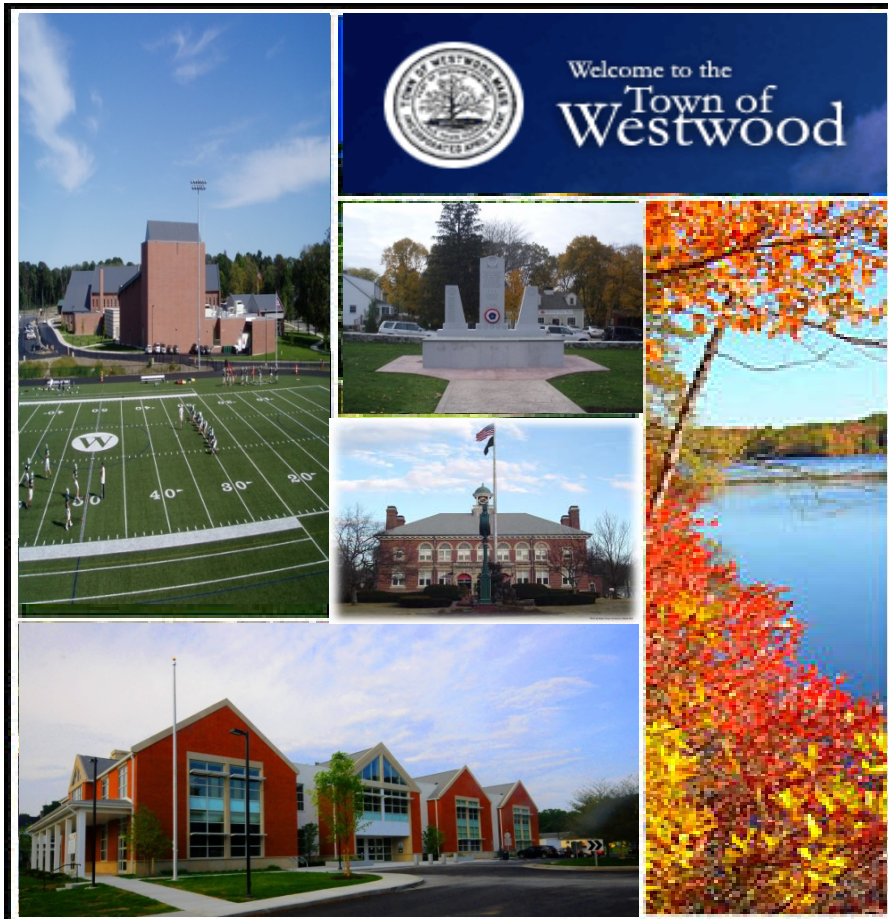


# Town of Westwood, Massachusetts

## Comprehensive Annual Financial Report Year Ended June 30, 2015



Westwood welcomes its new  
commercial development...University Station!

University Station is a vibrant mixed-use development of retail,  
residential, office and hotel uses in Westwood, Massachusetts,  
located adjacent to the Route 128 Amtrak and MBTA Station.



# **The Town of Westwood, Massachusetts**



## **Comprehensive Annual Financial Report**

**For the Year  
July 1, 2014 through June 30, 2015**

**Board of Selectmen**

**Patrick J. Ahearn, Chairman**

**Nancy C. Hyde**

**Michael F. Walsh**

**Prepared by:**

**Pamela Dukeman, Finance Director**

**Town of Westwood, Massachusetts**  
**Comprehensive Annual Financial Report**  
*For the Year Ended June 30, 2015*

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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  
CAFR Award from Board of Selectmen.*

Pictured from left to right, Town Administrator Michael Jaillet, Selectman Patrick Ahearn, Town Accountant Marie O'Leary, Finance Director Pam Dukeman, Selectman Chairman Michael Walsh, Selectman Nancy Hyde, Assistant Treasurer Kathryn Foley, Finance and Warrant Commission Administrator Sheila Nee





**Town of Westwood**  
Commonwealth of Massachusetts

**Office of the Finance Director**

580 High Street, Westwood, MA 02090

(781) 320-1010

Email:

PDukeman@Townhall.Westwood.MA.US

Letter of Transmittal

December 6, 2015

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 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 year ending June 30, 2015 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 year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Westwood's financial statements for the year ended June 30, 2015, 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.

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 presented. The Town's MD&A can be found immediately following the independent auditor's report from Powers & Sullivan, LLC.

### ***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 strengthening local economic condition since the recent fiscal crisis. The per capita income of \$89,407 continues to rise and outpace the state average. Westwood also has an extremely low comparable unemployment rate of 3.7% compared with the state rate of 6.9%.

Westwood is 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.

Westwood has experienced 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 speed rail 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, which is half the University Avenue Park. The approved master plan for the area contemplates over two million square feet of new mixed use development including residential, commercial, hotel, office and retail components. The developer demolished all of the existing structures, installed all utilities and laid out the new road systems and intersection improvements. All local and state approvals were given for the first phase of the project which began construction in 2014 and as of this date half the development has or is about to receive occupancy permits. Many of the stores and restaurants opened in spring, 2015 with more anticipated in fall, 2015, bringing a vibrant new commercial and residential area to Town.

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 an \$85 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 as well as to Providence, Rhode Island. 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.

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 tax revenue increases have been limited in recent years, other revenue sources, such as State aid and local receipts have stabilized. In addition, the Town has made significant efforts with fixed costs budgets, resulting in much improved budgets in health insurance and benefit accounts. On the Town's operating side, the 2015 budgets and service level were maintained through a modest 3 - 4% 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.

The Town continues to work on the health insurance costs resulting in continued savings. The changes included plan restructuring and transition to the state GIC program. Savings from the changes has allowed the Town to build into the budget an annual OPEB appropriation of \$1,350,000. The Town has made significant progress in addressing the liability and with continued work may soon reach full compliance with the annual requirement.

The Town continues to manage its financial affairs in a prudent manner, primarily through considerable long-term planning and strong financial policies. In 2015 the Town's credit rating was upgraded to AAA by Standard & Poor's. It has been able to do so by incorporating long range planning tools such as a five-year Capital Improvement Program; maintaining reserve balances and addressing long term liabilities 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 2015, 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 Stabilization account to the policy goal level, which is 4% of general fund net operating revenues. The 2015 budget appropriated \$100,000 to the Stabilization Fund and \$550,000 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. The state is committed to stabilized annual payments of approximately \$1.4 million which are directly applied to the High School debt service thereby limiting the burden on the taxpayers. Other municipal ten year bonds were completed in 2014. This roll over of debt will enable the Town to issue new debt for infrastructure improvements and remain within the same debt levels. 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.

Major initiatives for 2016 will include continuing inspecting and facilitating the construction of additional pieces of 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 services.

The Town is implementing plans for significant improvements to its public safety facilities. The Public Safety Task Force has studied the issues over the last year and is now recommending a plan to include designing and building new police and fire facilities over a multiple year period. This will not only enhance current services but will allow the Town to provide additional services to meet the needs of the University Station development. The first phase of the public facility plan is to construct a new Islington fire station, at the site of the current station. Funding approval of \$8.7 million was voted at the May 2015 Annual Town Meeting and the project is currently underway.

## ***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 year ended June 30, 2014. 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 1997.

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.



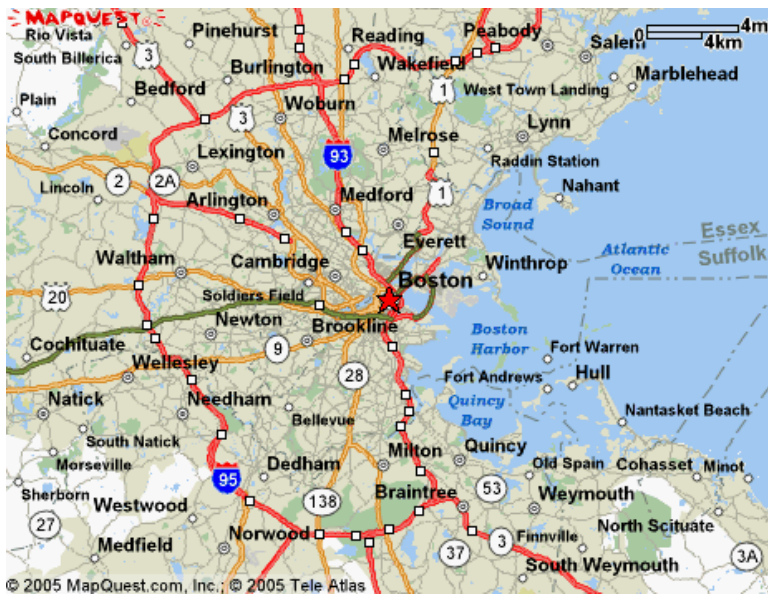
This report represents significant effort by the entire financial team of the Town, whose dedicated efforts have significantly improved the financial operations of the Town. I particularly would like to acknowledge the efforts of Sheila Nee, whose assistance was invaluable in the preparation of this 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,

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

Pamela Dukeman  
Finance Director

# A Few Words About Westwood....



Westwood was incorporated as a town in 1897 and has a current population of approximately 14,876. The town is located in eastern Massachusetts, 13 miles south of its capital city of Boston. One major attraction of Westwood is its location in relation to Boston and major roadways. The commuter rail has four convenient stops within five minutes of Town, one of which doubles as an Amtrak station. The Amtrak station provides connections originating in Boston and continuing to Providence, Rhode Island and New York City.

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

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

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

From a natural perspective, the Town works very hard to conserve land. It is the hope of preservation workers that Westwood can create its own emerald necklace with its conservation land and walking paths. Hale Reservation is one of the Town's hidden gems. With 1,100 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.



2012 National Blue Ribbon  
School of Excellence

## **WESTWOOD HIGH SCHOOL NAMED 2012 NATIONAL BLUE RIBBON HIGH SCHOOL**

Westwood High School was named a 2012 National Blue Ribbon High School by U.S. Secretary of Education Arne Duncan on Friday, September 7, 2012.

The school is one of just 38 high schools nationwide to be identified as "Exemplary High Performing," a designation reserved for schools that are among their state's highest performing schools, as measured by state assessments or nationally-normed tests. As the name suggests, earning Blue Ribbon status is the highest honor a United States school can receive from the U.S. Department of Education.

"The entire Westwood High School community is thrilled about earning Blue Ribbon status," said Sean Bevan, Principal of Westwood High School. "It's an extraordinary achievement that speaks to our students' dedication, our faculty and staff's expertise and commitment to their work, and our families' support of education. Our students, along with their teachers, are committed to preparing for future success in college and careers; this award is a powerful reminder of the importance of that hard work."

Westwood Superintendent John J. Antonucci commented that while the Blue Ribbon designation is a reflection of a high-quality school system, it is also a reflection of a high-quality community. "The residents of Westwood share our commitment to excellence and have a long tradition of supporting their public schools. We value and appreciate that support and work hard to ensure that all Westwood students receive a first-class educational experience."

Principal Sean Bevan, along with a teacher from the WHS faculty, represented the students and staff at a recognition ceremony on November 12-13 in Washington, D.C. He said, "The event will be a proud moment to celebrate a school culture and climate that strives to nurture and support the success of all of its students. I am honored to accept the award on behalf of our students and staff."

According to the Department of Education, "A total of 417 schools nationwide may be nominated [each year], with allocations determined by the numbers of K-12 students and schools in each jurisdiction." This year, 219 public and 50 private schools from all grade levels will be awarded National Blue Ribbon status. Westwood High School is one of 47 public and private high schools earning the designation: WHS and 38 others are designated as "Exemplary High Performing", while nine others are recognized as "Exemplary Improving".





*The mission of Hale is to offer educational and recreational opportunities that develop self-confidence, inspire a passion for learning, and encourage an appreciation for the natural environment.*

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  
Michael F. Walsh

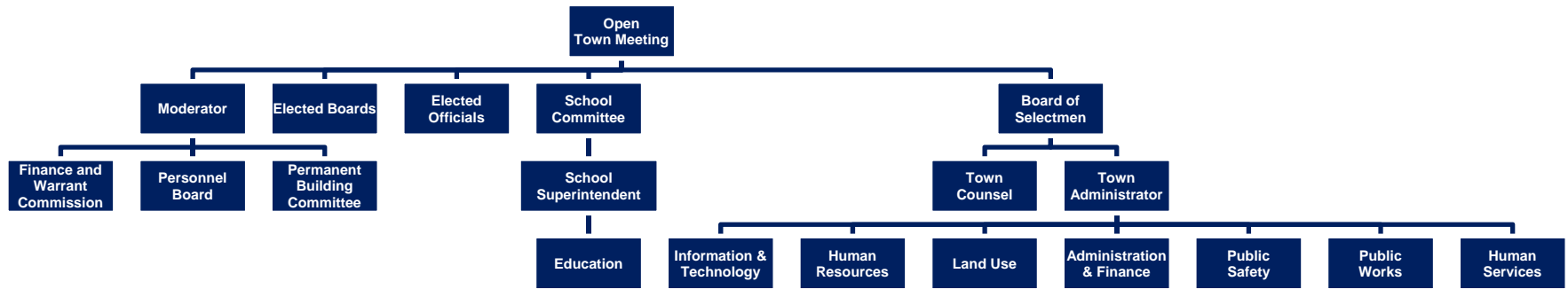
Town Administrator – Michael Jaillet  
Finance Director – Pamela Dukeman  
School Superintendent – John Antonucci  
Town Treasurer – James Gavin  
Police Chief – Jeffrey Silva  
Fire Chief – William Scoble

Town of Westwood, Massachusetts

Total Budget Salaries of Principal Officials  
June 30, 2015

<b>Position</b>	<b>Salary</b>
School Superintendent	\$193,413
School Director of Business and Finance	\$131,127
Town Administrator	\$174,050
Fire Chief	\$153,597
Police Chief	\$152,164
Finance Director	\$124,801
Department of Public Works Director	\$105,334
Director of Information Technology	\$101,445
Library Director	\$100,474
Town Counsel	\$ 95,111
Town Accountant	\$ 91,582
Health Director	\$ 89,362
Building Commissioner	\$ 84,992
Council on Aging Director	\$ 84,185
Youth Director	\$ 78,779
Recreation Director	\$ 78,479
Town Clerk (Elected)	\$ 70,575
Assistant Treasurer	\$ 70,422
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



Government Finance Officers Association

**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, 2014**

Executive Director/CEO

# *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 and Individual Fund Financial Statements and Schedules*



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

The new 32,000 square foot library opened on July 1, 2013 to the delight of the community. The building boasts two floors along with over 30 computers and 80,000 books. It offers patrons an entire children's wing, a reading room just for teens, an art gallery and plenty of space for conferences and meetings.



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

## Independent Auditor's Report

To the Honorable Board of Selectmen  
Town of Westwood, Massachusetts

## Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westwood, Massachusetts as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westwood, Massachusetts, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westwood, Massachusetts' basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2015, on our consideration of the Town of Westwood, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Westwood, Massachusetts' internal control over financial reporting and compliance.



December 6, 2015

# *Management's Discussion and Analysis*

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## 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 year ended June 30, 2015. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent 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 unmodified opinion on its financial statements since the year ended June 30, 1984.

### Financial Highlights

- The governmental assets and deferred outflows of resources of the Town of Westwood exceeded its liabilities at the close of the most recent year by \$66.7 million (net position).
- As required by GASB Statement #68, in 2015 the Town recognized a net pension liability of \$35.4 million along with a deferred outflow related to pension of \$1.5 million on the statement of net position for the first time. Beginning of year net position has been revised as part of this implementation. Additional disclosures and schedules have been added to the notes to the basic financial statements and required supplementary information.
- At the close of the current year, the Town of Westwood's general fund reported an ending fund balance of \$16.8 million, an increase of \$1.2 million in comparison with the prior year. Total fund balance represents 21.2% of total general fund expenditures. Approximately \$9.4 million of this total amount is available for appropriation at the government's discretion, \$6.1 million is committed for capital articles approved by Town Meeting and \$1.3 million is assigned for encumbrances carried forward to the subsequent year.
- The Town of Westwood's total governmental debt decreased by \$2.8 million during the current year. The Town issued \$850,000 for the Islington fire station design and made \$3.6 million in principal payments.
- The Town received \$905,000 in permit revenue from the University Station project. Approximately \$1.1 million was expended and \$4.2 million has been carried over to be expended in future years.

### 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 Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's

accountability. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other 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 position presents information on all of the Town of Westwood's assets and liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Westwood is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (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, university station, 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 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 accordance with accounting standards, the Town reports fund balance components as nonspendable, restricted, committed, assigned and unassigned. Additionally, the Town's stabilization fund is reported within the general fund as unassigned. The Town of 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 position 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$82.3 million at the close of 2015.

Net position of \$108.5 million 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 position \$1.5 million represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of unrestricted net position \$27.7 million is primarily due to the recognition of the \$35.4 million net pension liability in connection with the implementation of GASB Statement #68, *Accounting and Financial Reporting for Pensions*.

<b>Governmental Activities:</b>	Balance at June 30, 2015	(Revised) Balance at June 30, 2014
	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
Current assets.....	\$ 34,425,866	\$ 32,993,859
Noncurrent assets (excluding capital).....	8,947,000	10,094,615
Capital assets, not being depreciated.....	7,200,154	5,858,382
Capital assets, net of accumulated depreciation.....	112,205,723	112,982,360
<b>Total assets.....</b>	<b>162,778,743</b>	<b>161,929,216</b>
<b>Deferred outflows of resources.....</b>	<b>1,425,955</b>	<b>-</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	6,469,228	5,292,738
Noncurrent liabilities (excluding debt).....	58,062,224	53,537,798
Current debt.....	4,547,917	3,632,917
Noncurrent debt.....	28,470,415	31,603,159
<b>Total liabilities.....</b>	<b>97,549,784</b>	<b>94,066,612</b>
<b>Net Position:</b>		
Net investment in capital assets.....	97,303,917	95,611,881
Restricted.....	1,533,978	1,655,112
Unrestricted.....	(32,182,981)	(29,404,389)
<b>Total net position.....</b>	<b>\$ 66,654,914</b>	<b>\$ 67,862,604</b>

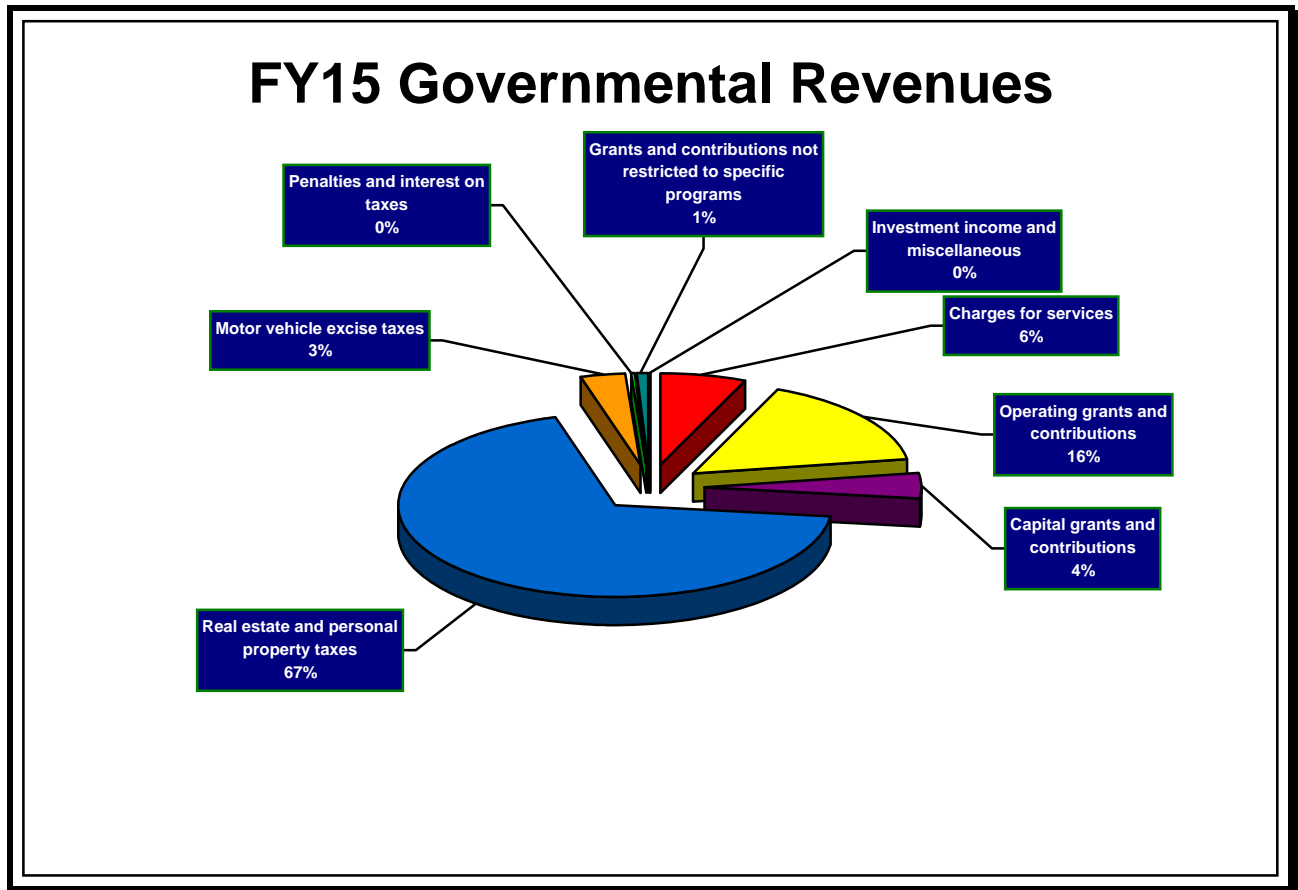


**Governmental activities.** The governmental activities net position decreased by approximately \$1.2 million during the current year. The underlying reason for the decrease was the increase in the OPEB and pension liabilities offset by better than expected budgetary performance.

<b>Governmental Activities:</b>	Year Ended June 30, 2015	(Revised) Year Ended June 30, 2014
	<u>2015</u>	<u>2014</u>
<b>Program revenues:</b>		
Charges for services.....	\$ 5,840,996	\$ 5,417,971
Operating grants and contributions.....	14,500,929	22,271,886
Capital grants and contributions.....	4,045,233	1,474,068
<b>General revenues:</b>		
Real estate and personal property taxes.....	61,772,952	59,098,869
Motor vehicle excise taxes.....	3,035,505	2,770,941
Penalties and interest on taxes.....	172,557	118,681
Nonrestricted grants and contributions.....	776,342	712,014
Unrestricted investment income.....	28,388	25,929
<b>Total revenues.....</b>	<b><u>90,172,902</u></b>	<b><u>91,890,359</u></b>
<b>Expenses:</b>		
General government.....	4,953,798	4,921,812
Public safety.....	10,470,500	10,215,841
Education.....	59,970,747	58,068,384
Public works.....	9,028,119	8,697,469
University Station.....	1,651,889	1,947,259
Human services.....	1,228,151	1,138,997
Culture and recreation.....	3,308,166	3,394,657
Interest.....	1,060,200	1,137,383
<b>Total expenses.....</b>	<b><u>91,671,570</u></b>	<b><u>89,521,802</u></b>
<b>Excess (Deficiency) before transfers.....</b>	<b>(1,498,668)</b>	<b>2,368,557</b>
<b>Transfers.....</b>	<b><u>290,978</u></b>	<b><u>290,978</u></b>
<b>Change in net position.....</b>	<b>(1,207,690)</b>	<b>2,659,535</b>
<b>Net position beginning of the year (as revised).....</b>	<b><u>67,862,604</u></b>	<b><u>65,203,069</u></b>
<b>Net position - ending.....</b>	<b><u>\$ 66,654,914</u></b>	<b><u>\$ 67,862,604</u></b>

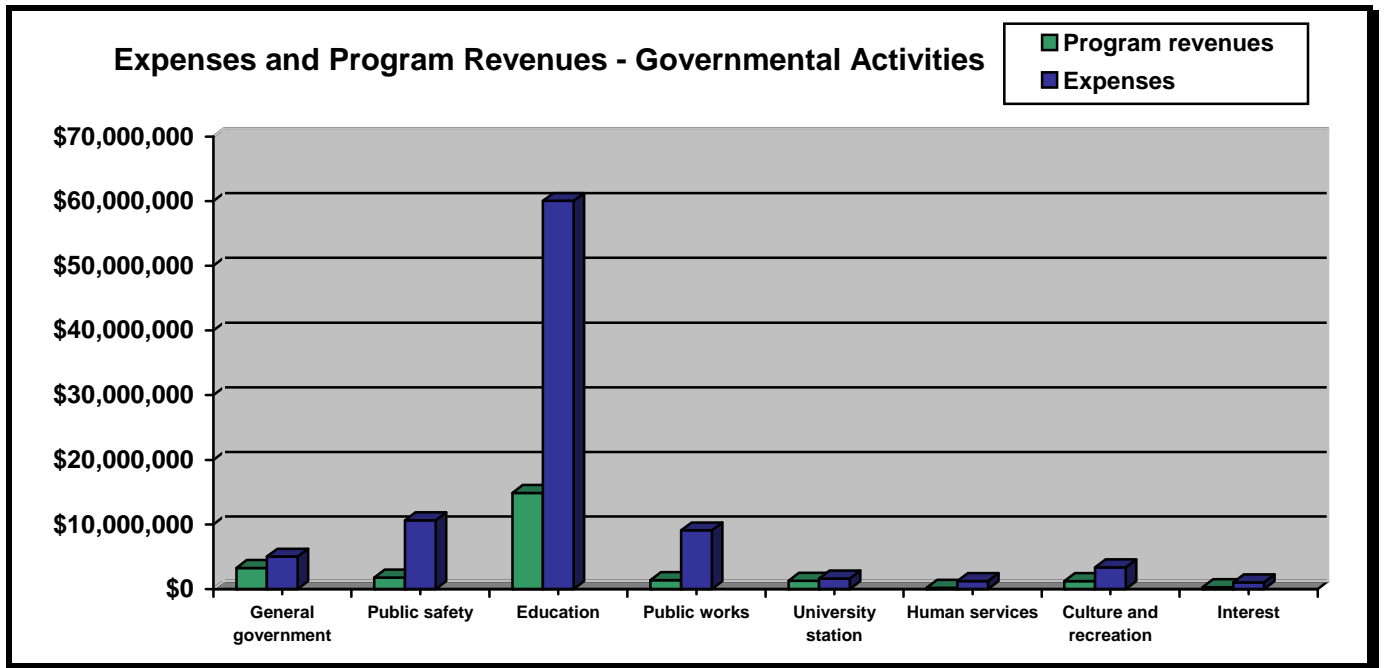
- The beginning net position of governmental activities has been revised to reflect the implementation of GASB Statements #67, #68, and #71. To reflect this change, the Town has recorded a net pension liability and a deferred outflow of resources, which has resulted in the restatement of the June 30, 2014 balance of the governmental activities by \$32,940,889. Previously reported net position of \$100,803,493 million has been revised to \$67,862,604.
- Charges for services represent about 6% 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 grants and contributions account for 16% of the governmental activities resources. Most of these resources apply to university station and education operations.
- Capital grants and contributions account for 4% of the governmental activities resources. The increase from the prior year can be attributable to the Town receiving \$2.5 million in a MassWorks grant for the reconstruction of University Ave, along with \$600,000 in Chapter 90 reimbursements.



- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 67% of all resources. Real estate and personal property tax collections increased 5% from the prior year. In Massachusetts, proposition 2 ½ allows municipalities to increase tax rates up to 2 ½ percent of the prior levy limit adjusted for new construction and certain approved debt service. Other taxes and other revenues comprised a total of 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 65% of total governmental expenses. Program revenues of \$14.9 million provided direct support to education and \$45.1 million in taxes and other general revenue were needed to cover the remaining 2015 operating expenses.

- General government, public safety, public works and university station are significant activities of the Town. Program revenues for general government of \$3.3 million, public safety of \$1.8 million, public works of \$1.4 million and \$1.3 million in university station directly supported \$5 million, \$10.5 million, \$9 million and \$1.7 million of operating expenses, respectively. Taxes and other general revenue of \$18.6 million were needed to cover the remaining 2015 operating expenses for these activities. Combined, they represent 29% of governmental activity expenses.



**Business-type activities.** For sewer business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$15.7 million at the close of 2015. Net investment in capital assets totaled \$11.2 million while unrestricted net position totaled \$4.5 million. There was a net increase of \$737,000 in net position reported in connection with the sewer enterprise. Charges for services increased by \$1.4 million from 2014 due to connection fees associated with the opening of University Station. Operating and capital grants experienced a slight decrease from the prior year. The sewer fund also reported a slight increase in its operating costs.

**Business-Type Activities:**

	Balance at June 30, 2015	(Revised) Balance at June 30, 2014
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Current assets.....	\$ 5,610,004	\$ 5,519,437
Noncurrent assets (excluding capital).....	154,250	201,611
Capital assets, not being depreciated.....	350,850	-
Capital assets, net of accumulated depreciation.....	12,996,318	13,472,462
<b>Total assets.....</b>	<b><u>19,111,422</u></b>	<b><u>19,193,510</u></b>
<b>Deferred outflows of resources.....</b>	<b>36,247</b>	<b>-</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	93,883	543,961
Noncurrent liabilities (excluding debt).....	1,115,866	1,064,754
Current debt.....	389,560	384,060
Noncurrent debt.....	1,888,060	2,277,620
<b>Total liabilities.....</b>	<b><u>3,487,369</u></b>	<b><u>4,270,395</u></b>
<b>Net Position:</b>		
Net investment in capital assets.....	11,209,128	11,776,682
Unrestricted.....	4,451,172	3,146,433
<b>Total net position.....</b>	<b><u>\$ 15,660,300</u></b>	<b><u>\$ 14,923,115</u></b>

**Business-Type Activities:**

	Year Ended June 30, 2015	(Revised) Year Ended June 30, 2014
	<u>                    </u>	<u>                    </u>
<b>Program revenues:</b>		
Charges for services.....	\$ 5,175,034	\$ 3,731,776
Operating grants and contributions.....	30,832	32,115
Capital grants and contributions.....	27,300	41,516
<b>Total revenues.....</b>	<b><u>5,233,166</u></b>	<b><u>3,805,407</u></b>
<b>Expenses:</b>		
Sewer.....	<b><u>4,205,003</u></b>	<b><u>4,135,251</u></b>
<b>Excess (Deficiency) before transfers.....</b>	<b>1,028,163</b>	<b>(329,844)</b>
<b>Transfers.....</b>	<b><u>(290,978)</u></b>	<b><u>(290,978)</u></b>
<b>Change in net position.....</b>	<b>737,185</b>	<b>(620,822)</b>
<b>Net position beginning of the year (as revised).....</b>	<b><u>14,923,115</u></b>	<b><u>15,543,937</u></b>
<b>Net position - ending.....</b>	<b><u>\$ 15,660,300</u></b>	<b><u>\$ 14,923,115</u></b>

The beginning net position of business-type activities has been revised to reflect the implementation of GASB Statements #67, #68, and #71. To reflect this change, the Town has recorded a net pension liability and a deferred outflow of resources, which has resulted in the restatement of the June 30, 2014 balance of the business-type activities by \$837,351. Previously reported net position of \$15,760,466 has been revised to \$14,923,115.

## **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 year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$24.8 million, a decrease of \$162,000 from the prior year. The university station special revenue fund reported a decrease of \$14,000 and the nonmajor governmental funds reported a decrease of \$1.3 million. The nonmajor decrease related mainly to capital projects for road improvements and facility renovations. Most of the construction costs were financed with bond proceeds and bond premiums received in the current year and prior year. For fund based reporting bond proceeds and premiums are reported as other financing sources.

The general fund is the Town's chief operating fund. The ending fund balance increased by \$1.2 million in comparison with prior year. This increase is due to stronger than expected collections in nearly all revenue categories. Another contributing factor was, with the exception of snow and ice, budgetary turn backs of appropriations by departments.

Real estate tax revenue increased from 2014 by \$2.9 million. This is due to the fact that in Massachusetts, Proposition 2 ½ allows municipalities to increase tax rates up to 2 ½ percent of the prior levy limit adjusted for new construction and certain approved debt service.

At the end of the current year, unassigned fund balance of the general fund totaled \$9.4 million, while total fund balance totaled \$16.8 million. The \$6.1 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$1.3 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 12% of total general fund expenditures, while total fund balance represents 21% 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 \$2.7 million which represents 3.5% 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, 2015, the university station project fund had a year-end balance of \$728,000. This balance decreased by \$14,000 from prior year as the Town recognized \$533,000 in revenue related to building permit fees and recorded \$546,000 in project expenditures.

### **General Fund Budgetary Highlights**

The final general fund appropriation budget totaled \$82.8 million, which included \$6.8 million in encumbrances and articles carried over from the prior year. The final budget also included the planned use of \$2 million in available funds. Due to positive budgetary results this reserve was not needed.

General fund revenues came in over budget by \$1.6 million. The majority of this surplus \$773,000 (47%) was generated from motor vehicle excise taxes and \$371,000 (23%) was generated through licenses and permits.

General fund expenditures and encumbrances were lower than final budget by \$802,000 (1%), with the majority of the variance occurring in the reserve fund which turned back \$302,000.

The \$740,000 increase between the original budget and the final amended budget was primarily from supplementary appropriations from free cash to fund the Town's snow and ice budget and appropriations from the ambulance fund, the reserve fund and from a release of overlay surplus to fund the capital outlay budget, the public works budget, and various salary increases. Additionally the Town voted several transfers within budgetary line items during the 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 year as well as summary information for the following four 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 position 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 position 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 position will be reduced through depreciation and will be increased by the revenues raised to support the debt principal payments. Net position is 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, 2015, totaled \$32 million of which, \$7.4 million is related to library projects, \$19 million is related to school projects, \$850,000 is related to public safety projects, \$2.3 million is related to roadway improvements and \$1.8 million for department equipment.

The enterprise fund has \$2.3 million in sewer enterprise debt outstanding that is fully supported by the rates and does not rely on a general fund subsidy.

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.

Please refer to notes 5, 6, 7, and 8 to the financial statements for further discussion of the Town's major capital and debt activity.

### Capital Assets

<b>Governmental activities:</b>	Cost of Capital Assets	Accumulated Depreciation at end of year	Capital Assets, net
Land.....	\$ 5,858,382	\$ -	\$ 5,858,382
Construction in progress.....	1,341,772	-	1,341,772
Buildings and improvements.....	108,733,085	(36,609,261)	72,123,824
Vehicles.....	8,305,981	(5,502,300)	2,803,681
Machinery and equipment.....	13,038,369	(10,819,732)	2,218,637
Infrastructure.....	93,115,713	(58,056,132)	35,059,581
<b>Total governmental activities.....</b>	<b>230,393,302</b>	<b>(110,987,425)</b>	<b>119,405,877</b>
<b>Business-type activities:</b>			
Land.....	350,850	-	350,850
Plant and infrastructure.....	27,717,857	(17,459,169)	10,258,688
Other buildings and improvements..	6,339,070	(3,728,803)	2,610,267
Vehicles.....	448,343	(425,759)	22,584
Machinery and equipment.....	510,212	(405,433)	104,779
<b>Total business-type activities.....</b>	<b>35,366,332</b>	<b>(22,019,164)</b>	<b>13,347,168</b>
<b>Total capital assets.....</b>	<b>\$ 265,759,634</b>	<b>\$ (133,006,589)</b>	<b>\$ 132,753,045</b>

### Governmental Bonds Payable

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Municipal Purpose Bonds of 2008.....	2023	\$ 3,830,000	3.50 - 4.00	\$ 1,770,000	\$ -	\$ (335,000)	\$ 1,435,000
Municipal Purpose Bonds of 2009.....	2029	3,500,000	2.13 - 5.00	2,625,000	-	(175,000)	2,450,000
Municipal Purpose Bonds of 2010.....	2031	9,300,000	3.25 - 4.00	7,905,000	-	(465,000)	7,440,000
Municipal Purpose Refunding Bonds of 2012...	2023	61,198,000	2.00 - 4.00	16,695,000	-	(1,975,000)	14,720,000
Municipal Purpose Bonds of 2013.....	2022	4,635,000	2.00 - 3.00	3,705,000	-	(465,000)	3,240,000
Municipal Purpose Bonds of 2014.....	2024	2,970,000	2.00 - 2.50	1,400,000	-	(140,000)	1,260,000
Municipal Purpose Bonds of 2015.....	2036	850,000	2.50 - 5.00	-	850,000	-	850,000
<b>Total Governmental Activities.....</b>				<b>\$ 34,100,000</b>	<b>\$ 850,000</b>	<b>\$ (3,555,000)</b>	<b>\$ 31,395,000</b>

### Enterprise Bonds Payable

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Municipal Purpose Bonds of 1998 (MCWT).....	2019	\$ 3,220,700	3.88	\$ 964,300	\$ -	\$ (181,600)	\$ 782,700
MWRA Notes of 2013.....	2017	212,300	0.00	127,380	-	(42,460)	84,920
Municipal Purpose Bonds of 2014.....	2024	1,570,000	2.00 - 2.50	1,570,000	-	(160,000)	1,410,000
<b>Total Enterprise Bonds Payable.....</b>				<b>\$ 1,091,680</b>	<b>\$ -</b>	<b>\$ (384,060)</b>	<b>\$ 2,277,620</b>

The Town of Westwood has an “AAA” rating from Standard & Poor’s and an “Aa1” from Moody’s for general obligation debt.

## **Other Postemployment Benefits**

In accordance with GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension (OPEB)*, the government-wide activities have accumulated a liability for other postemployment benefits totaling \$22.8 million as of June 30, 2015 and have pre-funded future obligations totaling approximately \$550,000 during 2015. The total assets set aside in trust for future benefits amounted to approximately \$1.7 million at year-end.

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

For the 2016 budget, the Town has projected the first year of significant tax revenue from the new University Station project. The town has used this funding to supplement operating budgets and build reserve accounts.

The revenue increases and improvements have allowed the Town to make the following structurally balanced budget decisions:

- The Town provided for an approximate 5% increase for the 2016 school and municipal operating budgets.
- The 2016 budget has increased capital budgets through additional use of free cash.
- The 2016 budget provides for a \$100,000 appropriation to the stabilization reserve account. This is an ongoing appropriation funded within the budget.
- The 2016 budget provides for a \$1.4 million appropriation to the OPEB Trust account. This is an ongoing appropriation funded with the budget.
- The 2016 commercial and residential tax rates are not yet finalized, but are expected to increase approximately 3%.
- The 2016 budgets provide for a \$1.7 million appropriation to the capital stabilization funds. This is a combination of use of ongoing and one-time revenue.

## **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 POSITION**

JUNE 30, 2015

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 27,563,047	\$ 3,543,649	\$ 31,106,696
Investments.....	2,222,198	-	2,222,198
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	756,495	-	756,495
Tax liens.....	927,305	-	927,305
Motor vehicle excise taxes.....	294,243	-	294,243
User charges.....	-	2,018,994	2,018,994
Departmental and other.....	158,110	-	158,110
Intergovernmental.....	2,504,468	47,361	2,551,829
<b>Total Current Assets.....</b>	<b>34,425,866</b>	<b>5,610,004</b>	<b>40,035,870</b>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	8,947,000	154,250	9,101,250
Capital assets, not being depreciated.....	7,200,154	350,850	7,551,004
Capital assets, net of accumulated depreciation.....	112,205,723	12,996,318	125,202,041
<b>Total Noncurrent Assets.....</b>	<b>128,352,877</b>	<b>13,501,418</b>	<b>141,854,295</b>
<b>TOTAL ASSETS.....</b>	<b>162,778,743</b>	<b>19,111,422</b>	<b>181,890,165</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions.....	1,425,955	36,247	1,462,202
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	1,809,689	48,608	1,858,297
Accrued payroll.....	2,013,611	15,899	2,029,510
Tax refunds payable.....	653,069	-	653,069
Accrued interest.....	231,947	10,376	242,323
Other liabilities.....	422,957	-	422,957
Capital lease obligations.....	141,955	-	141,955
Compensated absences.....	1,196,000	19,000	1,215,000
Notes payable.....	1,000,000	-	1,000,000
Bonds payable.....	3,547,917	389,560	3,937,477
<b>Total Current Liabilities.....</b>	<b>11,017,145</b>	<b>483,443</b>	<b>11,500,588</b>
<b>NONCURRENT:</b>			
Capital lease obligations.....	292,872	-	292,872
Compensated absences.....	707,000	-	707,000
Other postemployment benefits.....	22,531,402	238,096	22,769,498
Net pension liability.....	34,530,950	877,770	35,408,720
Bonds payable.....	28,470,415	1,888,060	30,358,475
<b>Total Noncurrent Liabilities.....</b>	<b>86,532,639</b>	<b>3,003,926</b>	<b>89,536,565</b>
<b>TOTAL LIABILITIES.....</b>	<b>97,549,784</b>	<b>3,487,369</b>	<b>101,037,153</b>
<b>NET POSITION</b>			
Net investment in capital assets.....	97,303,917	11,209,128	108,513,045
Restricted for:			
Permanent funds:			
Expendable.....	96,123	-	96,123
Nonexpendable.....	361,891	-	361,891
Gifts.....	299,520	-	299,520
Grants.....	776,444	-	776,444
Unrestricted.....	(32,182,981)	4,451,172	(27,731,809)
<b>TOTAL NET POSITION.....</b>	<b>\$ 66,654,914</b>	<b>\$ 15,660,300</b>	<b>\$ 82,315,214</b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2015

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.....	\$ 4,953,798	\$ 644,058	\$ 105,400	\$ 2,540,970	\$ (1,663,370)
Public safety.....	10,470,500	1,641,691	133,297	-	(8,695,512)
Education.....	59,970,747	2,453,507	12,436,707	-	(45,080,533)
Public works.....	9,028,119	62,730	20,071	1,319,317	(7,626,001)
University Station.....	1,651,889	-	1,303,820	-	(348,069)
Human services.....	1,228,151	83,407	129,067	-	(1,015,677)
Culture and recreation.....	3,308,166	955,603	84,291	184,946	(2,083,326)
Interest.....	1,060,200	-	288,276	-	(771,924)
<b>Total Governmental Activities.....</b>	<b>91,671,570</b>	<b>5,840,996</b>	<b>14,500,929</b>	<b>4,045,233</b>	<b>(67,284,412)</b>
<i>Business-Type Activities:</i>					
Sewer.....	4,205,003	5,175,034	30,832	27,300	<b>1,028,163</b>
<b>Total Primary Government.....</b>	<b>\$ 95,876,573</b>	<b>\$ 11,016,030</b>	<b>\$ 14,531,761</b>	<b>\$ 4,072,533</b>	<b>\$ (66,256,249)</b>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page.....	\$ <b>(67,284,412)</b>	\$ <b>1,028,163</b>	\$ <b>(66,256,249)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	61,772,952	-	61,772,952
Motor vehicle excise taxes.....	3,035,505	-	3,035,505
Penalties and interest on taxes.....	172,557	-	172,557
Grants and contributions not restricted to specific programs.....	776,342	-	776,342
Unrestricted investment income.....	28,388	-	28,388
<i>Transfers, net</i> .....	290,978	(290,978)	-
Total general revenues and transfers.....	<u>66,076,722</u>	<u>(290,978)</u>	<u>65,785,744</u>
Change in net position.....	(1,207,690)	737,185	(470,505)
<i>Net Position:</i>			
Beginning of year (as revised).....	<u>67,862,604</u>	<u>14,923,115</u>	<u>82,785,719</u>
End of year.....	<u>\$ 66,654,914</u>	<u>\$ 15,660,300</u>	<u>\$ 82,315,214</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2015

	General	University Station Project	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 18,087,983	\$ 727,702	\$ 8,747,362	\$ 27,563,047
Investments.....	2,201,103	-	21,095	2,222,198
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	756,495	-	-	756,495
Tax liens.....	927,305	-	-	927,305
Motor vehicle excise taxes.....	294,243	-	-	294,243
Departmental and other.....	38,927	-	119,183	158,110
Intergovernmental.....	10,094,000	-	1,357,468	11,451,468
Due from other funds.....	439,304	-	-	439,304
<b>TOTAL ASSETS.....</b>	<b>\$ 32,839,360</b>	<b>\$ 727,702</b>	<b>\$ 10,245,108</b>	<b>\$ 43,812,170</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 1,355,161	\$ -	\$ 454,528	\$ 1,809,689
Accrued payroll.....	2,013,611	-	-	2,013,611
Tax refunds payable.....	653,069	-	-	653,069
Other liabilities.....	422,957	-	-	422,957
Due to other funds.....	-	-	439,304	439,304
Notes payable.....	-	-	1,000,000	1,000,000
<b>TOTAL LIABILITIES.....</b>	<b>4,444,798</b>	<b>-</b>	<b>1,893,832</b>	<b>6,338,630</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues.....	11,624,888	-	1,037,347	12,662,235
<b>FUND BALANCES</b>				
Nonspendable.....	-	-	361,891	361,891
Restricted.....	-	727,702	6,952,038	7,679,740
Committed.....	6,069,333	-	-	6,069,333
Assigned.....	1,253,232	-	-	1,253,232
Unassigned.....	9,447,109	-	-	9,447,109
<b>TOTAL FUND BALANCES.....</b>	<b>16,769,674</b>	<b>727,702</b>	<b>7,313,929</b>	<b>24,811,305</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 32,839,360</b>	<b>\$ 727,702</b>	<b>\$ 10,245,108</b>	<b>\$ 43,812,170</b>

See notes to basic financial statements.

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

JUNE 30, 2015

Total governmental fund balances.....		\$ 24,811,305
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		119,405,877
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		12,662,235
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions.....		1,425,955
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(231,947)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(32,018,332)	
Capital lease obligations.....	(434,827)	
Other postemployment benefits.....	(22,531,402)	
Net pension liability.....	(34,530,950)	
Compensated absences.....	<u>(1,903,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(91,418,511)</u>
Net position of governmental activities.....		<u>\$ 66,654,914</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	General	University Station Project	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Real estate and personal property taxes, net of tax refunds.....	\$ 61,838,371	\$ -	\$ -	\$ 61,838,371
Motor vehicle excise taxes.....	3,057,593	-	-	3,057,593
Charges for services.....	-	-	4,951,197	4,951,197
University Station building permits.....	905,000	-	-	905,000
Penalties and interest on taxes.....	172,557	-	-	172,557
Fees and rentals.....	379,437	-	-	379,437
Licenses and permits.....	771,232	-	-	771,232
Fines and forfeitures.....	32,464	-	-	32,464
Intergovernmental.....	11,320,048	-	6,690,646	18,010,694
Departmental and other.....	299,838	532,664	538,968	1,371,470
Contributions.....	-	-	266,436	266,436
Investment income.....	23,766	-	1,613	25,379
<b>TOTAL REVENUES.....</b>	<b>78,800,306</b>	<b>532,664</b>	<b>12,448,860</b>	<b>91,781,830</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	3,011,964	-	2,669,669	5,681,633
Public safety.....	7,249,060	-	1,549,699	8,798,759
Education.....	38,072,400	-	6,196,550	44,268,950
Public works.....	5,158,045	-	2,034,944	7,192,989
University Station.....	1,105,567	546,322	-	1,651,889
Human services.....	857,364	-	77,598	934,962
Culture and recreation.....	1,449,856	-	892,126	2,341,982
Pension benefits.....	7,647,979	-	-	7,647,979
Property and liability insurance.....	401,257	-	-	401,257
Employee benefits.....	7,230,271	-	-	7,230,271
State and county charges.....	591,182	-	-	591,182
Capital outlay.....	1,641,438	-	-	1,641,438
Debt service:				
Principal.....	3,555,000	-	-	3,555,000
Interest.....	1,146,459	-	-	1,146,459
<b>TOTAL EXPENDITURES.....</b>	<b>79,117,842</b>	<b>546,322</b>	<b>13,420,586</b>	<b>93,084,750</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(317,536)</b>	<b>(13,658)</b>	<b>(971,726)</b>	<b>(1,302,920)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of long-term debt.....	-	-	850,000	850,000
Transfers in.....	1,469,929	-	-	1,469,929
Transfers out.....	-	-	(1,178,951)	(1,178,951)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>1,469,929</b>	<b>-</b>	<b>(328,951)</b>	<b>1,140,978</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>1,152,393</b>	<b>(13,658)</b>	<b>(1,300,677)</b>	<b>(161,942)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>15,617,281</b>	<b>741,360</b>	<b>8,614,606</b>	<b>24,973,247</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 16,769,674</b>	<b>\$ 727,702</b>	<b>\$ 7,313,929</b>	<b>\$ 24,811,305</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds..... \$ (161,942)

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.....	7,600,649
Depreciation expense.....	<u>(7,035,514)</u>

Net effect of reporting capital assets..... 565,135

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 unavailable revenue..... (1,608,928)

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

Capital lease principal payments.....	144,385
Proceeds from bonds and notes.....	(850,000)
Debt service principal payments.....	<u>3,555,000</u>

Net effect of reporting long-term debt..... 2,849,385

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.....	(311,000)
Net change in accrued interest on long-term debt.....	86,259
Net change in other postemployment benefits.....	(2,462,493)
Net change in deferred outflow/(inflow) of resources related to pensions.....	1,425,955
Net change in net pension liability.....	<u>(1,590,061)</u>

Net effect of recording long-term liabilities..... (2,851,340)

Change in net position of governmental activities..... \$ (1,207,690)

See notes to basic financial statements.



**PROPRIETARY FUNDS**  
STATEMENT OF NET POSITION

JUNE 30, 2015

	Business-type Sewer Enterprise
<b>ASSETS</b>	
CURRENT:	
Cash and cash equivalents.....	\$ 3,543,649
Receivables, net of allowance for uncollectibles:	
User fees.....	2,018,994
Intergovernmental.....	47,361
Total current assets.....	5,610,004
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Intergovernmental.....	154,250
Capital assets, not being depreciated.....	350,850
Capital assets, net of accumulated depreciation.....	12,996,318
Total noncurrent assets.....	13,501,418
TOTAL ASSETS.....	19,111,422
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions.....	36,247
<b>LIABILITIES</b>	
CURRENT:	
Warrants payable.....	48,608
Accrued payroll.....	15,899
Accrued interest.....	10,376
Compensated absences.....	19,000
Bonds payable.....	389,560
Total current liabilities.....	483,443
NONCURRENT:	
Other postemployment benefits.....	238,096
Net pension liability.....	877,770
Bonds payable.....	1,888,060
Total noncurrent liabilities.....	3,003,926
TOTAL LIABILITIES.....	3,487,369
<b>NET POSITION</b>	
Net invested in capital assets.....	11,209,128
Unrestricted.....	4,451,172
TOTAL NET POSITION.....	\$ 15,660,300

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	<u>Business-type Sewer Enterprise</u>
<b><u>OPERATING REVENUES:</u></b>	
Charges for services .....	\$ <u>5,175,034</u>
<b><u>OPERATING EXPENSES:</u></b>	
Cost of services and administration .....	938,247
MWRA assessment.....	2,426,073
Depreciation.....	<u>768,174</u>
 TOTAL OPERATING EXPENSES .....	 <u>4,132,494</u>
 OPERATING INCOME (LOSS).....	 <u>1,042,540</u>
<b><u>NONOPERATING REVENUES (EXPENSES):</u></b>	
Interest expense.....	(72,509)
Intergovernmental.....	<u>30,832</u>
 TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	 <u>(41,677)</u>
 INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS..	 <u>1,000,863</u>
<b><u>CAPITAL CONTRIBUTIONS:</u></b>	
Sewer betterments.....	<u>27,300</u>
<b><u>TRANSFERS:</u></b>	
Transfers out.....	<u>(290,978)</u>
 CHANGE IN NET POSITION.....	 737,185
NET POSITION AT BEGINNING OF YEAR (as revised).....	<u>14,923,115</u>
NET POSITION AT END OF YEAR.....	<u>\$ <u>15,660,300</u></u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

	<u>Business-type Sewer Enterprise</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 4,822,720
Payments to vendors.....	(3,465,807)
Payments to employees.....	<u>(332,167)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>1,024,746</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>	
Transfers out.....	<u>(290,978)</u>
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	<u>(290,978)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Acquisition and construction of capital assets.....	(642,880)
Capital contributions.....	27,300
Principal payments on bonds and notes.....	(337,264)
Interest expense.....	<u>(43,236)</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(996,080)</u>
NET CHANGE IN CASH EQUIVALENTS.....	(262,312)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>3,805,961</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 3,543,649</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ <u>1,042,540</u>
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation.....	768,174
Deferred (outflows)/inflows related to pensions.....	(36,247)
Changes in assets and liabilities:	
User fees.....	(352,314)
Warrants payable.....	(450,682)
Accrued payroll.....	163
Accrued compensated absences.....	2,000
Other postemployment benefits.....	10,693
Net pension liability.....	<u>40,419</u>
Total adjustments.....	<u>(17,794)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 1,024,746</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
Intergovernmental debt service subsidy.....	<u>\$ 77,628</u>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 336,112	\$ 302,538	\$ 394,801
Investments:			
PRIT.....	1,388,028	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	158,887
<b>TOTAL ASSETS.....</b>	<b>1,724,140</b>	<b>302,538</b>	<b>553,688</b>
<b>LIABILITIES</b>			
Liabilities due depositors.....	-	-	553,688
<b>NET POSITION</b>			
Held in trust for OPEB and other purposes.....	\$ <u>1,724,140</u>	\$ <u>302,538</u>	\$ <u>-</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS:</b>		
Contributions:		
Employer.....	\$ 550,000	\$ -
Private donations.....	-	79,505
Total contributions.....	550,000	79,505
Net investment income:		
Net change in fair value of investments.....	56,028	-
Interest.....	808	2,224
Total investment income (loss).....	56,836	2,224
TOTAL ADDITIONS.....	606,836	81,729
<b>DEDUCTIONS:</b>		
Educational scholarships.....	-	82,900
TOTAL DEDUCTIONS.....	-	82,900
CHANGE IN NET POSITION.....	606,836	(1,171)
NET POSITION AT BEGINNING OF YEAR.....	1,117,304	303,709
NET POSITION AT END OF YEAR.....	\$ 1,724,140	\$ 302,538

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, 2015, 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 2015.

<u>Joint Venture and Address</u>	<u>Purpose</u>	<u>2015 Assessment</u>
Blue Hills Regional Technical School District 800 Randolph Street, Canton, MA 02021	To provide vocational education	<u>\$ 105,640</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 position and the statement of changes in net position) 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 and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets and deferred outflows of resources, liabilities and deferred inflows of resources, etc.) for all fund of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

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 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 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 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 *other postemployment benefit trust fund* is used to account for and accumulate resources to provide funding for future OPEB (other postemployment benefit) liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

The *agency fund* is used to account for assets held in a purely custodial capacity. The Town's agency fund consists primarily of student 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 Assessors 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 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 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 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 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 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
Infrastructure.....	5-50

**H. Deferred Outflows/Inflows of Resources**

*Government-Wide Financial Statements (Net Position)*

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town did not have any items that qualify for reporting in this category.

*Governmental Fund Financial Statements*

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

I. Interfund Receivables and Payables

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

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

J. Interfund Transfers

During the course of its operations, 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 activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

*Fund Financial Statements*

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

K. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

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

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

Net position has been “restricted for” the following:

“Permanent funds – 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.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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

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

The governmental fund balance classifications are as follows:

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

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

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the 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 Town Meeting 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.

#### L. Long-term debt

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

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

##### *Governmental Fund Financial Statements*

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

#### M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Norfolk County Contributory Retirement System and Massachusetts Teachers Retirement System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### N. Investment Income

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

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

#### O. Compensated Absences

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

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

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

##### *Governmental Fund Financial Statements*

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

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

## P. Use of Estimates

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

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

## Q. Total Column

### *Government-Wide Financial Statements*

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

### *Fund Financial Statements*

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

## **NOTE 2 – CASH AND INVESTMENTS**

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the 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 (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 year-end, the carrying amount of deposits totaled \$29,645,000 and the bank balance totaled \$29,811,417. Of the bank balance, \$2,250,000 was covered by Federal Depository Insurance, \$3,018,876 was covered by the Depositors Insurance Fund, \$52,538 was covered by the Share Insurance Fund, \$219,437 was covered by Securities Investor Protector Corporation, \$15,146,895 was collateralized and \$9,123,671 was subject to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2015, the Town had the following investments:

Investment Type	Fair Value	Maturity 1-5 Years
<u>Debt Securities</u>		
Government Sponsored Enterprises...	\$ 1,535,586	\$ 1,535,586
Corporate Bonds.....	401,562	401,562
Total Debt Securities.....	1,937,148	\$ 1,937,148
<u>Other Investments</u>		
Equity Mutual Funds.....	\$ 285,050	
MMDT.....	2,159,035	
Total Investments.....	\$ 4,381,233	

In addition to the Town’s investments reported above, the OPEB Trust held \$1,724,140 at June 30, 2015, of which \$336,112 was invested in MMDT and \$1,388,028 was invested in PRIT. The effective weighted duration rate for PRIT investments ranged from 1.33 to 21.81 years.

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, 2015, 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, 2015.

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.

The Town’s investments at June 30, 2015, are rated as follows:

Investment Type	Fair Value	Quality Ratings		
		AAA	A	BBB
<u>Debt Securities:</u>				
Government Sponsored Enterprises...	\$ 1,535,586	\$ 1,535,586	\$ -	\$ -
Corporate Bonds.....	401,562	-	267,447	134,115
Total Debt Securities.....	\$ <u>1,937,148</u>	\$ <u>1,535,586</u>	\$ <u>267,447</u>	\$ <u>134,115</u>

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, 2015, the Town did not have more than 5% of the Town’s investments in with any one issuer.

**NOTE 3 – RECEIVABLES**

At June 30, 2015, 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.....	\$ 756,495	\$ -	\$ 756,495
Tax liens.....	927,305	-	927,305
Motor vehicle excise taxes.....	385,243	(91,000)	294,243
Departmental and other.....	210,110	(52,000)	158,110
Intergovernmental.....	<u>11,451,468</u>	<u>-</u>	<u>11,451,468</u>
 Total.....	 <u>\$ 13,730,621</u>	 <u>\$ (143,000)</u>	 <u>\$ 13,587,621</u>

At June 30, 2015, receivables for the fiduciary funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other.....	\$ <u>158,887</u>	\$ <u>-</u>	\$ <u>158,887</u>

At June 30, 2015, receivables for the enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Sewer fees.....	\$ 2,018,994	\$ -	\$ 2,018,994
Intergovernmental.....	<u>201,611</u>	<u>-</u>	<u>201,611</u>
 Total.....	 <u>\$ 2,220,605</u>	 <u>\$ -</u>	 <u>\$ 2,220,605</u>

Governmental funds report *unavailable 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 year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

<u>Receivable type:</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Real estate and personal property taxes.....	\$ 270,415	\$ -	\$ 270,415
Tax liens.....	927,303	-	927,303
Motor vehicle excise taxes.....	294,243	-	294,243
Departmental and other.....	38,927	119,183	158,110
Intergovernmental.....	10,094,000	918,164	11,012,164
Total.....	<u>\$ 11,624,888</u>	<u>\$ 1,037,347</u>	<u>\$ 12,662,235</u>

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

Interfund receivables and payables for the year ended June 30, 2015 are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund.....	Highway Improvement.....	\$ <u>439,304</u> (1)

(1) Represents an advance to the Highway Improvement fund to meet temporary cash flow needs.

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

<u>Transfers Out:</u>	<u>Transfers In:</u>	
	<u>General Fund</u>	
Nonmajor Governmental Fund.....	\$ 39,451	(A)
Nonmajor Governmental Fund.....	17,000	(B)
Nonmajor Governmental Fund.....	846,500	(C)
Nonmajor Governmental Fund.....	275,000	(D)
Nonmajor Governmental Fund.....	1,000	(E)
Sewer Enterprise Fund.....	290,978	(F)
Total.....	<u>\$ 1,469,929</u>	

- (A) - Transfer from Special Revenue Bond Premiums Fund to support debt service expenditures.
- (B) - Transfer from Special Revenue Revolving Funds to support conservation expenditures.
- (C) - Transfer from Special Revenue Ambulance Receipts for ambulance operations.
- (D) - Transfer from Special Revenue Sale of Lots for cemetery operations.
- (E) - Transfer from Cemetery Perpetual Care Fund to support cemetery expenditures.
- (F) - Transfer from Sewer Fund to the General Fund.

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015, 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.....	-	1,341,772	-	1,341,772
<b>Total capital assets not being depreciated.....</b>	<b>5,858,382</b>	<b>1,341,772</b>	<b>-</b>	<b>7,200,154</b>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	108,128,925	604,160	-	108,733,085
Vehicles.....	8,233,798	385,208	(313,025)	8,305,981
Machinery and equipment.....	12,259,279	779,090	-	13,038,369
Infrastructure.....	88,625,294	4,490,419	-	93,115,713
<b>Total capital assets being depreciated.....</b>	<b>217,247,296</b>	<b>6,258,877</b>	<b>(313,025)</b>	<b>223,193,148</b>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(33,775,911)	(2,833,350)	-	(36,609,261)
Vehicles.....	(4,889,807)	(925,518)	313,025	(5,502,300)
Machinery and equipment.....	(9,942,572)	(877,160)	-	(10,819,732)
Infrastructure.....	(55,656,646)	(2,399,486)	-	(58,056,132)
<b>Total accumulated depreciation.....</b>	<b>(104,264,936)</b>	<b>(7,035,514)</b>	<b>313,025</b>	<b>(110,987,425)</b>
<b>Total capital assets being depreciated, net.....</b>	<b>112,982,360</b>	<b>(776,637)</b>	<b>-</b>	<b>112,205,723</b>
<b>Total governmental activities capital assets, net.....</b>	<b>\$ 118,840,742</b>	<b>\$ 565,135</b>	<b>\$ -</b>	<b>\$ 119,405,877</b>

	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.....	27,074,977	642,880	-	27,717,857
Other buildings and improvements.....	6,339,070	-	-	6,339,070
Vehicles.....	448,343	-	-	448,343
Machinery and equipment.....	510,212	-	-	510,212
Total capital assets being depreciated.....	34,372,602	642,880	-	35,015,482
<u>Less accumulated depreciation for:</u>				
Plant and infrastructure.....	(16,930,446)	(528,723)	-	(17,459,169)
Other buildings and improvements.....	(3,605,255)	(123,548)	-	(3,728,803)
Vehicles.....	(411,176)	(14,583)	-	(425,759)
Machinery and equipment.....	(304,113)	(101,320)	-	(405,433)
Total accumulated depreciation.....	(21,250,990)	(768,174)	-	(22,019,164)
Total capital assets being depreciated, net.....	13,121,612	(125,294)	-	12,996,318
Total business-type activities capital assets, net.....	\$ 13,472,462	\$ (125,294)	\$ -	\$ 13,347,168

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

**Governmental Activities:**

General government.....	\$ 212,205
Public safety.....	451,426
Education.....	2,869,148
Public works.....	2,804,985
Human services.....	25,805
Culture and recreation.....	671,945

Total depreciation expense - governmental activities..... \$ 7,035,514

**Business-Type Activities:**

Sewer.....	\$ <u>768,174</u>
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**NOTE 6 – CAPITAL LEASES**

The Town has entered into a lease agreement for financing the acquisition of a fire truck. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The asset acquired through a capital lease is as follows:

<u>Asset:</u>		<u>Governmental Activities</u>
Vehicles.....	\$	748,083
Accumulated depreciation.....		<u>(224,425)</u>
 Total.....	 \$	 <u><u>523,658</u></u>

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

<u>Years Ending June 30</u>		<u>Governmental Activities</u>
2016.....	\$	151,043
2017.....		151,043
2018.....		<u>151,042</u>
 Total minimum lease payments.....		 453,128
 Less: amounts representing interest.....		 <u>(18,301)</u>
 Present value of minimum lease payments.....	 \$	 <u><u>434,827</u></u>

**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.

Details related to the short-term debt activity for the year ended June 30, 2015, is as follows:

Type	Purpose	Issue Date	Maturity Date	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Retired	Outstanding at June 30, 2015
BAN	Police Station Planning.....	6/18/15	09/02/15	1.50	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
BAN	Fire Station Planning.....	6/18/15	09/02/15	1.50	-	850,000	(850,000)	-
Total Governmental.....					\$ -	\$ 1,850,000	\$ (850,000)	\$ 1,000,000

On September 2, 2015, the Town rolled \$850,000 of BANS outstanding into a \$10,450,000 long-term bond. The \$850,000 has been recorded as long-term debt as of year-end. The remaining \$1,000,000 BAN was rolled into a BAN with interest of .45% due on September 2, 2016.

### 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, 2015, and the debt service requirements follow.

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Municipal Purpose Bonds of 2008.....	2023	\$ 3,830,000	3.50 - 4.00	\$ 1,770,000	\$ -	\$ (335,000)	\$ 1,435,000
Municipal Purpose Bonds of 2009.....	2029	3,500,000	2.13 - 5.00	2,625,000	-	(175,000)	2,450,000
Municipal Purpose Bonds of 2010.....	2031	9,300,000	3.25 - 4.00	7,905,000	-	(465,000)	7,440,000
Municipal Purpose Refunding Bonds of 2012...	2023	19,095,000	2.00 - 4.00	16,695,000	-	(1,975,000)	14,720,000
Municipal Purpose Bonds of 2013.....	2022	4,635,000	2.00 - 3.00	3,705,000	-	(465,000)	3,240,000
Municipal Purpose Bonds of 2014.....	2024	1,400,000	2.00 - 2.50	1,400,000	-	(140,000)	1,260,000
Municipal Purpose Bonds of 2015.....	2036	850,000	2.5 - 5.00	-	850,000	-	850,000
Total Future Debt Service Requirements.....				34,100,000	850,000	(3,555,000)	31,395,000
Unamortized Premium on Bonds.....				701,249	-	(77,917)	623,332
Total Governmental Bonds Payable.....				34,801,249	850,000	(3,632,917)	32,018,332
Municipal Purpose Bonds of 1998 (MCWT).....	2019	3,220,700	3.88	964,300	-	(181,600)	782,700
MWRA Notes 2013.....	2017	212,300	0.00	127,380	-	(42,460)	84,920
Municipal Purpose Bonds of 2014.....	2024	1,570,000	2.00 - 2.50	1,570,000	-	(160,000)	1,410,000
Total Enterprise Bonds Payable.....				2,661,680	-	(384,060)	2,277,620
Total General Obligation Bonds Payable.....				\$ 37,462,929	\$ 850,000	\$ (4,016,977)	\$ 34,295,952

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

Year	Principal	Interest	Total
2016.....	\$ 3,470,000	\$ 1,075,506	\$ 4,545,506
2017.....	3,487,500	985,534	4,473,034
2018.....	3,322,500	861,346	4,183,846
2019.....	3,267,500	746,810	4,014,310
2020.....	3,252,500	616,735	3,869,235
2021.....	3,232,500	496,560	3,729,060
2022.....	3,192,500	392,305	3,584,805
2023.....	2,707,500	293,900	3,001,400
2024.....	822,500	208,882	1,031,382
2025.....	682,500	180,332	862,832
2026.....	682,500	153,770	836,270
2027.....	682,500	127,518	810,018
2028.....	682,500	100,419	782,919
2029.....	682,500	73,125	755,625
2030.....	507,500	45,594	553,094
2031.....	507,500	25,719	533,219
2032.....	42,500	5,844	48,344
2033.....	42,500	4,569	47,069
2034.....	42,500	3,294	45,794
2035.....	42,500	1,992	44,492
2036.....	42,500	664	43,164
Total.....	\$ <u>31,395,000</u>	\$ <u>6,400,415</u>	\$ <u>37,795,415</u>

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

Year	Principal	Interest	Total
2016.....	\$ 389,560	\$ 61,142	\$ 450,702
2017.....	395,260	48,904	444,164
2018.....	358,500	32,639	391,139
2019.....	359,300	24,096	383,396
2020.....	155,000	15,888	170,888
2021.....	155,000	12,788	167,788
2022.....	155,000	9,688	164,688
2023.....	155,000	6,588	161,588
2024.....	155,000	3,488	158,488
Total.....	\$ <u>2,277,620</u>	\$ <u>215,217</u>	\$ <u>2,492,837</u>

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 2015, approximately \$1,401,000 of such assistance was received. Approximately \$11,210,000 will be received in future years. Of this amount, approximately \$1,116,000 represents reimbursement of long-term interest costs, and approximately \$10,094,000 represents reimbursement of approved construction costs. Accordingly, a \$10,094,000 intergovernmental receivable and corresponding



unavailable 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 Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$201,611 and interest costs for \$62,351. The principal subsidies are guaranteed and therefore a \$201,611 intergovernmental receivable has been recorded in the sewer enterprise fund at June 30, 2015. Net MCWT loan repayments, including interest, are scheduled to be \$590,367. Since the Town is legally obligated for the total amount of the debt, such amounts have been recorded in the accompanying basic financial statements. During 2015 the principal subsidy totaled \$46,796 and the interest subsidy totaled \$30,832.

The Town is a member of the Massachusetts Water Resources Authority (MWRA) which offers its members interest free loans for various purposes. The Town has \$84,920 in loans outstanding at June 30, 2015. 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, 2015, the Town had the following authorized and unissued debt:

Purpose	Date Voted	Article	Amount Authorized and Unissued
Fire Construction.....	5/4/2015	11	\$ 8,650,000
LED Street Lights.....	5/4/2015	13	500,000
Cemetery Expansion.....	5/4/2015	14	450,000
Total.....			<u>\$ 9,600,000</u>

Changes in Long-Term Liabilities

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

	Balance at June 30, 2014	Additions	Retirements and Other	Balance at June 30, 2015	Current Portion
<b>Governmental Activities:</b>					
Long-Term Bonds.....	\$ 34,100,000	\$ 850,000	\$ (3,555,000)	\$ 31,395,000	\$ 3,470,000
Unamortized Premium on Bonds.....	701,249	-	(77,917)	623,332	77,917
Other Postemployment Benefits.....	20,068,909	5,065,429	(2,602,936)	22,531,402	-
Capital Lease Obligations.....	579,212	-	(144,385)	434,827	141,955
Compensated Absences.....	1,592,000	1,375,000	(1,064,000)	1,903,000	1,196,000
Net Pension Liability.....	32,940,889	1,590,061	-	34,530,950	-
Total Governmental Activities.....	<u>89,982,259</u>	<u>8,880,490</u>	<u>(7,444,238)</u>	<u>91,418,511</u>	<u>4,885,872</u>
<b>Business-Type Activities:</b>					
Long-Term Bonds.....	2,661,680	-	(384,060)	2,277,620	389,560
Other Postemployment Benefits.....	237,244	156,663	(155,811)	238,096	-
Compensated Absences.....	17,000	19,000	(17,000)	19,000	19,000
Net Pension Liability.....	837,351	40,419	-	877,770	-
Total Business-Type Activities.....	<u>3,753,275</u>	<u>216,082</u>	<u>(556,871)</u>	<u>3,412,486</u>	<u>408,560</u>
Total.....	<u>\$ 93,735,534</u>	<u>\$ 9,096,572</u>	<u>\$ (8,001,109)</u>	<u>\$ 94,830,997</u>	<u>\$ 5,294,432</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 classifies fund balances according to the constraints imposed on the use of those resources. There are two major types of fund balances, which are nonspendable and spendable.

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

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

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

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

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to or appropriations from the fund required a two-thirds vote of the legislative body. At year end the balance of the General Stabilization fund is \$2.7 million and is reported as unassigned fund balance within the General Fund.

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

	<u>General</u>	<u>University Station</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Permanent fund principal..... \$	-	-	\$ 361,891	\$ 361,891
Restricted for:				
University station.....	-	727,702	-	727,702
Town grants and revolving funds.....	-	-	2,529,708	2,529,708
School lunch.....	-	-	138,086	138,086
Ambulance fund.....	-	-	477,622	477,622
School grants and revolving funds.....	-	-	3,253,078	3,253,078
Expendable governmental trusts.....	-	-	80,265	80,265
Roadway improvements.....	-	-	84,968	84,968
School building renovations.....	-	-	23,349	23,349
Facility renovations.....	-	-	268,839	268,839
Cemetery.....	-	-	19,678	19,678
Other nonexpendable trust funds.....	-	-	76,445	76,445
Committed to:				
Selectmen.....	100,704	-	-	100,704
Assessors department.....	40,967	-	-	40,967
Information systems.....	323,961	-	-	323,961
University Station.....	4,222,086	-	-	4,222,086
Police department.....	190,565	-	-	190,565
Fire department.....	528,901	-	-	528,901
Education.....	357,371	-	-	357,371
Public works equipment.....	167,515	-	-	167,515
Municipal buliding repairs.....	126,823	-	-	126,823
Cemetery.....	10,440	-	-	10,440
Assigned to:				
Selectmen.....	115	-	-	115
Information systems.....	3,795	-	-	3,795
Town clerk.....	1,346	-	-	1,346
Economic development task force.....	461	-	-	461
Police department.....	1,012	-	-	1,012
Fire department.....	270	-	-	270
Education salaries.....	1,135,599	-	-	1,135,599
Education expenses.....	57,233	-	-	57,233
Public works.....	4,460	-	-	4,460
School and field maintenance.....	2,625	-	-	2,625
Street lighting.....	18,105	-	-	18,105
Waste/collection/disposal.....	24,239	-	-	24,239
Human services.....	512	-	-	512
Library expenses.....	3,460	-	-	3,460
Unassigned.....	9,447,109	-	-	9,447,109
<b>TOTAL FUND BALANCES..... \$</b>	<b><u>16,769,674</u></b>	<b><u>\$ 727,702</u></b>	<b><u>\$ 7,313,929</u></b>	<b><u>\$ 24,811,305</u></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 years.

On July 1, 2015, the Town joined the Commonwealth of Massachusetts' Group Insurance Commission (GIC) which offers premium based insurance plans to GIC members. The GIC sets the rates for participating municipalities annually. Municipalities participating in the GIC plans are assessed a .05% administrative fee on their premium over what the State employees pay.

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 2015 totaled \$246,000 and are recorded in the general fund.

The Town is self-insured for the workers' compensation claims of police officers and firefighters and are paid on a pay-as-you-go basis from the General Fund. The estimated liability for workers' compensation claims is based on history and injury type. The Town's liability is not material at June 30, 2015, and therefore is not reported.

The Town is self-insured for unemployment compensation. During 2015, the Town appropriated \$112,000 to provide for anticipated costs of unemployment benefits. During 2015, claims related to unemployment compensation totaled \$50,000. The liability for unemployment compensation was not material at June 30, 2015, and therefore is not reported.

**NOTE 11 – STABILIZATION FUND**

The Town has \$2.7 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.

**NOTE 12 – PENSION PLAN***Plan Description*

The Town is a member of the Norfolk County Retirement System (NCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 41 member units. The system is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. A copy of their audited financial report may be obtained by visiting <http://www.norfolkcountyretirement.org>.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

### *Special Funding Situation*

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2014. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$4,390,899 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$63,201,321 as of the measurement date.

### *Benefits Provided*

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

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

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

There were no changes of benefit terms that affected measurement of the total pension liability since the prior measurement date.

### *Contributions*

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the NCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2014 was \$3,303,348, 19.60% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

*Pension Liabilities*

At June 30, 2015, the Town reported a liability of \$35,408,720 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2014, the Town's proportion was 6.83%, which did not change from its proportion measured at December 31, 2013.

*Pension Expense*

For the year ended June 30, 2015, the Town recognized a pension expense of \$3,471,626. At June 30, 2015, the Town reported deferred outflows of resources related to pensions of \$1,462,202, from the net difference between projected and actual investment earnings on pension plan investments. Since the System performs an actuarial valuation bi-annually, there are not reported differences between expected and actual experience or a change of assumptions as of December 31, 2014.

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

Year ended June 30:	
2016.....	\$ 365,551
2017.....	365,551
2018.....	365,550
2019.....	<u>365,550</u>
 Total.....	 \$ <u>1,462,202</u>

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

Valuation date.....	January 1, 2014
Actuarial cost method.....	Entry Age Normal Actuarial Cost Method.
Amortization method.....	Payments increase at 4.0%, except for 2002 and 2003 Early Retirement Incentive, which is 4.5.
Remaining amortization period.....	Full funding to be achieved by 2031.
Asset valuation method.....	Market value as reported by the Public Employees' Retirement Administration (PERAC)
Inflation rate.....	4.50%
Projected salary increases.....	4.00%
Cost of living adjustments.....	3.0% of the first \$15,000 of retirement income.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.

Rates of disability.....	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).
Mortality Rates:	
Pre-Retirement and Post-Retirement.....	The RP-2000 Employee Mortality Table for males and females, adjusted to 2015 with a Scale AA.
Disabled Retiree.....	The RP-2000 Mortality Table set forward two years.
Investment rate of return/Discount rate.....	8.25%

*Investment policy*

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of January 1, 2014, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	32.00%	7.70%
International equities.....	17.50%	6.40%
Fixed income.....	19.00%	1.90%
Real estate.....	9.00%	5.20%
Real assets.....	5.00%	5.50%
Hedge funds.....	9.00%	5.50%
Private equity.....	8.50%	11.90%

*Rate of return*

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.07%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount rate*

The discount rate used to measure the total pension liability was 8.25%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net position liability, calculated using the discount rate of 8.25%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.25%) or 1-percentage-point higher (9.25%) than the current rate:

	1% Decrease (7.25%)	Current Discount (8.25%)	1% Increase (9.25%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
The Town's proportionate share of the net pension liability.....	\$ 44,436,385	\$ 35,408,720	\$ 27,649,966

*Pension plan fiduciary net position*

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

**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 2015, the Town contributed approximately \$2.7 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.....	\$	4,977,500
Interest on net OPEB obligation.....		1,065,556
Amortization of net OPEB obligation.....		<u>(820,964)</u>
Annual OPEB cost (expense).....		5,222,092
Contributions made.....		<u>(2,748,906)</u>
Increase/(Decrease) in net OPEB obligation.....		2,473,186
Net OPEB obligation-beginning of year.....		<u>20,296,312</u>
Net OPEB obligation-end of year.....	\$	<u><u>22,769,498</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for years 2013, 2014 and 2015 were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 5,222,092	53%	\$ 22,769,498
6/30/2014	4,952,164	51%	20,296,312
6/30/2013	5,240,423	36%	17,848,642

*Funded Status and Funding Progress* – As of June 30, 2013, the most recent actuarial valuation date, the actuarial value of assets totaled \$612,433, the actuarial accrued liability for benefits totaled \$56,528,705 and \$55,916,272 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$40,499,858, and the ratio of the UAAL to the covered payroll was 138%.

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, 2013 actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. Plan membership includes 421 active members and 400 retirees, beneficiaries and dependents. The actuarial assumptions included a discount rate of 5.25%; a 7.75% asset rate of 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 healthcare cost trend rate of 7.5% initially, graded to 5.0% inflation rate over 5 years; and a 6.0% increase per year in the part B premium trend rate. The 5.25% partially funded discount rate is based on the blending of a funded discount rate of 7.75% and a pay-as-you-go discount rate of 4.00%. 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 asset valuation method used is market value. The remaining amortization period at June 30, 2015 is 30 years.

### **NOTE 13 – COMMITMENTS**

#### University Station Project

University Station, the Town's high profile commercial development project, significantly advanced in 2015. The project is scheduled to include over two million square feet of new mixed use development including residential, commercial, hotel, office, and retail components. The developer demolished all the existing structures and completed the installation of all utilities and layouts of the new road systems and intersection improvements. At year end, construction of residential and retail units is well under way. All local and state approvals were given for the first phase of the project which began construction in 2014 and as of year-end half the development has or is about to receive occupancy permits. Many of the stores and restaurants opened in spring 2015 with more anticipated in fall 2015. Advancement of this project will significantly enhance the town's tax base.

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 an \$85 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.

### **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, 2015, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although 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, 2015, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2015.

**NOTE 15 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 6, 2015, which is the date the financial statements were available to be issued. On September 2, 2015, the Town rolled \$850,000 of BANS outstanding into a \$10,450,000 long-term bond. The \$850,000 has been recorded as long-term debt as of year-end. The remaining \$1,000,000 BAN was rolled into a BAN with interest of .45% due on September 2, 2016.

**NOTE 16 – REVISION OF STATEMENT OF NET POSITION**

In accordance with GASB 68, the Town has recorded its net pension liability for the first time in 2015 and has revised the beginning net position of both the governmental and business-type activities as follows:

Description	6/30/2014 Previously Reported Balances	Implementation of GASBS 68, & 71	6/30/2014 Revised Balances
Governmental activities.....	\$ 100,803,493	\$ (32,940,889)	\$ 67,862,604
Business-type activities.....	<u>15,760,466</u>	<u>(837,351)</u>	<u>14,923,115</u>
Total.....	<u>\$ 116,563,959</u>	<u>\$ (33,778,240)</u>	<u>\$ 82,785,719</u>

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

During 2015, the following GASB pronouncements were implemented:

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

The following GASB pronouncements will be implemented in the future:

- The GASB issued *Statement #72, Fair Value Measurement and Application*, which is required to be implemented in 2016.
- The GASB issued *Statement #73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* The provisions of this Statement are effective for 2016—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which is required to be implemented in 2017.

- The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in 2016.
- The GASB issued Statement #77, *Tax Abatement Disclosures*, which is required to be implemented in 2017.

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

***Required Supplementary Information***

# *General Fund*

## *Budgetary Comparison Schedule*

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

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		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.....	\$ 61,424,783	\$ 61,424,783	\$ 61,576,826	\$ -	\$ 152,043
Motor vehicle excise taxes.....	2,285,000	2,285,000	3,057,593	-	772,593
University Station permits.....	905,000	905,000	905,000	-	-
Penalties and interest on taxes.....	80,000	80,000	172,557	-	92,557
Fees and rentals.....	259,000	259,000	379,437	-	120,437
Licenses and permits.....	400,000	400,000	771,232	-	371,232
Fines and forfeitures.....	10,000	10,000	32,464	-	22,464
Intergovernmental.....	6,883,251	6,883,251	6,929,149	-	45,898
Departmental and other.....	253,000	253,000	299,838	-	46,838
Investment income.....	25,000	25,000	28,388	-	3,388
<b>TOTAL REVENUES.....</b>	<b>72,525,034</b>	<b>72,525,034</b>	<b>74,152,484</b>	<b>-</b>	<b>1,627,450</b>
<b>EXPENDITURES:</b>					
<b>SELECTMEN</b>					
Salaries.....	484,333	484,333	483,262	-	1,071
Expenditures.....	53,820	53,820	53,152	115	553
<b>TOTAL.....</b>	<b>538,153</b>	<b>538,153</b>	<b>536,414</b>	<b>115</b>	<b>1,624</b>
<b>FINANCE COMMISSION</b>					
Salaries.....	42,141	66,141	65,244	-	897
Expenditures.....	21,763	24,763	24,043	-	720
<b>TOTAL.....</b>	<b>63,904</b>	<b>90,904</b>	<b>89,287</b>	<b>-</b>	<b>1,617</b>
<b>ACCOUNTING</b>					
Salaries.....	208,534	208,534	208,434	-	100
Expenditures.....	5,300	5,300	4,748	-	552
<b>TOTAL.....</b>	<b>213,834</b>	<b>213,834</b>	<b>213,182</b>	<b>-</b>	<b>652</b>
<b>AUDIT-SCHOOL &amp; MUNICIPAL FINANCIALS</b>					
Professional Services.....	57,750	57,750	49,930	-	7,820
<b>ASSESSORS</b>					
Salaries.....	193,209	201,909	200,511	-	1,398
Expenditures.....	21,432	21,432	16,576	-	4,856
<b>TOTAL.....</b>	<b>214,641</b>	<b>223,341</b>	<b>217,087</b>	<b>-</b>	<b>6,254</b>
<b>TREASURER</b>					
Salaries.....	92,324	92,324	89,188	-	3,136
Expenditures.....	12,250	12,250	10,412	-	1,838
<b>TOTAL.....</b>	<b>104,574</b>	<b>104,574</b>	<b>99,600</b>	<b>-</b>	<b>4,974</b>
<b>COLLECTOR</b>					
Salaries.....	111,741	114,541	114,494	-	47
Expenditures.....	74,775	74,775	74,578	-	197
<b>TOTAL.....</b>	<b>186,516</b>	<b>189,316</b>	<b>189,072</b>	<b>-</b>	<b>244</b>
<b>LEGAL</b>					
Salaries.....	95,111	95,111	94,792	-	319
Expenditures.....	104,500	104,500	103,700	-	800
<b>TOTAL.....</b>	<b>199,611</b>	<b>199,611</b>	<b>198,492</b>	<b>-</b>	<b>1,119</b>

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
<b>PERSONNEL BOARD</b>					
Salaries.....	198,302	198,302	197,761	-	541
Expenditures.....	7,500	7,500	2,609	-	4,891
TOTAL.....	205,802	205,802	200,370	-	5,432
<b>INFORMATION SYSTEMS</b>					
Salaries.....	262,243	262,243	245,757	-	16,486
Expenditures.....	66,902	66,902	58,957	3,795	4,150
TOTAL.....	329,145	329,145	304,714	3,795	20,636
<b>TOWN CLERK</b>					
Salaries.....	145,464	145,464	139,170	1,000	5,294
Expenditures.....	61,552	61,552	51,550	346	9,656
TOTAL.....	207,016	207,016	190,720	1,346	14,950
<b>CONSERVATION COMMISSION</b>					
Salaries.....	48,051	48,051	47,063	-	988
Expenditures.....	10,784	10,784	3,188	-	7,596
TOTAL.....	58,835	58,835	50,251	-	8,584
<b>PLANNING BOARD</b>					
Salaries.....	112,719	112,719	74,137	-	38,582
Expenditures.....	3,100	3,100	2,819	-	281
TOTAL.....	115,819	115,819	76,956	-	38,863
<b>ZONING BOARD OF APPEALS</b>					
Salaries.....	28,266	28,266	27,414	-	852
Expenditures.....	1,867	1,867	493	-	1,374
TOTAL.....	30,133	30,133	27,907	-	2,226
<b>ECONOMIC DEVELOPMENT TASK FORCE</b>					
Salaries.....	105,093	105,093	101,313	-	3,780
Expenditures.....	42,250	42,250	41,515	461	274
TOTAL.....	147,343	147,343	142,828	461	4,054
<b>OUTSIDE PROFESSIONAL SERVICES</b>					
Expenditures.....	52,000	52,000	50,798	-	1,202
<b>MASS HOUSING PARTNERSHIP/ HOUSING AUTHORITY</b>					
Salaries.....	24,667	24,667	24,080	-	587
Expenditures.....	1,200	1,200	290	-	910
	25,867	25,867	24,370	-	1,497
<b>OFFICE COMMUNICATIONS</b>					
Expenditures.....	145,000	145,000	144,600	-	400
<b>TRAINING</b>					
Expenditures.....	15,000	15,000	14,045	-	955
<b>CHARTER COMMISSION</b>					
Expenditures.....	25,000	25,000	12,784	-	12,216
Total General Government.....	2,935,943	2,974,443	2,833,407	5,717	135,319

(Continued)



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

YEAR ENDED JUNE 30, 2015

	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.....	3,167,512	3,167,512	3,167,285	-	227
Expenditures.....	242,425	242,425	220,215	1,012	21,198
<b>TOTAL.....</b>	<b>3,409,937</b>	<b>3,409,937</b>	<b>3,387,500</b>	<b>1,012</b>	<b>21,425</b>
<b>ANIMAL CONTROL</b>					
Salaries.....	50,602	50,602	50,110	-	492
Expenditures.....	9,050	9,050	4,542	-	4,508
<b>TOTAL.....</b>	<b>59,652</b>	<b>59,652</b>	<b>54,652</b>	<b>-</b>	<b>5,000</b>
<b>CROSSING GUARDS</b>					
Salaries.....	101,709	101,709	96,270	-	5,439
Expenditures.....	4,900	4,900	1,799	-	3,101
<b>TOTAL.....</b>	<b>106,609</b>	<b>106,609</b>	<b>98,069</b>	<b>-</b>	<b>8,540</b>
<b>FIRE DEPARTMENT</b>					
Salaries.....	3,106,850	3,106,850	3,105,653	-	1,197
Expenditures.....	304,674	304,674	303,154	270	1,250
<b>TOTAL.....</b>	<b>3,411,524</b>	<b>3,411,524</b>	<b>3,408,807</b>	<b>270</b>	<b>2,447</b>
<b>BUILDING INSPECTION</b>					
Salaries.....	286,794	286,794	281,380	-	5,414
Expenditures.....	35,025	35,025	18,362	-	16,663
<b>TOTAL.....</b>	<b>321,819</b>	<b>321,819</b>	<b>299,742</b>	<b>-</b>	<b>22,077</b>
<b>CIVIL DEFENSE.....</b>	<b>3,000</b>	<b>3,000</b>	<b>290</b>	<b>-</b>	<b>2,710</b>
<b>Total Public Safety.....</b>	<b>7,312,541</b>	<b>7,312,541</b>	<b>7,249,060</b>	<b>1,282</b>	<b>62,199</b>
<b>EDUCATION</b>					
<b>PUBLIC SCHOOLS</b>					
Salaries and expenditures.....	39,043,802	39,043,802	37,827,228	1,192,832	23,742
<b>BLUE HILLS REGIONAL.....</b>	<b>109,523</b>	<b>109,523</b>	<b>105,640</b>	<b>-</b>	<b>3,883</b>
<b>Total Education.....</b>	<b>39,153,325</b>	<b>39,153,325</b>	<b>37,932,868</b>	<b>1,192,832</b>	<b>27,625</b>

(Continued)

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

YEAR ENDED JUNE 30, 2015

	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.....	1,594,320	1,720,620	1,719,286	-	1,334
Expenditures.....	498,350	498,350	490,119	4,261	3,970
<b>TOTAL.....</b>	<b>2,092,670</b>	<b>2,218,970</b>	<b>2,209,405</b>	<b>4,261</b>	<b>5,304</b>
<b>BUILDING MAINTENANCE</b>					
Expenditures.....	706,336	706,336	689,483	199	16,654
<b>MUNICIPAL &amp; SCHOOL FIELD MAINTENANCE</b>					
Expenditures.....	120,000	120,000	117,372	2,625	3
<b>SNOW &amp; ICE</b>					
Expenditures.....	250,000	625,000	798,826	-	(173,826)
<b>STREET LIGHTING</b>					
Expenditures.....	140,000	140,000	118,636	18,105	3,259
<b>WASTE/COLLECTION/DISPOSAL</b>					
Expenditures.....	1,249,000	1,249,000	1,224,323	24,239	438
<b>Total Public Works.....</b>	<b>4,558,006</b>	<b>5,059,306</b>	<b>5,158,045</b>	<b>49,429</b>	<b>(148,168)</b>
<b>HEALTH AND HUMAN SERVICES</b>					
<b>HEALTH DIVISION</b>					
Salaries.....	252,473	252,473	252,445	-	28
Expenditures.....	9,300	9,300	7,363	177	1,760
<b>TOTAL.....</b>	<b>261,773</b>	<b>261,773</b>	<b>259,808</b>	<b>177</b>	<b>1,788</b>
<b>OUTSIDE HEALTH AGENCIES.....</b>	<b>13,416</b>	<b>13,416</b>	<b>12,436</b>	<b>-</b>	<b>980</b>
<b>DISABILITY COMMISSION</b>					
Expenditures.....	500	500	-	-	500
<b>COUNCIL ON AGING</b>					
Salaries.....	235,766	243,766	243,426	-	340
Expenditures.....	27,032	27,032	26,978	-	54
<b>TOTAL.....</b>	<b>262,798</b>	<b>270,798</b>	<b>270,404</b>	<b>-</b>	<b>394</b>
<b>YOUTH COMMISSION</b>					
Salaries.....	189,887	212,887	212,244	-	643
Expenditures.....	16,793	16,793	14,715	335	1,743
<b>TOTAL.....</b>	<b>206,680</b>	<b>229,680</b>	<b>226,959</b>	<b>335</b>	<b>2,386</b>
<b>VETERANS SERVICES</b>					
Salaries.....	29,557	29,557	28,916	-	641
Expenditures.....	92,300	92,300	60,634	-	31,666
<b>TOTAL.....</b>	<b>121,857</b>	<b>121,857</b>	<b>89,550</b>	<b>-</b>	<b>32,307</b>
<b>Total Health and Human Services.....</b>	<b>867,024</b>	<b>898,024</b>	<b>859,157</b>	<b>512</b>	<b>38,355</b>

(Continued)

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

YEAR ENDED JUNE 30, 2015

	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.....	273,550	273,550	273,446	-	104
Expenditures.....	15,784	15,784	15,720	-	64
<b>TOTAL.....</b>	<b>289,334</b>	<b>289,334</b>	<b>289,166</b>	<b>-</b>	<b>168</b>
<b>PUBLIC LIBRARY</b>					
Salaries.....	880,038	923,038	920,425	-	2,613
Expenditures.....	237,656	237,656	229,008	3,460	5,188
Lost Books.....	1,525	1,525	1,525	-	-
<b>TOTAL.....</b>	<b>1,119,219</b>	<b>1,162,219</b>	<b>1,150,958</b>	<b>3,460</b>	<b>7,801</b>
<b>MEMORIAL DAY</b>					
Expenditures.....	12,050	12,050	7,939	-	4,111
<b>Total Culture and Recreation.....</b>	<b>1,420,603</b>	<b>1,463,603</b>	<b>1,448,063</b>	<b>3,460</b>	<b>12,080</b>
<b>PENSION BENEFITS</b>					
Contributory Pension.....	3,223,709	3,223,709	3,223,173	-	536
Non-Contributory Pension.....	34,000	34,000	33,907	-	93
<b>Total Pension Benefits.....</b>	<b>3,257,709</b>	<b>3,257,709</b>	<b>3,257,080</b>	<b>-</b>	<b>629</b>
<b>INSURANCE</b>					
General Liability.....	402,000	402,000	401,257	-	743
<b>UNIVERSITY STATION.....</b>	<b>5,327,657</b>	<b>5,327,657</b>	<b>1,105,567</b>	<b>4,222,086</b>	<b>4</b>
<b>CAPITAL OUTLAY.....</b>	<b>3,222,156</b>	<b>3,671,665</b>	<b>1,819,994</b>	<b>1,847,247</b>	<b>4,424</b>
<b>EMPLOYEE BENEFITS.....</b>	<b>7,294,997</b>	<b>7,294,997</b>	<b>7,230,271</b>	<b>-</b>	<b>64,726</b>
<b>RESERVE FUND.....</b>	<b>625,000</b>	<b>301,717</b>	<b>-</b>	<b>-</b>	<b>301,717</b>
<b>STATE AND COUNTY ASSESSMENTS.....</b>	<b>587,371</b>	<b>587,371</b>	<b>591,182</b>	<b>-</b>	<b>(3,811)</b>
<b>DEBT SERVICE PRINCIPAL.....</b>	<b>3,861,138</b>	<b>3,861,138</b>	<b>3,555,000</b>	<b>-</b>	<b>306,138</b>
<b>DEBT SERVICE INTEREST.....</b>	<b>1,146,459</b>	<b>1,146,459</b>	<b>1,146,459</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES.....</b>	<b>81,971,929</b>	<b>82,711,955</b>	<b>74,587,410</b>	<b>7,322,565</b>	<b>801,980</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(9,446,895)</b>	<b>(10,186,921)</b>	<b>(434,926)</b>	<b>(7,322,565)</b>	<b>2,429,430</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....	1,338,929	1,469,929	1,469,929	-	-
Transfers out.....	(100,000)	(100,000)	(100,000)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>1,238,929</b>	<b>1,369,929</b>	<b>1,369,929</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(8,207,966)</b>	<b>(8,816,992)</b>	<b>935,003</b>	<b>(7,322,565)</b>	<b>2,429,430</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>13,737,520</b>	<b>13,737,520</b>	<b>13,737,520</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ 5,529,554</b>	<b>\$ 4,920,528</b>	<b>\$ 14,672,523</b>	<b>\$ (7,322,565)</b>	<b>\$ 2,429,430</b>

See notes to required supplementary information.

(Concluded)

# *Retirement System Schedules*

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

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

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

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

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

---

	December 31, 2014
Town's proportion of the net pension liability (asset).....	6.827%
Town's proportionate share of the net pension liability (asset)..... \$	35,408,720
Town's covered employee payroll (*)..... \$	16,856,918
Net pension liability as a percentage of covered-employee payroll.....	210.05%
Plan fiduciary net position as a percentage of the total pension liability.....	60.10%

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

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

See notes to required supplementary information.

**SCHEDULE OF CONTRIBUTIONS**

	December 31, 2014
Actuarially determined contribution (a).....	\$ 3,303,348
Contributions in relation to the actuarially determined contribution.....	(3,303,348)
Contribution deficiency (excess).....	\$ -
 Covered-employee payroll (*).....	 \$ 16,856,918
 Contributions as a percentage of covered- employee payroll.....	 19.60%

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

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

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

See notes to required supplementary information.

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

---

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

<u>Fiscal Year</u>	<u>Commonwealth's 100% Share of the Net Pension Liability Associated with the Town</u>	<u>Town's Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2015.....	\$ 63,201,321	\$ 4,390,899	61.64%

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

See notes to required supplementary information.

# *Other Postemployment Benefits Plan Schedules*

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

The Schedule of Employer Contributions 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)
6/30/2013	\$ 612,433	\$ 56,528,705	\$ 55,916,272	1%	\$ 40,499,858	138.1%
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**

Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
2015	\$ 4,977,500	\$ 2,748,906	55%
2014	4,737,069	2,504,494	53%
2013	5,143,808	1,884,014	37%
2012	4,891,733	1,751,826	36%
2011	4,502,956	1,156,674	26%
2010	4,260,901	1,078,212	25%

See notes to required supplementary information.

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

---

Actuarial Methods:

Valuation date.....	June 30, 2013
Actuarial cost method.....	Projected credit unit
Amortization method.....	30 year level percent of pay assuming a 4.0% annual increase, open.
Remaining amortization period.....	30 years as of June 30, 2014
Asset valuation method	Market Value

Actuarial Assumptions:

Investment rate of return.....	7.75%
Discount rate.....	5.25%
Healthcare cost trend rate.....	7.5%, graded to 5.0% over 5 years.
Part B premium trend rate.....	6.00%

Plan Membership:

Current retirees, beneficiaries, and dependents.....	400
Current active members.....	<u>421</u>
Total.....	<u><u>821</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 year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by 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 2015 approved budget for the General Fund authorized approximately \$75 million in appropriations and other amounts to be raised and \$6.8 million in encumbrances and appropriations carried over from previous years. During 2015, the Town increased the original budget by \$740,000, which was primarily due to the supplementary appropriations from free cash to fund the Town's snow and ice budget and appropriations from the ambulance fund, the reserve fund and from a release of overlay surplus to fund the capital outlay budget, the public safety budget, the public works budget, and various salary increases.

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 year ended June 30, 2015, is presented below:

Net change in fund balance - budgetary basis.....	\$ 935,003
 <u>Perspective difference:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	95,378
 <u>Basis of accounting differences:</u>	
Net change in recording 60-day receipts accrual.....	261,545
Net change in expenditure accruals.....	(139,533)
Recognition of revenue for on-behalf payments.....	4,390,899
Recognition of expenditures for on-behalf payments.....	<u>(4,390,899)</u>
 Net change in fund balance - GAAP basis.....	 <u>\$ 1,152,393</u>

**NOTE B – PENSION PLAN**

***Pension Plan Schedules***

Schedule of the Town’s Proportionate Share of the Net Pension Liability

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

Schedule of Town’s Contributions

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

Schedule of the Special Funding Amounts of the Net Pension Liabilities

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

Changes in Assumptions - None

Changes in Plan Provisions - None

**NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

The Town administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare 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, 2015

	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.....	\$ 143,138	\$ 477,622	\$ 2,579,972	\$ 667,076	\$ 2,656,100	\$ 80,265	\$ -	\$ 6,604,173
Investments.....	-	-	-	-	-	-	-	-
Receivables, net of uncollectibles:								
Departmental and other.....	-	119,183	-	-	-	-	-	119,183
Intergovernmental.....	-	-	-	-	-	-	1,357,468	1,357,468
<b>TOTAL ASSETS.....</b>	<b>\$ 143,138</b>	<b>\$ 596,805</b>	<b>\$ 2,579,972</b>	<b>\$ 667,076</b>	<b>\$ 2,656,100</b>	<b>\$ 80,265</b>	<b>\$ 1,357,468</b>	<b>\$ 8,080,824</b>
<b>LIABILITIES</b>								
Warrants payable.....	\$ 5,052	\$ -	\$ 50,264	\$ 9,301	\$ 60,797	\$ -	\$ -	\$ 125,414
Due to other funds.....	-	-	-	-	-	-	439,304	439,304
Notes payable.....	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>5,052</b>	<b>-</b>	<b>50,264</b>	<b>9,301</b>	<b>60,797</b>	<b>-</b>	<b>439,304</b>	<b>564,718</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues.....	-	119,183	-	-	-	-	918,164	1,037,347
<b>FUND BALANCES</b>								
Nonspendable.....	-	-	-	-	-	-	-	-
Restricted.....	138,086	477,622	2,529,708	657,775	2,595,303	80,265	-	6,478,759
<b>TOTAL FUND BALANCES.....</b>	<b>138,086</b>	<b>477,622</b>	<b>2,529,708</b>	<b>657,775</b>	<b>2,595,303</b>	<b>80,265</b>	<b>-</b>	<b>6,478,759</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES...</b>	<b>\$ 143,138</b>	<b>\$ 596,805</b>	<b>\$ 2,579,972</b>	<b>\$ 667,076</b>	<b>\$ 2,656,100</b>	<b>\$ 80,265</b>	<b>\$ 1,357,468</b>	<b>\$ 8,080,824</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	
\$ 84,968	\$ 23,349	\$ 1,597,953	\$ 1,706,270	\$ 381,569	\$ 55,350	\$ 436,919	\$ 8,747,362
-	-	-	-	-	21,095	21,095	21,095
-	-	-	-	-	-	-	119,183
-	-	-	-	-	-	-	1,357,468
<u>\$ 84,968</u>	<u>\$ 23,349</u>	<u>\$ 1,597,953</u>	<u>\$ 1,706,270</u>	<u>\$ 381,569</u>	<u>\$ 76,445</u>	<u>\$ 458,014</u>	<u>\$ 10,245,108</u>
\$ -	\$ -	\$ 329,114	\$ 329,114	\$ -	\$ -	\$ -	\$ 454,528
-	-	-	-	-	-	-	439,304
-	-	1,000,000	1,000,000	-	-	-	1,000,000
-	-	1,329,114	1,329,114	-	-	-	1,893,832
-	-	-	-	-	-	-	1,037,347
-	-	-	-	361,891	-	361,891	361,891
84,968	23,349	268,839	377,156	19,678	76,445	96,123	6,952,038
<u>84,968</u>	<u>23,349</u>	<u>268,839</u>	<u>377,156</u>	<u>381,569</u>	<u>76,445</u>	<u>458,014</u>	<u>7,313,929</u>
<u>\$ 84,968</u>	<u>\$ 23,349</u>	<u>\$ 1,597,953</u>	<u>\$ 1,706,270</u>	<u>\$ 381,569</u>	<u>\$ 76,445</u>	<u>\$ 458,014</u>	<u>\$ 10,245,108</u>

(Concluded)

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

YEAR ENDED JUNE 30, 2015

	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.....	\$ 1,063,524	\$ 627,182	\$ 808,743	\$ -	\$ 2,451,748	\$ -	\$ -	\$ 4,951,197
Intergovernmental.....	120,513	-	2,751,782	2,010,471	-	-	1,039,124	5,921,890
Departmental and other.....	-	-	538,968	-	-	-	-	538,968
Contributions.....	-	-	154,166	-	104,020	-	-	258,186
Investment income.....	-	-	-	-	-	158	-	158
<b>TOTAL REVENUES.....</b>	<b>1,184,037</b>	<b>627,182</b>	<b>4,253,659</b>	<b>2,010,471</b>	<b>2,555,768</b>	<b>158</b>	<b>1,039,124</b>	<b>11,670,399</b>
<b>EXPENDITURES:</b>								
Current:								
General government.....	-	-	2,644,149	-	-	25	-	2,644,174
Public safety.....	-	-	207,927	-	-	-	-	207,927
Education.....	1,135,436	-	-	2,172,668	2,888,446	-	-	6,196,550
Public works.....	-	-	260,791	-	-	-	1,039,949	1,300,740
Human services.....	-	-	77,598	-	-	-	-	77,598
Culture and recreation.....	-	-	817,489	-	-	-	-	817,489
<b>TOTAL EXPENDITURES.....</b>	<b>1,135,436</b>	<b>-</b>	<b>4,007,954</b>	<b>2,172,668</b>	<b>2,888,446</b>	<b>25</b>	<b>1,039,949</b>	<b>11,244,478</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	48,601	627,182	245,705	(162,197)	(332,678)	133	(825)	425,921
<b>OTHER FINANCING SOURCES (USES):</b>								
Proceeds from bonds and notes.....	-	-	-	-	-	-	-	-
Transfers out.....	-	(846,500)	(331,451)	-	-	-	-	(1,177,951)
<b>TOTAL OTHER FINANCING SOURCES (USES)...</b>	<b>-</b>	<b>(846,500)</b>	<b>(331,451)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,177,951)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>48,601</b>	<b>(219,318)</b>	<b>(85,746)</b>	<b>(162,197)</b>	<b>(332,678)</b>	<b>133</b>	<b>(825)</b>	<b>(752,030)</b>
FUND BALANCES AT BEGINNING OF YEAR.....	89,485	696,940	2,615,454	819,972	2,927,981	80,132	825	7,230,789
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 138,086</b>	<b>\$ 477,622</b>	<b>\$ 2,529,708</b>	<b>\$ 657,775</b>	<b>\$ 2,595,303</b>	<b>\$ 80,265</b>	<b>\$ -</b>	<b>\$ 6,478,759</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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,951,197
583,810	-	184,946	768,756	-	-	-	6,690,646
-	-	-	-	-	-	-	538,968
-	-	-	-	8,250	-	8,250	266,436
-	-	-	-	37	1,418	1,455	1,613
<u>583,810</u>	<u>-</u>	<u>184,946</u>	<u>768,756</u>	<u>8,287</u>	<u>1,418</u>	<u>9,705</u>	<u>12,448,860</u>
-	-	25,495	25,495	-	-	-	2,669,669
-	-	1,341,772	1,341,772	-	-	-	1,549,699
-	-	-	-	-	-	-	6,196,550
554,848	-	179,356	734,204	-	-	-	2,034,944
-	-	-	-	-	-	-	77,598
-	-	74,210	74,210	-	427	427	892,126
<u>554,848</u>	<u>-</u>	<u>1,620,833</u>	<u>2,175,681</u>	<u>-</u>	<u>427</u>	<u>427</u>	<u>13,420,586</u>
<u>28,962</u>	<u>-</u>	<u>(1,435,887)</u>	<u>(1,406,925)</u>	<u>8,287</u>	<u>991</u>	<u>9,278</u>	<u>(971,726)</u>
-	-	850,000	850,000	-	-	-	850,000
-	-	-	-	(1,000)	-	(1,000)	(1,178,951)
-	-	850,000	850,000	(1,000)	-	(1,000)	(328,951)
28,962	-	(585,887)	(556,925)	7,287	991	8,278	(1,300,677)
<u>56,006</u>	<u>23,349</u>	<u>854,726</u>	<u>934,081</u>	<u>374,282</u>	<u>75,454</u>	<u>449,736</u>	<u>8,614,606</u>
<u>\$ 84,968</u>	<u>\$ 23,349</u>	<u>\$ 268,839</u>	<u>\$ 377,156</u>	<u>\$ 381,569</u>	<u>\$ 76,445</u>	<u>\$ 458,014</u>	<u>\$ 7,313,929</u>

(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**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2015**

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 744,211	\$ 1,458,863	(1,808,273)	\$ 394,801
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	<u>89,002</u>	<u>809,100</u>	<u>(739,215)</u>	<u>158,887</u>
<b>TOTAL ASSETS.....</b>	<b><u>\$ 833,213</u></b>	<b><u>\$ 2,267,963</u></b>	<b><u>\$ (2,547,488)</u></b>	<b><u>\$ 553,688</u></b>
<b>LIABILITIES</b>				
Liabilities due depositors - Student Activities.....	\$ 221,540	\$ 484,617	\$ (535,000)	\$ 171,157
Liabilities due depositors - Planning Deposits.....	<u>611,673</u>	<u>1,783,346</u>	<u>(2,012,488)</u>	<u>382,531</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>\$ 833,213</u></b>	<b><u>\$ 2,267,963</u></b>	<b><u>\$ (2,547,488)</u></b>	<b><u>\$ 553,688</u></b>



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# *Statistical Section*

*Ten Year History of the Following  
Major Categories:*

*Expenditures*

*Revenues*

*Property Tax Collections*

*Debt*

*Town Demographics and Economic Information*

*General Information*



*Westwood Town Hall*

# *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 Position By Component**

**Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
Invested in capital assets.....	\$ 98,408,025	\$ 98,291,275	\$ 98,219,632	\$ 97,986,113	\$ 97,375,492	\$ 99,380,376	\$ 99,367,799	\$ 96,462,678	\$ 95,611,881	\$ 97,303,917
Restricted.....	1,964,324	2,460,440	2,422,271	2,591,376	2,172,033	1,735,851	1,878,233	1,806,455	1,655,112	1,533,978
Unrestricted.....	<u>7,056,149</u>	<u>6,676,163</u>	<u>8,255,277</u>	<u>4,689,882</u>	<u>2,354,269</u>	<u>1,827,050</u>	<u>60,536</u>	<u>(125,175)</u>	<u>(29,404,389)</u>	<u>(32,182,981)</u>
<b>Total governmental activities net position.....</b>	<b>\$ <u>107,428,498</u></b>	<b>\$ <u>107,427,878</u></b>	<b>\$ <u>108,897,180</u></b>	<b>\$ <u>105,267,371</u></b>	<b>\$ <u>101,901,794</u></b>	<b>\$ <u>102,943,277</u></b>	<b>\$ <u>101,306,568</u></b>	<b>\$ <u>98,143,958</u></b>	<b>\$ <u>67,862,604</u></b>	<b>\$ <u>66,654,914</u></b>
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt.....	13,291,362	13,471,826	13,521,282	13,678,560	13,318,644	12,998,106	12,371,623	12,309,207	11,776,682	11,209,128
Unrestricted.....	<u>3,151,996</u>	<u>3,067,928</u>	<u>3,813,896</u>	<u>3,620,615</u>	<u>3,871,320</u>	<u>4,228,836</u>	<u>4,558,778</u>	<u>4,072,081</u>	<u>3,146,433</u>	<u>4,451,172</u>
<b>Total business-type activities net position.....</b>	<b>\$ <u>16,443,358</u></b>	<b>\$ <u>16,539,754</u></b>	<b>\$ <u>17,335,178</u></b>	<b>\$ <u>17,299,175</u></b>	<b>\$ <u>17,189,964</u></b>	<b>\$ <u>17,226,942</u></b>	<b>\$ <u>16,930,401</u></b>	<b>\$ <u>16,381,288</u></b>	<b>\$ <u>14,923,115</u></b>	<b>\$ <u>15,660,300</u></b>
<b>Primary government:</b>										
Invested in capital assets.....	111,699,387	111,763,101	111,740,914	111,664,673	110,694,136	112,378,482	111,739,422	108,771,885	107,388,563	108,513,045
Restricted.....	1,964,324	2,460,440	2,422,271	2,591,376	2,172,033	1,735,851	1,878,233	1,806,455	1,655,112	1,533,978
Unrestricted.....	<u>10,208,145</u>	<u>9,744,091</u>	<u>12,069,173</u>	<u>8,310,497</u>	<u>6,225,589</u>	<u>6,055,886</u>	<u>4,619,314</u>	<u>3,946,906</u>	<u>(26,257,956)</u>	<u>(27,731,809)</u>
<b>Total primary government net position.....</b>	<b>\$ <u>123,871,856</u></b>	<b>\$ <u>123,967,632</u></b>	<b>\$ <u>126,232,358</u></b>	<b>\$ <u>122,566,546</u></b>	<b>\$ <u>119,091,758</u></b>	<b>\$ <u>120,170,219</u></b>	<b>\$ <u>118,236,969</u></b>	<b>\$ <u>114,525,246</u></b>	<b>\$ <u>82,785,719</u></b>	<b>\$ <u>82,315,214</u></b>

The Town implemented GASB 68 and recorded their Net Pension Liability for the first time in 2015.

Town of Westwood, Massachusetts

Changes in Net Position

Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government.....	\$ 4,050,919	\$ 6,876,348	\$ 8,392,072	\$ 7,984,596	\$ 4,745,598	\$ 4,670,650	\$ 5,135,899	\$ 6,151,299	\$ 4,921,812	\$ 4,953,798
Public safety.....	6,681,974	7,571,002	7,851,039	8,778,769	8,490,129	8,969,089	9,391,010	9,735,929	10,215,841	10,470,500
Education.....	40,436,635	41,522,952	45,462,795	52,088,397	52,200,467	52,489,520	54,472,071	57,774,167	58,068,384	59,970,747
Public works.....	6,870,792	6,025,150	7,193,036	7,037,271	7,425,668	7,472,604	7,204,025	8,351,807	8,697,469	9,028,119
University Station.....	-	-	-	-	-	-	-	-	1,947,259	1,651,889
Human services.....	676,238	844,529	833,985	942,357	1,052,991	1,047,144	1,157,238	1,218,894	1,138,997	1,228,151
Culture and recreation.....	1,476,621	1,880,631	2,376,794	2,468,819	2,378,042	2,371,894	2,386,859	2,801,155	3,394,657	3,308,166
Interest.....	2,115,474	1,966,558	1,983,060	1,692,305	1,750,493	1,475,733	1,542,158	1,216,381	1,137,383	1,060,200
<b>Total government activities expenses.....</b>	<b>62,308,653</b>	<b>66,687,170</b>	<b>74,092,781</b>	<b>80,992,514</b>	<b>78,043,388</b>	<b>78,496,634</b>	<b>81,289,260</b>	<b>87,249,632</b>	<b>89,521,802</b>	<b>91,671,570</b>
<b>Business-type activities:</b>										
Sewer.....	3,472,503	3,944,791	3,734,283	3,761,813	3,670,498	3,653,546	4,149,346	3,913,703	4,135,251	4,205,003
<b>Total primary government expenses.....</b>	<b>\$ 65,781,156</b>	<b>\$ 70,631,961</b>	<b>\$ 77,827,064</b>	<b>\$ 84,754,327</b>	<b>\$ 81,713,886</b>	<b>\$ 82,150,180</b>	<b>\$ 85,438,606</b>	<b>\$ 91,163,335</b>	<b>\$ 93,657,053</b>	<b>\$ 95,876,573</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Education charges for services.....	\$ 2,266,074	\$ 2,281,378	\$ 2,448,952	\$ 2,187,026	\$ 2,360,978	\$ 2,364,662	\$ 2,455,709	\$ 2,444,072	\$ 2,463,005	\$ 2,453,507
Public Safety charges for services.....	978,855	1,032,522	1,208,295	1,282,996	1,064,513	1,217,831	1,177,994	1,414,033	1,370,625	1,641,691
Other charges for services.....	1,674,457	4,098,574	5,601,007	4,866,297	1,810,492	1,705,581	1,901,613	3,358,796	1,584,341	1,745,798
Operating grants and contributions.....	11,286,009	11,341,858	13,597,090	15,435,834	14,179,816	14,570,871	14,155,121	14,617,337	22,271,886	14,500,929
Capital grant and contributions.....	3,890,753	255,834	405,154	404,240	416,865	2,752,205	1,110,679	682,003	1,474,068	4,045,233
<b>Total government activities program revenues.....</b>	<b>20,096,148</b>	<b>19,010,166</b>	<b>23,260,498</b>	<b>24,176,393</b>	<b>19,832,664</b>	<b>22,611,150</b>	<b>20,801,116</b>	<b>22,516,241</b>	<b>29,163,925</b>	<b>24,387,158</b>
<b>Business-type activities:</b>										
Charges for services.....	3,682,473	3,788,725	4,276,856	3,623,588	3,756,083	3,895,027	3,677,221	3,525,289	3,731,776	5,175,034
Operating grants and contributions.....	76,158	72,022	200,163	54,547	-	45,563	31,638	85,164	32,115	30,832
Capital grant and contributions.....	-	-	52,688	47,675	96,182	40,912	222,624	45,115	41,516	27,300
<b>Total business-type activities program revenues.....</b>	<b>3,758,631</b>	<b>3,860,747</b>	<b>4,529,707</b>	<b>3,725,810</b>	<b>3,852,265</b>	<b>3,981,502</b>	<b>3,931,483</b>	<b>3,655,568</b>	<b>3,805,407</b>	<b>5,233,166</b>
<b>Total primary government program revenues.....</b>	<b>\$ 23,854,779</b>	<b>\$ 22,870,913</b>	<b>\$ 27,790,205</b>	<b>\$ 27,902,203</b>	<b>\$ 23,684,929</b>	<b>\$ 26,592,652</b>	<b>\$ 24,732,599</b>	<b>\$ 26,171,809</b>	<b>\$ 32,969,332</b>	<b>\$ 29,620,324</b>
<b>Net (Expense)/Program Revenue</b>										
Governmental activities.....	\$ (40,253,294)	\$ (47,677,004)	\$ (50,832,283)	\$ (56,816,121)	\$ (58,210,724)	\$ (55,884,484)	\$ (60,488,144)	\$ (64,733,391)	\$ (60,357,877)	\$ (67,284,412)
Business-type activities.....	286,128	96,396	795,424	(36,003)	181,767	327,956	(5,563)	(258,135)	(329,844)	1,028,163
<b>Total primary government net (expense)/program revenue.....</b>	<b>\$ (39,967,166)</b>	<b>\$ (47,580,608)</b>	<b>\$ (50,036,859)</b>	<b>\$ (56,852,124)</b>	<b>\$ (58,028,957)</b>	<b>\$ (55,556,528)</b>	<b>\$ (60,493,707)</b>	<b>\$ (64,991,526)</b>	<b>\$ (60,687,721)</b>	<b>\$ (66,256,249)</b>
<b>General Revenues and other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 41,634,700	\$ 43,748,150	\$ 48,295,949	\$ 49,761,536	\$ 51,462,011	\$ 53,365,772	\$ 55,088,302	\$ 57,531,776	\$ 59,098,869	\$ 61,772,952
Motor vehicle excise taxes.....	2,226,361	2,138,434	2,245,316	2,164,294	2,152,241	2,408,095	2,335,495	2,591,759	2,770,941	3,035,505
Penalties and interest on taxes.....	55,045	67,239	96,970	96,949	105,602	122,486	264,092	180,465	118,681	172,557
Grants and contributions not restricted to specific programs.....	789,487	945,762	962,617	882,855	723,159	647,232	748,294	639,972	712,014	776,342
Unrestricted investment income.....	688,030	707,268	615,900	280,678	111,156	91,404	74,274	45,831	25,929	28,388
Gain of sale of capital assets.....	-	-	-	-	-	-	50,000	290,000	-	-
Miscellaneous.....	69,957	69,531	84,833	-	-	-	-	-	-	-
Transfers.....	-	-	-	-	290,978	290,978	290,978	290,978	290,978	290,978
<b>Total governmental activities.....</b>	<b>45,463,580</b>	<b>47,676,384</b>	<b>52,301,585</b>	<b>53,186,312</b>	<b>54,845,147</b>	<b>56,925,967</b>	<b>58,851,435</b>	<b>61,570,781</b>	<b>63,017,412</b>	<b>66,076,722</b>
<b>Business-type activities:</b>										
Transfers.....	-	-	-	-	(290,978)	(290,978)	(290,978)	(290,978)	(290,978)	(290,978)
<b>Total primary government general revenues and other changes in net position.....</b>	<b>\$ 45,463,580</b>	<b>\$ 47,676,384</b>	<b>\$ 52,301,585</b>	<b>\$ 53,186,312</b>	<b>\$ 54,554,169</b>	<b>\$ 56,634,989</b>	<b>\$ 58,560,457</b>	<b>\$ 61,279,803</b>	<b>\$ 62,726,434</b>	<b>\$ 65,785,744</b>
<b>Changes in Net Position</b>										
Governmental activities.....	\$ 5,210,286	(620)	1,469,302	(3,629,809)	(3,365,577)	1,041,483	(1,636,709)	(3,162,610)	2,659,535	(1,207,690)
Business-type activities.....	286,128	96,396	795,424	(36,003)	(109,211)	36,978	(296,541)	(549,113)	(620,822)	737,185
<b>Total primary government changes in net position.....</b>	<b>\$ 5,496,414</b>	<b>\$ 95,776</b>	<b>\$ 2,264,726</b>	<b>\$ (3,665,812)</b>	<b>\$ (3,474,788)</b>	<b>\$ 1,078,461</b>	<b>\$ (1,933,250)</b>	<b>\$ (3,711,723)</b>	<b>\$ 2,038,713</b>	<b>\$ (470,505)</b>

The Town implemented GASB 68 and recorded their Net Pension Liability for the first time in 2015.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Committed.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850,479	\$ 1,518,171	\$ 1,237,464	\$ 5,431,729	\$ 6,069,333
Assigned.....	545,225	795,859	1,041,648	1,450,831	1,855,781	1,350,412	1,172,866	1,085,504	1,385,604	1,253,232
Unassigned.....	3,111,460	2,383,588	3,148,155	2,939,926	2,347,670	4,568,530	5,550,222	7,248,711	8,799,948	9,447,109
<b>Total general fund.....</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>\$ 9,571,679</b>	<b>\$ 15,617,281</b>	<b>\$ 16,769,674</b>
<b>All Other Governmental Funds</b>										
Reserved.....	\$ 276,663	\$ 292,110	\$ 300,298	\$ 314,274	\$ 325,949	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	5,513,725	5,402,561	6,408,669	6,945,755	6,867,072	-	-	-	-	-
Capital projects funds.....	736,508	(686,881)	1,661,627	4,536,063	1,356,217	-	-	-	-	-
Permanent funds.....	104,165	205,104	214,874	210,544	200,920	-	-	-	-	-
Nonspendable.....	-	-	-	-	-	346,050	346,034	356,034	349,547	361,891
Restricted.....	-	-	-	-	-	17,769,174	11,829,474	9,886,170	9,006,419	7,679,740
<b>Total all other governmental funds....</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>	<b>\$ 10,242,204</b>	<b>\$ 9,355,966</b>	<b>\$ 8,041,631</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

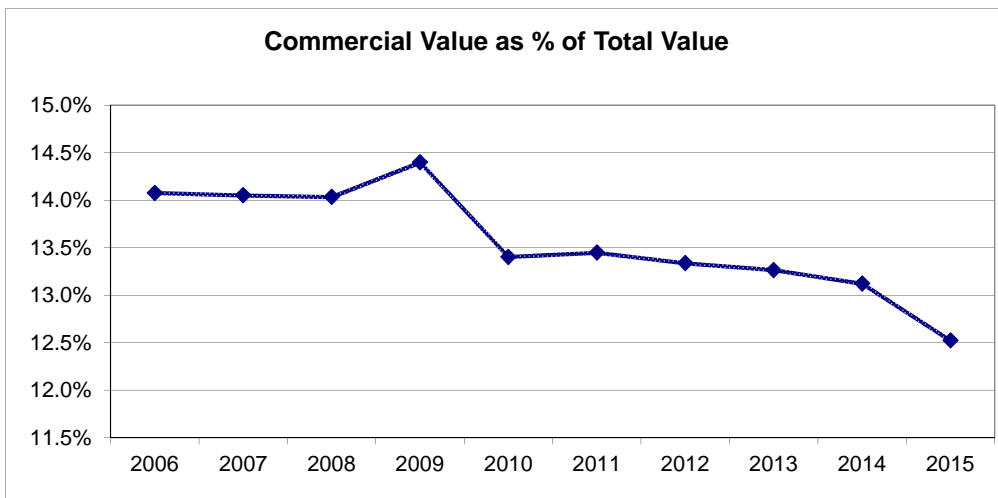
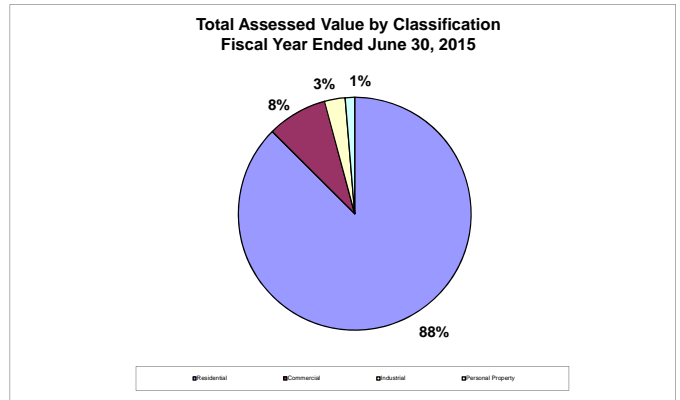
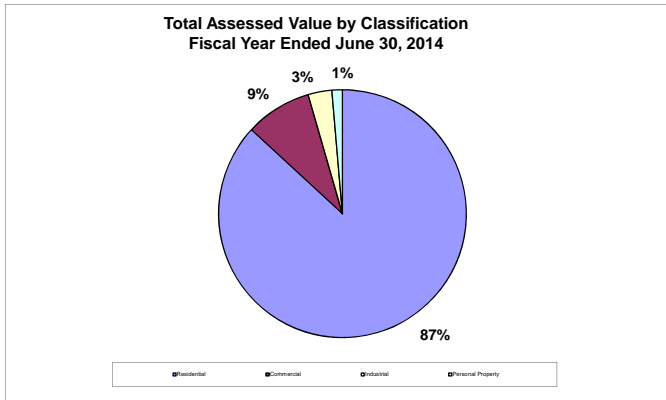
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 41,656,689	\$ 43,390,323	\$ 48,329,364	\$ 49,655,987	\$ 50,545,249	\$ 53,892,828	\$ 54,944,965	\$ 57,528,131	\$ 58,918,129	\$ 61,838,371
Motor vehicle excise taxes.....	2,298,852	2,135,754	2,213,371	2,242,922	2,131,252	2,382,329	2,274,492	2,396,286	2,844,489	3,057,593
Charges for Service.....	3,935,558	4,126,579	4,391,067	4,366,363	4,671,063	4,588,668	4,798,942	4,572,213	4,774,815	4,951,197
University Station guaranteed tax payment.....	-	-	-	1,750,000	615,000	-	-	-	-	-
University Station mitigation funds.....	-	-	-	-	-	-	-	-	4,400,000	-
University Station permits.....	-	-	-	811,079	-	-	-	-	925,000	905,000
Penalties and interest on taxes.....	55,045	67,239	96,970	96,949	105,602	122,486	264,092	180,465	118,681	172,557
Fees and rentals.....	159,315	310,687	279,096	251,898	233,430	277,895	521,268	308,533	341,562	379,437
Licenses and permits.....	563,180	438,345	479,822	378,525	403,405	473,966	456,436	658,179	643,568	771,232
Fines and forfeitures.....	20,233	20,030	16,825	16,982	17,521	15,120	12,937	10,940	18,587	32,464
Intergovernmental.....	18,939,179	14,204,828	15,026,293	15,663,177	15,877,013	18,448,749	17,766,084	15,300,737	16,395,623	18,010,694
Departmental and other.....	424,170	989,379	1,130,800	962,503	522,101	630,779	898,592	972,687	681,348	838,806
Departmental and other - University Station.....	695,000	2,214,230	3,853,037	2,508,971	424,882	168,734	-	1,601,661	1,437,838	532,664
Contributions.....	278,475	209,027	1,232,407	257,657	293,161	256,741	224,819	217,283	782,122	266,436
Investment income.....	737,541	875,775	788,518	318,376	121,794	99,361	78,741	53,292	34,965	25,379
<b>Total Revenue.....</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>83,800,407</b>	<b>92,316,727</b>	<b>91,781,830</b>
<b>Expenditures:</b>										
General government.....	2,198,819	2,733,190	2,650,320	3,496,046	2,670,152	2,786,584	3,344,297	2,946,533	3,164,539	3,089,254
Public safety.....	5,532,508	5,864,064	6,028,392	6,152,929	5,920,912	6,263,893	6,416,397	6,569,032	7,184,612	7,813,058
Education.....	31,290,271	32,129,154	34,626,723	36,684,935	37,717,356	37,617,989	38,925,806	41,347,249	41,863,435	43,665,556
Public works.....	4,160,299	3,259,828	4,365,544	3,672,775	4,178,898	4,130,176	3,807,414	4,577,562	4,816,935	5,534,486
University Station.....	573,703	2,758,642	4,438,354	2,328,458	458,553	190,298	59,244	1,310,832	1,947,259	1,651,889
Human services.....	542,579	679,913	677,563	685,177	788,912	754,398	811,561	840,202	812,061	934,962
Culture and recreation.....	1,226,874	1,607,006	2,097,742	2,079,125	1,969,701	1,931,934	1,930,615	1,982,066	2,220,899	2,222,748
Pension benefits.....	6,087,190	6,521,911	6,705,488	7,294,027	7,557,081	8,065,476	8,708,603	9,164,381	9,356,600	7,647,979
Property and liability insurance.....	324,298	335,255	371,053	317,418	278,318	271,221	291,839	325,755	290,897	401,257
Employee benefits.....	3,962,780	4,349,031	4,788,339	5,323,520	5,453,428	5,616,358	5,624,542	6,455,097	6,574,999	7,230,271
State and M/WRA assessments.....	496,993	508,634	514,316	521,780	536,238	539,989	531,795	570,404	574,743	591,182
Capital outlay.....	5,327,301	4,163,245	3,920,736	4,367,254	6,093,652	5,167,049	10,196,200	8,462,813	5,813,248	7,600,649
Debt service:										
Principal.....	4,165,000	4,165,000	4,165,000	4,515,000	4,295,000	4,290,000	4,810,000	3,740,000	3,740,000	3,555,000
Interest.....	2,140,218	1,988,350	1,959,070	1,810,846	1,778,034	1,609,598	1,696,931	1,327,341	1,236,197	1,146,459
<b>Total Expenditures.....</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>	<b>89,619,267</b>	<b>89,596,424</b>	<b>93,084,750</b>
Excess of revenues over (under) expenditures.....	1,734,404	(2,081,027)	528,930	32,099	(3,734,762)	2,122,693	(4,913,876)	(5,818,860)	2,720,303	(1,302,920)
<b>Other Financing Sources (Uses)</b>										
Issuance of debt.....	-	-	3,830,000	3,500,000	-	9,300,000	-	4,635,000	1,400,000	850,000
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.....	-	-	-	90,023	-	217,365	110,997	-	-	-
Sale of capital assets.....	-	-	-	-	-	-	50,000	290,000	-	-
Capital lease financing.....	-	185,622	24,000	-	-	-	-	-	748,083	-
Transfers in.....	543,198	433,671	535,221	676,859	1,598,609	790,140	814,165	1,254,221	1,087,606	1,469,929
Transfers out.....	(543,198)	(433,671)	(535,221)	(676,859)	(1,307,631)	(499,162)	(523,187)	(963,243)	(796,628)	(1,178,951)
<b>Total other financing sources (uses).....</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>5,215,978</b>	<b>2,439,061</b>	<b>1,140,978</b>
<b>Net change in fund balance.....</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>	<b>\$ (602,882)</b>	<b>\$ 5,159,364</b>	<b>\$ (161,942)</b>
Debt service as a percentage of noncapital expenditures.....	10.06%	9.20%	8.34%	8.45%	8.25%	7.97%	8.46%	6.24%	5.94%	5.50%

Town of Westwood, Massachusetts

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

Last Ten Years

Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Direct Tax Rate	Total Town Value
2006 (1)	\$3,135,347,507	\$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
2013	\$3,025,447,435	\$14.89	\$305,246,315	\$110,035,850	\$47,438,500	\$462,720,665	\$27.28	13.3%	\$16.53	\$3,488,168,100
2014	\$3,024,619,084	\$15.40	\$301,008,803	\$108,446,500	\$47,416,300	\$456,871,603	\$28.18	13.1%	\$17.08	\$3,481,490,687
2015 (1)	\$3,201,759,309	\$15.24	\$305,143,078	\$104,513,800	\$48,705,000	\$458,361,878	\$28.79	12.5%	\$16.94	\$3,660,121,187



(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 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

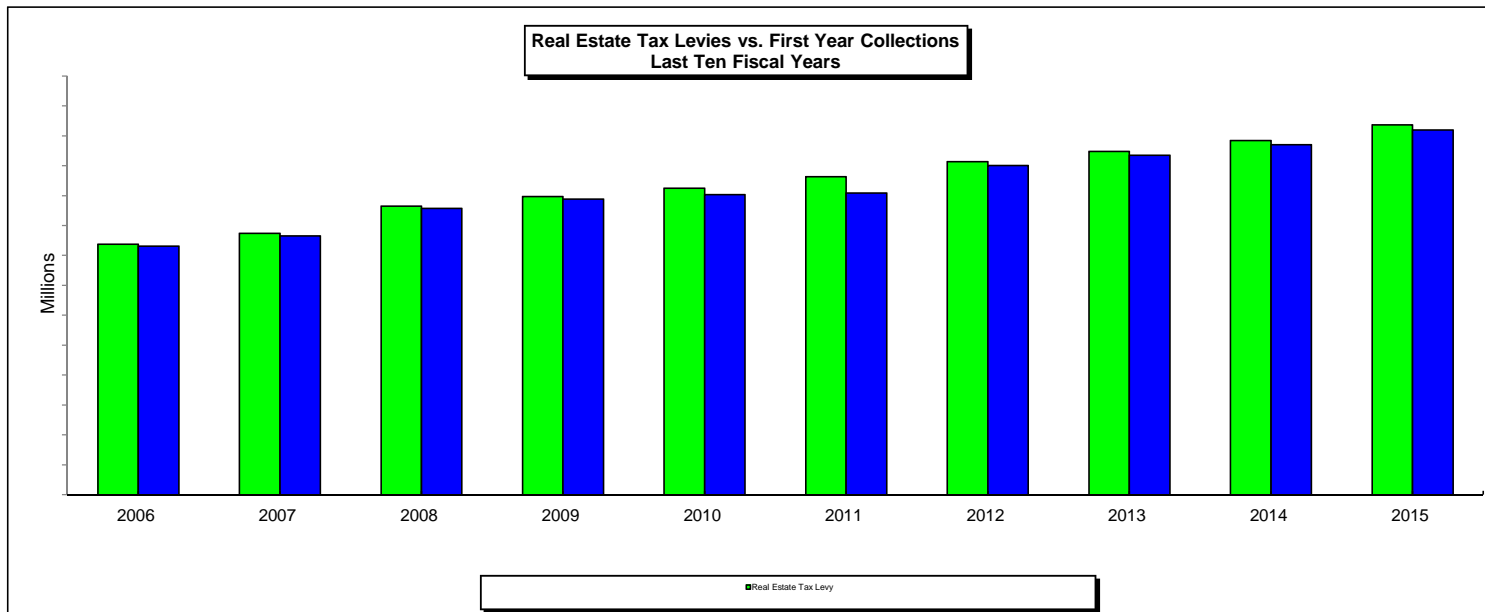
Principal Taxpayers

Current Year and Nine Years Ago

Name	Nature of Business	2015			2006		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Foxhill Investment Corporation	Residential Community	\$ 76,059,750	1	1.9%	\$ 80,748,000	2	2.2%
Medical Information Tech Inc.	Office Building/Medical Info	\$ 46,641,150	2	2.2%	\$ 52,617,450	4	1.4%
Eversource Utility Company	Office Building	\$ 46,159,900	3	2.1%	-	-	-
Westwood Marketplace	Retail/Office Building	\$ 42,794,350	4	1.9%	-	-	-
GR-Highland/Westwood Glen LP	Residential Community	\$ 44,361,700	5	1.1%	\$ 36,545,450	5	1.0%
University Station Senior Housing	Residential Community	\$ 23,401,200	6	1.1%	-	-	-
L&B CIP 690 Canton St LLC	Office/Research & Development	\$ 17,552,300	7	0.8%	-	-	-
Westwood Developer LLC	Office Building	\$ 15,537,750	8	0.5%	-	-	-
Fairlane Westwood LLC	Office Building	\$ 11,312,500	9	0.5%	-	-	-
346 University LLC	Office Building	\$ 9,697,200	10	50.0%	-	-	-
CFRI/Doherty	Office Building/Warehouse	-	-	-	\$ 108,837,750	1	3.0%
Boston Edison Company	Office Building	-	-	-	\$ 53,118,250	3	1.5%
Westwood Investors LLC	Office Building/Administration	-	-	-	\$ 17,679,300	6	0.5%
Clair Limited Partnership	Car Dealership	-	-	-	\$ 11,028,450	7	0.3%
Osborn Corporate Trust	Office Building	-	-	-	\$ 9,772,050	8	0.3%
Westwood Nominee Trust	Office Building	-	-	-	\$ 9,528,600	9	0.3%
Glacier Limited Partnership	Office Building	-	-	-	\$ 9,127,500	10	0.3%
<b>Totals</b>		<u>\$333,517,800</u>		<u>62.1%</u>	<u>\$389,002,800</u>		<u>10.8%</u>
Source: Town of Westwood, Assessor Department							

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

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	Percent of Total Tax Collections to Net Tax Levy
2006	(1) \$42,197,020	\$345,192	\$41,851,828	\$41,549,899	99.28%	\$207,375	\$41,757,274	99.77%
2007	\$43,967,446	\$265,101	\$43,702,345	\$43,236,824	98.93%	\$353,812	\$43,590,636	99.74%
2008	\$48,519,937	\$269,741	\$48,250,196	\$47,864,756	99.20%	\$211,765	\$48,076,521	99.64%
2009	(1) \$50,373,089	\$554,555	\$49,818,534	\$49,418,485	99.20%	\$219,456	\$49,637,941	99.64%
2010	\$51,832,246	\$580,906	\$51,251,340	\$50,187,397	97.92%	\$365,302	\$50,552,699	98.64%
2011	\$53,571,227	\$417,348	\$53,153,879	\$50,453,631	94.92%	\$2,610,683	\$53,064,314	99.83%
2012	(1) \$56,060,374	\$366,520	\$55,693,854	\$55,028,113	98.80%	\$137,394	\$55,165,507	99.05%
2013	\$57,671,932	\$308,035	\$57,363,897	\$56,720,328	98.88%	\$370,257	\$57,090,585	99.52%
2014	\$59,453,776	\$232,373	\$59,221,403	\$58,534,283	98.84%	\$407,455	\$58,941,738	99.53%
2015	(1) \$61,991,050	\$182,597	\$61,808,453	\$60,957,134	98.62%	\$0	\$60,957,134	98.62%



- (1) Revaluation year.
- (2) Includes tax liens.
- (3) Source: Town of Westwood Collectors Department and Town Records

Town of Westwood, Massachusetts

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	Population Estimates	Personal Income	Assessed Value	Governmental Activities Debt				
				General Obligation Bonds (2)	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2006	15,418	\$764,022,810	\$3,649,059,247	\$46,090,000	\$ 245,668	\$3,005	6.06%	1.27%
2007	15,485	\$813,383,500	\$3,662,134,150	\$41,925,000	\$ 185,622	\$2,719	5.18%	1.15%
2008	15,648	\$871,262,158	\$3,694,294,449	\$41,590,000	\$ 146,004	\$2,667	4.79%	1.13%
2009	15,680	\$925,426,513	\$3,735,651,152	\$40,575,000	\$ 74,737	\$2,592	4.39%	1.09%
2010	15,715	\$983,141,729	\$3,566,682,921	\$36,280,000	\$ -	\$2,309	3.69%	1.02%
2011	14,618	\$969,383,375	\$3,482,416,355	\$41,290,000	\$ -	\$2,825	4.26%	1.19%
2012	14,618	\$1,027,546,378	\$3,484,183,487	\$36,042,083	\$ -	\$2,466	3.51%	1.03%
2013	14,618	\$1,059,322,606	\$3,488,168,100	\$37,219,166	\$ -	\$2,546	3.51%	1.07%
2014	14,618	\$1,403,985,810	\$3,481,490,687	\$34,801,249	\$ 579,212	\$2,420	2.52%	1.02%
2015	14,876	\$1,330,018,532	\$3,660,121,187	\$32,018,332	\$ 434,827	\$2,182	2.44%	0.89%

Year	Business-type Activities (1)		Total Primary Government			
	General Obligation Bonds (2)	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2006	\$3,440,498	\$ -	\$49,776,166	\$3,228	6.52%	1.36%
2007	\$3,022,828	\$ -	\$45,133,450	\$2,915	5.55%	1.23%
2008	\$2,600,875	\$ -	\$44,336,879	\$2,833	5.09%	1.20%
2009	\$2,175,125	\$ -	\$42,824,862	\$2,731	4.63%	1.15%
2010	\$1,865,287	\$ -	\$38,145,287	\$2,427	3.88%	1.07%
2011	\$1,550,600	\$ -	\$42,840,600	\$2,931	4.42%	1.23%
2012	\$1,443,200	\$ -	\$37,485,283	\$2,564	3.65%	1.08%
2013	\$1,310,440	\$ -	\$38,529,606	\$2,636	3.64%	1.10%
2014	\$2,661,680	\$ -	\$38,042,141	\$2,602	2.71%	1.09%
2015	\$2,277,620	\$ -	\$34,730,779	\$2,335	2.61%	0.95%

(1) Sewer Fund

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

Source: Audited Financial Statements, U. S. Census

**Town of Westwood, Massachusetts**

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2015**

<u>Town of Westwood, Massachusetts</u>	Debt Outstanding (1)	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Norfolk County..... \$	12,235,000	3.13%	\$ 382,588
Direct debt:			
Capital Lease Obligations.....			434,827
General Governmental Debt.....			32,018,332
Town total direct debt.....			32,453,159
Total direct and overlapping debt.....			\$ 32,835,747

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

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 Years**

	<b>Year</b>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Equalized Valuation.....	\$ 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	\$ 3,702,302,900	\$ 3,698,071,400	\$ 3,698,071,400
Debt Limit -5% of Equalized Valuation.....	\$ 191,700,405	\$ 191,700,405	\$ 195,308,105	\$ 195,308,105	\$ 192,250,120	\$ 192,250,120	\$ 185,115,145	\$ 185,115,145	\$ 184,903,570	\$ 184,903,570
Less:										
Outstanding debt applicable to limit.....	\$ 49,530,498	\$ 44,947,828	\$ 44,190,875	\$ 42,750,125	\$ 38,145,287	\$ 42,840,600	\$ 36,988,200	\$ 37,750,440	\$ 36,761,680	\$ 33,672,620
Authorized and unissued debt.....	\$ 3,445,000	\$ 3,865,000	\$ 4,535,000	\$ 1,150,000	\$ 9,450,000	\$ 910,000	\$ 6,245,000	\$ 2,970,000	\$ -	\$ 9,600,000
Legal debt margin.....	<u>\$ 138,724,907</u>	<u>\$ 142,887,577</u>	<u>\$ 146,582,230</u>	<u>\$ 151,407,980</u>	<u>\$ 144,654,833</u>	<u>\$ 148,499,520</u>	<u>\$ 141,881,945</u>	<u>\$ 144,394,705</u>	<u>\$ 148,141,890</u>	<u>\$ 141,630,950</u>
Total debt applicable to the limit as a percentage of debt limit.....	27.63%	25.46%	24.95%	22.48%	24.76%	22.76%	23.35%	22.00%	19.88%	23.40%

Source: Town of Westwood, Finance Department

**Town of Westwood, Massachusetts**

**Demographic and Economic Statistics**

**Last Ten Years**

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2006	15,418	\$ 764,022,810	\$ 49,554	41.0	2,915	2.7%
2007	15,485	\$ 813,383,500	\$ 52,527	41.0	3,023	3.0%
2008	15,648	\$ 871,262,158	\$ 55,679	41.0	3,008	2.7%
2009	15,680	\$ 925,426,513	\$ 59,020	41.0	3,012	5.7%
2010	15,715	\$ 983,141,729	\$ 62,561	41.0	3,184	6.1%
2011	14,618	\$ 969,383,375	\$ 66,314	41.0	3,180	4.5%
2012	14,618	\$ 1,027,546,378	\$ 70,293	41.0	3,019	4.3%
2013	14,618	\$ 1,059,322,606	\$ 72,467	41.0	3,206	4.1%
2014	14,618	\$ 1,403,985,810	\$ 96,045	41.0	3,213	3.9%
2015	14,876	\$ 1,330,018,532	\$ 89,407	41.0	3,521	3.7%

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

**Town of Westwood, Massachusetts**  
**Principal Employers (excluding Town)**  
**Current Year and Nine Years Ago**

Employer	Nature of Business	2015			2006		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Eversource Energy	Utility - Gas & Electric	870	1	9.1%	-		-
Wegmans	Supermarket	550	2	5.7%	-		-
John Hancock retirement Plan Services	Financial Services	450	3	4.7%	-		-
Roche Brothers	Supermarkets	356	4	3.7%	390	4	6%
Life Time Fitness	Health & Fitness	315	5	3.3%	-		-
Prime Motor Group	Automobile Sales	256	6	2.7%	-		-
Meditech, Inc *	Healthcare Technology	250	7	2.6%	450	3	7%
Target	Department Store	185	8	1.9%	-		-
KLA - Tenor Corp*	Measurement Technology	175	9	1.8%	-		-
Fox Hill Village Retirement Community	Senior Housing	162	10	1.7%	-		-
Nstar	Power Company	-		-	1,100	1	16%
State Street Bank	Financial Services	-		-	750	2	11%
LTX Corporation	Test Equipment for Computer Components	-		-	350	5	11%
RCN	Communications	-		-	300	6	4%
ADE Corporation	Measurement Technology	-		-	300	7	4%
General Motors Corp	Auto Parts Distribution	-		-	200	8	3%
MIB	Medical Information	-		-	200	9	3%
Quebecor	Print Production	-		-	130	10	2%

Source: Massachusetts Workplace Development

\* Estimated employee counts for these businesses are unverified.

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

Function	Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government.....	20	21	21	22	22	22	22	22	21	22
Public Safety.....	66	69	69	70	70	70	72	72	76	88
Education.....	431	488	493	513	512	476	479	496	501	515
Public works.....	28	28	29	29	29	29	29	30	29	29
Human services.....	6	6	6	6	6	6	9	9	9	10
Culture and recreation.....	9	9	9	10	10	10	13	13	13	13
<b>Total .....</b>	<b>560</b>	<b>621</b>	<b>627</b>	<b>650</b>	<b>649</b>	<b>613</b>	<b>624</b>	<b>642</b>	<b>649</b>	<b>677</b>

Source: Town Records



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

Function/Program	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Government</b>										
Population.....	15,418	15,485	15,648	15,680	15,584	14,618	14,618	14,618	14,618	14,618
Registered Voters, Annual Town Election.....	9,323	9,353	9,584	10,040	10,182	9,450	9,926	10,553	10,639	10,511
<b>Town Clerk</b>										
Births.....	135	158	143	117	113	94	111	105	110	114
Marriages.....	53	44	36	42	36	47	73	56	66	73
Deaths.....	146	145	145	156	163	154	142	162	167	151
Dogs licensed.....	1,000	1,138	1,098	1,239	1,213	1,331	1,382	1,387	1,439	1,477
<b>Police</b>										
Documented calls for police services.....	15,300	15,993	16,234	12,819	14,464	12,913	12,800	14,089	15,819	17,669
Uniform crimes reported.....	214	238	263	237	254	259	191	235	195	169
Arrests.....	126	155	153	90	76	89	86	127	139	134
Traffic citations issued.....	1,666	2,042	2,583	1,816	2,191	988	1,130	1,666	1,729	1,694
Parking tickets issued.....	82	129	74	4	46	14	54	42	172	99
False burglary alarms.....	1,135	1,091	846	829	788	843	912	769	949	817
Total number of animal complaints.....	621	572	458	467	938	372	415	478	546	615
<b>Fire</b>										
Inspections.....	839	939	840	716	701	736	779	839	839	779
Plan reviews.....	96	105	106	75	69	81	77	106	106	142
Permits/certificates issued.....	408	418	242	362	330	405	524	566	566	609
Emergency responses.....	2,798	2,680	2,767	3,015	2,841	3,039	3,064	2,837	2,862	2,820
<b>Building Department</b>										
Permits issued.....	1,784	1,992	1,899	1,897	1,601	1,821	1,823	1,935	2,185	2,275
<b>Education</b>										
Public school enrollment.....	2,867	3,023	3,008	3,024	3,079	3,178	3,213	3,209	3,213	3,253
<b>Public Works</b>										
<b>Cemetery</b>										
Lots sold.....	60	36	51	32	54	32	43	70	31	35
interments.....	68	62	66	72	76	69	72	51	74	71
Recycling/tons.....	1,764	1,656	1,595	1,501	1,329	1,324	1,297	1,439	1,764	1,841
Hazardous Waste Day Participants.....	513	336	344	276	292	343	250	187	140	195
<b>Human Services</b>										
<b>Board of Health</b>										
Permits issued.....	343	354	375	324	317	356	326	376	240	351
Inspections.....	426	505	422	431	321	300	288	284	210	298
<b>Council on Aging</b>										
Home delivered meals served.....	15,898	19,603	19,576	19,878	19,988	19,638	19,404	19,528	16,505	13,014
Medical-van trips.....	2,347	4,182	7,561	6,088	8,422	6,876	7,025	7,132	7,098	4,424
<b>Libraries</b>										
Volumes in collection.....	109,304	111,646	120,148	115,214	111,114	115,131	115,131	128,680	143,913	156,574
Circulation.....	243,811	235,964	242,464	265,772	288,241	280,422	277,941	192,958	267,582	262,598
Program attendance.....	12,274	11,217	11,136	11,522	10,824	10,058	8,791	5,776	9,783	9,762
<b>Youth &amp; Family Services</b>										
Misc resident clinical consultation hours.....	1,500	683	822	726	677	889	987	1,003	1,052	1,052
<b>Recreation</b>										
Participants.....	6,950	7,967	7,327	7,877	8,327	8,013	7,264	8,248	9,564	8,526
Special Events Participants.....	-	-	-	-	-	-	4,850	5,750	13,700	14,000
Pool Admittance.....	-	-	-	-	-	-	-	-	-	15,426

NA: Information not available  
Note: 2015 information not available  
Source: Various Town Departments

**Town of Westwood, Massachusetts**  
**Capital Asset Statistics by Function/Program**

**Last Ten Years**

**Year**

<b><u>Function/Program</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
General Government										
Number of Buildings.....	3	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	700	700	700	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.

Source: MA Department of Revenue

**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."

Municipality	Miles from Westwood	2013 Population	2012 EQV Per Capita	2011 Income Per Capita
Canton	8	21,932	\$188,365	\$48,593
Concord	24	19,285	\$283,524	\$100,013
Holliston	14	14,162	\$151,561	\$47,765
Medfield	6	12,313	\$194,310	\$77,499
Sharon	9	18,027	\$162,378	\$56,677
Sudbury	21	18,367	\$226,856	\$93,407
Wayland	17	13,444	\$233,597	\$133,867
Weston	15	11,853	\$477,539	\$267,636
<b>Westwood</b>		<b>14,876</b>	<b>\$250,698</b>	<b>\$89,407</b>

2015				
Municipality	Residential Tax Rate	Commercial Tax Rate	Tax Levy	Taxes As % of Total Revenue
Canton	12.82	26.36	\$64,629,621	67
Concord	14.29	14.29	\$77,341,747	81.41
Holliston	19.38	19.38	\$40,577,504	63.29
Medfield	16.04	16.04	\$38,320,353	66.79
Sharon	20.30	20.30	\$60,056,129	74.57
Sudbury	17.60	24.88	\$73,549,581	80.12
Wayland	18.39	18.39	\$59,586,292	75.09
Weston	12.28	12.28	\$68,920,999	72.32
<b>Westwood</b>	<b>15.24</b>	<b>28.79</b>	<b>\$61,991,050</b>	<b>77.47</b>

Municipality	2015			2014	2014	
	Average Single Family Tax Bill	2015 State Hi-Lo Rank	7-1-14 Free Cash	Stabilization Fund	Moody's Bond Rating	S&P
Canton	\$6,066	75	\$3,271,361	\$5,074,180		AAA
Concord	\$12,890	7	\$11,084,916	\$5,324,810	Aaa	
Holliston	\$7,495	46	\$690,000	\$5,884,487	Aa2	Aa+
Medfield	\$9,554	21	\$2,426,282	\$2,922,469	Aa1	
Sharon	\$9,617	20	\$-281,078	\$400,522	Aa2	Aa
Sudbury	\$11,598	10	\$3,322,365	\$4,128,451	Aa1	AAA
Wayland	\$12,049	9	\$6,384,312	\$1,585,335	Aaa	
Weston	\$18,059	1	\$4,039,334	\$0	Aaa	AAA
<b>Westwood</b>	<b>\$9,999</b>	<b>17</b>	<b>\$4,502,878</b>	<b>\$2,651,292</b>	<b>Aa1</b>	<b>AAA</b>

## Some Facts About Westwood

<b>Form of Government</b>	Board of Selectmen, Executive Secretary, Open Town Meeting			
<b>Population Trends</b>	<b>2000</b>		<b>2013</b>	
	14,117		14,876	
<b>Registered Voters (2014)</b>	<b>Total</b>	<b>Democrats</b>	<b>Republicans</b>	<b>Unenrolled/Other</b>
	10,511	2,726	1,595	6,190

### Westwood Schools

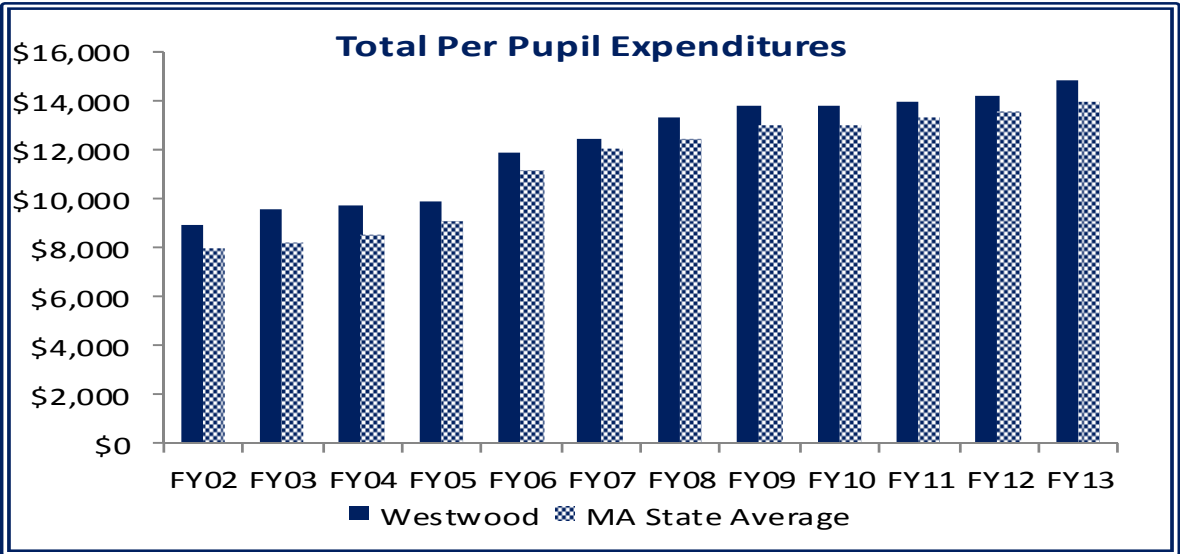
In April, 2005 the new high school and recreational sports fields were opened for students. The new school features beautiful classroom facilities, a state of the art media center, and a new performing arts facility.

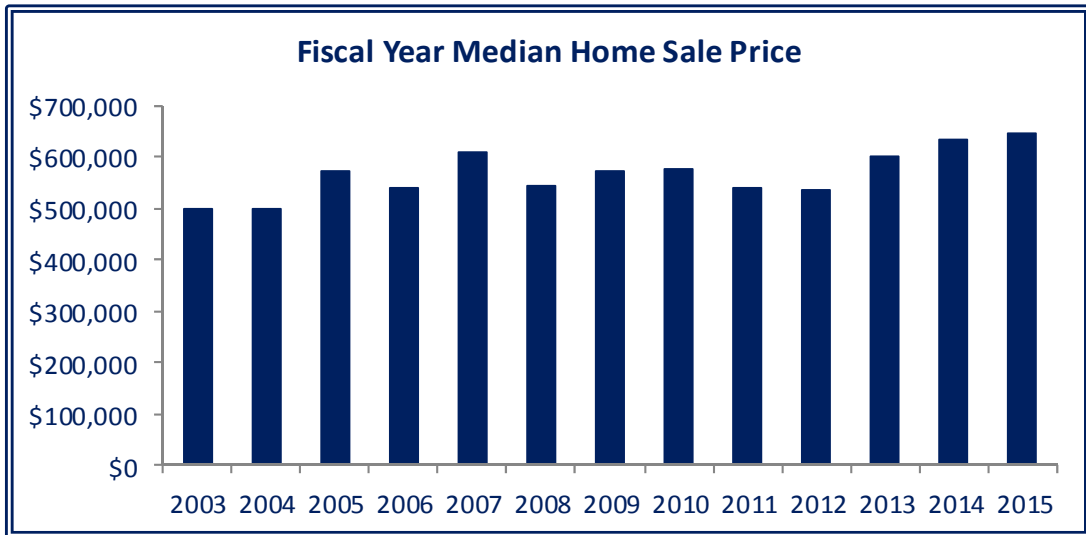


#### 2012 National Blue Ribbon School of Excellence



Westwood High School was named a 2012 National blue Ribbon High School by U. S. Secretary of Education Arne Duncan on September 7, 2012. The school is one of just 38 high schools nationwide to be identified as “Exemplary High Performing,” a designation reserved for schools that are among their state’s highest performing schools.





**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