusted each fiscal year in a manner that would allow any excess savings to the Town to be shared with the employees.

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 2012 totaled \$176,369 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, 2012, and therefore is not reported.

The Town is self-insured for unemployment compensation. During fiscal year 2012, the Town appropriated \$85,000 to provide for anticipated costs of unemployment benefits. During fiscal year 2012, claims related to unemployment compensation totaled \$80,000. The liability for unemployment compensation was not material at June 30, 2012, and therefore is not reported.

**NOTE 11 – STABILIZATION FUND**

The Town has \$2 million in a stabilization fund classified as part of the general fund in the governmental funds financial statements. The stabilization fund may be used for general and/or capital purposes upon Town Meeting approval. During fiscal year 2012, the stabilization fund earned investment income of approximately \$4,000.

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

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

*Funding Policy* – Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 60 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 40 percent of their premium costs. For fiscal year 2012, the Town contributed approximately \$1.8 million to the plan.

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

Annual required contribution.....	\$	4,891,733
Interest on net OPEB obligation.....		451,086
Amortization of net OPEB obligation.....		<u>(375,905)</u>
Annual OPEB cost (expense).....		4,966,914
Contributions made.....		<u>(1,751,826)</u>
Increase/(Decrease) in net OPEB obligation.....		3,215,088
Net OPEB obligation-beginning of year.....		<u>11,277,145</u>
Net OPEB obligation-end of year.....	\$	<u><u>14,492,233</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2010, 2011 and 2012 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 4,966,914	35%	\$ 14,492,233
6/30/2011	4,551,079	25%	11,277,145
6/30/2010	4,289,421	25%	7,882,740

*Funded Status and Funding Progress* – As of June 30, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits totaled \$59,054,291, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$37,620,046, and the ratio of the UAAL to the covered payroll was 157%.

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

presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the June 30, 2011 actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a 4.0% investment return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date, and an annual medical/drug cost trend rate of 7.5% initially, graded to 4.5% over 7 years. The UAAL is being amortized over a 30 year open period using a level percentage of projected payroll with amortization payments increasing at 4.0% per year. The remaining amortization period at June 30, 2012 is 26 years.

### **NOTE 13 – COMMITMENTS**

#### University Station Project:

The Town's high profile commercial development project, formally known as Westwood Station, has stalled in recent years due to the economic downturn. The project originally planned to include in excess of 4.5 million square feet of retail, office, residential, and hotel space to be sited on the Town's former industrial park known as University Ave Park. During fiscal year 2012 a team of developers purchased the site and is planning to resurrect the project under the new name of University Station. Advancement of this project has the potential to significantly enhance the Town's tax base.

#### Library Construction:

The Town is in the process of constructing a new 32,000 square foot main library located adjacent to the current library. The two-year project has an estimated cost of \$13.85 million, began in fiscal year 2011. The project includes relocating a historic building on this site, all costs associated with the construction of the new facility, and the demolition of the current library. The Town has financed \$9.3 million and received approximately \$4 million from the Massachusetts Library and Green Incentive Grant. The Town anticipates completion of this project in fiscal year 2013.

### **NOTE 14 – 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, 2012, 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, 2012, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2012.

**NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During fiscal year 2012, the following GASB pronouncements were implemented:

- GASB Statement #62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The implementation of this pronouncement did not impact the basic financial statements.
- GASB Statement #64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53*. The implementation of this pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in future fiscal years. Management is currently assessing the impact that the implementation of these pronouncements will have on the basic financial statements:

- The GASB issued Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #61, *The Financial Reporting Entity: Omnibus*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #66, *Technical Corrections – 2012, an amendment of GASB Statement No. 10 and No. 62*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, which is required to be implemented in fiscal year 2015.

# *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, 2012

	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.....	\$ 55,447,442	\$ 55,447,442	\$ 57,990,648	\$ -	2,543,206
Motor vehicle excise taxes.....	2,030,000	2,030,000	2,274,492	-	244,492
Penalties and interest on taxes.....	70,000	70,000	264,092	-	194,092
Fees.....	222,000	222,000	521,268	-	299,268
Licenses and permits.....	350,000	350,000	456,436	-	106,436
Fines and forfeitures.....	15,000	15,000	12,938	-	(2,062)
Intergovernmental.....	7,269,037	7,313,637	7,339,404	-	25,767
Departmental and other.....	245,000	245,000	246,242	-	1,242
Investment income.....	60,000	60,000	74,274	-	14,274
<b>TOTAL REVENUES.....</b>	<b>65,708,479</b>	<b>65,753,079</b>	<b>69,179,794</b>	<b>-</b>	<b>3,426,715</b>
<b>EXPENDITURES:</b>					
<b>SELECTMEN</b>					
Salaries.....	415,263	419,263	418,866	-	397
Expenditures.....	45,896	45,896	45,620	-	276
<b>TOTAL.....</b>	<b>461,159</b>	<b>465,159</b>	<b>464,486</b>	<b>-</b>	<b>673</b>
<b>FINANCE COMMISSION</b>					
Salaries.....	34,658	40,058	39,682	-	376
Expenditures.....	21,763	21,763	21,173	-	590
<b>TOTAL.....</b>	<b>56,421</b>	<b>61,821</b>	<b>60,855</b>	<b>-</b>	<b>966</b>
<b>ACCOUNTING</b>					
Salaries.....	182,640	182,640	182,554	-	86
Expenditures.....	4,680	4,680	4,656	-	24
<b>TOTAL.....</b>	<b>187,320</b>	<b>187,320</b>	<b>187,210</b>	<b>-</b>	<b>110</b>
<b>AUDIT-SCHOOL &amp; MUNICIPAL FINANCIALS</b>					
Professional Services.....	52,500	52,500	45,505	-	6,995
<b>ASSESSORS</b>					
Salaries.....	174,703	175,903	175,898	-	5
Expenditures.....	19,700	19,700	15,573	3,626	501
<b>TOTAL.....</b>	<b>194,403</b>	<b>195,603</b>	<b>191,471</b>	<b>3,626</b>	<b>506</b>
<b>TREASURER</b>					
Salaries.....	89,853	89,853	89,783	-	70
Expenditures.....	12,167	12,167	7,676	-	4,491
<b>TOTAL.....</b>	<b>102,020</b>	<b>102,020</b>	<b>97,459</b>	<b>-</b>	<b>4,561</b>
<b>COLLECTOR</b>					
Salaries.....	101,779	101,779	101,728	-	51
Expenditures.....	73,850	73,850	71,591	-	2,259
<b>TOTAL.....</b>	<b>175,629</b>	<b>175,629</b>	<b>173,319</b>	<b>-</b>	<b>2,310</b>
<b>LEGAL</b>					
Salaries.....	89,260	89,260	89,219	-	41
Expenditures.....	103,475	103,475	65,686	37,018	771
<b>TOTAL.....</b>	<b>192,735</b>	<b>192,735</b>	<b>154,905</b>	<b>37,018</b>	<b>812</b>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
<b>PERSONNEL BOARD</b>					
Salaries.....	142,361	155,361	154,537	-	824
Expenditures.....	7,895	7,895	6,339	-	1,556
TOTAL.....	150,256	163,256	160,876	-	2,380
<b>INFORMATION SYSTEMS</b>					
Salaries.....	230,197	230,197	215,623	-	14,574
Expenditures.....	215,812	215,812	211,031	4,762	19
TOTAL.....	446,009	446,009	426,654	4,762	14,593
<b>TOWN CLERK</b>					
Salaries.....	136,905	136,905	136,865	-	40
Expenditures.....	46,940	46,940	32,910	-	14,030
TOTAL.....	183,845	183,845	169,775	-	14,070
<b>CONSERVATION COMMISSION</b>					
Salaries.....	42,161	42,161	42,079	-	82
Expenditures.....	4,925	4,925	2,755	680	1,490
TOTAL.....	47,086	47,086	44,834	680	1,572
<b>PLANNING BOARD</b>					
Salaries.....	96,185	96,185	75,921	20,000	264
Expenditures.....	3,215	3,215	1,210	-	2,005
TOTAL.....	99,400	99,400	77,131	20,000	2,269
<b>ZONING BOARD OF APPEALS</b>					
Salaries.....	25,373	25,373	25,364	-	9
Expenditures.....	2,059	2,059	765	-	1,294
TOTAL.....	27,432	27,432	26,129	-	1,303
<b>ECONOMIC DEVELOPMENT TASK FORCE</b>					
Salaries.....	103,413	103,413	101,599	-	1,814
Expenditures.....	1,150	1,150	159	-	991
TOTAL.....	104,563	104,563	101,758	-	2,805
<b>OUTSIDE PROFESSIONAL SERVICES</b>					
Expenditures.....	49,798	49,798	35,087	11,004	3,707
<b>MASS HOUSING PARTNERSHIP</b>					
Expenditures.....	15,000	15,000	14,716	-	284
<b>HOUSING AUTHORITY</b>					
Expenditures.....	10,000	10,000	9,205	-	795
<b>OFFICE COMMUNICATIONS</b>					
Expenditures.....	121,000	121,000	120,979	-	21
<b>TRAINING</b>					
Expenditures.....	6,750	6,750	2,954	-	3,796
<b>CHARTER COMMISSION</b>					
Expenditures.....	25,000	25,000	2,017	-	22,983
Total General Government.....	2,708,326	2,731,926	2,567,325	77,090	87,511

(Continued)



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

FISCAL YEAR ENDED JUNE 30, 2012

	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.....	2,600,909	2,650,909	2,622,016	-	28,893
Expenditures.....	221,632	221,632	215,066	109	6,457
<b>TOTAL.....</b>	<b>2,822,541</b>	<b>2,872,541</b>	<b>2,837,082</b>	<b>109</b>	<b>35,350</b>
<b>PUBLIC SAFETY FUNDING.....</b>	<b>169,430</b>	<b>169,430</b>	<b>148,022</b>	<b>-</b>	<b>21,408</b>
<b>ANIMAL CONTROL</b>					
Salaries.....	44,313	44,313	43,934	-	379
Expenditures.....	7,500	7,500	5,601	-	1,899
<b>TOTAL.....</b>	<b>51,813</b>	<b>51,813</b>	<b>49,535</b>	<b>-</b>	<b>2,278</b>
<b>CROSSING GUARDS</b>					
Salaries.....	99,226	99,226	89,791	-	9,435
Expenditures.....	4,900	4,900	4,547	-	353
<b>TOTAL.....</b>	<b>104,126</b>	<b>104,126</b>	<b>94,338</b>	<b>-</b>	<b>9,788</b>
<b>FIRE DEPARTMENT</b>					
Salaries.....	2,507,165	2,637,165	2,637,020	-	145
Expenditures.....	174,950	174,950	165,520	9,386	44
<b>TOTAL.....</b>	<b>2,682,115</b>	<b>2,812,115</b>	<b>2,802,540</b>	<b>9,386</b>	<b>189</b>
<b>BUILDING INSPECTION</b>					
Salaries.....	253,745	253,745	244,009	-	9,736
Expenditures.....	32,950	32,950	22,811	-	10,139
<b>TOTAL.....</b>	<b>286,695</b>	<b>286,695</b>	<b>266,820</b>	<b>-</b>	<b>19,875</b>
<b>CIVIL DEFENSE.....</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>2,000</b>
<b>Total Public Safety.....</b>	<b>6,118,720</b>	<b>6,298,720</b>	<b>6,198,337</b>	<b>9,495</b>	<b>90,888</b>
<b>EDUCATION</b>					
<b>PUBLIC SCHOOLS</b>					
Salaries and expenditures.....	34,896,100	35,071,100	33,910,120	1,044,796	116,184
<b>BLUE HILLS REGIONAL.....</b>	<b>185,683</b>	<b>151,683</b>	<b>151,228</b>	<b>-</b>	<b>455</b>
<b>Total Education.....</b>	<b>35,081,783</b>	<b>35,222,783</b>	<b>34,061,348</b>	<b>1,044,796</b>	<b>116,639</b>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2012

	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.....	1,469,339	1,469,339	1,467,283	-	2,056
Expenditures.....	442,000	442,000	419,400	16,060	6,540
<b>TOTAL.....</b>	<b>1,911,339</b>	<b>1,911,339</b>	<b>1,886,683</b>	<b>16,060</b>	<b>8,596</b>
<b>BUILDING MAINTENANCE</b>					
Expenditures.....	634,678	634,678	574,637	23,099	36,942
<b>MUNICIPAL &amp; SCHOOL FIELD MAINTENANCE</b>					
Expenditures.....	112,044	112,044	110,686	-	1,358
<b>SNOW &amp; ICE</b>					
Expenditures.....	250,000	250,000	207,953	-	42,047
<b>STREET LIGHTING</b>					
Expenditures.....	139,436	139,436	104,422	-	35,014
<b>WASTE/COLLECTION/DISPOSAL</b>					
Expenditures.....	1,341,527	1,341,527	1,268,917	-	72,610
<b>Total Public Works.....</b>	<b>4,389,024</b>	<b>4,389,024</b>	<b>4,153,298</b>	<b>39,159</b>	<b>196,567</b>
<b>HEALTH AND HUMAN SERVICES</b>					
<b>HEALTH DIVISION</b>					
Salaries.....	184,320	200,320	199,404	-	916
Expenditures.....	8,811	8,811	8,773	-	38
<b>TOTAL.....</b>	<b>193,131</b>	<b>209,131</b>	<b>208,177</b>	<b>-</b>	<b>954</b>
<b>OUTSIDE HEALTH AGENCIES.....</b>	<b>14,316</b>	<b>14,316</b>	<b>13,006</b>	<b>-</b>	<b>1,310</b>
<b>DISABILITY COMMISSION</b>					
Expenditures.....	500	500	-	-	500
<b>COUNCIL ON AGING</b>					
Salaries.....	215,998	222,498	222,452	-	46
Expenditures.....	25,285	25,285	25,037	-	248
<b>TOTAL.....</b>	<b>241,283</b>	<b>247,783</b>	<b>247,489</b>	<b>-</b>	<b>294</b>
<b>YOUTH COMMISSION</b>					
Salaries.....	162,078	167,078	166,237	-	841
Expenditures.....	14,514	14,514	13,821	667	26
<b>TOTAL.....</b>	<b>176,592</b>	<b>181,592</b>	<b>180,058</b>	<b>667</b>	<b>867</b>
<b>VETERANS SERVICES</b>					
Salaries.....	26,772	26,772	26,590	-	182
Expenditures.....	85,300	85,300	81,454	105	3,741
<b>TOTAL.....</b>	<b>112,072</b>	<b>112,072</b>	<b>108,044</b>	<b>105</b>	<b>3,923</b>
<b>Total Health and Human Services.....</b>	<b>737,894</b>	<b>765,394</b>	<b>756,774</b>	<b>772</b>	<b>7,848</b>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2012

	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.....	245,690	245,690	245,254	-	436
Expenditures.....	37,654	37,654	37,584	-	70
<b>TOTAL.....</b>	<b>283,344</b>	<b>283,344</b>	<b>282,838</b>	<b>-</b>	<b>506</b>
<b>PUBLIC LIBRARY</b>					
Salaries.....	784,055	784,055	771,258	571	12,226
Expenditures.....	211,830	211,830	211,808	-	22
Lost Books.....	1,100	1,100	-	-	1,100
<b>TOTAL.....</b>	<b>996,985</b>	<b>996,985</b>	<b>983,066</b>	<b>571</b>	<b>13,348</b>
<b>MEMORIAL DAY</b>					
Expenditures.....	7,000	7,000	6,577	-	423
<b>Total Culture and Recreation.....</b>	<b>1,287,329</b>	<b>1,287,329</b>	<b>1,272,481</b>	<b>571</b>	<b>14,277</b>
<b>PENSION BENEFITS</b>					
Contributory Pension.....	2,619,715	2,619,715	2,619,736	-	(21)
Non-Contributory Pension.....	59,818	59,818	58,074	-	1,744
<b>Total Pension Benefits.....</b>	<b>2,679,533</b>	<b>2,679,533</b>	<b>2,677,810</b>	<b>-</b>	<b>1,723</b>
<b>INSURANCE</b>					
General Liability.....	402,000	317,000	291,839	-	25,161
<b>CAPITAL OUTLAY.....</b>	<b>1,926,013</b>	<b>2,328,013</b>	<b>805,568</b>	<b>1,518,170</b>	<b>4,275</b>
<b>EMPLOYEE BENEFITS.....</b>	<b>6,440,708</b>	<b>6,003,208</b>	<b>5,624,542</b>	<b>984</b>	<b>377,682</b>
<b>RESERVE FUND.....</b>	<b>625,000</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>400,000</b>
<b>STATE AND COUNTY ASSESSMENTS.....</b>	<b>560,444</b>	<b>560,444</b>	<b>531,795</b>	<b>-</b>	<b>28,649</b>
<b>DEBT SERVICE PRINCIPAL.....</b>	<b>4,848,994</b>	<b>4,848,994</b>	<b>4,810,000</b>	<b>-</b>	<b>38,994</b>
<b>DEBT SERVICE INTEREST.....</b>	<b>1,707,926</b>	<b>1,707,926</b>	<b>1,702,910</b>	<b>-</b>	<b>5,016</b>
<b>TOTAL EXPENDITURES.....</b>	<b>69,513,694</b>	<b>69,540,294</b>	<b>65,454,027</b>	<b>2,691,037</b>	<b>1,395,230</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(3,805,215)</b>	<b>(3,787,215)</b>	<b>3,725,767</b>	<b>(2,691,037)</b>	<b>4,821,945</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....	722,165	814,165	814,165	-	-
Transfers out.....	(25,000)	(769,000)	(769,000)	-	-
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(3,108,050)</b>	<b>(3,742,050)</b>	<b>3,770,932</b>	<b>(2,691,037)</b>	<b>4,821,945</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>3,299,742</b>	<b>3,299,742</b>	<b>3,299,742</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ 191,692</b>	<b>\$ (442,308)</b>	<b>\$ 7,070,674</b>	<b>\$ (2,691,037)</b>	<b>\$ 4,821,945</b>

See notes to required supplementary information.

(Concluded)

# ***Retirement System Schedules of Funding Progress and Employer Contributions***

The Retirement System Schedule of Funding Progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The Retirement System Schedule of Employer Contributions presents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contributions.

**NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM**  
**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/10	\$ 600,790,835	\$ 1,001,881,055	\$ 401,090,220	60.0%	\$ 223,332,595	179.6%
01/01/08	596,157,147	907,719,124	311,561,977	65.7%	223,814,977	139.2%
01/01/07	533,077,948	855,677,413	322,599,465	62.3%	219,620,865	146.9%
01/01/05	467,186,566	762,900,650	295,714,084	61.2%	196,639,163	150.4%
01/01/03	415,150,776	675,275,257	260,124,481	61.5%	185,281,985	140.4%
01/01/00	371,646,793	533,959,970	162,313,177	69.6%	163,542,978	99.2%
01/01/97	258,771,070	392,463,080	133,692,010	65.9%	126,219,194	105.9%
01/01/93	151,546,609	291,472,940	139,926,331	52.0%	107,482,975	130.2%

The Town's share of the UAAL, as of January 1, 2010, is approximately 6.08%.

See notes to required supplementary information.

**NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Plan Year Ended December 31	System Wide			Town of Westwood	
	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions	(B/A) Town's Percentage of System Wide Actual Contributions
2011	\$ 41,206,587	\$ 41,206,587	100%	\$ 2,619,736	6.36%
2010	39,749,857	39,749,857	100%	2,417,220	6.08%
2009	38,920,499	38,920,499	100%	2,329,423	5.99%
2008	33,104,903	33,104,903	100%	2,135,190	6.45%
2007	32,877,890	32,877,890	100%	1,852,100	5.63%
2006	31,755,708	31,755,708	100%	1,810,830	5.70%
2005	28,238,996	28,238,996	100%	1,590,774	5.63%

The Town's Actual Contributions equaled 100% of its Required Contributions for each year presented.

See notes to required supplementary information.

# *Other Postemployment Benefits Plan Schedules*

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

The Schedule of Employer Contributions compares, overtime, the Annual Required Contributions to the Actual Contributions made.

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

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

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2011	\$ -	\$ 59,054,291	\$ 59,054,291	0%	\$ 37,620,046	157.0%
6/30/2009	-	49,334,499	49,334,499	0%	39,100,816	126.2%
7/1/2006	-	53,091,156	53,091,156	0%	29,437,171	180.4%

**Schedule of Employer Contributions**

Fiscal Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
2012	\$ 4,891,733	\$ 1,751,826	36%
2011	4,502,956	1,156,674	26%
2010	4,260,901	1,078,212	25%
2009	5,973,531	1,302,000	22%

See notes to required supplementary information.



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

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Actuarial Methods:

Valuation date.....	June 30, 2011
Actuarial cost method.....	Projected credit unit
Amortization method.....	30 year level percent of pay assuming a 4.0% annual increase, open.
Remaining amortization period.....	26 years as of June 30, 2012

Actuarial Assumptions:

Investment rate of return.....	4.0%, pay-as-you-go scenario
Medical/drug cost trend rate.....	7.5%, graded to 4.5% over 7 years.

Plan Membership:

Current retirees, beneficiaries, and dependents.....	370
Current active members.....	<u>629</u>
Total.....	<u><u>999</u></u>

See notes to required supplementary information.

**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 2012 approved budget for the General Fund authorized approximately \$69.5 million in appropriations and other amounts to be raised and \$2.2 million in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2012, the Town increased the original budget by \$770,600, which was primarily due to the supplementary appropriations to fund the fire department budget, the education department budget and the capital outlay budget.

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, 2012, is presented below:

Net change in fund balance - budgetary basis.....	\$ 3,770,932
<u>Perspective difference:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	818,565
<u>Basis of accounting differences:</u>	
Net change in recording 60-day receipts accrual.....	(2,680,664)
Net change in recording tax refunds payable.....	(365,019)
Net change in expenditure accruals.....	(71,976)
Recognition of revenue for on-behalf payments.....	(6,030,793)
Recognition of expenditures for on-behalf payments.....	<u>6,030,793</u>
Net change in fund balance - GAAP basis.....	<u>\$ 1,471,838</u>

**NOTE B – PENSION PLAN**

The Town contributes to the Norfolk County Contributory Retirement System ("Retirement System"), a cost-sharing, multiple-employer defined benefit pension plan ("Plan") administered by the Norfolk County Retirement Board. The Retirement System provides retirement, disability, and death benefits to members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the Plan. Plan members are required to contribute to the Retirement System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the Retirement System its share of the system-wide actuarially determined contribution which is apportioned among the employers based on active covered payroll.

The schedule of funding progress, presented as required supplementary information, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additionally, the schedule of employer contributions, presented as required supplementary information, presents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contributions. This information is designed to be helpful for understanding the scale of the information presented relative to the Town.

The following actuarial methods and assumptions were used in the Retirement System's most recent actuarial valuation:

- Valuation Date..... January 1, 2010
- Actuarial Cost Method..... Entry Age Normal Cost Method
- Amortization Method..... Increasing at 4.5% per year, level dollar for ERI liability for certain units
- Remaining Amortization Period..... 28 years remaining as of January 1, 2010
- Asset Valuation Method..... The actuarial value of assets is determined by projecting the actuarial value of assets as of the beginning of the prior plan year with the assumed rate of return during that year (8.25%) and accounting for deposits and disbursements with interest at the assumed rate of return. An adjustment is then applied to recognize the difference between the actual investment return and expected return over a five year period. This preliminary actuarial value is not allowed to differ from the market value of assets by more than 20%.

Actuarial Assumptions:

- Investment rate of return..... 8.25%
- Projected salary increases..... 4.00%
- Cost of living adjustments..... 3.00% of the lesser of the pension amount and \$12,000 per year

Plan Membership:

Retired participants and beneficiaries receiving benefits.....	2,557
Inactive participants.....	2,059
Disabled.....	313
Active participants.....	<u>5,526</u>
Total.....	<u><u>10,455</u></u>

**NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

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

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio (actual value of assets expressed as a percentage of the actuarial accrued liability) is 0%. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

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

The Schedule of Employer Contributions presents multi-year trend information for required and actual contributions relating to the plan.

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

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

# *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*

## ***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 Funds*** – accounts for all educational programs specially financed by grants and other restricted revenues.
- ***Educational Revolving Funds*** – accounts for educational programs financed by non-grant revenues and gifts.
- ***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 is 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.



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**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

JUNE 30, 2012

	Special Revenue Funds							Sub-total
	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trusts	Highway Improvement	
<b>ASSETS</b>								
Cash and cash equivalents.....	\$ 139,962	\$ 848,782	\$ 2,375,340	\$ 830,602	\$ 3,203,640	\$ 104,737	\$ 122,650	\$ 7,625,713
Investments.....	-	-	-	-	-	-	-	-
Receivables, net of uncollectibles:								
Departmental and other.....	-	115,799	-	-	-	-	-	115,799
Intergovernmental.....	-	-	-	-	-	-	275,100	275,100
Due from other funds.....	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 139,962</b>	<b>\$ 964,581</b>	<b>\$ 2,375,340</b>	<b>\$ 830,602</b>	<b>\$ 3,203,640</b>	<b>\$ 104,737</b>	<b>\$ 397,750</b>	<b>\$ 8,016,612</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES:</b>								
Warrants payable.....	\$ 1,575	\$ -	\$ 13,214	\$ 1,315	\$ 13,938	\$ -	\$ -	\$ 30,042
Accrued payroll.....	-	-	3,573	-	-	-	-	3,573
Deferred revenues.....	-	115,799	-	-	-	-	275,100	390,899
Due to other funds.....	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>1,575</b>	<b>115,799</b>	<b>16,787</b>	<b>1,315</b>	<b>13,938</b>	<b>-</b>	<b>275,100</b>	<b>424,514</b>
<b>FUND BALANCES:</b>								
Nonspendable.....	-	-	-	-	-	-	-	-
Restricted.....	138,387	848,782	2,358,553	829,287	3,189,702	104,737	122,650	7,592,098
Unassigned.....	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>138,387</b>	<b>848,782</b>	<b>2,358,553</b>	<b>829,287</b>	<b>3,189,702</b>	<b>104,737</b>	<b>122,650</b>	<b>7,592,098</b>
<b>TOTAL LIABILITIES AND FUND BALANCES...</b>	<b>\$ 139,962</b>	<b>\$ 964,581</b>	<b>\$ 2,375,340</b>	<b>\$ 830,602</b>	<b>\$ 3,203,640</b>	<b>\$ 104,737</b>	<b>\$ 397,750</b>	<b>\$ 8,016,612</b>

(Continued)

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	
\$ 204,378	\$ 110,867	\$ -	\$ 315,245	\$ 346,034	\$ 189,457	\$ 535,491	\$ 8,476,449
-	-	-	-	-	12,946	12,946	12,946
-	-	-	-	-	-	-	115,799
-	-	-	-	-	-	-	275,100
203,711	-	-	203,711	-	-	-	203,711
<u>\$ 408,089</u>	<u>\$ 110,867</u>	<u>\$ -</u>	<u>\$ 518,956</u>	<u>\$ 346,034</u>	<u>\$ 202,403</u>	<u>\$ 548,437</u>	<u>\$ 9,084,005</u>
\$ 3,917	\$ 24,313	\$ -	\$ 28,230	\$ -	\$ -	\$ -	\$ 58,272
-	-	-	-	-	-	-	3,573
-	-	-	-	-	-	-	390,899
-	-	203,711	203,711	-	-	-	203,711
3,917	24,313	203,711	231,941	-	-	-	656,455
-	-	-	-	326,050	19,984	346,034	346,034
404,172	86,554	-	490,726	19,984	182,419	202,403	8,285,227
-	-	(203,711)	(203,711)	-	-	-	(203,711)
404,172	86,554	(203,711)	287,015	346,034	202,403	548,437	8,427,550
<u>\$ 408,089</u>	<u>\$ 110,867</u>	<u>\$ -</u>	<u>\$ 518,956</u>	<u>\$ 346,034</u>	<u>\$ 202,403</u>	<u>\$ 548,437</u>	<u>\$ 9,084,005</u>

(Concluded)

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

FISCAL YEAR ENDED JUNE 30, 2012

	Special Revenue Funds							Sub-total
	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trusts	Highway Improvement	
<b>REVENUES:</b>								
Charges for services.....	\$ 993,051	\$ 472,896	\$ 877,286	\$ -	\$ 2,455,709	\$ -	\$ -	\$ 4,798,942
Intergovernmental.....	104,661	-	118,963	2,358,545	-	-	658,039	3,240,208
Departmental and other.....	-	-	652,350	-	-	-	-	652,350
Contributions.....	-	-	96,080	-	108,914	-	-	204,994
Investment income.....	-	-	-	-	-	217	-	217
<b>TOTAL REVENUES.....</b>	<b>1,097,712</b>	<b>472,896</b>	<b>1,744,679</b>	<b>2,358,545</b>	<b>2,564,623</b>	<b>217</b>	<b>658,039</b>	<b>8,896,711</b>
<b>EXPENDITURES:</b>								
Current:								
General government.....	-	-	713,990	-	-	-	-	713,990
Public safety.....	-	-	150,828	-	-	-	-	150,828
Education.....	1,080,933	-	6,500	2,271,430	2,243,098	-	-	5,601,961
Public works.....	-	-	114	-	-	-	593,849	593,963
Human services.....	-	-	55,454	-	-	-	-	55,454
Culture and recreation.....	-	-	655,526	-	-	-	-	655,526
<b>TOTAL EXPENDITURES.....</b>	<b>1,080,933</b>	<b>-</b>	<b>1,582,412</b>	<b>2,271,430</b>	<b>2,243,098</b>	<b>-</b>	<b>593,849</b>	<b>7,771,722</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	16,779	472,896	162,267	87,115	321,525	217	64,190	1,124,989
<b>OTHER FINANCING SOURCES (USES):</b>								
Premium from issuance of bonds.....	-	-	110,997	-	-	-	-	110,997
Sale of capital assets.....	-	50,000	-	-	-	-	-	50,000
Transfers out.....	-	(453,500)	(59,687)	-	-	-	-	(513,187)
<b>TOTAL OTHER FINANCING SOURCES (USES)...</b>	<b>-</b>	<b>(403,500)</b>	<b>51,310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(352,190)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>16,779</b>	<b>69,396</b>	<b>213,577</b>	<b>87,115</b>	<b>321,525</b>	<b>217</b>	<b>64,190</b>	<b>772,799</b>
FUND BALANCES AT BEGINNING OF YEAR.....	121,608	779,386	2,144,976	742,172	2,868,177	104,520	58,460	6,819,299
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 138,387</b>	<b>\$ 848,782</b>	<b>\$ 2,358,553</b>	<b>\$ 829,287</b>	<b>\$ 3,189,702</b>	<b>\$ 104,737</b>	<b>\$ 122,650</b>	<b>\$ 7,592,098</b>

(Continued)

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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,798,942
-	-	-	-	-	-	-	3,240,208
-	-	-	-	-	-	-	652,350
-	-	-	-	9,825	10,000	19,825	224,819
-	-	-	-	159	526	685	902
-	-	-	-	9,984	10,526	20,510	8,917,221
-	-	37,706	37,706	-	-	-	751,696
-	-	-	-	-	-	-	150,828
-	498,329	-	498,329	-	-	-	6,100,290
55,164	-	432,998	488,162	-	-	-	1,082,125
-	-	-	-	-	-	-	55,454
-	-	1,200	1,200	-	741	741	657,467
55,164	498,329	471,904	1,025,397	-	741	741	8,797,860
(55,164)	(498,329)	(471,904)	(1,025,397)	9,984	9,785	19,769	119,361
-	-	-	-	-	-	-	110,997
-	-	-	-	-	-	-	50,000
-	-	-	-	(10,000)	-	(10,000)	(523,187)
-	-	-	-	(10,000)	-	(10,000)	(362,190)
(55,164)	(498,329)	(471,904)	(1,025,397)	(16)	9,785	9,769	(242,829)
459,336	584,883	268,193	1,312,412	346,050	192,618	538,668	8,670,379
\$ 404,172	\$ 86,554	\$ (203,711)	\$ 287,015	\$ 346,034	\$ 202,403	\$ 548,437	\$ 8,427,550

(Concluded)

# *Agency Fund*

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

**AGENCY FUND**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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	July 1, 2011	Additions	Deletions	June 30, 2012
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 879,861	\$ 1,035,821	\$ (1,136,345)	\$ 779,338
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	22,828	477,430	(451,356)	48,902
<b>TOTAL ASSETS.....</b>	<b>\$ 902,689</b>	<b>\$ 1,513,251</b>	<b>\$ (1,587,701)</b>	<b>\$ 828,240</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 134	\$ -	\$ (134)	\$ -
Liabilities due depositors - Student Activities.....	207,071	529,222	(503,635)	232,658
Liabilities due depositors - Planning Deposits.....	695,484	984,029	(1,083,932)	595,582
<b>TOTAL LIABILITIES.....</b>	<b>\$ 902,689</b>	<b>\$ 1,513,251</b>	<b>\$ (1,587,701)</b>	<b>\$ 828,240</b>

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# *Statistical Section*

*Ten Year History of the Following  
Major Categories:*

*Expenditures*

*Revenues*

*Property Tax Collections*

*Debt*

*Town Demographics*

*General Information*



Veterans' Day 2009 marked a special occasion as Westwood dedicated its new Veterans' Memorial Park. Approximately 600 people including residents and local politicians attended the ceremony. A Westwood resident who is a landscape architect donated his services and time to design a monument and site plan that included walkways, benches and a new flagpole.

Memorial bricks were sold to individuals and families who sought to recognize a veteran. The response to this effort was remarkable with over 460 engraved bricks sold in honor of our veterans. In addition to those with names on a brick, every one of Westwood's veterans is memorialized in the park.

# *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.*

Town of Westwood, Massachusetts

Net Assets By Component

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt.....	\$ 79,937,570	\$ 92,686,112	\$ 95,230,650	\$ 98,408,025	\$ 98,291,275	\$ 98,219,632	\$ 97,986,113	\$ 97,375,492	\$ 99,380,376	\$ 99,367,799
Restricted.....	1,982,394	2,396,038	2,040,497	1,964,324	2,460,440	2,422,271	2,591,376	2,172,033	1,735,851	1,878,233
Unrestricted.....	6,972,221	8,079,192	6,906,276	7,056,149	6,676,163	8,255,277	4,689,882	2,354,269	1,827,050	60,536
Total governmental activities net assets.....	\$ <u>88,892,185</u>	\$ <u>103,161,342</u>	\$ <u>104,177,423</u>	\$ <u>107,428,498</u>	\$ <u>107,427,878</u>	\$ <u>108,897,180</u>	\$ <u>105,267,371</u>	\$ <u>101,901,794</u>	\$ <u>102,943,277</u>	\$ <u>101,306,568</u>
Business-type activities:										
Invested in capital assets, net of related debt.....	11,777,013	12,576,170	13,031,429	13,291,362	13,471,826	13,521,282	13,678,560	13,318,644	12,998,106	12,371,623
Unrestricted.....	4,048,154	3,674,751	3,125,801	3,151,996	3,067,928	3,813,896	3,620,615	3,871,320	4,228,836	4,558,778
Total business-type activities net assets.....	\$ <u>15,825,167</u>	\$ <u>16,250,921</u>	\$ <u>16,157,230</u>	\$ <u>16,443,358</u>	\$ <u>16,539,754</u>	\$ <u>17,335,178</u>	\$ <u>17,299,175</u>	\$ <u>17,189,964</u>	\$ <u>17,226,942</u>	\$ <u>16,930,401</u>
Primary government:										
Invested in capital assets, net of related debt.....	91,714,583	105,262,282	108,262,079	111,699,387	111,763,101	111,740,914	111,664,673	110,694,136	112,378,482	111,739,422
Restricted.....	1,982,394	2,396,038	2,040,497	1,964,324	2,460,440	2,422,271	2,591,376	2,172,033	1,735,851	1,878,233
Unrestricted.....	11,020,375	11,753,943	10,032,077	10,208,145	9,744,091	12,069,173	8,310,497	6,225,589	6,055,886	4,619,314
Total primary government net assets.....	\$ <u>104,717,352</u>	\$ <u>119,412,263</u>	\$ <u>120,334,653</u>	\$ <u>123,871,856</u>	\$ <u>123,967,632</u>	\$ <u>126,232,358</u>	\$ <u>122,566,546</u>	\$ <u>119,091,758</u>	\$ <u>120,170,219</u>	\$ <u>118,236,969</u>

Town of Westwood, Massachusetts

Changes in Net Assets

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 3,462,155	\$ 3,635,830	\$ 3,637,013	\$ 4,050,919	\$ 6,876,348	\$ 8,392,072	\$ 7,984,596	\$ 4,745,598	\$ 4,670,650	\$ 5,135,899
Public safety.....	5,979,119	6,932,516	6,788,670	6,681,974	7,571,002	7,851,039	8,778,769	8,490,129	8,969,089	9,391,010
Education.....	33,748,282	33,726,237	37,194,249	40,436,635	41,522,952	45,462,795	52,088,397	52,200,467	52,489,520	54,472,071
Public works.....	6,047,156	6,497,815	7,106,772	6,870,792	6,025,150	7,193,036	7,037,271	7,425,668	7,472,604	7,204,025
Human services.....	657,325	686,770	769,618	676,238	844,529	833,985	942,357	1,052,991	1,047,144	1,157,238
Culture and recreation.....	1,470,450	1,660,585	1,714,349	1,476,621	1,880,631	2,376,794	2,468,819	2,378,042	2,371,894	2,386,859
Interest.....	1,300,036	2,887,074	2,280,112	2,115,474	1,966,558	1,983,060	1,692,305	1,750,493	1,475,733	1,542,158
Total government activities expenses.....	52,664,523	56,026,827	59,490,783	62,308,653	66,687,170	74,092,781	80,992,514	78,043,388	78,496,634	81,289,260
Business-type activities:										
Sewer.....	3,531,101	3,346,728	3,670,564	3,472,503	3,944,791	3,734,283	3,761,813	3,670,498	3,653,546	4,149,346
Total primary government expenses.....	\$ 56,195,624	\$ 59,373,555	\$ 63,161,347	\$ 65,781,156	\$ 70,631,961	\$ 77,827,064	\$ 84,754,327	\$ 81,713,886	\$ 82,150,180	\$ 85,438,606
<b>Program Revenues</b>										
Governmental activities:										
Education charges for services.....	\$ 938,178	\$ 1,362,860	\$ 1,570,591	\$ 2,266,074	\$ 2,281,378	\$ 2,448,952	\$ 2,187,026	\$ 2,360,978	\$ 2,364,662	\$ 2,455,709
Public Safety charges for services.....	719,892	824,255	1,117,709	978,855	1,032,522	1,208,295	1,282,996	1,064,513	1,217,831	1,177,994
Other charges for services.....	738,635	745,324	897,929	1,674,457	4,098,574	5,601,007	4,866,297	1,810,492	1,705,581	1,901,613
Operating grants and contributions.....	9,583,746	10,228,691	10,538,810	11,286,009	11,341,858	13,597,090	15,435,834	14,179,816	14,570,871	14,155,121
Capital grant and contributions.....	8,850,868	10,228,896	206,689	3,890,753	255,834	405,154	404,240	416,865	2,752,205	1,110,679
Total government activities program revenues.....	20,831,319	23,390,026	14,331,728	20,096,148	19,010,166	23,260,498	24,176,393	19,832,664	22,611,150	20,801,116
Business-type activities:										
Charges for services.....	3,673,919	3,657,703	3,402,779	3,682,473	3,788,725	4,276,856	3,623,588	3,756,083	3,895,027	3,677,221
Operating grants and contributions.....	130,477	114,779	174,094	76,158	72,022	200,163	54,547	-	45,563	31,638
Capital grant and contributions.....	-	-	-	-	-	52,688	47,675	96,182	40,912	222,624
Total business-type activities program revenues.....	3,804,396	3,772,482	3,576,873	3,758,631	3,860,747	4,529,707	3,725,810	3,852,265	3,981,502	3,931,483
Total primary government program revenues.....	\$ 24,635,715	\$ 27,162,508	\$ 17,908,601	\$ 23,854,779	\$ 22,870,913	\$ 27,790,205	\$ 27,902,203	\$ 23,684,929	\$ 26,592,652	\$ 24,732,599
<b>Net (Expense)/Program Revenue</b>										
Governmental activities.....	\$ (29,874,293)	\$ (30,677,590)	\$ (43,199,844)	\$ (40,253,294)	\$ (47,677,004)	\$ (50,832,283)	\$ (56,816,121)	\$ (58,210,724)	\$ (55,884,484)	\$ (60,488,144)
Business-type activities.....	273,295	425,754	(93,691)	286,128	96,396	795,424	(36,003)	181,767	327,956	(5,563)
Total primary government net (expense)/program revenue.....	\$ (29,600,998)	\$ (30,251,836)	\$ (43,293,535)	\$ (39,967,166)	\$ (47,580,608)	\$ (50,036,859)	\$ (56,852,124)	\$ (58,028,957)	\$ (55,556,528)	\$ (60,493,707)
<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	\$ 48,295,949	\$ 49,761,536	\$ 51,462,011	\$ 53,365,772	\$ 55,088,302
Motor vehicle excise taxes.....	2,417,791	2,167,086	2,401,439	2,226,361	2,138,434	2,245,316	2,164,294	2,152,241	2,408,095	2,335,495
Penalties and interest on taxes.....	965,211	109,524	80,853	55,045	67,239	96,970	96,949	105,602	122,486	264,092
Grants and contributions not restricted to specific programs.....	724,330	700,468	703,263	789,487	945,762	962,617	882,855	723,159	647,232	748,294
Unrestricted investment income.....	731,824	494,065	402,355	688,030	707,268	615,900	280,678	111,156	91,404	74,274
Gain of sale of capital assets.....	-	-	-	-	-	-	-	-	-	50,000
Miscellaneous.....	473,967	511,355	6,810	69,957	69,531	84,833	-	-	-	-
Transfers.....	212,000	-	-	-	-	-	-	290,978	290,978	290,978
Total governmental activities.....	42,662,778	46,905,958	46,175,136	45,463,580	47,676,384	52,301,585	53,186,312	54,845,147	56,925,967	58,851,435
Business-type activities:										
Transfers.....	(212,000)	-	-	-	-	-	-	(290,978)	(290,978)	(290,978)
Total primary government general revenues and other changes in net assets.....	\$ 42,450,778	\$ 46,905,958	\$ 46,175,136	\$ 45,463,580	\$ 47,676,384	\$ 52,301,585	\$ 53,186,312	\$ 54,554,169	\$ 56,634,989	\$ 58,560,457
<b>Changes in Net Assets</b>										
Governmental activities.....	\$ 12,788,485	\$ 16,228,368	\$ 2,975,292	\$ 5,210,286	\$ (620)	\$ 1,469,302	\$ (3,629,809)	\$ (3,365,577)	\$ 1,041,483	\$ (1,636,709)
Business-type activities.....	61,295	425,754	(93,691)	286,128	96,396	795,424	(36,003)	(109,211)	36,978	(296,541)
Total primary government changes in net assets.....	\$ 12,849,780	\$ 16,654,122	\$ 2,881,601	\$ 5,496,414	\$ 95,776	\$ 2,264,726	\$ (3,665,812)	\$ (3,474,788)	\$ 1,078,461	\$ (1,933,250)

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Committed.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850,479	\$ 1,518,171
Assigned.....	\$ 972,309	\$ 1,363,820	\$ 919,078	\$ 545,225	\$ 795,859	\$ 1,041,648	\$ 1,450,831	\$ 1,855,781	\$ 1,350,412	\$ 1,172,866
Unassigned.....	2,464,039	3,576,642	2,845,975	3,111,460	2,383,588	3,148,155	2,939,926	2,347,670	4,568,530	5,550,222
<b>Total general fund.....</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>\$ 4,189,803</b>	<b>\$ 4,390,757</b>	<b>\$ 4,203,451</b>	<b>\$ 6,769,421</b>	<b>\$ 8,241,259</b>
<b>All Other Governmental Funds</b>										
Reserved.....	\$ 282,479	\$ 260,154	\$ 264,878	\$ 276,663	\$ 292,110	\$ 300,298	\$ 314,274	\$ 325,949	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	5,007,313	5,275,639	5,113,969	5,513,725	5,402,561	6,408,669	6,945,755	6,867,072	-	-
Capital projects funds.....	21,943,519	6,064,002	(687,108)	736,508	(686,881)	1,661,627	4,536,063	1,356,217	-	-
Permanent funds.....	188,960	219,535	96,550	104,165	205,104	214,874	210,544	200,920	-	-
Nonspendable.....	-	-	-	-	-	-	-	-	346,050	346,034
Restricted.....	-	-	-	-	-	-	-	-	17,769,174	11,829,474
<b>Total all other governmental funds....</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>	<b>\$ 8,585,468</b>	<b>\$ 12,006,636</b>	<b>\$ 8,750,158</b>	<b>\$ 18,115,224</b>	<b>\$ 12,175,508</b>

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

Town of Westwood, Massachusetts

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

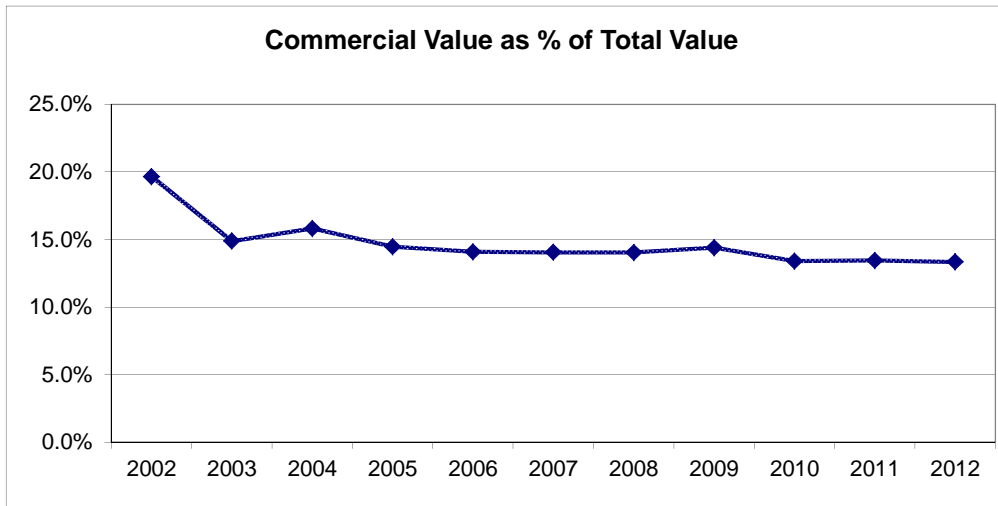
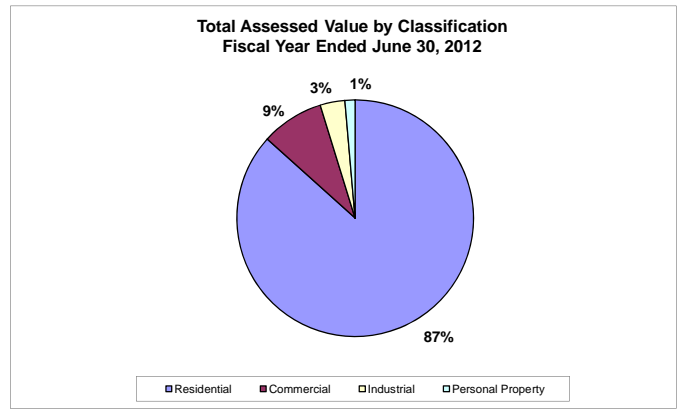
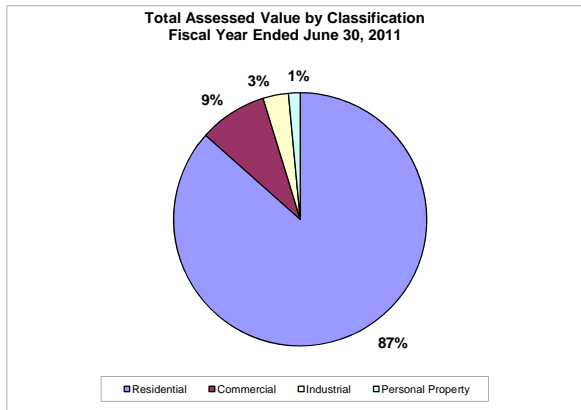
	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 37,231,915	\$ 42,985,534	\$ 42,597,265	\$ 41,656,689	\$ 43,390,323	\$ 48,329,364	\$ 49,655,987	\$ 50,545,249	\$ 53,892,828	\$ 54,944,965
Motor vehicle and excise taxes.....	2,268,563	2,273,692	2,309,888	2,298,852	2,135,754	2,213,371	2,242,922	2,131,252	2,382,329	2,274,492
Charges for Service.....	2,136,492	2,651,950	3,117,619	3,935,558	4,126,579	4,391,067	4,366,363	4,671,063	4,588,668	4,798,942
Westwood station guaranteed tax payment.....	-	-	-	-	-	-	1,750,000	615,000	-	-
Westwood station building permits.....	-	-	-	-	-	-	811,079	-	-	-
Penalties and interest on taxes.....	95,211	109,524	80,853	55,045	67,239	96,970	96,949	105,602	122,486	264,092
Fees and rentals.....	194,161	193,562	139,377	159,315	310,687	279,096	251,898	233,430	277,895	521,268
Licenses and permits.....	389,218	390,896	488,924	563,180	438,345	479,822	378,525	403,405	473,966	456,436
Fines and forfeitures.....	22,131	20,103	19,535	20,233	20,030	16,825	16,982	17,521	15,120	12,937
Intergovernmental.....	9,538,368	9,278,949	11,003,129	18,939,179	14,204,828	15,026,293	15,663,177	15,877,013	18,448,749	17,766,084
Departmental and other.....	824,161	315,548	510,053	423,943	989,160	1,130,706	962,412	522,101	630,779	898,592
Departmental and other - Westwood Station.....	-	-	-	695,000	2,214,230	3,853,037	2,508,971	424,882	168,734	-
Special assessments.....	2,635	2,279	2,196	227	219	94	91	-	-	-
Contributions.....	254,579	292,751	198,012	278,475	209,027	1,232,407	257,657	293,161	256,741	224,819
Investment income.....	764,835	526,102	462,815	737,541	875,775	788,518	318,376	121,794	99,361	78,741
<b>Total Revenue.....</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>77,837,570</b>	<b>79,281,389</b>	<b>75,961,473</b>	<b>81,357,656</b>	<b>82,241,368</b>
<b>Expenditures:</b>										
General government.....	2,409,292	2,375,437	2,325,420	2,198,819	2,733,190	2,650,320	3,496,046	2,670,152	2,786,584	3,344,297
General government - Westwood Station.....	-	-	-	573,703	2,758,642	4,438,354	2,328,458	458,553	190,298	59,244
Public safety.....	5,048,020	5,553,718	5,319,769	5,532,508	5,864,064	6,028,392	6,152,929	5,920,912	6,263,893	6,416,397
Education.....	26,417,335	27,272,432	29,837,234	31,290,271	32,129,154	34,626,723	36,684,935	37,717,356	37,617,989	38,925,806
Public works.....	3,624,461	3,826,652	4,371,327	4,160,299	3,259,828	4,365,544	3,672,775	4,178,898	4,130,176	3,807,414
Human services.....	583,656	553,891	591,063	542,579	679,913	677,563	685,177	788,912	754,398	811,561
Culture and recreation.....	1,320,645	1,387,503	1,426,902	1,226,874	1,607,006	2,097,742	2,079,125	1,969,701	1,931,934	1,930,615
Pension benefits.....	4,623,294	4,914,630	5,532,520	6,087,190	6,521,911	6,705,488	7,294,027	7,557,081	8,065,476	8,708,603
Property and liability insurance.....	241,297	273,966	298,824	324,298	335,255	371,053	317,418	278,318	271,221	291,839
Employee benefits.....	2,872,277	3,073,485	3,318,828	3,962,780	4,349,031	4,788,339	5,323,520	5,453,428	5,616,358	5,624,542
State and MWRA assessments.....	538,506	513,867	496,131	496,993	508,634	514,316	521,780	536,238	539,989	531,795
Capital outlay.....	18,893,055	19,309,906	8,895,320	5,327,301	4,163,245	3,920,736	3,574,654	6,075,252	5,167,049	10,196,200
Capital outlay - Westwood Station.....	-	-	-	-	-	-	792,600	18,400	-	-
Debt service.....										
Principal.....	2,360,000	4,028,000	4,415,000	4,165,000	4,165,000	4,165,000	4,515,000	4,295,000	4,290,000	4,810,000
Interest.....	834,458	3,258,430	2,307,778	2,140,218	1,988,350	1,959,070	1,810,846	1,778,034	1,609,598	1,696,931
<b>Total Expenditures.....</b>	<b>69,766,296</b>	<b>76,341,917</b>	<b>69,136,116</b>	<b>68,028,833</b>	<b>71,063,223</b>	<b>77,308,640</b>	<b>79,249,290</b>	<b>79,696,235</b>	<b>79,234,963</b>	<b>87,155,244</b>
Excess of revenues over (under) expenditures.....	(16,044,027)	(17,301,027)	(8,206,450)	1,734,404	(2,081,027)	528,930	32,099	(3,734,762)	2,122,693	(4,913,876)
<b>Other Financing Sources (Uses)</b>										
Issuance of debt.....	39,841,000	2,262,000	-	-	-	3,830,000	3,500,000	-	9,300,000	-
Issuance of debt refunding.....	-	-	-	-	-	-	-	-	-	19,095,000
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	-	-	2,274,135
Payments to refunded bond escrow agents.....	-	-	-	-	-	-	-	-	-	(21,375,114)
Premium from issuance of bonds.....	-	511,354	-	-	-	-	90,023	-	217,365	110,997
Sale of capital assets.....	-	-	-	-	-	-	-	-	-	50,000
Capital lease financing.....	869,865	428,846	-	-	185,622	24,000	-	-	-	-
Transfers in.....	1,202,728	1,197,433	1,523,180	543,198	433,671	535,221	676,859	1,598,609	790,140	814,165
Transfers out.....	(990,728)	(1,197,433)	(1,523,180)	(543,198)	(433,671)	(535,221)	(676,859)	(1,307,631)	(499,162)	(523,187)
<b>Total other financing sources (uses).....</b>	<b>40,922,865</b>	<b>3,202,200</b>	<b>-</b>	<b>-</b>	<b>185,622</b>	<b>3,854,000</b>	<b>3,590,023</b>	<b>290,978</b>	<b>9,808,343</b>	<b>445,996</b>
<b>Net change in fund balance.....</b>	<b>\$ 24,878,838</b>	<b>\$ (14,098,827)</b>	<b>\$ (8,206,450)</b>	<b>\$ 1,734,404</b>	<b>\$ (1,895,405)</b>	<b>\$ 4,382,930</b>	<b>\$ 3,622,122</b>	<b>\$ (3,443,784)</b>	<b>\$ 11,931,036</b>	<b>\$ (4,467,880)</b>
Debt service as a percentage of noncapital expenditures.....	6.28%	12.78%	11.16%	10.06%	9.20%	8.34%	8.36%	8.25%	7.97%	8.46%

Town of Westwood, Massachusetts

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	Commercial % of Total Value	Direct Tax Rate	Total Town Value
2003 (1)	\$2,471,698,300	\$11.45	\$217,111,450	\$186,762,200	\$28,226,499	\$432,100,149	\$20.80	14.9%	\$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	15.8%	\$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	14.5%	\$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	14.1%	\$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	14.1%	\$12.01	\$3,662,134,150
2008	\$3,175,772,814	\$11.74	\$272,818,535	\$193,747,600	\$51,955,500	\$518,521,635	\$21.67	14.0%	\$13.13	\$3,694,294,449
2009 (1)	\$3,197,768,457	\$12.01	\$325,730,795	\$164,387,500	\$47,764,400	\$537,882,695	\$22.25	14.4%	\$13.48	\$3,735,651,152
2010	\$3,088,616,907	\$13.07	\$313,502,764	\$116,181,450	\$48,381,800	\$478,066,014	\$23.98	13.4%	\$14.53	\$3,566,682,921
2011	\$3,014,069,261	\$13.83	\$303,956,394	\$111,888,000	\$52,502,700	\$468,347,094	\$25.38	13.4%	\$15.38	\$3,482,416,355
2012 (1)	\$3,019,444,695	\$14.48	\$298,952,742	\$116,563,050	\$49,223,000	\$464,738,792	\$26.55	13.3%	\$16.09	\$3,484,183,487



(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.

Town of Westwood, Massachusetts

Principal Taxpayers

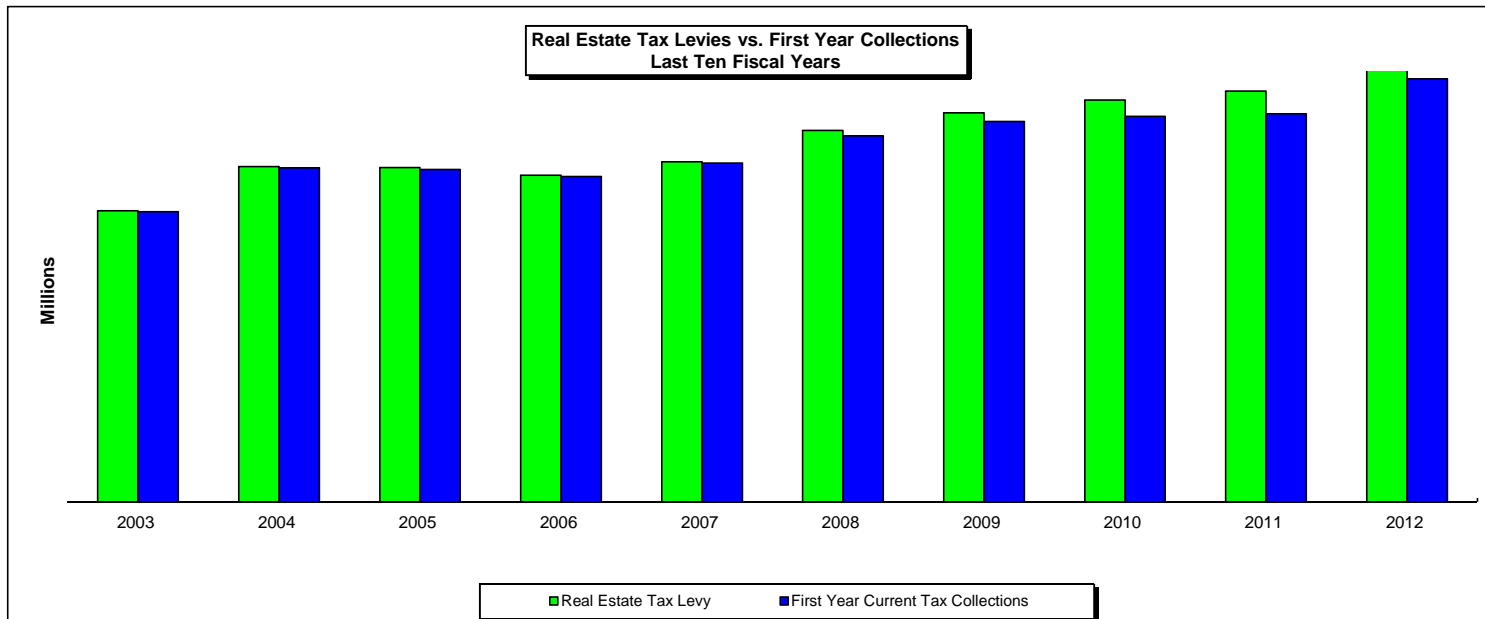
Current Year and Nine Years Ago

Name	Nature of Business	2012			2003		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
CFRI/Doherty Westwood Station	Office Building/Warehouse	\$ 99,081,350	1	4.6%	-	-	-
Foxhill	Residential Community	\$ 77,559,350	2	2.1%	\$ 80,095,000	1	2.6%
Medical Information Tech Inc.	Office Building/Medical Info	\$ 47,530,400	3	2.3%	\$ 50,161,000	3	2.8%
Nstar	Office Building	\$ 47,044,800	4	2.2%	-	-	-
GR-Highland/Westwood Glen LP	Residential Community	\$ 45,001,250	5	1.2%	-	-	-
L&B CIP 690 Canton St LLC	Office/Research & Development	\$ 17,758,700	6	0.8%	-	-	-
Fairlane Westwood LLC	Office	\$ 11,312,500	7	0.5%	-	-	-
346 University LLC	Office	\$ 9,737,100	8	0.5%	-	-	-
AMR Real Estate Holdings LLC	Auto Sales	\$ 9,088,000	9	0.4%	-	-	-
Westwood Cloverleaf LLC	Office	\$ 8,075,200	10	0.4%	-	-	-
Boston Edison Company	Office Building	-	-	-	\$ 50,360,000	2	2.8%
Perry and Walker	Office Building/Financial Services	-	-	-	\$ 40,993,000	4	2.3%
ATC Westwood	Office Building	-	-	-	\$ 31,300,000	5	1.2%
Westwood Glen LP	Residential Community	-	-	-	\$ 25,250,000	6	0.8%
Piravano, John A. Trustee	Warehouse Storage	-	-	-	\$ 12,350,000	7	0.7%
Uniave Two Ltd. Partnership	Office Building/Research & Development	-	-	-	\$ 10,142,000	8	0.6%
Glacier Limited Partnership	Office Building	-	-	-	\$ 9,737,000	9	0.5%
Wells Avenue Senior Holdings LLC	Office Building/Research & Development	-	-	-	\$ 9,448,000	10	0.5%
<b>Totals</b>		<u>\$372,188,650</u>		<u>15.0%</u>	<u>\$319,836,000</u>		<u>14.8%</u>
Source: Town of Westwood, Assessor Department							



**Town of Westwood, Massachusetts**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year		(2) Total Tax Levy	Less Abatements & Exemptions	(2) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	(4) Percent of Total Tax Collections to Net Tax Levy
2003	(1)	\$37,288,629	\$128,647	\$37,159,982	\$37,036,617	99.67%	\$96,832	\$37,133,449	99.93%
2004		\$43,112,384	\$304,176	\$42,808,208	\$42,644,456	99.62%	\$73,971	\$42,718,427	99.79%
2005		\$43,092,347	\$398,683	\$42,693,664	\$42,455,987	99.44%	\$13,692	\$42,469,679	99.48%
2006	(1)	\$42,197,020	\$492,206	\$41,704,814	\$41,549,899	99.63%	\$207,375	\$41,757,274	100.13%
2007		\$43,967,446	\$535,530	\$43,431,916	\$43,236,824	99.55%	\$353,812	\$43,590,636	100.37%
2008		\$48,519,937	\$1,084,368	\$47,435,569	\$46,745,693	98.55%	\$320,455	\$47,066,148	99.22%
2009	(1)	\$50,373,089	\$688,159	\$49,684,930	\$48,566,011	97.75%	\$192,656	\$48,758,667	98.14%
2010		\$51,832,246	\$523,010	\$51,309,236	\$49,220,471	95.93%	\$367,183	\$49,587,654	96.64%
2011		\$53,571,227	\$1,121,203	\$52,450,024	\$49,535,302	94.44%	\$287,125	\$49,822,427	94.99%
2012	(1)	\$56,060,374	\$612,932	\$55,447,442	\$54,002,524	97.39%	\$0	\$54,002,524	97.39%



(1) Revaluation year.

(2) Includes tax liens.

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

(4) If the actual abatements and exemptions are lower than the estimate the actual collections can exceed the net levy.

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
2003	14,885	\$588,211,056	\$2,903,798,449	\$16,595,000	\$ -	\$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	\$700,529,904	\$3,649,059,247	\$46,090,000	\$ 245,668	\$3,005	6.61%	1.27%
2007	15,485	\$714,127,717	\$3,662,134,150	\$41,925,000	\$ 185,622	\$2,719	5.90%	1.15%
2008	15,648	\$732,469,524	\$3,694,294,449	\$41,590,000	\$ 146,004	\$2,667	5.70%	1.13%
2009	15,680	\$744,976,928	\$3,735,651,152	\$40,575,000	\$ 74,737	\$2,592	5.46%	1.09%
2010	15,715	\$757,839,420	\$3,566,682,921	\$36,280,000	\$ -	\$2,309	4.79%	1.02%
2011	14,618	\$715,511,810	\$3,482,416,355	\$41,290,000	\$ -	\$2,825	5.77%	1.19%
2012	14,618	\$726,244,487	\$3,484,183,487	\$35,545,000	\$ -	\$2,432	4.89%	1.02%

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
2003	\$5,805,810	\$ -	\$22,400,810	\$1,505	3.81%	0.77%
2004	\$4,823,582	\$ -	\$60,363,447	\$3,980	10.08%	2.04%
2005	\$3,854,664	\$ -	\$54,715,143	\$3,593	8.65%	1.69%
2006	\$3,440,498	\$ -	\$49,776,166	\$3,228	7.11%	1.36%
2007	\$3,022,828	\$ -	\$45,133,450	\$2,915	6.32%	1.23%
2008	\$2,600,875	\$ -	\$44,336,879	\$2,833	6.05%	1.20%
2009	\$2,175,125	\$ -	\$42,824,862	\$2,731	5.75%	1.15%
2010	\$1,865,287	\$ -	\$38,145,287	\$2,427	5.03%	1.07%
2011	\$1,550,600	\$ -	\$42,840,600	\$2,931	5.99%	1.23%
2012	\$1,443,200	\$ -	\$36,988,200	\$2,530	5.09%	1.06%

(1) Sewer Fund  
Source: Audited Financial Statements, U. S. Census

**Town of Westwood, Massachusetts**

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2012**

<u>Town of Westwood, Massachusetts</u>	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Norfolk County.....\$	700,000	3.16%	\$ 22,106
Town direct debt.....			35,545,000
Total direct and overlapping debt.....			\$ 35,567,106

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

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

Town of Westwood, Massachusetts

Computation of Legal Debt Margin

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Equalized Valuation.....	\$ 2,795,016,900	\$ 3,415,448,600	\$ 3,415,448,600	\$ 3,834,008,100	\$ 3,834,008,100	\$ 3,906,162,100	\$ 3,906,162,100	\$ 3,845,002,400	\$ 3,845,002,400	\$ 3,702,302,900
Debt Limit -5% of Equalized Valuation.....	\$ 139,750,845	\$ 170,772,430	\$ 170,772,430	\$ 191,700,405	\$ 191,700,405	\$ 195,308,105	\$ 195,308,105	\$ 192,250,120	\$ 192,250,120	\$ 185,115,145
Less:										
Outstanding debt applicable to limit.....	\$ 22,400,810	\$ 59,493,582	\$ 54,109,664	\$ 49,530,498	\$ 44,947,828	\$ 44,190,875	\$ 42,750,125	\$ 38,145,287	\$ 42,840,600	\$ 36,988,200
Authorized and unissued debt.....	\$ 9,183,640	\$ 5,833,340	\$ 7,023,340	\$ 3,445,000	\$ 3,865,000	\$ 4,535,000	\$ 1,150,000	\$ 9,450,000	\$ 910,000	\$ 6,245,000
Legal debt margin.....	\$ 108,166,395	\$ 105,445,508	\$ 109,639,426	\$ 138,724,907	\$ 142,887,577	\$ 146,582,230	\$ 151,407,980	\$ 144,654,833	\$ 148,499,520	\$ 141,881,945
Total debt applicable to the limit as a percentage of debt limit.....	22.60%	38.25%	35.80%	27.63%	25.46%	24.95%	22.48%	24.76%	22.76%	23.35%

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>
2003	14,885	\$ 646,769,229	\$ 43,451	41.0	2,761	3.6%
2004	15,165	\$ 668,819,563	\$ 44,103	41.0	2,830	2.1%
2005	15,229	\$ 681,716,777	\$ 44,764	41.0	2,867	3.3%
2006	15,418	\$ 700,529,904	\$ 45,436	41.0	2,915	2.7%
2007	15,485	\$ 714,127,717	\$ 46,117	41.0	3,023	3.0%
2008	15,648	\$ 732,469,524	\$ 46,809	41.0	3,008	2.7%
2009	15,680	\$ 744,976,928	\$ 47,511	41.0	3,012	5.7%
2010	15,715	\$ 757,839,420	\$ 48,224	41.0	3,184	6.1%
2011	14,618	\$ 715,511,810	\$ 48,947	41.0	3,180	4.5%
2012	14,618	\$ 726,244,487	\$ 49,682	41.0	3,019	4.3%

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

Town of Westwood, Massachusetts

Principal Employers (excluding Town)

Current Year and Nine Years Ago

Employer	Nature of Business	2012			2003		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Nstar	Power Company	1,115	1	17%	1,100	1	16%
State Street Bank	Financial Services	700	2	11%	750	2	11%
Meditech, Inc.	Medical Information	435	3	7%	450	3	7%
New York Life Insurance	Life Insurance	325	4	5%	-		-
Roche Brothers	Supermarkets	280	5	4%	390	4	6%
Turnbine, Inc.	Video Games	250	6	4%	-		-
ADE Corporation	Measurement Technology	200	7	3%	300	7	4%
MIB	Medical Information	176	8	3%	200	9	3%
Northrop Grumman	Military Electronics	150	9	2%	-		-
Clair Motors	Car Dealer	111	10	2%	-		-
LTX Corporation	Test Equipment for Computer Components	-		-	350	5	5%
RCN	Communications	-		-	300	6	4%
General Motors Corp	Auto Parts Distribution	-		-	200	8	3%
Quebecor	Print Production	-		-	130	10	2%
Total		<u>3,742</u>		<u>57%</u>	<u>4,170</u>		<u>62%</u>

Source: Massachusetts Workplace Development

**Town of Westwood, Massachusetts**  
**Full-time Equivalent Town Employees by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government.....	19	18	20	20	21	21	22	22	22	22
Public Safety.....	68	68	68	66	69	69	70	70	70	72
Education.....	391	379	396	431	488	493	513	512	476	479
Public works.....	29	28	28	28	28	29	29	29	29	29
Human services.....	6	6	6	6	6	6	6	6	6	9
Culture and recreation.....	9	9	9	9	9	9	10	10	10	13
Total .....	<u>522</u>	<u>508</u>	<u>527</u>	<u>560</u>	<u>621</u>	<u>627</u>	<u>650</u>	<u>649</u>	<u>613</u>	<u>624</u>

Source: Town Records

**Town of Westwood, Massachusetts**  
**Operating Indicators by Function/Program**

Last Ten Fiscal Years

Function/Program	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Government</b>									
Population.....	14,885	15,196	15,418	15,485	15,648	15,680	15,584	14,618	14,618
Registered Voters, Annual Town Election.....	9,032	8,999	9,323	9,353	9,584	10,040	10,182	9,450	9,926
<b>Town Clerk</b>									
Births.....	176	152	135	158	143	117	113	94	111
Marriages.....	49	41	53	44	36	42	36	47	73
Deaths.....	153	141	146	145	145	156	163	154	142
Dogs licensed.....	997	1,109	1,000	1,138	1,098	1,239	1,213	1,331	1,382
<b>Police</b>									
Documented calls for police services.....	15,408	15,858	15,300	15,993	16,234	12,819	14,464	12,913	12,800
Uniform crimes reported.....	210	262	214	238	263	237	254	259	191
Arrests.....	147	NA	126	155	153	90	76	89	86
Traffic citations issued.....	1,804	NA	1,666	2,042	2,583	1,816	2,191	988	1,130
Parking tickets issued.....	343	356	82	129	74	4	46	14	54
False burglary alarms.....	1,261	1,245	1,135	1,091	846	829	788	843	912
Total number of animal complaints.....	888	861	621	572	458	467	938	372	415
<b>Fire</b>									
Inspections.....	840	852	839	939	840	716	701	736	779
Plan reviews.....	111	125	96	105	106	75	69	81	77
Permits/certificates issued.....	563	547	408	418	242	362	330	405	524
Emergency responses.....	2,658	2,793	2,798	2,680	2,767	3,015	2,841	3,039	3,064
<b>Building Department</b>									
Permits issued.....	1,764	1,782	1,784	1,992	1,899	1,897	1,601	1,821	1,823
<b>Education</b>									
Public school enrollment.....	2,573	2,720	2,867	3,023	3,008	3,024	3,079	3,178	3,213
<b>Public Works</b>									
<b>Cemetery</b>									
Lots sold.....	26	47	60	36	51	32	54	32	43
interments.....	52	68	68	62	66	72	76	69	72
Recycling/tons.....	1,840	1,807	1,764	1,656	1,595	1,501	1,329	1,324	1,297
Hazardous Waste Day Participants.....	360	479	513	336	344	276	292	343	250
<b>Human Services</b>									
<b>Board of Health</b>									
Permits issued.....	348	359	343	354	375	324	317	356	326
Inspections.....	475	427	426	505	422	431	321	300	288
<b>Council on Aging</b>									
Home delivered meals served.....	15,040	14,625	15,898	19,603	19,576	19,878	19,988	19,638	19,404
Medical-van trips.....	2,832	2,945	2,347	4,182	7,561	6,088	8,422	6,876	7,025
<b>Libraries</b>									
Volumes in collection.....	112,017	119,325	109,304	111,646	120,148	115,214	111,114	115,131	115,131
Circulation.....	235,300	247,321	243,811	235,964	242,464	265,772	288,241	280,422	277,941
Program attendance.....	12,500	14,907	12,274	11,217	11,136	11,522	10,824	10,058	8,791
<b>Youth &amp; Family Services</b>									
Misc resident clinical consultation hours.....	1,268	1,320	1,500	683	822	726	677	889	987
<b>Recreation</b>									
Participants.....	7,105	6,832	6,950	7,967	7,327	7,877	8,327	8,013	7,264
Special Events Participants.....	-	-	-	-	-	-	-	-	4,850

NA Information not available  
 Note: 2012 information not available  
 Source: Various Town Departments



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

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Government										
Number of Buildings.....	1	3	3	3	3	3	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	1
Culture and Recreation										
Libraries.....	2	2	2	2	2	2	2	2	2	2
Conservation land (acreage).....	N/A	N/A	N/A	N/A	700	700	700	700	700	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	2010 Population	2010 EQV Per Capita	2000 Income Per Capita
Canton	8	21,561	\$195,971	\$33,510
Concord	24	17,668	\$316,412	\$51,477
Holliston	14	13,547	\$153,190	\$32,116
Medfield	6	12,024	\$198,507	\$42,891
Sharon	9	17,612	\$165,534	\$41,323
Sudbury	21	17,659	\$240,264	\$53,285
Wayland	17	12,994	\$243,503	\$52,717
Weston	15	11,261	\$484,979	\$79,640
<b>Westwood</b>		<b>14,618</b>	<b>268,318</b>	<b>41,553</b>

Fiscal Year 2012				
Municipality	Residential Tax Rate	Commercial Tax Rate	Tax Levy	Taxes As % of Total Revenue
Canton	11.91	24.23	\$58,074,485	68.36
Concord	13.58	13.58	\$69,122,996	82.43
Holliston	18.32	18.32	\$36,608,105	64.81
Medfield	15.73	15.73	\$35,174,304	66.82
Sharon	20.11	20.11	\$52,450,200	72.92
Sudbury	17.60	22.95	\$69,007,532	82.01
Wayland	19.01	19.01	\$55,514,200	73.48
Weston	12.11	12.11	\$63,256,256	72.98
<b>Westwood</b>	<b>14.48</b>	<b>26.55</b>	<b>\$56,060,374</b>	<b>77.54</b>

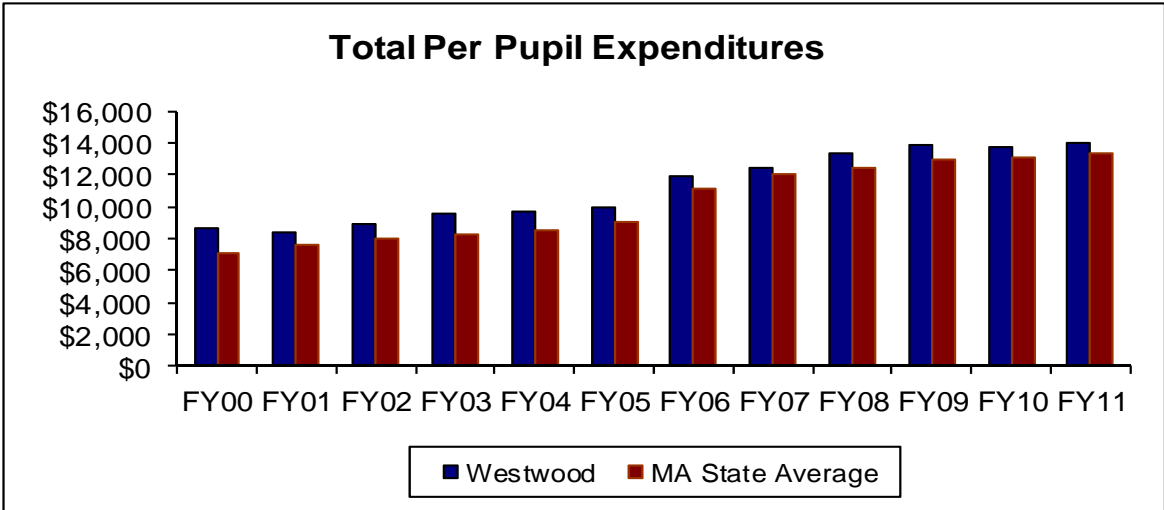
Municipality	Fiscal Year 2012			Fiscal Year 2011	December, 2010
	Average Single Family Tax Bill	2010 State Hi-Lo Rank	Free Cash	Stabilization Fund	Moody's Bond Rating*
Canton	\$5,526	76	\$2,180,097	\$3,463,814	Aa1
Concord	\$11,564	9	\$9,567,656	\$2,709,196	Aaa
Holliston	\$6,916	44	\$1,084,078	\$1,049,045	Aa2
Medfield	\$8,811	22	\$1,828,377	\$2,965,328	Aa1
Sharon	\$8,310	25	\$2,081,703	\$378	Aa2
Sudbury	\$10,937	9	\$674,860	\$1,956,224	Aa1
Wayland	\$11,274	8	\$10,304,704	\$1,531,570	Aaa
Weston	\$16,643	1	\$3,463,758	\$0	Aaa
<b>Westwood</b>	<b>\$9,019</b>	<b>19</b>	<b>\$2,572,798</b>	<b>\$1,219,595</b>	<b>Aa1</b>

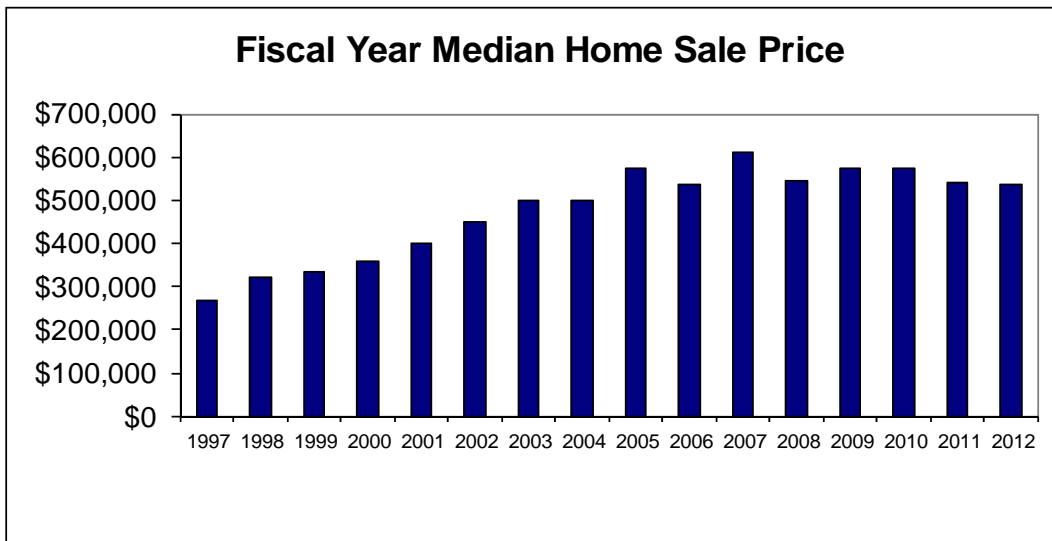
## Some Facts About Westwood

<b>Form of Government</b>	Board of Selectmen, Town Administrator, Open Town Meeting			
<b>Population Trends</b>	<b>2000</b>		<b>2010</b>	
	14,117		14,618	
<b>Registered Voters (2011)</b>	<b>Total</b>	<b>Democrats</b>	<b>Republicans</b>	<b>Unenrolled/Other</b>
	9,926	2,633	1,598	5,695

### 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.





**Visit Westwood's Web Site!**  
<http://www.townhall.westwood.ma.us/>



#### 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

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